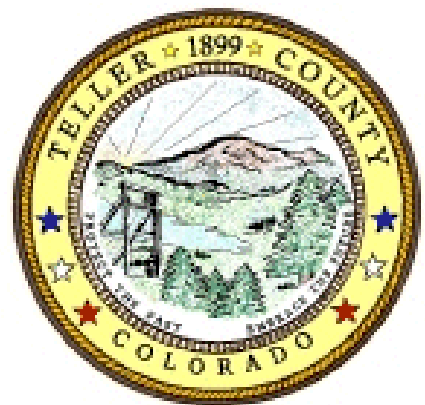




FINANCIAL STATEMENTS

For The Year Ended

DECEMBER 31, 2023





TELLER COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2023

Teller County, Colorado
Annual Financial Report
For The Year Ended December 31, 2023

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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, 2023, 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, 2023 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, 2023, the County changed its method of accounting for subscription-based information technology arrangements by adopting Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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, 38 through 40 and 43 and 41 through 42, 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 6, 2024 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 7, 2024



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, 2023. 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 96 established a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. As a result of the implementation of GASB 96, the County's 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 \$42,629,144 revenues and \$39,290,697 expenses in 2023 as compared to \$39,414,559 revenues and \$34,196,371 expenses in 2022. The change is mainly due to increases in intergovernmental revenues and investment earnings and increased personnel and capital projects expenses.
- The County's assets and deferred outflows exceeded its liabilities and deferred inflows by \$311,995,542 (net position) for the calendar year reported. This is an increase of approximately \$3.72 million in net position from 2022, 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 96.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$279,460,166, an increase of approximately \$800,000 from 2022, 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 primarily due to the addition of subscription assets and the purchase of many new vehicles and equipment.
 - (2) Net position of \$4,232,911 is restricted for various purposes by constraints imposed from outside the County.
 - (3) Unrestricted net position of \$27,638,160 represents the portion available to maintain the County's continuing obligations to citizens and creditors and includes an increase of approximately \$1.7 million from 2022.
- The County's governmental funds total ending fund balances are \$30,625,986 as of December 31, 2023, which is an increase of approximately \$3.22 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 interfund transfers from other funds.
- At the end of the reported calendar year, fund balance for the General Fund was \$11,207,318, or 49.9% of total General Fund expenditures, compared to 54.5% at December 31, 2022.
- Overall, the County financial position continues to be healthy. This is due in part to increased federal funding and investment revenues. 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:

2023	\$311,995,542
2022	308,266,514
2021	303,298,606

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 38. 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 44.

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 2023 was \$311,995,542, as compared to \$308,266,514 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, 2023
(With comparative amounts for the year ended December 31, 2022)

	2023				2022	
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Total	Percentage of Total
Assets:						
Current assets	\$ 36,313,116	\$ 616,325	\$ 36,929,441	12%	\$ 45,501,140	13%
Long-term assets	1,733,888	0	1,733,888	1%	1,727,372	1%
Capital assets	277,722,918	2,401,553	280,124,471	87%	278,631,984	86%
Total assets	315,769,922	3,017,878	318,787,800	100%	325,860,496	100%
Liabilities:						
Current liabilities	3,500,531	616,338	4,116,869	81%	5,062,193	89%
Long-term liabilities	902,877	76,842	979,719	19%	624,913	11%
Total liabilities	4,403,408	693,180	5,096,588	100%	5,687,106	100%
Deferred Inflows of Resources:						
Unavailable lease revenue	1,695,670	-	1,695,670	100%	1,716,902	14%
Unavailable property tax revenue	-	-	-	0%	10,189,974	86%
Total Deferred Inflows	1,695,670	-	1,695,670	100%	11,906,876	100%
Net position:						
Net investment in capital assets	277,058,613	2,401,553	279,460,166	90%	278,631,984	91%
Restricted	4,232,911	-	4,232,911	1%	3,719,522	1%
Unrestricted	28,379,320	(76,855)	28,302,465	9%	25,915,008	8%
Total net position	\$ 309,670,844	\$ 2,324,698	\$ 311,995,542	100%	308,266,514	100%

The County continues to maintain an adequate current ratio for governmental activities however the business-type activities ratio is not very good as the Jail enterprise fund no longer has a lot of cash on hand. 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 2.94 to 1. The business-type activities report a current ratio of 1 to 1. For the County overall, the current ratio is 2.87 to 1, as compared to 2.68 to 1 reported at the end of 2022.

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 \$4,558,012 for governmental activities and decreased by \$828,894 for business-type activities. The County's overall financial position improved during calendar year 2023.

Note that 90% of the governmental activities' net position results from investment in capital assets as compared to 91% at the end of 2022. 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 remained the same at 90%.

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, 2023
(With comparative amounts for the year ended December 31, 2022)

	2023				2022	
	Governmental Activities	Business-type Activities	Total	Percentage of Total	Total	Percentage of Total
Revenues:						
Program:						
Charges for services	\$ 2,011,038	\$ 2,928,026	\$ 4,939,064	12%	\$ 5,440,073	14%
Operating grants & contributions	11,575,468	274,458	11,849,926	29%	9,843,076	26%
Capital grants & contributions	50,000	232,134	282,134	1%	-	0%
General:						
Taxes	16,119,804	-	16,119,804	39%	16,514,110	44%
Other	7,584,403	68,633	7,653,036	19%	6,113,299	16%
Total revenues	<u>37,340,713</u>	<u>3,503,251</u>	<u>40,843,964</u>	<u>100%</u>	<u>37,910,558</u>	<u>100%</u>
Program Expenses:						
General government	10,855,336	-	10,855,336	29%	9,461,202	29%
Public safety	11,278,084	-	11,278,084	30%	9,939,968	30%
Public works	5,863,187	-	5,863,187	16%	5,565,584	17%
Health and human services	4,641,084	-	4,641,084	13%	4,316,730	13%
Culture and recreation	129,897	-	129,897	0%	155,191	0%
Interest	15,113	-	15,113	0%	2,485	0%
Wastewater utility	-	199,995	199,995	1%	165,611	1%
Jail	-	4,132,240	4,132,240	11%	3,335,879	10%
Total expenses	<u>32,782,701</u>	<u>4,332,235</u>	<u>37,114,936</u>	<u>100%</u>	<u>32,942,650</u>	<u>100%</u>
Change in net position	4,558,012	(828,984)	3,729,028		4,967,908	
Net position beginning of year	<u>305,112,832</u>	<u>3,153,682</u>	<u>308,266,514</u>		<u>303,298,606</u>	
Net position end of year	<u>\$ 309,670,844</u>	<u>\$ 2,324,698</u>	<u>\$ 311,995,542</u>		<u>\$ 308,266,514</u>	

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. These taxes provided 44% of the County's governmental revenues in 2023 as compared to 48% in 2022.

- Property taxes - 2022 total assessed value of property that generated the County's 2023 property tax revenues decreased slightly. The levy on total values resulted in a decrease in 2023 total property tax-related revenues assessed of \$418,165, following a 2022 increase of \$175,729.
- Local sales tax totaled \$5,920,427 in 2023, which is an increase of about 0.7% from the prior year.
- Operating grants and contributions are the second largest revenue source with \$11.575 million in 2023 governmental revenues, a 20.87% increase from 2022. Charges for services and grants and contributions has increased to 42% of governmental program expenses from 40% in 2022, with public safety and social services assistance making up the majority of program operating revenues.

- Gaming tax revenues decreased by 6.3% from the prior year. The government's taxpayers and the County's other general governmental revenues comprised 63% of the governmental revenues in 2023 as compared to 66% in 2022.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and public works functions make up approximately 53% of the total governmental activities expenses for 2023, compared with 52% in 2022. General government totals about 33%, and health and human services about 14% of 2023 governmental expenditures as compared to 32% and 15% in 2022, 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			
	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 10,855,336	\$ 8,502,373	\$ 9,461,202	\$ 7,004,730
Public safety	11,278,084	6,659,290	9,939,968	6,916,504
Public works	5,863,187	3,303,621	5,565,584	3,018,943
Health and human services	4,641,084	808,099	4,316,730	822,981
Culture and recreation	129,897	(142,301)	155,191	(40,234)
Interest	15,113	15,113	2,485	2,485
Total	<u>\$ 32,782,701</u>	<u>\$ 19,146,195</u>	<u>\$ 29,441,160</u>	<u>\$ 17,725,409</u>

In this table, the County recognized capital asset contributions of \$50,000 in 2023 as current year program revenues but which offset expenditures that will be capitalized as Culture & Recreation assets. After reducing gross expenses by program revenues, public safety (which includes Community Development Services) totals 35% of the adjusted net cost of services in 2023 as compared to 39% in 2022. Public works shows approximately 17% of the 2023 net cost of services, remaining unchanged from 17% in 2022. Approximately 48% 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 loss of \$1,044,752 in 2023, compared to a gain of \$178,007 in 2022. This loss is due to increased personnel costs and the inability of the jail to maintain adequate prisoner counts in 2023. The wastewater fund showed a net operating loss of \$57,571 compared to a loss of \$10,756 in 2022. This loss is primarily due to increases in liability insurance and contract 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 \$30,625,986, which is an increase from \$27,402,862 at the end of 2022. 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 \$4,993,539 as compared to \$7,126,213 at the end of 2022, indicating most of the increase in total fund balance is restricted as to use, with the majority of the increase being assigned for capital projects.

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 \$3.44 million, actual revenues and expenditures in the general fund resulted in a fund balance increase of \$349,539, as compared to an increase of \$1,219,305 in 2022. Our ongoing budgetary caution resulted in general fund revenues above the 2023 adjusted budget amounts by \$4.4 million as compared to \$4.7 million above adjusted budget amounts in 2022. Departments continued to hold the line on normal expenditures, resulting in expenses of about \$2.4 million less than budget, as compared to \$3.2 million less in 2022. These large differences between budget and actual are also due, in part, to revenue and expense uncertainties related to intergovernmental revenues and GASB 87/96 implementations.

Property taxes distributed to the general fund show a 4.4% decrease from calendar year 2022, resulting from a decrease in assessed values of property in the County. Distribution of sales taxes to the general fund increased by about 43.4% 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 39.6% from those in 2022. Revenues from all types of general fund licenses and permits resulted in a total decrease of 6.5% from 2022. Charges for general fund services had a decrease of 8.6%, after a 11.6% decrease in 2022.

The general fund balance is considered adequate, and due to conservative budget and spending practices, it shows the equivalent of 49.9% of annual expenditures in 2023. In the general fund, most areas of expenditure increased. The increased spending was primarily a result of increased personnel expenses, information technology upgrades and public safety increases.

Total road and bridge fund revenues increased by about \$217,000. Results in the road and bridge fund show an increase in expenditures of about \$346,000 and a decrease of about \$561,000 in fund balance from the prior year.

In the social services fund, total revenue increased by about \$620,000 resulting from an increase in governmental funds. Total expenditures and transfers out increased about \$418,000 and an increase in fund balance of about \$268,000 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 2023 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)
- Interfund transfers
- Implementation of GASB 96
- To allow for unanticipated expenditures
- Carryover of designated funds received in 2022 but not expended until 2023

Adjustments to the general fund budget resulted in a net increase of appropriations equaling \$4,174,418.

Actual general fund revenues came in \$4,396,472 higher than the adjusted budget amounts. County departments continued to maintain costs through careful monitoring of expenditures, which came in about 9% lower than the adjusted budget. Comparatively, the County spent about 86% of the authorized general fund budget in 2022. 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' 2023 budgets. Substantial amounts were:

- The Road and Bridge fund budget was increased by \$482,879, primarily for unanticipated fund balance carryover from 2022.
- The capital projects fund budget was increased by approximately \$1 million, primarily to allow for unanticipated expenditures and unanticipated fund balance carryover from 2022.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2023, the County had \$279,460,166 invested in a broad range of capital assets, including land, buildings, park facilities, roads, bridges and sewer lines, lease properties and information technology subscriptions. This is an increase of \$828,182. 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, 2023. The County will continue to perform infrastructure assessments every three years. The County's investment in capital assets, net of accumulated depreciation and amortization, for governmental and business-type activities as of December 31, 2023, was \$277,058,613 and \$2,401,553 respectively. The total change in this net investment was an increase of 0.30% for governmental and a 5.05% 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:

	Governmental Activities		Business Activities		Total		% Change
	2023	2022	2023	2022	2023	2022	
Land	\$ 3,225,910	\$ 3,225,910	\$ 101,300	\$ 101,300	\$ 3,327,210	\$ 3,327,210	0.0%
Construction in progress	117,739	45,717	395,476	175,504	513,215	221,221	132.0%
Buildings & Improvements	10,493,108	10,910,386	555,639	749,296	11,048,747	11,659,682	-5.2%
Machinery and equipment	5,232,604	3,740,329	396,426	307,252	5,629,030	4,047,581	39.1%
Leases Right-to-use assets	(6,063)	449,014	-	-	(6,063)	449,014	-101.4%
Subscriptions Right-to-use assets	20,751	-	-	-	20,751	-	100.0%
Infrastructure	257,974,564	257,974,564	952,712	952,712	258,927,276	258,927,276	0.0%
Total Capital Assets, net	\$ 277,058,613	\$ 276,345,920	\$ 2,401,553	\$ 2,286,064	\$ 279,460,166	\$ 278,631,984	0.3%

Long-term Debt

At the end of the calendar year, the County had outstanding debt obligations of \$1,384,232 for compensated absences, leases and subscriptions. In 2023, the County had a net increase in compensated absence balances due, of \$176,318 or 32.4%, a net decrease in leases of \$262,057 or 57.4% and a net increase in subscriptions of \$192,126 or 69%.

Outstanding Debt							
	Governmental Activities		Business-type Activities		Totals		% Change
	2023	2022	2023	2022	2023	2022	
Leases	\$ 194,101	\$ 456,158	\$ -	\$ -	\$ 194,101	\$ 456,158	-57.4%
Subscriptions	470,204	-	-	-	470,204	-	100%
Compensated absences	623,875	486,237	96,052	57,372	719,927	543,609	32.4%
Total	<u>\$ 1,288,180</u>	<u>\$ 942,395</u>	<u>\$ 96,052</u>	<u>\$ 57,372</u>	<u>\$ 1,384,232</u>	<u>\$ 999,767</u>	<u>38.5%</u>

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

Economic Conditions Affecting the County

Post pandemic economic conditions continue to affect the labor market.

Recession possibilities are less than in previous years but continue to be a concern. How this will impact the County is unknown, but it would most likely affect multiple revenue sources.

Gaming tax revenue decreased by approximately \$170,000 in 2023. Building-related activity decreased by 9.3%. Sales tax continued to increase throughout the year in 2023 but the pace of increase slowed down considerably. To-date 2024 activity is almost the same as the first three months of 2023. Sales taxes change throughout the year so this might not be a significant indicator.

Assessed values certified in 2023 for revenue collection in 2024 showed a huge increase. This caused a significant burden to our citizens. Teller County decided to implement a Temporary Mill Levy reduction/Temporary Property Tax Credit of 1.840 Mills. This lowered our expected property tax revenue to be collected in 2024 by \$1,552,028. This brings anticipated property tax revenues for 2024 back down to an average annual increase amount. Early indications show that the assessed values for revenues to be collected in 2025 may be decreasing but that might not help our citizens much. The Board will continue to monitor the situation and consider providing additional tax relief to mitigate some of the effects of increased valuations 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, however the mine is currently for sale which could have major effects on our revenues.

In 2024, 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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and investments (Note 4-A)	\$ 33,627,896	\$ 192,215	\$ 33,820,111
Receivables:			
Accounts	1,606,907	397,399	2,004,306
Intergovernmental	289,679	-	289,679
Leases	23,878	-	23,878
Prepaid expenses	551,359	26,711	578,070
Inventory	213,397	-	213,397
Long-Term Assets (Note 4-B)			
Leases receivable (net of current portion)	1,733,888	-	1,733,888
Capital Assets (Note 4-D)			
Nondepreciable capital assets	262,444,875	1,449,488	263,894,363
Depreciable capital assets, net	15,278,043	952,065	16,230,108
Total Assets	315,769,922	3,017,878	318,787,800
Liabilities			
Current Liabilities			
Accounts payable	2,560,371	597,128	3,157,499
Intergovernmental payable	547,743	-	547,743
Accrued interest payable	7,114	-	7,114
Compensated absences payable	130,332	19,210	149,542
Subscriptions payable	100,015	-	100,015
Leases payable	154,956	-	154,956
Long-Term Liabilities (Note 4-F)			
Compensated absences payable (net of current portion)	493,543	76,842	570,385
Subscriptions payable (net of current portion)	370,189	-	370,189
Leases payable (net of current portion)	39,145	-	39,145
Total Liabilities	4,403,408	693,180	5,096,588
Deferred Inflows of Resources			
Lease revenue	1,695,670	-	1,695,670
Net Position			
Net investment in capital assets (Note 4-H)	277,058,613	2,401,553	279,460,166
Restricted for:			
Emergencies (Note 5-D)	600,000	-	600,000
Parks and open space	1,514,460	-	1,514,460
Social services programs	1,873,991	-	1,873,991
Other	244,460	-	244,460
Unrestricted	28,379,320	(76,855)	28,302,465
Total Net Position	\$ 309,670,844	\$ 2,324,698	\$ 311,995,542

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Activities
For the Year Ended December 31, 2023

Function/Program	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Primary Government						
Governmental Activities						
General government	\$ 10,855,336	\$ 1,118,016	\$ 1,234,947	\$ -	\$ (8,502,373)	\$ -
Public safety	11,278,084	816,162	3,802,632	-	(6,659,290)	-
Public works	5,863,187	32,807	2,526,759	-	(3,303,621)	-
Health and human services	4,641,084	42,693	3,790,292	-	(808,099)	-
Culture and recreation	129,897	1,360	220,838	50,000	142,301	-
Interest	15,113	-	-	-	(15,113)	-
Total Governmental Activities	32,782,701	2,011,038	11,575,468	50,000	(19,146,195)	-
Business-Type Activities:						
Water and sewer	199,995	142,173	-	263,634	-	205,812
Jail	4,132,240	2,754,353	274,458	-	-	(1,103,429)
Total Business-Type Activities	4,332,235	2,896,526	274,458	263,634	-	(897,617)
Total - Primary Government	\$ 37,114,936	\$ 4,907,564	\$ 11,849,926	\$ 313,634	(19,146,195)	(20,043,812)
General Revenues						
Property taxes levied for general government purposes					10,199,377	-
Sales taxes					5,920,427	-
Gaming taxes					2,547,560	-
Specific ownership taxes and other					2,263,150	-
Unrestricted grants					249,014	-
Non capital grants					200,000	9,705
Gain on sale of capital assets					51,959	-
Investment earnings					1,579,027	-
Insurance reimbursements					316,124	-
Subscription proceeds					315,415	-
Miscellaneous					62,154	58,928
Total General Revenues					23,704,207	68,633
Change in Net Position					4,558,012	(828,984)
Net Position Beginning of Year					305,112,832	3,153,682
Net Position End of Year					\$ 309,670,844	\$ 2,324,698
						\$ 311,995,542

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

	General	Road and Bridge	Social Services	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 11,787,952	\$ 3,474,765	\$ 2,356,014	\$ 10,208,702	\$ 3,078,848	\$ 30,906,281
Receivables:						
Accounts	962,570	436,603	28,057	170,538	-	1,597,768
Intergovernmental	-	-	289,679	-	-	289,679
Leases	-	-	-	1,757,766	-	1,757,766
Prepaid expenses	241,243	6,041	3,050	300,000	1,025	551,359
Total Assets	<u>12,991,765</u>	<u>3,917,409</u>	<u>2,676,800</u>	<u>12,437,006</u>	<u>3,079,873</u>	<u>35,102,853</u>
Liabilities, Deferred Inflows and Fund Balances						
Liabilities						
Accounts payable	1,784,447	152,108	252,016	42,333	2,550	2,233,454
Intergovernmental payable	-	-	547,743	-	-	547,743
Total Liabilities	<u>1,784,447</u>	<u>152,108</u>	<u>799,759</u>	<u>42,333</u>	<u>2,550</u>	<u>2,781,197</u>
Deferred Inflows of Resources						
Unavailable lease revenue	-	-	-	1,695,670	-	1,695,670
Fund Balances						
Nonspendable	241,243	6,041	3,050	300,000	1,025	551,359
Restricted	23,599	-	1,873,991	220,861	2,114,460	4,232,911
Committed	-	-	-	242,343	961,258	1,203,601
Assigned	5,948,937	3,759,260	-	9,935,799	580	19,644,576
Unassigned	4,993,539	-	-	-	-	4,993,539
Total Fund Balances	<u>11,207,318</u>	<u>3,765,301</u>	<u>1,877,041</u>	<u>10,699,003</u>	<u>3,077,323</u>	<u>30,625,986</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 12,991,765</u>	<u>\$ 3,917,409</u>	<u>\$ 2,676,800</u>	<u>\$ 12,437,006</u>	<u>\$ 3,079,873</u>	<u>\$ 35,102,853</u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Reconciliation of Governmental Funds Balance Sheet to
The Statement of Net Position
December 31, 2023

Total Governmental Fund Balances	\$	30,625,986
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	\$	283,116,256
Less accumulated depreciation and amortization	<u>(9,286,903)</u>	273,829,353
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.		
		6,483,014
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		(7,114)
Leases payable		(194,101)
Subscriptions payable		(470,204)
Compensated absences		<u>(596,090)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>309,670,844</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, 2023

	General	Road and Bridge	Social Services	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 8,996,157	\$ 456,341	\$ 746,870	\$ -	\$ 9	\$ 10,199,377
Sales taxes	3,374,643	1,480,107	-	1,065,677	-	5,920,427
Severance Tax	610,136	-	-	-	-	610,136
E911 Authority	431,250	-	-	-	-	431,250
Intergovernmental	8,196,552	3,069,254	3,577,923	437,360	216,624	15,497,713
Licenses and permits	683,382	15,412	-	-	-	698,794
Charges for services	1,112,151	14,840	-	-	-	1,126,991
Fines and forfeitures	22,765	12,441	-	-	-	35,206
Investment earnings	768,284	176,047	-	290,323	108,100	1,342,754
Lease revenue	-	-	-	54,850	-	54,850
Lease interest	-	-	-	32,517	-	32,517
Miscellaneous	98,473	36,574	300	110,000	-	245,347
Total Revenues	24,293,793	5,261,016	4,325,093	1,990,727	324,733	36,195,362
Expenditures						
Current:						
General government	10,263,067	-	-	37,538	-	10,300,605
Public safety	10,923,712	-	-	27,697	-	10,951,409
Highways and streets	-	5,822,449	-	-	-	5,822,449
Health and human services	813,165	-	3,785,822	-	-	4,598,987
Culture and recreation	40,402	-	-	-	90,798	131,200
Capital Outlay	48,675	-	-	975,501	16,600	1,040,776
Debt Service - Leases						
Lease principal	262,057	-	-	-	-	262,057
Lease interest	1,507	-	-	-	-	1,507
Debt Service - Subscriptions						
Subscriptions principal	114,792	-	-	-	-	114,792
Subscriptions interest	6,659	-	-	-	-	6,659
Total Expenditures	22,474,036	5,822,449	3,785,822	1,040,736	107,398	33,230,441
Excess (Deficiency) of Revenues Over Expenditures	1,819,757	(561,433)	539,271	949,991	217,335	2,964,921
Other Financing Sources (Uses)						
Subscription proceeds	315,415	-	-	-	-	315,415
Insurance reimbursements	169,788	-	-	-	-	169,788
Transfers in	271,579	-	-	2,538,195	-	2,809,774
Transfers out	(2,227,000)	-	(271,579)	-	(538,195)	(3,036,774)
Total Other Financing Sources (Uses)	(1,470,218)	-	(271,579)	2,538,195	(538,195)	258,203
Net Change in Fund Balances	349,539	(561,433)	267,692	3,488,186	(320,860)	3,223,124
Fund Balances Beginning of Year	10,857,779	4,326,734	1,609,349	7,210,817	3,398,183	27,402,862
Fund Balances End of Year	\$ 11,207,318	\$ 3,765,301	\$ 1,877,041	\$ 10,699,003	\$ 3,077,323	\$ 30,625,986

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, 2023

Net Changes In Fund Balances - Total Governmental Funds		\$ 3,223,124
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	\$ (891,696)
	Capital outlay	1,040,776
	Asset additions not included in Capital Outlay	<u>25,580</u>
		174,660
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	\$ (191,191)
	Accumulated depreciation	<u>183,938</u>
		(7,253)
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.		927,807
Interest expense reported in the statement of activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Liability @ 12/31/23	\$ (7,114)
	Liability @ 12/31/22	<u>167</u>
		(6,947)
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.		262,057
Retirement of subscription debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		114,792
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 @ 12/31/23	\$ (596,090)
	Liability @ 12/31/22	<u>465,862</u>
		(130,228)
Change in Net Position of Governmental Activities		<u>\$ 4,558,012</u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 106,318	\$ 85,897	\$ 192,215	\$ 2,721,615
Receivables:				
Accounts	259,457	137,942	397,399	9,139
Inventory	-	-	-	213,397
Prepaid items	2,319	24,392	26,711	-
Total Current Assets	<u>368,094</u>	<u>248,231</u>	<u>616,325</u>	<u>2,944,151</u>
Capital Assets:				
Land	-	101,300	101,300	-
Infrastructure	952,712	-	952,712	-
Other non-depreciable assets	395,476	-	395,476	-
Depreciable capital assets, net	-	952,065	952,065	3,893,565
Total Noncurrent Assets	<u>1,348,188</u>	<u>1,053,365</u>	<u>2,401,553</u>	<u>3,893,565</u>
Total Assets	<u>1,716,282</u>	<u>1,301,596</u>	<u>3,017,878</u>	<u>6,837,716</u>
Liabilities				
Current Liabilities:				
Accounts payable	357,570	239,558	597,128	326,917
Compensated absences payable	-	19,210	19,210	5,557
Total Current Liabilities	<u>357,570</u>	<u>258,768</u>	<u>616,338</u>	<u>332,474</u>
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	-	76,842	76,842	22,228
Total Long-Term Liabilities	<u>-</u>	<u>76,842</u>	<u>76,842</u>	<u>22,228</u>
Total Liabilities	<u>357,570</u>	<u>335,610</u>	<u>693,180</u>	<u>354,702</u>
Net Position				
Net investment in capital assets	1,348,188	1,053,365	2,401,553	3,893,565
Unrestricted	10,524	(87,379)	(76,855)	2,589,449
Total Net Position	<u>\$ 1,358,712</u>	<u>\$ 965,986</u>	<u>\$ 2,324,698</u>	<u>\$ 6,483,014</u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Wastewater Utility	Jail	Total	
Operating Revenues				
Charges for services	\$ 142,123	\$ 2,754,353	\$ 2,896,476	\$ 1,780,280
Intergovernmental	-	274,458	274,458	-
Licenses and permits	50	-	50	-
Miscellaneous	251	58,677	58,928	13,980
Total Operating Revenues	142,424	3,087,488	3,229,912	1,794,260
Operating Expenses				
Administration	25,403	111,102	136,505	-
Operations	174,592	3,756,816	3,931,408	1,306,552
Depreciation	-	264,322	264,322	421,469
Total Operating Expenses	199,995	4,132,240	4,332,235	1,728,021
Operating Income (Loss)	(57,571)	(1,044,752)	(1,102,323)	66,239
Non-Operating Revenues				
Capital grant revenue	248,634	-	248,634	-
Non capital grants	-	9,705	9,705	200,000
Transfers in	-	-	-	227,000
Insurance reimbursements	-	-	-	146,336
Gain on sale of capital assets	-	-	-	51,959
Investment earnings	-	-	-	236,273
Total Non-Operating Revenues	248,634	9,705	258,339	861,568
Gain (Loss) Before Capital Contributions	191,063	(1,035,047)	(843,984)	927,807
Capital Contributions	15,000	-	15,000	-
Change in Net Position	206,063	(1,035,047)	(828,984)	927,807
Net Position Beginning of Year	1,152,649	2,001,033	3,153,682	5,555,207
Net Position End of Year	\$ 1,358,712	\$ 965,986	\$ 2,324,698	\$ 6,483,014

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Cash Flows from Operating Activities				
Cash received from customers	\$ (106,798)	\$ 3,056,293	\$ 2,949,495	\$ 1,797,422
Cash payments for goods and services	(27,321)	(1,405,223)	(1,432,544)	(623,970)
Cash payments to employees for services	-	(2,338,814)	(2,338,814)	(493,197)
Net Cash Provided (Used) by Operating Activities	(134,119)	(687,744)	(821,863)	680,255
Cash Flows from Capital and Related Financing Activities				
Non capital grants	-	9,705	9,705	200,000
Capital grants	248,634	-	248,634	-
Proceeds from sale of capital assets	-	-	-	101,317
Contributions	15,000	-	15,000	-
Payments for capital acquisitions	(219,972)	(159,839)	(379,811)	(1,095,422)
Net Cash Provided (Used) by Capital and Related Financing Activities	43,662	(150,134)	(106,472)	(794,105)
Cash Flows from Investing Activities and Transfers In				
Transfers in	-	-	-	227,000
Investment earnings	-	-	-	236,273
Insurance reimbursements	-	-	-	146,336
Net Cash Flows from Investing Activities and Transfers In	-	-	-	609,609
Net Increase in Cash and Cash Equivalents	(90,457)	(837,878)	(928,335)	495,759
Cash and Cash Equivalents Beginning of Year	196,775	923,775	1,120,550	2,225,856
Cash and Cash Equivalents End of Year	\$ 106,318	\$ 85,897	\$ 192,215	\$ 2,721,615

(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, 2023

(continued)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Jail	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ (57,571)	\$ (1,044,752)	\$ (1,102,323)	\$ 66,239
Adjustments:				
Depreciation	-	264,322	264,322	421,469
(Increase) Decrease in Assets:				
Accounts receivable	(249,222)	(31,195)	(280,417)	3,162
Prepaid expenses	-	8,518	8,518	-
Inventory	-	-	-	(72,128)
Increase in Liabilities:				
Accounts payable	172,674	76,683	249,357	254,102
Compensated absences payable	-	38,680	38,680	7,411
Net Cash Provided by Operating Activities	<u>\$ (134,119)</u>	<u>\$ (687,744)</u>	<u>\$ (821,863)</u>	<u>\$ 680,255</u>

See the accompanying notes to the basic financial statements.

Teller County, Colorado
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023

	SWTC Library Custodial Fund	Other Custodial Funds	Total
Assets			
Cash and investments	\$ 607,057	\$ 948,466	\$ 1,555,523
Total Assets	<u>607,057</u>	<u>948,466</u>	<u>1,555,523</u>
Liabilities			
County warrants outstanding	-	287,661	287,661
Accounts payable	-	273,140	273,140
Due to other entities	<u>-</u>	<u>387,665</u>	<u>387,665</u>
Total Liabilities	<u>-</u>	<u>948,466</u>	<u>948,466</u>
Net Position			
Restricted For:			
Individuals, organizations and/or other governments	<u>607,057</u>	<u>-</u>	<u>607,057</u>
Total Fiduciary Net Position	<u><u>\$ 607,057</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 607,057</u></u>

Teller County, Colorado
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2023

	SWTC Library Custodial Fund	Other Custodial Funds	Total
ADDITIONS			
Deposits from inmates	\$ -	\$ 476,355	\$ 476,355
County Clerk & Recorder collections	-	5,482,956	5,482,956
Tax collections for other entities	-	33,661,650	33,661,650
Tax collections for SWTC Library	266,488	-	266,488
Total additions	<u>266,488</u>	<u>39,620,961</u>	<u>39,887,449</u>
DEDUCTIONS			
Payments on behalf of inmates	-	476,355	476,355
County Clerk & Recorder payments to other governments	-	5,482,956	5,482,956
Tax distributions to other entities	-	33,661,650	33,661,650
Tax distributions to SWTC Library	192,377	-	192,377
Total deductions	<u>192,377</u>	<u>39,620,961</u>	<u>39,813,338</u>
Change in fiduciary net position	74,111	-	74,111
Net Position Beginning of Year	<u>532,946</u>	<u>-</u>	<u>532,946</u>
Net Position End of Year	<u><u>\$ 607,057</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 607,057</u></u>

See the accompanying independent auditors' report.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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***Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 (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

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

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

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

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

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

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

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

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, 2023

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 and custodial funds 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). Usually, property taxes assessed in 2023 that are due in 2024 would be recorded as property taxes receivable and a deferred inflow at December 31, 2023. However, due to a temporary extension at the state level the taxes were not levied until January 2024. Therefore, we did not record a receivable nor a deferred inflow of \$10,802,615 for 2023.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 2023 the County implemented Question 5.1 of GASB Implementation Guide No. 2021-1, which provides guidance on when a government should capitalize assets whose individual costs are less than the capitalization threshold but may be significant in the aggregate. This section of the Guide is effective for periods beginning after June 15, 2023 and allows for early adoption. This adoption impacted the 2023 financial statements by some smaller assets being capitalized that would not have been in the past.

During 2023 the County implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. The statement is effective for periods beginning after June 15, 2022. The County has adopted this statement as of January 1, 2023.

During 2023 the County implemented Question 23 through 25 of GASB Statement No. 99 in coordination with GASB 96.

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.

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

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

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

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

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

1-E-5 Capital Assets

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

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

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and plant	10 - 120 years	30 years
Improvements	25 – 50 years	30 years
Machinery, equipment and vehicles	5 – 30 years	5 – 25 years
Furniture and fixtures	5 – 30 years	5 – 10 years

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

1-E-6 Leases

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 records a lease receivable and deferred inflow of resources 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.

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.

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.

1-E-7 Subscription-based Information Technology Arrangements

During 2023, the County implemented GASB Statement No. 96, Subscription-based Information Technology Arrangements (SBITAs).

Subscription assets represent the County's control of the right to use an underlying asset for the subscription term, as specified in the contract, in an exchange or exchange-like transaction. Subscription assets are recognized at the commencement date based on the initial measurement of the subscription liability, plus any payments made to the vendor at or before the commencement of the subscription term or the useful life of the underlying asset. For 2023 per the implementation of GASB 96 existing subscriptions were recognized as of January 1, 2023.

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

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

For individual subscription contracts where information about the discount rate implicit in the subscription 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 subscription agreement.

1-E-8 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 at December 31, 2023.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 one item, which arises 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 lease revenue is reported in both the statement of net position and in the balance sheet of governmental funds as a deferred inflow of resources.

1-E-9 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-10 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. Information Technology Subscriptions are considered financings of the right to use an underlying asset. They are recognized as a subscription liability and an intangible right-to-use subscription asset.

1-E-11 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.
- ***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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

- ***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 and deferred outflows of resources and 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-12 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-13 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-14 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.

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.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

1-E-15 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 2023, 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, 2023, the County had the following deposits:

	Insured	Collateralized	Fair Value/ Bank Balance	Carrying Amount	Maturities
Cash On Hand	\$ -	\$ -	\$ -	\$ 41,696	
Deposits	925,784	6,462,002	7,387,786	7,369,916	
CDs	1,476,000	750,462	2,226,462	2,226,462	8/11/24-10/31/25
Total Deposits and Cash on Hand	<u>\$ 2,401,784</u>	<u>\$ 7,212,464</u>	<u>\$ 9,614,248</u>	<u>\$ 9,638,074</u>	

Investment Risk Factors - There are many factors that can affect the value of investments, some of which are custodial credit risk, credit risk and interest rate risk. The County Treasurer has established a cash and investment policy to minimize the County's exposure to these risks. The County follows Colorado state statutes for investing. As such, in 2023 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

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

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

	Fair Value/ Carrying Amount	Maturities	Rating
Investments			
GNMA	\$ 1,525	10/26/26-2/20/31	AA+
Total	\$ 1,525		

The County's investments in U.S. Agency obligations (GNMA's, Federally Guaranteed Home Loans and Treasury Notes) are valued at \$1,525 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 \$25,736,035 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	\$13,235,883	AAAm
CSAFE Cash	5,939,976	AAAmmf
CSAFE CORE	6,560,176	AAAf
Total	<u>\$25,736,035</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.

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 .

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Cash & Investment Reconciliation:

Fund Reporting Level:

Governmental Funds - Balance Sheet	\$30,906,281
Proprietary Fund Type Statement of Net Position	2,913,830
Statement of Fiduciary Assets, Liabilities & Net Position	1,555,523
Total	<u>\$35,375,634</u>

4-B. Receivables

Receivables at December 31, 2023 consisted of 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. As of 12/31/2023, the value of the lease receivable is \$1,727,372. The lessee is required to make monthly fixed payments of \$4,086. 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 12/31/2023 was \$1,665,414, and Teller County recognized lease revenue of \$47,895 during the fiscal year. Teller County has 6 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. This lease ended as of 6/30/23 and was replaced with another lease beginning 7/1/23. An initial lease receivable was recorded in the amount of \$10,780. As of 12/31/2023, the value of the lease receivable is \$0. The lessee was required to make monthly fixed payments of \$600.00. The lease had 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 12/31/2023 was \$0, and Teller County recognized lease revenue of \$3,593 during the fiscal year. The lease had no escalation clause.

On 7/1/2023, Teller County entered into a 60 month lease as Lessor for the use of the Colorado State Patrol. An initial lease receivable was recorded in the amount of \$33,618. As of 12/31/2023, the value of the lease receivable is \$30,394. The lessee is required to make monthly fixed payments of \$600. The lease has an interest rate of 2.8220%. The Land estimated useful life was unlimited as of the contract commencement. The value of the deferred inflow of resources as of 12/31/2023 was \$30,256, and Teller County recognized lease revenue of \$3,362 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>
2024	23,878	32,603	56,481
2025	25,382	32,085	57,467
2026	26,935	31,537	58,472
2027	28,540	30,958	59,498
2028	26,575	30,368	56,943
2029 - 2033	138,618	144,537	283,155
2034 - 2038	182,877	129,748	312,625
2039 - 2043	234,634	110,529	345,163
2044 - 2048	294,948	86,140	381,088
2049 - 2053	365,018	55,734	420,752
2054 - 2058	410,360	18,946	429,306

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 2024 Property taxes were levied in January 2024 due to a temporary extension from the State. 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, 2023, was as follows:

	Balance 01/1/2023	Adj to prior year Add & Deduct	Additions	Deductions	Balance 12/31/2023
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	45,717	-	82,807	10,785	117,739
Vehicles not in service	516,264	-	702,950	92,552	1,126,662
Total capital assets not being depreciated	261,762,455	-	785,757	103,337	262,444,875
Other capital assets:					
Buildings	15,873,704	-	-	-	15,873,704
Vehicles and road equipment	13,173,580	-	548,699	862,845	12,859,434
Furniture and fixtures	1,756,495	-	930,659	68,160	2,618,994
Software	335,040	-	-	123,031	212,009
Other improvements	1,277,271	-	-	-	1,277,271
Total depreciable capital assets	32,416,090	-	1,479,358	1,054,036	32,841,412
Total cost of capital assets	294,178,545	-	2,265,115	1,157,373	295,286,287
Lease Right-to-Use Assets:					
Buildings	709,990	-	-	-	709,990
Total lease assets	709,990	-	-	-	709,990
Subscription Right-to-Use Assets:					
Software	-	278,078	306,918	-	584,996
Total lease assets	-	278,078	306,918	-	584,996
Accumulated depreciation & amortization:					
Buildings	5,703,067	-	377,224	-	6,080,291
Vehicles and road equipment	10,218,363	-	463,433	814,491	9,867,305
Furniture and fixtures	1,487,647	-	77,437	59,903	1,505,181
Software	335,040	-	-	123,031	212,009
Other improvements	537,522	-	40,054	-	577,576
Lease assets	260,976	-	260,976	-	521,952
Subscriptions assets	-	-	94,041	-	94,041
Total accumulated depreciation & amortization	18,542,615	-	1,313,165	997,425	18,858,355
Governmental activities capital assets, net	\$ 276,345,920	\$ 278,078	\$ 1,258,868	\$ 159,948	\$ 277,722,918

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Additions include \$10,785 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 96, \$278,078 in subscription assets are shown as an adjustment to the prior year balances.

Governmental activities depreciation & amortization expense

	Leases	Subscriptions	Other	Total
General government	\$ 220,352	\$ 94,041	\$ 212,070	\$ 526,463
Public safety	-	-	235,948	235,948
Highways and streets	-	-	83,563	83,563
Health and welfare	40,624	-	5,098	45,722
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	-	-	-	421,469
Total governmental activities depreciation and amortization expense	\$ 260,976	\$ 94,041	\$ 536,679	\$ 1,313,165

	Balance 01/1/2023	Additions	Deductions	Balance 12/31/2023
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 101,300	\$ -	\$ -	\$ 101,300
Infrastructure - wastewater system	952,712	-	-	952,712
Construction in Progress	175,504	219,972	-	395,476
Total non-depreciable capital assets	1,229,516	219,972	-	1,449,488
Depreciable capital assets:				
Building/plant	5,407,281	-	-	5,407,281
Other improvements	405,100	-	-	405,100
Equipment	184,875	-	5,610	179,265
Furniture & fixtures	293,059	159,839	-	452,898
Total depreciable capital assets	6,290,315	159,839	5,610	6,444,544
Total cost of capital assets	7,519,831	379,811	5,610	7,894,032
Accumulated depreciation:				
Building/plant	4,703,524	180,154	-	4,883,678
Other improvements	359,561	13,503	-	373,064
Equipment	133,105	13,866	5,610	141,361
Furniture & fixtures	37,577	56,799	-	94,376
Total accumulated depreciation	5,233,767	264,322	5,610	5,492,479
Business-type activities capital assets, net	\$ 2,286,064	\$ 115,489	\$ -	\$ 2,401,553

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

4-E. Interfund Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following:

Transfers to:	Transfers From:			Total
	Social Services Fund	General Fund	Non-Major Governmental Funds	
General Fund	\$ 271,579	\$ -	\$ -	\$ 271,579
Capital projects	-	2,000,000	538,195	2,538,195
Internal Svc Fund	-	227,000		227,000
	<u>\$ 271,579</u>	<u>\$ 2,227,000</u>	<u>\$ 538,195</u>	<u>\$ 3,036,774</u>

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

4-F. 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, 2023:

	Outstanding 1/1/2023	Prior Year Adjustments	Additions	Reductions	Outstanding 12/31/2023	Amounts Due in One Year
Governmental Activities						
Leases	\$ 456,158	\$ -	\$ -	\$ 262,057	\$ 194,101	\$ 154,956
Subscriptions	-	278,078	306,918	114,792	470,204	100,015
Compensated absences*	486,237	-	893,900	756,262	623,875	130,332
Total Governmental Activities	<u>\$ 942,395</u>	<u>\$ 278,078</u>	<u>\$ 1,200,818</u>	<u>\$ 1,133,111</u>	<u>\$ 1,288,180</u>	<u>\$ 385,303</u>
Business-Type Activities						
Compensated absences	57,372	-	97,930	59,250	96,052	19,210
Total Business-Type Activities	<u>\$ 57,372</u>	<u>\$ -</u>	<u>\$ 97,930</u>	<u>\$ 59,250</u>	<u>\$ 96,052</u>	<u>\$ 19,210</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 96, \$278,078 in subscription liabilities are shown as an adjustment to the prior year balances.

The County currently has no unused lines of credit.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 \$550,879. As of 12/31/2023, the value of the lease liability is \$113,638. Teller County is required to make monthly fixed payments of \$18,773. The lease has an interest rate of 0.3800%. The value of the right to use asset as of 12/31/2023 of \$550,879 with accumulated amortization of \$440,703 is included with Buildings on the Lease Class activities table found below. Teller County has 1 extension option for 6 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. As of 12/31/2023, the value of the lease liability is \$80,463. Teller County is required to make monthly fixed payments of \$3,364. The lease has an interest rate of 0.6020%. The value of the right to use asset as of 12/31/2023 of \$159,111 with accumulated amortization of \$81,248 is included with Buildings on the Lease Class activities table found below. Teller County has 1 extension option for 12 months. The lease has an annual maximum escalation of 3%.

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	521,952

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>
2024	154,956	498	155,454
2025	39,145	118	39,263

Subscription-based Information Technology Activity

On 01/01/2023, Teller County entered into a 35 month subscription for the use of Microsoft SQL Server License. On the Government Wide Statement of net position an initial subscription liability was recorded in the amount of \$8,497. As of 12/31/2023, the value of the subscription liability is \$0.00. Teller County was required to make a single payment of \$8,513. The subscription has an interest rate of 2.7960%. The value of the right to use asset as of 12/31/2023 of \$8,497 with accumulated amortization of \$2,913 is included with Software on the Subscription Class activities table found below.

On 01/01/2023, Teller County entered into a 70 month subscription for the use of Microsoft O365 (Plan G3). On the Government Wide Statement of net position an initial subscription liability was recorded in the amount of \$247,763. As of 12/31/2023, the value of the subscription liability is \$200,252. Teller County is required to make annual fixed payments of \$53,611. The subscription has an interest rate of 2.7960%. The value of the right to use asset as of 12/31/2023 of \$247,763 with accumulated amortization of \$42,133 is included with Software on the Subscription Class activities table found below. Teller County has 1 extension option for 36 months.

On 03/01/2023, Teller County entered into a 72 month subscription for the use of Tyler Software - 409206. On the Government Wide Statement of net position an initial subscription liability was recorded in the amount of \$112,213. As of 12/31/2023, the value of the subscription liability is \$92,185. Teller County is required to make annual fixed payments of \$20,027. The subscription has an interest rate of 2.8220%. The value of the right to use asset as of 12/31/2023 of \$112,213 with accumulated amortization of \$15,585 is included with Software on the Subscription Class activities table found below. Teller County has 5 extension options, each for 12 months.

On 01/01/2023, Teller County entered into a 71 month subscription for the use of Tyler Software - 398281. On the Government Wide Statement of net position an initial subscription liability was recorded in the amount of \$20,995. As of 12/31/2023, the

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

value of the subscription liability is \$16,987. Teller County is required to make annual fixed payments of \$4,551. The subscription has an interest rate of 2.8220%. The value of the right to use asset as of 12/31/2023 of \$20,995 with accumulated amortization of \$3,548 is included with Software on the Subscription Class activities table found below. Teller County has 5 extension options, each for 12 months.

On 02/01/2023, Teller County entered into a 72 month subscription for the use of Tyler Software - 405131. On the Government Wide Statement of net position an initial subscription liability was recorded in the amount of \$194,705. As of 12/31/2023, the value of the subscription liability is \$159,956. Teller County is required to make annual fixed payments of \$34,750. The subscription has an interest rate of 2.8220%. The value of the right to use asset as of 12/31/2023 of \$194,705 with accumulated amortization of \$29,747 is included with Software on the Subscription Class activities table found below. Teller County has 5 extension options, each for 12 months.

On 01/01/2023, Teller County entered into a 86 month subscription for the use of Tyler Software - 372941. On the Government Wide Statement of net position an initial subscription liability was recorded in the amount of \$823. As of 12/31/2023, the value of the subscription liability is \$823. Teller County, CO is required to make annual fixed payments of \$300. The subscription has an interest rate of 2.8160%. The value of the right to use asset as of 12/31/2023 of \$823 with accumulated amortization of \$115 is included with Software on the Subscription Class activities table found below. Teller County has 3 extension options, each for 24 months.

Amount of Subscription Assets by Major Classes of Underlying Asset

	<u>As of Fiscal Year-end</u>	
<u>Asset Class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
Software	<u>584,996</u>	<u>94,041</u>

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>
2024	100,015	13,223	113,238
2025	102,531	10,407	112,938
2026	105,711	7,527	113,238
2027	108,381	4,557	112,938
2028	53,565	1,512	55,077

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 six months of continuous service. Total payroll for 2023 was \$15,108,813 and covered payroll totaled \$12,611,876. Contributions by the County (employer) were 7% of the eligible employee's annual compensation. Employees must contribute 4% but can increase their contribution up to ten percent on a non-deductible basis. Contributions made by the employer for 2023 were \$882,918 which represents 5.845% of total payroll and 7.0% of covered payroll and contributions made by employees for 2023 were \$504,478 each, which represents 3.34% 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.

***Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

4-H. Fund Equity (Note 1-E-11)

Fund Balances:

The components of fund balances are made up of:

	General Fund	Road & Bridge Fund	Social Services Fund	Capital Projects Fund	Other Governme ntal Funds	Total
Fund balances:						
Nonspendable:						
Prepaid expenses	\$241,243	\$6,041	\$3,050	\$300,000	\$1,025	\$551,359
Restricted for:						
Local declared emergency disaster					600,000	600,000
Parks & open space					1,514,460	1,514,460
Social services programs			1,873,991		-	1,873,991
Clerk & Recorder Expenditures				220,861	-	220,861
Plastic Bag Fees	248				-	248
Forest Svc Tittle III	3,311				-	3,311
Certified VIN fees	20,040				-	20,040
Committed to:						
Capital Projects - Constructions				242,343	-	242,343
Local declared emergency disaster-w ildfires					961,258	961,258
Assigned to:						
County Parks	96,329					96,329
Facilities Projects	145,984					145,984
I/T Vehicle Purchase	79,600					79,600
Sheriff's Annuity funds	6,752					6,752
I/T Trailer Remodel				7,710		7,710
Sheriff's Ammunition	25,217					25,217
Emergency Mgmt Communications	24,000					24,000
Fire Response Improvement Funds				163,901		163,901
New mont Mine Donation for Fairgrounds				43,804		43,804
Ensuing year's budget	5,570,113	2,256,045			-	7,826,158
County transportation system		1,503,215				1,503,215
Local declared emergency disaster					580	580
Capital purchases & projects				9,720,384	-	9,720,384
Other purposes	942				-	942
Unassigned:	4,993,539					4,993,539
Total fund balances	<u>\$11,207,318</u>	<u>\$3,765,301</u>	<u>\$1,877,041</u>	<u>\$10,699,003</u>	<u>\$3,077,323</u>	<u>\$30,625,986</u>

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Net Position:

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2023 is as follows:

	Governmental Activities	Type Activities
Cost of capital assets	\$ 295,286,287	\$ 7,894,032
Leases	709,990	-
Subscriptions	584,996	-
Less accumulated depreciation & amortization	18,858,355	5,492,479
Less capital related debt	664,305	-
Net investment in capital assets	<u>\$ 277,058,613</u>	<u>\$ 2,401,553</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>2023</u>	<u>2022</u>
Estimated Claims liability at January 1	\$ 543,675	\$ 820,249
Deposits	4,069,862	3,412,859
Less:		
Fixed Administrative Costs	996,804	897,975
HSA Fees	0	0
Claims Paid	2,738,389	2,790,443
PPACA Fees	<u>1,011</u>	<u>1,015</u>
Estimated Claims liability at December 31	<u>\$ 877,333</u>	<u>\$ 543,675</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, 2023

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

In the post pandemic labor environment, a continuing impact is the loss of potential workforce and the changed expectations of potential/current employees. The County continues to strive to hire qualified employees.

Although recession concerns are reduced from last year there is still the possibility for a recession to occur. 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 2023 the County has been able to maintain adequate fund balances which is allowing us to save for future capital purchases and buildings. The County continues to be 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.

Other concerns to revenue are possible reductions in property tax assessed values. One of the large contributors to our property tax revenues is the Newmont Cripple Creek & Victor mine. The mine is currently for sale.

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

In 2023 Teller County satisfied all eligibility requirements for a State of Colorado Water Resources and Power Development Authority Design and Engineering Grant/Loan in the amount of \$300,000. The County signed a resolution to accept the funds on 3/7/2024. The terms of the agreement allow for 80% of the Grant/Loan to be forgiven immediately. The County determined the nature of the funds to be a grant to the Wastewater fund. During prior years and 2023 the Wastewater fund incurred eligible expenses. Accordingly, revenue of \$240,000 was recognized in 2023. The remaining 20% will be forgiven if the County receives a State Revolving Fund loan which we expect to apply for in early 2025.

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.

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, 2023.

Teller County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023:

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)	280,451	67,321	421,859	702,310	489,180
CHATS/Child Care	309,266	46,969	70,690	379,956	117,659
Child Welfare	813,002	103,318	1,437,080	2,250,082	1,540,398
Regular Administration	7,246	3,358	909,677	916,923	913,035
Core Services	115,354	18,684	271,624	386,978	290,308
IV-D Administration	1,603	-969	228,269	229,872	227,300
Low-Income Energy Assistance (LEAP)	349,454	0	1,446	350,900	1,446
Adult Protective Services	0		289,545	289,545	289,545
Aid to the Needy Disabled (AND)	41,599	8,416	4,618	46,217	13,034
Old Age Pension (OAP)	387,744	-15	28,438	416,182	28,423
Food Assistance	5,443,417	0	0	5,443,417	0
FosterCare/Adoption Grant	0	0	0	0	0
1) Subtotal	7,749,136	247,082	3,663,246	11,412,382	3,910,328
Use of Parental Fees	0	0	11,479	11,479	11,479
Use of HB1451 incentives	0		31,438	31,438	31,438
RMS bkd to state not county	0	0	-38,616	-38,616	-38,616
County Only	0	0	104,041	104,041	104,041
Acctg Basis Differences	0	0	38,736	38,736	38,736
2) Subtotal	0	0	147,078	147,078	147,078
Grand Total	7,749,136	247,082	3,810,324	11,559,460	4,057,406

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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 9,256,344	\$ 9,256,344	\$ 8,996,157	\$ (260,187)
Sales taxes	2,823,195	2,823,195	3,374,643	551,448
Severance tax	75,000	75,000	610,136	535,136
E911 Authority	-	18,400	431,250	412,850
Intergovernmental	5,274,267	5,789,740	8,196,552	2,406,812
Licenses and permits	588,050	588,050	683,382	95,332
Charges for services	1,135,700	1,148,645	1,112,151	(36,494)
Fines and forfeitures	15,400	15,400	22,765	7,365
Investment earnings	109,250	146,978	768,284	621,306
Miscellaneous	23,720	38,720	98,473	59,753
Total Revenues	19,300,926	19,900,472	24,293,793	4,393,321
Expenditures				
Current:				
General government	10,700,893	12,063,647	10,263,067	1,800,580
Public safety	10,782,567	11,740,050	10,923,712	816,338
Health and human services	1,072,599	961,357	813,165	148,192
Culture and recreation	135,519	64,083	40,402	23,681
Capital Outlay	19,000	55,859	48,675	7,184
Debt Service - Leases				
Lease principal	-	-	262,057	(262,057)
Lease interest	-	-	1,507	(1,507)
Debt Service - Subscriptions				
Subscriptions principal	-	-	114,792	(114,792)
Subscriptions interest	-	-	6,659	(6,659)
Total Expenditures	22,710,578	24,884,996	22,474,036	2,410,960
Excess (Deficiency) of Revenues Over Expenditures	(3,409,652)	(4,984,524)	1,819,757	6,804,281
Other Financing Sources (Uses)				
Subscription proceeds	-	482,398	315,415	(166,983)
Insurance reimbursements	-	-	169,788	169,788
Transfers in	271,233	271,233	271,579	346
Transfers out	(307,000)	(2,307,000)	(2,227,000)	80,000
Total Other Financing Sources (Uses)	(35,767)	(1,553,369)	(1,470,218)	83,151
Net Change in Fund Balances	(3,445,419)	(6,537,893)	349,539	6,887,432
Reserve for Abatements	(15,000)	(15,000)	-	15,000
Fund Balances Beginning of Year	8,686,158	11,778,632	10,857,779	(920,853)
Fund Balances End of Year	\$ 5,225,739	\$ 5,225,739	\$ 11,207,318	\$ 5,981,579

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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 455,733	\$ 455,733	\$ 456,341	\$ 608
Sales taxes	1,242,604	1,242,604	1,480,107	237,503
Intergovernmental	3,188,641	3,188,641	3,069,254	(119,387)
Licenses and permits	18,000	18,000	15,412	(2,588)
Charges for services	14,840	14,840	14,840	-
Fines and forfeitures	1,000	1,000	12,441	11,441
Investment earnings	26,220	26,220	176,047	149,827
Miscellaneous	15,850	15,850	36,574	20,724
Total Revenues	4,962,888	4,962,888	5,261,016	298,128
Expenditures				
Current:				
Highways and streets	6,991,864	7,474,743	5,822,449	1,652,294
Total Expenditures	6,991,864	7,474,743	5,822,449	1,652,294
Net Change in Fund Balances	(2,028,976)	(2,511,855)	(561,433)	1,950,422
Reserve for Abatements	(2,000)	(2,000)	-	2,000
Fund Balances Beginning of Year	3,657,588	4,140,467	4,326,734	186,267
Fund Balances End of Year	\$ 1,626,612	\$ 1,626,612	\$ 3,765,301	\$ 2,138,689

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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 746,062	\$ 746,062	\$ 746,870	\$ 808
Intergovernmental	3,059,998	3,183,798	3,577,923	394,125
Miscellaneous	-	-	300	300
Total Revenues	3,806,060	3,929,860	4,325,093	395,233
Expenditures				
Current:				
Health and human services	4,025,409	4,163,775	3,785,822	377,953
Excess (Deficiency) of Revenues Over Expenditures	(219,349)	(233,915)	539,271	773,186
Other Financing Uses				
Transfers out	(271,233)	(271,233)	(271,579)	(346)
Total Other Financing Uses	(271,233)	(271,233)	(271,579)	(346)
Net Change in Fund Balances	(490,582)	(505,148)	267,692	772,840
Reserve for Abatements	(3,000)	(3,000)	-	3,000
Fund Balances Beginning of Year	1,431,006	1,445,572	1,609,349	163,777
Fund Balances End of Year	\$ 937,424	\$ 937,424	\$ 1,877,041	\$ 939,617

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, 2023***

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, 2023***

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>
2023	\$ 7,474,743	\$ 5,822,449
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

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:	2020	2023
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, 2026.

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>
2023	\$ 2,568	\$ 3,971
2022	568	3,070
2021	8,568	11,027
2020	2,568	5,725
2019	9,568	5,769

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, 2023

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 2023 adopted budget was amended upward from \$44,643,687 to \$50,179,019.



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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property taxes	\$ 9,256,344	\$ 9,256,344	\$ 8,983,428	\$ (272,916)
Delinquent property taxes	-	-	726	726
Interest and penalties	-	-	12,003	12,003
Sales tax	2,823,195	2,823,195	3,374,643	551,448
Severance tax	75,000	75,000	610,136	535,136
E911 Authority	-	18,400	431,250	412,850
Total Taxes	12,154,539	12,172,939	13,412,186	1,239,247
Intergovernmental				
Election fees	10,000	14,000	48,270	34,270
Specific ownership	942,361	942,361	982,819	40,458
Payment in lieu of taxes	325,000	325,000	246,771	(78,229)
Gaming taxes	1,320,000	1,320,000	1,528,536	208,536
Gaming impact grants	300,000	700,164	1,715,589	1,015,425
Cigarette taxes	7,500	7,500	17,373	9,873
Veterans office	14,400	14,400	20,962	6,562
Public health contracts	452,506	452,506	460,330	7,824
Law enforcement contracts	148,000	174,650	512,324	337,674
Forest service allocation	-	-	3,311	3,311
Federal mineral lease distribution	75,000	75,000	260,304	185,304
Sanitarian contract	20,000	20,000	20,000	-
LEAF	2,000	2,000	1,907	(93)
EMA	-	-	75,605	75,605
EMS subsidy	-	15,000	-	(15,000)
State impact assistance	700	700	742	42
State payment in lieu taxes	1,300	1,300	1,501	201
Other governmental grants	4,500	74,159	39,118	(35,041)
Other	1,651,000	1,651,000	2,261,090	610,090
Total Intergovernmental	5,274,267	5,789,740	8,196,552	2,406,812
Licenses and Permits				
Building permits	450,000	450,000	494,245	44,245
Planning and zoning fees	10,000	10,000	12,284	2,284
Elevator permits	50	50	-	(50)
Sanitation permits	32,000	32,000	33,459	1,459
Contractor licenses	70,000	70,000	84,120	14,120
Liquor licenses	1,000	1,000	3,623	2,623
Health licenses	25,000	25,000	55,651	30,651
Total Licenses and Permits	\$ 588,050	\$ 588,050	\$ 683,382	\$ 95,332

(continued)

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2023

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Charges For Services				
Fees of County Offices				
Assessor	\$ 1,500	\$ 1,500	\$ 1,311	\$ (189)
Sheriff	90,500	37,145	106,597	69,452
Clerk	625,000	645,000	526,464	(118,536)
Treasurer	350,000	350,000	407,197	57,197
Public health	5,000	5,000	32,807	27,807
Public trustee	40,000	40,000	29,125	(10,875)
Other services	23,700	70,000	8,650	(61,350)
Total Charges For Services	<u>1,135,700</u>	<u>1,148,645</u>	<u>1,112,151</u>	<u>(36,494)</u>
Fines and Forfeitures				
Model traffic code fines	15,000	15,000	19,840	4,840
Code and enforcement	-	-	1,081	1,081
Animal control	400	400	1,844	1,444
Total Fines and Forfeitures	<u>15,400</u>	<u>15,400</u>	<u>22,765</u>	<u>7,365</u>
Investment Earnings	<u>109,250</u>	<u>146,978</u>	<u>768,284</u>	<u>621,306</u>
Miscellaneous				
Other	<u>23,720</u>	<u>38,720</u>	<u>98,473</u>	<u>59,753</u>
Total Miscellaneous	<u>23,720</u>	<u>38,720</u>	<u>98,473</u>	<u>59,753</u>
Total Revenues	<u><u>\$ 19,300,926</u></u>	<u><u>\$ 19,900,472</u></u>	<u><u>\$ 24,293,793</u></u>	<u><u>\$ 4,393,321</u></u>

See the accompanying independent auditors' report.

Teller County, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
General Government				
Office of the Board	\$ 728,977	\$ 821,405	\$ 770,129	\$ 51,276
Finance	691,098	737,545	719,368	18,177
Legal services	1,136,230	1,236,230	1,167,694	68,536
Human resources	315,305	507,987	485,932	22,055
Central utilities	262,987	299,987	273,617	26,370
Public works administration	533,250	646,719	610,268	36,451
Central support	2,064,857	1,500,556	1,159,062	341,494
Information technology	1,264,730	2,009,452	1,599,143	410,309
Assessor	1,159,999	1,039,223	987,333	51,890
Clerk and recorder	837,943	875,129	831,235	43,894
Elections	44,162	58,962	56,248	2,714
Treasurer	458,385	418,362	372,648	45,714
Public trustee	101,431	113,643	100,345	13,298
County surveyor	30,684	37,324	30,499	6,825
Facilities	1,070,855	1,298,542	1,064,791	233,751
Personnel contingency	-	424,853	-	424,853
Employee benefits	-	37,728	34,755	2,973
Total General Government	10,700,893	12,063,647	10,263,067	1,800,580
Public Safety				
Law Enforcement				
Sheriff	5,018,118	5,738,692	5,593,824	144,868
Dispatch services	1,421,847	1,182,526	1,131,965	50,561
Sheriff Equitable Sharing	-	2,650	2,409	241
Detentions	2,500,000	2,500,000	2,213,836	286,164
Animal control	185,046	223,534	171,869	51,665
Search and rescue	13,652	55,495	6,508	48,987
Coronor	190,411	272,441	248,051	24,390
CDSO - administration	265,041	326,491	277,702	48,789
CDSO - operations	675,864	810,439	773,613	36,826
Environmental health	108,844	108,655	99,103	9,552
Emergency management	327,134	380,117	312,134	67,983
Fire and EMS support	70,500	119,400	77,143	42,257
Hazmat	6,110	19,610	15,555	4,055
Total Public Safety	10,782,567	11,740,050	10,923,712	816,338
Health and Human Services				
Public health	1,015,150	887,823	745,149	142,674
Veterans office	57,449	73,534	68,016	5,518
Total Health and Human Services	1,072,599	961,357	813,165	148,192
Culture and Recreation				
County parks	5,679	5,679	3,792	1,887
Extension office	129,840	58,404	36,610	21,794
Total Culture and Recreation	135,519	64,083	40,402	23,681
Capital Outlay	19,000	55,859	48,675	7,184
Debt Service - Leases				
Lease principal	-	-	262,057	(262,057)
Lease interest	-	-	1,507	(1,507)
Total Debt Service - Leases	-	-	263,564	(263,564)
Debt Service - Subscriptions				
Subscriptions principal	-	-	114,792	(114,792)
Subscriptions interest	-	-	6,659	(6,659)
Total Debt Service - Subscriptions	-	-	121,451	(121,451)
Total Expenditures	\$ 22,710,578	\$ 24,884,996	\$ 22,474,036	\$ 2,410,960

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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Sales taxes	\$ 904,616	\$ 904,616	\$ 1,065,677	\$ 161,061
Intergovernmental	330,000	380,000	437,360	57,360
Investment earnings	43,240	43,240	290,323	247,083
Lease revenue	-	-	54,850	54,850
Lease interest	-	-	32,517	32,517
Miscellaneous	79,500	79,500	110,000	30,500
Total Revenues	1,357,356	1,407,356	1,990,727	583,371
Expenditures				
Current:				
General government	-	50,000	37,538	12,462
Public safety	248,450	798,450	27,697	770,753
Capital Outlay	687,652	1,137,652	975,501	162,151
Total Expenditures	936,102	1,986,102	1,040,736	945,366
Excess (Deficiency) of Revenues Over Expenditures	421,254	(578,746)	949,991	1,528,737
Other Financing Sources				
Transfers in	538,195	538,195	2,538,195	2,000,000
Net Change in Fund Balances	959,449	(40,551)	3,488,186	3,528,737
Fund Balances Beginning of Year	6,502,798	6,952,798	7,210,817	258,019
Fund Balances End of Year	\$ 7,462,247	\$ 6,912,247	\$ 10,699,003	\$ 3,786,756

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, 2023

	Conservation Trust	Contingent	Total Nonmajor Special Revenue Funds
Assets			
Cash and investments	\$ 1,517,010	\$ 1,561,838	\$ 3,078,848
Prepaid expenses	1,025	-	1,025
Total Assets	<u>1,518,035</u>	<u>1,561,838</u>	<u>3,079,873</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	2,550	-	2,550
Total Liabilities	<u>2,550</u>	<u>-</u>	<u>2,550</u>
Fund Balances			
Nonspendable	1,025	-	1,025
Restricted	1,514,460	600,000	2,114,460
Committed	-	961,258	961,258
Assigned	-	580	580
Total Fund Balances	<u>1,515,485</u>	<u>1,561,838</u>	<u>3,077,323</u>
Total Liabilities and Fund Balances	<u>\$ 1,518,035</u>	<u>\$ 1,561,838</u>	<u>\$ 3,079,873</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, 2023

	Conservation Trust	Contingent	Total Nonmajor Special Revenue Funds
Revenues			
Property taxes	\$ -	\$ 9	\$ 9
Intergovernmental	216,624	-	216,624
Investment earnings	108,100	-	108,100
Total Revenues	324,724	9	324,733
Expenditures			
Current:			
Culture and recreation	90,798	-	90,798
Capital Outlay	16,600	-	16,600
Total Expenditures	107,398	-	107,398
Excess of Revenues Over Expenditures	217,326	9	217,335
Other Financing Sources			
Transfers out	-	(538,195)	(538,195)
Total Other Financing Sources	-	(538,195)	(538,195)
Net Change in Fund Balances	217,326	(538,186)	(320,860)
Fund Balances Beginning of Year	1,298,159	2,100,024	3,398,183
Fund Balances End of Year	\$ 1,515,485	\$ 1,561,838	\$ 3,077,323

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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 216,624	\$ 56,624
Investment earnings	16,100	16,100	108,100	92,000
Total Revenues	<u>176,100</u>	<u>176,100</u>	<u>324,724</u>	<u>148,624</u>
Expenditures				
Current:				
Culture and recreation	143,270	150,907	90,798	60,109
Capital Outlay	<u>250,000</u>	<u>250,000</u>	<u>16,600</u>	<u>233,400</u>
Total Expenditures	<u>393,270</u>	<u>400,907</u>	<u>107,398</u>	<u>293,509</u>
Net Change in Fund Balances	(217,170)	(224,807)	217,326	442,133
Fund Balances Beginning of Year	<u>1,260,838</u>	<u>1,268,475</u>	<u>1,298,159</u>	<u>29,684</u>
Fund Balances End of Year	<u><u>\$ 1,043,668</u></u>	<u><u>\$ 1,043,668</u></u>	<u><u>\$ 1,515,485</u></u>	<u><u>\$ 471,817</u></u>

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

See the accompanying independent auditors' report.

Teller County, Colorado
Contingent Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ -	\$ -	\$ 9	\$ 9
Total Revenues	-	-	9	9
Expenditures	1,561,203	1,561,203	-	(1,561,203)
Excess (Deficiency) of Revenues Over Expenditures	(1,561,203)	(1,561,203)	9	1,561,212
Other Financing Uses				
Transfers out	(538,195)	(538,195)	(538,195)	-
Total Other Financing Uses	(538,195)	(538,195)	(538,195)	-
Net Change in Fund Balances	(2,099,398)	(2,099,398)	(538,186)	1,561,212
Fund Balances Beginning of Year	2,099,978	2,099,978	2,100,024	46
Fund Balances End of Year	<u>\$ 580</u>	<u>\$ 580</u>	<u>\$ 1,561,838</u>	<u>\$ 1,561,258</u>

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

See the accompanying independent auditors' report.

Teller County, Colorado
Wastewater Utility Fund
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services	\$ 140,000	\$ 171,500	\$ 142,123	\$ (29,377)
Licenses and permits	-	-	50	50
Miscellaneous	-	-	251	251
Total Operating Revenues	<u>140,000</u>	<u>171,500</u>	<u>142,424</u>	<u>(29,076)</u>
Operating Expenses				
Administration	21,486	27,406	25,403	2,003
Operations	160,821	192,321	174,592	17,729
Total Operating Expenses	<u>182,307</u>	<u>219,727</u>	<u>199,995</u>	<u>19,732</u>
Non-Operating Revenue				
Capital grant revenue	-	-	248,634	248,634
Gain (Loss) before Capital Contributions	<u>(42,307)</u>	<u>(48,227)</u>	<u>191,063</u>	<u>(9,344)</u>
Capital Contributions	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Change in Net Position	<u>(42,307)</u>	<u>(48,227)</u>	<u>206,063</u>	<u>254,290</u>
Net Position Beginning of Year	<u>1,829,418</u>	<u>1,835,338</u>	<u>1,152,649</u>	<u>(682,689)</u>
Net Position End of Year	<u><u>\$ 1,787,111</u></u>	<u><u>\$ 1,787,111</u></u>	<u><u>\$ 1,358,712</u></u>	<u><u>\$ (428,399)</u></u>

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

See the accompanying independent auditors' report.

Teller County, Colorado
Jail Fund
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services	\$ 3,046,000	\$ 3,046,000	\$ 2,754,353	\$ (291,647)
Intergovernmental	-	275,000	274,458	(542)
Miscellaneous	50,000	50,000	58,677	8,677
Total Operating Revenues	3,096,000	3,371,000	3,087,488	(283,512)
Operating Expenses				
Administration	79,518	79,518	111,102	(31,584)
Operations	4,092,191	4,141,936	3,756,816	385,120
Depreciation	241,847	241,847	264,322	(22,475)
Total Operating Expenses	4,413,556	4,463,301	4,132,240	331,061
Operating Loss	(1,317,556)	(1,092,301)	(1,044,752)	47,549
Non-Operating Revenue				
Non capital grants	-	3,020	9,705	6,685
Total Non-Operating Revenue	-	3,020	9,705	6,685
Change in Net Position	(1,317,556)	(1,089,281)	(1,035,047)	54,234
Net Position Beginning of Year	1,783,311	1,555,036	2,001,033	445,997
Net Position End of Year	\$ 465,755	\$ 465,755	\$ 965,986	\$ 500,231

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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services	\$ 2,182,837	\$ 2,182,837	\$ 1,780,280	\$ (402,557)
Miscellaneous	-	-	13,980	13,980
Total Operating Revenues	<u>2,182,837</u>	<u>2,182,837</u>	<u>1,794,260</u>	<u>(388,577)</u>
Operating Expenses				
Operations	1,511,227	1,656,094	1,306,552	349,542
Depreciation	801,743	801,743	421,469	380,274
Total Operating Expenses	<u>2,312,970</u>	<u>2,457,837</u>	<u>1,728,021</u>	<u>729,816</u>
Operating Gain (Loss)	<u>(130,133)</u>	<u>(275,000)</u>	<u>66,239</u>	<u>341,239</u>
Non-Operating Revenue				
Non capital grants	200,000	200,000	200,000	-
Transfers in	307,000	307,000	227,000	(80,000)
Insurance Reimbursements	-	75,000	146,336	71,336
Gain on sale of capital assets	10,000	10,000	51,959	41,959
Investment earnings	35,190	35,190	236,273	201,083
Total Non-Operating Revenue	<u>552,190</u>	<u>627,190</u>	<u>861,568</u>	<u>234,378</u>
Change in Net Position	<u>422,057</u>	<u>352,190</u>	<u>927,807</u>	<u>575,617</u>
Net Position Beginning of Year	<u>5,297,939</u>	<u>5,367,806</u>	<u>5,555,207</u>	<u>187,401</u>
Net Position End of Year	<u>\$ 5,719,996</u>	<u>\$ 5,719,996</u>	<u>\$ 6,483,014</u>	<u>\$ 763,018</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 REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/23
This Information From The Records Of:	Prepared 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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	\$ 2,001,713
4. Miscellaneous local receipts (from page 2)	\$ 239,903
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	\$ -
7. Total (1 through 6)	\$ 2,241,616
B. Private Contributions	
C. Receipts from State government (from page 2)	\$ 3,006,158
D. Receipts from Federal Government (from page 2)	\$ 13,242
E. Total receipts (A.7 + B + C + D)	\$ 5,261,016

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	\$ 1,615,847
2. Maintenance:	\$ 2,178,399
3. Road and street services:	
a. Traffic control operations	\$ 153,379
b. Snow and ice removal	\$ 1,497,724
c. Other	\$ 263,037
d. Total (a. through c.)	\$ 1,914,140
4. General administration & miscellaneous	\$ 114,063
5. Highway law enforcement and safety	
6. Total (1 through 5)	\$ 5,822,449
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
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)	\$ 5,822,449

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 (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 4,326,734	\$ 5,261,016	\$ 5,822,449	\$ 3,765,301	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): 12/23	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	\$ 456,341	a. Interest on investments	\$ 176,047
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 12,441
1. Sales Taxes	\$ 1,480,107	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	\$ 15,412	f. Charges for Services	\$ 14,840
5. Specific Ownership &/or Other	\$ 49,853	g. Other Misc. Receipts	\$ 36,575
6. Total (1. through 5.)	\$ 1,545,372	h. Other	
c. Total (a. + b.)	\$ 2,001,713	i. Total (a. through h.)	\$ 239,903
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 2,526,759	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ 13,242
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 76,885	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other	\$ 402,514	f. Other Federal ARPA	
f. Total (a. through e.)	\$ 479,399	g. Total (a. through f.)	\$ 13,242
4. Total (1. + 2. + 3.f)	\$ 3,006,158	3. Total (1. + 2.g)	\$ 13,242
(Carry forward to page 1)		(Carry forward to page 1)	

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	\$ 1,615,847.00		\$ 1,615,847.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ 1,615,847.00	\$ -	\$ 1,615,847.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ 1,615,847.00	\$ -	\$ 1,615,847.00
(Carry forward to page 1)			
Notes and Comments:			



FEDERAL FINANCIAL

AWARD REPORTS

**Independent Auditors' Report On
Internal Control Over Financial Reporting
And On Compliance And Other Matters
Based On An Audit Of Financial Statements
Performed In Accordance With
*Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Teller County, Colorado (the County), as of and for the year ended December 31, 2023, 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 7, 2024.

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 in internal control over compliance may exist that were not 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 7, 2024

**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, 2023. 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, 2023.

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.

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 7, 2024

TELLER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

			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	*	\$523	\$0
Food Assistance Admin Cluster	Pass Through	CO Dept of Human Services	10.561	*	267,223	0
Sub-Total SNAP Cluster					267,746	0
Women, Infant & Children	Pass Through	CO Dept of Health and Environment	10.557	2023*2245/2024*2487	75,528	0
WIC Food Vouchers	Pass Through	CO Dept of Health and Environment	10.557	*	220,247	0
Sub-Total ALN #10.557					295,775	0
Title I - Schools and Roads Cluster	Direct		10.666		13,242	0
Total U.S. Dept of Agriculture					576,763	0
U.S. ENVIRONMENTAL PROTECTION AGENCY						
Radon Grant	Pass Through	CO Dept of Health and Environment	66.605	*	4,214	0
Total U.S. Environmental Protection Agency					4,214	0
U.S. DEPARTMENT OF HOMELAND SECURITY						
Emergency Mgmt Program	Pass Through	CO Dept of Public Safety	97.042	22EM-24-52/23EM-24-52	75,606	0
Total U.S. Dept of Homeland Security					75,606	0
U.S. DEPARTMENT OF JUSTICE						
Equitable Sharing Program	Direct		16.922		2,409	0
State Criminal Alien Assistance Program	Direct		16.606		9,705	0
Bulletproof Vest Partnership Program	Direct		16.607		7,570	0
Total U.S. Dept of Justice					19,684	0
U.S. DEPARTMENT OF TREASURY						
COVID-19 ARPA State & Local Fiscal Recovery Funds	Direct		21.027		1,904,683	0
COVID-19 HB22-1259 TANF	Pass Through	CO Dept of Human Services	21.027	*	21,533	0
Sub-Total ALN #21.027					1,926,216	0
COVID-19 ARPA Local Assistance & Tribal Consistency Func Direct			21.032		257,634	0
Total U.S. Dept of Treasury					2,183,850	0
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						
Emergency Prep and Response CORE	Pass Through	CO Dept of Health and Environment	93.069	2023*0215 AM4/2024*0117	22,912	0
Family Planning Project	Pass Through	CO Dept of Health and Environment	93.217	2021*0291	2,766	0
Immunization Programs	Pass Through	CO Dept of Health and Environment	93.268	2022*3216/2024*0061	12,297	0
COVID-19 Immunization Program #3 &4	Pass Through	CO Dept of Health and Environment	93.268	PO FHJA 2021*10316/PO FHCA 2022*3028	27,132	0
Sub-Total ALN #93.268					39,429	0
Womens Wellness Connection Cancer Prev & Early Detection	Pass Through	CO Dept of Health and Environment	93.898	GAE 2023*0047/CT FHLA 2023*2322	6,350	0
Womens Wellness Connection Clinical Services	Pass Through	CO Dept of Health and Environment	93.744	GAE 2023*0047/CT FHLA 2023*2322	2,503	0
Maternal & Child Health	Pass Through	CO Dept of Health and Environment	93.994	2023*0055	18,118	0
COVID-19 Epidemiology & Lab Capacity Round 2	Pass Through	CO Dept of Health and Environment	93.323	PO FHJA 2021*10539	68,548	0
OPHP LPHA Workforce	Pass Through	CO Dept of Health and Environment	93.354	2022-9793	64,753	0
OPHP LPHA CDC Infrastructure	Pass Through	CO Dept of Health and Environment	93.967	*	337	0
Behavioral Health	Pass Through	CO Dept of Human Services	93.104	22 IBEH 173719	80,565	0
PSSF	Pass Through	CO Dept of Human Services	93.556	*	(29)	0
IV-E Guardianship Assistance	Pass Through	CO Dept of Human Services	93.090	*	2,050	0
TANF	Pass Through	CO Dept of Human Services	93.558	*	629,865	0
Title IV-D Admin	Pass Through	CO Dept of Human Services	93.563	*	241,500	0
LEAP	Pass Through	CO Dept of Human Services	93.568	*	1,446	0
CCDF - Discretionary Cluster	Pass Through	CO Dept of Human Services	93.575	*	148,025	0
COVID-19 CCDF - Discretionary Cluster	Pass Through	CO Dept of Human Services	93.575	CRSSA Act	61,986	0
Sub-Total ALN #93.575					210,011	0
CCDF - Mandatory & Match Cluster	Pass Through	CO Dept of Human Services	93.596	*	68,716	0
Sub-Total CCDF Cluster					278,727	0
Title IV-B Child Welfare	Pass Through	CO Dept of Human Services	93.645	*	19,166	0
Title IV-E FC	Pass Through	CO Dept of Human Services	93.658	*	390,876	0
Title IV-E Adoption	Pass Through	CO Dept of Human Services	93.659	*	187,229	0
Title XX Block Grant	Pass Through	CO Dept of Human Services	93.667	*	121,389	0
COVID-19 CRF Adult Protection - Elder Justice Act	Pass Through	CO Dept of Human Services	93.747	*	10,000	0
Title XX Medicaid Cluster	Pass Through	CO Dept of Health Care Policy & Fin	93.778	*	349,451	0
Total U.S. Dept of Health & Human Services					\$2,537,951	\$0
TOTAL FEDERAL AWARDS					\$5,398,068	\$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, 2023

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, 2023.

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, 2023

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
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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, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings And Questioned Costs

None



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Summary Schedule of Prior Audit Findings December 31, 2023

The following is an update of a prior audit finding and is prepared in accordance with Title 2 CFR Part 200.511 (Audit Findings Follow-up)

Fiscal Year 2022 Audit Finding #2022-001

Summary of prior audit finding: The County did not have processes in place to track capitalizable costs within the enterprise fund. This resulted in an understatement of assets and an overstatement of expenses in 2021.

Auditor Recommendation: The County should evaluate the sufficiency of and internal control over capital expenditure accounting to ensure that all transactions are recognized in the proper period.

Status: Corrective action has been taken.

Person Responsible for Corrective Action: Vicki Caldwell, Finance Director