



FINANCIAL STATEMENTS

For The Year Ended

DECEMBER 31, 2014





TELLER COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2014

Teller County, Colorado
Annual Financial Report
For The Year Ended December 31, 2014

TABLE OF CONTENTS
Financial Section

Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	i - ix
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	4
Statement of Activities.....	5
 Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	7
Statement of Revenues, Expenditures and Changes in Fund Balances	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	9
 Proprietary Funds:	
Statement of Net Position.....	10
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	11
Statement of Cash Flows	12 - 13
 Fiduciary Funds:	
Comparative Statement of Fiduciary Assets and Liabilities.....	14
 Notes to the Basic Financial Statements	 15 - 34
 Required Supplementary Information	
<i>General Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	35
<i>Road and Bridge Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	36
<i>Social Services Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	37
<i>Modified Approach for County Infrastructure Capital Assets</i>	38 - 39

Teller County, Colorado
Annual Financial Report
For The Year Ended December 31, 2014

Supplementary Information

Combining and Individual Fund Statements and Schedules:

Governmental Funds

Nonmajor Governmental Funds:

Combining Balance Sheet by Fund Type	40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances By Fund Type	41

General Fund:

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	42
Schedule of Revenues - Budget and Actual	43 - 44
Schedule of Expenditures - Budget and Actual	45

Major Special Revenue Funds:

Road and Bridge Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	46
--	----

Social Services Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	47
--	----

Nonmajor Special Revenue Funds:

Combining Balance Sheet	48
-------------------------------	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances	49
--	----

Conservation Trust Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	50
--	----

Contingent Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	51
--	----

Nonmajor Capital Projects Fund:

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	52
--	----

Teller County, Colorado
Annual Financial Report
For The Year Ended December 31, 2014

Proprietary Funds

Enterprise Funds

Major Enterprise Funds

Wastewater Utility Fund

Comparative Statement of Revenues, Expenses and Changes in Fund Net Position	53
Schedule of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual.....	54

Jail Fund

Comparative Statement of Revenues, Expenses and Changes in Fund Net Position	55
Schedule of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual.....	56

Fleet Management Fund

Comparative Statement of Revenues, Expenses and Changes in Fund Net Position	57
Schedule of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual.....	58

Fiduciary Funds

Agency Funds

Combining Statement of Changes in Assets and Liabilities	59
--	----

Special Reports Section

Highway Users Tax Fund Schedule	60 - 61
---------------------------------------	---------

Federal Financial Award Reports Section

Independent Auditors’ Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	62 - 63
Independent Auditors’ Report on Compliance For Each Major Federal Program and Report On Internal Control Over Compliance Required By OMB Circular A-133	64 - 66
Schedule of Findings and Questioned Costs	67 - 68
Schedule of Expenditures of Federal Awards	69 - 70
Note to the Schedule of Expenditures of Federal Awards.....	71



RubinBrown LLP
Certified Public Accountants
& Business Consultants

1900 16th Street
Suite 300
Denver, CO 80202

T 303.698.1883
F 303.777.4458

W rubinbrown.com
E info@rubinbrown.com

Independent Auditors' Report

Board of County Commissioners
Teller County, Colorado
Cripple Creek, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Teller County, Colorado (the County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the modified approach for County infrastructure capital assets on pages i through ix, 35 through 37, and 38 through 39, respectively, 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Report On Comparative Information

We have previously audited the County's 2013 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated June 12, 2014. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RubinBrown LLP

June 1, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Teller County, Colorado, we offer readers of the Teller County financial statements this narrative overview and analysis of the financial activities of Teller County for the fiscal year ended December 31, 2014. Consistent with the required reporting standards mandated by the Governmental Accounting Standards Board Statement #34 (GASB 34), Teller County is pleased to present our annual financial report in what we hope to be an informative and understandable format. We encourage readers to consider the information presented here while reviewing the financial statements.

Financial Highlights

- The County's assets and deferred outflows exceeded its liabilities and deferred inflows by \$282,005,939 (net position) for the calendar year reported. At December 31, 2013 net position of \$279,271,380 was reported. This substantial increase in net position is primarily due to an increase in cash balances resulting from conservative revenue estimates and cautious budgeting and spending of operating budgets, an intentional increase in budgeted carryovers towards capital projects that have been delayed over the last five years, reduced liabilities at year-end and improved operating results in our business-type activities.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$270,024,131, comparable to the prior year's balance of \$270,554,980, which includes infrastructure, property and equipment, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets. The decrease in net asset value is substantially due to current year depreciation.
 - (2) Net position of \$420,000 is restricted for emergencies by constraints imposed from outside the County, and \$470,013 is restricted through debt service.
 - (3) Unrestricted net position of \$11,091,795 represents the portion available to maintain the County's continuing obligations to citizens and creditors, and includes an improvement from net position of \$7,307,893 unrestricted at December 31, 2013.
- In 2013 the total assessed value of property that generates the County's property tax revenues increased due to the valuation of mineral production-related taxable property in the County. The levy on total values resulted in an increase in 2014 total property tax-related revenues of about \$108,000. Without the mining-related values those revenues would have dropped about \$367,000. Due to the continuing uncertainty of property values increased property tax revenue from 2013 has been used to target increased budgeted carryovers. County management maintained proactive and conservative budgeting and spending policies through 2014, while maintaining services.
- The County's governmental funds reported total ending fund balance of \$10,525,511 this year, an increase of \$2,471,930 from the prior year ending fund balance of \$8,053,581. County management is currently preparing an extended strategic plan, to prioritize and identify critical needs and service levels that should be addressed with more available funds.
- At the end of the reported calendar year, fund balance for the General Fund was \$5,507,558, or 42.0% of total General Fund expenditures, compared to 33.9% at December 31, 2013.
- Overall, the County has strengthened its financial position by adhering to budget policies and long-term capital plans, which have included maintaining the County's operating abilities and service levels, fund balances and capital reserves during a prolonged economic recovery while diligently improving the County's capital fleet and infrastructure. Although it is still a long term strategic goal of the County to improve the County's owned versus rented building space ratio, before progress can be made on this objective we must re-prioritize funding based on the County-wide strategic plan.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic

financial statements. The County also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the County's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

Comparative government-wide net position at December 31st, for the past three years has been:

2014	\$282,005,939
2013	279,271,380
2012	275,731,805

The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by property taxes, grants and other inter-governmental revenues from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, health and human services, and culture and recreation. Business-type activities include the wastewater and detentions facilities in Divide.

The government-wide financial statements are presented on pages 4 and 5 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of the report.

The County uses three types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term calendar year accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 6 to 9 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. The County has three proprietary funds, two are classified as enterprise funds, and one as an internal service fund. The two enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization for the wastewater utility and the jail. The internal service fund is used to track the acquisition, and provide for the replacement and maintenance of the County's fleet of vehicles and road equipment, and is classified as governmental activities in the government-wide statements.

The basic proprietary fund financial statements are presented on pages 10 to 13 of this report.

The *Fiduciary funds* are custodial in nature and include the County's agency funds, held by the County for payroll-related disbursements and for other organizations and entities, as presented on page 14 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the County's method of reporting infrastructure assets, and budget presentations. Infrastructure asset information is included in the "required supplementary information" section that begins on page 35. Budgetary comparison statements are also included as "required supplementary information" for the general fund, the road and bridge fund and the social services fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 40.

Financial Analysis of the County as a Whole

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the County as a whole.

The County's net position at calendar year-end 2014 was \$282,005,939, as compared to \$279,271,380 the previous year. The following table provides a summary of the County's net position:

Summary of Net Assets for the year ended December 31, 2014
(With comparative amounts for the year ended December 31, 2013)

	2014			2013		
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Total	Percentage of Total
Assets:						
Current assets	\$ 22,526,463	\$ (376,404)	\$ 22,150,059	8%	\$ 19,676,314	7%
Capital assets	270,024,160	3,105,933	273,130,093	92%	273,912,039	93%
Total assets	292,550,623	2,729,529	295,280,152	100%	293,588,353	100%
Deferred Outflows of Resources:						
Unamortized charge	-	289,038	289,038	100%	317,941	100%
Liabilities:						
Current liabilities	2,109,531	357,672	2,467,203	42%	3,022,519	45%
Long-term liabilities	270,128	3,145,860	3,415,988	58%	3,710,139	55%
Total liabilities	2,379,659	3,503,532	5,883,191	100%	6,732,658	100%
Deferred Inflows of Resources:						
Unearned property tax revent	7,680,060	-	7,680,060	100%	7,902,256	100%
Net position:						
Net investment in capital assets	270,024,160	(29)	270,024,131	96%	270,554,980	96%
Restricted	785,910	104,103	890,013	0%	1,408,507	1%
Unrestricted	11,680,834	(589,039)	11,091,795	4%	7,307,893	3%
Total net position	\$ 282,490,904	\$ (484,965)	\$ 282,005,939	100%	279,271,380	100%

The County continues to maintain an adequate current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 2.30 to 1. The business-type activities report a negative current ratio resulting from the general fund loans to both the wastewater utility fund and the jail fund. For the County overall, the current ratio is 2.21 to 1, as compared to 1.80 to 1 reported at the at the end of 2013.

The County reported positive balances in net position for the governmental activities but reports negative net position for the combination of the wastewater utility fund and the jail fund. The jail fund reports negative net position of \$689,607, as compared to negative net position of \$1,159,795 at the end of 2013. Net position increased \$2,243,190 for governmental activities and improved by \$491,369 for business-type activities. The County's overall financial position improved during calendar year 2014.

Note that 96% of the governmental activities' net position results from investment in capital. The County uses these capital assets to provide services to its citizens. Capital assets in the business-type activities also provide services, but in addition, they generate revenues for these funds. 96% of the County's total net position is included in capital assets, as compared to 97% in the prior year.

The following table provides a summary of the County's changes in net position:

Summary of Changes in Net Assets for the year ended December 31, 2014
(With comparative amounts for the year ended December 31, 2013)

	2014				2013	
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Total	Percentage of Total
Revenues:						
Program:						
Charges for services	\$ 1,921,560	\$ 3,120,878	\$ 5,042,438	20%	\$ 5,354,485	21%
Operating grants & contributions	6,872,696	-	6,872,696	26%	6,306,140	25%
Capital grants & contributions	78,873	17,700	96,573	0%	681,819	3%
General:						
Taxes	10,477,493	-	10,477,493	40%	10,133,717	40%
Other	3,497,632	65,366	3,562,998	14%	3,101,955	11%
Total revenues	22,848,254	3,203,944	26,052,198	100%	25,578,116	100%
Program Expenses:						
General government	6,385,610	-	6,385,610	27%	6,012,199	27%
Public safety	6,647,266	-	6,647,266	29%	6,608,026	30%
Public works	4,062,911	-	4,062,911	17%	3,350,984	15%
Health and human services	3,415,500	-	3,415,500	15%	3,200,776	15%
Culture and recreation	93,777	-	93,777	0%	66,076	0%
Interest	-	-	-	0%	-	0%
Wastewater utility	-	125,885	125,885	1%	130,663	1%
Jail	-	2,586,690	2,586,690	11%	2,529,797	12%
Total expenses	20,605,064	2,712,575	23,317,639	100%	21,898,521	100%
Change in net position	2,243,190	491,369	2,734,559		3,679,595	
Net position beginning of year	280,247,714	(976,334)	279,271,380		275,731,805	
Prior period adjustment of net position	-	-	-		(140,020)	
Net position end of year	\$ 282,490,904	\$ (484,965)	\$ 282,005,939		\$ 279,271,380	

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. These taxes provided 46% and 45% of the County's governmental revenues in 2014 and 2013, respectively. Operating grants and contributions are the second largest revenue source with \$6.9 million in 2014 governmental revenues or 30% of the total. The \$78,873 in capital contributions represents intergovernmental grants for capital road projects which do not show as program expenses in the government-wide statement of activities. Note that charges for services and operating grants and contributions cover 38% of governmental program expenses with road and social services assistance making up the majority of program operating revenues. Recovery of the levels of sales tax and building permit revenues over the past couple of years indicate a restoration of the local economy. The government's taxpayers and the County's other general governmental revenues comprised 61% of the governmental revenues.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and public works functions make up approximately 52% of the total governmental activities expenses for 2014, consistent with prior years. General government totals about 31%, and health and human services about 17%, both the same percentage as 2013 and 2012.

This table presents the total cost of each of the County's programs, as compared to the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

	Governmental Activities			
	2014		2013	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 6,385,610	\$ 4,865,117	\$ 6,012,199	\$ 4,427,635
Public safety	6,647,266	4,675,999	6,608,026	4,564,144
Public works	4,062,911	1,583,078	3,350,984	395,383
Health and human services	3,415,500	655,167	3,200,776	765,564
Culture and recreation	93,777	(47,426)	66,076	(91,310)
Total	\$ 20,605,064	\$ 11,731,935	\$ 19,238,061	\$ 10,061,416

In this table, in 2014 the County recognized \$78,873 (as compared to \$681,819 in 2013) capital grants and contributions as current year program revenues, but which offset expenditures that are capitalized as infrastructure assets. Disregarding the capital grant revenues the net cost of services in 2014 totals \$11,810,808, as compared to \$10,743,235 in 2013. After reducing gross expenses by program revenues (disregarding capital contributions), public safety (which includes Community Development Services) totals 40% and 43% of the adjusted net cost of services in 2014 and 2013, respectively. Public works shows approximately 14% of the 2014 net cost of services before recognition of the capital contribution discussed above, as compared to 10% in 2013. The majority of funding for the operations of the Road and Bridge Fund (in public works) is Highway User Tax Fund money received from the State.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The jail enterprise fund showed net operating income of \$674,960 in 2014, compared to \$792,639 in 2013. Teller County continues to market our facility to obtain external revenue by housing prisoners from other entities. The year 2014 resulted in a net operating gain of \$3,481 for the wastewater fund, compared to a net operating loss of \$12,824 in 2013.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. As of 2011, the County implemented Governmental Accounting Standards Board statement 54 (GASB 54), which requires a more specific breakdown of the availability of fund balances, resulting in the components detailed in Note 4-I on page 31 of this report. Governmental funds reported ending fund balances of \$10,525,511, an increase from \$8,053,581 at the end of 2013. The residual amount of unassigned fund balance in the County's general fund, after accounting for all levels of constraint determined according to GASB54, is \$3,384,298 as compared to \$3,181,225 at the end of 2013, indicating that a large portion of the increase in total fund balance was limited as to the purpose of it's spending.

Major Governmental Funds

The general fund is the County's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance increased by \$1,154,686, again as the result of conservative revenue estimates and spending practices. Improved revenue trends have continued through 2014, resulting in our confidence to look more seriously at funding priorities in our updated strategic plan. Our previous budgetary caution resulted in general fund revenues above the 2014 adjusted budget amounts by over \$900,000, and departments continued to hold the line on expenditures, resulting in expenses of about \$1.5 million less than budget.

Property taxes distributed to the general fund show less than a 2% increase from calendar year 2013. Distribution of sales taxes to the general fund increased by about 4% from the prior year, less than the total percentage increase in sales tax due to a shift in distribution to other funds that was determined during the 2014 budgeting process. General fund revenues from other governmental entities (mainly State and Federal) increased about 5% from those in 2013 largely across the board with the exception of decreases in gaming-related revenues. Total general fund licenses and permits decreased about 3%, taking into account the termination of the County's building services agreement with the City of Woodland Park. Charges for general fund services show a decrease of 19%.

The general fund balance is considered adequate, and due to conservative budget practices and spending over the past few years, it now shows the equivalent of 42% of annual expenditures in 2014. In the general fund, expenditures for general government and culture and recreation increased an average of 4% from 2013, while public safety expenditures increased less than 1%. Health and human services expenditures in the general fund increased nearly 12%, mainly from increases in grant funding.

Total road and bridge fund revenues decreased by nearly \$375,000, mainly due to a planned biannual "off-year" in road projects and related grant funding. This biannual cycle of capital road projects decreased total 2014 road and bridge fund expenditures by about \$590,000 from 2013.

During 2014, a lower percentage of property tax and no gaming tax revenues were distributed to the social services fund, while State and Federal program reimbursements increased by about 14% from 2013. In 2014, total social services expenditures and transfers out increased by about 10% partially due to one-time office moving expenses, which resulted in an unfavorable change in fund balance of about \$19,500.

Over previous budget cycles we had targeted governmental operating fund balances level with the prior year's target. However, in the 2013 and 2014 budget cycles we increased the planned carryover to ensuing years to protect County services from an anticipated drop in property taxes. In the 2014 budget process, the decrease in the distribution of gaming taxes to the social services fund was moved to increase contributions to the capital projects fund towards the future accomplishment of long-term capital goals that have been put on hold in recent years. Fleet replacement has continued according to plan. While maintaining a budget level sufficient to operate with, County departments have responded to the continuing economic slump by holding off on non-critical spending, and not filling open personnel positions whenever possible. In 2014 employees were recognized with their first County-wide salary increases in five years. Decreased property tax distribution to the social services fund allowed for an increase in contribution to the dedicated wildfire funds that the county has been building in the contingency fund.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. This information was discussed in previous areas of the MD&A.

Budgetary Highlights

The General Fund – Over the course of the year, the Board of County Commissioners has found it necessary to adopt adjustments and supplemental appropriations to the 2014 general fund budget, for the following reasons:

- Revenues that were not anticipated in the originally adopted budget, that have been obtained to fund specific programs or services (ie: grants approved after adoption of the budget, increased program funding)

- Carryover of designated funds received in 2013 but not expended until 2014
- Moving budgeted funds from one spending authority or area to another

Adjustments to the general fund budget resulted in a net increase of appropriations equaling \$642,968.

Actual general fund revenues came in \$916,686 higher than the adjusted budget amounts. County departments continued to maintain costs through careful monitoring of expenditures, which came in about 10.5% lower than the adjusted budget. Comparatively, the County spent 90% of the authorized general fund budget in 2013. Past revenue trends are taken into account while developing conservative estimates for the budget.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2014, the County had \$273,130,093 invested in a broad range of capital assets, including land, buildings, park facilities, roads, bridges and sewer lines. This is a decrease of \$781,946 or 0.3%, which results mainly from current year depreciation. In 2006, the County had completed valuation and condition assessments of all infrastructure (road and trail systems) built prior to 2003, and included them under the “modified approach” of reporting as non-depreciable assets under GASB34. This method of reporting, assessing and tracking the County’s infrastructure has shown to be a valuable asset management tool. The most recent assessment of all county road and trail infrastructure was performed in the three years ended December 31, 2012. Due to the successful results of tracking road and trail infrastructure under the modified approach, in 2011 the County reconditioned the Wastewater infrastructure, completed a full assessment of the system, and has added that infrastructure to the assets tracked under the modified approach of reporting. The County will continue to perform infrastructure assessments every three years. The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2014, was \$270,024,160 and \$3,105,933 respectively. The total change in this net investment was a decrease of 0.2% for governmental and a 5.7% decrease for business-type activities. See Note 4-D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity:

	Capital Assets (net of depreciation)						% Change
	Governmental Activities		Business Activities		Total		
	2014	2013	2014	2013	2014	2013	
Land	\$ 3,225,910	\$ 3,225,910	\$ 101,300	\$ 101,300	\$ 3,327,210	\$ 3,327,210	0%
Construction in progress	13,866	1,404,074	-	-	13,866	1,404,074	100%
Buildings & Improvements	5,820,680	6,108,942	2,051,921	2,238,381	7,872,601	8,347,323	-6%
Machinery and equipment	2,956,587	3,341,509	-	475	2,956,587	3,341,984	-12%
Software	32,553	51,825	-	-	32,553	51,825	0%
Infrastructure	257,974,564	256,486,911	952,712	952,712	258,927,276	257,439,623	1%
Total Capital Assets, net	<u>\$ 270,024,160</u>	<u>\$ 270,619,171</u>	<u>\$ 3,105,933</u>	<u>\$ 3,292,868</u>	<u>\$ 273,130,093</u>	<u>\$ 273,912,039</u>	0%

Long-term Debt

At the end of the calendar year, the County had outstanding debt obligations of \$3,777,485, including debt for compensated absences. During the year, the County retired \$280,000 in capital leases, or 8% of the beginning outstanding capital lease obligations. In 2014, the County had a net decrease in compensated absence balances due, of \$11,439 or 3%.

	Outstanding Debt						% Change
	Governmental Activities		Business-type Activities		Totals		
	2014	2013	2014	2013	2014	2013	
Capital leases	\$ -	\$ -	\$ 3,395,000	\$ 3,675,000	\$ 3,395,000	\$ 3,675,000	-8%
Compensated Absences	337,660	342,060	44,825	51,864	382,485	393,924	-3%
Total	\$ 337,660	\$ 342,060	\$ 3,439,825	\$ 3,726,864	\$ 3,777,485	\$ 4,068,924	-7%

See Note 4-G for additional information about the County's long-term debt. Business-type capital leases include Certificates of Participation held by the Teller County Facilities Corporation, which were renegotiated at a lower cost, in March, 2005.

Economic Conditions Affecting the County

Local economic indicator revenues continue to improve with the exception of gaming revenues that decreased in 2014, back to 1998 levels. Sales tax activity is showing significant improvement, with an increase of more than 10% over 2013. Building permit revenue showed an unanticipated increase due to some large commercial projects, as well as continued activity in the balance of the unincorporated County. We expect that 2015 revenues will exceed our conservative estimates, however minimal information is available for the 2015 re-evaluation of taxable property, which is received later in the year. These valuations will affect the next two years' property tax revenues.

The Cripple Creek & Victor Gold Mining Company continues to be a valuable member of the community. Increases in production have stimulated the economy in many ways including jobs and various construction projects. In recent years, property valuation related to increased mineral production in the County has subsidized otherwise reduced taxes levied by the County. However, that benefit was not available for taxes levied in 2014 for collection in 2015, which dropped nearly \$250,000 from the previous year. The other notable economic observation is the Public Trustee's reports of decreased foreclosure activity in the County.

We continue to maintain conservative spending policies but recognize that our fiscal position is secure enough to accelerate investments in our employee resources, facilities and infrastructure. The strategic plan will provide valuable direction to identify funding priorities for the immediate future.

Since the 2012 budget process, the County Commissioners have recognized the need to dedicate an increasing portion of County property tax revenues for emergency wildfire expenses. Although Teller County has not experienced major fire incidents in the past two summers, we continue to proactively prioritize funding, coordination and training for these purposes. Looking forward to the 2015 fire season, statewide drought conditions continue to put a strain on limited funds and resources that might be available for a local event.

For the first time in five years, during the 2014 budget process, County Elected Officials felt enough confidence in the direction of the economy to conduct a salary survey analysis and in both 2014 and 2015 dedicated additional funding for the purpose of implementing across-the-board salary increases according to market results and employee performance.

In order to maintain services, the County is continuing to pursue all cost-effective sources of funding. County offices and departments continue to sustain services with the funding available. We continually strive to improve in all areas of responsibility. Community outreach and communications goals remain a County-wide priority.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Director of Finance or the County Administrator at the County's Centennial Building, 112 North "A" Street, Cripple Creek, CO 80813.



BASIC FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and investments: (Note 4-A)			
Unrestricted	\$ 12,191,368	\$ -	\$ 12,191,368
Restricted	365,910	104,103	470,013
Receivables:			
Accounts	1,264,943	52,563	1,317,506
Property taxes	7,680,060	-	7,680,060
Intergovernmental	186,064	-	186,064
Internal	561,823	(561,823)	-
Prepaid expenses	146,719	-	146,719
Inventory	129,576	-	129,576
Other Assets			
Prepaid items	-	28,753	28,753
Capital Assets (Note 4-D)			
Nondepreciable capital assets	261,200,474	1,054,012	262,254,486
Depreciable capital assets, net	8,823,686	2,051,921	10,875,607
Total Assets	<u>292,550,623</u>	<u>2,729,529</u>	<u>295,280,152</u>
Deferred Outflows of Resources			
Unamortized charge	-	289,038	289,038
Total Deferred Outflows of Resources	<u>-</u>	<u>289,038</u>	<u>289,038</u>
Liabilities			
Current Liabilities			
Accounts payable	1,522,848	49,960	1,572,808
Intergovernmental payable	519,151	-	519,151
Accrued interest payable	-	13,747	13,747
Compensated absences payable	67,532	8,965	76,497
Capital leases payable	-	285,000	285,000
Long-Term Liabilities: (Note 4-G)			
Compensated absences payable (net of current portion)	270,128	35,860	305,988
Capital leases payable (net of current portion)	-	3,110,000	3,110,000
Total Liabilities	<u>2,379,659</u>	<u>3,503,532</u>	<u>5,883,191</u>
Deferred Inflows of Resources			
Unearned property tax revenue	7,680,060	-	7,680,060
Total Deferred Inflows of Resources	<u>7,680,060</u>	<u>-</u>	<u>7,680,060</u>
Net Position			
Net investment in capital assets (Note 4-I)	270,024,160	(29)	270,024,131
Restricted for:			
Emergencies (Note 5-C)	420,000	-	420,000
Debt service	365,910	104,103	470,013
Unrestricted (deficit)	11,680,834	(589,039)	11,091,795
Total Net Position	<u>\$ 282,490,904</u>	<u>\$ (484,965)</u>	<u>\$ 282,005,939</u>

See the accompanying notes to the basic financial statements.

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

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General government	\$ 6,385,610	\$ 952,312	\$ 568,181	\$ -	\$ (4,865,117)	\$ -	\$ (4,865,117)
Public safety	6,647,266	909,993	1,061,274	-	(4,675,999)	-	(4,675,999)
Public works	4,062,911	29,693	2,371,267	78,873	(1,583,078)	-	(1,583,078)
Health and human services	3,415,500	29,562	2,730,771	-	(655,167)	-	(655,167)
Culture and recreation	93,777	-	141,203	-	47,426	-	47,426
Total Governmental Activities	20,605,064	1,921,560	6,872,696	78,873	(11,731,935)	-	(11,731,935)
Business-Type Activities:							
Water and sewer	125,885	129,366	-	17,700	-	21,181	21,181
Jail	2,586,690	2,991,512	-	-	-	404,822	404,822
Total Business-Type Activities	2,712,575	3,120,878	-	17,700	-	426,003	426,003
Total - Primary Government	\$ 23,317,639	\$ 5,042,438	\$ 6,872,696	\$ 96,573	(11,731,935)	426,003	(11,305,932)
		General Revenues					
		Property taxes levied for general government purposes			7,920,549	-	7,920,549
		Sales taxes			2,556,944	-	2,556,944
		Gaming taxes			1,776,189	-	1,776,189
		Specific ownership taxes and other			874,266	-	874,266
		Unrestricted grants			282,460	-	282,460
		Gain on sale of capital assets			266,385	-	266,385
		Investment earnings			11,401	-	11,401
		Miscellaneous			286,931	65,366	352,297
		Total General Revenues			13,975,125	65,366	14,040,491
		Change in Net Position			2,243,190	491,369	2,734,559
		Net Position Beginning of Year			280,247,714	(976,334)	279,271,380
		Net Position End of Year			\$ 282,490,904	\$ (484,965)	\$ 282,005,939

See the accompanying notes to the basic financial statements.

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

	General	Road and Bridge	Social Services	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments					
Unrestricted	\$ 4,923,047	\$ 1,413,084	\$ 987,956	\$ 2,821,463	\$ 10,145,550
Restricted	365,910	-	-	-	365,910
Receivables:					
Accounts	752,448	394,354	11,898	78,093	1,236,793
Property taxes	6,641,238	329,370	511,830	197,622	7,680,060
Intergovernmental	-	-	186,064	-	186,064
Interfund	781,846	14,795	117	48,343	845,101
Prepaid expenses	141,970	1,206	2,518	1,025	146,719
Total Assets	13,606,459	2,152,809	1,700,383	3,146,546	20,606,197
Liabilities, Deferred Inflows and Fund Balances					
Liabilities					
Accounts payable	1,196,797	93,856	136,588	5	1,427,246
Intergovernmental payable	-	-	519,151	-	519,151
Interfund payable	260,866	167,116	22,243	4,004	454,229
Total Liabilities	1,457,663	260,972	677,982	4,009	2,400,626
Deferred Inflows of Resources					
Unearned property tax revenue	6,641,238	329,370	511,830	197,622	7,680,060
Total Deferred Inflows of Resources	6,641,238	329,370	511,830	197,622	7,680,060
Fund Balances					
Nonspendable	141,970	1,206	2,518	1,025	146,719
Restricted	-	-	-	956,010	956,010
Committed	-	-	-	454,625	454,625
Assigned	1,981,290	1,561,261	508,053	1,533,255	5,583,859
Unassigned	3,384,298	-	-	-	3,384,298
Total Fund Balances	5,507,558	1,562,467	510,571	2,944,915	10,525,511
Total Liabilities, Deferred Inflows and Fund Balances	\$ 13,606,459	\$ 2,152,809	\$ 1,700,383	\$ 3,146,546	\$ 20,606,197

See the accompanying notes to the basic financial statements.

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

Total Governmental Fund Balances	\$	10,525,511
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets)		
Cost	\$	273,481,845
Less accumulated depreciation	<u>(5,693,673)</u>	267,788,172
The internal service funds are used by management to charge the costs of the operation and maintenance of the vehicle fleet to individual funds. The assets and liabilities of the internal service funds are included in governmental activities columns in the statement of net position.		
		4,504,135
Liabilities are not due and payable in the current period and therefore are not reported in the fund balance sheets but are reported on the government-wide statement of net position:		
Compensated absences	<u>\$ (326,914)</u>	<u>(326,914)</u>
Net Position of Governmental Activities	\$	<u>282,490,904</u>

See the accompanying notes to the basic financial statements.

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

	General	Road and Bridge	Social Services	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 6,879,381	\$ 299,753	\$ 536,180	\$ 205,235	\$ 7,920,549
Sales taxes	1,329,611	767,084	-	460,249	2,556,944
Intergovernmental	3,676,516	3,268,133	2,386,775	408,081	9,739,505
Licenses and permits	757,395	20,941	-	-	778,336
Charges for services	1,007,878	2,420	3,034	-	1,013,332
Fines and forfeitures	42,732	6,201	-	-	48,933
Investment earnings	6,064	1,091	-	1,678	8,833
Miscellaneous	411,290	17,760	2,860	80,959	512,869
Total Revenues	<u>14,110,867</u>	<u>4,383,383</u>	<u>2,928,849</u>	<u>1,156,202</u>	<u>22,579,301</u>
Expenditures					
Current:					
General government	5,761,779	-	-	266,980	6,028,759
Public safety	6,547,253	-	-	-	6,547,253
Highways and streets	-	3,920,531	-	-	3,920,531
Health and human services	781,828	-	2,627,191	-	3,409,019
Culture and recreation	25,130	-	-	66,869	91,999
Capital Outlay	<u>6,933</u>	<u>95,512</u>	<u>-</u>	<u>7,365</u>	<u>109,810</u>
Total Expenditures	<u>13,122,923</u>	<u>4,016,043</u>	<u>2,627,191</u>	<u>341,214</u>	<u>20,107,371</u>
Excess of Revenues Over Expenditures	<u>987,944</u>	<u>367,340</u>	<u>301,658</u>	<u>814,988</u>	<u>2,471,930</u>
Other Financing Sources (Uses)					
Transfers in	166,742	-	-	154,417	321,159
Transfers out	-	-	(321,159)	-	(321,159)
Total Other Financing Sources (Uses)	<u>166,742</u>	<u>-</u>	<u>(321,159)</u>	<u>154,417</u>	<u>-</u>
Net Change in Fund Balances	1,154,686	367,340	(19,501)	969,405	2,471,930
Fund Balances Beginning of Year	<u>4,352,872</u>	<u>1,195,127</u>	<u>530,072</u>	<u>1,975,510</u>	<u>8,053,581</u>
Fund Balances End of Year	<u>\$ 5,507,558</u>	<u>\$ 1,562,467</u>	<u>\$ 510,571</u>	<u>\$ 2,944,915</u>	<u>\$ 10,525,511</u>

See the accompanying notes to the basic financial statements.

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

Net Changes In Fund Balances - Total Governmental Funds		\$ 2,471,930
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay and donated capital value exceeded depreciation expense in the current period.		
Depreciation expense	\$ (430,960)	
Capital outlay	<u>109,810</u>	(321,150)
Net value of disposition of assets not recorded in governmental funds		
Accumulated depreciation	\$ 106,103	
Capitalized asset	<u>(199,527)</u>	(93,424)
The internal service fund is used by management to charge the costs of the operation and maintenance of the vehicle fleet to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.		
		182,144
Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/14	\$ (326,914)	
Liability @ 12/31/13	<u>330,604</u>	<u>3,690</u>
Change in Net Position of Governmental Activities		<u><u>\$ 2,243,190</u></u>

See the accompanying notes to the basic financial statements.

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

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Assets				
Current Assets:				
Cash and investments				
Unrestricted	\$ -	\$ -	\$ -	\$ 2,045,818
Restricted	-	104,103	104,103	-
Receivables:				
Accounts	8,457	44,106	52,563	28,150
Interfund	2,157	199,697	201,854	173,410
Inventory	-	-	-	129,576
Prepaid items	-	28,753	28,753	-
Total Current Assets	<u>10,614</u>	<u>376,659</u>	<u>387,273</u>	<u>2,376,954</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	101,300	101,300	-
Infrastructure	952,712	-	952,712	-
Depreciable capital assets, net	-	2,051,921	2,051,921	2,235,988
Total Noncurrent Assets	<u>952,712</u>	<u>2,153,221</u>	<u>3,105,933</u>	<u>2,235,988</u>
Total Assets	<u>963,326</u>	<u>2,529,880</u>	<u>3,493,206</u>	<u>4,612,942</u>
Deferred Outflows of Resources				
Unamortized charge	-	289,038	289,038	-
Total Deferred Outflows of Resources	<u>-</u>	<u>289,038</u>	<u>289,038</u>	<u>-</u>
Liabilities				
Current Liabilities:				
Accounts payable	1,552	48,408	49,960	95,602
Interfund payable	757,132	6,545	763,677	2,459
Accrued interest	-	13,747	13,747	-
Compensated absences payable	-	8,965	8,965	2,149
Capital leases payable	-	285,000	285,000	-
Total Current Liabilities	<u>758,684</u>	<u>362,665</u>	<u>1,121,349</u>	<u>100,210</u>
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	-	35,860	35,860	8,597
Capital leases payable (net of current portion)	-	3,110,000	3,110,000	-
Total Long-Term Liabilities	<u>-</u>	<u>3,145,860</u>	<u>3,145,860</u>	<u>8,597</u>
Total Liabilities	<u>758,684</u>	<u>3,508,525</u>	<u>4,267,209</u>	<u>108,807</u>
Net Position				
Net investment in capital assets	952,712	(952,741)	(29)	2,235,988
Restricted for debt service	-	104,103	104,103	-
Unrestricted	(748,070)	159,031	(589,039)	2,268,147
Total Net Position	<u>\$ 204,642</u>	<u>\$ (689,607)</u>	<u>\$ (484,965)</u>	<u>\$ 4,504,135</u>

See the accompanying notes to the basic financial statements.

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

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Wastewater Utility	Jail	Total	
Operating Revenues				
Charges for services	\$ 129,266	\$ 2,991,512	\$ 3,120,778	\$ 1,530,574
Licenses and permits	100	-	100	-
Miscellaneous	-	65,366	65,366	2,128
Total Operating Revenues	<u>129,366</u>	<u>3,056,878</u>	<u>3,186,244</u>	<u>1,532,702</u>
Operating Expenses				
Administration	6,510	20,644	27,154	-
Operations	119,375	2,174,339	2,293,714	1,095,726
Depreciation	-	186,935	186,935	523,785
Total Operating Expenses	<u>125,885</u>	<u>2,381,918</u>	<u>2,507,803</u>	<u>1,619,511</u>
Operating Income (Loss)	<u>3,481</u>	<u>674,960</u>	<u>678,441</u>	<u>(86,809)</u>
Non-Operating Revenues (Expenses)				
Gain on sale of capital assets	-	-	-	266,385
Investment earnings	-	-	-	2,568
Interest and fiscal charges	-	(204,772)	(204,772)	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>(204,772)</u>	<u>(204,772)</u>	<u>268,953</u>
Gain Before Contributions and Transfers	3,481	470,188	473,669	182,144
Capital contributions	<u>17,700</u>	<u>-</u>	<u>17,700</u>	<u>-</u>
Change in Net Position	21,181	470,188	491,369	182,144
Net Position Beginning of Year	<u>183,461</u>	<u>(1,159,795)</u>	<u>(976,334)</u>	<u>4,321,991</u>
Net Position End of Year	<u>\$ 204,642</u>	<u>\$ (689,607)</u>	<u>\$ (484,965)</u>	<u>\$ 4,504,135</u>

See the accompanying notes to the basic financial statements.

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

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Cash Flows from Operating Activities				
Cash received from customers	\$ 123,260	\$ 2,802,454	\$ 2,925,714	\$ 1,572,390
Cash payments for goods and services	(140,960)	(847,965)	(988,925)	(837,293)
Cash payments to employees for services	-	(1,393,526)	(1,393,526)	(228,456)
Net Cash (Used) Provided by Operating Activities	(17,700)	560,963	543,263	506,641
Cash Flows from Capital and Related Financing Activities				
Principal paid on long-term debt	-	(280,000)	(280,000)	-
Interest paid on long-term debt	-	(176,860)	(176,860)	-
Contributions	17,700	-	17,700	-
Payments for capital acquisitions	-	-	-	(76,963)
Net Cash (Used) Provided by Capital and Related Financing Activities	17,700	(456,860)	(439,160)	(76,963)
Cash Flows from Investing Activities				
Investment earnings	-	-	-	2,568
Net Increase in Cash and Cash Equivalents	-	104,103	104,103	432,246
Cash and Cash Equivalents Beginning of Year	-	-	-	1,613,572
Cash and Cash Equivalents End of Year	\$ -	\$ 104,103	\$ 104,103	\$ 2,045,818

(continued)

See the accompanying notes to the basic financial statements.

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

(continued)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Reconciliation of Operating Income (Loss) to Net Cash (Used) Provided by Operating Activities				
Operating Income (Loss)	\$ 3,481	\$ 674,960	\$ 678,441	\$ (86,809)
Adjustments:				
Depreciation	-	186,935	186,935	523,785
(Increase) Decrease in Assets:				
Accounts receivable	25	117,416	117,441	(2,907)
Prepaid expenses	-	22,330	22,330	-
Interfund receivable	504	(7,022)	(6,518)	41,216
Inventory	-	-	-	(29,741)
Increase (Decrease) in Liabilities:				
Accounts payable	(15,075)	(61,799)	(76,874)	60,428
Compensated absences payable	-	(7,039)	(7,039)	(710)
Interfund payable	(6,635)	(364,818)	(371,453)	1,379
Net Cash (Used) Provided by Operating Activities	<u>\$ (17,700)</u>	<u>\$ 560,963</u>	<u>\$ 543,263</u>	<u>\$ 506,641</u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Comparative Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ 1,105,180	\$ 913,494
Receivables:		
Accounts	<u>1,235</u>	<u>10,374</u>
Total Assets	<u><u>1,106,415</u></u>	<u><u>923,868</u></u>
Liabilities		
County warrants outstanding	145,550	47,815
Accounts payable	318,736	280,060
Due to other entities	<u>642,129</u>	<u>595,993</u>
Total Liabilities	<u><u>\$ 1,106,415</u></u>	<u><u>\$ 923,868</u></u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Index

Summary of Significant Accounting Policies	1
Reporting Entity	1-A
Basis of Presentation	1-B
Measurement Focus	1-C
Basis of Accounting	1-D
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity	1-E
Cash, Cash Equivalents and Investments	1-E-1
Interfund Balances	1-E-2
Consumable Inventories	1-E-3
Prepaid Items	1-E-4
Capital Assets	1-E-5
Deferred outflows/inflows of resources	1-E-6
Compensated Absences	1-E-7
Accrued Liabilities and Long-term Obligations	1-E-8
Fund Equity	1-E-9
Operating Revenues and Expenses	1-E-10
Contributions of Capital	1-E-11
Interfund Activity	1-E-12
Estimates	1-E-13
Comparative Data	1-E-14
 Intergovernmental Agreement	 2
 Stewardship, Compliance and Accountability	 3
Budgetary Information	3-A
Excess of Expenditures Over Appropriations	3-B
 Detailed Notes on All Funds	 4
Deposits and Investments	4-A
Receivables	4-B
Property Taxes	4-C
Capital Assets	4-D
Interfund Balances and Transfers	4-E
Other Commitments	4-F
Long-Term Debt	4-G
Pensions	4-H
Fund Equity	4-I
 Other Notes	 5
Risk Management	5-A
Contingent Liabilities	5-B
Tax, Spending and Debt Limitations	5-C
Welfare Reform	5-D

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 1 - Summary of Significant Accounting Policies

The financial statements of Teller County (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

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 organization; 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.

The reporting entity has been defined to include all County elected officials, including the Treasurer, Public Trustee, Assessor, Clerk & Recorder (including Elections), Sheriff (including Detentions, Animal Control, Auxiliary Organizations and Search & Rescue), Coroner, Surveyor and Board of County Commissioners. The District Attorney does not meet the criteria of an includable entity; however, the County's contribution to the District Attorney's Office has been included as an expenditure of the general fund. In addition, the following County departments and organizations which report to the Teller County Board of County Commissioners are considered part of the reporting entity:

- Community Development Services (including Building, Planning and Environmental Health);
- Public Works (including Transportation, Fleet Services, Facilities, Parks and Wastewater Utility operations);
- and:
- Build-A-Generation
- Emergency Management
- Human Resources
- Legal Services
- Social Services
- CSU Extension Office
- Finance & Budget
- Information Technology
- Public Health
- Veterans Office

The County has one component unit that is presented as "blended." When blended, it is reported as if it were a fund of the County throughout the year. It is included at both the government-wide and the fund financial reporting levels.

A brief description of the blended component unit follows:

The County entered into an annually renewable 28-year lease-purchase agreement with the Teller County Facilities Corporation for the Corporation's detentions facility in Divide, Colorado. The Facilities Corporation issued certificates of participation in June 1997 to purchase the jail facility from the Teller County Jail Authority. In 2005, these certificates of participation were re-financed, and the County entered into an amendment to the annually renewable lease-purchase agreement, over the remaining term of the old agreement, in order to recognize the cost savings gained through the re-finance. As the Corporation is thereby financially dependent upon the County for the lease payments, the financial activities of the Corporation have been blended in this report in the County's Jail Enterprise Fund.

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole, excluding fiduciary funds. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the County's general revenues, from business-type activities, generally financed in whole or in part with user fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the County.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not classified as program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns in the fund financial statements.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

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

Road and Bridge Fund - This fund accounts for revenues that are generated from highway user tax funds, property taxes, various grants and other intergovernmental revenues and fees. Spending is restricted, committed or assigned to all types of construction and maintenance of the County's transportation system.

Social Services Fund - This fund accounts for revenues that are generated from state & federal human services payments, property taxes and other intergovernmental revenues and fees. Spending is restricted, committed or assigned to the administration of, and the County's share of program costs for, public assistance and welfare activities.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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

Wastewater Utility Fund – This fund is used to account for the capital assets, liabilities and operations of the Teller County Wastewater Utility in Divide, Colorado. The utility’s costs are intended to be financed or recovered primarily through user charges.

Jail Fund – This fund is used to account for the capital assets, liabilities and operations of the Teller County Detentions Facility in Divide, Colorado. The facility’s costs are intended to be financed or recovered primarily through user charges.

Fleet Management Internal Service Fund – This fund is used to account for the capital assets, liabilities and operational management of the Teller County Fleet. The fleet-related services are provided to other County departments on a cost reimbursement basis.

Fiduciary Funds – Fiduciary fund reporting focuses on net position. The County’s fiduciary funds are agency funds.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows, and current liabilities and deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities in the government-wide financial statements are prepared and reported. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statements of cash flows provide information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenues, and in the presentation of expenses versus expenditures. Fiduciary funds use the accrual basis of accounting on the statement of fiduciary assets and liabilities.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

which the taxes are levied. (Note 4-C) Property taxes assessed in 2014 that are due in 2015 are recorded as property taxes receivable and unearned revenue at December 31, 2014.

Revenues from grants and donations are recognized in the fiscal year in which eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, fees, federal, state and private grants and intergovernmental revenue.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as unearned revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as unearned revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

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

Investments are stated at fair value based on quoted market prices.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

1-E-2 Interfund Balances

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

1-E-3 Consumable Inventories

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

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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

1-E-4 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

1-E-5 Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of road improvements, trails and our wastewater system. The County has inventoried, valued and added 100% of defined infrastructure to the government-wide statement of net position. The County has adopted the modified approach under *GASB 34*, of tracking infrastructure assets as non-depreciable assets and targeting maintenance of infrastructure at certain condition levels. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

All reported capital assets are depreciated except for land, infrastructure and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and plant	10 - 99 years	30 years
Improvements	25 – 50 years	30 years
Machinery, equipment and vehicles	5 – 30 years	5 – 25 years
Furniture and fixtures	5 – 15 years	5 – 10 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-6 Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and the proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only type of item, which arises under both the full (government-wide financial statement) and the modified accrual (fund financial statement) bases of accounting, that qualifies for reporting in this category. Accordingly, the item, *unearned property tax revenue*, is reported in both the statement of net position and in the balance sheet of governmental funds. These future revenues are deferred and recognized as an inflow of resources in the period that the amounts become available (calendar year 2015).

1-E-7 Compensated Absences

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

Sick leave benefits do not vest and therefore are not accrued.

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

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

1-E-8 Accrued Liabilities and Long-term Obligations

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

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

1-E-9 Fund Equity (See Note 4-I)

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

Fund Balance – Generally, fund balance represents the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Teller County Board of County Commissioners through the adoption of a resolution. The Board of County Commissioners also may modify or rescind the commitment through the same action as adopted.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. By resolution, the Board of County Commissioners has authorized the County Administrator and the County Director of Finance and Budget as the body which assigns fund balances.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order:

- **Committed**
- **Assigned**
- **Unassigned**

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

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

1-E-10 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for wastewater and prisoner housing. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund.

1-E-11 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources intended to be used for capital acquisition, construction and maintenance.

1-E-12 Interfund Activity

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

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

Eliminations have been made to minimize the double counting of internal activities. The County’s internal service fund (which provides services primarily to other funds of the County) is presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the County’s governmental activities, financial activities of the internal service funds are presented in the governmental activities column when presented at the government-wide level. The costs of these services are allocated to the appropriate function/program (general government, public safety, public works, health and human services, and culture and recreation) in the statement of activities.

1-E-13 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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. The estimate used for self-insurance claims is significant.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

1-E-14 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Note 2 – Intergovernmental Agreement

In 1985 the County entered into an agreement with El Paso County, the City of Colorado Springs and the District Attorney's Office to establish a Special Investigations Fund to account for money received from public nuisance seizures. The funds are used for special investigations of organized crime, white collar crime and other illegal activity. In accordance with the agreement, the El Paso County Sheriff's Department is responsible for all assets of the fund (such as cash and equipment purchased through the fund) and all reporting and audits as required. The financial statements of the fund are integrated into the El Paso County Annual Financial Reports. The County has no specific claim to any assets of the fund, except as requested to pay for the costs over and above normal operations of the County Sheriff's Department that are incurred during special investigations as approved by the Executive Committee in charge of the fund.

Note 3 – Stewardship, Compliance and Accountability

3-A. Budgetary Information – The County adopts an annual operating budget for all County funds. All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the individual fund level; however additional restrictions on the use of personnel, fleet and other departmental budget amounts are established at the time of adoption by resolution. Any change in total to a fund appropriation or to the additionally restricted amounts requires approval of the County Commissioners through the adoption of a resolution, subsequent to legal publication.

Department heads and elected officials may transfer appropriations within each department from one line item to another, except that personnel services appropriations may not be used for operations or capital outlay and vice-versa, and certain fleet expense appropriations cannot be used for other line items.

All unexpended annual appropriations lapse at year-end.

The 2014 adopted budget was amended upward from \$27,017,972 to \$28,709,640.

3-B. Excess of Expenditures over Appropriations

No individual funds had expenditures/expenses in excess of approved appropriations.

Note 4 - Detailed Notes on All Funds

4-A. Deposits and Investments

Custodial Credit Risk

Custodial credit risk for deposits and investments is the risk that, in the event of failure of the custodian, the County may not be able to recover the value of deposits that are in the possession of a third party. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Demand deposits and Time and Savings deposits are each insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The institution is allowed to create a single collateral pool for all public funds held. The pool is to be

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The following schedules show the cash balances and amount of insured versus collateralized deposits.

As of December 31, 2014, the County had the following deposits:

	Insured	Collateralized	Fair Value/ Bank Balance	Carrying Amount	Maturities
Cash On Hand	\$ -	\$ -	\$ -	\$ 27,398	
Deposits	900,164	6,180,530	7,080,694	7,011,712	
CDs	250,000	-	250,000	250,000	12/1/2015
Total Deposits and Cash on Hand	<u>\$ 1,150,164</u>	<u>\$ 6,180,530</u>	<u>\$ 7,330,694</u>	<u>\$ 7,289,110</u>	

Investment Risk Factors

There are many factors that can affect the value of investments, some of which are custodial credit risk, credit risk and interest rate risk. The County Treasurer has established a cash and investment policy to minimize the County's exposure to these risks. The County follows Colorado state statutes for investing. As such, in 2014 the County investment portfolio includes certificates of deposit with maturity lengths in excess of three months. Because of this, the only exposure the County has is to custodial credit risk. The County's investment policy does not specifically address these risks.

Investment in obligations of the U.S government, or those explicitly guaranteed by the U.S. Government, are not subject to custodial credit risk, credit risk or foreign currency risk. The County's government obligations are subject to interest rate risk based on their maturity dates. The County has the intent and ability to hold all investments to maturity. Maturity dates and values are as below:

	Fair Value/ Carrying Amount	Maturities	Rating
Investments			
GNMA	20,875	10/15/17-3/20/32	AA+
Total	<u>\$ 20,875</u>		

Investments in local government investment pools (see above) or in money market funds are not evidenced by securities that exist in physical or book entry form. The County had invested \$6,456,576 in Public Trust Pools, which are investment vehicles established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The pools operate similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. All securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The State securities commission administers and enforces all state statutes governing public trust pools.

	Amount	Rating
Investments in local government Investment Pools		
Colostrust	\$3,247,719	AAAm
CSAFE	3,208,857	AAAm
Total	<u>\$6,456,576</u>	

Financial statements for Colostrust may be obtained through its website at: www.colostrust.com . Financial statements for CSAFE may be obtained through its website at: www.csafe.org .

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Restricted Cash

The restricted cash balance consists solely of \$470,013 held in the Wells Fargo COP debt service reserve fund.

Cash & Investment Reconciliation:

	Cash and Cash Equivalents
Fund Reporting Level:	
Governmental Funds - Balance Sheet	\$10,511,460
Proprietary Fund Type Statement of Net Position	2,149,921
Statement of Fiduciary Assets and Liabilities	1,105,180
Total	\$13,766,561

4-B. Receivables

Receivables at December 31, 2014 consisted of taxes, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants and other intergovernmental revenues.

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

4-C. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and payable in two installments on the last day of February and June 15, or in one installment due April 30. The Teller County Treasurer bills and collects property taxes for the County.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

4-D. Capital Assets

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

	Balance 01/1/2014	Additions	Deductions	Balance 12/31/2014
Governmental activities, (excluding internal service fund):				
Capital assets not being depreciated:				
Land	\$ 2,594,155	\$ -	\$ -	\$ 2,594,155
Land - right of ways	631,755	-	-	631,755
Infrastructure - Roads	256,323,918	1,487,653	-	257,811,571
Infrastructure - Trails	162,993	-	-	162,993
Construction in progress	1,399,074	-	1,399,074	-
Total capital assets not being depreciated	261,111,895	1,487,653	1,399,074	261,200,474
Other capital assets:				
Buildings	8,406,997	-	-	8,406,997
Vehicles and road equipment	155,509	-	-	155,509
Furniture and fixtures	1,980,103	12,365	127,805	1,864,663
Software	634,787	-	71,722	563,065
Other improvements	1,277,271	-	-	1,277,271
Construction in progress	5,000	13,866	5,000	13,866
Total depreciable capital assets	12,459,667	26,231	204,527	12,281,371
Total cost of capital assets	273,571,562	1,513,884	1,603,601	273,481,845
Accumulated depreciation:				
Buildings	3,368,255	248,206	-	3,616,461
Vehicles and road equipment	52,976	4,551	-	57,527
Furniture and fixtures	1,157,552	128,055	43,561	1,242,046
Software	582,962	10,092	62,542	530,512
Other improvements	207,071	40,056	-	247,127
Total accumulated depreciation	5,368,816	430,960	106,103	5,693,673
Governmental activities capital assets, net	\$ 268,202,746	\$ 1,082,924	\$ 1,497,498	\$ 267,788,172

Additions include \$1,404,074 in asset value that was previously included as construction in progress, which was not current year capital outlay.

Governmental activities depreciation expense

General government	\$ 262,066
Public safety	76,967
Highways and streets	90,151
Health and welfare	1,776
Total governmental activities depreciation expense	\$ 430,960

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

	Balance 01/1/2014	Additions	Deductions	Balance 12/31/2014
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 101,300	\$ -	\$ -	\$ 101,300
Infrastructure - wastewater system	952,712	-	-	952,712
Total non-depreciable capital assets	<u>1,054,012</u>	<u>-</u>	<u>-</u>	<u>1,054,012</u>
Depreciable capital assets:				
Building/plant	5,188,697	-	-	5,188,697
Other improvements	405,100	-	-	405,100
Equipment	95,292	-	-	95,292
Furniture & fixtures	63,815	-	-	63,815
Total depreciable capital assets	<u>5,752,904</u>	<u>-</u>	<u>-</u>	<u>5,752,904</u>
Total cost of capital assets	<u>6,806,916</u>	<u>-</u>	<u>-</u>	<u>6,806,916</u>
Accumulated depreciation:				
Building/plant	3,117,384	172,956	-	3,290,340
Other improvements	238,032	13,504	-	251,536
Equipment	94,817	475	-	95,292
Furniture & fixtures	63,815	-	-	63,815
Total accumulated depreciation	<u>3,514,048</u>	<u>186,935</u>	<u>-</u>	<u>3,700,983</u>
Business-type activities capital assets, net	<u>\$ 3,292,868</u>	<u>\$ (186,935)</u>	<u>\$ -</u>	<u>\$ 3,105,933</u>

	Balance 01/1/2014	Additions	Deductions	Balance 12/31/2014
Internal service fund				
Assets not yet put into service	\$ -	\$ 138,318	\$ -	\$ 138,318
Depreciable capital assets:				
Machinery and Equipment	10,195,184	224,325	757,957	9,661,552
Less accumulated depreciation	7,778,759	523,785	738,662	7,563,882
Internal service fund, net	<u>\$ 2,416,425</u>	<u>\$ (161,142)</u>	<u>\$ 19,295</u>	<u>\$ 2,235,988</u>

The additions to accumulated depreciation are current year depreciation expense of \$523,785. On the government-wide statement of net position, the internal service assets are included in the governmental activities column.

4-E. Interfund Balances and Transfers

Interfund balances at December 31, 2014 consisted of the following amounts and represent charges for services, reimbursable expenses or wastewater and jail cash overdraws that are covered by the general fund. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year. The following table reflects the elimination of the liabilities between agency and other governmental funds of \$112,949.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Payable from:

Payable to:	General	Road and Bridge	Social Services	Non-major governmental	Wastewater Utility	Jail	Internal Service	Total
General	\$ -	\$ 899	\$ 19,002	\$ 3,183	\$ 756,510	\$ 1,455	\$ 797	\$ 781,846
Road and bridge	12,528	-	-	-	605	-	1,662	14,795
Social services	117	-	-	-	-	-	-	117
Non-major governmental	1,030	47,313	-	-	-	-	-	48,343
Wastewater	272	-	-	-	-	1,885	-	2,157
Jail	199,697	-	-	-	-	-	-	199,697
Internal service	47,222	118,904	3,241	821	17	3,205	-	173,410
Total	\$ 260,866	\$ 167,116	\$ 22,243	\$ 4,004	\$ 757,132	\$ 6,545	\$ 2,459	\$ 1,220,365

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

Transfers to	Transfers From:	
	Social Services Fund	Total
General Fund	\$ 166,742	\$ 166,742
Capital projects	154,417	154,417
	<u>\$ 321,159</u>	<u>\$ 321,159</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

4-F. Other Commitments

Operating Leases - As a part of a long-term plan to build a combined County facility in the northern part of the County, and in conjunction with the funding of the preservation of the Catamount Ranch, in July 1998, the County traded its two Woodland Park office buildings to the State Land Board.

The County entered into a lease for those buildings, in the amount of \$303,655, beginning in July 1998, and ending in June 2003, or until such time as the County offices can be moved into a new facility. According to the Amendment signed on May 1, 2008, the lease may be extended for a period up to nineteen (19) additional years, in one-year increments. In June, 2011 the lease was renegotiated, adjusting the annual date range to August 1 through July 31, and resulting in the following rates:

Year	Annual Rent
8/13 - 7/14	\$ 131,544

Quarterly payments were made through the General Fund, and the Social Services Fund reimbursed the General Fund for a portion of the rent. The amount paid for 2014 was \$65,772, of which \$37,653 was reimbursed from Social Services. In March 2014 the State Land Board was given notice of our intent to not renew the operating lease commitment reported above, past July 31, 2014.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

On October 25th, 2007, the County entered into a lease agreement with PK Enterprises, Inc. The property is located at 11115 Highlands Center Building in Divide and houses the Teller County Public Health Department. This is a one-year lease with ten (10) one-year options to extend the lease. The initial monthly rent amount was \$2,000 plus triple net (NNN) charges. The rent will increase by 5% each year upon County exercising its lease renewal option.

Total rent for 2014 was \$32,296 and total NNN charges were \$9,637. This lease has been renewed through November 30, 2015 at \$2,814 per month plus NNN charges.

In March 2014, the County entered into a lease agreement with Tamarac Business Park, LLC, for property located at 800 Research Drive, Suite 100 in Woodland Park which will replace the County offices in the Manor Court and Cobblestone buildings previously leased from the State Land Board. This lease commenced on August 1, 2014 and may be extended annually through June 30, 2024. Gross rent shall be \$8,500 per month, increased 3% annually upon each extension, plus janitorial costs of \$600 per month. Additionally, more space was added to the lease commencing on September 1, 2014 increasing the gross rent to \$10,700 per month. The additional space was occupied under a sublease until December 31, 2014 with payment totaling \$3,400 to the General Fund in 2014. Additional space has been added commencing April 1, 2015, which will increase monthly gross rent to \$12,300 through July 31, 2015, resulting in the following annual base rents with no change to monthly janitorial costs:

<u>Year</u>	<u>Annual Rent</u>
8/14-7/15	\$ 132,600
8/15-7/16	152,028

Monthly payments are made through the General Fund and the Social Services Fund reimburses the General Fund for a portion of the rent. The amount of rent paid in 2014 was \$51,300, of which \$30,417 was reimbursed from Social Services. 2014 janitorial cost payments in the amount of \$3,000 were made through the General Fund, of which \$1,476 was reimbursed from Social Services.

Other Agreements - The County has a lease-purchase agreement with the Teller County Facilities Corporation for the County detentions facility in Divide. The agreement is for the County to make all payments under the Corporation's Certificate of Participation agreement. As the County provides all fiscal support to the Facilities Corporation, payments under this agreement are blended into the financial statements, through the jail enterprise fund.

4-G. Long-Term Debt

County Business-type Capital Leases - The County had entered into a capital lease for a detentions facility. During 2005, in order to take advantage of lower interest rates and to reduce the annual costs of the previous certificates of participation (COPs), the Teller County Facilities Corporation re-financed the certificates of participation. As part of that process, the County entered into an amendment to the annually-renewable lease-purchase agreement with the Facilities Corporation, to gain the benefit of the re-finance. The assets acquired through the Jail COP's are as follows (amortization expense is included in depreciation expense):

	<u>Business-Type Activities</u>
Capital Assets	\$5,854,204
Less: Accumulated Depreciation	<u>(3,700,983)</u>
Total	<u>\$2,153,221</u>

Funds are being held in a restricted interest-bearing account in the Teller County Facilities Corporation's name, in the amount of \$470,013 at December 31, 2014, an amount sufficient to make the final payment on the certificates. The refunded principal was \$5,070,000. Bond insurance was also obtained at a one-time cost of about \$103,000, as compared to a 1% annual cost of a letter of credit required on the refunded certificates. The average interest rate on the refunded certificates was approximately 6.72%, as compared to an average of about 4.65% after conversion. The present value savings resulting from the refinancing was calculated at about \$639,000. Remaining maturity dates are from December 2015 through December 2024. Future minimum lease payments are as follows:

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Year	Capital Leases		Total
	Principal	Interest	
2015	\$ 285,000	\$ 164,960	\$ 449,960
2016	300,000	150,710	450,710
2017	310,000	137,510	447,510
2018	320,000	123,560	443,560
2019	330,000	109,000	439,000
2020-2024	1,850,000	285,000	2,135,000
Total	\$ 3,395,000	\$ 970,740	\$ 4,365,740

The County has entered into a non-binding agreement to consider options for refunding the COPs in 2015.

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

	Outstanding 1/1/2014	Additions	Reductions	Outstanding 12/31/2014	Amounts Due in One Year
Governmental Activities					
Compensated absences*	\$ 342,060	521,168	525,568	337,660	67,532
Total Governmental Activities	\$ 342,060	\$ 521,168	\$ 525,568	\$ 337,660	\$ 67,532
Business-Type Activities					
Capital leases	\$ 3,675,000	\$ -	\$ 280,000	\$ 3,395,000	\$ 285,000
Compensated absences	51,864	124,543	131,582	44,825	8,965
Total Business-Type Activities	\$ 3,726,864	\$ 124,543	\$ 411,582	\$ 3,439,825	\$ 293,965

* Includes the internal service fund liability.

The business-type activities capital lease is being retired from the jail fund. In 2014, government-wide interest costs and interest charged to expense were \$204,772.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid.

4-H. Pensions

The County is a member of the Colorado County Officials and Employees Retirement Association, which operates a defined contribution retirement plan. Substantially all County employees are required to participate after one year of continuous service. Total payroll for 2014 was \$9,357,572 and covered payroll totaled \$7,869,146. Contributions by the County (employer) are 4% of the eligible employee's annual compensation. Employees must contribute a matching amount, but can increase their contribution up to ten percent on a non-deductible basis. Contributions made by the employer and employees for 2014 were \$314,766 each, which represents 3.4% of total payroll and 4% of covered payroll. The plan is funded through the various funds that pay for the employment of County personnel to cover the County's (employer) share. The County maintains no control over the plan, other than being a member of the Association. As of January 1, 1997, the plan was changed to pre-tax status (414H). No fixed benefits are paid or payable upon retirement; therefore, the County has no unfunded liability under the plan. Financial statements for CCOERA may be obtained through its website at: www.ccoera.org.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

4-I. Fund Equity (Note 1-E-9)

Fund Balances:

The components of fund balances are made up of:

	General Fund	Road & Bridge Fund	Social Services Fund	Other Governmental Funds	Total
Fund balances:					
Nonspendable:					
Prepaid expenses	\$141,970	\$1,206	\$2,518	\$1,025	\$146,719
Restricted for:					
Local declared emergency disaster	-	-	-	420,000	420,000
Parks & open space	-	-	-	494,223	494,223
Clerk & Recorder expenditures	-	-	-	41,787	41,787
Total restricted:	-	-	-	956,010	956,010
Committed to:					
Local declared emergency disaster-wildfires	-	-	-	454,625	454,625
Assigned to:					
County parks	111,768	-	-	-	111,768
Boiler project - Courthouse	276,124	-	-	-	276,124
HVAC system - Centennial building	35,000	-	-	-	35,000
Slash/mulch program	47,234	-	-	-	47,234
Sheriff's auxiliaries	14,450	-	-	-	14,450
Ensuing year's budget	1,496,596	494,673	142,952	-	2,134,221
County transportation system	-	1,066,588	-	-	1,066,588
Social services programs	-	-	365,101	-	365,101
Local declared emergency disaster	-	-	-	13,573	13,573
Capital purchases & projects	-	-	-	1,480,650	1,480,650
Other purposes	118	-	-	39,032	39,150
Total assigned:	1,981,290	1,561,261	508,053	1,533,255	5,583,859
Unassigned:	3,384,298	-	-	-	3,384,298
Total fund balances	\$5,507,558	\$1,562,467	\$510,571	\$2,944,915	\$10,525,511

Net Position:

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2014 is as follows:

	Governmental Activities	Business Type Activities
Cost of capital assets	\$ 283,281,715	\$ 6,806,916
Less accumulated depreciation	13,257,555	3,700,983
Book value	270,024,160	3,105,933
Less capital related debt	-	3,395,000
Plus unamortized loss on refunding	-	289,038
Net investment in capital assets	\$ 270,024,160	\$ (29)

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 5 - Other Notes

5-A. Risk Management

Employee Benefits- The County has continued its health insurance carrier contract with Humana and continues to offer two health plan choices. The County maintains self-insurance arrangements with Humana for compensation of a flat administrative fee and reimbursement for claims paid. A monthly premium amount based on previous years' experience is required to be deposited in an interest-bearing account belonging to the County, from which claims are paid. In order to maintain a reasonable level of funds in this account, including an additional amount for potential outstanding claims upon termination of the contracts, the County examines the balance on a regular basis and, when appropriate, adjusts the required monthly liability deposits.

The Humana agreement includes a \$70,000 individual stop-loss and a 125% aggregate stop-loss carry-forward. The County requires employee contributions based on the type of plan chosen, and the number of dependents covered, under an \$125 "Premium Only" plan.

For ease of tracking, the County records the related assets and liabilities of these agreements in an employee benefits fund, and expenses the monthly premiums to each fund and department with employee benefits, based on types of coverages. Cash is transferred from the various funds charged, to the employee benefits fund, and payments for claims and fees are made from that fund. Interest earned on the bank account is recognized as revenue in the employee benefits fund.

For reporting purposes, in compliance with GASB Statement #10 - "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," the Employee Benefits Fund assets, liabilities, interest revenue and fund balance have been combined into the General Fund. The estimated claims liability is included as accounts payable in the financial statements.

Activity and balances related to these agreements for the past two years are as follows:

	<u>2014</u>	<u>2013</u>
Estimated Claims liability at January 1	\$ 548,128	\$ 772,341
Deposits	2,096,466	1,940,981
Less:		
Fixed Administrative Costs	446,721	447,200
Contributions to HSA's	117,900	115,388
Claims Paid	1,387,838	1,602,606
PPACA Fees	<u>958</u>	<u>0</u>
Estimated Claims liability at December 31	<u>\$ 691,177</u>	<u>\$ 548,128</u>

The County also provides, at a minimum cost to the County, vision coverage and a minimal Employee Life Insurance Plan, neither of which is self-funded, and neither of which requires an employee contribution.

Insurance Pools - 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 also is exposed to various risks of loss related to property and casualty losses. In 1986, the County 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 County pays an annual contribution to each of these pools, respectively, for its workers' compensation and casualty and property insurance coverages. The intergovernmental agreement of formation of each pool provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each year. County claims to either of these pools have not exceeded coverage in the last three years.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

5-B. Contingent Liabilities

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

The County continues to be involved in a number of litigation matters regarding property assessments, bankruptcies and code enforcement which, in the opinion of County management, will not have a material effect on the financial position of the County.

5-C. Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, (TABOR) 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.

In November 1997, the County asked for and received voter approval to collect, retain and expend all revenues beyond the limitations of TABOR and any other law, to be expended for road improvements and law enforcement. In accordance with legal counsel, the County believes it is in compliance with the requirements of the applicable law, with this voter-approved exemption.

In accordance with Article X, Section 20 of the Colorado Constitution, the County has reserved all fund balances for future expenditures. Included in these reserves is 3% for Emergency Reserves, estimated to be \$420,000 at December 31, 2014.

5-D. Welfare Reform

Conversion to the Colorado Electronic Benefit Transfer System occurred on August 1, 1997 pursuant to C.R.S. 26-1-122 (2) (a) and 26-2-104. The method of payment to recipients and service providers changed from a paper warrant system to an electronic debit card system or direct deposits. The electronic payments are processed by a State contractor, JPMorganChase. EBTS reduces or eliminates the amount of expenditures and revenues for the TANF, Colorado Works/JOBS, AND, OAP, AB, HCA, FA, LEAP, Child Care, Child Welfare & CORE programs reflected in the County General Ledger. The full amount of the EBT's are shown as expenditures at the state level and only the County share is shown on the County General Ledger. The State of Colorado assumes much of the internal control responsibility for these programs. The following is the Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures for the year ended December 31, 2014:

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

(Unaudited)					
PROGRAM	STATE PD FOR TELLER COUNTY	COUNTY SHARE OF STATE PAID	EXPENDITURES BY COUNTY WARRANT	STATE PD + EXPEND. BY COUNTY WARRANT	TOTAL EXPEND & TRFRS OUT
Temporary Assistance for Needy Families (TANF)	349,117	83,470	188,474	537,591	271,944
CHATS/Child Care	214,702	24,968	42,480	257,182	67,448
Child Welfare	566,161	118,946	966,740	1,532,901	1,085,686
Regular Administration	3,170	3,170	486,107	489,277	489,277
Core Services	100,165	7,067	282,101	382,266	289,168
IV-D Administration	(939)	761	135,141	134,202	135,902
Low-Income Energy Assistance (LEAP)	416,101	0	20,193	436,294	20,193
Adult Protective Services	0	0	130,309	130,309	130,309
Aid to the Needy Disabled (AND)	73,323	15,407	0	73,323	15,407
Old Age Pension (OAP)	204,935	272	8,414	213,349	8,686
Food Assistance	3,423,354	0	0	3,423,354	0
Food Assist Fraud	0	0	0	0	0
IV-E Waiver Intervention	0	0	65,278	65,278	65,278
Title XX Training	0	0	4,535	4,535	4,535
FosterCare/Adoption Grant	0	0	1,709	1,709	1,709
Child Welfare Discr Grant	0	0	3,494	3,494	3,494
CO Comm Response Grant	0	0	124,663	124,663	124,663
PSSF grant (title IV-B pt 2)	0	0	37,532	37,532	37,532
1) Subtotal	5,350,089	254,061	2,497,170	7,847,259	2,751,231
Use of IV-E Revenue	0	0	0	0	0
Use of Parental Fees	0	0	6,193	6,193	6,193
Use of HB1451 incentives	0	0	127,875	127,875	127,875
Medicaid Transportation	0	0	0	0	0
Workfare	0	0	0	0	0
RMS bkd to state not county	0	0	-25,622	-25,622	-25,622
County Only	0	0	40,420	40,420	40,420
Acctg Basis Differences	0	0	48,255	48,255	48,255
2) Subtotal	0	0	197,121	197,121	197,121
Grand Total	5,350,089	254,061	2,694,291	8,044,380	2,948,352

1) Programs Settled in CFMS

2) Programs Not Settled in CFMS



REQUIRED

SUPPLEMENTARY INFORMATION

Teller County, Colorado
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 6,830,971	\$ 6,830,971	\$ 6,879,381	\$ 48,410
Sales taxes	1,196,441	1,237,881	1,329,611	91,730
Intergovernmental	2,924,931	3,133,919	3,676,516	542,597
Licenses and permits	474,000	474,000	757,395	283,395
Charges for services	1,151,288	1,155,003	1,007,878	(147,125)
Fines and forfeitures	29,650	29,650	42,732	13,082
Investment earnings	5,200	6,300	6,064	(236)
Miscellaneous	323,457	326,457	411,290	84,833
Total Revenues	12,935,938	13,194,181	14,110,867	916,686
Expenditures				
Current:				
General government	6,509,870	7,059,276	5,761,779	1,297,497
Public safety	6,771,102	6,805,681	6,547,253	258,428
Health and human services	716,664	775,647	781,828	(6,181)
Culture and recreation	29,983	29,983	25,130	4,853
Capital Outlay	6,500	6,500	6,933	(433)
Total Expenditures	14,034,119	14,677,087	13,122,923	1,554,164
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,098,181)	(1,482,906)	987,944	2,470,850
Other Financing Sources				
Transfers in	162,050	162,050	166,742	4,692
Total Other Financing Sources	162,050	162,050	166,742	4,692
Net Change in Fund Balances	(936,131)	(1,320,856)	1,154,686	2,475,542
Reserve for Abatements	(16,000)	(16,000)	-	16,000
Fund Balances Beginning of Year	3,171,963	3,556,688	4,352,872	796,184
Fund Balances End of Year	\$ 2,219,832	\$ 2,219,832	\$ 5,507,558	\$ 3,287,726

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

See the accompanying independent auditors' report.

Teller County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 299,046	\$ 299,046	\$ 299,753	\$ 707
Sales taxes	689,070	689,070	767,084	78,014
Intergovernmental	2,991,550	3,200,905	3,268,133	67,228
Licenses and permits	10,500	10,500	20,941	10,441
Charges for services	2,420	2,420	2,420	-
Fines and forfeitures	4,000	4,000	6,201	2,201
Investment earnings	1,100	1,100	1,091	(9)
Miscellaneous	11,000	11,000	17,760	6,760
Total Revenues	4,008,686	4,218,041	4,383,383	165,342
Expenditures				
Current:				
Highways and streets	3,455,621	3,465,621	3,920,531	(454,910)
Capital Outlay	900,000	1,206,345	95,512	1,110,833
Total Expenditures	4,355,621	4,671,966	4,016,043	655,923
Excess (Deficiency) of Revenues Over (Under) Expenditures	(346,935)	(453,925)	367,340	821,265
Reserve for Abatements	(2,000)	(2,000)	-	2,000
Fund Balances Beginning of Year	773,528	880,518	1,195,127	314,609
Fund Balances End of Year	\$ 424,593	\$ 424,593	\$ 1,562,467	\$ 1,137,874

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

See the accompanying independent auditors' report.

Teller County, Colorado
Social Services Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 535,005	\$ 535,005	\$ 536,180	\$ 1,175
Intergovernmental	2,225,750	2,335,750	2,386,775	51,025
Charges for services	5,000	5,000	3,034	(1,966)
Miscellaneous	-	-	2,860	2,860
Total Revenues	2,765,755	2,875,755	2,928,849	53,094
Expenditures				
Current:				
Health and human services	2,896,640	2,973,640	2,627,191	346,449
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130,885)	(97,885)	301,658	399,543
Other Financing (Uses)				
Transfers out	(162,050)	(195,050)	(321,159)	(126,109)
Net Change in Fund Balances	(292,935)	(292,935)	(19,501)	273,434
Reserve for Abatements	(2,000)	(2,000)	-	2,000
Fund Balances Beginning of Year	436,566	436,566	530,072	93,506
Fund Balances End of Year	\$ 141,631	\$ 141,631	\$ 510,571	\$ 368,940

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

See the accompanying independent auditors' report.

Teller County, Colorado
Required Supplementary Information
Modified Approach for County Infrastructure Capital Assets
For the Year Ended December 31, 2014

In accordance with GASB Statement No. 34, the County is required to account for and report infrastructure capital assets. The County has several major infrastructure systems including the road system, trail systems and the wastewater system. Each major infrastructure system can be divided into subsystems. For example, the road system can be divided into paved, unpaved (both including culverts/drainage & cattleguard improvements, original striping), bridges, traffic control devices (including signage, traffic lights, street lights), guardrails and land (right-of-way). Subsystem detail is not presented in these basic financial statements; however, the County maintains detailed information on the subsystems.

In 2006, the County elected to use the “Modified Approach” as defined by GASB Statement No. 34 for infrastructure reporting for its road and trail systems. As of 2011 the County additionally elected to use the “Modified Approach” for reporting of the wastewater infrastructure system. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated, with the following requirements:

- ❖ The County manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amounts to maintain and preserve at the established condition assessment levels.
- ❖ The County documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment levels. The Teller County Public Works Department completes condition assessment surveys of all infrastructure systems every three years in accordance with the County’s Asset Management Program.
 - Road and trail improvements: The County uses the HUTF criteria administered by the State of Colorado to rate the condition of our infrastructure systems, with the exception of our bridges and tunnel.
 - Bridge and tunnel improvements: The County uses the AASHTO standards in compliance with CDOT and FHWA to rate bridges and the tunnel in our infrastructure systems. An engineering firm contracted by the State of Colorado performs condition assessments biannually on County bridges and the tunnel, with supplemental ratings performed by the County Engineer, as necessary to comply with the 3-year assessment cycle requirement. The state engineer’s sufficiency rating is converted to the County’s rating system.
 - Wastewater improvements: The Teller County Public Works department has developed criteria to measure the condition of the wastewater system, which are documented in the County infrastructure records.
 - County’s rating system for all eligible infrastructure capital assets:

<u>Condition</u>	<u>Rating</u>
Good	40
Fair	25
Poor	10

County management believes that compliance with these requirements facilitates constructive planning and tracking tools for the County’s development, repair and maintenance of our infrastructure networks.

Road and trail infrastructure systems:

The County policy is to maintain at least 60% of these infrastructure systems at a rating of 40, with an additional 25% at least at a rating of 25. These levels allow for normal wear and tear and Colorado weather events. The most recent 3-year assessment cycle was completed as of December 31, 2012.

The past three assessments rated the County’s road and trail infrastructure as follows:

Condition Distribution			
As of 3 years ended:	2006	2009	2012
Good	67%	64%	93%
Fair	28%	28%	4%
Poor	5%	8%	3%

See the accompanying independent auditors’ report.

Teller County, Colorado
Required Supplementary Information
Modified Approach for County Infrastructure Capital Assets
For the Year Ended December 31, 2014

The County's next full 3-year assessment cycle will be completed as of December 31, 2015.

The County's road and trail infrastructure is constantly deteriorating from the following factors: 1) usage; 2) weather and 3) utility installation and private road cuts. The County is continuously taking action to mediate the effects of deterioration through maintenance and improvement activities as annually defined in our Road Maintenance and Improvement Plan.

The County expended \$3,920,531 and \$3,207,368, respectively, in 2014 and 2013 to maintain County roads. A schedule of the estimated annual cost to maintain and preserve roads at the targeted levels compared to actual expenditures for the road maintenance for the last five years is presented below.

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditures</u>
2014	\$ 3,465,621	\$ 3,920,531
2013	3,407,148	3,207,368
2012	3,370,747	3,269,302
2011	3,449,824	3,434,517
2010	3,494,909	3,316,452

The County's goal will always be to maintain our roads in a passable condition.

Minimal amounts have been spent on maintaining County trails, as the system is relatively small and includes no hard surface improvements.

Wastewater infrastructure system:

The County policy is to maintain at least 70% of this infrastructure system in good condition, with the remaining 30% in fair condition, since any poor condition would cause an unacceptable failure in the wastewater treatment.

The past two assessments rated the County's wastewater infrastructure as follows:

Condition Distribution		
As of 3 years ended:	2011	2014
Good	98%	99%
Fair	2%	1%
Poor	0%	0%

The County's next full 3-year assessment cycle will be completed as of December 31, 2017.

The County expended \$1,017 and \$1,255, respectively, to maintain the system in 2014 and 2013. A schedule of the estimated annual costs to maintain and preserve the wastewater infrastructure at the targeted levels compared to actual expenditures for maintenance for the last four years is presented below.

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditures</u>
2013	\$ 3,000	\$ 1,017
2013	2,000	1,255
2012	31,745	18,208
2011	147,053	124,613

The County's 2011 budget and expenditures included recondition and maintenance of the system.

Best Management Practices (BMP's) that have been implemented (Infiltration program, pollution prevention program) and the enhanced performance of the plant since reconditioning are decreasing operating costs.

See the accompanying independent auditors' report.



SUPPLEMENTARY INFORMATION



**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

Teller County, Colorado
Combining Balance Sheet by Fund Type
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 1,383,410	\$ 1,438,053	\$ 2,821,463
Receivables:			
Accounts	220	77,873	78,093
Property taxes	197,622	-	197,622
Interfund	-	48,343	48,343
Prepaid expenses	1,025	-	1,025
Total Assets	1,582,277	1,564,269	3,146,546
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
Accounts payable	5	-	5
Interfund payable	1,204	2,800	4,004
Total Liabilities	1,209	2,800	4,009
Deferred Inflows of Resources			
Unearned property tax revenue	197,622	-	197,622
Total Deferred Inflows of Resources	197,622	-	197,622
Fund Balances			
Nonspendable	1,025	-	1,025
Restricted	914,223	41,787	956,010
Committed	454,625	-	454,625
Assigned	13,573	1,519,682	1,533,255
Total Fund Balances	1,383,446	1,561,469	2,944,915
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,582,277	\$ 1,564,269	\$ 3,146,546

See the accompanying independent auditors' report.

Teller County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances by Fund Type
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 205,235	\$ -	\$ 205,235
Sales taxes	-	460,249	460,249
Intergovernmental	141,203	266,878	408,081
Investment earnings	493	1,185	1,678
Miscellaneous	-	80,959	80,959
Total Revenues	346,931	809,271	1,156,202
Expenditures			
Current:			
General government	-	266,980	266,980
Culture and recreation	66,869	-	66,869
Capital Outlay	-	7,365	7,365
Total Expenditures	66,869	274,345	341,214
Excess of Revenues Over Expenditures	280,062	534,926	814,988
Other Financing Sources (Uses)			
Transfers in	-	154,417	154,417
Total Other Financing Sources (Uses)	-	154,417	154,417
Net Change in Fund Balances	280,062	689,343	969,405
Fund Balances Beginning of Year	1,103,384	872,126	1,975,510
Fund Balances End of Year	\$ 1,383,446	\$ 1,561,469	\$ 2,944,915

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues		
Property taxes	\$ 6,879,381	\$ 6,753,953
Sales taxes	1,329,611	1,276,771
Intergovernmental	3,676,516	3,496,803
Licenses and permits	757,395	782,818
Charges for services	1,007,878	1,244,382
Fines and forfeitures	42,732	52,617
Investment earnings	6,064	7,122
Miscellaneous	411,290	297,914
Total Revenues	<u>14,110,867</u>	<u>13,912,380</u>
Expenditures		
Current:		
General government	5,761,779	5,556,742
Public safety	6,547,253	6,522,535
Health and human services	781,828	698,477
Culture and recreation	25,130	23,973
Capital Outlay	<u>6,933</u>	<u>45,600</u>
Total Expenditures	<u>13,122,923</u>	<u>12,847,327</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>987,944</u>	<u>1,065,053</u>
Other Financing Sources (Uses)		
Transfers in	<u>166,742</u>	<u>174,204</u>
Total Other Financing Sources (Uses)	<u>166,742</u>	<u>174,204</u>
Net Change in Fund Balances	1,154,686	1,239,257
Fund Balances Beginning of Year	<u>4,352,872</u>	<u>3,113,615</u>
Fund Balances End of Year	<u>\$ 5,507,558</u>	<u>\$ 4,352,872</u>

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			2013	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes					
Property taxes	\$ 6,830,971	\$ 6,830,971	\$ 6,858,484	\$ 27,513	\$ 6,733,906
Delinquent property taxes	-	-	419	419	(7,222)
Interest and penalties	-	-	20,478	20,478	27,269
Sales taxes	1,196,441	1,237,881	1,329,611	91,730	1,276,771
Total Taxes	8,027,412	8,068,852	8,208,992	140,140	8,030,724
Intergovernmental					
Election fees	10,000	16,500	22,504	6,004	19,042
Specific ownership	498,750	566,475	655,865	89,390	560,513
Payment in lieu of taxes	250,000	250,000	280,653	30,653	215,317
Gaming taxes	877,976	877,976	888,094	10,118	983,888
Gaming impact grants	300,000	330,488	541,300	210,812	670,086
Cigarette taxes	6,500	6,500	7,964	1,464	7,501
Veterans office	1,200	1,200	1,200	-	900
Public health contracts	213,846	264,021	352,384	88,363	281,352
Law enforcement contracts	256,587	281,822	279,248	(2,574)	263,791
Federal mineral lease distribution	100,000	100,000	152,564	52,564	96,611
Senior services contracts	14,437	14,437	12,143	(2,294)	6,774
Sanitarian contract	21,825	21,825	20,000	(1,825)	20,912
Build a generation grants	164,385	164,385	194,317	29,932	147,850
LEAF	1,600	1,600	2,054	454	1,612
EMA	50,000	50,000	43,530	(6,470)	40,245
EMS subsidy	-	7,065	7,063	(2)	6,000
State impact assistance	600	600	563	(37)	570
State payment in lieu taxes	1,100	1,100	1,244	144	1,148
Other governmental contracts	4,125	25,925	59,207	33,282	19,518
Other	152,000	152,000	154,619	2,619	153,173
Total Intergovernmental	2,924,931	3,133,919	3,676,516	542,597	3,496,803
Licenses and Permits					
Building permits	340,000	340,000	604,088	264,088	633,896
Elevator permits	2,000	2,000	4,900	2,900	5,430
Sanitation permits	15,000	15,000	34,480	19,480	25,583
Contractor licenses	65,000	65,000	57,629	(7,371)	66,550
Liquor licenses	2,000	2,000	2,685	685	3,522
Health licenses	25,000	25,000	30,478	5,478	25,715
Planning and zoning fees	25,000	25,000	23,135	(1,865)	22,122
Total Licenses and Permits	\$ 474,000	\$ 474,000	\$ 757,395	\$ 283,395	\$ 782,818

(continued)

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

(continued)

	<u>2014</u>			<u>2013</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues					
Charges For Services					
Fees of County Offices					
Assessor	\$ 1,000	\$ 1,000	\$ 1,608	\$ 608	\$ 2,028
Sheriff	164,900	140,600	85,497	(55,103)	117,352
Clerk	534,000	534,000	515,496	(18,504)	613,470
Treasurer	310,000	310,000	308,238	(1,762)	337,618
Public health	36,188	36,188	26,659	(9,529)	48,809
Public trustee	90,000	90,000	33,307	(56,693)	83,128
Other services	15,200	43,215	37,073	(6,142)	41,977
Total Charges For Services	<u>1,151,288</u>	<u>1,155,003</u>	<u>1,007,878</u>	<u>(147,125)</u>	<u>1,244,382</u>
Fines and Forfeitures					
Model traffic code fines	26,500	26,500	27,491	991	36,223
Code and enforcement	150	150	2,200	2,050	200
Animal control	3,000	3,000	2,184	(816)	3,881
Other fines	-	-	10,857	10,857	12,313
Total Fines and Forfeitures	<u>29,650</u>	<u>29,650</u>	<u>42,732</u>	<u>13,082</u>	<u>52,617</u>
Investment Earnings	<u>5,200</u>	<u>6,300</u>	<u>6,064</u>	<u>(236)</u>	<u>7,122</u>
Miscellaneous					
Donations	-	-	52,020	52,020	500
Sheriffs Auxiliary Organizations	-	23,000	19,852	(3,148)	26,207
Other	323,457	303,457	339,418	35,961	271,207
Total Miscellaneous	<u>323,457</u>	<u>326,457</u>	<u>411,290</u>	<u>84,833</u>	<u>297,914</u>
Total Revenues	<u>\$ 12,935,938</u>	<u>\$ 13,194,181</u>	<u>\$ 14,110,867</u>	<u>\$ 916,686</u>	<u>\$ 13,912,380</u>

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			2013	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures					
General Government					
Office of the Board	\$ 481,264	\$ 499,367	\$ 489,264	\$ 10,103	\$ 473,691
Finance	451,805	474,287	460,929	13,358	435,421
Legal services	651,110	714,110	695,319	18,791	738,400
Human resources	163,637	177,935	170,100	7,835	177,294
Central utilities	182,585	197,585	211,830	(14,245)	184,497
Public works administration	313,900	272,586	268,668	3,918	304,136
Central support	1,158,259	547,403	505,569	41,834	526,353
Information technology	722,550	670,169	664,296	5,873	656,118
Assessor	868,155	813,413	801,558	11,855	758,191
Clerk and recorder	489,109	442,601	440,572	2,029	401,823
Elections	90,943	97,443	76,842	20,601	40,852
Treasurer	317,592	319,995	308,160	11,835	310,578
Public trustee	99,810	96,174	86,361	9,813	98,188
County surveyor	10,868	10,812	9,853	959	8,977
Facilities	508,283	864,639	571,542	293,097	441,361
Personnel contingency	-	859,657	-	859,657	-
Employee benefits	-	1,100	916	184	862
Total General Government	6,509,870	7,059,276	5,761,779	1,297,497	5,556,742
Public Safety					
Law Enforcement					
Sheriff	3,277,412	3,186,419	3,081,890	104,529	2,966,544
Detentions	2,200,000	2,450,000	2,356,188	93,812	2,330,276
Sheriff Auxilliary Organizations	-	23,000	22,726	274	21,290
Animal control	105,028	107,683	106,581	1,102	106,975
Search and rescue	9,545	9,671	6,792	2,879	6,496
Coronor	92,338	105,909	93,109	12,800	87,354
CDSD - administration	183,693	168,937	163,804	5,133	179,784
CDSD - operations	710,134	550,002	533,594	16,408	597,030
Emergency management	146,625	150,668	138,724	11,944	186,277
Fire and EMS support	40,427	47,492	40,899	6,593	38,590
Hazmat	5,900	5,900	2,946	2,954	1,919
Total Public Safety	6,771,102	6,805,681	6,547,253	258,428	6,522,535
Health and Human Services					
Public health	533,859	590,264	571,344	18,920	534,841
Build a generation	164,385	165,611	193,757	(28,146)	145,029
Veterans office	18,420	19,772	16,727	3,045	18,607
Total Health and Human Services	716,664	775,647	781,828	(6,181)	698,477
Culture and Recreation					
County parks	5,679	5,679	1,446	4,233	1,797
Extension office	24,304	24,304	23,684	620	22,176
Total Culture and Recreation	29,983	29,983	25,130	4,853	23,973
Capital Outlay	6,500	6,500	6,933	(433)	45,600
Total Expenditures	\$ 14,034,119	\$ 14,677,087	\$ 13,122,923	\$ 1,554,164	\$ 12,847,327

See the accompanying independent auditors' report.

Teller County, Colorado
Road and Bridge Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues		
Property taxes	\$ 299,753	\$ 291,815
Sales taxes	767,084	742,849
Intergovernmental	3,268,133	3,649,072
Charges for services	2,420	2,420
Licenses and permits	20,941	14,647
Fines and forfeitures	6,201	4,342
Earnings on investments	1,091	1,685
Miscellaneous	17,760	48,838
Total Revenues	<u>4,383,383</u>	<u>4,755,668</u>
Expenditures		
Current:		
Highways and streets	3,920,531	3,207,368
Capital Outlay	<u>95,512</u>	<u>1,399,074</u>
Total Expenditures	<u>4,016,043</u>	<u>4,606,442</u>
Excess of Revenues Over Expenditures	367,340	149,226
Fund Balances Beginning of Year	<u>1,195,127</u>	<u>1,045,901</u>
Fund Balances End of Year	<u><u>\$ 1,562,467</u></u>	<u><u>\$ 1,195,127</u></u>

See the accompanying independent auditors' report.

Teller County, Colorado
Social Services Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues		
Property taxes	\$ 536,180	\$ 616,507
Intergovernmental	2,386,775	2,176,946
Charges for services	3,034	7,357
Miscellaneous	2,860	4,604
Total Revenues	<u>2,928,849</u>	<u>2,805,414</u>
Expenditures		
Current:		
Health and human services	<u>2,627,191</u>	<u>2,498,466</u>
Excess of Revenues Over Expenditures	<u>301,658</u>	<u>306,948</u>
Other Financing (Uses)		
Transfers out	<u>(321,159)</u>	<u>(174,204)</u>
Total Other Financing (Uses)	<u>(321,159)</u>	<u>(174,204)</u>
Net Change in Fund Balances	(19,501)	132,744
Fund Balances Beginning of Year	<u>530,072</u>	<u>397,328</u>
Fund Balances End of Year	<u>\$ 510,571</u>	<u>\$ 530,072</u>

See the accompanying independent auditors' report.

Teller County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Conservation Trust	Contingent	Total Nonmajor Special Revenue Funds
Assets			
Cash and investments	\$ 495,212	\$ 888,198	\$ 1,383,410
Receivables:			
Accounts	220		220
Property taxes	-	197,622	197,622
Prepaid expenses	1,025	-	1,025
Total Assets	496,457	1,085,820	1,582,277
Liabilities and Fund Balances			
Liabilities			
Accounts payable	5	-	5
Interfund payable	1,204	-	1,204
Total Liabilities	1,209	-	1,209
Deferred Inflows of Resources			
Unearned property tax revenue	-	197,622	197,622
Total Deferred Inflows of Resources	-	197,622	197,622
Fund Balances			
Nonspendable	1,025	-	1,025
Restricted	494,223	420,000	914,223
Committed	-	454,625	454,625
Assigned	-	13,573	13,573
Total Fund Balances	495,248	888,198	1,383,446
Total Liabilities, Deferred Inflows and Fund Balances	\$ 496,457	\$ 1,085,820	\$ 1,582,277

See the accompanying independent auditors' report.

Teller County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Conservation Trust	Contingent	Total Nonmajor Special Revenue Funds
Revenues			
Property taxes	\$ -	\$ 205,235	\$ 205,235
Intergovernmental	141,203	-	141,203
Investment earnings	493	-	493
Total Revenues	141,696	205,235	346,931
Expenditures			
Current:			
Culture and recreation	66,869	-	66,869
Total Expenditures	66,869	-	66,869
Excess of Revenues Over Expenditures	74,827	205,235	280,062
Fund Balances Beginning of Year	420,421	682,963	1,103,384
Fund Balances End of Year	\$ 495,248	\$ 888,198	\$ 1,383,446

See the accompanying independent auditors' report.

Teller County, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 141,203	\$ 1,203
Investment earnings	500	500	493	(7)
Total Revenues	<u>140,500</u>	<u>140,500</u>	<u>141,696</u>	<u>1,196</u>
Expenditures				
Current:				
Culture and recreation	147,290	147,290	66,869	80,421
Total Expenditures	<u>147,290</u>	<u>147,290</u>	<u>66,869</u>	<u>80,421</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,790)	(6,790)	74,827	81,617
Fund Balances Beginning of Year	<u>330,248</u>	<u>330,248</u>	<u>420,421</u>	<u>90,173</u>
Fund Balances End of Year	<u>\$ 323,458</u>	<u>\$ 323,458</u>	<u>\$ 495,248</u>	<u>\$ 171,790</u>

See the accompanying independent auditors' report.

Teller County, Colorado
Contingent Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 204,610	\$ 204,610	\$ 205,235	\$ 625
Total Revenues	204,610	204,610	205,235	625
Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	204,610	204,610	205,235	625
Other Financing (Uses)				
Transfers out	(849,186)	(849,186)	-	849,186
Net Change in Fund Balances	(644,576)	(644,576)	205,235	849,811
Fund Balances Beginning of Year	678,149	678,149	682,963	4,814
Fund Balances End of Year	<u>\$ 33,573</u>	<u>\$ 33,573</u>	<u>\$ 888,198</u>	<u>\$ 854,625</u>

See the accompanying independent auditors' report.

Teller County, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Sales taxes	\$ 401,304	\$ 401,304	\$ 460,249	\$ 58,945
Intergovernmental	235,705	260,705	266,878	6,173
Investment earnings	1,200	1,200	1,185	(15)
Miscellaneous	78,000	78,000	80,959	2,959
Total Revenues	<u>716,209</u>	<u>741,209</u>	<u>809,271</u>	<u>68,062</u>
Expenditures				
Current:				
General government	-	275,000	266,980	8,020
Capital Outlay	<u>46,532</u>	<u>57,064</u>	<u>7,365</u>	<u>49,699</u>
Total Expenditures	<u>46,532</u>	<u>332,064</u>	<u>274,345</u>	<u>57,719</u>
Excess of Revenues Over Expenditures	669,677	409,145	534,926	125,781
Other Financing Sources				
Transfers in	-	154,417	154,417	-
Net Change in Fund Balances	669,677	563,562	689,343	125,781
Fund Balances Beginning of Year	<u>839,161</u>	<u>945,276</u>	<u>872,126</u>	<u>(73,150)</u>
Fund Balances End of Year	<u><u>\$ 1,508,838</u></u>	<u><u>\$ 1,508,838</u></u>	<u><u>\$ 1,561,469</u></u>	<u><u>\$ 52,631</u></u>

See the accompanying independent auditors' report.

Teller County, Colorado
Wastewater Utility Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Charges for services	\$ 129,266	\$ 117,839
Licenses and permits	100	-
Total Operating Revenues	<u>129,366</u>	<u>117,839</u>
Operating Expenses		
Administration	6,510	7,874
Operations	119,375	122,789
Total Operating Expenses	<u>125,885</u>	<u>130,663</u>
Operating Gain (Loss)	3,481	(12,824)
Capital Contributions	<u>17,700</u>	<u>-</u>
Change in Net Position	21,181	(12,824)
Net Position Beginning of Year	<u>183,461</u>	<u>196,285</u>
Net Position End of Year	<u>\$ 204,642</u>	<u>\$ 183,461</u>

See the accompanying independent auditors' report.

Teller County, Colorado
Wastewater Utility Fund
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues				
Charges for services	\$ 116,000	\$ 116,000	\$ 129,266	\$ 13,266
Licenses and permits	-	-	100	100
Total Operating Revenues	<u>116,000</u>	<u>116,000</u>	<u>129,366</u>	<u>13,366</u>
Operating Expenses				
Administration	7,885	7,885	6,510	1,375
Operations	<u>122,290</u>	<u>122,290</u>	<u>119,375</u>	<u>2,915</u>
Total Operating Expenses	<u>130,175</u>	<u>130,175</u>	<u>125,885</u>	<u>4,290</u>
Operating Income (Loss)	(14,175)	(14,175)	3,481	17,656
Capital contributions	-	-	<u>17,700</u>	<u>17,700</u>
Change in Net Position	(14,175)	(14,175)	21,181	35,356
Net Position Beginning of Year	<u>180,778</u>	<u>180,778</u>	<u>183,461</u>	<u>2,683</u>
Net Position End of Year	<u>\$ 166,603</u>	<u>\$ 166,603</u>	<u>\$ 204,642</u>	<u>\$ 38,039</u>

See the accompanying independent auditors' report.

Teller County, Colorado
Jail Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Charges for services	\$ 2,991,512	\$ 3,047,960
Miscellaneous	65,366	58,442
Total Operating Revenues	<u>3,056,878</u>	<u>3,106,402</u>
Operating Expenses		
Administration	20,644	24,898
Operations	2,174,339	2,101,285
Depreciation	186,935	187,580
Total Operating Expenses	<u>2,381,918</u>	<u>2,313,763</u>
Operating Income	<u>674,960</u>	<u>792,639</u>
Non-Operating (Expenses)		
Interest	(204,772)	(216,034)
Total Non-Operating (Expenses)	<u>(204,772)</u>	<u>(216,034)</u>
Change in Net Position	470,188	576,605
Net Position Beginning of Year	(1,159,795)	(1,596,380)
Prior Period Adjustment of Debt-Related Expenses	<u>-</u>	<u>(140,020)</u>
Net Position End of Year	<u>\$ (689,607)</u>	<u>\$ (1,159,795)</u>

See the accompanying independent auditors' report.

Teller County, Colorado
Jail Fund
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues				
Charges for services	\$ 2,507,000	\$ 2,533,100	\$ 2,991,512	\$ 458,412
Miscellaneous	43,000	53,000	65,366	12,366
Total Operating Revenues	2,550,000	2,586,100	3,056,878	470,778
Operating Expenses				
Administration	34,102	34,402	20,644	13,758
Operations	2,226,002	2,370,225	2,174,339	195,886
Depreciation	186,935	186,935	186,935	-
Total Operating Expenses	2,447,039	2,591,562	2,381,918	209,644
Operating Income (Loss)	102,961	(5,462)	674,960	680,422
Non-Operating (Expenses)				
Interest	(205,000)	(205,000)	(204,772)	228
Amortization	(11,700)	-	-	-
Total Non-Operating (Expenses)	(216,700)	(205,000)	(204,772)	228
Change in Net Position	(113,739)	(210,462)	470,188	680,650
Net Position Beginning of Year	(1,750,381)	(1,653,658)	(1,159,795)	493,863
Net Position End of Year	\$ (1,864,120)	\$ (1,864,120)	\$ (689,607)	\$ 1,174,513

See the accompanying independent auditors' report.

Teller County, Colorado
Fleet Management Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Charges for services	\$ 1,530,574	\$ 1,492,726
Miscellaneous	2,128	1,626
Total Operating Revenues	<u>1,532,702</u>	<u>1,494,352</u>
Operating Expenses		
Operations	1,095,726	1,088,154
Depreciation	523,785	542,700
Total Operating Expenses	<u>1,619,511</u>	<u>1,630,854</u>
Operating (Loss)	<u>(86,809)</u>	<u>(136,502)</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on sale of capital assets	266,385	(6,620)
Investment earnings	2,568	3,621
Total Non-Operating Revenues (Expenses)	<u>268,953</u>	<u>(2,999)</u>
Loss Before Capital Contributions	182,144	(139,501)
Capital Contributions	<u>-</u>	<u>55,232</u>
Change in Net Position	182,144	(84,269)
Net Position Beginning of Year	<u>4,321,991</u>	<u>4,406,260</u>
Net Position End of Year	<u>\$ 4,504,135</u>	<u>\$ 4,321,991</u>

See the accompanying independent auditors' report.

Teller County, Colorado
Fleet Management Fund
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues				
Charges for services	\$ 1,444,038	\$ 1,444,038	\$ 1,530,574	\$ 86,536
Miscellaneous	-	-	2,128	2,128
Total Operating Revenues	<u>1,444,038</u>	<u>1,444,038</u>	<u>1,532,702</u>	<u>88,664</u>
Operating Expenses				
Operations	1,136,278	1,340,278	1,095,726	244,552
Depreciation	596,342	596,342	523,785	72,557
Total Operating Expenses	<u>1,732,620</u>	<u>1,936,620</u>	<u>1,619,511</u>	<u>317,109</u>
Operating (Loss)	<u>(288,582)</u>	<u>(492,582)</u>	<u>(86,809)</u>	<u>405,773</u>
Non-Operating Revenue (Loss)				
Gain on sale of capital assets	-	204,000	266,385	62,385
Investment earnings	2,600	2,600	2,568	(32)
Total Non-Operating Revenue	<u>2,600</u>	<u>206,600</u>	<u>268,953</u>	<u>62,353</u>
Change in Net Position	(285,982)	(285,982)	182,144	468,126
Net Position Beginning of Year	<u>4,245,252</u>	<u>4,245,252</u>	<u>4,321,991</u>	<u>76,739</u>
Net Position End of Year	<u>\$ 3,959,270</u>	<u>\$ 3,959,270</u>	<u>\$ 4,504,135</u>	<u>\$ 544,865</u>

See the accompanying independent auditors' report.

Teller County, Colorado
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Reclassify Interfund Payable	Balance December 31, 2014
Payroll Trust Fund					
Assets					
Cash and investments	\$ -	\$8,466,671	\$8,463,414	\$ -	\$ 3,257
Accounts receivable	347	143,438	143,575	1,025	1,235
Interfund receivable	10,027	10,602,454	10,611,456	(1,025)	-
Total Assets	10,374	19,212,563	19,218,445	-	4,492
Liabilities					
Accounts payable	-	10,479,460	10,479,064	4,096	4,492
Interfund payable	10,374	163,199	169,477	(4,096)	-
Total Liabilities	10,374	10,642,659	10,648,541	-	4,492
Clerk & Recorder's Trust Fund					
Assets					
Cash and investments	269,686	6,928,232	6,883,674	-	314,244
Total Assets	269,686	6,928,232	6,883,674	-	314,244
Liabilities					
Accounts payable	189,850	9,950,372	9,933,806	107,828	314,244
Interfund payable	79,836	1,172,883	1,144,891	(107,828)	-
Total Liabilities	269,686	11,123,255	11,078,697	-	314,244
Treasurer's Office					
Assets					
Cash and investments	643,808	37,845,477	37,701,606	-	787,679
Liabilities					
County warrants outstanding	47,815	12,506,094	12,408,359	-	145,550
Due to other entities	595,993	25,339,383	25,293,247	-	642,129
Total Liabilities	643,808	37,845,477	37,701,606	-	787,679
Total					
Assets					
Cash and investments	913,494	53,240,380	53,048,694	-	1,105,180
Accounts receivable	347	143,438	143,575	1,025	1,235
Interfund receivable	10,027	10,602,454	10,611,456	(1,025)	-
Total Assets	923,868	63,986,272	63,803,725	-	1,106,415
Liabilities					
County warrants outstanding	47,815	12,506,094	12,408,359	-	145,550
Accounts payable	189,850	20,429,832	20,412,870	111,924	318,736
Due to other entities	595,993	25,339,383	25,293,247	-	642,129
Interfund payables	90,210	1,336,082	1,314,368	(111,924)	-
Total Liabilities	\$ 923,868	\$ 59,611,391	\$ 59,428,844	\$ -	\$ 1,106,415

See the accompanying independent auditors' report.



SPECIAL REPORTS

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

LOCAL HIGHWAY FINANCE REPORT		City or County: TELLER COUNTY
		YEAR ENDING : December 2014
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	PATTI ALBERTS 719-687-8812

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	466,566
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,049,129
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	117,477
2. General fund appropriations		b. Snow and ice removal	1,273,338
3. Other local imposts (from page 2)	1,115,513	c. Other	25,120
4. Miscellaneous local receipts (from page 2)	25,052	d. Total (a. through c.)	1,415,935
5. Transfers from toll facilities		4. General administration & miscellaneous	84,413
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,016,043
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,140,565	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,193,755	2. Notes:	
D. Receipts from Federal Government (from page 2)	49,063	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,383,383	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			4,016,043

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,195,127	4,383,383	4,016,043	1,562,467	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2014	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	299,753	a. Interest on investments	1,091
b. Other local imposts:		b. Traffic Fines & Penalties	6,201
1. Sales Taxes	767,084	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	20,941	f. Charges for Services	
5. Specific Ownership &/or Other	27,735	g. Other Misc. Receipts	17,760
6. Total (1. through 5.)	815,760	h. Other	
c. Total (a. + b.)	1,115,513	i. Total (a. through h.)	25,052
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,275,090	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	49,063
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	86,425	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	657,190	e. U.S. Corps of Engineers	
e. Other (Specify)	175,050	f. Other Federal	
f. Total (a. through e.)	918,665	g. Total (a. through f.)	49,063
4. Total (1. + 2. + 3.f)	3,193,755	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		255,392	255,392
b. Engineering Costs		10,286	10,286
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		200,888	200,888
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		200,888	200,888
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		466,566	466,566
			(Carry forward to page 1)
Notes and Comments:			



FEDERAL FINANCIAL

AWARD REPORTS



RubinBrown LLP
Certified Public Accountants
& Business Consultants

1900 16th Street
Suite 300
Denver, CO 80202

T 303.698.1883
F 303.777.4458

W rubinbrown.com
E info@rubinbrown.com

**Independent Auditors' 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
Teller County, Colorado
Cripple Creek, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Teller County, Colorado (the County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 1, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance And Other Matters

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

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

June 1, 2015



RubinBrown LLP
Certified Public Accountants
& Business Consultants

1900 16th Street
Suite 300
Denver, CO 80202

T 303.698.1883
F 303.777.4458

W rubinbrown.com
E info@rubinbrown.com

**Independent Auditors' Report On Compliance
For Each Major Federal Program And
Report On Internal Control Over Compliance
Required By OMB Circular A-133**

Board of County Commissioners
Teller County, Colorado
Cripple Creek, Colorado

Report On Compliance For Each Major Federal Program

We have audited Teller County, Colorado's (the County) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *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, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion On Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report On Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

RubinBrown LLP

June 1, 2015

TELLER COUNTY, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2014**

Section I - Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	___✓___ no
Significant deficiency(ies) identified?	_____ yes	___✓___ none reported
Noncompliance material to financial statements noted?	_____ yes	___✓___ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	___✓___ no
Significant deficiency(ies) identified?	_____ yes	___✓___ none reported
Type of auditors' report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____ yes	___✓___ no

Identification Of Major Programs

CFDA No.	Name Of Federal Program Or Cluster
10.557	Women, Infants, and Children
10.561	Food Assistance Admin
93.558	Temporary Assistance for Needy Families
93.658	Title IV-E FC

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

Auditee qualified as low-risk auditee? ___✓___ yes _____ no

TELLER COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*
For The Year Ended December 31, 2014

Section II - Financial Statement Findings

There were no findings relating to the County's financial statements for the year ended December 31, 2014.

Section III - Federal Award Findings And Questioned Costs

There were no federal award findings or questioned costs for the year ended December 31, 2014.

Section IV - Prior-Year Findings

There were no federal award findings or questioned costs for the year ended December 31, 2013.