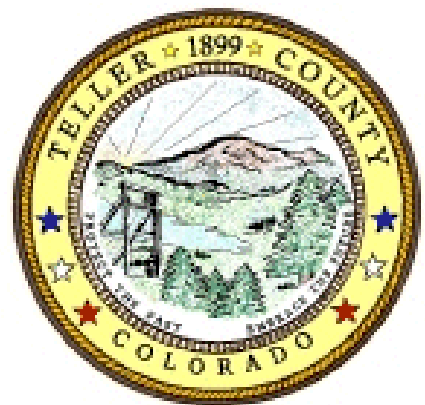




FINANCIAL STATEMENTS

For The Year Ended

DECEMBER 31, 2019





TELLER COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2019

Teller County, Colorado
Annual Financial Report
For The Year Ended December 31, 2019

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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, 2019, 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 County'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 County'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, 2019 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.

Change In Accounting Principle

The County adopted the provisions of the GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of GASB Statement No. 84, the County reported a restatement of Custodial Fund beginning net position for the change in accounting principle, as described in Note 1 to the financial statements. Our opinion is not modified with respect to the restatement.

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, 36 through 38 and 39 through 40, 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 audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 2018 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated May 24, 2019. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2018 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 16, 2020 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 16, 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2019. 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 \$295,629,958 (net position) for the calendar year reported. At December 31, 2018 net position of \$291,754,399 was reported. This substantial increase in net position is primarily due to an increase in cash balances. These changes result from conservative revenue estimates, continued conservative operating budgets and spending, and intentional increases in long-term capital plan funding reserves and wildfire contingency funds.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$270,549,424, comparable to the prior year's balance of \$270,282,011, 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 increase in net asset value is substantially due to an increase in Construction in Progress related to the Sheriff's Office expansion project.
 - (2) Net position of \$2,777,105 is restricted for various purposes by constraints imposed from outside the County.
 - (3) Unrestricted net position of \$22,303,429 represents the portion available to maintain the County's continuing obligations to citizens and creditors, and includes an improvement from net position of \$19,211,221 unrestricted at December 31, 2018.
- In 2018 total assessed value of property that generated the County's 2019 property tax revenues increased, continuing last years trend. The levy on total values resulted in an increase in 2019 total property tax-related revenues of about \$561,000, following a 2018 increase of about \$591,000. County management maintained proactive and conservative budgeting and spending policies through 2019, while maintaining services.
- The County's governmental funds reported total ending fund balance of \$21,533,625 this year, an increase of \$2,461,129 from the prior year ending fund balance of \$19,072,496. The largest portions of this increase are in the County's General Fund, to increase operating reserves for future needs and the Capital Projects Fund, in anticipation of future capital projects. Through the County's extended strategic plan and budgeting process, management will prioritize and identify critical needs and service levels to be addressed with available funds.
- At the end of the reported calendar year, fund balance for the General Fund was \$6,611,258, or 41.1% of total General Fund expenditures, compared to 37% at December 31, 2018.
- Overall, the County has strengthened its financial position by adhering to budget policies and long-term capital plans, which include maintaining the County's operating abilities and service levels, fund balances and capital reserves. The County has resumed activity on long-term capital plans that had been placed on hold by beginning the expansion of the Sheriff's Office building.

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:

2019	\$295,629,958
2018	291,754,399
2017	288,415,067

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 the County's custodial funds, held by the County for other organizations and entities, as presented on pages 14 and 15 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 16 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 36. Budgetary comparison statements are also included as "required supplementary information" for the County's major funds: the general, road and bridge, social services and capital projects funds. Budgetary comparison schedules for 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 42.

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 2019 was \$295,629,958, as compared to \$291,754,399 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, 2019
(With comparative amounts for the year ended December 31, 2018)

	2019				2018	
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Total	Percentage of Total
Assets:						
Current assets	\$ 37,356,738	\$ 1,494,838	\$ 38,851,576	13%	\$ 32,320,594	11%
Capital assets	269,110,638	2,465,004	271,575,642	87%	271,645,302	89%
Total assets	306,467,376	3,959,842	310,427,218	100%	303,965,896	100%
Deferred Outflows of Resources:						
Unamortized charge	-	143,782	143,782	100%	191,709	100%
Liabilities:						
Current liabilities	2,827,172	512,435	3,339,607	74%	2,357,509	61%
Long-term liabilities	344,812	818,685	1,163,497	26%	1,524,750	39%
Total liabilities	3,171,984	1,331,120	4,503,104	100%	3,882,259	100%
Deferred Inflows of Resources:						
Unearned property tax revenue	10,437,938	-	10,437,938	100%	8,520,947	100%
Net position:						
Net investment in capital assets	269,110,638	1,438,786	270,549,424	92%	270,282,011	93%
Restricted	2,777,105	-	2,777,105	1%	2,261,167	1%
Unrestricted	20,969,711	1,333,718	22,303,429	7%	19,211,221	6%
Total net position	\$ 292,857,454	\$ 2,772,504	\$ 295,629,958	100%	291,754,399	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 2.82 to 1. The business-type activities report a current ratio of 3.08 to 1. For the County overall, the current ratio is 2.83 to 1, as compared to 2.98 to 1 reported at the at the end of 2018.

The County reports positive balances in net position for the governmental activities as well as for the combination of the wastewater utility fund and the jail fund. Net position increased \$2,937,873 for governmental activities and improved by \$937,686 for business-type activities. The County's overall financial position improved during calendar year 2019.

Note that 92% of the governmental activities' net position results from investment in capital assets. 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. The County's percentage of total net position that is included in capital assets decreased slightly when compared with the prior year's 93%.

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, 2019
(With comparative amounts for the year ended December 31, 2018)

	2019				2018	
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Total	Percentage of Total
Revenues:						
Program:						
Charges for services	\$ 2,120,595	\$ 3,707,092	\$ 5,827,687	18%	\$ 5,527,055	19%
Operating grants & contributions	9,021,537	-	9,021,537	28%	8,976,086	30%
Capital grants & contributions	6,900	158,100	165,000	1%	106,471	0%
General:						
Taxes	12,321,811	-	12,321,811	39%	11,037,863	37%
Other	4,508,996	61,246	4,570,242	14%	4,067,773	14%
Total revenues	27,979,839	3,926,438	31,906,277	100%	29,715,248	100%
Program Expenses:						
General government	7,926,067	-	7,926,067	28%	7,799,464	30%
Public safety	8,146,045	-	8,146,045	29%	7,418,372	28%
Public works	4,955,417	-	4,955,417	18%	4,236,946	16%
Health and human services	3,898,537	-	3,898,537	14%	3,960,163	15%
Culture and recreation	115,900	-	115,900	0%	127,081	0%
Wastewater utility	-	148,477	148,477	1%	153,476	1%
Jail	-	2,840,275	2,840,275	10%	2,680,414	10%
Total expenses	25,041,966	2,988,752	28,030,718	100%	26,375,916	100%
Change in net position	2,937,873	937,686	3,875,559		3,339,332	
Net position beginning of year	289,919,581	1,834,818	291,754,399		288,415,067	
Net position end of year	\$ 292,857,454	\$ 2,772,504	\$ 295,629,958		\$ 291,754,399	

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. These taxes provided 44% of the County's governmental revenues in 2019 as compared to 43% in 2018. Operating grants and contributions are the second largest revenue source with \$9.0 million in 2019 governmental revenues or 32% of the total, down from 34% in 2018. Note that charges for services and grants and contributions has decreased to 45% of governmental program expenses from 47% in 2018, with road and social services assistance making up the majority of program operating revenues. Local sales and gaming tax revenues increased 15.2% from the prior year, following a 3.6% increase in 2018. This is a large increase which will be discussed in more detail in the following sections. The government's taxpayers and the County's other general governmental revenues comprised 60% of the governmental revenues in 2019 as compared to 58% in 2018.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and public works functions make up approximately 52% of the total governmental activities expenses for 2019, compared with 50% in 2018. General government totals about 31%, and health and human services about 16% of 2019 governmental expenditures as compared to 32% and 17% in 2018, respectively.

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			
	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 7,926,067	\$ 5,904,823	\$ 7,799,464	\$ 5,770,619
Public safety	8,146,045	5,574,001	7,418,372	4,965,790
Public works	4,955,417	1,832,583	4,236,946	1,321,777
Health and human services	3,898,537	633,425	3,960,163	516,186
Culture and recreation	115,900	(51,898)	127,081	(14,188)
Total	<u>\$ 25,041,966</u>	<u>\$ 13,892,934</u>	<u>\$ 23,542,026</u>	<u>\$ 12,560,184</u>

In this table, the County recognized capital asset contributions of \$6,900 in 2019 as current year program revenues but which offset expenditures that are capitalized as public safety assets. After reducing gross expenses by program revenues, public safety (which includes Community Development Services) totals 40% of the adjusted net cost of services in 2019 as compared to 40% in 2018. Public works shows approximately 13% of the 2019 net cost of services, as compared to 11% in 2018. Over half of the 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 \$838,001 in 2019, compared to \$837,367 in 2018. This continues the trend of net gains in revenue due to the increased marketing of our facility. The wastewater fund showed a net operating gain of \$17,534 compared to a loss of \$2,129 in 2018.

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. Governmental funds reported ending fund balances of \$21,533,625, an increase from \$19,072,496 at the end of 2018. 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 \$3,980,802 as compared to \$2,774,821 at the end of 2018, 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. Originally budgeted to decrease by about \$2.7 million, actual revenues and expenditures in the general fund resulted in a fund balance increase of \$757,497. Improved revenue trends have continued through 2019, allowing the County to gradually fund priorities in our annually updated strategic plan. Our ongoing budgetary caution resulted in general fund revenues above the 2019 adjusted budget amounts by \$2.1 million, and departments continued to hold the line on expenditures, resulting in expenses of about \$1.6 million less than budget.

Property taxes distributed to the general fund show a 10.9% increase from calendar year 2018, resulting from an increase in assessed values of property in the County and a shift in the breakdown between funds. Distribution of sales taxes to the general fund increased by about 23% from the prior year. This is due to a very large increase in total revenue. This increase does not conform to previous years increases so at this time it is considered to be an anomaly. General fund revenues from other governmental entities (mainly State and Federal) decreased by 0.7% from those in 2018. Revenues from all types of general fund licenses and permits resulted in a total increase of 16% from 2018. Charges for general fund services had a minimal increase of less than 1%, after a less than 1% increase in 2018.

The general fund balance is considered adequate, and due to conservative budget and spending practices, it shows the equivalent of 40.1% of annual expenditures in 2019. In the general fund, all areas of expenditures except health and human services showed increases. The increased spending was a result of the deliberate implementation of our strategic plan. The decrease in health and human services is mainly due to lowered grant expenditures in the Public Health Department.

Total road and bridge fund revenues increased by about \$417,000, mainly the result of new highway user tax revenue from the State and increased sales taxes. Results in the road and bridge fund show an increase in expenditures of about \$570,000 and an increase of about \$118,000 in fund balance from the prior year.

In the social services fund, total revenue decreased by about \$328,000 resulting from a shift in property tax breakdown between funds and an intergovernmental reimbursement decrease of about \$150,000 from 2018. Total expenditures and transfers out decreased about \$136,000 from the prior year. However, this still resulted in an increase in fund balance of about \$380,000.

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

We have continued to budget for contributions to the capital projects fund in anticipation of accomplishing some long-term capital goals in the near future. The County's fleet replacement program has continued according to plan, taking into consideration increases in the cost of certain fleet equipment. Continuing revenue increases have allowed for more flexibility in meeting some of our strategic plan goals, while maintaining conservative spending practices.

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 2019 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 2018 but not expended until 2019
- 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 \$1,302,091.

Actual general fund revenues came in \$2,107,313 higher than the adjusted budget amounts. County departments continued to maintain costs through careful monitoring of expenditures, which came in about 9% lower than the adjusted budget. Comparatively, the County spent about 95% of the authorized general fund budget in 2018. Past revenue trends are taken into account while developing conservative estimates for the budget.

Other Major Governmental Funds – Over the course of the year, the Board of County Commissioners has found it necessary to adopt adjustments and supplemental appropriations to other major governmental funds' 2019 budgets. Substantial amounts were:

- The capital projects fund budget was increased by \$1,425,211, to allow for the expenditure of projects planned but not finalized in 2018, and for expenses related to the Sheriff's Office expansion, including temporary moving expenses to empty the offices in preparation for construction.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2019, the County had \$271,575,642 invested in a broad range of capital assets, including land, buildings, park facilities, roads, bridges and sewer lines. This is a very slight decrease of \$69,660. In 2006, the County had completed valuation and condition assessments of all infrastructure in our 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. 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 most recent assessment of all county road and trail infrastructure was performed in the three years ended December 31, 2018, and of the wastewater infrastructure in the three years ended December 31, 2017. 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, 2019, was \$269,110,638 and \$2,465,004 respectively. The total change in this net investment was an increase of 0.03% for governmental and a 6.5% 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)						
	Governmental Activities		Business Activities		Total		% Change
	2019	2018	2019	2018	2019	2018	
Land	\$ 3,225,910	\$ 3,225,910	\$ 101,300	\$ 101,300	\$ 3,327,210	\$ 3,327,210	0.0%
Construction in progress	743,451	36,710	28,550	-	772,001	36,710	2003.0%
Buildings & Improvements	4,433,991	4,711,654	1,330,267	1,523,924	5,764,258	6,235,578	-7.6%
Machinery and equipment	2,732,722	3,072,434	52,175	46,094	2,784,897	3,118,528	-10.7%
Infrastructure	257,974,564	257,974,564	952,712	952,712	258,927,276	258,927,276	0.0%
Total Capital Assets, net	\$ 269,110,638	\$ 269,021,272	\$ 2,465,004	\$ 2,624,030	\$ 271,575,642	\$ 271,645,302	0.0%

Long-term Debt

At the end of the calendar year, the County had outstanding debt obligations of \$1,638,360, including debt for compensated absences. During the year, the County retired \$385,000 in capital leases, or 25% of the beginning outstanding capital lease obligations. In 2019, the County had a net increase in compensated absence balances due, of \$24,923 or 5.6%.

	Outstanding Debt						
	Governmental Activities		Business-type Activities		Totals		% Change
	2019	2018	2019	2018	2019	2018	
Capital leases	\$ -	\$ -	\$ 1,170,000	\$ 1,555,000	\$ 1,170,000	\$ 1,555,000	-24.8%
Compensated absences	426,254	403,371	42,106	40,066	468,360	443,437	5.6%
Total	\$ 426,254	\$ 403,371	\$ 1,212,106	\$ 1,595,066	\$ 1,638,360	\$ 1,998,437	-18.0%

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. In April 2016, these COPs were renegotiated at a lower cost and to a shorter term.

Economic Conditions Affecting the County

Gaming tax revenue continued its slow and steady increase in 2019. Building-related activity resulted in another solid increase in revenues. Sales tax showed a significant increase though out the year in 2019. Total revenues exceeded our conservative estimates. To-date 2020 activity is on par with the first two months of 2019 but we have concerns as to how the current pandemic may affect future revenues.

Assessed values certified in 2019 for revenue collection in 2020 showed a very substantial increase. We expect property tax revenues in 2020 to increase significantly over 2019. These increases are dedicated to fund overdue staff equity adjustments, merit increases and increased law enforcement positions.

The Cripple Creek & Victor Gold Mine, owned by the Newmont Mining Corporation, continued to show increases in 2019 production and the current mine life permit runs through 2025 so we expect the mine to continue to support future County property tax revenues. Newmont Mining Corporation continues to be a valuable member of the community and stimulates the County's economy as it has in the past.

For at least the past four years' County Elected Officials have prioritized funding for salary increases for all county departments with a particular emphasis on law enforcement. These increases don't necessarily match regional markets however they reflect the county's financial abilities and other fiscal responsibilities.

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 strive to improve in all areas of responsibility. Community outreach and communications goals remain a County-wide priority.

The current pandemic has changed our working environment, ability to provide services and will have a huge negative impact on 2020 revenues and expenses. The impacts may continue into future years as well. County leadership is continually monitoring the situation and will make every effort to provide the very best service to our residents as we have done in the past.

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 Interim Finance Director 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, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and investments (Note 4-A)	\$ 25,461,614	\$ 1,225,712	\$ 26,687,326
Receivables:			
Accounts	948,309	207,587	1,155,896
Property taxes	10,437,938	-	10,437,938
Intergovernmental	195,723	-	195,723
Prepaid expenses	177,154	-	177,154
Inventory	136,000	-	136,000
Other Assets			
Prepaid items	-	61,539	61,539
Capital Assets (Note 4-D)			
Nondepreciable capital assets	262,053,807	1,082,562	263,136,369
Depreciable capital assets, net	7,056,831	1,382,442	8,439,273
Total Assets	306,467,376	3,959,842	310,427,218
Deferred Outflows of Resources			
Unamortized charge	-	143,782	143,782
Total Deferred Outflows of Resources	-	143,782	143,782
Liabilities			
Current Liabilities			
Accounts payable	2,322,024	117,220	2,439,244
Intergovernmental payable	423,706	-	423,706
Accrued interest payable	-	1,794	1,794
Compensated absences payable	81,442	8,421	89,863
Capital leases payable	-	385,000	385,000
Long-Term Liabilities: (Note 4-G)			
Compensated absences payable (net of current portion)	344,812	33,685	378,497
Capital leases payable (net of current portion)	-	785,000	785,000
Total Liabilities	3,171,984	1,331,120	4,503,104
Deferred Inflows of Resources			
Unearned property tax revenue	10,437,938	-	10,437,938
Total Deferred Inflows of Resources	10,437,938	-	10,437,938
Net Position			
Net investment in capital assets (Note 4-I)	269,110,638	1,438,786	270,549,424
Restricted for:			
Emergencies (Note 5-C)	450,000	-	450,000
Parks and open space	943,864	-	943,864
Social services programs	1,205,368	-	1,205,368
Other	177,873	-	177,873
Unrestricted	20,969,711	1,333,718	22,303,429
Total Net Position	\$ 292,857,454	\$ 2,772,504	\$ 295,629,958

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Activities
For the Year Ended December 31, 2019

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		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 7,926,067	\$ 1,056,147	\$ 965,097	\$ -	\$ (5,904,823)	\$ -	\$ (5,904,823)
Public safety	8,146,045	937,782	1,627,362	6,900	(5,574,001)	-	(5,574,001)
Public works	4,955,417	83,716	3,039,118	-	(1,832,583)	-	(1,832,583)
Health and human services	3,898,537	42,950	3,222,162	-	(633,425)	-	(633,425)
Culture and recreation	115,900	-	167,798	-	51,898	-	51,898
Total Governmental Activities	25,041,966	2,120,595	9,021,537	6,900	(13,892,934)	-	(13,892,934)
Business-Type Activities:							
Water and sewer	148,477	165,295	-	158,100	-	174,918	174,918
Jail	2,840,275	3,541,797	-	-	-	701,522	701,522
Total Business-Type Activities	2,988,752	3,707,092	-	158,100	-	876,440	876,440
Total - Primary Government	\$ 28,030,718	\$ 5,827,687	\$ 9,021,537	\$ 165,000	(13,892,934)	876,440	(13,016,494)
General Revenues							
Property taxes levied for general government purposes					8,471,082	-	8,471,082
Sales taxes					3,850,729	-	3,850,729
Gaming taxes					2,105,488	-	2,105,488
Specific ownership taxes and other					1,180,048	-	1,180,048
Unrestricted grants					307,509	-	307,509
Gain on sale of capital assets					8,511	-	8,511
Investment earnings					461,646	-	461,646
Miscellaneous					445,794	61,246	507,040
Total General Revenues					16,830,807	61,246	16,892,053
Change in Net Position					2,937,873	937,686	3,875,559
Net Position Beginning of Year					289,919,581	1,834,818	291,754,399
Net Position End of Year					\$ 292,857,454	\$ 2,772,504	\$ 295,629,958

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Balance Sheet
Governmental Funds
December 31, 2019

	General	Road and Bridge	Social Services	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 7,477,172	\$ 3,216,960	\$ 1,566,940	\$ 7,420,675	\$ 3,048,344	\$ 22,730,091
Receivables:						
Accounts	471,909	313,508	22,381	140,511	-	948,309
Property taxes	9,325,471	320,904	791,563	-	-	10,437,938
Intergovernmental	-	-	195,723	-	-	195,723
Prepaid expenses	173,105	1,231	1,793	-	1,025	177,154
Total Assets	<u>17,447,657</u>	<u>3,852,603</u>	<u>2,578,400</u>	<u>7,561,186</u>	<u>3,049,369</u>	<u>34,489,215</u>
Liabilities, Deferred Inflows and Fund Balances						
Liabilities						
Accounts payable	1,510,928	70,066	155,970	353,670	3,312	2,093,946
Intergovernmental payable	-	-	423,706	-	-	423,706
Total Liabilities	<u>1,510,928</u>	<u>70,066</u>	<u>579,676</u>	<u>353,670</u>	<u>3,312</u>	<u>2,517,652</u>
Deferred Inflows of Resources						
Unearned property tax revenue	<u>9,325,471</u>	<u>320,904</u>	<u>791,563</u>	<u>-</u>	<u>-</u>	<u>10,437,938</u>
Total Deferred Inflows of Resources	<u>9,325,471</u>	<u>320,904</u>	<u>791,563</u>	<u>-</u>	<u>-</u>	<u>10,437,938</u>
Fund Balances						
Nonspendable	173,105	1,231	1,793	-	1,025	177,154
Restricted	27,046	-	1,205,368	150,827	1,393,864	2,777,105
Committed	-	-	-	5,650,487	1,600,595	7,251,082
Assigned	2,430,305	3,460,402	-	1,406,202	50,573	7,347,482
Unassigned	<u>3,980,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,980,802</u>
Total Fund Balances	<u>6,611,258</u>	<u>3,461,633</u>	<u>1,207,161</u>	<u>7,207,516</u>	<u>3,046,057</u>	<u>21,533,625</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 17,447,657</u>	<u>\$ 3,852,603</u>	<u>\$ 2,578,400</u>	<u>\$ 7,561,186</u>	<u>\$ 3,049,369</u>	<u>\$ 34,489,215</u>

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, 2019

Total Governmental Fund Balances	\$	21,533,625
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	\$	274,248,165
Less accumulated depreciation	<u>(7,361,556)</u>	266,886,609
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.		
		4,844,428
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>(407,208)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>292,857,454</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, 2019

	General	Road and Bridge	Social Services	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 7,114,149	\$ 219,338	\$ 888,823	\$ -	\$ 248,772	\$ 8,471,082
Sales taxes	1,848,350	1,039,697	-	962,682	-	3,850,729
Intergovernmental	5,282,824	3,615,253	2,691,571	507,317	167,798	12,264,763
Licenses and permits	826,624	28,835	-	-	-	855,459
Charges for services	1,146,489	13,340	-	-	-	1,159,829
Fines and forfeitures	21,455	775	-	-	-	22,230
Investment earnings	155,205	70,207	-	157,914	20,286	403,612
Miscellaneous	756,115	20,538	4,670	83,077	-	864,400
Total Revenues	17,151,211	5,007,983	3,585,064	1,710,990	436,856	27,892,104
Expenditures						
Current:						
General government	7,628,867	-	-	48,648	-	7,677,515
Public safety	7,908,638	-	-	196,460	-	8,105,098
Highways and streets	-	4,889,770	-	-	-	4,889,770
Health and human services	901,079	-	2,992,806	-	-	3,893,885
Culture and recreation	50,994	-	-	-	66,719	117,713
Capital Outlay	14,919	-	-	732,075	-	746,994
Total Expenditures	16,504,497	4,889,770	2,992,806	977,183	66,719	25,430,975
Excess of Revenues Over Expenditures	646,714	118,213	592,258	733,807	370,137	2,461,129
Other Financing Sources (Uses)						
Transfers in	223,018	-	12,235	1,920	100,000	337,173
Transfers out	(112,235)	-	(224,938)	-	-	(337,173)
Total Other Financing Sources (Uses)	110,783	-	(212,703)	1,920	100,000	-
Net Change in Fund Balances	757,497	118,213	379,555	735,727	470,137	2,461,129
Fund Balances Beginning of Year	5,853,761	3,343,420	827,606	6,471,789	2,575,920	19,072,496
Fund Balances End of Year	\$ 6,611,258	\$ 3,461,633	\$ 1,207,161	\$ 7,207,516	\$ 3,046,057	\$ 21,533,625

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, 2019

Net Changes In Fund Balances - Total Governmental Funds		\$ 2,461,129
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay 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	\$ (372,698)
	Capital outlay	768,184
		395,486
Capitalized assets are not reported on the governments fund financial statements, however on the government-wide statements fixed assets and related depreciation have been reported. This is the net value of assets removed.		
	Capitalized asset	\$ (83,524)
	Accumulated depreciation	76,746
		(6,778)
The internal service fund is used by management to charge the 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.		
		108,327
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 @ 12/31/19	\$ (407,208)
	Liability @ 12/31/18	386,917
		(20,291)
Change in Net Position of Governmental Activities		\$ 2,937,873

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 85,023	\$ 1,140,689	\$ 1,225,712	\$ 2,731,523
Receivables:				
Accounts	7,631	199,956	207,587	-
Inventory	-	-	-	136,000
Prepaid items	-	61,539	61,539	-
Total Current Assets	<u>92,654</u>	<u>1,402,184</u>	<u>1,494,838</u>	<u>2,867,523</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	101,300	101,300	-
Infrastructure	952,712	-	952,712	-
Other non-depreciable assets	28,550	-	28,550	-
Depreciable capital assets, net	-	1,382,442	1,382,442	2,224,029
Total Noncurrent Assets	<u>981,262</u>	<u>1,483,742</u>	<u>2,465,004</u>	<u>2,224,029</u>
Total Assets	<u>1,073,916</u>	<u>2,885,926</u>	<u>3,959,842</u>	<u>5,091,552</u>
Deferred Outflows of Resources				
Unamortized charge	-	143,782	143,782	-
Total Deferred Outflows of Resources	<u>-</u>	<u>143,782</u>	<u>143,782</u>	<u>-</u>
Liabilities				
Current Liabilities:				
Accounts payable	1,298	115,922	117,220	228,078
Accrued interest	-	1,794	1,794	-
Compensated absences payable	-	8,421	8,421	3,809
Capital leases payable	-	385,000	385,000	-
Total Current Liabilities	<u>1,298</u>	<u>511,137</u>	<u>512,435</u>	<u>231,887</u>
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	-	33,685	33,685	15,237
Capital leases payable (net of current portion)	-	785,000	785,000	-
Total Long-Term Liabilities	<u>-</u>	<u>818,685</u>	<u>818,685</u>	<u>15,237</u>
Total Liabilities	<u>1,298</u>	<u>1,329,822</u>	<u>1,331,120</u>	<u>247,124</u>
Net Position				
Net investment in capital assets	981,262	457,524	1,438,786	2,224,029
Unrestricted	91,356	1,242,362	1,333,718	2,620,399
Total Net Position	<u>\$ 1,072,618</u>	<u>\$ 1,699,886</u>	<u>\$ 2,772,504</u>	<u>\$ 4,844,428</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, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Wastewater Utility	Jail	Total	
Operating Revenues				
Charges for services	\$ 164,845	\$ 3,541,797	\$ 3,706,642	\$ 1,635,344
Licenses and permits	450	-	450	-
Miscellaneous	716	60,530	61,246	7,113
Total Operating Revenues	<u>166,011</u>	<u>3,602,327</u>	<u>3,768,338</u>	<u>1,642,457</u>
Operating Expenses				
Administration	7,684	40,100	47,784	-
Operations	140,793	2,524,473	2,665,266	1,187,328
Depreciation	-	199,753	199,753	413,347
Total Operating Expenses	<u>148,477</u>	<u>2,764,326</u>	<u>2,912,803</u>	<u>1,600,675</u>
Operating Income	<u>17,534</u>	<u>838,001</u>	<u>855,535</u>	<u>41,782</u>
Non-Operating Revenues (Expenses)				
Gain on sale of capital assets	-	-	-	8,511
Investment earnings	-	-	-	58,034
Interest and fiscal charges	-	(75,949)	(75,949)	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>(75,949)</u>	<u>(75,949)</u>	<u>66,545</u>
Gain Before Capital Contributions	<u>17,534</u>	<u>762,052</u>	<u>779,586</u>	<u>108,327</u>
Capital contributions	<u>158,100</u>	<u>-</u>	<u>158,100</u>	<u>-</u>
Change in Net Position	<u>175,634</u>	<u>762,052</u>	<u>937,686</u>	<u>108,327</u>
Net Position Beginning of Year	<u>896,984</u>	<u>937,834</u>	<u>1,834,818</u>	<u>4,736,101</u>
Net Position End of Year	<u>\$ 1,072,618</u>	<u>\$ 1,699,886</u>	<u>\$ 2,772,504</u>	<u>\$ 4,844,428</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, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Cash Flows from Operating Activities				
Cash received from customers	\$ 104,841	\$ 3,484,386	\$ 3,589,227	\$ 1,668,564
Cash payments for goods and services	(149,368)	(1,034,701)	(1,184,069)	(713,035)
Cash payments to employees for services	-	(1,532,333)	(1,532,333)	(288,564)
Net Cash Provided (Used) by Operating Activities	(44,527)	917,352	872,825	666,965
Cash Flows from Capital and Related Financing Activities				
Principal paid on long-term debt	-	(385,000)	(385,000)	-
Interest paid on long-term debt	-	(28,612)	(28,612)	-
Proceeds from sale of capital assets	-	-	-	8,511
Contributions	158,100	-	158,100	-
Payments for capital acquisitions	(28,550)	(12,177)	(40,727)	(114,005)
Net Cash Provided (Used) by Capital and Related Financing Activities	129,550	(425,789)	(296,239)	(105,494)
Cash Flows from Investing Activities				
Investment earnings	-	-	-	58,034
Net Increase in Cash and Cash Equivalents	85,023	491,563	576,586	619,505
Cash and Cash Equivalents Beginning of Year	-	649,126	649,126	2,112,018
Cash and Cash Equivalents End of Year	\$ 85,023	\$ 1,140,689	\$ 1,225,712	\$ 2,731,523

(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, 2019

(continued)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 17,534	\$ 838,001	\$ 855,535	\$ 41,782
Adjustments:				
Depreciation	-	199,753	199,753	413,347
(Increase) Decrease in Assets:				
Accounts receivable	1,012	(117,941)	(116,929)	26,107
Prepaid expenses	-	2,266	2,266	-
Inventory	-	-	-	47,298
Increase (Decrease) in Liabilities:				
Accounts payable	(891)	(6,767)	(7,658)	135,839
Compensated absences payable	-	2,040	2,040	2,592
Interfund payable	(62,182)	-	(62,182)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (44,527)</u>	<u>\$ 917,352</u>	<u>\$ 872,825</u>	<u>\$ 666,965</u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2019

	<u>2019</u>
Assets	
Cash and investments	\$ 1,247,612
Total Assets	<u>1,247,612</u>
Liabilities	
County warrants outstanding	146,322
Accounts payable	336,172
Due to other entities	<u>392,389</u>
Total Liabilities	<u>874,883</u>
Net Position	
Restricted For:	
Individuals, organizations and/or other governments	<u>372,729</u>
Total Fiduciary Net Position *(as restated)	<u><u>\$ 372,729</u></u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2019

	Net Position Balance January 1, 2019	Additions	Deductions	Total	Net Position Balance December 31, 2019
Other Custodial Fund					
Deposits from inmates	\$ -	\$ 475,096	\$ -	\$ 475,096	\$ -
Payments on behalf of inmates		-	(473,463)	(473,463)	
Total Change		475,096	(473,463)	1,633	
Net Position	-	-	-	-	-
Clerk & Recorder's Trust Fund					
County Clerk & Recorder collections		3,449,640	-	3,449,640	
County Clerk & Recorder payments to other governments		-	(3,665,499)	(3,665,499)	
Total Change		3,449,640	(3,665,499)	(215,859)	
Net Position	-	-	-	-	-
Treasurer's Office					
Tax collections for other entities		27,193,881	-	27,193,881	
Tax distributions to other entities		-	(27,344,867)	(27,344,867)	
Tax collections for SWTC Library		186,690	-	186,690	
Tax distributions to SWTC Library		-	(132,000)	(132,000)	
Total Change		27,380,571	(27,476,867)	(96,296)	
Net Position *(as restated)					
Restricted For:					
Individuals, organizations and/or other governments	318,039	186,690	(132,000)	54,690	372,729

See the accompanying independent auditors' report.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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, Equitable Sharing, 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 the Building Department and Planning Department);
- Public Works (including Transportation, Fleet Services, Facilities, Parks and the Wastewater Utility);
- Teller Park Early Childhood Council (which the County was the fiscal administrator);
- and:
- CSU Extension Office
- Environmental Health
- Human Resources
- Information Technology
- Public Health
- Emergency Management
- Finance & Budget
- Human Services
- Legal Services
- 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, and again in 2016, these certificates of participation were re-financed. At the time of each re-financing, the County entered into an amendment to the annually renewable lease-purchase agreement, in order to recognize both the cost savings and the shortened term 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, 2019

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.

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 to the administration of, and the County's share of program costs for, public assistance and welfare activities.

Capital Projects Fund – This fund is restricted, committed or assigned to account for general governmental capital building, land and equipment purchases and construction.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 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.

Custodial Funds – The County's custodial funds are fiduciary in nature. These funds are used to account for assets that the County holds for others in a fiduciary capacity. Custodial funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

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

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 which the taxes are levied. (Note 4-C) Property taxes assessed in 2019 that are due in 2020 are recorded as property taxes receivable and a deferred inflow at December 31, 2019.

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 a deferred inflow (i.e., they are measurable but not available) rather than as revenue.

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

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.

Time deposits with a maturity date of more than three months but at or less than one year of the date acquired by the County are valued at amortized cost.

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

The County's investments consist of external investment pools and U.S. Agency obligations.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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).

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, 2019, 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 acquisition value 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 cost incurred before the end of a construction period are not included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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 - 120 years	30 years
Improvements	25 – 50 years	30 years
Machinery, equipment and vehicles	5 – 30 years	5 – 25 years
Furniture and fixtures	5 – 30 years	5 – 10 years

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

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one 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 2020).

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.

During 2019 the County implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The statement is effective for periods beginning after June 15, 2018 and allows for early adoption. The County has adopted this statement and applied it prospectively beginning in the year ended December 31, 2019. This statement required additional disclosures in Note 4-G. Long-Term Debt.

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 assets and deferred outflows of resources, and 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)

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 State, 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 must 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.
- **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, and unamortized charges, 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.

***Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

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 fund 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.

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, 2018, from which the summarized information was derived.

Note 2 – Intergovernmental Agreement

During the course of 2019, the County was involved in various intergovernmental agreements with local and federal law enforcement for the purpose of establishing federal task forces and special investigation funds, as well as other areas. These agreements are not considered joint ventures. The related revenue and expenses are accounted for within the general fund. The County has no specific claim to any assets of these funds, except as requested to pay for costs over and above normal operations of the County Sheriff's Department as allowed in these agreements and as approved by the entity in charge of the funds.

Note 3 – Stewardship, Compliance and Accountability

3-A. 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 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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

As of December 31, 2019, the County had the following deposits:

	Insured	Collateralized	Fair Value/ Bank Balance	Carrying Amount	Maturities
Cash On Hand	\$ -	\$ -	\$ -	\$ 36,149	
Deposits	761,298	5,309,166	6,070,464	5,987,453	
CDs	1,230,000	-	1,230,000	1,230,000	12/1/20-7/26/21
Total Deposits and Cash on Hand	<u>\$ 1,991,298</u>	<u>\$ 5,309,166</u>	<u>\$ 7,300,464</u>	<u>\$ 7,253,602</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 2019 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.

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

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	\$ 7,856	11/20/22-3/20/32	AA+
Federal Home Loan	<u>\$ 255,247</u>	6/12/2020	Aaa, AA+
Total	<u>\$ 263,103</u>		

The County's investments in U.S. Agency obligations (GNMA's and Federally Guaranteed Home Loans) are valued at \$263,103 using inputs, other than quoted prices that are observable, such as interest rates and yield curves observable at commonly quoted intervals (Level 2 inputs).

Investments in local government investment pools or in money market funds are not evidenced by securities that exist in physical or book entry form. The County had invested \$20,418,233 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, CSAFE Cash and Colotrust, operate similarly to a money market fund and each share is equal in value to \$1.00. The pool, CSAFE CORE, also operates somewhat similar to a money market, but is limited to only 3 withdrawals per month, and is managed to a per share value of \$2.00. 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		
Colotrust	\$7,351,454	AAAm
CSAFE Cash	6,504,875	AAAm
CSAFE CORE	<u>6,561,904</u>	AAAm
Total	<u><u>\$20,418,233</u></u>	

Teller County, Colorado
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For the Year Ended December 31, 2019

Colotrust is an external investment pool valued using the NAV per share (or its equivalent) of the investments. Colotrust does not have any unfunded commitments, redemption restrictions or redemption notice periods. CSAFE is an external investment pool valued at amortized cost, in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

The external investment pools conform to Colorado Statutes CRS 24-75-601 et. seq. and therefore invest primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. The investments will conform to its Permitted Investments and will meet Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool.

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

Cash & Investment Reconciliation:

Governmental Funds - Balance Sheet	\$22,730,091
Proprietary Fund Type Statement of Net Position	3,957,235
Statement of Fiduciary Assets, Liabilities & Net Position	<u>1,247,612</u>
Total	<u><u>\$27,934,938</u></u>

4-B. Receivables

Receivables at December 31, 2019 consisted of taxes, accounts (billings for user charges, including unbilled utility receivables), 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, 2019

4-D. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 01/1/2019	Adjustment to prior year Additions	Additions	Deductions	Balance 12/31/2019
Governmental activities, (including 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	257,811,571	-	-	-	257,811,571
Infrastructure - Trails	162,993	-	-	-	162,993
Construction in progress	36,710	-	713,387	6,646	743,451
Vehicles not in service	201,985	-	109,882	201,985	109,882
Total capital assets not being depreciated	261,439,169	-	823,269	208,631	262,053,807
Other capital assets:					
Buildings	8,406,997	-	-	-	8,406,997
Vehicles and road equipment	11,332,663	-	215,575	51,340	11,496,898
Furniture and fixtures	1,781,222	21,190	33,353	83,524	1,752,241
Software	563,065	-	-	-	563,065
Other improvements	1,277,271	-	-	-	1,277,271
Total depreciable capital assets	23,361,218	21,190	248,928	134,864	23,496,472
Total cost of capital assets	284,800,387	21,190	1,072,197	343,495	285,550,279
Accumulated depreciation:					
Buildings	4,595,309	-	236,937	-	4,832,246
Vehicles and road equipment	8,813,691	-	437,035	48,773	9,201,953
Furniture and fixtures	1,429,745	-	71,347	76,746	1,424,346
Software	563,065	-	-	-	563,065
Other improvements	377,305	-	40,726	-	418,031
Total accumulated depreciation	15,779,115	-	786,045	125,519	16,439,641
Governmental activities capital assets, net	\$ 269,021,272	\$ 21,190	\$ 286,152	\$ 217,976	\$ 269,110,638

Additions include \$208,631 in asset value that was previously included as capital items in progress, which was not current year capital outlay. On the government-wide statement of net position and the schedule above, the internal service assets are included as governmental activities.

Governmental activities depreciation expense

General government	\$ 236,588
Public safety	46,510
Highways and streets	86,770
Health and welfare	2,830
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	413,347
Total governmental activities depreciation expense	\$ 786,045

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

	Balance 01/1/2019	Additions	Deductions	Balance 12/31/2019
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 101,300	\$ -	\$ -	\$ 101,300
Infrastructure - wastewater system	952,712	-	-	952,712
Construction in Progress	-	28,550	-	28,550
Total non-depreciable capital assets	1,054,012	28,550	-	1,082,562
Depreciable capital assets:				
Building/plant	5,407,281	-	-	5,407,281
Other improvements	405,100	-	-	405,100
Equipment	141,959	12,177	-	154,136
Furniture & fixtures	-	-	-	-
Total depreciable capital assets	5,954,340	12,177	-	5,966,517
Total cost of capital assets	7,008,352	40,727	-	7,049,079
Accumulated depreciation:				
Building/plant	3,982,909	180,154	-	4,163,063
Other improvements	305,548	13,503	-	319,051
Equipment	95,865	6,096	-	101,961
Furniture & fixtures	-	-	-	-
Total accumulated depreciation	4,384,322	199,753	-	4,584,075
Business-type activities capital assets, net	\$ 2,624,030	\$ (159,026)	\$ -	\$ 2,465,004

The additions to accumulated depreciation consist of current year depreciation expense of \$199,753 in business-type activities.

4-E. Interfund Transfers

Interfund transfers for the year ended December 31, 2019 consisted of the following:

Transfers to:	Transfers From:		
	Social Services Fund	General Fund	Total
General Fund	\$ 223,018	\$ -	\$ 223,018
Social services	-	12,235	12,235
Capital projects	1,920	-	1,920
Non-major governmental funds	-	100,000	100,000
	<u>\$ 224,938</u>	<u>\$ 112,235</u>	<u>\$ 337,173</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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

4-F. Other Commitments

Operating Leases – On October 25th, 2007, the County entered into a lease agreement with PK Enterprises, Inc. for the property located at 11115 Highlands Center Building in Divide that houses the Teller County Public Health Department. The lease expired November 30th, 2018. A new lease agreement with PK Enterprises, Inc. was entered into on December 1st, 2018. This is a one-year lease with nine (9) one-year options to extend the lease. The initial monthly rent amount was \$3,258 plus triple net (NNN) charges. The rent will increase for each exercised renewal term by the trailing twelve-month percentage change of WSJ Prime Rate, with a minimum increase of 0.5% and maximum of 3%. Total rent for this lease for 2019 was \$39,110 and total NNN charges were \$8,743.

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 replaced the County offices in the Manor Court and Cobblestone buildings previously leased from the State Land Board. In ensuing years' the County has amended the agreement to include suites 200, 220, 230, and 250. This lease commenced on August 1, 2014 and may be extended annually through June 30, 2024. Gross rent at December 31, 2019 was \$16,638 per month, increased 3% annually upon each extension, plus janitorial costs of \$1030 per month.

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 2019 was \$201,231, of which \$114,363 was reimbursed from Social Services. 2019 janitorial cost payments in the amount of \$12,129 were made through the General Fund, of which \$8,035 was reimbursed from Social Services.

On January 4th, 2019, the County entered into a lease agreement with Woodland Professional Building, LLC for property located at 400 West Midland Ave, Unit 275 in Woodland Park for a Probations Office. The initial term was for a one-year lease with a monthly rent amount of \$800. A new lease agreement was entered into on January 30th, 2020 extending the lease an additional 3 years with a 3% increase for each annual term. Total rent for this lease for 2019 was \$9,600.

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 Direct Borrowings - The County had entered into a capital lease and direct borrowing for a detentions facility. In April, 2016, in order to take advantage of lower interest rates and to shorten the term of the COPs, the Teller County Facilities Corporation re-financed the certificates of participation. As part of that process, the County entered into a second 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 COPs are as follows (amortization expense is included in depreciation expense):

	<u>Business-Type Activities</u>
Capital Assets	\$6,067,816
Less: Accumulated Depreciation	<u>(4,584,074)</u>
Total	<u>\$1,483,742</u>

The refunded principal was \$3,110,000. Upon refunding, the principal was reduced by \$470,019 using funds previously held in a restricted interest-bearing account in the Teller County Facilities Corporation's name. The average interest rate on the refunded certificates was 4.94%, as compared to a rate of 1.84% after conversion. The present value savings resulting from the refinancing was about \$347,000. Remaining maturity dates are from December 2020 through December 2022, as compared to the previous final maturity date of December 2024. Future minimum lease payments are as follows:

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Year	Capital Leases and Direct Borrowings		Total
	Principal	Interest	
2020	385,000	21,528	406,528
2021	390,000	14,444	404,444
2022	395,000	7,268	402,268
Total	<u>\$ 1,170,000</u>	<u>\$ 43,240</u>	<u>\$ 1,213,240</u>

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2019:

	Outstanding 1/1/2019	Additions	Reductions	Outstanding 12/31/2019	Amounts Due in One Year
Governmental Activities					
Compensated absences*	\$ 403,371	639,171	616,288	426,254	\$ 81,442
Total Governmental Activities	<u>\$ 403,371</u>	<u>\$ 639,171</u>	<u>\$ 616,288</u>	<u>\$ 426,254</u>	<u>\$ 81,442</u>
Business-Type Activities					
Notes from direct borrowings	\$ 1,555,000	\$ -	\$ 385,000	\$ 1,170,000	\$ 385,000
Compensated absences	40,066	82,433	80,393	42,106	8,421
Total Business-Type Activities	<u>\$ 1,595,066</u>	<u>\$ 82,433</u>	<u>\$ 465,393</u>	<u>\$ 1,212,106</u>	<u>\$ 393,421</u>

* Includes the internal service fund liability.

The business-type activities capital lease/direct borrowing is being retired from the jail fund. There are no assets pledged as collateral for the debt. In the event of a default, Wells Fargo Bank as Trustee will take directions from the bondholder as to how to proceed, including whether there will be an acceleration clause enacted. In 2019, government-wide interest costs and interest charged to expense were \$75,949.

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

The County currently has no unused lines of credit.

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 2019 was \$11,034,840 and covered payroll totaled \$9,047,544. 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 2019 were \$361,619 each, which represents 3.3% 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, 2019

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	Capital Projects Fund	Other Governmental Funds	Total
Fund balances:						
Nonspendable:						
Prepaid expenses	\$ 173,105	\$ 1,231	\$ 1,793	\$ -	\$ 1,025	\$ 177,154
Restricted for:						
Local declared emergency disaster	-	-	-	-	450,000	450,000
Parks & open space	-	-	-	-	943,864	943,864
Social services programs	-	-	1,205,368	-	-	1,205,368
Clerk & Recorder expenditures	-	-	-	150,827	-	150,827
Certified VIN fees	27,046	-	-	-	-	27,046
Total restricted:	27,046	-	1,205,368	150,827	1,393,864	2,777,105
Committed to:						
Capital Projects - Construction	-	-	-	5,650,487	-	5,650,487
Local declared emergency disaster-wildfires	-	-	-	-	1,600,595	1,600,595
Total committed to:	-	-	-	5,650,487	1,600,595	7,251,082
Assigned to:						
County parks	109,683	-	-	-	-	109,683
Facilities projects	40,000	-	-	-	-	40,000
Divide Master Plan	-	-	-	30,000	-	30,000
Radio System	-	-	-	352,144	-	352,144
Slash/mulch program	19,337	-	-	-	-	19,337
Sheriff's Annuity funds	2,099	-	-	-	-	2,099
Sheriff's Vehicle	-	-	-	40,000	-	40,000
Sheriff's Overtime	9,231	-	-	-	-	9,231
Earned revenue not spent - Public Health	33,702	-	-	-	-	33,702
Ensuing year's budget	2,214,052	1,826,295	-	-	-	4,040,347
County transportation system	-	1,634,107	-	-	-	1,634,107
Local declared emergency disaster	-	-	-	-	50,573	50,573
Capital purchases & projects	-	-	-	984,058	-	984,058
Other purposes	2,201	-	-	-	-	2,201
Total assigned:	2,430,305	3,460,402	-	1,406,202	50,573	7,347,482
Unassigned:	3,980,802	-	-	-	-	3,980,802
Total fund balances	\$ 6,611,258	\$ 3,461,633	\$ 1,207,161	\$ 7,207,516	\$ 3,046,057	\$ 21,533,625

Net Position:

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2019 is as follows:

	Governmental Activities	Business Type Activities
Cost of capital assets	\$ 285,550,279	\$ 7,049,079
Less accumulated depreciation	16,439,641	4,584,075
Book value	269,110,638	2,465,004
Less capital related debt	-	1,170,000
Plus unamortized loss on refunding	-	143,782
Net investment in capital assets	<u>\$ 269,110,638</u>	<u>\$ 1,438,786</u>

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 5 - Other Notes

5-A. Risk Management

Employee Benefits- The County has continued its health and dental insurance carrier contract with Humana and continues to offer two health plan choices, as well as one dental plan. 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 health 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>2019</u>	<u>2018</u>
Estimated Claims liability at January 1	\$ 462,298	\$ 179,718
Deposits	3,077,941	2,708,245
Less:		
Fixed Administrative Costs	618,145	538,901
Claims Paid	2,011,624	1,885,758
PPACA Fees	<u>977</u>	<u>1,006</u>
Estimated Claims liability at December 31	<u>\$ 909,493</u>	<u>\$ 462,298</u>

The County also provides, at a minimum cost to the County, vision coverage, a minimal Employee Term Life Insurance Plan and a 24 hour telemedicine benefit, none of which are self-funded, and none of which require 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, 2019

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 and internal controls on expenditures, the County believes such disallowances, if any, will be immaterial.

The County continues to be involved in a number of litigation matters including 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 \$450,000 at December 31, 2019.

5-D. Custodial Funds

During 2019 the County implemented GASB Statement No. 84, *Fiduciary Activities*. The statement is effective for periods beginning after December 15, 2018 and allows for early adoption. The County has adopted this statement and applied it retroactively which required various restatements of 2019 beginning balances for fiduciary assets and liabilities and required adding a statement of net position. The payroll trust fund which was previously reported as ‘fiduciary’ is now included with the General Fund. The inmate escrow funds which were previously reported in the Jail fund as an asset and corresponding liability are now included in Other Custodial Funds. These changes did not affect the fund balances of the General Fund or the Jail Fund.

The custodial funds previously reported net position at December 31, 2018 of \$0. The addition to net position as calculated in accordance with GASB 84 is \$318,039 resulting in a restated net position of \$318,039 at December 31, 2018.

5-E. Welfare Reform

Conversion to the Colorado Electronic Benefit Transfer System (EBTS) 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, Fidelity Information Services. EBTS reduces or eliminates the amount of expenditures and revenues for the TANF/Colorado Works, AND, OAP, HCA, FA, LEAP, Child Care, Child Welfare & CORE programs reflected in the County General Ledger. The full amount of the EBTs 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, 2019:

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

(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)	263,650	86,014	314,567	578,217	400,581
CHATS/Child Care	386,813	41,026	52,201	439,014	93,227
Child Welfare	616,188	98,452	1,172,265	1,788,453	1,270,717
Regular Administration	4,837	3,837	720,185	725,022	724,022
Core Services	103,149	10,353	236,440	339,589	246,793
IV-D Administration	1,332	1,466	152,577	153,909	154,043
Low-Income Energy Assistance (LEAP)	257,961	0	-39	257,922	-39
Adult Protective Services	0		159,610	159,610	159,610
Aid to the Needy Disabled (AND)	54,088	7,501	0	54,088	7,501
Old Age Pension (OAP)	419,233	910	22,084	441,317	22,994
Food Assistance	2,813,851	0	34,417	2,848,268	34,417
Food Assist Fraud	0	0	0	0	0
IV-E Waiver Intervention	0	0	24,810	24,810	24,810
Title XX Training	0	0	2,092	2,092	2,092
FosterCare/Adoption Grant	0	0	5,763	5,763	5,763
Child Welfare Discr Grant	0	0	0	0	0
CO Comm Response Grant	0	0	0	0	0
PSSF grant (title IV-B pt 2)	0	0	0	0	0
1) Subtotal	4,921,102	249,559	2,896,972	7,818,074	3,146,531
Use of IV-E Waiver Savings		0	3,700	3,700	3,700
Use of Parental Fees	0	0	5,122	5,122	5,122
Use of HB1451 incentives	0		104,524	104,524	104,524
Medicaid Transportation	0	0	0	0	0
Workfare	0	0	0	0	0
RMS bkd to state not county	0	0	-25,797	-25,797	-25,797
County Only	0	0	98,870	98,870	98,870
Acctg Basis Differences	0	0	-115,206	-115,206	-115,206
2) Subtotal	0	0	71,213	71,213	71,213
Grand Total	4,921,102	249,559	2,968,185	7,889,287	3,217,744

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 7,125,061	\$ 7,125,061	\$ 7,114,149	\$ (10,912)
Sales taxes	1,528,577	1,604,418	1,848,350	243,932
Intergovernmental	3,287,769	4,150,075	5,282,824	1,132,749
Licenses and permits	597,300	597,300	826,624	229,324
Charges for services	1,062,627	1,067,627	1,146,489	78,862
Fines and forfeitures	13,000	13,000	21,455	8,455
Investment earnings	69,500	92,000	155,205	63,205
Miscellaneous	216,339	394,417	756,115	361,698
Total Revenues	13,900,173	15,043,898	17,151,211	2,107,313
Expenditures				
Current:				
General government	8,003,016	8,858,982	7,628,867	1,230,115
Public safety	7,918,452	8,145,544	7,908,638	236,906
Health and human services	843,285	1,061,968	901,079	160,889
Culture and recreation	55,833	56,183	50,994	5,189
Capital Outlay	8,300	8,300	14,919	(6,619)
Total Expenditures	16,828,886	18,130,977	16,504,497	1,626,480
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,928,713)	(3,087,079)	646,714	3,733,793
Other Financing Sources (Uses)				
Transfers in	228,270	228,270	223,018	(5,252)
Transfers out	-	-	(112,235)	(112,235)
Total Other Financing Sources (Uses)	228,270	228,270	110,783	(117,487)
Net Change in Fund Balances	(2,700,443)	(2,858,809)	757,497	3,616,306
Reserve for Abatements	(15,000)	(15,000)	-	15,000
Fund Balances Beginning of Year	5,217,161	5,375,527	5,853,761	478,234
Fund Balances End of Year	\$ 2,501,718	\$ 2,501,718	\$ 6,611,258	\$ 4,109,540

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 220,824	\$ 220,824	\$ 219,338	\$ (1,486)
Sales taxes	875,848	875,848	1,039,697	163,849
Intergovernmental	1,782,749	1,782,749	3,615,253	1,832,504
Licenses and permits	24,000	24,000	28,835	4,835
Charges for services	13,340	13,340	13,340	-
Fines and forfeitures	2,500	2,500	775	(1,725)
Investment earnings	36,000	36,000	70,207	34,207
Miscellaneous	17,500	17,500	20,538	3,038
Total Revenues	2,972,761	2,972,761	5,007,983	2,035,222
Expenditures				
Current:				
Highways and streets	5,340,941	5,379,714	4,889,770	489,944
Total Expenditures	5,340,941	5,379,714	4,889,770	489,944
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,368,180)	(2,406,953)	118,213	2,525,166
Net Change in Fund Balances	(2,368,180)	(2,406,953)	118,213	2,525,166
Reserve for Abatements	(2,000)	(2,000)	-	2,000
Fund Balances Beginning of Year	3,100,659	3,139,432	3,343,420	203,988
Fund Balances End of Year	\$ 730,479	\$ 730,479	\$ 3,461,633	\$ 2,731,154

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 894,564	\$ 894,564	\$ 888,823	\$ (5,741)
Intergovernmental	2,799,735	2,882,535	2,691,571	(190,964)
Miscellaneous	12,000	12,000	4,670	(7,330)
Total Revenues	3,706,299	3,789,099	3,585,064	(204,035)
Expenditures				
Current:				
Health and human services	3,508,064	3,566,006	2,992,806	573,200
Excess of Revenues Over Expenditures	198,235	223,093	592,258	369,165
Other Financing (Uses)				
Transfers in	-	-	12,235	12,235
Transfers out	(187,870)	(187,870)	(224,938)	(37,068)
Total Other Financing (Uses)	(187,870)	(187,870)	(212,703)	(24,833)
Net Change in Fund Balances	10,365	35,223	379,555	344,332
Reserve for Abatements	(3,000)	(3,000)	-	3,000
Fund Balances Beginning of Year	540,352	515,494	827,606	312,112
Fund Balances End of Year	\$ 547,717	\$ 547,717	\$ 1,207,161	\$ 659,444

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, 2019

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 system 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 & cattle guard improvements, original striping), bridges, traffic control devices (including signage, traffic lights, streetlights), 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, 2018.

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

As of 3 years ended:	Condition Distribution			
	2009	2012	2015	2018
Good	64%	93%	88%	90%
Fair	28%	4%	9%	8%
Poor	8%	3%	3%	2%

The County’s next full 3-year assessment cycle will be completed as of December 31, 2021.

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, 2019

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.

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>
2019	\$ 5,379,714	\$ 4,889,770
2018	\$ 4,747,598	\$ 4,319,357
2017	3,491,206	4,023,463
2016	3,457,424	4,250,605
2015	3,411,685	3,499,769

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:	2014	2017
Good	99%	97%
Fair	1%	3%
Poor	0%	0%

The County's next full 3-year assessment cycle will be completed as of December 31, 2020.

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 five years is presented below.

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditures</u>
2019	\$ 9,568	\$ 5,769
2018	\$ 2,568	\$ 1,132
2017	7,000	2,654
2016	7,000	6,436
2015	2,000	36

A substantial recondition of the system was performed in 2011.

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

See the accompanying independent auditors' report.

Teller County, Colorado
Notes to Required Supplementary Information
For the Year Ended December 31, 2019

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 2019 adopted budget was amended upward from \$33,107,944 to \$36,073,887.



SUPPLEMENTARY INFORMATION



**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

Teller County, Colorado
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Property taxes	\$ 7,114,149	\$ 6,424,313
Sales taxes	1,848,350	1,501,535
Intergovernmental	5,282,824	5,321,283
Licenses and permits	826,624	712,599
Charges for services	1,146,489	1,140,064
Fines and forfeitures	21,455	15,119
Investment earnings	155,205	85,026
Miscellaneous	756,115	467,452
Total Revenues	17,151,211	15,667,391
Expenditures		
Current:		
General government	7,628,867	7,339,672
Public safety	7,908,638	7,391,317
Health and human services	901,079	993,338
Culture and recreation	50,994	49,885
Capital Outlay	14,919	27,690
Total Expenditures	16,504,497	15,801,902
Excess (Deficiency) of Revenues		
Under Expenditures	646,714	(134,511)
Other Financing Sources (Uses)		
Transfers in	223,018	229,071
Transfers out	(112,235)	(78,787)
Total Other Financing Sources (Uses)	110,783	150,284
Net Change in Fund Balances	757,497	15,773
Fund Balances Beginning of Year	5,853,761	5,837,988
Fund Balances End of Year	\$ 6,611,258	\$ 5,853,761

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Taxes					
Property taxes	\$ 7,125,061	\$ 7,125,061	\$ 7,108,399	\$ (16,662)	\$ 6,406,861
Delinquent property taxes	-	-	(5,319)	(5,319)	5,200
Interest and penalties	-	-	11,069	11,069	12,252
Sales taxes	1,528,577	1,604,418	1,848,350	243,932	1,501,535
Total Taxes	8,653,638	8,729,479	8,962,499	233,020	7,925,848
Intergovernmental					
Election fees	10,000	27,000	27,114	114	41,694
Specific ownership	775,000	775,000	908,077	133,077	840,762
Payment in lieu of taxes	230,000	235,000	305,561	70,561	305,233
Gaming taxes	1,162,727	1,162,727	1,221,183	58,456	1,185,003
Gaming impact grants	398,000	1,025,246	1,466,436	441,190	1,596,218
Cigarette taxes	8,000	8,000	7,588	(412)	7,954
Veterans office	14,700	14,700	16,200	1,500	13,392
Public health contracts	342,042	399,306	497,463	98,157	557,999
Law enforcement contracts	-	121,109	420,283	299,174	376,552
Federal mineral lease distribution	110,000	110,000	124,075	14,075	110,193
Sanitarian contract	20,000	20,000	20,000	-	20,000
Early childhood council grants	82,000	82,000	65,233	(16,767)	108,588
LEAF	2,000	2,000	2,209	209	2,282
EMA	-	-	35,000	35,000	-
EMS subsidy	-	-	2,050	2,050	4,000
State impact assistance	600	600	671	71	668
State payment in lieu taxes	1,200	1,200	1,277	77	1,280
Other governmental contracts	4,500	38,162	17,852	(20,310)	20,543
Other	127,000	128,025	144,552	16,527	128,922
Total Intergovernmental	3,287,769	4,150,075	5,282,824	1,132,749	5,321,283
Licenses and Permits					
Building permits	440,000	440,000	637,450	197,450	512,298
Elevator permits	4,700	4,700	4,600	(100)	7,723
Sanitation permits	45,000	45,000	35,809	(9,191)	50,482
Contractor licenses	65,000	65,000	75,175	10,175	76,755
Liquor licenses	2,600	2,600	4,438	1,838	4,325
Health licenses	25,000	25,000	50,746	25,746	45,674
Planning and zoning fees	15,000	15,000	18,406	3,406	15,342
Total Licenses and Permits	\$ 597,300	\$ 597,300	\$ 826,624	\$ 229,324	\$ 712,599

(continued)

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

(continued)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Charges For Services					
Fees of County Offices					
Assessor	\$ 1,000	\$ 1,000	\$ 1,063	\$ 63	\$ 718
Sheriff	89,000	89,000	92,131	3,131	101,572
Clerk	592,500	592,500	592,904	404	594,965
Treasurer	305,000	305,000	334,511	29,511	321,646
Public health	42,777	42,777	83,716	40,939	80,092
Public trustee	30,000	30,000	33,420	3,420	31,643
Other services	2,350	7,350	8,744	1,394	9,428
Total Charges For Services	1,062,627	1,067,627	1,146,489	78,862	1,140,064
Fines and Forfeitures					
Model traffic code fines	12,000	12,000	18,602	6,602	12,905
Code and enforcement	-	-	466	466	1,764
Animal control	1,000	1,000	690	(310)	450
Other fines	-	-	1,697	1,697	-
Total Fines and Forfeitures	13,000	13,000	21,455	8,455	15,119
Investment Earnings	69,500	92,000	155,205	63,205	85,026
Miscellaneous					
Sheriffs auxiliary organizations	-	37,082	37,082	-	42,249
Early childhood council	77,639	77,639	29,076	(48,563)	41
Other	138,700	279,696	689,957	410,261	425,162
Total Miscellaneous	216,339	394,417	756,115	361,698	467,452
Total Revenues	\$ 13,900,173	\$ 15,043,898	\$ 17,151,211	\$ 2,107,313	\$ 15,667,391

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures					
General Government					
Office of the Board	\$ 660,805	\$ 623,161	\$ 614,865	\$ 8,296	\$ 558,357
Finance	637,155	615,033	609,512	5,521	626,693
Legal services	664,588	724,588	723,332	1,256	659,151
Human resources	190,269	229,669	207,141	22,528	209,110
Central utilities	201,062	201,062	192,441	8,621	191,552
Public works administration	335,051	334,007	329,677	4,330	331,980
Central support	1,086,658	1,480,539	1,245,239	235,300	1,275,413
Information technology	997,862	957,898	950,722	7,176	901,841
Assessor	1,036,239	970,259	898,155	72,104	879,024
Clerk and recorder	696,555	685,754	679,284	6,470	601,256
Elections	43,024	60,024	53,544	6,480	89,114
Treasurer	419,375	381,499	373,596	7,903	319,489
Public trustee	119,683	122,920	112,755	10,165	107,392
County surveyor	36,310	25,605	23,320	2,285	23,299
Facilities	878,380	877,853	595,412	282,441	557,880
Personnel contingency	-	546,611	-	546,611	-
Employee benefits	-	22,500	19,872	2,628	8,121
Total General Government	8,003,016	8,858,982	7,628,867	1,230,115	7,339,672
Public Safety					
Law Enforcement					
Sheriff	3,969,195	4,113,591	3,954,004	159,587	3,643,741
Sheriff Equitable Sharing	-	5,000	-	5,000	-
Detentions	2,500,000	2,500,000	2,499,802	198	2,499,358
Sheriff Auxilliary Organizations	-	80,268	80,267	1	22,354
Animal control	138,759	153,170	140,250	12,920	114,655
Search and rescue	12,571	21,437	11,232	10,205	9,759
Coronor	166,035	152,570	137,173	15,397	109,708
CDSD - administration	238,954	226,627	218,340	8,287	219,182
CDSD - operations	582,390	558,944	548,022	10,922	546,585
Environmental health	93,000	95,368	91,223	4,145	90,102
Emergency management	171,011	191,806	182,673	9,133	93,889
Fire and EMS support	40,427	40,653	40,074	579	39,588
Hazmat	6,110	6,110	5,578	532	2,396
Total Public Safety	7,918,452	8,145,544	7,908,638	236,906	7,391,317
Health and Human Services					
Public health	659,007	894,745	773,951	120,794	830,359
Build a generation	-	-	-	-	38,344
Early childhood council	159,639	142,084	102,431	39,653	100,734
Veterans office	24,639	25,139	24,697	442	23,901
Total Health and Human Services	843,285	1,061,968	901,079	160,889	993,338
Culture and Recreation					
County parks	5,679	5,679	1,780	3,899	3,839
Extension office	50,154	50,504	49,214	1,290	46,046
Total Culture and Recreation	55,833	56,183	50,994	5,189	49,885
Capital Outlay	8,300	8,300	14,919	(6,619)	27,690
Total Expenditures	\$ 16,828,886	\$ 18,130,977	\$ 16,504,497	\$ 1,626,480	\$ 15,801,902

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, 2019 and 2018

	2019	2018
Revenues		
Property taxes	\$ 219,338	\$ 221,423
Sales taxes	1,039,697	844,613
Intergovernmental	3,615,253	3,420,430
Charges for services	13,340	5,340
Licenses and permits	28,835	22,893
Fines and forfeitures	775	934
Earnings on investments	70,207	44,300
Miscellaneous	20,538	30,661
Total Revenues	5,007,983	4,590,594
Expenditures		
Current:		
Highways and streets	4,889,770	4,319,357
Total Expenditures	4,889,770	4,319,357
Net Change in Fund Balances	118,213	271,237
Fund Balances Beginning of Year	3,343,420	3,072,183
Fund Balances End of Year	\$ 3,461,633	\$ 3,343,420

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, 2019 and 2018

	2019	2018
Revenues		
Property taxes	\$ 888,823	\$ 1,063,558
Intergovernmental	2,691,571	2,842,223
Miscellaneous	4,670	6,968
Total Revenues	3,585,064	3,912,749
Expenditures		
Current:		
Health and human services	2,992,806	2,976,090
Excess of Revenues Over Expenditures	592,258	936,659
Other Financing (Uses)		
Transfers in	12,235	11,787
Transfers out	(224,938)	(377,478)
Total Other Financing (Uses)	(212,703)	(365,691)
Net Change in Fund Balances	379,555	570,968
Fund Balances Beginning of Year	827,606	256,638
Fund Balances End of Year	\$ 1,207,161	\$ 827,606

See the accompanying independent auditors' report.

Teller County, Colorado
Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Sales taxes	\$ 962,682	\$ 782,050
Intergovernmental	507,317	468,818
Investment earnings	157,914	88,981
Miscellaneous	83,077	89,136
Total Revenues	1,710,990	1,428,985
Expenditures		
Current:		
General government	48,648	231,133
Public safety	196,460	-
Capital Outlay	732,075	20,558
Total Expenditures	977,183	251,691
Excess of Revenues Over Expenditures	733,807	1,177,294
Other Financing Sources		
Transfers in	1,920	148,407
Total Other Financing Sources	1,920	148,407
Net Change in Fund Balances	735,727	1,325,701
Fund Balances Beginning of Year	6,471,789	5,146,088
Fund Balances End of Year	\$ 7,207,516	\$ 6,471,789

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Sales taxes	\$ 815,013	\$ 815,013	\$ 962,682	\$ 147,669
Intergovernmental	440,225	465,225	507,317	42,092
Investment earnings	81,000	81,000	157,914	76,914
Miscellaneous	86,000	86,000	83,077	(2,923)
Total Revenues	<u>1,422,238</u>	<u>1,447,238</u>	<u>1,710,990</u>	<u>263,752</u>
Expenditures				
Current:				
General government	21,038	62,655	48,648	14,007
Public safety	87,000	267,000	196,460	70,540
Capital Outlay	<u>30,000</u>	<u>1,233,594</u>	<u>732,075</u>	<u>501,519</u>
Total Expenditures	<u>138,038</u>	<u>1,563,249</u>	<u>977,183</u>	<u>586,066</u>
Excess(Deficiency) of Revenues Over Expenditures	1,284,200	(116,011)	733,807	849,818
Other Financing Sources				
Transfers in	<u>-</u>	<u>-</u>	<u>1,920</u>	<u>1,920</u>
Net Change in Fund Balances	1,284,200	(116,011)	735,727	851,738
Fund Balances Beginning of Year	<u>5,980,448</u>	<u>7,380,659</u>	<u>6,471,789</u>	<u>(908,870)</u>
Fund Balances End of Year	<u>\$ 7,264,648</u>	<u>\$ 7,264,648</u>	<u>\$ 7,207,516</u>	<u>\$ (57,132)</u>

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
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Conservation Trust	Contingent	Total Nonmajor Special Revenue Funds
Assets			
Cash and investments	\$ 947,176	\$ 2,101,168	\$ 3,048,344
Prepaid expenses	1,025	-	1,025
Total Assets	<u>948,201</u>	<u>2,101,168</u>	<u>3,049,369</u>
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
Accounts payable	3,312	-	3,312
Total Liabilities	<u>3,312</u>	<u>-</u>	<u>3,312</u>
Fund Balances			
Nonspendable	1,025	-	1,025
Restricted	943,864	450,000	1,393,864
Committed	-	1,600,595	1,600,595
Assigned	-	50,573	50,573
Total Fund Balances	<u>944,889</u>	<u>2,101,168</u>	<u>3,046,057</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 948,201</u>	<u>\$ 2,101,168</u>	<u>\$ 3,049,369</u>

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, 2019

	Conservation Trust	Contingent	Total Nonmajor Special Revenue Funds
Revenues			
Property taxes	\$ -	\$ 248,772	\$ 248,772
Intergovernmental	167,798	-	167,798
Investment earnings	20,286	-	20,286
Total Revenues	188,084	248,772	436,856
Expenditures			
Current:			
Culture and recreation	66,719	-	66,719
Total Expenditures	66,719	-	66,719
Excess of Revenues Over Expenditures	121,365	248,772	370,137
Other Financing Sources			
Transfers in	-	100,000	100,000
Net Change in Fund Balances	121,365	348,772	470,137
Fund Balances Beginning of Year	823,524	1,752,396	2,575,920
Fund Balances End of Year	\$ 944,889	\$ 2,101,168	\$ 3,046,057

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 167,798	\$ 27,798
Investment earnings	10,500	10,500	20,286	9,786
Total Revenues	<u>150,500</u>	<u>150,500</u>	<u>188,084</u>	<u>37,584</u>
Expenditures				
Current:				
Culture and recreation	<u>140,667</u>	<u>140,667</u>	<u>66,719</u>	<u>73,948</u>
Total Expenditures	<u>140,667</u>	<u>140,667</u>	<u>66,719</u>	<u>73,948</u>
Net Change in Fund Balances	9,833	9,833	121,365	111,532
Fund Balances Beginning of Year	<u>777,497</u>	<u>777,497</u>	<u>823,524</u>	<u>46,027</u>
Fund Balances End of Year	<u><u>\$ 787,330</u></u>	<u><u>\$ 787,330</u></u>	<u><u>\$ 944,889</u></u>	<u><u>\$ 157,559</u></u>

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
Contingent Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Property taxes	\$ 250,193	\$ 250,193	\$ 248,772	\$ (1,421)
Total Revenues	250,193	250,193	248,772	(1,421)
Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	250,193	250,193	248,772	(1,421)
Other Financing Sources (Uses)				
Transfers in	-	-	100,000	100,000
Transfers out	(1,951,369)	(1,951,369)	-	1,951,369
Total Other Financing Sources (Uses)	(1,951,369)	(1,951,369)	100,000	2,051,369
Net Change in Fund Balances	(1,701,176)	(1,701,176)	348,772	2,049,948
Fund Balances Beginning of Year	1,751,749	1,751,749	1,752,396	647
Fund Balances End of Year	<u>\$ 50,573</u>	<u>\$ 50,573</u>	<u>\$ 2,101,168</u>	<u>\$ 2,050,595</u>

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
Wastewater Utility Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019	2018
Operating Revenues		
Charges for services	\$ 164,845	\$ 150,224
Licenses and permits	450	500
Miscellaneous	716	623
Total Operating Revenues	166,011	151,347
Operating Expenses		
Administration	7,684	24,639
Operations	140,793	128,837
Total Operating Expenses	148,477	153,476
Gain (Loss) before Capital Contributions	17,534	(2,129)
Capital Contributions	158,100	86,800
Change in Net Position	175,634	84,671
Net Position Beginning of Year	896,984	812,313
Net Position End of Year	\$ 1,072,618	\$ 896,984

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services	\$ 162,000	\$ 169,000	\$ 164,845	\$ (4,155)
Licenses and permits	-	-	450	450
Miscellaneous	-	-	716	716
Total Operating Revenues	<u>162,000</u>	<u>169,000</u>	<u>166,011</u>	<u>(2,989)</u>
Operating Expenses				
Administration	10,888	10,084	7,684	2,400
Operations	<u>152,488</u>	<u>159,488</u>	<u>140,793</u>	<u>18,695</u>
Total Operating Expenses	<u>163,376</u>	<u>169,572</u>	<u>148,477</u>	<u>21,095</u>
Gain (Loss) before Capital Contributions	(1,376)	(572)	17,534	18,106
Capital Contributions	<u>45,000</u>	<u>45,000</u>	<u>158,100</u>	<u>113,100</u>
Change in Net Position	43,624	44,428	175,634	131,206
Net Position Beginning of Year	<u>870,806</u>	<u>870,002</u>	<u>896,984</u>	<u>26,982</u>
Net Position End of Year	<u>\$ 914,430</u>	<u>\$ 914,430</u>	<u>\$ 1,072,618</u>	<u>\$ 158,188</u>

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
Jail Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019	2018
Operating Revenues		
Charges for services	\$ 3,541,797	\$ 3,390,246
Miscellaneous	60,530	44,503
Total Operating Revenues	3,602,327	3,434,749
Operating Expenses		
Administration	40,100	33,768
Operations	2,524,473	2,371,340
Depreciation	199,753	192,274
Total Operating Expenses	2,764,326	2,597,382
Operating Income	838,001	837,367
Non-Operating (Expenses)		
Interest	(75,949)	(83,032)
Total Non-Operating (Expenses)	(75,949)	(83,032)
Change in Net Position	762,052	754,335
Net Position Beginning of Year	937,834	183,499
Net Position End of Year	\$ 1,699,886	\$ 937,834

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Intergovernmental	\$ -	\$ 15,317		\$ (15,317)
Charges for services	3,050,000	3,120,655	3,541,797	421,142
Miscellaneous	26,000	34,000	60,530	26,530
Total Operating Revenues	3,076,000	3,169,972	3,602,327	432,355
Operating Expenses				
Administration	34,513	34,513	40,100	(5,587)
Operations	2,882,125	2,977,873	2,524,473	453,400
Depreciation	196,827	196,827	199,753	(2,926)
Total Operating Expenses	3,113,465	3,209,213	2,764,326	444,887
Operating Income	(37,465)	(39,241)	838,001	877,242
Non-Operating (Expenses)				
Interest	(76,000)	(76,000)	(75,949)	51
Total Non-Operating (Expenses)	(76,000)	(76,000)	(75,949)	51
Change in Net Position	(113,465)	(115,241)	762,052	877,293
Net Position Beginning of Year	598,627	600,403	937,834	337,431
Net Position End of Year	\$ 485,162	\$ 485,162	\$ 1,699,886	\$ 1,214,724

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
Fleet Management Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019	2018
Operating Revenues		
Charges for services	\$ 1,635,344	\$ 1,503,612
Miscellaneous	7,113	18,688
Total Operating Revenues	1,642,457	1,522,300
Operating Expenses		
Operations	1,187,328	876,445
Depreciation	413,347	378,897
Total Operating Expenses	1,600,675	1,255,342
Operating Income	41,782	266,958
Non-Operating Revenues		
Gain on sale of capital assets	8,511	41,031
Investment earnings	58,034	46,184
Total Non-Operating Revenues	66,545	87,215
Change in Net Position	108,327	354,173
Net Position Beginning of Year	4,736,101	4,381,928
Net Position End of Year	\$ 4,844,428	\$ 4,736,101

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services	\$ 1,606,260	\$ 1,648,460	\$ 1,635,344	\$ (13,116)
Miscellaneous	-	-	7,113	7,113
Total Operating Revenues	<u>1,606,260</u>	<u>1,648,460</u>	<u>1,642,457</u>	<u>(6,003)</u>
Operating Expenses				
Operations	1,088,367	1,128,349	1,187,328	(58,979)
Depreciation	570,901	570,901	413,347	157,554
Total Operating Expenses	<u>1,659,268</u>	<u>1,699,250</u>	<u>1,600,675</u>	<u>98,575</u>
Operating Income (Loss)	<u>(53,008)</u>	<u>(50,790)</u>	<u>41,782</u>	<u>92,572</u>
Non-Operating Revenue				
Gain on sale of capital assets	80,000	80,000	8,511	(71,489)
Investment earnings	30,000	32,025	58,034	26,009
Total Non-Operating Revenue	<u>110,000</u>	<u>112,025</u>	<u>66,545</u>	<u>(45,480)</u>
Gain Before Capital Contributions	<u>56,992</u>	<u>61,235</u>	<u>108,327</u>	<u>47,092</u>
Capital contributions	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Change in Net Position	<u>96,992</u>	<u>101,235</u>	<u>108,327</u>	<u>7,092</u>
Net Position Beginning of Year	<u>4,244,663</u>	<u>4,240,420</u>	<u>4,736,101</u>	<u>495,681</u>
Net Position End of Year	<u><u>\$ 4,341,655</u></u>	<u><u>\$ 4,341,655</u></u>	<u><u>\$ 4,844,428</u></u>	<u><u>\$ 502,773</u></u>

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

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	
		YEAR ENDING : December, 2019	
This Information From The Records Of County of Teller, CO		Prepared By: Phone:	
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
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)	643,427
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,322,561
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	176,772
2. General fund appropriations		b. Snow and ice removal	1,465,809
3. Other local imposts (from page 2)	1,314,872	c. Other	217,803
4. Miscellaneous local receipts (from page 2)	91,520	d. Total (a. through c.)	1,860,384
5. Transfers from toll facilities		4. General administration & miscellaneous	63,398
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,889,770
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)	1,406,392	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,565,091	2. Notes:	
D. Receipts from Federal Government (from page 2)	36,500	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,007,983	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)	4,889,770
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	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
	3,343,420	5,007,983	4,889,770
		D. Ending Balance	E. Reconciliation
		3,461,633	0
Notes and Comments:			

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December, 2019	
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	219,338	a. Interest on investments	70,207
b. Other local imposts:		b. Traffic Fines & Penalties	775
1. Sales Taxes	1,039,697	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	28,835	f. Charges for Services	
5. Specific Ownership &/or Other	27,002	g. Other Misc. Receipts	20,538
6. Total (1. through 5.)	1,095,534	h. Other	
c. Total (a. + b.)	1,314,872	i. Total (a. through h.)	91,520
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,023,068	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	36,500
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	104,875	d. Federal Transit Admin	
d. Other (Specify) - Gaming Tax	421,098	e. U.S. Corps of Engineers	
e. Other (Specify)	16,050	f. Other Federal	
f. Total (a. through e.)	542,023	g. Total (a. through f.)	36,500
4. Total (1. + 2. + 3.f)	3,565,091	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation	643,427		643,427
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	643,427	0	643,427
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	643,427	0	643,427
			(Carry forward to page 1)
Notes and Comments:			



FEDERAL FINANCIAL

AWARD REPORTS

**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, 2019, 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 16, 2020.

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 County'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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

June 16, 2020

**Independent Auditors' Report On Compliance
For Each Major Federal Program And
Report On Internal Control Over Compliance
Required By The Uniform Guidance**

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's *OMB 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, 2019. 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 federal statutes, regulations and the terms and conditions of its federal awards applicable to its 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2019.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RubinBrown LLP

June 16, 2020

TELLER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Agency/Program Title	Direct/Pass Through	Pass Through Entity	Federal CFDA #	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE						
Food Assistance Admin Cluster	Pass Through	CO Dept of Human Services	10.551	*	\$271	\$0
Food Assistance Admin Cluster	Pass Through	CO Dept of Human Services	10.561	*	198,951	0
Sub-Total SNAP Cluster					199,222	0
Women, Infant & Children	Pass Through	CO Dept of Health and Environment	10.557	19 FHLA 112304, 20 FHLA 140916	58,566	0
WIC Food Vouchers	Pass Through	CO Dept of Health and Environment	10.557	*	152,221	0
Sub-Total CFDA #10.557					210,787	0
Title I - Schools and Roads Cluster	Direct		10.666	*	36,500	0
Total U.S. Dept of Agriculture					446,509	0
U.S. DEPARTMENT OF HOMELAND SECURITY						
High Chateau Fire Reimbursement	Direct		97.036	*	16,050	0 ###
OEM - Emergency Mgmt Program Special Project	Pass Through	CO Dept of Public Safety	97.042	Enc# 18EM-19-77	5,194	0
Emergency Mgmt Program	Pass Through	CO Dept of Public Safety	97.042	19EM-20-55	35,000	0
Total U.S. Dept of Homeland Security					56,244	0
U.S. DEPARTMENT OF JUSTICE						
State Criminal Alien Assistance Program	Direct		16.606	2019-AP-BX-0980	7,662	0
Bulletproof Vest Partnership Program	Direct		16.607	*	4,398	0
Total U.S. Dept of Justice					12,060	0
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						
Emergency Prep and Response CORE	Pass Through	CO Dept of Health and Environment	93.069	19 FHJA 108862, CT2020-281	18,700	0
Family Planning Project	Pass Through	CO Dept of Health and Environment	93.217	19 FHLA 110472, 19FHLA 127750, 2017*0058	14,616	0
Immunization Programs	Pass Through	CO Dept of Health and Environment	93.268	19 FHHA 109516	1,888	0
Immunization Programs	Pass Through	CO Dept of Health and Environment	93.539	19 FHHA 109516	9,178	0
Womens Wellness Connection Clinical Services	Pass Through	CO Dept of Health and Environment	93.800	17 FHLA 96112	164	0
Womens Wellness Connection Cancer Prev & Early Detection	Pass Through	CO Dept of Health and Environment	93.898	CT-2018*1762 AM#1	3,571	0
CHAPS	Pass Through	CO Dept of Health and Environment	93.991	*	5,000	0
Family Planning Std/AAPS Straight Pay	Pass Through	CO Dept of Health and Environment	93.977	19 FHLA 113549	680	0
Maternal & Child Health	Pass Through	CO Dept of Health and Environment	93.994	19 FAAA 107501, 2019*0768 Am#2	22,648	0
IV-E Guardianship Assistance	Pass Through	CO Dept of Human Services	93.090	*	2,494	0
TANF Cluster	Pass Through	CO Dept of Human Services	93.558	*	550,565	0
Title IV-D Admin	Pass Through	CO Dept of Human Services	93.563	*	177,473	0
LEAP	Pass Through	CO Dept of Human Services	93.568	*	(39)	0
CC/V School Early Head Start Program	Pass Through	CO Dept of Human Services	93.600	*	20,020	20,020
CCDF - Discretionary Cluster	Pass Through	CO Dept of Human Services	93.575	*	135,947	0
ECC - Child Care & Development Block Grant Cluster	Pass Through	CO Dept of Human Services	93.575	19 IHIA 109549	37,980	781
Sub-Total CFDA #93.575					173,927	781
CCDF - Mandatory & Match Cluster	Pass Through	CO Dept of Human Services	93.596	*	148,100	0
Sub-Total CCDF Cluster					322,027	781
Title IV-B Child Welfare	Pass Through	CO Dept of Human Services	93.645	*	18,284	0
Title IV-E FC	Pass Through	CO Dept of Human Services	93.658	*	299,517	0
Title IV-E Adoption	Pass Through	CO Dept of Human Services	93.659	*	104,029	0
Title XX Block Grant	Pass Through	CO Dept of Human Services	93.667	*	122,317	0
Healthy Communities Medical Assistance	Pass Through	CO Dept of Health Care Policy & Financing	93.767	UHAA 2016-27A3, UHAA 2016-27A4	2,975	0
Healthy Communities Medical Assistance Cluster	Pass Through	CO Dept of Health Care Policy & Financing	93.778	UHAA 2016-27A3, UHAA 2016-27A4	15,617	0
Title XIX Medicaid Cluster	Pass Through	CO Dept of Health Care Policy & Financing	93.778	*	245,445	0
Sub-Total CFDA #93.778 & Medicaid Cluster					261,062	0
Total U.S. Dept of Health & Human Services					\$1,957,169	\$20,801
TOTAL FEDERAL AWARDS					\$2,471,982	\$20,801

* Unavailable

Note: These expenditures were incurred in Fiscal Year 2018.

Teller County, Colorado
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Teller County, Colorado, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Teller County, Colorado, financial statements for the year ended December 31, 2019.

Indirect Cost Rate

The County has not elected to use the de Minimis Indirect Cost Rate of 10% for federal grants and funds.

TELLER COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended December 31, 2019

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

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 federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Identification Of Major Programs

CFDA No.	Name Of Federal Program Or Cluster
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93.558	TANF Cluster
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Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

TELLER COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*
For The Year Ended December 31, 2019

Section II - Financial Statement Findings

None

Section III - Federal Award Findings And Questioned Costs

None