



FINANCIAL STATEMENTS

For The Year Ended

DECEMBER 31, 2022





TELLER COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2022

Teller County, Colorado
Annual Financial Report
For The Year Ended December 31, 2022

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

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

Report On The Audit Of The Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022 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.

Emphasis Of Matter

As described in Note 1-D to the financial statements, effective January 1, 2022, the County changed its method of accounting for leases by adopting Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Basis For Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023 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 solely 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 the effectiveness of the County's 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 County's internal control over financial reporting and compliance.

RubinBrown LLP

June 21, 2023



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, 2022. 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.

GASB 87 established a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As a result of the implementation of GASB 87, the County's net position/ending balances for the prior year and the current year beginning balances have been adjusted in the information disclosed in this document.

Financial Highlights

- Total revenues and expenses for the County's governmental & proprietary funds were \$39,414,559 revenues and \$34,196,371 expenses in 2022 as compared to \$37,959,373 revenues and \$34,399,909 expenses in 2021. The change is mainly due to increases in intergovernmental revenues.
- The County's assets and deferred outflows exceeded its liabilities and deferred inflows by \$308,266,514 (net position) for the calendar year reported. This is an increase of approximately \$4.97 million in net position from 2021, which is primarily due to an increase in net investment in capital assets and an increase in unrestricted net position. It is also due, in part, to the implementation of GASB 87.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$278,631,984, an increase of approximately \$1.07 million from 2021, which includes infrastructure, leases, 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 the addition of lease assets.
 - (2) Net position of \$3,719,522 is restricted for various purposes by constraints imposed from outside the County.
 - (3) Unrestricted net position of \$25,915,008 represents the portion available to maintain the County's continuing obligations to citizens and creditors, and includes an increase of approximately \$3.7 million from 2021.
- The County's governmental funds total ending fund balances are \$27,402,862 as of December 31, 2022, which is an increase of approximately \$4.65 million from the prior year. The largest portion of this increase is in the County's Capital Projects Fund and is mainly due to an increase in Other Governmental Revenues and Sales Tax along with a significant decrease in expenditures since the Sheriff's Office expansion project was completed in 2021.
- At the end of the reported calendar year, fund balance for the General Fund was \$10,857,779, or 54.5% of total General Fund expenditures, compared to 50.1% at December 31, 2021.
- Overall, the County financial position continues to be healthy even with all of the challenges related to the pandemic. This is due in part to increased federal funding. The county continues to adhere 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 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:

2022	\$308,266,514
2021	303,298,606
2020	298,864,952

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 5 and 6 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 7 to 10 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 11 to 14 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 15 and 16 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 17 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 and social services 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 2022 was \$308,266,514, as compared to \$303,298,606 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, 2022
(With comparative amounts for the year ended December 31, 2021)

	2022				2021	
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Total	Percentage of Total
Assets:						
Current assets	\$ 45,955,751	\$ 1,272,761	\$ 47,228,512	14%	\$ 40,807,825	13%
Capital assets	276,345,920	2,286,064	278,631,984	86%	277,562,836	87%
Total assets	322,301,671	3,558,825	325,860,496	100%	318,370,661	100%
Liabilities:						
Current liabilities	4,702,948	359,245	5,062,193	89%	3,964,694	89%
Long-term liabilities	579,015	45,898	624,913	11%	499,222	11%
Total liabilities	5,281,963	405,143	5,687,106	100%	4,463,916	100%
Deferred Inflows of Resources:						
Unavailable lease revenue	1,716,902	-	1,716,902	14%	-	0%
Unavailable property tax revenue	10,189,974	-	10,189,974	86%	10,608,139	100%
Total liabilities	11,906,876	-	11,906,876	100%	10,608,139	100%
Net position:						
Net investment in capital assets	276,345,920	2,286,064	278,631,984	91%	277,562,836	92%
Restricted	3,719,522	-	3,719,522	1%	3,512,098	1%
Unrestricted	25,047,390	867,618	25,915,008	8%	22,223,672	7%
Total net position	\$ 305,112,832	\$ 3,153,682	\$ 308,266,514	100%	303,298,606	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 2.78 to 1. The business-type activities report a current ratio of 3.54 to 1. For the County overall, the current ratio is 2.78 to 1, as compared to 2.80 to 1 reported at the end of 2021.

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 \$4,793,469 for governmental activities and increased by \$174,439 for business-type activities. The County's overall financial position improved during calendar year 2022.

Note that 91% of the governmental activities' net position results from investment in capital assets as compared to 92% at the end of 2021. 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 to 90% as compared to 92% at the end of 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

Teller County, Colorado

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, 2022
(With comparative amounts for the year ended December 31, 2021)

	2022				2021	
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Total	Percentage of Total
Revenues:						
Program:						
Charges for services	\$ 2,139,312	\$ 3,300,761	\$ 5,440,073	14%	\$ 5,953,033	16%
Operating grants & contributions	9,576,439	266,637	9,843,076	26%	9,339,267	26%
Capital grants & contributions	-	-	-	0%	42,541	0%
General:						
Taxes	16,514,110	-	16,514,110	44%	15,910,694	43%
Other	6,004,768	108,531	6,113,299	16%	5,353,497	15%
Total revenues	34,234,629	3,675,929	37,910,558	100%	36,599,032	100%
Program Expenses:						
General government	9,461,202	-	9,461,202	29%	8,965,484	28%
Public safety	9,939,968	-	9,939,968	30%	10,485,344	34%
Public works	5,565,584	-	5,565,584	17%	4,652,895	14%
Health and human services	4,316,730	-	4,316,730	13%	4,319,894	13%
Culture and recreation	155,191	-	155,191	0%	119,884	0%
Interest	2,485	-	2,485	0%	-	0%
Wastewater utility	-	165,611	165,611	1%	157,954	0%
Jail	-	3,335,879	3,335,879	10%	3,463,923	11%
Total expenses	29,441,160	3,501,490	32,942,650	100%	32,165,378	100%
Change in net position	4,793,469	174,439	4,967,908		4,433,654	
Net position beginning of year	300,319,363	2,979,243	303,298,606		298,864,952	
Net position end of year	\$ 305,112,832	\$ 3,153,682	\$ 308,266,514		\$ 303,298,606	

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. These taxes provided 48% of the County's governmental revenues in 2022 as compared to 49% in 2021.

- Property taxes - 2021 total assessed value of property that generated the County's 2022 property tax revenues increased slightly. The levy on total values resulted in an increase in 2022 total property tax-related revenues assessed of about \$175,729, following a 2021 decrease of about \$5,528.
- Local sales tax totaled \$5,882,070 in 2022, which is an increase of about 6.4% from the prior year.
- Operating grants and contributions are the second largest revenue source with \$9.57 million in 2022 governmental revenues, a 6.8% increase from 2021. Charges for services and grants and contributions has increased to 40% of governmental program expenses from 39% in 2021, with public safety and social services assistance making up the majority of program operating revenues.

- Gaming tax revenues increased by 26% from the prior year. The government's taxpayers and the County's other general governmental revenues comprised 66% of the governmental revenues in 2022 as compared to 65% in 2021.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and public works functions make up approximately 52% of the total governmental activities expenses for 2022, compared with 54% in 2021. General government totals about 32%, and health and human services about 15% of 2022 governmental expenditures as compared to 31% and 15% in 2021, 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			
	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 9,461,202	\$ 7,004,730	\$ 8,965,484	\$ 6,995,942
Public safety	9,939,968	6,916,504	10,485,344	7,414,112
Public works	5,565,584	3,018,943	4,652,895	2,196,300
Health and human services	4,316,730	822,981	4,319,894	751,314
Culture and recreation	155,191	(40,234)	119,884	(71,638)
Interest	2,485	2,485	-	-
Total	<u>\$ 29,441,160</u>	<u>\$ 17,725,409</u>	<u>\$ 28,543,501</u>	<u>\$ 17,286,030</u>

After reducing gross expenses by program revenues, public safety (which includes Community Development Services) totals 39% of the adjusted net cost of services in 2022 as compared to 43% in 2021. Public works shows approximately 17% of the 2022 net cost of services, as compared to 13% in 2021. Approximately 50% 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 gain of \$178,007 in 2022, compared to a gain of \$608,756 in 2021. This gain is due to the ability of the jail to continue to maintain adequate prisoner counts in 2022. The wastewater fund showed a net operating loss of \$10,756 compared to a gain of \$1,695 in 2021. This loss is primarily due to increases in liability insurance and electricity costs.

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 ending fund balances are \$27,402,862, which is an increase from \$22,759,015 at the end of 2021. 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 \$7,126,213 as compared to \$5,529,028 at the end of 2021, indicating most of the increase in total fund balance is not restricted as to use.

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 \$3.95 million, actual revenues and expenditures in the general fund resulted in a fund balance increase of \$1.2 million, as compared to an increase of \$5,761 in 2021. Our ongoing budgetary caution resulted in general fund revenues above the 2022 adjusted budget amounts by \$4.7 million as compared to \$3.26 million above adjusted budget amounts in 2021. Departments continued to hold the line on normal expenditures, resulting in expenses of about \$3.2 million less than budget, as compared to \$1.3 million less in 2021. These large differences between budget and actual are also due, in part, to revenue and expense uncertainties related to intergovernmental revenues and GASB 87 implementation.

Property taxes distributed to the general fund show a 2.3% increase from calendar year 2021, resulting from an increase in assessed values of property in the County. Distribution of sales taxes to the general fund increased by about 47% from the prior year. This is primarily due a shift in the breakdown between funds. General fund revenues from other governmental entities (mainly State and Federal) increased by 4.7% from those in 2021. Revenues from all types of general fund licenses and permits resulted in a total decrease of 4.3% from 2021. Charges for general fund services had a decrease of 11.6%, after a 13.6% increase in 2021.

The general fund balance is considered adequate, and due to conservative budget and spending practices, it shows the equivalent of 54.5% of annual expenditures in 2022. In the general fund, most areas of expenditures decreased except public safety and general government. The decreased spending was primarily a result of personnel savings due to challenges in hiring qualified staff.

Total road and bridge fund revenues decreased by about \$1.95 million, mainly due to a shift in the breakdown of sales tax. Results in the road and bridge fund show an increase in expenditures of about \$926,000 and a decrease of about \$432,000 in fund balance from the prior year.

In the social services fund, total revenue increased by about \$58,000 resulting from an increase in governmental funds. Total expenditures and transfers out increased about \$168,000 and an increase in fund balance of about \$65,000 from the prior year.

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 to allocate funds 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 2022 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)
- Expenses related to the High Park fire
- Implementation of GASB 87
- To allow for unanticipated expenditures
- Carryover of designated funds received in 2021 but not expended until 2022

Adjustments to the general fund budget resulted in a net increase of appropriations equaling \$1,660,574.

Actual general fund revenues came in \$4,702,599 higher than the adjusted budget amounts. County departments continued to maintain costs through careful monitoring of expenditures, which came in about 14% lower than the adjusted budget. Comparatively, the County spent about 94% of the authorized general fund budget in 2021. 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' 2022 budgets. Substantial amounts were:

- The Road and Bridge fund budget was increased by \$701,091, primarily for unanticipated fund balance carryover from 2021.
- The capital projects fund budget was increased by \$972,187, primarily to allow for unanticipated expenditures and unanticipated fund balance carryover from 2021.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2022, the County had \$278,631,984 invested in a broad range of capital assets, including land, buildings, park facilities, roads, bridges and sewer lines and lease properties. This is an increase of \$1,069,148. 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, 2021, and of the wastewater infrastructure in the three years ended December 31, 2020. 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, 2022, was \$276,345,920 and \$2,286,064 respectively. The total change in this net investment was an increase of 0.37% for governmental and a 1.89% increase 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 & amortization)

	Governmental Activities		Business Activities		Total		% Change
	2022	2021	2022	2021	2022	2021	
Land	\$ 3,225,910	\$ 3,225,910	\$ 101,300	\$ 101,300	\$ 3,327,210	\$ 3,327,210	0.0%
Construction in progress	45,717	11,420	175,504	339,739	221,221	351,159	-37.0%
Buildings & Improvements	10,910,386	11,322,523	749,296	942,953	11,659,682	12,265,476	-4.9%
Machinery and equipment	3,740,329	2,784,704	307,252	41,070	4,047,581	2,825,774	43.2%
Leases Right-to-use assets	449,014	709,990	-	-	449,014	709,990	-36.8%
Infrastructure	257,974,564	257,974,564	952,712	952,712	258,927,276	258,927,276	0.0%
Total Capital Assets, net	\$ 276,345,920	\$ 276,029,111	\$ 2,286,064	\$ 2,377,774	\$ 278,631,984	\$ 278,406,885	0.1%

Long-term Debt

At the end of the calendar year, the County had outstanding debt obligations of \$999,767 for compensated absences and leases. In 2022, the County had a net decrease in compensated absence balances due, of \$83,823 or 13.4% and a net decrease in leases of \$253,832 or 35.8%.

	Outstanding Debt						% Change
	Governmental Activities		Business-type Activities		Totals		
	2022	2021	2022	2021	2022	2021	
Leases	\$ 456,158	\$ 709,990	\$ -	\$ -	\$ 456,158	\$ 709,990	-35.8%
Compensated absences	486,237	575,953	57,372	51,479	543,609	627,432	-13.4%
Total	\$ 942,395	\$ 1,285,943	\$ 57,372	\$ 51,479	\$ 999,767	\$ 1,337,422	-25.2%

See Note 4-F for additional information about the County's long-term debt.

Economic Conditions Affecting the County

The federal American Rescue Plan Act which was passed in March, 2021 allocated \$4,931,321 in funding for the County. Use of this funding must be incurred by 12/31/2024. We expect to have used all of these funds by the end of 2023. These funds continue to be used to replace revenue lost due to the effects of the pandemic. The receipt of these funds allows us to continue to provide service to our citizens without layoffs or other major budget cuts.

Even though the effects of the pandemic are not as significant as in the past few years, the County continues to deal with the loss of potential workforce and the changed expectations of potential/current employees.

Recession concerns are also a significant issue at this time. Whether the U.S. is in a recession or not, or will be soon, is still being debated however, continued interest rate increases could cause the economy to decline in the future. How this will impact the County is unknown but it would most likely affect multiple revenue sources.

Gaming tax revenue increased by approximately \$570,000 in 2022. Building-related activity decreased slightly. Sales tax continued to increase throughout the year in 2022. To-date 2023 activity is approximately 18% lower than the first two months of 2022 but sales taxes change throughout the year so this might not be a significant indicator.

Assessed values certified in 2022 for revenue collection in 2023 showed a decrease. We expect property tax revenues in 2023 to decrease over 2022. However, early indications show that the assessed values for revenues to be collected in 2024 will increase significantly. The Board is considering providing tax relief to mitigate some of the effects of this increase on our citizens.

The Cripple Creek & Victor Gold Mine, owned by the Newmont Mining Corporation continues to be a valuable member of the community. The current mine life permit runs through 2025 so we expect the mine to continue to support future County property tax revenues.

In 2023, the County Elected Officials continue to prioritize funding for salary increases for all county departments. These increases are putting the County into a more comparable position with regional markets. However, these increases along with continuing increases in benefit costs could impact the County's ability to fund other responsibilities/upgrades.

Contacting the County's Financial Management

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



BASIC FINANCIAL STATEMENTS

Teller County, Colorado
Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and investments (Note 4-A)	\$ 31,294,807	\$ 1,120,550	\$ 32,415,357
Receivables:			
Accounts	1,440,854	116,982	1,557,836
Property taxes	10,189,974	-	10,189,974
Intergovernmental	235,938	-	235,938
Leases	19,774	-	19,774
Prepaid expenses	905,763	-	905,763
Inventory	141,269	-	141,269
Other Assets			
Prepaid items	-	35,229	35,229
Long-Term Assets (Note 4-B)			
Leases receivable (net of current portion)	1,727,372	-	1,727,372
Capital Assets (Note 4-D)			
Nondepreciable capital assets	261,912,455	1,229,516	263,141,971
Depreciable capital assets, net	14,433,465	1,056,548	15,490,013
Total Assets	<u>322,301,671</u>	<u>3,558,825</u>	<u>325,860,496</u>
Liabilities			
Current Liabilities			
Accounts payable	3,821,400	347,771	4,169,171
Intergovernmental payable	518,002	-	518,002
Accrued interest payable	167	-	167
Compensated absences payable	101,322	11,474	112,796
Leases payable	262,057	-	262,057
Long-Term Liabilities (Note 4-F)			
Compensated absences payable (net of current portion)	384,914	45,898	430,812
Leases payable (net of current portion)	194,101	-	194,101
Total Liabilities	<u>5,281,963</u>	<u>405,143</u>	<u>5,687,106</u>
Deferred Inflows of Resources			
Lease revenue	1,716,902		1,716,902
Property tax revenue	10,189,974	-	10,189,974
Total Deferred Inflows of Resources	<u>11,906,876</u>	<u>-</u>	<u>11,906,876</u>
Net Position			
Net investment in capital assets (Note 4-H)	276,345,920	2,286,064	278,631,984
Restricted for:			
Emergencies (Note 5-D)	600,000	-	600,000
Parks and open space	1,297,134	-	1,297,134
Social services programs	1,604,976	-	1,604,976
Other	217,412	-	217,412
Unrestricted	25,047,390	867,618	25,915,008
Total Net Position	<u>\$ 305,112,832</u>	<u>\$ 3,153,682</u>	<u>\$ 308,266,514</u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Activities
For the Year Ended December 31, 2022

Function/Program	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government						
Governmental Activities						
General government	\$ 9,452,701	\$ 1,188,800	\$ -	\$ (6,996,229)	\$ -	\$ (6,996,229)
Public safety	9,939,968	868,620	2,154,844	(6,916,504)	-	(6,916,504)
Public works	5,565,584	33,155	2,513,486	(3,018,943)	-	(3,018,943)
Health and human services	4,316,730	48,737	3,445,012	(822,981)	-	(822,981)
Culture and recreation	155,191	-	195,425	40,234	-	40,234
Interest	2,485	-	-	(2,485)	-	(2,485)
Total Governmental Activities	29,432,659	2,139,312	9,576,439	(17,716,908)	-	(17,716,908)
Business-Type Activities:						
Water and sewer	165,611	154,702	-	-	(10,909)	(10,909)
Jail	3,335,879	3,146,059	266,637	-	76,817	76,817
Total Business-Type Activities	3,501,490	3,300,761	266,637	-	65,908	65,908
Total - Primary Government	\$ 32,934,149	\$ 5,440,073	\$ 9,843,076	(17,716,908)	65,908	(17,651,000)
General Revenues						
Property taxes levied for general government purposes				10,632,040	-	10,632,040
Sales taxes				5,882,070	-	5,882,070
Gaming taxes				2,717,543	-	2,717,543
Specific ownership taxes and other				1,501,844	-	1,501,844
Unrestricted grants				314,082	-	314,082
Non capital grants				184,509	7,188	191,697
Gain on sale of capital assets				39,801	-	39,801
Investment earnings				368,791	-	368,791
Miscellaneous				869,697	101,343	971,040
Total General Revenues				22,510,377	108,531	22,618,908
Change in Net Position				4,793,469	174,439	4,967,908
Net Position Beginning of Year				300,319,363	2,979,243	303,298,606
Net Position End of Year				\$ 305,112,832	\$ 3,153,682	\$ 308,266,514

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General	Road and Bridge	Social Services	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 13,359,007	\$ 4,109,362	\$ 2,077,194	\$ 6,123,607	\$ 3,399,781	\$ 29,068,951
Receivables:						
Accounts	671,429	362,478	22,180	372,466	-	1,428,553
Property taxes	8,988,179	455,733	746,062	-	-	10,189,974
Intergovernmental	-	-	235,938	-	-	235,938
Leases	-	-	-	1,747,146	-	1,747,146
Prepaid expenses	194,409	20,956	4,373	685,000	1,025	905,763
Total Assets	23,213,024	4,948,529	3,085,747	8,928,219	3,400,806	43,576,325
Liabilities, Deferred Inflows and Fund Balances						
Liabilities						
Accounts payable	3,367,066	166,062	212,334	500	2,623	3,748,585
Intergovernmental payable	-	-	518,002	-	-	518,002
Total Liabilities	3,367,066	166,062	730,336	500	2,623	4,266,587
Deferred Inflows of Resources						
Unavailable lease revenue	-	-	-	1,716,902	-	1,716,902
Unavailable property tax revenue	8,988,179	455,733	746,062	-	-	10,189,974
Total Deferred Inflows of Resources	8,988,179	455,733	746,062	1,716,902	-	11,906,876
Fund Balances						
Nonspendable	194,409	20,956	4,373	685,000	1,025	905,763
Restricted	14,240	-	1,604,976	203,172	1,897,134	3,719,522
Committed	-	-	-	-	1,499,444	1,499,444
Assigned	3,522,917	4,305,778	-	6,322,645	580	14,151,920
Unassigned	7,126,213	-	-	-	-	7,126,213
Total Fund Balances	10,857,779	4,326,734	1,609,349	7,210,817	3,398,183	27,402,862
Total Liabilities, Deferred Inflows and Fund Balances	\$ 23,213,024	\$ 4,948,529	\$ 3,085,747	\$ 8,928,219	\$ 3,400,806	\$ 43,576,325

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, 2022

Total Governmental Fund Balances	\$ 27,402,862
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	\$ 281,784,203
Less accumulated depreciation and amortization	<u>(8,707,253)</u> 273,076,950
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.	
	5,555,207
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: (exclusive of internal service funds' liabilities)	
Accrued lease interest payable	(167)
Leases payable	(456,158)
Compensated absences	<u>(465,862)</u>
Net Position of Governmental Activities	<u>\$ 305,112,832</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, 2022

	General	Road and Bridge	Social Services	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 9,412,278	\$ 462,489	\$ 757,220	\$ -	\$ 53	\$ 10,632,040
Sales taxes	2,352,828	1,058,773	-	2,470,469	-	5,882,070
Intergovernmental	5,869,730	3,415,956	2,947,347	1,271,601	195,425	13,700,059
Licenses and permits	730,707	30,010	-	-	-	760,717
Charges for services	1,217,385	14,840	-	-	-	1,232,225
Fines and forfeitures	25,893	3,887	-	-	-	29,780
Investment earnings	179,728	41,053	-	67,703	25,209	313,693
Lease revenue	-	-	-	55,082	-	55,082
Lease interest	-	-	-	29,729	-	29,729
Miscellaneous	1,262,298	17,359	21	29,179	-	1,308,857
Total Revenues	21,050,847	5,044,367	3,704,588	3,923,763	220,687	33,944,252
Expenditures						
Current:						
General government	8,947,229	-	-	59,831	-	9,007,060
Public safety	9,755,011	-	-	45,138	-	9,800,149
Highways and streets	-	5,476,848	-	-	-	5,476,848
Health and human services	893,196	-	3,378,108	-	-	4,271,304
Culture and recreation	48,456	-	-	-	104,211	152,667
Capital Outlay	38,054	-	-	134,587	8,585	181,226
Debt Service - Leases						
Lease Principal	253,833	-	-	-	-	253,833
Lease Interest	2,318	-	-	-	-	2,318
Total Expenditures	19,938,097	5,476,848	3,378,108	239,556	112,796	29,145,405
Excess (Deficiency) of Revenues Over Expenditures	1,112,750	(432,481)	326,480	3,684,207	107,891	4,798,847
Other Financing Sources (Uses)						
Transfers in	261,555	-	-	-	-	261,555
Transfers out	(155,000)	-	(261,555)	-	-	(416,555)
Total Other Financing Sources (Uses)	106,555	-	(261,555)	-	-	(155,000)
Net Change in Fund Balances	1,219,305	(432,481)	64,925	3,684,207	107,891	4,643,847
Fund Balances Beginning of Year	9,638,474	4,759,215	1,544,424	3,526,610	3,290,292	22,759,015
Fund Balances End of Year	\$ 10,857,779	\$ 4,326,734	\$ 1,609,349	\$ 7,210,817	\$ 3,398,183	\$ 27,402,862

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, 2022

Net Changes In Fund Balances - Total Governmental Funds		\$ 4,643,847
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	\$ (785,289)
	Capital outlay	181,226
	Asset additions not included in Capital Outlay	<u>2,468</u>
		(601,595)
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	\$ (195,563)
	Accumulated depreciation	<u>196,739</u>
		1,176
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.		399,902
Interest expense 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 @ 12/31/22	\$ (167)
	Liability @ 12/31/21	<u>-</u>
		(167)
Retirement of lease debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		253,832
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 @ 12/31/22	\$ (465,862)
	Liability @ 12/31/21	<u>562,336</u>
		96,474
Change in Net Position of Governmental Activities		<u>\$ 4,793,469</u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 196,775	\$ 923,775	\$ 1,120,550	\$ 2,225,856
Receivables:				
Accounts	10,235	106,747	116,982	12,301
Inventory	-	-	-	141,269
Prepaid items	2,319	32,910	35,229	-
Total Current Assets	209,329	1,063,432	1,272,761	2,379,426
Capital Assets:				
Land	-	101,300	101,300	-
Infrastructure	952,712	-	952,712	-
Other non-depreciable assets	175,504	-	175,504	-
Depreciable capital assets, net	-	1,056,548	1,056,548	3,268,970
Total Noncurrent Assets	1,128,216	1,157,848	2,286,064	3,268,970
Total Assets	1,337,545	2,221,280	3,558,825	5,648,396
Liabilities				
Current Liabilities:				
Accounts payable	184,896	162,875	347,771	72,815
Compensated absences payable	-	11,474	11,474	4,075
Total Current Liabilities	184,896	174,349	359,245	76,890
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	-	45,898	45,898	16,299
Total Long-Term Liabilities	-	45,898	45,898	16,299
Total Liabilities	184,896	220,247	405,143	93,189
Net Position				
Net investment in capital assets	1,128,216	1,157,848	2,286,064	3,268,970
Unrestricted	24,433	843,185	867,618	2,286,237
Total Net Position	\$ 1,152,649	\$ 2,001,033	\$ 3,153,682	\$ 5,555,207

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, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Wastewater Utility	Jail	Total	
Operating Revenues				
Charges for services	\$ 154,702	\$ 3,146,059	\$ 3,300,761	\$ 1,514,387
Intergovernmental	-	266,637	266,637	-
Miscellaneous	153	101,190	101,343	583
Total Operating Revenues	154,855	3,513,886	3,668,741	1,514,970
Operating Expenses				
Administration	16,844	71,480	88,324	-
Operations	148,767	3,021,105	3,169,872	1,095,942
Depreciation	-	243,294	243,294	453,534
Total Operating Expenses	165,611	3,335,879	3,501,490	1,549,476
Operating Income (Loss)	(10,756)	178,007	167,251	(34,506)
Non-Operating Revenues				
Non capital grants	-	7,188	7,188	184,509
Transfers in	-	-	-	155,000
Gain on sale of capital assets	-	-	-	39,801
Investment earnings	-	-	-	55,098
Total Non-Operating Revenues	-	7,188	7,188	434,408
Change in Net Position	(10,756)	185,195	174,439	399,902
Net Position Beginning of Year	1,163,405	1,815,838	2,979,243	5,155,305
Net Position End of Year	\$ 1,152,649	\$ 2,001,033	\$ 3,153,682	\$ 5,555,207

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Cash Flows from Operating Activities				
Cash received from customers	\$ 150,373	\$ 3,592,519	\$ 3,742,892	\$ 1,507,668
Cash payments for goods and services	(175)	(1,235,634)	(1,235,809)	(755,598)
Cash payments to employees for services	-	(1,906,400)	(1,906,400)	(316,079)
Net Cash Provided by Operating Activities	<u>150,198</u>	<u>450,485</u>	<u>600,683</u>	<u>435,991</u>
Cash Flows from Capital and Related Financing Activities				
Non capital grants	-	7,188	7,188	184,509
Proceeds from sale of capital assets	-	-	-	128,751
Payments for capital acquisitions	(128,824)	(156,819)	(285,643)	(1,459,712)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(128,824)</u>	<u>(149,631)</u>	<u>(278,455)</u>	<u>(1,146,452)</u>
Cash Flows from Investing Activities and Transfers In				
Transfers In	-	-	-	155,000
Investment earnings	-	-	-	55,098
Net Cash Flows from Investing Activities and Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,098</u>
Net Increase in Cash and Cash Equivalents	21,374	300,854	322,228	(500,363)
Cash and Cash Equivalents Beginning of Year	<u>175,401</u>	<u>622,921</u>	<u>798,322</u>	<u>2,726,219</u>
Cash and Cash Equivalents End of Year	<u>\$ 196,775</u>	<u>\$ 923,775</u>	<u>\$ 1,120,550</u>	<u>\$ 2,225,856</u>

(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, 2022

(continued)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ (10,756)	\$ 178,007	\$ 167,251	\$ (34,506)
Adjustments:				
Depreciation	-	243,294	243,294	453,534
(Increase) Decrease in Assets:				
Accounts receivable	(4,482)	78,633	74,151	(7,302)
Prepaid expenses	-	(10,771)	(10,771)	-
Inventory	-	-	-	7,460
Increase (Decrease) in Liabilities:				
Accounts payable	165,436	(44,571)	120,865	10,048
Compensated absences payable	-	5,893	5,893	6,757
Net Cash Provided by Operating Activities	<u>\$ 150,198</u>	<u>\$ 450,485</u>	<u>\$ 600,683</u>	<u>\$ 435,991</u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2022

	SWTC Library Custodial Fund	Other Custodial Funds	Total
Assets			
Cash and investments	\$ 532,946	\$ 741,427	\$ 1,274,373
Total Assets	<u>532,946</u>	<u>741,427</u>	<u>1,274,373</u>
Liabilities			
County warrants outstanding	-	89,696	89,696
Accounts payable	-	259,177	259,177
Due to other entities	-	392,554	392,554
Total Liabilities	<u>-</u>	<u>741,427</u>	<u>741,427</u>
Net Position			
Restricted For:			
Individuals, organizations and/or other governments	532,946	-	532,946
Total Fiduciary Net Position	<u>\$ 532,946</u>	<u>\$ -</u>	<u>\$ 532,946</u>

Other Custodial Funds do not have Net Position but they are shown here in order to fully disclose all custodial assets and liabilities

Teller County, Colorado
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2022

	SWTC Library Custodial Fund	Other Custodial Funds	Total
ADDITIONS			
Deposits from inmates	\$ -	\$ 584,806	\$ 584,806
County Clerk & Recorder collections	-	3,746,401	3,746,401
Tax collections for other entities	-	32,409,359	32,409,359
Tax collections for SWTC Library	234,951	-	234,951
Total additions	<u>234,951</u>	<u>36,740,566</u>	<u>36,975,517</u>
DEDUCTIONS			
Payments on behalf of inmates	-	574,503	574,503
County Clerk & Recorder payments to other governments	-	3,769,572	3,769,572
Tax distributions to other entities	-	32,706,344	32,706,344
Tax distributions to SWTC Library	167,000	-	167,000
Total deductions	<u>167,000</u>	<u>37,050,419</u>	<u>37,217,419</u>
Change in fiduciary net position	67,951	-	67,951
Net Position Beginning of Year	<u>464,995</u>	<u>-</u>	<u>464,995</u>
Net Position End of Year	<u><u>532,946</u></u>	<u><u>-</u></u>	<u><u>532,946</u></u>

Other Custodial Funds do not have Net Position but they are shown here in order to fully disclose all changes to our custodial funds

See the accompanying independent auditors' report.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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, Dispatch Services 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);
- and:
- CSU Extension Office
- Environmental Health
- Human Resources
- Information Technology
- Public Health
- Emergency Management
- Finance & Budget
- Human Services
- Legal Services
- Veterans Office

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.

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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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. Although this fund no longer meets the minimum criteria to be reported as a major fund, the County has elected to report it as such to better inform financial statement users.

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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end or 90 days if the revenue source is inter-governmental.

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 2022 that are due in 2023 are recorded as property taxes receivable and a deferred inflow at December 31, 2022.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 or 90 days for inter-governmental) 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.

During 2022 the County implemented GASB Implementation Guide No. 2020-1, which provides guidance that clarifies, explains, or elaborates on previous GASB Statements. The statement is effective for various periods beginning, either immediately or after June 15, 2021 and allows for early adoption. The County has adopted this statement and applied it beginning in the year ended December 31, 2022. This adoption had no impact in the 2022 financial statements except that the guidance related to leases is being implemented as part of our GASB 87 implementation process.

During 2022 the County implemented GASB Implementation Guide No. 2021-1, which provides guidance that clarifies, explains, or elaborates on previous GASB Statements. The statement is effective for various periods beginning after June 15, 2022 or June 15, 2023 and allows for early adoption. The County has adopted all of this statement except Question 5.1 which is due for periods beginning after June 15, 2023 and applied it beginning in the year ended December 31, 2022. This adoption had no impact in the 2022 financial statements except that the guidance related to leases is being implemented as part of our GASB 87 implementation process.

During 2022 the County implemented GASB Statement No. 99, Omnibus 2022, which enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement is effective for various periods beginning, either upon issuance or after June 15, 2022 or June 15, 2023 and allows for early adoption. The County has adopted all of this statement except Questions 23 thru 25 which will be implemented in 2023 in coordination with GASB 96 and applied it beginning in the year ended December 31, 2022. This adoption had no impact in the 2022 financial statements except that the guidance related to leases is being implemented as part of our GASB 87 implementation process.

During 2022 the County implemented GASB Statement No 87, which improves accounting and financial reporting for leases by governments, and GASB Implementation Guide 2019-3, which provides guidance that clarifies, explains, or elaborates on the requirements of Statement No 87. GASB 87 established a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The statement is effective for periods beginning after June 15, 2021. The County has adopted this statement as of January 1, 2022.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

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, 2022, 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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

1-E-6 Leases

During 2022, the County implemented GASB Statement No. 87, Leases. The implementation of this statement had no net impact on the County's beginning of year net position.

The County determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statements of net position.

For arrangements where the County is the lessor, the County recorded a lease receivable and deferred inflow of resources at January 1, 2022, the adoption date of GASB 87, in the amount of the present value of lease payments expected to be received during the lease term. Over the term of the lease agreement these present value amounts are amortized, via the effective interest rate method, such that (i) the lease receivable is accreted, through interest income, to the lease payment value as of each lease payment due date and (ii) the present value of deferred inflows is amortized into rent income such that, along with the related interest component, equates to the amounts recorded, prior to GASB 87, as rent income.

For arrangements where the County is the lessee, lease assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term or the useful life of the underlying asset. For 2022 per the implementation of GASB 87 leases were recognized as of January 1, 2022.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

For individual lease contracts where information about the discount rate implicit in the lease is not included, the County has elected to use the incremental borrowing rate that represents the rate at which it could borrow funds for a term equivalent to the lease agreement.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

1-E-7 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government had no deferred outflows in 2022.

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 assets 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 two items, which arise under both the full (government-wide financial statement) and the modified accrual (fund financial statement) bases of accounting, that qualify for reporting in this category. Accordingly; *unavailable property tax revenue and unavailable lease revenue*, are reported in both the statement of net position and in the balance sheet of governmental funds as deferred inflows of resources.

1-E-8 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-9 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. Leases are considered financings of the right to use an underlying asset. Leases where the County is the lessee are recognized as a lease liability and an intangible right-to-use lease asset. Leases where the County is the lessor are recognized as a lease receivable and a deferred inflow of resources.

1-E-10 Fund Equity (See Note 4-H)

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) 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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

- **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-11 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1-E-12 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-13 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 in 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, 2022

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-14 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.

Note 2 – Intergovernmental Agreement

During the course of 2022, 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.

As of December 31, 2022, the County had the following deposits:

	Insured	Collateralized	Fair Value/ Bank Balance	Carrying Amount	Maturities
Cash On Hand	\$ -	\$ -	\$ -	\$ 57,581	
Deposits	876,013	9,463,768	10,339,781	10,325,759	
CDs	740,000	-	740,000	740,000	8/11/23-8/11/24
Total Deposits and Cash on Hand	<u>\$ 1,616,013</u>	<u>\$ 9,463,768</u>	<u>\$ 11,079,781</u>	<u>\$ 11,123,340</u>	

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 2022 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			
Treasury Notes	\$ 969,810	8/31/2023	AA+
GNMA	2,260	10/26/26-2/20/31	AA+
Federal Home Loan	498,960	10/27/2025	AA+
Total	<u>\$ 1,471,030</u>		

The County's investments in U.S. Agency obligations (GNMA's, Federally Guaranteed Home Loans and Treasury Notes) are valued at \$1,471,030 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 \$21,095,360 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	\$9,225,584	AAAm
CSAFE Cash	5,642,812	AAAmmf
CSAFE CORE	6,226,964	AAAf
Total	<u>\$21,095,360</u>	

Colotrust and CSAFE CORE are external investment pools valued using the NAV per share (or its equivalent) of the investments. Colotrust and CSAFE CORE do not have any unfunded commitments, redemption restrictions (other than CSAFE CORE's 24-hour redemption notice and limit of 3 monthly withdrawals) or redemption notice periods. CSAFE CASH 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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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:

Fund Reporting Level:

Governmental Funds - Balance Sheet	\$29,068,951
Proprietary Fund Type Statement of Net Position	3,346,406
Statement of Fiduciary Assets, Liabilities & Net Position	1,274,373
Total	\$33,689,730

Note: The County Treasurer is a member of the CSAFE Board of Trustees.

4-B. Receivables

Receivables at December 31, 2022 consisted of taxes, accounts (billings for user charges, including unbilled utility receivables), intergovernmental receivables arising from grants, leases 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.

Lessor Activity

On 1/1/2022, Teller County recognized a 441 month lease as Lessor for the use of Waste Management of Colorado, Inc per GASB 87. An initial lease receivable was recorded in the amount of \$1,761,204.15. As of 12/31/2022, the value of the lease receivable is \$1,743,549.07. The lessee is required to make monthly fixed payments of \$3,927.66. The lease has an interest rate of 1.8510%. The Land estimated useful life was unlimited as of the contract commencement. The value of the deferred inflow of resources as of 12/31/2022 was \$1,713,309.19, and Teller County recognized lease revenue of \$47,894.96 during the fiscal year. Teller County has 7 extension options, each for 60 months. The lease has an annual escalation of 2%.

On 1/1/2022, Teller County recognized an 18 month lease as Lessor for the use of the Colorado State Patrol per GASB 87. An initial lease receivable was recorded in the amount of \$10,780.29. As of 12/31/2022, the value of the lease receivable is \$3,597.29. The lessee is required to make monthly fixed payments of \$600.00. The lease has an interest rate of 0.2580%. The Land estimated useful life was unlimited as of the contract commencement. The value of the deferred inflow of resources as of 12/31/2022 was \$3,593.43, and Teller County recognized lease revenue of \$7,186.86 during the fiscal year. The lease has no escalation clause.

Principal and Interest Expected to Maturity

Governmental Activities

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	19,774.23	32,140.68	51,914.91
2024	17,453.46	31,827.78	49,281.24
2025	18,773.24	31,493.59	50,266.83
2026	20,137.63	31,134.59	51,272.22
2027	21,547.61	30,749.98	52,297.59
2028 - 2032	130,580.75	147,021.52	277,602.27
2033 - 2037	173,457.14	133,038.01	306,495.15
2038 - 2042	223,634.13	114,761.49	338,395.62
2043 - 2047	282,145.39	91,470.41	373,615.80
2048 - 2052	350,161.01	62,341.15	412,502.16
2053 - 2057	416,087.14	26,716.49	442,803.63
2058	73,394.20	624.10	74,018.30

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

4-D. Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 01/1/2022	Adj to prior year Add & Deduct	Additions	Deductions	Balance 12/31/2022
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	11,420	-	42,829	8,532	45,717
Vehicles not in service	61,358	-	516,264	61,358	516,264
Total capital assets not being depreciated	261,273,252	-	559,093	69,890	261,762,455
Other capital assets:					
Buildings	15,873,704	-	-	-	15,873,704
Vehicles and road equipment	12,274,893	-	1,039,780	141,093	13,173,580
Furniture and fixtures	1,776,991	-	114,392	134,888	1,756,495
Software	523,792	-	-	188,752	335,040
Other improvements	1,277,271	-	-	-	1,277,271
Total depreciable capital assets	31,726,651	-	1,154,172	464,733	32,416,090
Total cost of capital assets	292,999,903	-	1,713,265	534,623	294,178,545
Lease Right-to-Use Assets:					
Buildings	-	709,990	-	-	709,990
Total lease assets	-	709,990	-	-	709,990
Accumulated depreciation:					
Buildings	5,330,313	-	372,754	-	5,703,067
Vehicles and road equipment	9,767,012	-	503,494	52,143	10,218,363
Furniture and fixtures	1,548,926	-	61,545	122,824	1,487,647
Software	536,392	(12,600)	-	188,752	335,040
Other improvements	498,139	-	40,054	671	537,522
Lease assets	-	-	260,976	-	260,976
Total accumulated depreciation & amortization	17,680,782	(12,600)	1,238,823	364,390	18,542,615
Governmental activities capital assets, net	\$ 275,319,121	\$ 722,590	\$ 474,442	\$ 170,233	\$ 276,345,920

Additions include \$8,532 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.

As a result of the implementation of GASB 87, \$709,990 in lease assets are shown as an adjustment to the prior year balances.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Governmental activities depreciation expense

	Leases	Other	Total
General government	\$ 220,352	\$ 239,921	\$ 460,273
Public safety	-	197,232	197,232
Highways and streets	-	83,563	83,563
Health and welfare	40,624	3,597	44,221
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	-	-	453,534
Total governmental activities depreciation and amortization expense	\$ 260,976	\$ 524,313	\$ 1,238,823

	Balance 01/1/2022	Correction to Prior Year Additions	Additions	Deductions	Balance 12/31/2022
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 101,300	\$ -	\$ -	\$ -	\$ 101,300
Infrastructure - wastewater system	952,712	-	-	-	952,712
Construction in Progress	205,680	134,059	128,824	293,059	175,504
Total non-depreciable capital assets	1,259,692	134,059	128,824	293,059	1,229,516
Depreciable capital assets:					
Building/plant	5,407,281	-	-	-	5,407,281
Other improvements	405,100	-	-	-	405,100
Equipment	162,115	-	22,760	-	184,875
Furniture & fixtures	-	-	293,059	-	293,059
Total depreciable capital assets	5,974,496	-	315,819	-	6,290,315
Total cost of capital assets	7,234,188	134,059	444,643	293,059	7,519,831
Accumulated depreciation:					
Building/plant	4,523,370	-	180,154	-	4,703,524
Other improvements	346,058	-	13,503	-	359,561
Equipment	121,045	-	12,060	-	133,105
Furniture & fixtures	-	-	37,577	-	37,577
Total accumulated depreciation	4,990,473	-	243,294	-	5,233,767
Business-type activities capital assets, net	\$ 2,243,715	\$ 134,059	\$ 201,349	\$ 293,059	\$ 2,286,064

4-E. Interfund Transfers

Interfund transfers for the year ended December 31, 2022 consisted of the following:

	Transfers From:		
	Social Services Fund	General Fund	Total
Transfers to:			
General Fund	\$ 261,555	\$ -	\$ 261,555
Internal Svc Fund	-	155,000	155,000
	\$ 261,555	\$ 155,000	\$ 416,555

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

4-F. Long-Term Debt

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2022:

	Outstanding 1/1/2022	Prior Year Adjustments	Additions	Reductions	Outstanding 12/31/2022	Amounts Due in One Year
Governmental Activities						
Leases	\$ -	\$ 709,990	\$ -	\$ 253,832	\$ 456,158	\$ 262,057
Compensated absences*	575,953	-	887,958	977,674	486,237	101,322
Total Governmental Activities	<u>\$ 575,953</u>	<u>\$ 709,990</u>	<u>\$ 887,958</u>	<u>\$ 1,231,506</u>	<u>\$ 942,395</u>	<u>\$ 363,379</u>
Business-Type Activities						
Compensated absences	51,479	-	117,253	111,360	57,372	11,474
Total Business-Type Activities	<u>\$ 51,479</u>	<u>\$ -</u>	<u>\$ 117,253</u>	<u>\$ 111,360</u>	<u>\$ 57,372</u>	<u>\$ 11,474</u>

* Includes the internal service fund liability.

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

As a result of the implementation of GASB 87, \$709,990 in lease liabilities are shown as an adjustment to the prior year balances.

The County currently has no unused lines of credit.

Lessee Activity

On 1/1/2022, Teller County recognized a 30 month lease as Lessee for the use of the Tamarac Business Park office space per GASB 87. On the Government Wide Statement of net position an initial lease liability was recorded in the amount of \$550,878.64. As of 12/31/2022, the value of the lease liability is \$335,834.44. Teller County is required to make monthly fixed payments of \$17,695.36. The lease has an interest rate of 0.3800%. The value of the right to use asset as of 12/31/2022 of \$550,878.64 with accumulated amortization of \$220,351.46 is included with Buildings on the Lease Class activities table found below. Teller County has 1 extension option for 18 months. The lease has an annual escalation of 3%.

On 1/1/2022, Teller County recognized a 47 month lease as Lessee for the use of the Highlands Center office space per GASB 87. On the Government Wide Statement of net position an initial lease liability was recorded in the amount of \$159,111.61. As of 12/31/2022, the value of the lease liability is \$120,323.29. Teller County is required to make monthly fixed payments of \$3,290.45. The lease has an interest rate of 0.6020%. The value of the right to use asset as of 12/31/2022 of \$159,111.61 with accumulated amortization of \$40,624.24 is included with Buildings on the Lease Class activities table found below. Teller County has 2 extension options, each for 12 months. The lease has an annual maximum escalation of 3%.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Amount of Lease Assets by Major Classes of Underlying Asset

<u>As of Fiscal Year-end</u>		
<u>Asset Class</u>	<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>
Buildings	709,990.25	260,975.70
Total Leases	709,990.25	260,975.70

Principal and Interest Requirements to Maturity

<u>Governmental Activities</u>			
<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	262,056.67	1,506.98	263,563.65
2024	154,955.82	497.51	155,453.33
2025	39,145.25	117.93	39,263.18

4-G. Pensions

The County is a member of the Colorado 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 2022 was \$13,959,281 and covered payroll totaled \$10,518,614. 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 for 2022 were \$420,745 which represents 3.01% of total payroll and 4.0% of covered payroll and contributions made by employees for 2022 were \$420,745 each, which represents 3.01% of total payroll and 4.0% 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 CRA may be obtained through its website at: www.cra-online.org.

4-H. Fund Equity (Note 1-E-10)

Fund Balances:

The components of fund balances are made up of:

	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Social Services Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Prepaid expenses	\$ 194,409	\$ 20,956	\$ 4,373	\$ 685,000	\$ 1,025	\$ 905,763
Restricted for:						
Local declared emergency disaster	-	-	-	-	600,000	600,000
Parks & open space	-	-	-	-	1,297,134	1,297,134
Social services programs	-	-	1,604,976	-	-	1,604,976
Clerk & Recorder expenditures	-	-	-	203,172	-	203,172
Certified VIN fees	14,240	-	-	-	-	14,240
Total restricted:	14,240	-	1,604,976	203,172	1,897,134	3,719,522
Committed to:						
Local declared emergency disaster-wildfires	-	-	-	-	1,499,444	1,499,444
Total committed to:	-	-	-	-	1,499,444	1,499,444
Assigned to:						
County parks	98,762	-	-	-	-	98,762
Facilities projects	110,482	-	-	-	-	110,482
Human Resources Operations	40,374	-	-	-	-	40,374
Sheriff's Annuity funds	6,023	-	-	-	-	6,023
P/H Nurse Practitioner Donation	4,906	-	-	-	-	4,906
Ensuing year's budget	3,260,331	2,010,020	-	-	-	5,270,351
County transportation system	-	2,295,758	-	-	-	2,295,758
Local declared emergency disaster	-	-	-	-	580	580
Capital purchases & projects	-	-	-	6,322,645	-	6,322,645
Other purposes	2,039	-	-	-	-	2,039
Total assigned:	3,522,917	4,305,778	-	6,322,645	580	14,151,920
Unassigned:	7,126,213	-	-	-	-	7,126,213
Total fund balances	\$ 10,857,779	\$ 4,326,734	\$ 1,609,349	\$ 7,210,817	\$ 3,398,183	\$ 27,402,862

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Net Position:

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2022 is as follows:

	Governmental Activities	Business Type Activities
Cost of capital assets	\$ 294,178,545	\$ 7,519,831
Leases	709,990	-
Less accumulated depreciation & amortization	<u>18,542,615</u>	<u>5,233,767</u>
Net investment in capital assets	<u><u>\$ 276,345,920</u></u>	<u><u>\$ 2,286,064</u></u>

Note 5 - Other Notes

5-A. Risk Management

Employee Benefits- The County continued the health and dental insurance carrier contracts with Cigna and continues to offer two health plan choices, as well as one dental plan. The County continues a self-insurance arrangement with Cigna for compensation of a flat administrative fee and reimbursement for claims paid. The County maintains an interest-bearing account, 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 Cigna 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>2022</u>	<u>2021</u>
Estimated Claims liability at January 1	\$ 820,249	\$ 806,158
Deposits	3,412,859	2,557,228
Less:		
Fixed Administrative Costs	897,975	557,737
HSA Fees	0	4,075
Claims Paid	2,790,443	1,980,335
PPACA Fees	<u>1,015</u>	<u>990</u>
Estimated Claims liability at December 31	<u><u>\$ 543,675</u></u>	<u><u>\$ 820,249</u></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.

***Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

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.

5-B. Risks and Uncertainties

COVID-19 Pandemic – In March 2020, the World Health Organization characterized COVID-19 as a pandemic, and the President declared the COVID-19 outbreaks in the United States as a national emergency. This prompted many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

The number of citizens contracting Covid-19 significantly reduced in 2022 however the continued impacts of the pandemic remain uncertain. One major impact is the loss of potential workforce and the changed expectations of potential/current employees. The county continues to strive to hire qualified employees but our number of vacant positions remains higher than prior to the pandemic which creates challenges in continuing to maintain our service levels.

There also continue to be recession concerns. According to a general definition of recession, the U.S. entered into a recession in the summer of 2022. Another definition states that we have not entered into a recession but the Federal Reserve's continued interest rate increases could cause the economy to decline in a manner that no one could argue isn't a recession. How a recession might impact the County would depend on multiple factors but it could definitely impact many revenue sources. As of the end of 2022 the County has been able to maintain adequate fund balances which is allowing us to save for future capital purchases and buildings. The County is currently in the process of possibly applying for a State Revolving Fund loan which will allow the County to perform required upgrades to and expand the Teller County Wastewater Utility. Significantly lower revenues will impact all of our capital project plans.

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 but not limited to 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. Subsequent Events

The federal American Rescue Plan Act which was passed in March, 2021 allocated \$4,931,321 in funding for the County. Use of this funding must be incurred by 12/31/2024. As of 12/31/22, \$1,904,683 remains unspent. These funds have been and will continue to be used to replace revenue lost due to the effects of the pandemic. We expect to have used all of these funds by the end of 2023. The receipt of these funds allows us to continue to provide service to our citizens without layoffs or other major budget cuts.

The Federal Public Health Emergency officially ended on May 11, 2023. This meant that the Colorado Public Health Emergency additional leave ends on June 8, 2023. This will have an effect on employees leave time available. The impact is undetermined.

5-D. 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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 \$600,000 at December 31, 2022.

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, 2022:

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)	181,319	68,995	299,322	480,641	368,317
CHATS/Child Care	326,958	40,696	63,036	389,994	103,732
Child Welfare	911,315	148,477	1,208,358	2,119,673	1,356,835
Regular Administration	3,673	3,673	825,550	829,223	829,223
Core Services	168,505	22,233	267,088	435,593	289,321
IV-D Administration	4,101	3,991	227,914	232,015	231,905
Low-Income Energy Assistance (LEAP)	623,869	0	18,451	642,320	18,451
Adult Protective Services	0		256,866	256,866	256,866
Aid to the Needy Disabled (AND)	22,058	3,845	0	22,058	3,845
Old Age Pension (OAP)	349,104	327	21,213	370,317	21,540
Food Assistance	7,605,965	0	0	7,605,965	0
FosterCare/Adoption Grant	0	0	0	0	0
1) Subtotal	10,196,867	292,237	3,187,798	13,384,665	3,480,035
Use of Parental Fees	0	0	14,754	14,754	14,754
Use of HB1451 incentives	0		52,898	52,898	52,898
RMS bkd to state not county	0	0	-33,905	-33,905	-33,905
County Only	0	0	128,588	128,588	128,588
Acctg Basis Differences	0	0	-2,706	-2,706	-2,706
2) Subtotal	0	0	159,629	159,629	159,629
Grand Total	10,196,867	292,237	3,347,427	13,544,294	3,639,664

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 9,213,505	\$ 9,213,505	\$ 9,412,278	\$ 198,773
Sales taxes	1,846,075	1,846,075	2,352,828	506,753
Intergovernmental	3,067,932	3,387,832	5,869,730	2,481,898
Licenses and permits	594,100	594,100	730,707	136,607
Charges for services	1,139,200	1,167,932	1,217,385	49,453
Fines and forfeitures	15,400	15,400	25,893	10,493
Investment earnings	-	9,623	179,728	170,105
Miscellaneous	113,600	113,781	1,262,298	1,148,517
Total Revenues	15,989,812	16,348,248	21,050,847	4,702,599
Expenditures				
Current:				
General government	9,563,074	11,039,651	8,947,229	2,092,422
Public safety	9,590,270	10,255,392	9,755,011	500,381
Health and human services	952,178	1,076,591	893,196	183,395
Culture and recreation	59,193	72,038	48,456	23,582
Capital Outlay	12,000	12,000	38,054	(26,054)
Debt Service - Leases				
Lease principal	-	-	253,833	(253,833)
Lease interest	-	-	2,318	(2,318)
Total Expenditures	20,176,715	22,455,672	19,938,097	2,517,575
Excess (Deficiency) of Revenues Over Expenditures	(4,186,903)	(6,107,424)	1,112,750	7,220,174
Other Financing Sources (Uses)				
Transfers in	254,810	254,810	261,555	6,745
Transfers out	-	(680,000)	(155,000)	525,000
Total Other Financing Sources (Uses)	254,810	(425,190)	106,555	531,745
Net Change in Fund Balances	(3,932,093)	(6,532,614)	1,219,305	7,751,919
Reserve for Abatements	(15,000)	(15,000)	-	15,000
Fund Balances Beginning of Year	8,369,387	10,969,908	9,638,474	(1,331,434)
Fund Balances End of Year	\$ 4,422,294	\$ 4,422,294	\$ 10,857,779	\$ 6,435,485

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 462,347	\$ 462,347	\$ 462,489	\$ 142
Sales taxes	857,458	857,458	1,058,773	201,315
Intergovernmental	2,683,000	2,683,000	3,415,956	732,956
Licenses and permits	15,500	15,500	30,010	14,510
Charges for services	14,840	14,840	14,840	-
Fines and forfeitures	1,000	1,000	3,887	2,887
Investment earnings	-	-	41,053	41,053
Miscellaneous	18,500	18,500	17,359	(1,141)
Total Revenues	4,052,645	4,052,645	5,044,367	991,722
Expenditures				
Current:				
Highways and streets	5,645,675	6,346,766	5,476,848	869,918
Total Expenditures	5,645,675	6,346,766	5,476,848	869,918
Net Change in Fund Balances	(1,593,030)	(2,294,121)	(432,481)	1,861,640
Reserve for Abatements	(2,000)	(2,000)	-	2,000
Fund Balances Beginning of Year	2,832,438	3,533,529	4,759,215	1,225,686
Fund Balances End of Year	\$ 1,237,408	\$ 1,237,408	\$ 4,326,734	\$ 3,089,326

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 756,558	\$ 756,558	\$ 757,220	\$ 662
Intergovernmental	2,805,000	2,829,433	2,947,347	117,914
Miscellaneous	-	-	21	21
Total Revenues	3,561,558	3,585,991	3,704,588	118,597
Expenditures				
Current:				
Health and human services	3,796,269	3,830,637	3,378,108	452,529
Excess (Deficiency) of Revenues Over Expenditures	(234,711)	(244,646)	326,480	571,126
Other Financing Uses				
Transfers out	(254,810)	(254,810)	(261,555)	(6,745)
Total Other Financing Uses	(254,810)	(254,810)	(261,555)	(6,745)
Net Change in Fund Balances	(489,521)	(499,456)	64,925	564,381
Reserve for Abatements	(3,000)	(3,000)	-	3,000
Fund Balances Beginning of Year	1,372,757	1,382,692	1,544,424	161,732
Fund Balances End of Year	\$ 880,236	\$ 880,236	\$ 1,609,349	\$ 729,113

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, 2022

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, 2021.

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

	Condition Distribution			
	2012	2015	2018	2021
As of 3 years ended:				
Good	93%	88%	90%	91%
Fair	4%	9%	8%	7%
Poor	3%	3%	2%	2%

The County’s next full 3-year assessment cycle will be completed as of December 31, 2024.

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, 2022

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>
2022	\$ 6,326,766	\$ 5,476,848
2021	6,335,975	4,550,700
2020	6,149,131	4,832,504
2019	5,379,714	4,889,770
2018	4,747,598	4,319,357

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:	2017	2020
Good	97%	97%
Fair	3%	3%
Poor	0%	0%

The County's next full 3-year assessment cycle will be completed as of December 31, 2023.

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>
2022	\$ 568	\$ 3,070
2021	8,568	11,027
2020	2,568	5,725
2019	9,568	5,769
2018	2,568	1,132

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 in the past however the plant did have increased maintenance costs in 2021.

See the accompanying independent auditors' report.

Teller County, Colorado
Notes to Required Supplementary Information
For the Year Ended December 31, 2022

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 2022 adopted budget was amended upward from \$38,257,356 to \$43,314,274.



SUPPLEMENTARY INFORMATION



**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

Teller County, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property taxes	\$ 9,213,505	\$ 9,213,505	\$ 9,393,996	\$ 180,491
Delinquent property taxes	-	-	(265)	(265)
Interest and penalties	-	-	18,547	18,547
Sales taxes	1,846,075	1,846,075	2,352,828	506,753
Total Taxes	<u>11,059,580</u>	<u>11,059,580</u>	<u>11,765,106</u>	<u>705,526</u>
Intergovernmental				
Election fees	10,000	20,500	34,495	13,995
Specific ownership	1,000,000	1,000,000	969,447	(30,553)
Payment in lieu of taxes	275,000	275,000	311,943	36,943
Gaming taxes	724,850	724,850	1,038,101	313,251
Gaming impact grants	-	169,606	491,501	321,895
Cigarette taxes	5,000	5,000	11,053	6,053
Veterans office	29,400	29,400	14,400	(15,000)
Public health contracts	606,682	677,959	538,895	(139,064)
Law enforcement contracts	100,000	114,918	339,343	224,425
Federal mineral lease distribution	75,000	75,000	243,600	168,600
Sanitarian contract	20,000	20,000	20,000	-
LEAF	2,000	2,000	2,442	442
EMA	42,000	42,000	45,873	3,873
EMS subsidy	-	2,309	2,308	(1)
State impact assistance	700	700	745	45
State payment in lieu taxes	1,300	1,300	1,394	94
Other governmental grants	4,500	36,612	35,200	(1,412)
Other	171,500	190,678	1,768,990	1,578,312
Total Intergovernmental	<u>3,067,932</u>	<u>3,387,832</u>	<u>5,869,730</u>	<u>2,481,898</u>
Licenses and Permits				
Building permits	450,000	450,000	545,010	95,010
Planning and zoning fees	15,000	15,000	8,688	(6,312)
Elevator permits	1,100	1,100	-	(1,100)
Sanitation permits	32,000	32,000	44,162	12,162
Contractor licenses	70,000	70,000	72,930	2,930
Liquor licenses	1,000	1,000	1,814	814
Health licenses	25,000	25,000	58,103	33,103
Total Licenses and Permits	<u>\$ 594,100</u>	<u>\$ 594,100</u>	<u>\$ 730,707</u>	<u>\$ 136,607</u>

(continued)

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2022

(continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges For Services				
Fees of County Offices				
Assessor	\$ 1,500	\$ 1,500	\$ 2,342	\$ 842
Sheriff	89,000	33,147	106,476	73,329
Clerk	650,000	664,000	611,017	(52,983)
Treasurer	350,000	350,000	413,456	63,456
Public health	3,000	3,000	33,155	30,155
Public trustee	25,000	25,000	41,621	16,621
Other services	20,700	91,285	9,318	(81,967)
Total Charges For Services	1,139,200	1,167,932	1,217,385	49,453
Fines and Forfeitures				
Model traffic code fines	15,000	15,000	19,902	4,902
Code and enforcement	-	-	60	60
Animal control	400	400	1,550	1,150
Other fines	-	-	4,381	4,381
Total Fines and Forfeitures	15,400	15,400	25,893	10,493
Investment Earnings	-	9,623	179,728	170,105
Miscellaneous				
Sheriffs auxiliary organizations	-	-	-	-
Early childhood council	-	-	-	-
Other	113,600	113,781	1,262,298	1,148,517
Total Miscellaneous	113,600	113,781	1,262,298	1,148,517
Total Revenues	\$ 15,989,812	\$ 16,348,248	\$ 21,050,847	\$ 4,702,599

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
General Government				
Office of the Board	\$ 670,345	\$ 805,065	\$ 762,169	\$ 42,896
Finance	650,095	669,922	646,443	23,479
Legal services	1,086,230	1,336,230	1,214,836	121,394
Human resources	359,752	381,259	331,016	50,243
Central utilities	222,385	262,385	256,914	5,471
Public works administration	488,790	563,059	524,553	38,506
Central support	1,476,282	1,893,099	775,998	1,117,101
Information technology	1,133,097	1,236,303	1,193,005	43,298
Assessor	1,023,144	1,037,837	976,604	61,233
Clerk and recorder	761,100	801,548	792,455	9,093
Elections	109,577	120,077	119,705	372
Treasurer	428,965	398,846	382,107	16,739
Public trustee	120,185	107,454	95,962	11,492
County surveyor	25,047	26,624	25,002	1,622
Facilities	1,008,080	960,716	841,788	118,928
Personnel contingency	-	429,604	-	429,604
Employee benefits	-	9,623	8,672	951
Total General Government	9,563,074	11,039,651	8,947,229	2,092,422
Public Safety				
Law Enforcement				
Sheriff	5,322,946	5,036,664	4,810,387	226,277
Dispatch Services	-	818,733	788,476	30,257
Sheriff Equitable Sharing	-	3,316	3,316	-
Detentions	2,500,000	2,500,000	2,499,965	35
Animal control	206,150	218,093	187,772	30,321
Search and rescue	13,226	36,594	30,876	5,718
Coronor	170,956	228,413	183,260	45,153
CDSD - administration	250,144	265,412	241,249	24,163
CDSD - operations	664,353	650,865	608,100	42,765
Environmental health	87,581	107,883	97,867	10,016
Emergency management	296,804	270,856	228,220	42,636
Fire and EMS support	70,500	110,953	74,895	36,058
Hazmat	7,610	7,610	628	6,982
Total Public Safety	9,590,270	10,255,392	9,755,011	500,381
Health and Human Services				
Public health	908,427	1,015,187	835,414	179,773
Veterans office	43,751	61,404	57,782	3,622
Total Health and Human Services	952,178	1,076,591	893,196	183,395
Culture and Recreation				
County parks	5,679	20,679	3,941	16,738
Extension office	53,514	51,359	44,515	6,844
Total Culture and Recreation	59,193	72,038	48,456	23,582
Capital Outlay	12,000	12,000	38,054	(26,054)
Debt Service - Leases				
Lease Principal	-	-	253,833	(253,833)
Lease Interest	-	-	2,318	(2,318)
Total Debt Service - Leases	-	-	256,151	(256,151)
Total Expenditures	\$ 20,176,715	\$ 22,455,672	\$ 19,938,097	\$ 2,517,575

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Sales taxes	\$ 1,925,198	\$ 1,925,198	\$ 2,470,469	\$ 545,271
Intergovernmental	852,150	852,150	1,271,601	419,451
Investment earnings	-	-	67,703	67,703
Lease Revenue	-	-	55,082	55,082
Lease Interest	-	-	29,729	29,729
Miscellaneous	90,000	90,000	29,179	(60,821)
Total Revenues	2,867,348	2,867,348	3,923,763	1,056,415
Expenditures				
Current:				
General government	44,568	150,882	59,831	91,051
Public safety	32,280	655,210	45,138	610,072
Capital Outlay	-	242,943	134,587	108,356
Total Expenditures	76,848	1,049,035	239,556	809,479
Net Change in Fund Balances	2,790,500	1,818,313	3,684,207	1,865,894
Fund Balances Beginning of Year	3,359,387	4,331,574	3,526,610	(804,964)
Fund Balances End of Year	\$ 6,149,887	\$ 6,149,887	\$ 7,210,817	\$ 1,060,930

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, 2022

	Conservation Trust	Contingent	Total Nonmajor Special Revenue Funds
Assets			
Cash and investments	\$ 1,299,757	\$ 2,100,024	\$ 3,399,781
Prepaid expenses	1,025	-	1,025
Total Assets	<u>1,300,782</u>	<u>2,100,024</u>	<u>3,400,806</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	2,623	-	2,623
Total Liabilities	<u>2,623</u>	<u>-</u>	<u>2,623</u>
Fund Balances			
Nonspendable	1,025	-	1,025
Restricted	1,297,134	600,000	1,897,134
Committed	-	1,499,444	1,499,444
Assigned	-	580	580
Total Fund Balances	<u>1,298,159</u>	<u>2,100,024</u>	<u>3,398,183</u>
Total Liabilities and Fund Balances	<u>\$ 1,300,782</u>	<u>\$ 2,100,024</u>	<u>\$ 3,400,806</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, 2022

	Conservation Trust	Contingent	Total Nonmajor Special Revenue Funds
Revenues			
Property taxes	\$ -	\$ 53	\$ 53
Intergovernmental	195,425	-	195,425
Investment earnings	25,209	-	25,209
Total Revenues	<u>220,634</u>	<u>53</u>	<u>220,687</u>
Expenditures			
Current:			
Culture and recreation	104,211	-	104,211
Capital Outlay	<u>8,585</u>	<u>-</u>	<u>8,585</u>
Total Expenditures	<u>112,796</u>	<u>-</u>	<u>112,796</u>
Net Change in Fund Balances	107,838	53	107,891
Fund Balances Beginning of Year	<u>1,190,321</u>	<u>2,099,971</u>	<u>3,290,292</u>
Fund Balances End of Year	<u>\$ 1,298,159</u>	<u>\$ 2,100,024</u>	<u>\$ 3,398,183</u>

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 155,000	\$ 155,000	\$ 195,425	\$ 40,425
Investment earnings	-	-	25,209	25,209
Total Revenues	<u>155,000</u>	<u>155,000</u>	<u>220,634</u>	<u>65,634</u>
Expenditures				
Current:				
Culture and recreation	149,553	170,553	104,211	66,342
Capital Outlay	<u>-</u>	<u>-</u>	<u>8,585</u>	<u>(8,585)</u>
Total Expenditures	<u>149,553</u>	<u>170,553</u>	<u>112,796</u>	<u>57,757</u>
Net Change in Fund Balances	5,447	(15,553)	107,838	123,391
Fund Balances Beginning of Year	<u>1,111,786</u>	<u>1,132,786</u>	<u>1,190,321</u>	<u>57,535</u>
Fund Balances End of Year	<u>\$ 1,117,233</u>	<u>\$ 1,117,233</u>	<u>\$ 1,298,159</u>	<u>\$ 180,926</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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ -	\$ -	\$ 53	\$ 53
Total Revenues	-	-	53	53
Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	53	53
Other Financing Uses				
Transfers out	(2,099,418)	(2,099,418)	-	2,099,418
Total Other Financing Uses	(2,099,418)	(2,099,418)	-	2,099,418
Net Change in Fund Balances	(2,099,418)	(2,099,418)	53	2,099,471
Fund Balances Beginning of Year	2,099,957	2,099,957	2,099,971	14
Fund Balances End of Year	\$ 539	\$ 539	\$ 2,100,024	\$ 2,099,485

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
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services	\$ 130,000	\$ 130,000	\$ 154,702	\$ 24,702
Miscellaneous	-	-	153	153
Total Operating Revenues	<u>130,000</u>	<u>130,000</u>	<u>154,855</u>	<u>24,855</u>
Operating Expenses				
Administration	15,232	84,378	16,844	67,534
Operations	160,821	160,821	148,767	12,054
Total Operating Expenses	<u>176,053</u>	<u>245,199</u>	<u>165,611</u>	<u>79,588</u>
Non-Operating Revenue (Expenses)				
Capital grant revenue	-	10,000	-	10,000
Capital grant expense	-	(10,000)	-	(10,000)
Total Non-Operating Revenue (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss before Capital Contributions	(46,053)	(115,199)	(10,756)	104,443
Change in Net Position	(46,053)	(115,199)	(10,756)	104,443
Net Position Beginning of Year	<u>1,105,743</u>	<u>1,174,889</u>	<u>1,163,405</u>	<u>(11,484)</u>
Net Position End of Year	<u>\$ 1,059,690</u>	<u>\$ 1,059,690</u>	<u>\$ 1,152,649</u>	<u>\$ 92,959</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
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services	2,953,000	2,953,000	3,146,059	193,059
Intergovernmental	\$ -	\$ 146,600	\$ 266,637	\$ 120,037
Fines and forfeitures	-	-	-	-
Miscellaneous	55,000	59,000	101,190	42,190
Total Operating Revenues	3,008,000	3,158,600	3,513,886	355,286
Operating Expenses				
Administration	56,702	56,702	71,480	(14,778)
Operations	3,507,654	3,722,547	3,021,105	701,442
Depreciation	203,200	203,200	243,294	(40,094)
Total Operating Expenses	3,767,556	3,982,449	3,335,879	646,570
Operating Income (Loss)	(759,556)	(823,849)	178,007	1,001,856
Non-Operating Revenue				
Non capital grants	-	-	7,188	7,188
Total Non-Operating Revenue	-	-	7,188	7,188
Change in Net Position	(759,556)	(823,849)	185,195	1,009,044
Net Position Beginning of Year	813,588	877,881	1,815,838	937,957
Net Position End of Year	\$ 54,032	\$ 54,032	\$ 2,001,033	\$ 1,947,001

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
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services	\$ 1,874,322	\$ 1,881,768	\$ 1,514,387	\$ (367,381)
Miscellaneous	-	-	583	583
Total Operating Revenues	<u>1,874,322</u>	<u>1,881,768</u>	<u>1,514,970</u>	<u>(366,798)</u>
Operating Expenses				
Operations	1,381,516	1,456,792	1,095,942	360,850
Depreciation	732,943	732,943	453,534	279,409
Total Operating Expenses	<u>2,114,459</u>	<u>2,189,735</u>	<u>1,549,476</u>	<u>640,259</u>
Operating Loss	<u>(240,137)</u>	<u>(307,967)</u>	<u>(34,506)</u>	<u>273,461</u>
Non-Operating Revenue				
Non capital grants	-	-	184,509	184,509
Transfers in	-	-	155,000	155,000
Gain on sale of capital assets	10,000	10,000	39,801	29,801
Investment earnings	-	-	55,098	55,098
Total Non-Operating Revenue	<u>10,000</u>	<u>10,000</u>	<u>434,408</u>	<u>424,408</u>
Change in Net Position	<u>(230,137)</u>	<u>(297,967)</u>	<u>399,902</u>	<u>697,869</u>
Net Position Beginning of Year	<u>4,664,503</u>	<u>4,732,333</u>	<u>5,155,305</u>	<u>422,972</u>
Net Position End of Year	<u>\$ 4,434,366</u>	<u>\$ 4,434,366</u>	<u>\$ 5,555,207</u>	<u>\$ 1,120,841</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

LOCAL HIGHWAY FINANCE REPORTSTATE:
COLORADO
YEAR ENDING (mm/yy):
12/22This Information From The Records Of:
Teller CountyPrepared By:
Michelle Bosch/Cheryle Beres**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. EXPENDITURES FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 1,402,227.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 2,230,692.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 124,569.00
2. General fund appropriations	\$ -	b. Snow and ice removal	\$ 1,387,810.00
3. Other local imposts (from page 2)	\$ 1,599,001.00	c. Other	\$ 237,358.00
4. Miscellaneous local receipts (from page 2)	\$ 77,139.00	d. Total (a. through c.)	\$ 1,749,737.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 94,192.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 5,476,848.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 1,676,140.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 3,061,759.00	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	\$ 306,468.00	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 5,044,367.00	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 5,476,848.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 4,759,215.00	\$ 5,044,367.00	\$ 5,476,848.00	\$ 4,326,734.00	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/22

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 Assesments	\$ 462,489.00	a. Interest on investments	\$ 41,053.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 3,887.00
1. Sales Taxes	\$ 1,058,773.00	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	\$ 30,010.00	f. Charges for Services	\$ 14,840.00
5. Specific Ownership &/or Other	\$ 47,729.00	g. Other Misc. Receipts	\$ 17,359.00
6. Total (1. through 5.)	\$ 1,136,512.00	h. Other	
c. Total (a. + b.)	\$ 1,599,001.00	i. Total (a. through h.)	\$ 77,139.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 2,513,486.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ 19,394.00
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 89,008.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (ie. Gaming tax)	\$ 459,265.00	f. Other Federal (ie. ARPA)	\$ 287,074.00
f. Total (a. through e.)	\$ 548,273.00	g. Total (a. through f.)	\$ 306,468.00
4. Total (1. + 2. + 3.f)	\$ 3,061,759.00	3. Total (1. + 2.g)	
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES 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			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation	\$ 1,402,227.00		\$ 1,402,227.00
(4). System Enhancement And Operation	\$ -		\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ 1,402,227.00	\$ -	\$ 1,402,227.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ 1,402,227.00	\$ -	\$ 1,402,227.00
<i>(Carry forward to page 1)</i>			

Notes and Comments:



FEDERAL FINANCIAL

AWARD REPORTS



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

**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, 2022, 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 21, 2023.

Report On 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) as a basis for designing 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 or significant deficiencies may exist that have not been identified.

Report On 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 financial statements. 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 21, 2023



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

**Independent Auditors' Report On Compliance
For The 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 The Major Federal Program

Opinion On The Major Federal Program

We have audited Teller County, Colorado's (the County) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2022. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis For Opinion On The Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities For The Audit Of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities Of Management For Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities For The Audit Of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On 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 Auditors' Responsibilities For The Audit Of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Board of County Commissioners
Teller County, Colorado

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 21, 2023

TELLER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

				Pass-through Entity		
Federal Agency/Program Title	Direct/Pass Through	Pass Through Entity	AL #	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	*	\$1,318	\$0
Food Assistance Admin Cluster	Pass Through	CO Dept of Human Services	10.561	*	225,158	0
Sub-Total SNAP Cluster					226,476	0
Women, Infant & Children	Pass Through	CO Dept of Health and Environment	10.557	2022-2369-OL4/2023-2245	76,042	0
WIC Food Vouchers	Pass Through	CO Dept of Health and Environment	10.557	*	163,165	0
Sub-Total ALN #10.557					239,207	0
Title I - Schools and Roads Cluster	Direct		10.666		19,394	0
Total U.S. Dept of Agriculture					485,077	0
U.S. DEPARTMENT OF HOMELAND SECURITY						
Emergency Mgmt Program	Pass Through	CO Dept of Public Safety	97.042	22EM-23-53	45,873	0
Total U.S. Dept of Homeland Security					45,873	0
U.S. DEPARTMENT OF JUSTICE						
Equitable Sharing Program	Direct		16.922		3,316	0
State Criminal Alien Assitance Program	Direct		16.606		7,188	0
Bulletproof Vest Partnership Program	Direct		16.607		7,588	0
Total U.S. Dept of Justice					18,092	0
U.S. DEPARTMENT OF TREASURY						
Covid-19 ARPA State & Local Fiscal Recovery Funds	Direct		21.027		1,901,244	0
Covid-19 HB22-1259 TANF	Pass Through	CO Dept of Human Services	21.027	*	8,673	0
Covid-19 ARPA P/H CORE Grant	Pass Through	CO Dept of Health and Environment	21.027	FAAA 2022*6821	25,002	0
Sub-Total ALN #21.027					1,934,919	0
Covid-19 Cares Act TANF	Pass Through	CO Dept of Human Services	21.019	*	(240)	0
Total U.S. Dept of Treasury					1,934,679	0
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						
Emergency Prep and Response CORE	Pass Through	CO Dept of Health and Environment	93.069	CT2022*0118Am3/2023*0215 AM4	22,746	0
Family Planning Project	Pass Through	CO Dept of Health and Environment	93.217	2021*0291 OL3/2021*0291 OL5	37,666	0
Immunization Programs	Pass Through	CO Dept of Health and Environment	93.268	2022*3216 Am5	8,401	0
Covid-19 Immunization Program #2 & 3	Pass Through	CO Dept of Health and Environment	93.268	PO FHJA 2021*6312/PO FHJA 2021*10316	21,157	0
Sub-Total ALN #93.268					29,558	0
Womens Wellness Connection Cancer Prev & Early Detection	Pass Through	CO Dept of Health and Environment	93.991	CT2018*1762 OL#3/CTFHLA	3,075	0
OPHP LPHA PBG Project	Pass Through	CO Dept of Health and Environment	93.991	FAAA 2022-7073	14,428	0
Sub-Total ALN #93.991					17,503	0
Womens Wellness Connection Cancer Prev & Early Detection	Pass Through	CO Dept of Health and Environment	93.898	17 FHLA 96112	4,555	0
Maternal & Child Health	Pass Through	CO Dept of Health and Environment	93.994	2019*0768 Am#5/2023*0055	18,118	0
Covid-19 Epidemiology & Lab Capacity Round 1 & 2	Pass Through	CO Dept of Health and Environment	93.323	PO FHJA 2020*13652/PO FHJA 2021*10539	277,612	0
Behavioral Health	Pass Through	CO Dept of Human Services	93.104	22 IHJA 173719	10,075	0
PSSF	Pass Through	CO Dept of Human Services	93.556	*	144	0
IV-E Guardianship Assistance	Pass Through	CO Dept of Human Services	93.090	*	2,690	0
TANF	Pass Through	CO Dept of Human Services	93.558	*	426,336	0
Title IV-D Admin	Pass Through	CO Dept of Human Services	93.563	*	231,251	0
LEAP	Pass Through	CO Dept of Human Services	93.568	*	18,451	0
CCDF - Discretionary Cluster	Pass Through	CO Dept of Human Services	93.575	*	130,869	0
Covid-19 CCDF - Discretionary Cluster	Pass Through	CO Dept of Human Services	93.575	CRSSA Act	44,846	0
Sub-Total ALN #93.575					175,715	0
CCDF - Mandatory & Match Cluster	Pass Through	CO Dept of Human Services	93.596	*	107,188	0
Sub-Total CCDF Cluster					282,903	0
Title IV-B Child Welfare	Pass Through	CO Dept of Human Services	93.645	*	19,116	0
Title IV-E FC	Pass Through	CO Dept of Human Services	93.658	*	445,098	0
Title IV-E Adoption	Pass Through	CO Dept of Human Services	93.659	*	178,631	0
Title XX Block Grant	Pass Through	CO Dept of Human Services	93.667	*	103,821	0
Covid-19 CRF Adult Protection - Elder Justice Act	Pass Through	CO Dept of Human Services	93.747	*	76,470	0
Title XIX Medicaid Cluster	Pass Through	CO Dept of Health Care Policy & Fin	93.778	*	283,749	0
Total U.S. Dept of Health & Human Services					\$2,503,996	\$0
TOTAL FEDERAL AWARDS					\$4,970,214	\$0

* Unavailable

See the note to the schedule of expenditures of federal awards

Teller County, Colorado
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

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, 2022.

Indirect Cost Rate

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

Donated Personal Protective Equipment (PPE)

The County did not receive any donated PPE that was originally purchased with federal funding.

TELLER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2022

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 the major federal program:

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

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

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

AL No.	Name Of Federal Program Or Cluster
--------	------------------------------------

21.027	COVID-19 ARPA State And Local Fiscal Recovery Funds
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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, 2022

Section II - Financial Statement Findings

None

Section III - Federal Award Findings And Questioned Costs

None