

RIO BLANCO COUNTY  
*FINANCIAL STATEMENTS*  
December 31, 2010

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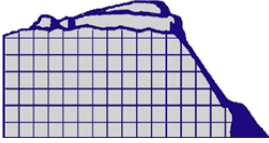
This document is set up to print double-sided. The following pages are intended to be viewed side-by-side: B-2&3, B-4&5, B-7&8, D-2&3, E-1&2.

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

Independent Auditor’s Report .....	I-1
Management’s Discussion and Analysis (RSI).....	A-1
<b>Basic Financial Statements</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Assets .....	B-1
Statement of Activities .....	B-2
<b>Governmental Fund Financial Statements</b>	
Balance Sheet .....	B-4
Reconciliation of Total Governmental Fund Balances to the Statement of Net Assets.....	B-6
Statement of Revenues, Expenditures and Changes in Fund Balances .....	B-7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	B-9
<b>Proprietary Fund Financial Statements</b>	
Statement of Net Assets .....	B-10
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds .....	B-11
Statement of Cash Flows .....	B-12
<b>Fiduciary Fund Financial Statements</b>	
Statement of Fiduciary Net Assets .....	B-13
Notes to the Financial Statements.....	C-1
<b>Required Supplementary Information Other Than MD&amp;A</b>	
Information for Governments Using The Modified Approach.....	D-1
<b>Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual</b>	
<b>Major Governmental Funds</b>	
General Fund.....	D-2
County Capital Improvement Trust Fund .....	D-4
Road & Bridge Fund .....	D-5
Use Tax Fund .....	D-6
Impact Fee Trust Fund .....	D-7
Capital Expenditure Fund.....	D-8
Capital Improvement Plan Fund.....	D-9
<b>Supplementary Information</b>	
<b>Combining Statements of Non-major Governmental Funds</b>	
Explanation of Non-major funds .....	D-10
Combining Balance Sheet .....	D-11
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	D-12
<b>Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual</b>	
<b>Non-major Governmental Funds</b>	
<b>Special Revenue Funds</b>	
Social Services Fund .....	D-13
Public Health Fund.....	D-14
Conservation Trust .....	D-15
Contingent .....	D-16

**TABLE OF CONTENTS**  
Continued

Combining Statements of Non-major Enterprise Funds	
Combining Statement of Net Assets.....	D-17
Combining Statement of Revenues, Expenses, and Changes in Net Assets.....	D-18
Combining Statement of Cash Flows .....	D-19
Combining Statements of Internal Service Funds	
Combining Statement of Net Assets.....	D-20
Combining Statement of Revenues, Expenses and Changes in Net Assets.....	D-21
Combining Statement of Cash Flows .....	D-22
Schedule of Revenues, Expenses and Changes in Fund Equity – Budget and Actual Enterprise Funds, Internal Service Funds and Component Unit	
Enterprise Funds	
Solid Waste Landfill .....	D-23
Weed and Pest Control.....	D-24
Fairfield Complex .....	D-25
Internal Service Funds	
Central Services .....	D-26
Fleet Management.....	D-27
Local Highway Finance Report.....	E-1
Single Audit Reports and Schedules.....	F-1
Schedule of Expenditures of Federal Awards.....	G-1
Note to the Schedule of Expenditures of Federal Awards .....	H-1



## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Rio Blanco County  
Meeker, Colorado

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rio Blanco County, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Rio Blanco County's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 20, 2011, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages A-1 through A-11 and D-1 through D-27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

*Paul D. Miller, CPA, LLC*

Grand Junction, CO

June 20, 2011

## **Management's Discussion and Analysis**

The management of Rio Blanco County presents this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here along with the additional information in the basic financial statements to gain a better understanding of the financial position of Rio Blanco County.

### **Financial Highlights**

- Rio Blanco County's assets (\$99.8 million) exceeded liabilities (\$17.8 million) by \$82.1 million at the end of 2010. This compares to \$66.7 million for 2009. For 2010, \$61.4 million of the County's net assets may be used to meet the County's ongoing obligations to citizens. The remaining \$20.7 million is invested in capital assets or otherwise restricted. The County experienced approximately \$15.3 million increase in net assets during 2010, an increase of 23.0%.
- Revenues of \$37.1 million exceeded expenditures of \$21.7 million for the current year change in net assets. This was an increase of \$3.4 million in revenue and a decrease of \$9.6 million in expenditures from the prior year. \$9.5 million of the decrease in expenditures relates to a one-time recognition in 2009 of an expenditure/liability for use tax refunds. \$2.2 million in associated revenues were recorded in 2010, recognizing the expiration of one year of potential claims for refund. There is a statute of limitation of three years on how far back outstanding use tax refunds can be claimed, and for purposes of financial reporting it is assumed all remaining will be claimed within one year, thus shown as a current liability, but claims could continue through 2012.
- Rio Blanco County continues to use the Wray Gulch Landfill as its only active facility for disposal of solid waste. The County's solid waste landfill continued to operate without any County tax revenue transfers. In 2010, the final closure of the Rangely Landfill was completed. The County performs maintenance, as needed, on its closed landfills based on monthly inspections. A total of \$48,579 in landfill closure and post-closure costs were paid out for 2010. As of December 31, 2010, the County recognized future closure and post-closure care liability in the total amount of \$122,517 for three landfills, including the one still in use.
- Rio Blanco County has no outstanding long-term debt other than its liability for employees' compensated absences and for the landfill closure and post-closure costs.
- Governmental funds reported combined ending fund balances of \$60.8 million, an increase of \$12.0 million in comparison with the prior year. The County's General Fund balance was \$21.0 million as of December 31, 2010; this exceeds the previous year by \$1.1 million.
- The County's General Fund policy is to have an unreserved fund balance equal to at least three months of the annual General Fund expenditures. At December 31, 2010 the County's unreserved General Fund balance was \$20.1 million or 229% of annual expenditures.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Rio Blanco County's basic financial statements, which are comprised of: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Rio Blanco County finances and in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed over the past year. All changes in net assets are reported as soon as an "event" causing a change occurs, regardless of when related cash flows actually take place. As a result, revenues and expenses are reported in this statement for some items that will only result in cash flows in future financial periods; for example, grants not yet reimbursed or vacation leave which has been earned but not yet used.

Both of the government-wide financial statements distinguish activities of Rio Blanco County that are primarily supported by taxes and state/federal monies (intergovernmental activities) from activities that are intended to be funded primarily from user fees and charges (business-type activities). The governmental activities of the County include general government, health and welfare, judicial and public safety, public works, and recreation and culture. The business-type activities of the County include solid waste landfills, weed and pest control, and Fairfield Complex operations.

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

## Fund Financial Statements

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

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

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

Rio Blanco County maintains seven governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the *General Fund, the County Capital Improvement Trust Fund, the Road and Bridge Fund, the Use Tax Fund, the Impact Fee Trust Fund, the Capital Expenditure Fund, and the Capital Improvement Plan Fund*, all of which are considered to be major funds. Information from an additional four governmental funds, *Social Services Fund, Public Health Agency Fund, Conservation Trust Fund, and Contingent Fund*, are combined into a single, aggregated presentation.

**Proprietary Funds** - Rio Blanco County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the solid waste landfills, weed and pest control, and the Fairfield Complex. These three proprietary funds are combined into a single aggregate presentation in the enterprise fund financial statements. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The *Fleet Management Fund* is used to account for the County's motorized vehicles and the *Central*

*Services Fund* is used to account for shared services like property and casualty insurance, annual audit services, building rent, etc. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's operations. Rio Blanco County has two fiduciary funds. The Treasurer's Agency Fund is used to account for cash held by the County Treasurer for distribution to other governments. The Sheriff's Inmate Agency Fund is used to account for inmate cash held by the Sheriff for distribution upon release.

**Budgetary Comparisons** - Rio Blanco County adopts an annual appropriated budget for all of its funds. Budget to actual comparisons for each fund are provided elsewhere in this report.

**Notes to the Financial Statements** - These notes provide additional information that is necessary in gaining a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** - The combining statements referred to earlier in connection with non-major governmental, enterprise and internal service funds are presented immediately following the notes to the financial statements. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

## COUNTY-WIDE FINANCIAL ANALYSIS

**Net Assets** - Net assets may serve over time as a useful indicator of a government's financial position. As of December 31, 2010, assets exceeded liabilities by \$82.1 million.

The following table provides a summary comparison of the County's governmental and business-type net assets for 2010 and a comparison to 2009.

Net Assets						
	Governmental		Business Type		Total Primary Government	
	Activities		Activities		(Net of Internal Balances)	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Current and other assets	\$ 80,234,484	\$71,958,285	\$ 2,448,698	\$2,100,530	\$82,683,182	\$74,058,815
Capital asset	13,782,961	12,130,147	3,365,172	2,507,424	17,148,133	14,637,571
Total assets	94,017,445	84,088,432	5,813,870	4,607,954	99,831,315	88,696,386
<b>Liabilities</b>						
Current and other liabilities	17,142,234	21,322,209	15,484	25,000	17,157,718	21,347,209
Long-term liabilities	455,851	461,263	149,650	146,924	605,501	608,187
Total liabilities	17,598,085	21,783,472	165,134	171,924	17,763,219	21,955,396
Invested in capital assets	13,782,961	12,130,147	3,365,172	2,507,424	17,148,133	14,637,571
Restricted	1,277,378	1,393,149	339,303	307,246	1,616,681	1,700,395
Unrestricted	61,359,021	48,781,664	1,944,261	1,621,360	63,303,282	50,403,024
Total net assets	\$76,419,360	\$62,304,960	\$5,648,736	\$4,436,030	\$82,068,096	\$66,740,990

Rio Blanco County's total assets were 5.6 times the County's total liabilities at December 31, 2010. Rio Blanco County had no long-term liabilities from borrowing or other financing at the end of the year. The total amount of the long-term liabilities was a combination of accrued compensated absences due to employees at December 31 and amounts expensed and accrued for closure and post-closure costs for the County's landfills.

At the end of 2010, Rio Blanco County had positive balances in all three categories of net assets. 26% of Rio Blanco County's net assets were held by the General Fund. 22% of the County's net assets were held by the County Capital



Improvement Trust Fund (CCITF) to provide for County-wide capital improvement projects. 8% of the County's net assets were held by the Capital Improvement Plan Fund for County capital improvement projects, including assignment of federal mineral leasing payments and severance tax payments toward construction of a future justice center.

Restricted net assets include funds held for other projects and for emergencies. At December 31, 2010 the total amount held in restricted net asset accounts was 2% of the County's total net assets.

21% of the County's net assets are capital assets that are being used in the operation of the County and new infrastructure assets that are provided and maintained by the County. Infrastructure assets completed and in place before January 1, 2002 are not included in net assets. The County has elected to use the modified approach of reporting infrastructure assets placed in service since 2001. There have been no significant changes in the assessed conditions of eligible infrastructure assets beyond that which is attributable to normal use, and the County incurred no expenditures in 2010 for maintaining and/or preserving those assets.

The portion of total net assets which may be used to meet the County's ongoing obligations to citizens (unrestricted net assets) is 77% of total net assets. This is comparable to the prior year (2009) portion of 76%. This amount is needed for working capital.

**Changes in Net Assets** - Governmental and business-type activities increased the County's net assets by \$15.3 million in 2010. The following table indicates the changes in net assets for governmental and business-type activities for 2010. Comparative data is provided for analysis.

Changes in Net Assets						
	Governmental Activities		Business Type Activities		Total Primary Government (Net of Internal Balances)	
	2010	2009	2010	2009	2010	2009
<b>REVENUES</b>						
<b>Program revenues:</b>						
Charges for services	\$ 5,222,869	\$6,218,917	\$ 1,602,154	\$1,820,460	\$6,825,023	\$8,039,377
Operating grants/contrib.	5,701,313	4,888,935	75,546	54,350	5,776,859	4,943,285
Capital grants/contrib.	1,609,326	1,367,817	634,296	7,623	2,243,622	1,375,440
<b>General revenues:</b>						
Property taxes	10,432,143	7,411,263	-	-	10,432,143	7,411,263
Other taxes	6,071,659	8,257,720	-	-	6,071,659	8,257,720
Other revenues	5,708,666	3,582,485	-	-	5,708,666	3,582,485
Total revenues	34,745,976	31,727,137	2,311,996	1,882,433	37,057,972	33,609,570
<b>EXPENSES</b>						
General government	5,248,227	14,198,973	-	-	5,248,227	14,198,973
Health and welfare	3,200,392	2,794,187	-	-	3,200,392	2,794,187
Intergovernmental	525,266	990,694	-	-	525,266	990,694
Judicial and public safety	3,779,813	3,461,787	-	-	3,779,813	3,461,787
Public works	7,110,159	8,392,855	-	-	7,110,159	8,392,855
Recreation and culture	365,418	342,088	-	-	365,418	342,088
Solid waste landfill	-	-	644,060	658,803	644,060	658,803
Weed and pest control	-	-	287,895	279,155	287,895	279,155
Fairfield complex	-	-	284,100	224,815	284,100	224,815
Total expenditures	20,229,275	30,180,584	1,216,055	1,162,773	21,445,330	31,343,357
Increase before transfers	14,516,701	1,546,553	1,095,941	719,660	15,612,642	2,266,213
Transfers	(402,300)	(232,300)	402,300	232,300	-	-
Increase in net assets	\$14,114,401	\$1,314,253	\$1,498,241	\$951,960	\$15,612,642	\$2,266,213

During 2010, total revenues for combined governmental and business-type activities were 40% direct program revenues and 60% general revenues. The prior year mix was 43% direct program revenues and 57% general revenues.

- The major program revenues for governmental activities were as follows:
  - ❖ Charges for services were 15% of total revenues. The major sources of this revenue were various charges for: services, fees, fines, miscellaneous, sales of aviation fuels, rentals and donations and charges to outside organizations for goods and services by internal service funds.
  - ❖ Operating grants and contributions were 16% of total revenues. Major funding came from State shared Highway Users Taxes of \$2,661,295. State grants are significant revenue sources for operations of Social Services and the Public Health Agency.
  - ❖ Capital grants and contributions were 5% of total revenues. The majority of this funding came from energy impact grants through the State for road and bridge projects, and several airport projects funded by a combination of federal and state grants.
  
- The major program revenues for business-type activities were:
  - ❖ Charges for services were 69% of total revenues for 2010 as compared to 97% of total revenues for 2009. The large variance is attributable to the addition of capital by the general government in 2010 (a one-time occurrence). The majority of revenues for each business-type activity are charges for the specific products and/or services for which the activity was established.
  - ❖ Operating grants and contributions were 3% of total revenues. The Weed and Pest Control Fund received federal and state grants totaling \$40,546 while the Fairfield Complex Fund received grants totaling \$35,000 from the town and a local organization.
  - ❖ Capital grants and contributions were 27% of total revenues. The majority of this funding came from the general government for construction of office spaces, while the Fairfield Complex Fund received \$30,000 from a local organization for roof repair.
  
- All general revenues were credited 100% to governmental activities. However, a revenue transfer of \$202,300 was made from the General Fund to the Weed and Pest Control Fund, a revenue transfer of \$170,000 was made from the General Fund to the Fairfield Complex Fund, and a revenue transfer of \$30,000 was made from the Use Tax Fund to the Fairfield Complex Fund. These transfers represent the County Government's annual contributions to business type activities.

The major sources of general revenues for 2010 were:

- ❖ Property taxes were 30% of total revenues (vs. 23% for 2009), 47% of general revenues (vs. 38% for 2009).
- ❖ Other taxes included \$4,203,077 of sales tax (vs. \$4,386,897 for 2009) and \$908,121 of use tax (vs. \$2,017,924 for 2009). These two taxes were 23% of general revenues (vs. 33% for 2009).
- ❖ All other general revenues combined were 30% of general revenues (vs. 28% for 2009). The sources of these revenues were: investment earnings \$732,889, Mineral Leasing revenue \$2,099,241, Payment in Lieu of Taxes \$493,953, Severance Taxes \$351,364, and \$2,991,680 of miscellaneous revenues which included \$2,186,440 in expiration of use tax refund liability previously recorded as an expense in 2009.

The total expenditures for combined governmental and business-type activities were made up of \$20,229,275 of expenditures for governmental activities (a decrease of \$9,951,309 from 2009 which included a one-time recognition of \$9.5 million in liability for use tax refunds) and \$1,501,590 of expenses for business-type activities (an increase of \$338,817 over 2009). Of the total expenditures 93% were for governmental activities and 7% for business-type activities.

- The percentage of total County expenses for each type of governmental activity is:
  - ❖ 26% – Governmental
  - ❖ 16% – Health and welfare
  - ❖ 2% – Intergovernmental
  - ❖ 19% – Judicial and public safety
  - ❖ 35% – Public works
  - ❖ 2% – Recreation and culture

- The percentage of total County expenses for each business-type activity is:
  - ❖ 61% – Solid Waste Landfill
  - ❖ 19% – Weed and Pest Control
  - ❖ 20% – Fairfield Complex (Community Center)
- For the year 2010, the net transfers from the governmental activities to business-type activities were \$402,300, approximately half to the Weed and Pest Control Fund and half to the Fairfield Complex Fund.
- During the year 2010 the County’s combined business-type activities earned income of \$810,406 before transfers and capital contributions from the County’s governmental-type activities. This is a 13% increase in income when compared to the combined income in 2009 of \$719,660. Compared to the prior year, total fees at the landfill declined while capital costs were incurred on the assumption revenue growth would continue for a net decrease of \$475,654. This was offset by new offices constructed with general government assets that were then transferred to enterprise funds, causing capital contributed revenues in the enterprise funds of \$604,296.

## FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

As mentioned earlier, Rio Blanco County uses fund accounting to ensure and demonstrate the compliance with finance-related legal requirements.

**Governmental Funds** - The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year.

As of the end of 2010, the combined ending fund balance of Rio Blanco County’s governmental funds was \$60,772,335, an increase of 25% (\$11,984,469) from the prior year. Approximately 95% (\$57,993,481) of this consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. \$18,114,472 (30%) of the total fund balance was held by the County Capital Improvement Trust Fund and is intended for expenditures that are in compliance with the Trust Fund Resolution and Colorado statutes. The remainder of the fund balance is reserved to indicate it is not available for new spending because it is committed for the following purposes: (1) reserved for emergencies \$920,403, (2) reserved for inventories and prepaids \$1,501,476, and (3) reserved for Federal Forest Service Title III projects \$356,975.

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

### 1. *General Fund*

The *General Fund* is the primary operating fund for Rio Blanco County. It accounts for many core services and ordinary operations such as public safety, personnel and administration. The fund balance of the general fund was \$20,959,482 at December 31, 2010. This was an increase of 6% over 2009. 96% or \$20,107,012 of the total balance was unreserved. \$820,403 was reserved for emergencies in compliance with Title-X of the Colorado constitution, and \$32,067 was nonspendable in the form of inventories and prepaids. The General Fund transferred \$3.16 million to the Capital Improvement Plan Fund in 2010 to fund larger projects.

The unreserved fund balance is available for working capital and to be used for subsequent operations. Working capital is: cash, cash equivalents, and receivables (soon to be converted to cash) that can be used to eliminate short-term accrued liabilities and for cash disbursements in subsequent periods.

A comparison of unreserved fund balance to total fund expenditures is often a useful measure of the General Fund’s ability to continue financial operations without major changes in spending level and/or additional financing. The unreserved fund balance in the General Fund represented 229% of the General Fund expenditures for the year ended December 31, 2010. This ratio indicates funds for expenditures for approximately twenty-eight months were available at December 31, 2010 vs. twenty-seven months at the end of 2009. This is a strong

indication the general fund has the resources to continue operations without serious trouble; however, a more detailed analysis of the General Fund's assets, liabilities and cash flow is needed for reliance upon this single statistic.

Most of the ratios that are used to aid in the financial analysis of business organizations provide only very limited information in an analysis of any governmental type fund; however, governmental funds in severely bad liquidity condition can often be recognized by such an analysis. Therefore the following items and relationships are presented for the Rio Blanco County's General Fund at December 31, 2010:

1. **Working Capital: \$20,107,012**

Governmental funds do not show fixed assets or long-term liabilities on the fund balance sheet; therefore the fund balance is the fund's "working capital." However, a portion of the fund balance is reserved and may not be available for use as working capital. Therefore, the unreserved fund balance of \$20,107,012 is substituted for "working capital" as a measure of liquidity for the fund.

2. **Current Ratio** (current assets divided by current liabilities) **8.3:1**

**Modified Current Ratio** (current assets less property tax accrual and less "long term" prepaid expenses divided by current liabilities less property tax deferral) **54:1**. The current ratio is used, by business organizations, to display the ability to meet currently maturing obligations. This ratio is quite large for the General Fund and is mostly due to the low level of current debt.

**Transfer Impact** These above ratios are lower than 2009 (8.1:1 and 162:1 respectively) due to the timing of a delayed transfer between the General Fund and the Capital Improvement Plan Fund done in early 2011. Thus, current liabilities at December 31, 2011 included an additional \$290,128 which is also included in current assets. If the transfer had taken place in 2010, the current ratio would have been at 9.1:1 and the modified current ratio would have been at 201:1, both being improvements over the prior year.

While the analysis provided above should be combined with other information in order to develop a certain conclusion as to the liquidity and the probability of continuation of financial operations by the Rio Blanco County General Fund, it is also obvious the County's General Fund has a high level of liquidity and that only a disaster would prevent the General Fund from continuing operations as it has in the past, at least for the subsequent year.

2. *County Capital Improvement Trust Fund*

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

During the year 2010, \$312,722 in grants was paid out. The entire fund balance of \$18,114,472 is reserved for County capital improvement projects; and, \$5,000 of that fund balance is specifically committed to awards outstanding as of December 31, 2010. All of the fund's assets consist of \$17,987,634 of cash and liquid investments, and \$126,838 of interest receivable net of premiums accrued and prepaid interest. The fund had no liabilities at December 31, 2010.

3. *Road and Bridge Fund*

The *Road and Bridge Fund* records costs related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a road and bridge fund. A portion of road and bridge property taxes is allocated to cities and towns for use in their road and street activities.

The fund balance in the Road and Bridge Fund at December 31, 2010 was \$3,523,877. Of the total fund balance: 42% was invested in inventory, 10% was held for future Federal Forest Reserve Title III projects, and 48% was unreserved.

The fund balance increased \$1,914,711 over the prior year. This was generated by a greater portion of the County's mills being allocated to Road and Bridge to address the working capital shortfall in 2009, and a one-time SUP fee of \$768,520 receipted into Road and Bridge to fund an overlay on CR 31 appropriated in 2011.

The unreserved fund balance was 28% of the 2010 expenditures. This could provide working capital (in addition to inventory) for three months of operations. Because of a somewhat regular cash flow for operations, limited working capital is needed for operations to continue as normal, except when the fund is used for large road and/or bridge construction projects. For this reason, cost reimbursement grant funded projects are of special interest, and temporary loans from other sources may be needed in these situations.

**4. *Use Tax Fund***

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

The fund balance in the Use Tax Fund at December 31, 2010 was \$3,935,727. This was an increase of \$2,664,772 over 2009. 100% of the fund balance remaining at year-end was unreserved.

The majority of the change in fund balance is due to the County's involvement in litigation with two major oil and gas companies regarding the collection of use tax on some building and construction projects. In late 2009, the Colorado Supreme Court ruled against Rio Blanco County in its final appeal. Due to this ruling, the County recorded a \$9.5 million liability for use tax refunds in 2009. The statute of limitations on claims for these refunds is three years. The liability was reduced in 2010 to \$5.7 million by the payment of refunds and the expiration of one of the three years for which claims can be filed (resulting in \$2,186,440 of recognized revenue in 2010, recorded as part of the total expense recorded in 2009). The cash to pay the remaining potential refunds is available in the fund because it was the decision of Rio Blanco County's management when the litigation began not to budget appropriations from the revenues being challenged.

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

**5. *Impact Fee Trust Fund***

The *Impact Fee Trust Fund* was created by a resolution to adopt by the Board of County Commissioners on June 9, 2008. The purpose of the fund is to provide accurate accounting of impact fees collected and expended. Impact Fees were established to require new development to pay a reasonable, fair, and equitable share of the growth-related costs incurred by the County. The fund balance in the Impact Fee Trust Fund at December 31, 2010 was \$5,853,316 (as compared to \$4,728,283 in 2009).

There are three capital categories these funds can be expended in: Administrative, Law Enforcement and Road and Bridge. In 2010, the County utilized \$24,875 of the Law Enforcement funds on preliminary design for a future justice center. Also in 2010, the County utilized \$1,377,825 of the Road and Bridge funds on continued planning and engineering for improvements to County Road 5 (funding for initial construction projects has been appropriated for 2011).

**6. *Capital Expenditure Fund***

The *County Capital Expenditure Fund* is used to record the expenditure of specific general governmental capital related projects and acquisition of specific general government capital assets. The fund is primarily designed to "break even" i.e. for use as a "pass through" accounting tool. The fund is not intended to be used for operations. Specific funding must be provided for each individual purchase. The fund balance in the Capital Expenditure Fund at December 31, 2010 was \$1,074,989 (as compared to \$1,693,895 in 2009). The decline in the fund balance of the Capital Expenditure Fund is a result of tax revenue collections being less than total project costs and transfers out. The Capital Expenditure Fund transferred \$3.45 million to the Capital Improvement Plan Fund in 2010 to fund larger projects.

During 2010 a motorgrader roller/compactor attachment for \$20,000 and a pothole/vacuum machine for \$30,000 were purchased for Road and Bridge; a trailer mounted man lift was purchased for courthouse maintenance for \$20,000; virtual server technology was implemented by Information Systems for \$55,076; an upgrade to the Assessor and Treasurer's software began for \$50,123; a storage building for \$30,811 was built and a wash rack started for \$5,024 at Columbine Park; the grandstands at the Meeker Fairgrounds were upgraded for

seniors/disabled in the amount of \$14,200; the balance of a security fence and hydraulic gate was installed at the Rangely airport plus a walk-thru gate for \$13,227 (80% provided by a grant from the Colorado Department of Transportation); court security equipment (provided by a grant from the Colorado Court Security Fund) was installed in the courthouse for \$27,688; and, a truck vault storage unit was purchased for the Sheriff's department in the amount of \$7,850.

**7. Capital Improvement Plan Fund**

The *Capital Improvement Plan Fund* provides funding for projects that help the County provide for its facility and infrastructure needs based on an annual review of a five year plan. The fund balance in the Capital Improvement Plan Fund at December 31, 2010 was \$6,182,182 (as compared to \$437,351 in 2009).

Projects during 2010 included: roof repairs and HVAC upgrades were completed on the Rangely annex building for \$192,263; remodeling for general government office space in the Fairfield complex was completed for \$591,391; planning continued on two bridges for \$110,920 (on CR 27, having an 82% grant from the state, and on CR 10, having a 45% federal grant); preparation for construction of a multi-purpose building at the Meeker Fairgrounds continued for \$24,487 (provided primarily by donations); energy assessment improvements began for \$410,150 (provided by a Governor's Energy Office grant, three different SEP fines, and the Fairfield Trust); a radio communications repeater was added on Wilson Creek (provided by a Public Safety Interoperable Communications Homeland Security grant) for \$21,132; construction of towers for a DTR 800 radio system began for \$50,379; Rangely airport seal coat and repainting of markings was completed for \$183,565 (80% provided by a grant from the Colorado Department of Transportation); and, Meeker airport began the environmental assessment phase of a runway reconstruction project for \$114,353 (95% provided by a grant from the US Department of Transportation/Federal Aviation Administration and 2.5% provided by a grant from the Colorado Department of Transportation).

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

As of the end of 2010, the combined ending net assets of Rio Blanco County's enterprise funds were \$5,648,736 which was an increase from 2009 of \$1,212,706. \$1,912,879 (34%) of this consisted of unrestricted net assets that were available as working capital and for subsequent spending.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The County's budget was prepared in compliance with the State of Colorado statutes. In December of 2009, the Rio Blanco County Commissioners budgeted \$10,619,300 for 2010 general fund expenditures (excluding other financing uses). During 2010 supplemental budgets were approved, increasing the budgeted expenditures an additional \$36,492 to \$10,655,792. At year end, 82% of the total budget was expended, or \$8,762,513.

During the year revenues exceeded budgetary estimates by 29% (excluding other financing sources) and expenditures were 18% less than the final budgetary estimates (excluding other financing uses). These produced a net increase to ending fund balance of \$5.2 million dollars and eliminated the need to draw upon existing fund balance.

## CAPITAL ASSET AND DEBT ADMINISTRATION

The County's capital assets at December 31, 2010 are presented in the following table.

	Governmental	Business Type	Total
	Activities	Activities	
Land	\$ 1,087,712	\$ 303,605	\$1,391,317
Land improvements	1,392,962	9,636	1,402,598
Buildings and building improvements	4,237,007	2,557,131	6,794,138
Equipment and furniture	4,415,532	140,645	4,556,177
Infrastructure	992,603	-	992,603
Construction-in-progress	1,657,145	354,155	2,011,300
	<u>\$ 13,782,961</u>	<u>\$ 3,365,172</u>	<u>\$ 17,148,133</u>

None of the above capital assets have any associated debt as of December 31, 2010.

## FUTURE BUDGETS AND ECONOMIC FACTORS

### Revenue Trends

Property tax accounted for 28% of the County's total revenues in 2010. This source of revenue increased 41% or \$3.0 million over 2009, and also increased as a percentage of total revenues by 6%. Property valuations in the oil and gas industry within the County are fluctuating. Oil and gas was 70% of total assessed value in 2009, and dropped to 51% in 2010. Industrial valuations had been 11% of total assessed value in 2009, and increased to 28% in 2010. Together, at 81% in 2009 and 79% in 2010, these two classifications have a significant impact on County property tax revenues. Early indicators of 2011 valuations show these property classes are holding.

Sales taxes decreased 4% in 2010 while use taxes declined 55% and other taxes were down 48% for a combined net reduction of \$2.2 million in these sources. The total of charges for services and fees decreased 15%. Investment earnings remained poor in 2010, but were only down slightly from 2009.

State transfers of federal mineral leasing and severance tax revenues from the Department of Local Affairs' Energy and Mineral Impact Assistance Fund to the General Fund led to a decrease in intergovernmental revenues at the local level as the grant program was suspended.

### Economy

During 2008 the national economy began to spiral downward. In 2009, it ebbed and flowed with no significant improvement. And, in 2010, it remained stagnant. Signs of recovery were few.

Rio Blanco County has not been unaffected. Industry activity has slowed and the workforce shrank. Unemployment rates remain lower in Rio Blanco County than they are in Colorado and across the nation, but consumer driven revenues declined in 2009 and again in 2010.

In these uncertain economic times, Rio Blanco County's management remains conservative. The County has been careful not to add new positions unless absolutely justified, reduced staffing through attrition where less activity warranted such, and started to look at areas that could be trimmed if activity does not begin to pick up. There were no cost of living increases in 2010 and none budgeted for 2011. Departments have been vigilant in managing their budgets. In budgeting, the County does not count on revenues that may not materialize. This prevents inadvertent overspending. These measures cause fund balances to grow and provide extra cushion from continued negative economic conditions.

## **Upcoming Operations Issues**

During 2010, final closure at the Rangely landfill was completed (only post-closure monitoring remains). Wray Gulch is the only landfill currently accepting waste in the county. A significant increase in commercial usage in 2009 caused a need for early development of the next cell (pit) at Wray Gulch. In 2010, this landfill was temporarily stopped from accepting special waste, but still ended the year with close to the same commercial revenue as in 2009. Special waste generators have started using alternate methods of disposal, thus these revenues are expected to decline in 2011.

In 2011, planning will continue for the needed Criminal Justice facility and associated courthouse remodel in Meeker, the Meeker Airport will prepare for runway reconstruction which will result in the airport being closed for up to a year. The development of DTR 800 radio tower sites will continue with construction at the Melen Hill, Calamity Ridge, and Marvine sites. After several years of planning and engineering, construction projects along County Road 5 will begin to happen as funds are available, with a safety enhancement between mile posts 11 and 12 and intersection improvements where County Road 24 and County Road 5 meet. New software implementation will take place in the offices of the Clerk, the Assessor and the Treasurer.

Rio Blanco County will pursue forming a separate Federal Mineral Leasing district to maximize federal receipts for PILT (payment in lieu of tax), and the pest control districts will be integrated into the County's financial processes in 2011.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Rio Blanco County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Finance Office, Finance Director, P.O. Box 1047, Meeker, CO 81641.



**RIO BLANCO COUNTY, COLORADO**  
**STATEMENT OF NET ASSETS**  
**December 31, 2010**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 65,665,553	\$ 2,228,222	\$ 67,893,775
Property taxes receivable	10,211,425	-	10,211,425
Other receivables	583,887	189,094	772,981
Due from other governmental units	1,777,924	-	1,777,924
Prepays and deposits	280,749	-	280,749
Inventories	1,714,946	31,382	1,746,328
Capital assets, net	13,782,961	3,365,172	17,148,133
Total assets	94,017,445	5,813,870	99,831,315
<b>LIABILITIES</b>			
Accounts payable	6,463,949	15,484	6,479,433
Due to other governmental units	378,732	-	378,732
Deferred revenue	10,299,553	-	10,299,553
Long-term liabilities			
Due more than one year:			
Compensated absences	455,851	27,133	482,984
Closure and postclosure care	-	122,517	122,517
Total liabilities	17,598,085	165,134	17,763,219
<b>NET ASSETS</b>			
Invested in capital assets net of debt	13,782,961	3,365,172	17,148,133
Restricted for:			
Capital	356,975	-	356,975
Closure and postclosure care	-	339,303	339,303
Emergencies	920,403	-	920,403
Unrestricted	61,359,021	1,944,261	63,303,282
Total net assets	\$ 76,419,360	\$ 5,648,736	\$ 82,068,096

See accompanying notes to the basic financial statements.

**RIO BLANCO COUNTY, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2010**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Fees	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 5,248,227	\$ 2,616,964	\$ -	\$ 217,303
Health and welfare	3,200,392	27,038	2,173,119	120,022
Intergovernmental - Grants, etc.	525,266	79,443	-	119,880
Judicial and public safety	3,779,813	368,047	57,573	49,691
Public works	7,110,159	2,094,547	3,462,324	959,430
Recreation and culture	365,418	36,830	8,297	143,000
<b>Total governmental activities</b>	<b>20,229,275</b>	<b>5,222,869</b>	<b>5,701,313</b>	<b>1,609,326</b>
Business-type activities:				
Solid Waste Landfill	917,785	1,478,647	-	-
Weed and Pest Control	287,895	83,492	40,546	10,025
Fairfield Complex	295,910	40,015	35,000	624,271
<b>Total business type activities</b>	<b>1,501,590</b>	<b>1,602,154</b>	<b>75,546</b>	<b>634,296</b>
<b>Total primary government</b>	<b>\$ 21,730,865</b>	<b>\$ 6,825,023</b>	<b>\$ 5,776,859</b>	<b>\$ 2,243,622</b>

General revenues:

Taxes:

Property

Sales

Use

Specific ownership

Other

Unrestricted investment earnings

Federal - unrestricted

Other general revenues

Transfers -- internal activities

**Total general revenues and transfers**

Changes in net assets

Net assets, January 1

Net assets, December 31

See accompanying notes to the basic financial statements.

<b>Net (Expense)/Revenue and Changes in Net Assets</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (2,413,960)	\$ -	\$ (2,413,960)
(880,213)	-	(880,213)
(325,943)	-	(325,943)
(3,304,502)	-	(3,304,502)
(593,858)	-	(593,858)
(177,291)	-	(177,291)
<u>(7,695,767)</u>	<u>-</u>	<u>(7,695,767)</u>
-	560,862	560,862
-	(153,832)	(153,832)
-	403,376	403,376
<u>-</u>	<u>810,406</u>	<u>810,406</u>
<u>\$ (7,695,767)</u>	<u>\$ 810,406</u>	<u>\$ (6,885,361)</u>

10,432,143		10,432,143
4,203,077		4,203,077
908,121		908,121
339,563		339,563
620,896		620,896
732,889		732,889
2,669,495		2,669,495
2,306,282		2,306,282
(402,300)	402,300	-
<u>21,810,166</u>	<u>402,300</u>	<u>22,212,466</u>
14,114,399	1,212,706	15,327,105
62,304,961	4,436,030	66,740,991
<u>\$ 76,419,360</u>	<u>\$ 5,648,736</u>	<u>\$ 82,068,096</u>

See accompanying notes to the basic financial statements.

**RIO BLANCO COUNTY, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2010**

	<b>General Fund</b>	<b>County Capital Improvement Trust Fund</b>	<b>Road and Bridge</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 20,617,900	\$ 17,987,634	\$ 1,941,566
Taxes receivable	2,482,335	-	3,949,170
Accrued interest receivable	-	126,838	-
Due from other funds	-	-	-
Due from other governmental units	674,904	-	78,136
Other receivables	29,566	-	35,794
Inventories	27,863	-	1,408,864
Prepays and deposits	4,204	-	60,545
Total assets	\$ 23,836,772	\$ 18,114,472	\$ 7,474,075
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 81,452	\$ -	\$ 1,028
Due to other funds	290,128	-	-
Due to other governmental units	23,375	-	-
Deferred revenue	2,482,335	-	3,949,170
Total liabilities	2,877,290	-	3,950,198
Fund balances:			
Reserved for:			
Capital	-	-	356,975
Emergencies & other	820,403	-	-
Inventories & prepaids	32,067	-	1,469,409
Unreserved reported in:			
General fund	20,107,012	-	-
Special revenue funds	-	18,114,472	1,697,493
Total fund balances	20,959,482	18,114,472	3,523,877
Total liabilities and fund balances	\$ 23,836,772	\$ 18,114,472	\$ 7,474,075

See accompanying notes to the basic financial statements.

	<b>Use Tax</b>	<b>Impact Fee Trust Fund</b>	<b>Capital Expenditure Fund</b>	<b>Capital Improvement Plan Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$	9,624,218	\$ 5,683,824	\$ 1,050,392	\$ 5,827,707	\$ 1,101,403	\$ 63,834,644
	-	-	2,820,836	-	959,084	10,211,425
	-	-	-	-	-	126,838
	-	-	-	290,128	-	290,128
	3,679	347,334	47,107	153,646	473,118	1,777,924
	88,746	957	-	1,008	1,948	158,019
	-	-	-	-	-	1,436,727
	-	-	-	-	-	64,749
<b>\$</b>	<b>9,716,643</b>	<b>\$ 6,032,115</b>	<b>\$ 3,918,335</b>	<b>\$ 6,272,489</b>	<b>\$ 2,535,553</b>	<b>\$ 77,900,454</b>
\$	5,780,916	\$ 178,799	\$ 22,510	\$ 90,307	\$ 4,694	\$ 6,159,706
	-	-	-	-	-	290,128
	-	-	-	-	355,357	378,732
	-	-	2,820,836	-	1,047,212	10,299,553
	5,780,916	178,799	2,843,346	90,307	1,407,263	17,128,119
	-	-	-	-	-	356,975
	-	-	-	-	100,000	920,403
	-	-	-	-	-	1,501,476
	-	-	-	-	-	20,107,012
	3,935,727	5,853,316	1,074,989	6,182,182	1,028,290	37,886,469
	3,935,727	5,853,316	1,074,989	6,182,182	1,128,290	60,772,335
<b>\$</b>	<b>9,716,643</b>	<b>\$ 6,032,115</b>	<b>\$ 3,918,335</b>	<b>\$ 6,272,489</b>	<b>\$ 2,535,553</b>	<b>\$ 77,900,454</b>

See accompanying notes to the basic financial statements.

**RIO BLANCO COUNTY, COLORADO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET ASSETS**  
**December 31, 2010**

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**Total governmental fund balances** \$ 60,772,335

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 10,092,378

Long-term liabilities and compensated absences, are not due and payable in the current period and therefore are not reported in the governmental funds. (415,469)

Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 5,970,115

**Net assets of governmental activities** \$ 76,419,360

See accompanying notes to the basic financial statements.

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**RIO BLANCO COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2010**

	<b>General Fund</b>	<b>County Capital Improvement Trust Fund</b>	<b>Road and Bridge</b>
<b>REVENUES</b>			
Property taxes	\$ 2,646,305	\$ -	\$ 4,036,667
Specific ownership taxes	86,349	-	131,291
Sales taxes	4,203,077	-	-
Use taxes	-	-	-
Other taxes	134,406	-	70,510
Intergovernmental revenues	3,282,910	-	2,756,193
Licenses and permits	116,597	-	-
Charges for services	347,105	-	431
Interest earnings	389,370	232,976	-
Fees, fines and forfeits	2,514,205	-	969,443
Inter-fund charges	-	-	24,624
Miscellaneous	240,199	-	44,016
Total revenues	13,960,523	232,976	8,033,175
<b>EXPENDITURES</b>			
Current:			
General government	4,098,393	1,175	-
Judicial and public safety	3,848,445	-	-
Health and welfare	151,896	-	-
Recreation and culture	252,806	-	-
Intergovernmental (Grants, etc)	162,177	312,722	-
Public Works	248,796	-	6,118,464
Capital outlay	-	-	-
Total expenditures	8,762,513	313,897	6,118,464
Excess (deficiency) of revenues over expenditures	5,198,010	(80,921)	1,914,711
<b>OTHER FINANCING SOURCES/(USES)</b>			
Transfers in/(out) from/to Int. Service Funds	(250,550)	-	-
Transfers in/(out) from/to All Other Funds	(3,834,493)	-	-
Total other financing sources/(uses)	(4,085,043)	-	-
Net change to fund balance	1,112,967	(80,921)	1,914,711
Fund balance, January 1	19,846,515	18,195,393	1,609,166
Fund balance, December 31	\$ 20,959,482	\$ 18,114,472	\$ 3,523,877

See accompanying notes to the basic financial statements.



Use Tax	Impact Fee Trust Fund	Capital Expenditure Fund	Capital Improvement Plan Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,092,549	\$ -	\$ 656,621	\$ 10,432,142
-	-	100,534	-	21,389	339,563
-	-	-	-	-	4,203,077
908,121	-	-	-	-	908,121
-	-	24,724	-	11,538	241,178
58,487	688,691	37,957	405,531	2,106,286	9,336,055
-	-	-	-	2,343	118,940
21,148	-	-	-	19,359	388,043
98,935	11,591	-	-	17	732,889
-	1,884,095	-	-	4,137	5,371,880
-	-	-	-	-	24,624
2,209,445	-	-	143,000	12,801	2,649,461
3,296,136	2,584,377	3,255,764	548,531	2,834,491	34,745,973
109,555	-	156,159	3,595	-	4,368,877
-	-	-	-	-	3,848,445
357,022	-	-	-	2,703,388	3,212,306
84,420	-	-	-	9,121	346,347
50,367	-	-	-	-	525,266
-	827,008	-	-	-	7,194,268
-	632,336	276,361	1,704,448	-	2,613,145
601,364	1,459,344	432,520	1,708,043	2,712,509	22,108,654
2,694,772	1,125,033	2,823,244	(1,159,512)	121,982	12,637,319
-	-	-	-	-	(250,550)
(30,000)	-	(3,442,150)	6,904,343	-	(402,300)
(30,000)	-	(3,442,150)	6,904,343	-	(652,850)
2,664,772	1,125,033	(618,906)	5,744,831	121,982	11,984,469
1,270,955	4,728,283	1,693,895	437,351	1,006,308	48,787,866
\$ 3,935,727	\$ 5,853,316	\$ 1,074,989	\$ 6,182,182	\$ 1,128,290	\$ 60,772,335

See accompanying notes to the basic financial statements.

**RIO BLANCO COUNTY, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2010**

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**Net change in fund balances - total governmental funds** \$ 11,984,469

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

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

Fixed assets current additions	2,353,010	
Depreciation expense	(496,223)	
Excess of capital outlay over depreciation and other adjustments		1,856,789

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and dispositions) is to decrease net assets	(659,698)
--	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Decrease/(increase) in compensated absences	9,989
---	-------

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet services, to individual funds.

The net revenue/(expense) of the internal service funds is reported with activities as a "lookback" adjustment.	922,852
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<b>Change in net assets of governmental activities</b>	<b>\$ 14,114,401</b>
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See accompanying notes to the basic financial statements.

**RIO BLANCO COUNTY, COLORADO**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2010**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,228,222	\$ 1,830,909
Other receivables	189,093	8,898
Inventories	31,382	278,219
Prepays and deposits	-	216,000
Total current assets	2,448,697	2,334,026
Noncurrent assets:		
Capital assets:		
Land	303,605	-
Buildings, improvements, equipment, net	3,061,567	3,690,582
Total noncurrent assets	3,365,172	3,690,582
Total assets	5,813,869	6,024,608
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	15,483	14,113
Total current liabilities	15,483	14,113
Noncurrent liabilities:		
Accrued compensated absences	27,133	40,380
Closure and postclosure care	122,517	-
Total noncurrent liabilities	149,650	40,380
Total liabilities	165,133	54,493
<b>NET ASSETS</b>		
Invested in capital assets	3,365,172	3,690,583
Invested in inventories & prepaids	31,382	494,219
Restricted for closure & post-closure care	339,303	-
Unrestricted	1,912,879	1,785,313
Total net assets	\$ 5,648,736	\$ 5,970,115

See accompanying notes to the basic financial statements.

**RIO BLANCO COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2010**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
Operating revenues:		
Charges for services	\$ 1,707,700	\$ 3,040,212
Operating expenses:		
Personnel	377,644	562,788
Supplies	145,357	787,387
Purchased services	118,005	119,294
Special dues, permits and fees	21,749	-
Closure and post-closure costs	52,751	-
Rent and utilities	40,289	105,685
Repairs and maintenance	50,394	60,335
Insurance and claims	-	173,848
Interdepartmental charges	319,188	59,196
Depreciation	90,678	925,368
Total operating expenses	1,216,055	2,793,901
Operating income/(loss)	491,645	246,311
Nonoperating revenues/(expenses):		
Gain on disposition of assets and inventory	-	4,074
Capital contributions	604,296	421,918
Capital contributed expense	(285,535)	-
Total nonoperating revenues/(expenses)	318,761	425,992
Income/(loss) before transfers in/(out)	810,406	672,303
Transfers in/(out)	402,300	250,550
Change in net assets	1,212,706	922,853
Total net assets, January 1	4,436,030	5,047,262
Total net assets, December 31	\$ 5,648,736	\$ 5,970,115

See accompanying notes to the basic financial statements.

**RIO BLANCO COUNTY, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2010**

	<b>Governmental Activities</b>	
	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from external customers	\$ 2,098,831	\$ 74,593
Cash received from internal customers	59,708	3,524,435
Cash payments to external suppliers for goods and services	(704,241)	(1,508,078)
Cash payments to internal suppliers for goods and services	(319,188)	(59,196)
Cash payments to employees for services	(379,090)	(558,211)
Net cash provided/(used) by operating activities	756,020	1,473,543
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	402,300	250,550
Net cash provided by noncapital financing activities	402,300	250,550
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of fixed assets	(344,130)	(1,000,328)
Proceeds from disposal of assets	(1)	45,229
Net cash (used) by capital and related financing activities	(344,131)	(955,099)
Net increase/(decrease) in cash and equivalents	814,189	768,994
Cash balances, January 1	1,414,032	1,061,915
Cash balances, December 31	\$ 2,228,221	\$ 1,830,909

<b>Reconciling of operating income/(loss) to net cash provided/(used) by operating activities:</b>		
Operating income/(loss)	\$ 491,645	\$ 246,311
Adjustments to reconcile operating income/(loss) to net Cash provided/(used) by operating activities:		
Depreciation expense	90,678	925,368
Miscellaneous nonoperating revenues/(expenses)	(285,535)	-
Assets (increase)/decrease:		
Other receivables	450,839	(3,955)
Due from other funds	-	562,771
Inventories	15,183	(13,873)
Prepays and deposits	-	(208,000)
Liabilities increase/(decrease):		
Accounts payable	(9,516)	(39,656)
Accrued compensated absences	(1,446)	4,577
Closure and postclosure care	4,172	-
Total adjustments	264,375	1,227,232
Net cash provided/(used) by operating activities	\$ 756,020	\$ 1,473,543

See accompanying notes to the basic financial statements.

**RIO BLANCO COUNTY, COLORADO**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**December 31, 2010**

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Treasurer's agency funds	\$ 1,056,151
Sheriff's inmate balances	1,328
Cash and investments	<u>\$ 1,057,479</u>
Due to other governments	\$ 1,056,151
Due to inmates	1,328
Due to other governments	<u>\$ 1,057,479</u>

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See accompanying notes to the basic financial statements.

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of Rio Blanco County, Colorado conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements.

**A. Reporting Entity**

Rio Blanco County is located in northwestern Colorado with a population of approximately 6,000. The two principal towns are Rangely and Meeker. Rio Blanco County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County has six other elected officials; the Assessor, the Clerk and Recorder, the Coroner, the Sheriff, the Surveyor and the Treasurer. Rio Blanco County is included in the Ninth Judicial District. An elected District Attorney for the District serves Garfield, Pitkin and Rio Blanco Counties.

The County's General Fund accounts for all financial operating transactions of the offices of elected officials and all Rio Blanco County contributions to the Ninth Judicial District Attorney's office. The County's Capital Expenditure Fund and County Capital Improvement Program Fund account for the capital expenditures and capital projects for the elected offices and the County government in general. The County's Impact Fee Trust Fund also accounts for certain capital projects made necessary by new development.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board, and (1) the County is able to significantly influence the programs or services performed or provided by the organizations or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes, or issues their debt. Based upon this criterion, the County is the total reporting entity, and no component units are included.

At December 31, 2010, Rio Blanco County's total taxable assessed valuation was approximately \$1.13 billion. Of this, approximately \$865 million (or 77%) was owned by ten taxpayers: Enterprise Gas Processing LLC, \$264 million; Chevron U. S. A., Inc., \$177 million; Williams Production RMT Co., \$141 million; ExxonMobil Oil Corp., \$98 million; Encana Oil & Gas (USA), Inc., \$57 million; Merit Energy Coop., \$52 million; Blue Mountain Energy, Inc., \$26 million; Rockies Express Pipeline, \$18 million; Whiting Petroleum Corp., \$17 million; Northwest Pipeline Corp., \$15 million.

Approximately 51% of the County's assessed value is derived from oil and gas activities, and an additional 28% is derived from industrial activities. The assessed value of this property is dependent, to a large extent, on quantities of oil and gas production and upon the market price.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are not properly included among program revenues are reported as *general revenues*.

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

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

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

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

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

The government reports the following major governmental funds:

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



Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

The government reports the following fund types:

Proprietary funds are considered non-major, and account for solid waste disposal, weed and pest control and Fairfield complex activities.

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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

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

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

#### **D. Assets, Liabilities, and Net Assets or Equity**

##### *1. Cash and Investments*

The County considers cash and cash equivalents to be cash on hand in demand accounts. Because the treasury pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

##### *2. Disaggregation of Receivable and Payable Balances*

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year with the exception of the amounts for the accrual for compensated absences and liabilities for landfill closure and post-closure costs.

##### *3. Prepaid Expenses and Deposits*

Of the prepaid expenses and deposits shown on the statement of net assets, 77% (\$216,000) is a prepayment of costs associated with telecommunications charges paid to NC Telecom, Inc. for phone-card internet services and 5% (\$14,000) is prepayments of gravel being extracted from a gravel mine for road material and 17% (\$46,545) for the purchase of a contract to buy gravel. These assets will be charged in subsequent years. Estimated life of each asset is more than 5 years. The other 1% (\$4,204) is considered short term and will be charged in the next operating cycle.

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

*4. Property Taxes*

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15 or in full on April 30. The County, through the Rio Blanco County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. Taxes levied in 2009 for collection in 2010 are recorded in governmental funds as taxes receivable and deferred revenue as of December 31, 2010 since the amount is measurable but not available until 2010. An allowance for un-collectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

Current general local property taxes levied in 2009 and collected in 2010 are as follows:

Fund	Assessed Valuations	Mill Levy	Taxes Levied	Taxes Collected	Percent Collected
General	\$ 1,161,209,220	2.300	\$ 2,670,781	\$ 2,646,305	99.1%
Road and Bridge	1,161,209,220	3.500	4,064,232	4,036,667	99.3%
Capital Expenditures	1,161,209,220	2.680	3,112,041	3,092,549	99.4%
Social Services	1,161,209,220	0.320	371,587	368,229	99.1%
Public Health Agency	1,161,209,220	0.250	290,302	288,392	99.3%

*5. Interfund Transactions*

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year end, outstanding balances between funds are reported as “due to/from other funds.”

*6. Inventories*

Inventories in most governmental funds are recorded as expenditures when purchased. Inventories in the Road and Bridge Fund, aviation fuel in the General Fund, and inventory in proprietary funds are recorded as expenditures when consumed rather than when purchased. The material and supplies inventory (except gravel) held by the Road and Bridge Fund is stated at average cost. The weighted average method is used for the gravel inventory. The inventories of the parts and supplies inventory held by the Fleet Management Fund are stated at the lower of cost or market using the first-in, first-out method. Most other inventories are valued at cost, which is determined using the first-in, first-out method.

*7. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. Infrastructure assets are not recorded as capital assets unless the cost is greater than \$5,000. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation on capital assets, with the exception of infrastructure, is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 to 50 Years
Land improvements (depreciable)	25 to 30 Years
Equipment and Furniture	5 to 40 Years

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

For reporting infrastructure assets, a modified approach is allowed by GASB 34. This approach is in lieu of the depreciation of infrastructure assets. The County has elected to use this method of reporting infrastructure assets. The County must maintain two requirements in order to qualify to use this approach:

1. The County must manage the eligible infrastructure assets using an asset management system with specific characteristics.
2. The County must document that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the County.

The County has developed and will implement an asset management system to measure, at least every third year by class of infrastructure asset, if the minimum standards are being maintained. Additional required disclosures are included as part of the Required Supplementary Information.

Rio Blanco qualified as a Phase III county as per GASB Statement 34 and elected not to report infrastructure assets which were acquired and in service at January 1, 2002. Infrastructure assets, which were acquired subsequent to January 1, 2002, are included with other fixed assets and the disclosure provisions are shown below.

At December 31, 2010 Rio Blanco County has recognized only two items of infrastructure; a bridge that was begun during 2001 and substantially completed in 2003 and a bridge that was begun in 2003 and substantially completed in 2004. The bridges have been recorded as infrastructure additions during the appropriate years. The following information is presented in regard to these assets:

1. The Rio Blanco County Commissioners have made the commitment to preserve and maintain these eligible infrastructure assets at a level of 5 on a maintenance scale of 1 to 10.
2. The Rio Blanco County Commissioners are responsible for determining the appropriate condition level at which these assets are to be maintained.
3. No depreciation expense is reported for these assets, nor are amounts capitalized in connection with improvements that lengthen the life of the assets, unless the improvement also increases the service potential of these assets.
4. Rio Blanco County maintains an inventory of these assets and performed condition assessments during 2010 to establish that the specified condition level (1 above) has been maintained. The assessment for 2010 provided condition assessments equal to 8 for County Road 54 Bridge and 10 for County Road 14 Bridge. These high levels of condition are primarily due to the very limited usage (low traffic) of the assets and their relatively new installation.
5. The County's estimate of the amount to be expended to preserve and maintain these assets, at the stated condition level of 5, for the subsequent year (2011) is zero dollars. For all subsequent years, this cost will be estimated in the County's annual budget.

#### *8. Future Compensated Absences*

County employees accumulate sick leave and vacation benefits at rates of 8 hours per month and 8 to 16 hours per month, respectively, depending on position and length of service. In the event of retirement or termination, an employee is paid 100% of accumulated vacation pay, and those with five or more years of continuous service are paid a percentage of their accumulated sick leave from 5% to 20% dependent upon number of years of service. 240 hours of annual vacation accrual may be carried over from one year to the next. Compensatory time is granted (except for official, professional, and administrative positions) at the rate of one and one-half hours for each overtime hour worked, with various limitations. The entire compensated absence liability is reported on the government-wide financial statements. The total amount, for the 2010 year, is classified as long-term debt because there is a high probability that this amount will increase during the next few years.

#### *9. Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

type activities, or proprietary fund type statement of net assets. At December 31, 2010, the only long term debt that Rio Blanco County had was from the accrual of compensated absences and the recognition and recording of closure and post-closure costs related to the County landfills.

*10. Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

*11. Net Assets*

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

The reserve for emergencies as required by Section 20 to Article X of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR) is classified as restricted net assets on the entity-wide statements.

*12. Estimates*

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

*13. Contraband Proceeds*

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2010, the County had no proceeds from the seizures of contraband.

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

**A. Budgetary Information**

Annual budgets are adopted for all funds, except agency funds, of the County. The Budget Office submits a proposed operating budget for the following calendar year to the County Commissioners prior to October 15 of each year. The budget is prepared using the modified accrual basis of accounting. The operating budget includes proposed expenditures/expenses and the anticipated revenues. As required by statute, public hearings are conducted to obtain citizen's comments. Prior to the levy of property tax, the budget is legally adopted through the passage of a budget adoption and appropriation resolutions.

**B. Budgeted Level of Expenditures**

The budgetary control is maintained at the department level for the general fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications. All annual appropriations lapse at year-end. During 2010, the County Commissioners adopted one supplemental appropriation which included transfer appropriations between funds.

For the budget to actual reporting required by state statutes, the proprietary funds present the adjustments necessary to reconcile ending net income/(loss) on the budgetary basis to the GAAP basis net change in fund equity.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the final amended budget.

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

### **NOTE 3 - CASH AND INVESTMENTS**

#### **A. Deposits**

Title 11, Article 10.5 of the Colorado Revised Statutes, (the Public Deposit Protection Act of 1989), require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral, as promulgated by the State banking board, having a market value in excess of 102% of the aggregate uninsured public deposits. Eligible collateral must be held in a single financial institution collateral pool in the custody of any federal reserve bank or any branch thereof or of any depository trust company which is a member of the federal reserve system, and which is supervised by the State banking board. The Statutes further restrict such deposits to eligible public depositories having their principal offices within the State of Colorado. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No 40. At year end the County's deposits were not exposed to credit risk, as all deposits were insured by the Federal Deposit Insurance Commission (FDIC) or collateralized in accordance with PDPA. As of December 31, 2010, the carrying amount of the County's Primary Government's Funds demand account deposits were \$47,871,576 and the bank balance was \$50,442,826. Of the bank balance \$1,000,000 was covered by FDIC insurance and the excess was collateralized in accordance with PDPA.

#### **B. Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; written repurchase agreements collateralized by certain authorized securities; certain money market funds; guaranteed investments contracts and local government investment pools. Local government investment pools include the Colorado Government Liquid Asset Trust (COLOTRUST). This pool is an investment vehicle established by local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission oversees this pool. COLOTRUST operates similarly to money market funds and each share is valued at \$1.00. The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by the pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by each pool investor. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to be (and are not) registered with the SEC. COLOTRUST's funds are rated AAA by Standard and Poor's, Fitch's and Moody's rating services. Information on COLOTRUST can be obtained at [www.colotruster.com](http://www.colotruster.com).

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

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

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

Cash on hand	\$ 5,173
Demand accounts	368,752
ColoTrust	12,268,624
Certificates of deposit and money markets	47,502,824
Government National Mortgage Association	499
U.S. Treasury Notes	7,747,903
	<u>\$ 67,893,775</u>

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

Demand accounts	<u>\$ 1,056,151</u>
-----------------	---------------------

**NOTE 4 – INTERFUND TRANSACTIONS**

The County reports internal transactions between its funds. Certain eliminations have been made in regards to interfund activities. All internal balances in the Statement of Net Assets have been eliminated. Transfers between governmental and business-type activities on the government wide Statement of Activities are reported as general revenues. Transfers between funds reported in the business-type activities column are eliminated.

**Due To/Due From Other Funds**

Due to and due from balances result from interfund transactions for which the related transfer of cash has not yet occurred, creating a receivable in one fund and an offsetting payable in another fund. The following schedule briefly summarizes the County's outstanding due to/due from balances at year-end:

	<u>Due from:</u>
<u>Due to:</u>	General Fund
Capital Improvement Plan Fund	<u>\$ 290,128</u>

**Interfund Transfers**

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

	Transfers in:					
	Capital Exp	Capital Imp	Weed & Pest Control Fund	Fairfield Complex Fund	Central Services	Transfers Total
<u>Transfers out:</u>						
General Fund	\$ 7,850	\$ 3,454,343	\$ 202,300	\$ 170,000	\$ 250,550	\$ 4,085,043
Capital Expenditure Fund	-	3,450,000	-	-	-	3,450,000
Use Tax Fund	-	-	-	30,000	-	30,000
	<u>\$ 7,850</u>	<u>\$ 6,904,343</u>	<u>\$ 202,300</u>	<u>\$ 200,000</u>	<u>\$ 250,550</u>	<u>\$ 7,565,043</u>

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2010, was as follows:

		Balance			Balance
		01/01/2010	Additions	Deletions	12/31/2010
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land		\$ 1,087,712	\$ -	\$ -	\$ 1,087,712
Land Improvements		540,669	-	516,301	24,368
Infrastructure		992,603	-	-	992,603
Construction-In-Progress		255,301	1,409,518	7,675	1,657,145
	Total capital assets not being depreciated	2,876,285	1,409,518	523,976	3,761,828
Capital assets being depreciated:					
Land Improvements		4,861,507	517,781	-	5,379,288
Buildings and Improvements		6,049,193	229,469	-	6,278,662
Equipment & Furniture		9,971,795	1,492,336	1,042,784	10,421,347
	Total capital assets being depreciated	20,882,495	2,239,586	1,042,784	22,079,297
Less accumulated depreciation:					
Land Improvements		3,752,443	258,251	-	4,010,694
Buildings and Improvements		1,907,002	134,653	-	2,041,655
Equipment and Furniture		5,969,188	1,028,686	992,059	6,005,815
	Total accumulated depreciation	11,628,633	1,421,590	992,059	12,058,164
	Total capital assets being depreciated, net	9,253,862	817,996	50,725	10,021,133
	Governmental activities capital assets, net	\$ 12,130,147	\$ 2,227,515	\$ 574,701	\$ 13,782,961
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land		\$ 303,605	\$ -	\$ -	\$ 303,605
Construction-In-Progress		-	354,155	-	354,155
	Total capital assets not being depreciated	303,605	354,155	-	657,760
Capital assets being depreciated:					
Land Improvements		40,986	-	-	40,986
Buildings and improvements		2,492,282	594,271	-	3,086,553
Equipment and furniture		265,726	-	25,978	239,748
	Total capital assets being depreciated	2,798,994	594,271	25,978	3,367,287
Less accumulated depreciation:					
Land improvements		28,851	2,499	-	31,350
Building and improvements		460,768	68,654	-	529,422
Equipment and furniture		105,556	19,525	25,978	99,103
	Total accumulated depreciation	595,175	90,678	25,978	659,875
	Total capital assets being depreciated, net	2,203,819	503,593	-	2,707,412
	Business-type activities capital assets, net	\$ 2,507,424	\$ 857,748	\$ -	\$ 3,365,172

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

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

<b>Governmental activities:</b>				
General Government				\$ 118,449
Health and Welfare				1,480
Judicial and Public Safety				31,982
Public Works				309,349
Recreation and Culture				34,963
Total depreciation expense - governmental activities				496,223
Central Services				16,205
Fleet Management				909,163
Total depreciation expense - governmental activities including internal services				<u>\$ 1,421,590</u>
<b>Business-type activities:</b>				
Solid Waste Landfill Fund				\$ 19,362
Fairfield Complex Fund				71,316
Total depreciation expense - business-type activities				<u>\$ 90,678</u>

The County maintains a fixed asset capitalization threshold of \$5,000.

## **NOTE 6 - RISK MANAGEMENT AND SELF-INSURANCE**

### **Colorado Counties Casualty and Property Pool**

The County is exposed to various risks of loss related to property and casualty losses. The County has joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The Pool provides the County with general property, vehicle comprehensive and collision, and various liability insurance coverage. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. During 2010, the County paid contributions of \$173,848 as compared to \$158,459 in the prior year. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. There were no significant reductions in insurance coverage from prior year by major categories of risk, and there have been no settlements that exceed the County's insurance coverage during the past three years.

### **County Workers' Compensation Pool**

The County is exposed to various risks of loss related to injuries of employees while on the job. In 1985, the County joined together with other Counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. During 2010, the County paid contributions of \$181,182 as compared to \$174,502 in the prior year. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year. There were no significant reductions in insurance coverage from prior year by major categories of risk, and there have been no settlements that exceed the County's insurance coverage during the past three years.



Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

**NOTE 7 - CLOSURE AND POSTCLOSURE CARE COST OF LANDFILLS**

The U. S. Environmental Protection Agency rule of October 9, 1991 is the primary basis for Municipal Solid Waste Landfill (SWL) closure care requirements. The Solid Waste Regulations promulgated by the Colorado Board of Health with authority under the Solid Waste Disposal Act of 30-20-104.5 of the Colorado Revised Statutes also apply.

The costs associated with SWL closure and post closure care are properly accounted for by utilizing procedures that are established to insure compliance with Generally Accepted Accounting Principles as outlined in Statement No. 18 of the Governmental Accounting Standards Board. This statement was published in August of 1993 and is effective for financial statements for all periods beginning after June 15, 1993.

Rio Blanco County's estimates of "current total closure and post-closure costs" are based upon current technology and engineering techniques. New estimates of closure and post-closure costs were obtained in late 2006 from a Registered Professional Engineer. While the estimates at December 31, 2010 are as accurate as possible, changes in these estimates due to inflation or deflation, technology or changes to laws and regulations will continue and will be subject to annual reevaluation and adjustment during each year.

The "current estimate of total combined closure and post closure cost," for all landfills, as last revised, is \$643,978. This amount includes \$105,714 for the Rangely Landfill and \$538,264 for the Meeker (Wray Gulch) Landfill. The total expense that has been recognized for the currently operating landfills in all years through 2010 is \$233,784 (\$206,356 for Rangely, \$27,428 for Meeker). The closure and post-closure costs payables shown in the balance sheet include an additional \$464 for payment of expenses related to a closed landfill's post closure costs. All previously recorded expense, which has not been disbursed, is carried in the books as a noncurrent liability of \$122,517. The Fund has available cash of \$122,517 to pay for recognized closure and post-closure costs for all County landfills. The portion of total costs that have been recognized as expense and recorded as a liability is based upon the portion of landfill capacity used.

The percentages of each landfill's capacity used to date and the estimated remaining landfill lives in years are shown below:

<u>Landfill</u>	<u>Percent of capacity used</u>	<u>Remaining life</u>
Rangely	22.8%	58 years
Meeker (Wray Gulch)	8.7%	73years

Expense recognition, for landfill closure and post closure costs, is further complicated by the Colorado State Health Department's requirements that the reserves be based upon time (20-year maximum amortization) rather than upon usage of landfill space as per Generally Accepted Accounting Principles (GAAP). The County continues to hold reserves in excess of recognized expenses per GAAP in order to insure compliance with the State of Colorado's statutes and regulations. The differences in calculations would require that \$461,356 (\$84,571 for Rangely, \$376,785 for Meeker) be held vs. the \$122,053 liability recognition that is required by GAAP for operating landfills. At the end of 2010, reserves are also held in the Solid Waste Landfill Fund in the amount of \$339,303 to insure adequate reserves for all closure/post-closure costs. By providing these reserves, Rio Blanco County has mostly eliminated the risks of not being financially prepared for unanticipated catastrophic losses.

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

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

	Meeker	Rangely	
<b>Final cover closure cost</b>			
Re-grading & Liner	\$ 190,249	\$ -	
Water Control	62,482	-	
Re-vegetation	55,535	-	
Drawing and surveying	56,163	-	
Closure plan and miscellaneous costs	36,444	-	
Total closure costs	<u>400,873</u>	<u>17,312</u>	*
<b>Post closure-care cost</b>			
Inspections	15,391	15,390	
Specific monitoring	37,251	33,003	
Repairs	81,465	38,368	
Closure plan & miscellaneous costs	3,284	1,641	
Total post closure costs	<u>137,391</u>	<u>88,402</u>	
Total closure and post closure costs	<u>\$ 538,264</u>	<u>\$ 105,714</u>	

\*Rangely closure was in progress as of December 31, 2009. The estimate to complete the closure was based on the contract in place for the closure work. Although the closure work was completed in 2010, the estimate will not be revised until a new engineer's cost estimate is done in 2011 per the direction of the Colorado Department of Public Health and Environment, Solid Waste and Material Management Unit.

**NOTE 8 - LONG-TERM LIABILITIES**

Long-term obligations		Balance		Balance
		01/01/2010	Changes	12/31/2010
<b>Governmental activities</b>				
Compensated absences		\$ 461,262	\$ (5,412)	\$ 455,850
Total governmental		<u>461,262</u>	<u>(5,412)</u>	<u>455,850</u>
<b>Business type activities</b>				
Compensated absences		28,580	(1,447)	27,133
Closure/post-closure costs		118,345	4,172	122,517
Total business type		<u>146,925</u>	<u>2,725</u>	<u>149,650</u>
Total long-term obligations		<u>\$ 608,187</u>	<u>\$ (2,687)</u>	<u>\$ 605,500</u>

**NOTE 9 - RESERVATIONS OF FUND BALANCE**

Reservations of fund balance either indicate that a portion of fund balance is legally segregated for a specific future use or indicate that a portion of fund balance is not available for appropriation.

Fund balances reserved for prepaid expenditures and inventories do not represent available, spendable resources even though they are a component of net current assets. Fund balances reserved for capital projects indicate the fund balance is restricted for construction. Fund balance reserved for emergencies represents a 3% legal restriction pursuant to Article X, Section 20 of the State Constitution (Tabor Amendment).

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

Reserved fund balances consist of the following:						
		Capital			Inventories	
		Projects	Emergencies		& Prepays	Total
General Fund		\$ -	\$ 820,403		\$ 32,067	\$ 852,470
Special revenue funds						
Road and Bridge		356,975	-		1,469,409	1,826,384
Contingent		-	100,000		-	100,000
	Total special revenue funds	356,975	100,000		1,469,409	1,926,384
	Total governmental funds	\$ 356,975	\$ 920,403		\$ 1,501,476	\$ 2,778,854

**NOTE 10 - RETIREMENT PLAN**

Rio Blanco County is a member employer of the Colorado County Officials and Employees Retirement Association (CCOERA). This association was formed by Colorado State Statute to provide retirement benefits to employees of Colorado local governments. CCOERA administers two different retirement plans a 401(a) Defined Contribution Plan and a 457 Deferred Compensation Plan.

Rio Blanco County provides pension benefits for all of its full-time employees and all regular part-time employees who work more than 20 hours per week through a defined contribution plan with the Colorado County Officials and Employees Retirement Association Retirement Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate one year from the date of employment. Elected officials are eligible to participate immediately. Participation is mandatory for all eligible employees and for all elected officials. Both the County and the employee contribute 6% of the employee's monthly base salary to the plan. Employees may also make additional contributions up to a maximum of 10% of compensation.

The County's contribution for each employee (and interest allocated to the employee's account) is 100% vested after five years. If an elected official fails to become re-elected, they immediately become fully vested. Any non-vested County contributions forfeited by an employee who leaves the County's employment are remitted to the County. For the year ended December 31, 2010 the County's total payroll was \$7,089,734, the total payroll covered by the pension plan was \$6,177,275 and the total contribution paid was \$741,273. The County's portion of the contribution was \$370,637 and the employee's portion was \$370,637. The County has no liability for losses under the plan. Complete financial statements for the retirement plans may be obtained from CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

**NOTE 11 - POST EMPLOYMENT BENEFITS**

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

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

**NOTE 12 - BUDGET AMENDMENTS**

During 2010 the County amended its budget. The following is a schedule of the changes to the original budget:

Fund	Original		Final
	Budget	Amendment	Budget
General	\$ 14,137,688	\$ 54,892	\$ 14,192,580
County Capital Improvement	713,951	-	713,951
Capital Expenditure	4,154,705	142,050	4,296,755
Road and Bridge	6,793,297	-	6,793,297
Use Tax	756,241	-	756,241
Impact Fee Trust Fund	24,537,368	-	24,537,368
Capital Improvement	6,407,044	21,132	6,428,176
Social Services	2,237,947	290,000	2,527,947
Public Health Agency	519,468	22,834	542,302
Conservation Trust	15,410	-	15,410
Contingent	100,000	-	100,000
Solid Waste Landfill	657,942	590,319	1,248,261
Weed and Pest Control	393,659	-	393,659
Fairfield Complex	257,445	-	257,445
Central Services	449,751	10,550	460,301
Fleet Management	2,752,446	26,000	2,778,446
Total expenditures	<u>\$ 64,884,362</u>	<u>\$ 1,157,777</u>	<u>\$ 66,042,139</u>

**NOTE 13 - RELATED PARTY TRANSACTIONS**

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

**NOTE 14 - TAX, SPENDING AND DEBT LIMITATIONS**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment's language in order to determine its compliance. The Amendment requires that emergency reserves be established. These reserves must be at least three percent of fiscal year spending. Emergency reserves at December 31, 2010 were \$820,403.

**NOTE 15 – COMMITMENTS**

The County entered into contract agreements during the year with amounts outstanding at December 31, 2010 for the following projects: County Road 5 engineering \$1,844,157; County Road 10 bridge replacement \$131,276; Solid Waste Landfill new cell \$99,076; Radio Tower equipment \$402,507; Meeker Airport environmental assessment \$57,512; Fairgrounds multi-purpose building \$433,562; Fairfield Apartments energy improvements \$169,175; Assessor/Treasurer software upgrade \$175,219; and Master Plan \$31,131.

Rio Blanco County, Colorado  
**Notes to Basic Financial Statements**  
December 31, 2010

**NOTE 16 – CONTINGENCIES**

At the end of 2010, the County has a remaining liability of \$5,764,081 for refunds of use tax on building and construction projects to oil and gas companies as settlement of a lawsuit that originated in 2008. value. The County's investments are registered in the name of the government.

**RIO BLANCO COUNTY, COLORADO  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR GOVERNMENTS USING THE MODIFIED APPROACH  
Year Ended December 31, 2010**

<b>County Road 54 Bridge</b>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Condition rating of the County's Bridge system as of December 31	8	8	9
Age of Bridge, in years	7	6	5
Estimated daily traffic for year	66	148	148
Repairs made during current year	0	0	0
Estimated repairs needed during 2011: Spot Painting	0	0	0

<b>County Road 14 Bridge</b>			
Condition rating of the County's Bridge system as of December 31	10	10	10
Age of Bridge, in years	6	5	4
Estimated daily traffic for year	15	12	12
Repairs made during current year	0	0	0
Estimated repairs needed during 2011	0	0	0

The Rio Blanco County Commissioners have made the commitment to preserve and maintain these eligible infrastructure assets at a level of 5 on a maintenance scale of 1 to 10, with 10 being very good condition.

The Rio Blanco County Commissioners are responsible for determining the appropriate condition level at which these assets are to be maintained. Rio Blanco County maintains an inventory of these assets and performed condition assessments during 2010 to establish that the specified condition level (5) has been maintained.

These high levels of condition are primarily due to the very limited usage (low traffic) of the assets and their relatively new installation. In 2010 it is noted a decrease of 82 in daily traffic for County Road 54 Bridge, and an increase of 3 in daily traffic for County Road 14 Bridge.

The County's estimate of the amount to be expended to preserve and maintain these assets, at the stated condition level of 5, for the subsequent year (2011) is \$0.00 (zero dollars). For all subsequent years, this cost will be estimated in the County's annual budget. No amounts have been expended to maintain and preserve these bridges since 2003.

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**RIO BLANCO COUNTY, COLORADO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 2,670,781	\$ 2,670,781	\$ 2,646,305	\$ (24,476)
Specific ownership taxes	190,000	190,000	86,349	(103,651)
Sales taxes	1,815,600	1,815,600	4,203,077	2,387,477
Other taxes	-	-	134,406	134,406
Intergovernmental revenues	764,782	3,251,272	3,282,910	31,638
Licenses and permits	184,800	184,800	116,597	(68,203)
Charges for services	359,315	366,275	347,105	(19,170)
Interest earnings	200,000	200,000	389,370	189,370
Fees, fines and forfeits	2,087,100	2,087,100	2,514,205	427,105
Interfund charges	21,000	21,000	-	(21,000)
Miscellaneous	15,100	15,100	240,199	225,099
Total revenues	8,308,478	10,801,928	13,960,523	3,158,595
<b>EXPENDITURES</b>				
General government				
Assessor	559,817	559,817	480,959	78,858
Board of County Commissioners	644,239	646,648	555,026	91,622
Clerk and Recorder	752,652	752,652	532,164	220,488
County Attorney	192,463	190,872	186,712	4,160
County Surveyor	40,964	39,373	39,441	(68)
Financial	461,437	461,437	433,055	28,382
Human Resources	169,612	180,021	164,106	15,915
Information Management	474,541	474,541	441,844	32,697
Graphic Information Systems	78,830	85,735	77,510	8,225
Maintenance of Buildings	482,617	482,617	328,668	153,949
Planning	402,807	411,716	402,814	8,902
Treasurer	544,466	544,466	456,094	88,372
Total general government	4,804,445	4,829,895	4,098,393	731,502
Judicial and public safety				
Building Inspection	249,419	248,419	189,198	59,221
Coroner	83,214	83,214	80,068	3,146
Dispatch	620,115	620,115	512,611	107,504
District Attorney	279,439	286,439	286,439	-
Jail	1,178,563	1,170,713	893,905	276,808
Sheriff	2,395,583	2,408,475	1,886,224	522,251
Total judicial and public safety	4,806,333	4,817,375	3,848,445	968,930
Health and welfare				
Extension	161,252	161,252	146,144	15,108
Veteran Services	10,920	10,920	5,752	5,168
Total health and welfare	172,172	172,172	151,896	20,276
Intergovernmental				
USGS Water Monitoring Program	204,180	204,180	162,177	42,003
Total intergovernmental	204,180	204,180	162,177	42,003



**RIO BLANCO COUNTY, COLORADO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**(Continued)**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
Recreation and Culture				
County Fair	31,982	31,982	29,409	2,573
Meeker Fairgrounds	215,922	215,922	185,397	30,525
White River Museum	38,000	38,000	38,000	-
Total recreation and culture	285,904	285,904	252,806	33,098
Public Works				
Meeker Airport	123,616	123,616	81,871	41,745
Rangely Airport	222,650	222,650	166,925	55,725
Total public works	346,266	346,266	248,796	97,470
Total general fund expenditures	10,619,300	10,655,792	8,762,513	1,893,279
Excess (deficiency) of revenues over expenditures	(2,310,822)	146,136	5,198,010	5,051,874
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers out (internal service funds)	-	(10,550)	(250,550)	(240,000)
Transfers out (all other funds)	(3,518,388)	(3,526,238)	(3,834,493)	(308,255)
Total other financing sources/(uses)	(3,518,388)	(3,536,788)	(4,085,043)	(548,255)
Net change to fund balance	(5,829,210)	(3,390,652)	1,112,967	4,503,619
Fund balance, January 1	18,379,750	18,379,750	19,846,515	1,466,765
Fund balance, December 31	\$ 12,550,540	\$ 14,989,098	\$ 20,959,482	\$ 5,970,384

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**COUNTY CAPITAL IMPROVEMENT TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ 400,000	\$ 400,000	\$ 325,858	\$ (74,142)
Change in fair value of investments	-	-	(92,882)	(92,882)
Total revenues	400,000	400,000	232,976	(167,024)
<b>EXPENSES</b>				
Administration and fees	1,584	1,584	1,175	409
Intergovernmental	712,367	712,367	312,722	399,645
Total expenditures	713,951	713,951	313,897	400,054
Net change to fund balance	(313,951)	(313,951)	(80,921)	233,030
Fund balance, January 1	18,218,793	18,218,793	18,195,393	(23,400)
Fund balance, December 31	\$ 17,904,842	\$ 17,904,842	\$ 18,114,472	\$ 209,630

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**ROAD AND BRIDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 4,064,232	\$ 4,064,232	\$ 4,036,667	\$ (27,565)
Specific ownership taxes	169,510	169,510	131,291	(38,219)
Other taxes	-	-	70,510	70,510
Charges for services	21,000	21,000	431	(20,569)
Federal shared revenues	190,000	190,000	76,301	(113,699)
State shared revenues	2,647,517	2,647,517	2,679,892	32,375
Inter-fund charges	44,000	44,000	24,624	(19,376)
Private contributions	-	-	30,000	30,000
Licenses, permits, fees	175,000	175,000	969,443	794,443
Miscellaneous	1,000	1,000	14,016	13,016
Total revenues	7,312,259	7,312,259	8,033,175	720,916
<b>EXPENDITURES</b>				
Operations	5,827,880	5,827,880		5,827,880
Construction	246,400	246,400	-	246,400
Maintenance of condition			4,584,125	(4,584,125)
Snow and ice removal			573,897	(573,897)
Traffic services			244,680	(244,680)
Administration	719,017	719,017	715,762	3,255
Total expenditures	6,793,297	6,793,297	6,118,464	674,833
Net change to fund balance	518,962	518,962	1,914,711	1,395,749
Fund balance, January 1	1,710,046	1,710,046	1,609,166	(100,880)
Fund balance, December 31	\$ 2,229,008	\$ 2,229,008	\$ 3,523,877	\$ 1,294,869

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**USE TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges/donations for services	\$ 26,140	\$ 26,140	\$ 21,148	\$ (4,992)
Interest earnings	100,000	100,000	98,935	(1,065)
Intergovernmental revenues	57,000	57,000	58,487	1,487
Use taxes	466,550	466,550	908,121	441,571
Miscellaneous	1,000	1,000	2,209,445	2,208,445
Total revenues	650,690	650,690	3,296,136	2,645,446
<b>EXPENDITURES</b>				
General Government	232,870	232,870	109,555	123,315
Intergovernmental	50,417	50,417	50,367	50
Public health and welfare	360,674	360,674	357,022	3,652
Recreation and culture	82,280	82,280	84,420	(2,140)
Total expenditures	726,241	726,241	601,364	124,877
Excess (deficiency) of revenues over expenditures	(75,551)	(75,551)	2,694,772	2,770,323
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources/(uses)	(30,000)	(30,000)	(30,000)	-
Net change to fund balance	(105,551)	(105,551)	2,664,772	2,770,323
Fund balance, January 1	942,162	942,162	1,270,955	328,793
Fund balance, December 31	\$ 836,611	\$ 836,611	\$ 3,935,727	\$ 3,099,116

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**IMPACT FEE TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Impact fees	\$ 2,950,709	\$ 2,950,709	\$ 1,884,095	\$ (1,066,614)
Interest earnings	36,134	36,134	11,591	(24,543)
Energy impact grants	20,550,000	20,550,000	688,691	(19,861,309)
Total revenues	23,536,843	23,536,843	2,584,377	(20,952,466)
<b>EXPENDITURES</b>				
Construction Projects	24,300,000	24,300,000	1,402,700	22,897,300
Refunds	-	-	35,172	(35,172)
Treasury fees	235,368	235,368	21,472	213,896
Administration	2,000	2,000	-	2,000
Total expenditures	24,537,368	24,537,368	1,459,344	23,078,024
Net change to fund balance	(1,000,525)	(1,000,525)	1,125,033	2,125,558
Fund balance, January 1	3,959,335	3,959,335	4,728,283	768,948
Fund balance, December 31	\$ 2,958,810	\$ 2,958,810	\$ 5,853,316	\$ 2,894,506

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**CAPITAL EXPENDITURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 3,112,041	\$ 3,112,041	\$ 3,092,549	\$ (19,492)
Specific ownership taxes	85,000	85,000	100,534	15,534
Other taxes	-	-	24,724	24,724
Intergovernmental revenues	103,132	103,132	37,957	(65,175)
Total revenues	3,300,173	3,300,173	3,255,764	(44,409)
<b>EXPENDITURES</b>				
Treasury fees	33,002	163,002	156,159	6,843
General government:				
Maintenance	75,000	75,000	20,000	55,000
Information Systems	326,000	326,000	98,386	227,614
Central Services	7,575	7,575	7,575	-
Judicial and public safety:				
Sheriff	38,748	46,598	35,538	11,060
Public works:				
Road & Bridge	50,000	50,000	51,600	(1,600)
Rangely Airport	31,380	31,380	13,227	18,153
Meeker Airport	45,000	45,000	-	45,000
Recreation and culture:				
Columbine Park	88,000	88,000	35,835	52,165
Meeker Fairgrounds	10,000	14,200	14,200	-
Total expenditures	704,705	846,755	432,520	414,235
Excess (deficiency) of revenues over expenditures	2,595,468	2,453,418	2,823,244	369,826
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers in	-	7,850	7,850	-
Transfers out	(3,450,000)	(3,450,000)	(3,450,000)	-
Total other financing sources/(uses)	(3,450,000)	(3,442,150)	(3,442,150)	-
Net change to fund balance	(854,532)	(988,732)	(618,906)	369,826
Fund balance, January 1	1,264,176	1,264,176	1,693,895	429,719
Fund balance, December 31	\$ 409,644	\$ 275,444	\$ 1,074,989	\$ 799,545

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**CAPITAL IMPROVEMENT PLAN FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 2,095,280	\$ 2,116,412	\$ 405,531	\$ (1,710,881)
Contributions	-	-	143,000	143,000
Total revenues	2,095,280	2,116,412	548,531	(1,567,881)
<b>EXPENDITURES</b>				
Treasury fees	20,953	20,953	3,595	17,358
Energy Assessment Improvements	500,000	475,000	410,150	64,850
Rangely Annex Roof Repair & HVAC Upgrade	225,000	192,300	192,263	37
Justice Center Preliminary Design	1,000,000	1,000,000	-	1,000,000
Radio Tower Projects (800 DTR)	1,200,000	1,200,000	50,379	1,149,621
Radio Repeater (Wilson Creek)	-	21,132	21,132	-
Meeker Fairgrounds Multi-purpose Building	500,000	500,000	24,487	475,513
Rangely Airport Projects	180,000	180,000	189,373	(9,373)
Meeker Airport Projects	200,000	200,000	114,353	85,647
CR 10 Bridge	1,150,000	1,150,000	107,470	1,042,530
CR 27 Bridge	906,091	906,091	3,450	902,641
Fairfield Complex Remodeling (Offices)	525,000	582,700	591,391	(8,691)
Total expenditures	6,407,044	6,428,176	1,708,043	4,720,133
Excess (deficiency) of revenues over expenditures	(4,311,764)	(4,311,764)	(1,159,512)	3,152,252
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers in	6,596,088	6,596,088	6,904,343	308,255
Total other financing sources/(uses)	6,596,088	6,596,088	6,904,343	308,255
Net change to fund balance	2,284,324	2,284,324	5,744,831	3,460,507
Fund balance, January 1	1,281,718	1,281,718	437,351	(844,367)
Fund balance, December 31	\$ 3,566,042	\$ 3,566,042	\$ 6,182,182	\$ 2,616,140

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**EXPLANATION OF NON-MAJOR FUNDS**

**Year Ended December 31, 2010**

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**Governmental Funds - Special Revenue**

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

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

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

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

**Proprietary Funds Enterprise Funds**

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

The *Weed and Pest Control Fund* accounts for the County's weed and pest control programs, cost sharing sales of herbicides to County landowners and to control programs established by Federal, State and local organizations.

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

**Proprietary Funds - Internal Service Funds**

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

The *Fleet Management Fund* accounts for the County's vehicles and heavy equipment.



**RIO BLANCO COUNTY, COLORADO**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**December 31, 2010**

	Social Services Fund	Public Health Fund	Conservation Trust	Contingent	Total Nonmajor Governmental Special Rev. Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 763,304	\$ 221,212	\$ 16,887	\$ 100,000	\$ 1,101,403
Taxes receivable	564,167	394,917	-	-	959,084
Due from other governmental units	445,598	27,520	-	-	473,118
Other receivables	-	1,948	-	-	1,948
Total assets	\$ 1,773,069	\$ 645,597	\$ 16,887	\$ 100,000	\$ 2,535,553
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 4,694	\$ -	\$ -	\$ 4,694
Due to other governmental units	355,357	-	-	-	355,357
Deferred revenue	652,295	394,917	-	-	1,047,212
Total liabilities	1,007,652	399,611	-	-	1,407,263
Fund balances:					
Reserved for:					
Emergencies & other	-	-	-	100,000	100,000
Unreserved reported in:					
Special revenue funds	765,417	245,986	16,887	-	1,028,290
Total fund balance	765,417	245,986	16,887	100,000	1,128,290
Total liabilities and fund balance	\$ 1,773,069	\$ 645,597	\$ 16,887	\$ 100,000	\$ 2,535,553

**RIO BLANCO COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2010**

	Social Services Fund	Public Health Fund	Conservation Trust	Contingent	Total Nonmajor Governmental Special Rev. Funds
<b>REVENUES</b>					
Property taxes	\$ 368,229	\$ 288,392	\$ -	\$ -	\$ 656,621
Specific ownership taxes	12,007	9,382	-	-	21,389
Other taxes	11,270	268	-	-	11,538
Intergovernmental	1,956,442	141,546	8,298	-	2,106,286
Licenses and permits	-	2,343	-	-	2,343
Charges for service	-	19,359	-	-	19,359
Interest earnings	-	-	17	-	17
Fees, fines and forfeits	-	4,137	-	-	4,137
Miscellaneous	-	12,801	-	-	12,801
Total revenues	2,347,948	478,228	8,315	-	2,834,491
<b>EXPENDITURES</b>					
Current:					
Health and welfare	2,181,025	522,363	-	-	2,703,388
Recreation	-	-	9,121	-	9,121
Total expenditures	2,181,025	522,363	9,121	-	2,712,509
Net change to fund balance	166,923	(44,135)	(806)	-	121,982
Fund balance, January 1	598,494	290,121	17,693	100,000	1,006,308
Fund balance, December 31	\$ 765,417	\$ 245,986	\$ 16,887	100,000	\$ 1,128,290

**RIO BLANCO COUNTY, COLORADO**  
**SOCIAL SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 371,587	\$ 371,587	\$ 368,229	\$ (3,358)
Specific ownership taxes	30,645	30,645	12,007	(18,638)
Other taxes	-	-	11,270	11,270
Intergovernmental	1,810,472	2,068,472	1,956,442	(112,030)
Total revenues	2,212,704	2,470,704	2,347,948	(122,756)
<b>EXPENDITURES</b>				
Health and welfare	2,237,947	2,527,947	2,181,025	346,922
Total expenditures	2,237,947	2,527,947	2,181,025	346,922
Net change to fund balance	(25,243)	(57,243)	166,923	224,166
Fund balance, January 1	344,864	344,864	598,494	253,630
Fund balance, December 31	\$ 319,621	\$ 287,621	\$ 765,417	\$ 477,796

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**PUBLIC HEALTH AGENCY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 290,302	\$ 290,302	\$ 288,392	\$ (1,910)
Specific ownership taxes	23,224	23,224	9,382	(13,842)
Other taxes	-	-	268	268
Intergovernmental	179,394	192,980	141,546	(51,434)
Licenses and permits	-	-	2,343	2,343
Charges for service	26,000	26,000	19,359	(6,641)
Fees, fines and forfeits	30,000	30,000	4,137	(25,863)
Miscellaneous	8,500	8,500	12,801	4,301
Total revenues	557,420	571,006	478,228	(92,778)
<b>EXPENDITURES</b>				
Health and welfare	519,468	542,302	522,363	19,939
Total expenditures	519,468	542,302	522,363	19,939
Net change to fund balance	37,952	28,704	(44,135)	(72,839)
Fund balance, January 1	134,149	134,149	290,121	155,972
Fund balance, December 31	\$ 172,101	\$ 162,853	\$ 245,986	\$ 83,133

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**CONSERVATION TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 8,298	\$ (702)
Interest earnings	65	65	17	(48)
Total revenues	9,065	9,065	8,315	(750)
<b>EXPENDITURES</b>				
Recreation	15,410	15,410	9,121	6,289
Total expenditures	15,410	15,410	9,121	6,289
Net change to fund balance	(6,345)	(6,345)	(806)	5,539
Fund balance, January 1	8,714	8,714	17,693	8,979
Fund balance, December 31	\$ 2,369	\$ 2,369	\$ 16,887	\$ 14,518

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**CONTINGENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	100,000	100,000	-	100,000
Net change to fund balance	(100,000)	(100,000)	-	100,000
Fund balance, January 1	100,000	100,000	100,000	-
Fund balance, December 31	\$ -	\$ -	\$ 100,000	\$ 100,000

Note: The basis of budgeting is the same as GAAP. This shedule is presented on a GAAP basis.

**RIO BLANCO COUNTY, COLORADO**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**December 31, 2010**

	<b>Solid Waste Landfill Fund</b>	<b>Weed and Pest Control Fund</b>	<b>Fairfield Complex Fund</b>	<b>Total Non-major Enterprise Funds</b>
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 1,801,847	\$ 263,869	\$ 162,506	\$ 2,228,222
Other receivables	158,387	-	30,706	189,093
Inventories	-	31,382	-	31,382
Total current assets	1,960,234	295,251	193,212	2,448,697
Noncurrent assets:				
Capital assets:				
Land	33,395	-	270,210	303,605
Buildings and equipment, net	541,016	10,025	2,510,526	3,061,567
Total noncurrent assets	574,411	10,025	2,780,736	3,365,172
Total assets	2,534,645	305,276	2,973,948	5,813,869
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 13,574	\$ -	\$ 1,909	\$ 15,483
Total current liabilities	13,574	-	1,909	15,483
Noncurrent liabilities:				
Compensated absences	14,283	5,436	7,414	27,133
Closure and post-closure care	122,517	-	-	122,517
Total noncurrent liabilities	136,800	5,436	7,414	149,650
Total liabilities	150,374	5,436	9,323	165,133
<b>NET ASSETS</b>				
Invested in capital assets	574,411	10,025	2,780,736	3,365,172
Invested in inventories & prepaids	-	31,382	-	31,382
Restricted for closure & post-closure care	339,303	-	-	339,303
Unrestricted (deficit)	1,470,557	258,433	183,889	1,912,879
Total net assets	\$ 2,384,271	\$ 299,840	\$ 2,964,625	\$ 5,648,736

**RIO BLANCO COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**Year Ended December 31, 2010**

	Solid Waste Landfill Fund	Weed and Pest Control Fund	Fairfield Complex Fund	Total Non-major Enterprise Funds
Operating revenues:				
Charges for services	\$ 1,466,603	\$ 64,583	\$ 11,216	\$ 1,542,402
Grants	-	4,886	-	4,886
Private contributions	-	-	60,000	60,000
Intergovernmental revenues	-	35,660	5,000	40,660
Interdepartmental fees	12,000	18,908	28,800	59,708
Miscellaneous operating	44	-	-	44
Total operating revenues	1,478,647	124,037	105,016	1,707,700
Operating expenses:				
Salaries and wages	136,956	74,951	56,666	268,573
Employee benefits	61,964	30,698	16,409	109,071
Supplies	3,715	3,742	20,289	27,746
Chemicals	-	117,595	-	117,595
Purchased services	63,923	37,662	16,420	118,005
Special dues, permits and fees	21,749	-	-	21,749
Closure and post-closure costs	52,751	-	-	52,751
Utilities	5,021	-	35,268	40,289
Repairs and maintenance	-	-	50,394	50,394
Interdepartmental charges	278,619	23,231	17,338	319,188
Depreciation	19,362	-	71,316	90,678
Other	-	16	-	16
Total operating expenses	644,060	287,895	284,100	1,216,055
Operating income/(loss)	834,587	(163,858)	(179,084)	491,645
Nonoperating revenues/(expenses):				
Capital contributions	-	10,025	594,271	604,296
Capital contributed expense	(273,725)	-	(11,810)	(285,535)
Total nonoperating revenues/(expenses)	(273,725)	10,025	582,461	318,761
Income/(loss) before transfers in/(out)	560,862	(153,833)	403,377	810,406
Transfers in/(out)	-	202,300	200,000	402,300
Change in net assets	560,862	48,467	603,377	1,212,706
Total net assets, January 1	1,823,409	251,373	2,361,248	4,436,030
Total net assets, December 31	\$ 2,384,271	\$ 299,840	\$ 2,964,625	\$ 5,648,736



**RIO BLANCO COUNTY, COLORADO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**Year Ended December 31, 2010**

	<b>Solid Waste Landfill Fund</b>	<b>Weed and Pest Control Fund</b>	<b>Fairfield Complex Fund</b>	<b>Total Non-major Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from external customers	\$ 1,920,420	\$ 132,101	\$ 46,310	\$ 2,098,831
Cash received from internal customers	12,000	18,908	28,800	59,708
Cash payments to external suppliers for goods and services	(425,063)	(144,086)	(135,092)	(704,241)
Cash payments to internal suppliers for goods and services	(278,619)	(23,231)	(17,338)	(319,188)
Cash payments to employees for services	(203,779)	(103,108)	(72,203)	(379,090)
Net cash provided/(used) by operating activities	1,024,959	(119,416)	(149,523)	756,020
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from/(to) other funds	-	202,300	200,000	402,300
Net cash provided by noncapital financing activities	-	202,300	200,000	402,300
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of fixed assets	(344,130)	(0)	0	(344,130)
Proceeds from sale of assets	-	-	(1)	(1)
Net cash provided by capital and related financing activities	(344,130)	(0)	(0)	(344,131)
Net increase/(decrease) in cash and equivalents	680,829	82,884	50,477	814,189
Cash balances, January 1	1,121,018	180,985	112,029	1,414,032
Cash balances, December 31	\$ 1,801,847	\$ 263,869	\$ 162,506	\$ 2,228,221
<b>Reconciling of operating income/(loss) to net cash provided/(used) by operating activities:</b>				
Operating income/(loss)	\$ 834,587	\$ (163,858)	\$ (179,084)	\$ 491,645
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:				
Depreciation expense	19,362	-	71,316	90,678
Miscellaneous nonoperating revenues/(expenses)	(273,725)	-	(11,810)	(285,535)
Assets (increase)/decrease:				
Other receivables	453,773	26,972	(29,906)	450,839
Inventories	-	15,183	-	15,183
Liabilities increase/(decrease):				
Accounts payable	(8,351)	(254)	(911)	(9,516)
Accrued compensated absences	(4,859)	2,541	872	(1,446)
Accrued closure and postclosure care	4,172	-	-	4,172
Total Adjustments	190,372	44,442	29,561	264,375
Net cash provided/(used) by operating activities	\$ 1,024,959	\$ (119,416)	\$ (149,523)	\$ 756,020

**RIO BLANCO COUNTY, COLORADO**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**December 31, 2010**

	<b>Central Service Fund</b>	<b>Fleet Management Fund</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 326,950	\$ 1,503,959	\$ 1,830,909
Other receivables	242	8,656	8,898
Inventories	-	278,219	278,219
Prepays and deposits	216,000	-	216,000
Total current assets	543,192	1,790,834	2,334,026
Noncurrent assets:			
Capital assets:			
Buildings and equipment, net	59,774	3,630,808	3,690,582
Total noncurrent assets	59,774	3,630,808	3,690,582
Total assets	\$ 602,966	\$ 5,421,642	\$ 6,024,608
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 1,016	\$ 13,097	\$ 14,113
Total current liabilities	1,016	13,097	14,113
Noncurrent liabilities:			
Compensated absences	-	40,380	40,380
Total noncurrent liabilities	-	40,380	40,380
Total liabilities	1,016	53,477	54,493
<b>NET ASSETS</b>			
Invested in capital assets	59,774	3,630,809	3,690,583
Invested in inventories & prepaids	216,000	278,219	494,219
Unrestricted	326,176	1,459,137	1,785,313
Total net assets	\$ 601,950	\$ 5,368,165	\$ 5,970,115

**RIO BLANCO COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended December 31, 2010**

	<b>Central Service Fund</b>	<b>Fleet Management Fund</b>	<b>Total Internal Service Funds</b>
Operating revenues:			
Charges for services-internal	\$ 406,660	\$ 2,533,903	\$ 2,940,563
Charges for services-external	7,091	78,548	85,639
Miscellaneous operating	-	14,010	14,010
Total operating revenues	413,751	2,626,461	3,040,212
Operating expenses:			
Salaries and wages	-	381,593	381,593
Employee benefits	-	181,195	181,195
Supplies	15,477	771,910	787,387
Purchased services	97,634	21,660	119,294
Rent	49,553	-	49,553
Utilities	-	56,132	56,132
Repairs and maintenance	1,728	58,607	60,335
Insurance and claims	173,848	-	173,848
Interdepartmental charges	-	59,196	59,196
Depreciation	16,205	909,163	925,368
Total operating expenses	354,445	2,439,456	2,793,901
Operating income/(loss)	59,306	187,005	246,311
Nonoperating revenues:			
Gain/(loss) on disposition of assets and inventory	-	4,074	4,074
Capital contributions	65,429	356,489	421,918
Total nonoperating revenues/(expenses)	65,429	360,563	425,992
Income/(loss) before contributions and transfers in/(out)	124,735	547,568	672,303
Transfers in/(out)	250,550	-	250,550
Change in net assets	375,285	547,568	922,853
Total net assets, January 1	226,665	4,820,597	5,047,262
Total net assets, December 31	\$ 601,950	\$ 5,368,165	\$ 5,970,115

**RIO BLANCO COUNTY, COLORADO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended December 31, 2010**

	<b>Central Service Fund</b>	<b>Fleet Management Fund</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from external customers	\$ 522	\$ 74,071	\$ 74,593
Cash received from internal customers	413,751	3,110,684	3,524,435
Cash payments to external suppliers for goods and services	(552,632)	(955,446)	(1,508,078)
Cash payments to internal suppliers for goods and services	-	(59,196)	(59,196)
Cash payments to employees for services	-	(558,211)	(558,211)
Net cash provided/(used) by operating activities	(138,359)	1,611,902	1,473,543
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from/(to) other funds	250,550	-	250,550
Net cash provided by noncapital financing activities	250,550	-	250,550
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of fixed assets	(10,550)	(989,778)	(1,000,328)
Proceeds from disposal of assets and reimbursements	-	45,229	45,229
Net cash (used) by capital and related financing activities	(10,550)	(944,549)	(955,099)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net increase/(decrease) in cash and equivalents	101,641	667,353	768,994
Cash balances, January 1	225,309	836,606	1,061,915
Cash balances, December 31	\$ 326,950	\$ 1,503,959	\$ 1,830,909
<b>Reconciling of operating income to net cash provided/(used) by operating activities:</b>			
Operating income/(loss)	\$ 59,306	\$ 187,005	\$ 246,311
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:			
Depreciation expense	16,205	909,163	925,368
Assets (increase)/decrease:			
Other receivables	522	(4,477)	(3,955)
Due from other funds	-	562,771	562,771
Inventories	-	(13,873)	(13,873)
Prepays and deposits	(208,000)	-	(208,000)
Liabilities increase/(decrease):			
Accounts payable	(6,392)	(33,264)	(39,656)
Accrued compensated absences	-	4,577	4,577
Total Adjustments	(197,665)	1,424,897	1,227,232
Net cash provided/(used) by operating activities	\$ (138,359)	\$ 1,611,902	\$ 1,473,543

**RIO BLANCO COUNTY, COLORADO**  
**SOLID WASTE LANDFILL FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for sales and services	\$ 840,000	\$ 1,517,564	\$ 1,466,603	\$ (50,961)
Delinquent taxes and penalty, interest	-	-	44	44
Interdepartmental fees	12,000	12,000	12,000	-
Total revenues	852,000	1,529,564	1,478,647	(50,917)
<b>EXPENSES</b>				
Salaries and wages	138,527	140,527	136,956	3,571
Employee benefits	71,421	71,421	61,964	9,457
Supplies	8,000	8,000	3,715	4,285
Purchased services	30,000	63,000	63,923	(923)
Special dues, permits and fees	50,000	20,000	21,749	(1,749)
Closure and post-closure costs	15,000	56,000	52,751	3,249
Utilities	5,000	5,000	5,021	(21)
Interdepartmental charges	269,993	276,493	278,619	(2,126)
Total operating expenses	587,941	640,441	624,698	15,743
Capital outlay	70,000	607,819	617,855	(10,036)
Total expenses	657,941	1,248,260	1,242,553	5,707
Net income/(loss)	\$ 194,059	\$ 281,304	236,094	\$ (45,210)

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

Capital purchased by this fund	617,855
Capital contributed to another fund from this fund	(273,725)
Depreciation (not budgeted)	(19,362)
Total adjustments to basis	<u>324,768</u>
Net change in fund equity	560,862
Fund equity, January 1	1,823,409
Fund equity, December 31	<u>\$ 2,384,271</u>

**RIO BLANCO COUNTY, COLORADO**  
**WEED AND PEST CONTROL FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for sales and services	\$ 70,500	\$ 70,500	\$ 64,583	\$ (5,917)
Grants	25,000	25,000	4,886	(20,114)
Intergovernmental revenues	55,000	55,000	35,660	(19,340)
Interdepartmental charges	16,500	16,500	18,908	2,408
Total revenues	167,000	167,000	124,037	(42,963)
<b>EXPENSES</b>				
Salaries and Wages	106,420	106,420	74,951	31,469
Employee benefits	35,032	35,032	30,698	4,334
Supplies	6,000	6,000	3,742	2,258
Chemicals	155,000	155,000	117,595	37,405
Purchased services	45,000	45,000	37,662	7,338
Interdepartmental charges	26,207	26,207	23,231	2,976
Other	20,000	20,000	16	19,984
Total expenses	393,659	393,659	287,895	105,764
Income/(loss) before other financing sources/(uses)	(226,659)	(226,659)	(163,858)	62,801
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers in	202,300	202,300	202,300	-
Total other financing sources/(uses)	202,300	202,300	202,300	-
Net income/(loss)	\$ (24,359)	\$ (24,359)	38,442	\$ 62,801

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

Capital contributed to this fund by another fund	10,025
Total adjustments to basis	<u>10,025</u>
Net change in fund equity	48,467
Fund equity, January 1	251,373
Fund equity, December 31	<u>\$ 299,840</u>

**RIO BLANCO COUNTY, COLORADO**  
**FAIRFIELD COMPLEX FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for sales and services	\$ 15,000	\$ 15,000	\$ 11,216	\$ (3,784)
Private contributions	60,000	60,000	60,000	-
Intergovernmental revenues	15,000	15,000	5,000	(10,000)
Interdepartmental charges	16,800	16,800	28,800	12,000
Total revenues	106,800	106,800	105,016	(1,784)
<b>EXPENSES</b>				
Salaries and wages	46,999	46,999	56,666	(9,667)
Employee benefits	15,964	15,964	16,409	(445)
Supplies	25,000	25,000	20,289	4,711
Purchased services	32,000	32,000	16,420	15,580
Utilities	55,000	55,000	35,268	19,732
Repairs and maintenance	55,000	55,000	50,394	4,606
Interdepartmental charges	15,481	15,481	17,338	(1,857)
Total operating expenses	245,444	245,444	212,784	32,660
Capital outlay	12,000	12,000	11,810	190
Total expenses	257,444	257,444	224,594	32,850
Income/(loss) before other financing sources/(uses)	(150,644)	(150,644)	(119,578)	31,066
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers in	200,000	200,000	200,000	-
Total other financing sources/(uses)	200,000	200,000	200,000	-
Net income/(loss)	\$ 49,356	\$ 49,356	80,422	\$ 31,066

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

Capital purchased by this fund	11,810
Capital contributed to another fund from this fund	(11,810)
Capital contributed to this fund by another fund	594,271
Depreciation (not budgeted)	(71,316)
Total adjustments to basis	<u>522,955</u>
Net change in fund equity	603,377
Fund equity, January 1	2,361,248
Fund equity, December 31	<u>\$ 2,964,625</u>

**RIO BLANCO COUNTY, COLORADO**  
**CENTRAL SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interfund Charges	\$ 406,558	\$ 406,558	\$ 406,660	\$ 102
Charges for sales and services	55,580	55,580	7,091	(48,489)
Total revenues	462,138	462,138	413,751	(48,387)
<b>EXPENSES</b>				
Supplies	20,460	20,460	15,477	4,983
Purchased services	25,000	25,000	19,843	5,157
Contracted services	26,394	26,394	8,227	18,167
Audit services	45,000	45,000	22,545	22,455
Internet service	14,112	14,112	38,607	(24,495)
Rent	48,000	48,000	49,553	(1,553)
Repairs and maintenance	2,000	2,000	1,728	272
Pass thru costs	55,580	55,580	8,412	47,168
Insurance	193,205	193,205	173,848	19,357
Contingency	20,000	20,000	-	20,000
Total operating expenses	449,751	449,751	338,240	111,511
Capital outlay	-	10,550	10,550	-
Total expenses	449,751	460,301	348,790	111,511
Income/(loss) before other financing sources/(uses)	12,387	1,837	64,961	63,124
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers in	-	10,550	250,550	240,000
Total other financing sources/(uses)	-	10,550	250,550	240,000
Net income/(loss)	\$ 12,387	\$ 12,387	\$ 315,511	\$ 303,124

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

Capital purchased by this fund	10,550
Capital contributed to this fund by another fund	65,429
Depreciation (not budgeted)	(16,205)
Total adjustments to basis	59,774
Net change in fund equity	375,285
Fund equity, January 1	226,665
Fund equity, December 31	\$ 601,950



**RIO BLANCO COUNTY, COLORADO**  
**FLEET MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2010**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interdepartmental fees	\$ 2,597,460	\$ 2,597,460	\$ 2,533,903	\$ (63,557)
Charges for sales and services	105,000	105,000	78,548	(26,452)
Miscellaneous	-	-	14,010	14,010
Total revenues	2,702,460	2,702,460	2,626,461	(75,999)
<b>EXPENSES</b>				
Salaries and wages	373,629	373,629	381,593	(7,964)
Employee benefits	186,010	186,010	181,195	4,815
Supplies	1,023,015	1,023,015	771,910	251,105
Purchased services	62,500	62,500	21,660	40,840
Utilities	86,000	86,000	56,132	29,868
Repairs and maintenance	40,000	40,000	58,607	(18,607)
Interdepartmental charges	60,791	60,791	59,196	1,595
Total operating expenses	1,831,945	1,831,945	1,530,293	301,652
Capital outlay	920,500	946,500	948,625	(2,125)
Total expenses	2,752,445	2,778,445	2,478,918	299,527
Income/(loss) before other financing sources/(uses)	(49,985)	(75,985)	147,543	223,528
<b>OTHER FINANCING SOURCES/(USES)</b>				
Gain on assets	-	-	4,074	4,074
Total other financing sources/(uses)	-	-	4,074	4,074
Net income/(loss)	\$ (49,985)	\$ (75,985)	\$ 151,617	\$ 227,602

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

Capital purchased by this fund	948,625
Capital contributed to this fund by another fund	356,489
Depreciation (not budgeted)	(909,163)
Total adjustments to basis	395,951
Net change in fund equity	547,568
Fund equity, January 1	4,820,597
Fund equity, December 31	\$ 5,368,165

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>			City or County: Rio Blanco County		
			YEAR ENDING : December 2010		
This Information From The Records Of (example - City of _ or County of _)			Prepared By: Chris Singleton, Finance & Budget Director Phone: (970) 878-9446		
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>			<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>		
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	0		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,584,125		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	244,680		
2. General fund appropriations		b. Snow and ice removal	573,897		
3. Other local imposts (from page 2)	5,207,912	c. Other			
4. Miscellaneous local receipts (from page 2)	39,070	d. Total (a. through c.)	818,577		
5. Transfers from toll facilities		4. General administration & miscellaneous	715,762		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	6,118,464		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest			
7. Total (1 through 6)	5,246,982	b. Redemption			
<b>B. Private Contributions</b>	30,000	c. Total (a. + b.)	0		
<b>C. Receipts from State government</b> (from page 2)	2,679,892	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	76,301	a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	8,033,175	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		<b>C. Payments to State for highways</b>			
		<b>D. Payments to toll facilities</b>			
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	6,118,464		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
		Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>					0
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>					0
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,609,166	8,033,175	6,118,464	3,523,877	0
<b>Notes and Comments:</b>					

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2010

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

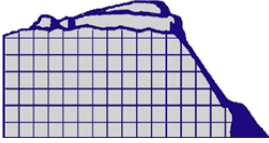
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	4,107,178	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	200,923	f. Charges for Services	25,055
5. Specific Ownership &/or Other	899,811	g. Other Misc. Receipts	14,016
6. Total (1. through 5.)	1,100,734	h. Other	
c. Total (a. + b.)	5,207,912	i. Total (a. through h.)	39,070
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,661,295	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	76,301
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	19,124	d. Federal Transit Admin	
d. Other (Specify) DOLA Grants	(3,035)	e. U.S. Corps of Engineers	
e. Other (Specify) Imp Asst Wildlife	2,509	f. Other Federal	
f. Total (a. through e.)	18,597	g. Total (a. through f.)	76,301
4. Total (1. + 2. + 3.f)	2,679,892	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

**Notes and Comments:**



Paul D. Miller CPA, LLC.

Certified Public Accountant

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of County Commissioners  
Rio Blanco County  
Meeker, CO

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rio Blanco County, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements and have issued my report thereon dated June 20, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Rio Blanco County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

My consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

I noted certain other matters that I reported to management of Rio Blanco County in a separate letter dated June 20, 2011.

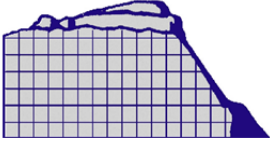
This report is intended solely for the information and use of management, the Board of County Commissioners, others within the entity, State of Colorado, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Paul D. Miller, CPA, LLC*

Grand Junction, CO  
June 20, 2011

F-1

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Paul D. Miller CPA, LLC.

Certified Public Accountant

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of County Commissioners  
Rio Blanco County  
Meeker, CO

**Compliance**

I have audited Rio Blanco County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of The County's major federal programs for the year ended December 31, 2010. Rio Blanco County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Rio Blanco County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Rio Blanco County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Rio Blanco County's compliance with those requirements.

In my opinion, Rio Blanco County complied, in all material respects, with the 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, 2010.

**Internal Control Over Compliance**

Management of Rio Blanco County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Rio Blanco County'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.

F-2

Paul D. Miller, C.P.A  
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My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the entity, State of Colorado, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Paul D. Miller, CPA, LLC*

Grand Junction, CO  
June 30, 2011

RIO BLANCO COUNTY  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: UNQUALIFIED

Internal control over financial reporting:

Material weakness identified? NO

Significant deficiency identified  
that is not considered material  
weaknesses? NO

Noncompliance material to financial  
Statements noted? NO

Federal Awards

Internal control over major programs:

Material weakness identified? NO

Significant deficiency identified  
that is not considered material  
weaknesses? NO

Type of auditor’s report issued: UNQUALIFIED

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

Identification of major program:

15.230	Invasive and Noxious Plant Management
20.106	Airport Improvement Program
20.218	National Motor Carrier Safety
20.601	Alcohol Impaired Driving Countermeasures
81.041	ARRA- State Energy Program
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.568	Low-income Home Energy Assistance
93.658	Foster Care –Title IV-E
93.713	AARA- Child Care and Development Block Grant

Rio Blanco County  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2009

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

Auditee qualified as low-risk auditee?                      NO

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial findings for the year ended December 31, 2010

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings or Questioned Costs for the year ending December 31, 2010.

SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS.

There were no prior year findings or questioned costs.



Rio Blanco County  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2010

C.F.D.A. PROGRAM TITLE	C.F.D.A. PROGRAM NUMBER	AMOUNT OF EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<i>Passed through State Agencies</i>		
State Administrative Matching Grants for Food Stamp Program	10.561	64,110
		<u>64,110</u>
<i>Passed through CO Dept. Public Health &amp; Environment</i>		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	23,808
Special Supplemental Nutrition Program for Women, etc. - Non-Cash	10.557	85,085
		<u>108,893</u>
<i>Passed through CO Division of Local Affairs</i>		
Forest Service Title I and Title III (when elected)	10.665	76,301
	<b>Total</b>	<u>249,304</u>
<b>U.S. DEPARTMENT OF COMMERCE</b>		
<i>Passed through Eagle County (for benefit of Rio Blanco County)</i>		
Public Safety Interoperable Communications	11.555	21,132
	<b>Total</b>	<u>21,132</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
<i>Passed through Rio Blanco County (for benefit of Meeker, Rangely and county)</i>		
Community Development Block Grants	14.228	16,000
	<b>Total</b>	<u>16,000</u>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>		
<i>Direct assistance</i>		
Invasive and Noxious Plant Management	15.230	35,660
	<b>Total</b>	<u>35,660</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
<i>Direct assistance</i>		
Airport Improvement Grants (Meeker)	20.106	109,189
National Motor Carrier Safety	20.218	5,932
Alcohol Impaired Driving Countermeasures	20.601	6,960
		<u>122,081</u>
	<b>Total</b>	<u>122,081</u>
<b>U.S. DEPARTMENT OF ENERGY</b>		
<i>Direct assistance</i>		
ARRA - State Energy Program	81.041	120,022
	<b>Total</b>	<u>120,022</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
<i>Passed through CO DOLA - Division of Emergency Management</i>		
Emergency Management Performance Grant (EMS Coordinator)	97.042	44,681
	<b>Total</b>	<u>44,681</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
<i>Passed through CO Dept. Public Health &amp; Environment</i>		
Family Planning	93.217	4,214
Immunization Grants	93.268	3,820
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	2,048
Emergency Preparedness and Response	93.069	15,381
Maternal and Child Health Services Block Grant to the States	93.994	1,031
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	663
<i>Passed through Rio Blanco County (for benefit of Rangely CPT)</i>		
Temporary Assistance for Needy Families	93.558	13,586
		<u>40,744</u>
<i>Passed through Mesa County Department of Human Services</i>		
Special Programs for the Aging Title III, Part C Nutrition	93.045	30,965
<i>Passed through CO Division of Local Affairs</i>		
Community Services Block Grant Formula and Discretionary Awards		
- Community Food and Nutrition Programs (NSIP)	93.569	3,897
- Community Food and Nutrition Programs (CDBG)	93.569	8,602
		<u>12,499</u>
<i>Direct assistance</i>		
ARRA - Community Service Block Grant	93.710	11,819
<i>Passed through CO Dept. of Human Services</i>		
Temporary Assistance for Needy Families	93.558	144,084
Child Support Enforcement	93.563	101,177
Low-Income Home Energy Assistance (administered by Moffat County)	93.568	49,258
Child Care and Development Block Grant	93.575	12,975
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	54,969
Child Welfare Services - State Grants	93.645	8,407
Foster Care - Title IV-E	93.658	104,296
Adoption Assistance	93.659	13,198
Social Services Block Grant	93.667	64,222
ARRA - Child Care and Development Block Grant	93.713	43,047
Medical Assistance Program	93.778	53,087
Adjustment to Federal Assistance	93.XXX	3,593
		<u>652,314</u>
	<b>Total</b>	<u>748,340</u>
	<b>Grand Total</b>	<u>1,357,219</u>

Rio Blanco County, Colorado  
**Note to Schedule of Expenditures of Federal Awards**  
December 31, 2010

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity of Rio Blanco County, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.