

San Miguel County
Financial Statements and
Independent Auditor's Report
as of
December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
San Miguel County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of San Miguel County, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the San Miguel County, Colorado, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Information about infrastructure assets reported using the modified approach and budgetary comparison information on pages 3 through 15 and 37 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Miguel County, Colorado's basic financial statements. The combining and individual fund financial statements and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual fund financial statements and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
May 27, 2015

San Miguel County

Management's Discussion and Analysis



As management of San Miguel County, we offer to readers of the San Miguel County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2014. We encourage readers to consider the information that we have furnished in the basic financial statements to better understand the financial position of San Miguel County.

Financial Highlights

- San Miguel County's assets, \$ 110.8 million, exceeded liabilities and deferred inflows of resources, \$ 12.4 million, by \$98.4 million at the end of 2014. Of this amount, \$ 19.2 million may be used to meet the County's ongoing obligations to citizens. The remaining \$ 76.6 million are invested in capital assets and \$ 2.6 million is restricted for other purposes.
- Governmental funds reported combined ending fund balances of \$22.5 million, an increase of \$ 2 million.
- The County's fund balance for the General Fund was \$ 11.7 million, an increase of \$1 million.
- Total long-term liabilities decreased by \$ 193,175 during 2014 with no new debt issued.
- General property, sales and other taxes totaled \$ 10.6 million, or 80% of general revenues.
- It is the goal of the county to maintain an operating reserve in the general fund equal to approximately six months of operating expenditures. At December 31, 2014, the General Fund has over six months of operating reserves.

Overview of the Financial Statements

This discussion and analysis is intended to serve as introduction San Miguel County's basic financial statements, which are comprised of: 1. government-wide financial statements. 2. Fund financial statements. 3. Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

San Miguel County
Management's Discussion and Analysis

Government-wide financial statements

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

The *statement of net position* presents information on all of the County's assets, deferred outflow of resources, liabilities and deferred inflow of resources 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 is improving or deteriorating.

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

Both of the government-wide financial statements distinguish activities of San Miguel County that are primarily supported by taxes and state/federal monies (intergovernmental activities) from activities that are intended to be funded primarily from user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public health and welfare, open space and recreation, road and bridge, and agriculture/natural resources.

The government-wide financial statements include not only San Miguel County government itself (known as the primary government), but also legally separate entities, the San Miguel County Housing Authority, and the San Miguel County Solid Waste Disposal District, which have significant operational and financial relationships with the County.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's operations. San Miguel County has one fiduciary fund the Treasurer's Agency Fund. This fund is used to account for cash held by the County Treasurer for distribution to other governments.

San Miguel County
Management's Discussion and Analysis

Fund Financial Statements

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

Governmental Funds

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

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

San Miguel County maintains thirteen governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, the Road and Bridge Fund, and the Open Space Fund all of which are considered to be major funds. Information from the other ten governmental funds, Public Welfare Fund, Sales Tax Fund, Transit Fund, Contingent Fund, Retirement Fund, Conservation Trust Fund, Lodging Tax Tourism, Public Health Fund, Energy Fund and Dependent Districts are combined into a single, aggregated presentation.

The County's financial statements include the accounts of all county operations including general operations (general fund), and special revenue funds, including road and bridge, social services, capital expenditures, contingent, retirement, conservation trust and lodging tax tourism funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

San Miguel County Management's Discussion and Analysis

- **GENERAL FUND** is the general operating fund of the county. It is used to account for all financial resources except those required to be accounted for as special revenue funds.
- **Road & Bridge Fund** receives local property tax revenues of \$ 1,387,587, state highway users tax of \$ 1,862,917, plus revenues from other sources designated for construction, improvements, maintenance and administration of county roads and bridges.
- **Open Space Fund** accounts for the property tax revenue, user fees, and grant funds that are collected and used for the acquisition of land and the building and maintenance of recreational facilities.
- **Public Welfare Fund** receives federal and state funds plus local mill levy revenues \$ 118,018 designated for public welfare programs.
- **Sales Tax Capital Fund** revenues are deposited to this fund and used for county capital expenditures. The fund accounts for one half of the revenues from the county's 1% sales tax. The remaining one half of the sales tax revenue goes to the general fund for general operations, with the first \$15,000 monthly (\$195,000/13 months) of the General Fund portion to be used for Jail operations.
- **Contingent Fund** is a reserve fund to be used for contingencies or emergencies that could not have been reasonably foreseen at the time of adoption of the budget. Included in this fund are the mandatory emergency reserves of 3% of annual Fiscal Year Spending (FYS) as required by Article X, Section 20, part 5, of the Colorado Constitution. In the case of a contingency, the Board of Commissioners is authorized to spend in excess of the appropriations.
- **Transit Fund** is used for public transportation. Funding sources include transportation impact fees and interest earnings.
- **Retirement Fund** is used for county employees which participate in a defined contribution retirement savings plan, a 5% payroll deduction matched by the county, with a 5-year vesting provision. Funded by property tax. The plan is administered by the Colorado County Officials and Employees Retirement Association.
- **Conservation Trust Fund** receives funds distributed to the county from the Colorado lottery (GOCO), which are designated for the acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.
- **Public Health** accounts for all revenues and expenditures related to the administration of public health services and programs. The fund was set up pursuant to Senate Bill – 08-194.
- **Lodging Tax Tourism Fund**-Approved by voters in 1993, a 2% lodging tax was imposed for advertising and marketing tourism throughout San Miguel County. Currently, by contract, funds collected in the Telluride Region are 'passed through' to for promotion services, funds collected in the Norwood Region are 'passed through' to the Norwood Chamber for promotion services.
- **Energy Fund**-This fund was created in 2011 per Resolution 2011-50 for the sole purpose of funding capital expenses associated with the purchase, installation, and/or construction of renewable energy and/or energy conservation facilities or projects located within San Miguel County.

San Miguel County
Management's Discussion and Analysis

OTHER DISTRICTS/SPENDING AUTHORITIES-The San Miguel County Board of County Commissioners is also the governing board for various spending authorities and special districts. Depending on the statutory authority of generating revenues, these are operated similar to Governmental Funds or operated as enterprise funds. The BOCC is responsible for budgetary control over these funds, districts and authorities.

➤ **San Miguel County Housing Authority**

Created on or about December 11, 1980 and activated in 1991 to facilitate employee housing projects in the Telluride region via bond issues, writing and receiving grants, and administering the County's deed restriction program. Budgets are prepared as an administrative tool, but are not required by State Statute. The governing body of the San Miguel County Housing Authority is the San Miguel County Board of County Commissioners. Most functions of the Authority are contracted to the San Miguel Regional Housing Authority.

➤ **San Miguel County Solid Waste Disposal District**

An entity created in 1991 pursuant to the provisions of 30-20-201 C.R.S. to assist in providing current and long term disposal of solid waste, trash and garbage within San Miguel County. The daily operations are assigned to the County Department of Environmental Health with the Board of County Commissioners acting as the governing board.

BUDGET POLICIES

The Board of Commissioners follows certain procedures in establishing the budgetary data reflected in the financial documents:

- (1) In accordance with statutory requirements, prior to October 15, the finance manager submits to the board (County Administrator) a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year, along with estimates for the current year and the actual data from the three preceding years. Detailed line item budgets received from each department and spending agency are included and reviewed for administrative control. The level of control of individual budgets exists with the elected official or department head.
- (2) Work sessions are held with department heads and public hearings are held to obtain public comment. All work sessions as well as public hearings are properly noticed and public comment is accepted.

San Miguel County
Management's Discussion and Analysis

- (3) Prior to December 31, the budgets are adopted pursuant to state statute by the approval of a resolution and approved in accordance with generally accepted accounting principles (GAAP).
- (4) Financial reports are reviewed with the County Administrator throughout the budget year comparing actual revenues and expenditures with the approved budgets. Any significant discrepancies from budgeted receipts or spending are discussed and resolved.
- (5) Appropriations lapse at the end of each fiscal year (statutory provision). If certain programs or projects have been approved for a budget year and not completed during that budget year, consideration is given to carrying unused funds forward to the next budget year for project completion.
- (6) All monies received by the County, its agencies, departments and programs, must be deposited with the County Treasurer and included in the annual budget and appropriations in order to be spent. The Board of Commissioners may authorize supplemental appropriations to the budgets during the budget year.

Budgetary Comparisons

San Miguel County adopts an annual appropriated budget for all of its funds. Budget to actual comparisons for each fund are provided in this report.

Notes to the Financial Statements

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

Other information

The combining statements referred to earlier in connection with non-major governmental, enterprise and internal service funds are presented immediately following the notes to the financial statements.

San Miguel County
Management's Discussion and Analysis

COUNTY-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2014, assets exceeded liabilities by \$ 98.4 million.

The following table provides a summary of the County's governmental type net position for 2014 and 2013.

Assets	Governmental Activities	
	2014	2013
Current and other assets	\$ 31,883,661	\$ 30,155,733
Capital assets, net	78,935,913	78,716,439
Total assets	<u>110,819,574</u>	<u>108,872,172</u>
Liabilities		
Current and other liabilities	1,690,209	1,748,135
Long-term liabilities	3,046,435	2,991,699
Total liabilities	<u>4,736,644</u>	<u>4,739,834</u>
Deferred Inflows of resources		
Deferred revenue other	358,570	429,022
Deferred property tax revenue	7,299,421	7,373,364
Total Deferred Inflows of resources	<u>7,657,991</u>	<u>7,802,386</u>
Net Position		
Investment in capital assets	76,617,494	76,204,845
Restricted	2,539,793	2,640,937
Unrestricted	19,267,652	17,484,170
Total net position	<u>\$ 98,424,939</u>	<u>\$ 96,329,952</u>

San Miguel County
Management's Discussion and Analysis

Changes in Net Position

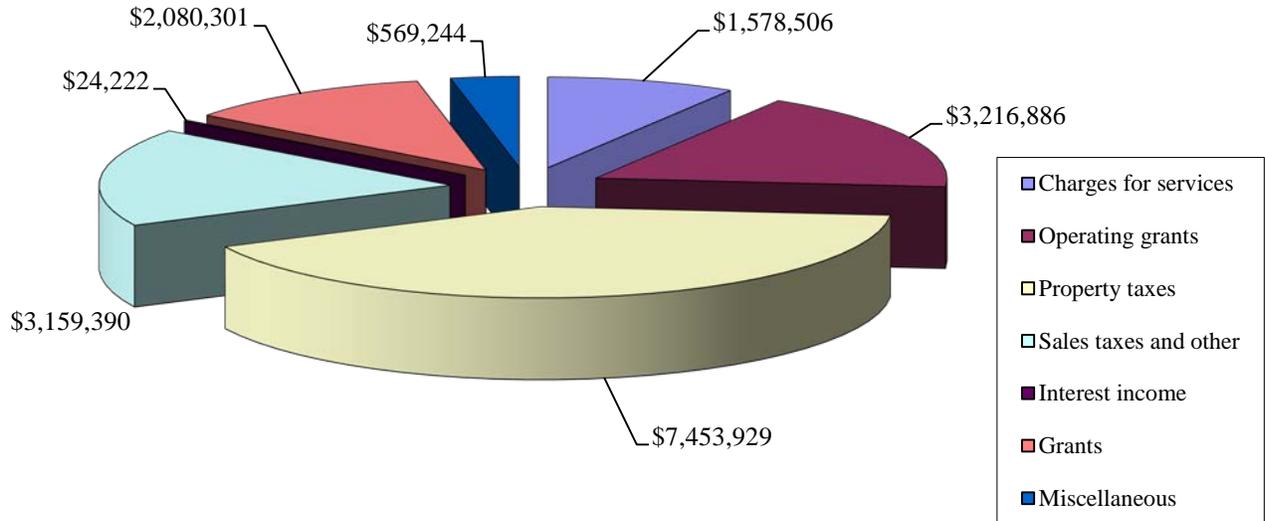
Governmental type activities increased the County's net position by \$2,094,987 in 2014.

The following table indicates the changes in net assets for governmental and business-type activities for 2014 and 2013.

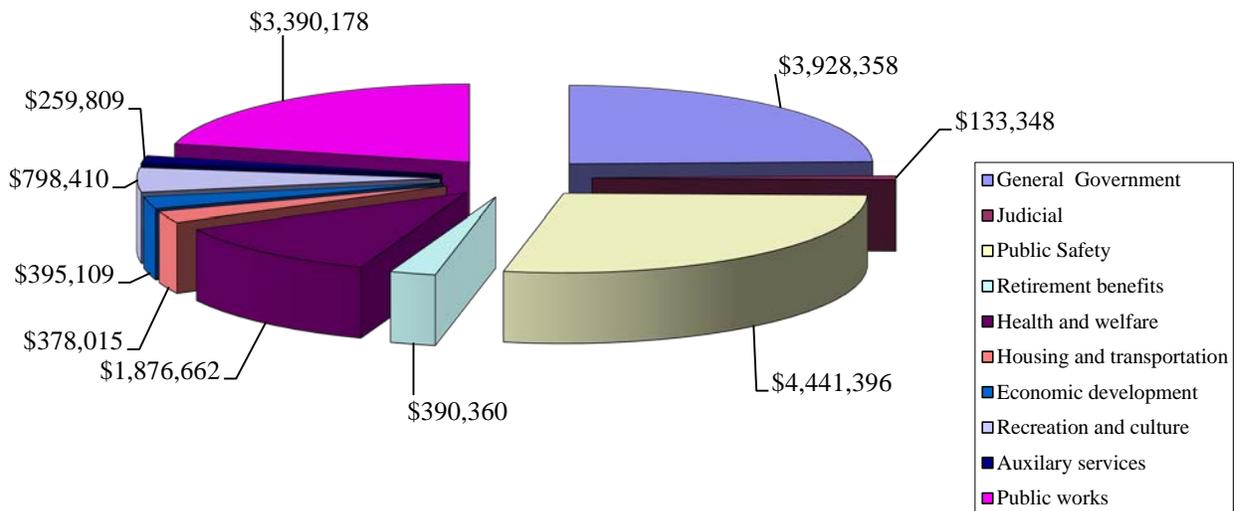
	Governmental Activities	
	2014	2013
Revenues		
Program revenues		
Charges for services	\$ 1,578,506	\$ 1,668,202
Operating grants	3,216,886	3,033,927
General Revenues		
Property taxes	7,453,929	8,714,465
Sales taxes and other	3,159,390	3,205,121
Interest income	24,222	33,145
Federal and state grants	2,080,301	1,665,308
Miscellaneous	573,417	522,632
Loss on sale of assets	(4,173)	(12,794)
Total	18,082,478	18,830,006
Expenses		
General government	3,928,358	4,424,239
Judicial	133,348	124,712
Public safety	4,441,396	4,083,727
Retirement benefits	390,360	401,623
Health and welfare	1,876,662	2,025,240
Housing and transportation	378,015	313,303
Economic development	395,109	372,490
Recreation and culture	798,410	1,274,404
Auxiliary services	259,809	120,711
Public works	3,390,178	3,627,223
Total expenses	15,991,645	16,767,672
Increase in net position	2,090,833	2,062,334
Beginning	96,329,952	94,261,782
Prior Period Adjustment	4,154	5,836
Ending	\$ 98,424,939	\$ 96,329,952

San Miguel County Management's Discussion and Analysis

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



San Miguel County
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds

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

As of the end of 2014, the combined ending fund balances of San Miguel County's governmental funds were \$ 22,535,461. Approximately 51% of this consists of unreserved fund balance which is available as working capital and for current spending in accordance with the purposes of the specific funds.

The County has three major governmental funds. These are the General Fund and the Road and Bridge Fund, and Open Space Fund.

	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
Capital assets not being depreciated				
Land	\$ 7,041,200	\$ -	\$ -	\$ 7,041,200
Construction in progress	-	210,466		210,466
Infrastructure	59,010,255	46,336	-	59,056,591
Total capital assets not being depreciated	<u>66,051,455</u>	<u>256,802</u>	<u>-</u>	<u>66,308,257</u>
Capital assets being depreciated				
Buildings and improvements	15,623,939	162,222	-	15,786,161
Equipment and furniture	7,114,482	541,420	(68,870)	7,587,032
Total capital assets being depreciated	<u>22,738,421</u>	<u>703,642</u>	<u>(68,870)</u>	<u>23,373,193</u>
Less accumulated depreciation				
Buildings and improvements	4,798,459	346,916	-	5,145,375
Equipment and furniture	5,274,978	389,143	(63,959)	5,600,162
Total accumulated depreciation	<u>10,073,437</u>	<u>736,059</u>	<u>(63,959)</u>	<u>10,745,537</u>
Total capital assets being depreciated, net	<u>12,664,984</u>	<u>(32,417)</u>	<u>(4,911)</u>	<u>12,627,656</u>
Governmental activities capital assets	<u>\$ 78,716,439</u>	<u>\$ 224,385</u>	<u>\$ (4,911)</u>	<u>\$ 78,935,913</u>

San Miguel County
Management's Discussion and Analysis

Economic Factors & Future Budget

- As of December 31, 2014 San Miguel County's general fund continues to be in a very strong financial position with an estimated ending fund balance for 2015 at 113% or 13.5 months of operating reserve. Although this reserve is very high, it will be needed to offset the projected future revenue shortages of property tax revenues, federal funding levels, and state funding levels in the next five years. Projected expenditures in the General Fund for 2015 exceed the projected revenues by approximately \$676,868. Continual fiscal monitoring is needed by all management staff in order to control expenditures, collect revenues, and monitor operating budgets. This approach has helped maintain a healthy fund balance each year.
- The total assessed valuation for budget year 2015 has decreased by \$7,306,720. This represents a loss of property tax revenue in the amount of \$73,944 for all funds. San Miguel County's mill levy totals 10.120 for budget year 2015. San Miguel County citizens have approved the removal of the constitutional limitations of TABOR (Taxpayers Bill of Rights).
- Sales tax revenues increased in 2014 by 13.15% over the 2013 revenues. Revenue trends are showing that the sales tax collections overall have seen slight increases during fiscal year 2014. Staff continues to be conservative on the projections for 2015, but are estimating a 3% increase over the 2014 estimated revenues. Sales tax related to cannabis sales have increased the overall collections in 2014 by \$50,809.
- Lodging tax revenues for 2014 were up 8.25% compared to 2013. The 2015 projected revenue is very conservative to 2014 actuals; however, whatever is received is distributed. These revenues are passed thru to Marketing Telluride and the Norwood Chamber of Commerce to help promote tourism and recreation in the County.
- It is very difficult to predict construction activity. Building permit fees collected by San Miguel County are calculated from a formula devised by the International Code Council. The fees are relative to the cost of the project and the fees are intended to cover the expense of providing code review & inspection services for the project. San Miguel County Building Department also collects a Use Tax with the building permit fees. The Use Tax amount is derived from the anticipated cost of materials being used in the project. The Use Tax is calculated as a 1% tax on 40% of the project cost (the 40% is estimated to be the cost of materials). In order to feel confident about a construction price the Building Department does require a line-item budget and/or a contract for the project to be submitted with the building permit application.
- Community Support requests were eliminated from the General Fund for 2015, with the exceptions of a \$20,000 contribution to EcoAction Partners, a \$5,000 contribution to the Telluride Airport Authority, and a \$12,000 contribution to the Telluride Foundation. Requests budgeted in the Social Services Fund total \$60,000 and requests budgeted in the Open Space Fund total \$42,700. These are discretionary funds that are designated by the Board of County Commissioners.
- Investment interest in 2014 remained at low levels. Annual interest rates vary from .000998 to .20 for banking investments with limits on accepted public deposits. Alpine Bank, utilized for operational funds, paid no interest on public deposits, however charged no fees. Public Investment Pools yielded between .08 and .12 monthly. 2014 Bond investments yielded .45% for a 2 year callable bond. Low interest rates are anticipated to remain with a minimal increase anticipated in 2015.
- PILT (Federal Payment in Lieu of Tax) funding in the amount of \$928,867 was received for fiscal year 2014. At this time, it is unclear as to what level of funding, if any, will be received by San Miguel County for fiscal year 2015; however, \$800,000 is being projected to be received in 2015.

San Miguel County Management's Discussion and Analysis

Given the uncertainty of the future of the PILT program, staff is being very conservative in the future projections of this revenue and has dropped the projections to \$400,000 in years 2016 – 2018.

- Public transportation continues to be a very important alternative for the many commuters traveling from Montrose, Ridgway, Norwood, and west Montrose County to the Telluride area. In 2014 San Miguel County spent \$261,600 for transit services (Galloping Goose) to Norwood and \$4,579 for the van pool to Ridgway. The Ridgway van pool expenditures included non-routine maintenance and insurance for the two vans. San Miguel County owns the vans and there was no debt service associated with these vans since 2012. Revenues to fund this function currently come primarily from real estate transfer taxes. San Miguel County has received FTA Operational Grants the past two years in the amount of \$78,750 for each year. This grant is used to help fund the costs associated with the Norwood transit, Down Valley transit, and ½ of the Lawson Hill transit routes. In addition, San Miguel County has been awarded a grant from the State of Colorado in the amount of \$60,800 to replace the two commuter vans that are currently being used for the Ridgway/Montrose routes. This grant requires a 25% or \$15,200 local match. Vehicles are scheduled to be purchased in 2015.
- Staffing will continue to maintain at the current levels for 2015. The 2015 budget includes funding for 110.88 FTE's. This is down 13.84% from 2009.
- The county signed a purchase contract for purchase of the O.A. Greagor Boy Scout property near Miramonte Reservoir in 7/2014. (Actually purchase occurred in 2/2015) The 160-acre property contains mapped Gunnison Sage-grouse habitat and is adjacent to the largest population of the bird in the San Miguel basin. The Gunnison Sage-grouse was listed as a threatened species under the Endangered Species Act in fall 2014.
- The Open Space Program paid some of the transaction costs on a potential conservation easement on a 980-acre parcel near the Gurley Reservoir. Closing on this purchased easement is pending in 2015.
- A new trail connecting the Galloping Goose underpass at Society Turn with the top of Keystone falls was substantially completed in 2014. The segment completes a 21-mile section of the Galloping Goose trail from the Town of Telluride to the top of Lizard Head pass. The San Miguel Valley Corp., Town of Telluride, Town of Mountain Village, and Lawson Hill HOA provided access easements. The trail is a short single tract, with two metal bridges crossing the San Miguel River and two wooden foot bridges spanning wetland areas.
- San Miguel County attorneys have spent more than four years researching and litigating the Gold Hill Development Company's (GHDC) claim that the Wasatch Trail in upper Bear Creek as it traverses certain private mining claims is closed to public recreational traffic. Although the Wasatch Trail is under the jurisdiction of the USFS, San Miguel County stepped up to challenge when GHDC launched a campaign warning hikers that the popular trail was closed. The County asserted in district court that the Wasatch and East Fork Trails are public by prescription and R.S. 2477 which is a specific kind of dedication of a right of way for public highway purposes located on the public domain. For more than a century, the public has continuously used both trails adversely and under a claim of right, in substantially the same alignment, with the knowledge of GHDC and its predecessors in title, and without objection until 2010, when GHDC first notified the public that the trails were closed across its private property. A claim of right was established as a matter of law in 1879 when the Ouray County Commissioners declared most of the trail alignment to be a County Trail. In 1879, San Miguel County was part of Ouray County. In addition to the 1879 Ouray County claim of right as a matter of law, in 1886 the San Miguel County Commissioners appropriated money for maintenance of the Nellie Bridge. And in 1889 and 1911 the Commissioners again appropriated money for maintaining the roads and trails in Bear Creek. Locally, the Bear Creek trail system was one of the primary transportation and shipping routes leading in and out of the San Miguel River valley, along with Boomerang Road, Bridal Veil Road and Tomboy Road.

San Miguel County Management's Discussion and Analysis

District Judge Mary E. Deganhart ruled in favor of San Miguel County in July 2014. GDHC appealed to the Colorado court of appeals. At this writing, oral arguments have been scheduled for mid-2015. Litigation costs are currently at \$186,000.

- OSR continues to support the Nordic Trails Program with by contracting for the winter maintenance of the access road, providing a \$10,000 cash contribution to O&M, and providing grooming staff 2.5 days a week for the season.
- The county concluded a lengthy process with the Successor Trustee of the Placerville Town site Trust to purchase the land on which the schoolhouse is located. The schoolhouse and its surrounding land, 1.14 acres, are now officially part of the Placerville Park.
- Accomplishments at the fairgrounds this year included a new bathroom, and new brand patio and retaining wall to the east of the indoor arena. New additions also include concrete drainage aprons at the grandstands, and upgrade of the sprinkler system at the ball fields.
- In keeping with the OSR goal of obtaining a cultural survey on one historic property per year, in 2014 the program was pleased to survey the Adams Ranch aka the True Grit Ranch prior to restoration activities on the structures by new owners.
- The first phase of repair work on the Trout Lake Water Tank was completed in summer 2014. The work consisted of grading the toe of the slope away from the foundation and putting in drainage structures to carry water away from the foundation and across the road. The tank interior was cleared of accumulated silt and debris.
- The future of Pandora Mill is still uncertain. Slated for demolition, the county began discussions with the mill's owner, Idarado Mining Company, in 2014. The county paid for an engineering study that states that the metal superstructure is sound. The report cited a number of needed repairs with roof repairs being a major concern. OSR presently has two quotes for roof repair. At this time, the county and Idarado Mining Company have not determined a course of action.
- 2014 was a challenging but productive year for the Vegetation Management program as the program transitioned to new management under Ron Mabry, Ouray County's weed manager. Ron and crew completed treatments on all county roads, trails and park lands, as well as fulfilling contracts and agreements with municipalities and federal agencies.

The dedicated staff of San Miguel County will continue to look for ways to improve processes, and will work to maintain quality service levels for the citizens and taxpayers of San Miguel County. Staff continues to be committed to making wise spending decisions every day in order to make the most of every taxpayer dollar. This attitude is a key factor in successful budgeting and financial management.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of San Miguel County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to San Miguel County Finance Department, PO Box 486, Norwood, CO 81423; 970.327.4885; finance@sanmiguelcountycogov.

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2014

	Primary Government	
	Governmental Activities	
	2014	2013
Assets		
Cash and cash equivalents	\$ 23,209,526	\$ 21,509,718
Property taxes receivable	7,299,421	7,373,364
Land for resale	227,089	227,089
Accrued interest receivable	-	7,467
Accounts receivable	944,782	778,589
Due from other governmental units	44,741	30,394
Prepaid expenses	-	6,674
Inventories	158,102	222,438
Capital assets		
Nondepreciable	66,308,257	66,051,455
Depreciable, net of accumulated depreciation	<u>12,627,656</u>	<u>12,664,984</u>
Total assets	<u>110,819,574</u>	<u>108,872,172</u>
Liabilities		
Accounts payable	794,204	647,190
Accrued vacation and sick leave	804,154	1,078,945
Accrued payroll	40,851	-
Deposit-bond payable	51,000	22,000
Long-term liabilities		
Due more than one year:		
Leases payable	2,318,419	2,511,594
Accrued vacation and sick leave	<u>728,016</u>	<u>480,105</u>
Total liabilities	<u>4,736,644</u>	<u>4,739,834</u>
Deferred Inflows of Resources		
Deferred revenue other	358,570	429,022
Deferred property tax revenue	<u>7,299,421</u>	<u>7,373,364</u>
Total deferred inflows of resources	<u>7,657,991</u>	<u>7,802,386</u>
Net position		
Invested in capital assets	76,617,494	76,204,845
Restricted for:		
Vegetation control	61,026	56,108
Seizure funds	1,385	1,385
Telecam/Goose trail	-	48,467
Health Insurance	64,369	64,369
Emergencies	627,831	627,831
Transportation	276,911	297,547
Housing	1,316,274	1,302,982
Solid waste	191,997	242,248
Unrestricted:	<u>19,267,652</u>	<u>17,484,170</u>
Total Net position	<u>\$ 98,424,939</u>	<u>\$ 96,329,952</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services & Fees	Operating and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,928,358	\$ 1,182,898	\$ -	\$ -
Judicial	133,348	-	-	-
Public safety	4,441,396	61,512	-	-
Retirement Benefits	390,360	-	-	-
Health and welfare	1,876,662	95,317	1,186,641	-
Housing and transportation	378,015	113,510	78,751	-
Economic development	395,109	-	-	-
Recreation and culture	798,410	107,776	88,577	-
Auxiliary services	259,809	-	-	-
Public works	3,390,178	17,493	1,862,917	-
Total governmental activities	15,991,645	1,578,506	3,216,886	-

General Revenues

Taxes:

 Property taxes

 Sales taxes and other

Unrestricted investment earnings

Federal and state grants

Other general revenues

Loss on disposal of assets

Total General Revenues

Changes in Net Position

Net Position-January 1

Prior Period Adjustment

Net Position-December 31

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position
Primary Government

<u>2014</u>	<u>2013</u>
\$ (2,745,460)	\$ (3,130,495)
(133,348)	(124,712)
(4,379,884)	(4,047,501)
(390,360)	(401,623)
(594,704)	(749,729)
(185,754)	(195,079)
(395,109)	(372,490)
(602,057)	(1,154,966)
(259,809)	(120,711)
(1,509,768)	(1,768,237)
<u>(11,196,253)</u>	<u>(12,065,543)</u>
7,453,929	8,714,465
3,159,390	3,205,121
24,222	33,145
2,080,301	1,665,308
573,417	522,632
(4,173)	(12,794)
<u>13,287,086</u>	<u>14,127,877</u>
2,090,833	2,062,334
96,329,952	94,261,782
4,154	5,836
<u>\$ 98,424,939</u>	<u>\$ 96,329,952</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Open Space</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 12,412,337	\$ 3,843,553	\$ 2,606,697	\$ 4,346,939	\$ 23,209,526
Property taxes receivable	4,453,945	1,370,445	1,081,930	393,101	7,299,421
Land for resale	-	-	-	227,089	227,089
Accounts receivable	284,773	113,226	129,079	417,704	944,782
Due from other governmental units	-	-	-	44,741	44,741
Inventories	-	158,102	-	-	158,102
Total assets	<u>\$ 17,151,055</u>	<u>\$ 5,485,326</u>	<u>\$ 3,817,706</u>	<u>\$ 5,429,574</u>	<u>\$ 31,883,661</u>
Liabilities and fund balance					
Liabilities					
Accounts payable	\$ 380,925	\$ 86,732	\$ 85,609	\$ 240,938	\$ 794,204
Accrued payroll	5,941	33,087	-	1,823	40,851
Accrued vacation and sick leave	528,324	232,239	3,362	40,229	804,154
Deposit-bond payable	-	51,000	-	-	51,000
Total liabilities	<u>915,190</u>	<u>403,058</u>	<u>88,971</u>	<u>282,990</u>	<u>1,690,209</u>
Deferred Inflows of Resources					
Unearned revenue	57,801	-	299,998	771	358,570
Deferred property tax revenue	4,453,945	1,370,445	1,081,930	393,101	7,299,421
Total deferred inflows of resources	<u>4,511,746</u>	<u>1,370,445</u>	<u>1,381,928</u>	<u>393,872</u>	<u>7,657,991</u>
Fund balances					
Restricted					
Emergencies for labor	-	-	-	627,831	627,831
Park and recreation	-	-	-	21,112	21,112
Public health and welfare	-	-	-	83,105	83,105
Committed					
Transportation	-	-	-	276,911	276,911
Housing	-	-	-	1,316,274	1,316,274
Tourism	-	-	-	8,253	8,253
Solid waste	-	-	-	191,997	191,997
Employee benefits	-	-	-	81,320	81,320
Capital purchases	-	-	-	2,001,197	2,001,197
Open space	-	-	2,346,807	-	2,346,807
Highway and streets	-	3,711,823	-	-	3,711,823
Energy	-	-	-	75,185	75,185
Air quality	-	-	-	69,527	69,527
Assigned					
Vegetation control	61,026	-	-	-	61,026
Seizure funds	1,385	-	-	-	1,385
Health insurance	64,369	-	-	-	64,369
Unassigned	11,597,339	-	-	-	11,597,339
Total fund balances	<u>11,724,119</u>	<u>3,711,823</u>	<u>2,346,807</u>	<u>4,752,712</u>	<u>22,535,461</u>
Total liabilities and fund balances	<u>\$ 17,151,055</u>	<u>\$ 5,485,326</u>	<u>\$ 3,817,706</u>	<u>\$ 5,429,574</u>	<u>\$ 31,883,661</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2014

Total governmental fund balances	\$ 22,535,461
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	78,935,913
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Leases Payable	(2,318,419)
Compensated absences	(728,016)
Net position of governmental activities	<u><u>\$ 98,424,939</u></u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2014

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Open Space</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 6,092,991	\$ 1,446,700	\$ 1,142,129	\$ 1,909,498	\$ 10,591,318
Intergovernmental	1,778,597	2,064,639	63,239	1,412,713	5,319,188
Licenses and permits	145,549	3,750	-	40,261	189,560
Charges for services	1,098,861	-	-	182,309	1,281,170
Miscellaneous	315,822	25,798	107,776	256,019	705,415
Total revenues	<u>9,431,820</u>	<u>3,540,887</u>	<u>1,313,144</u>	<u>3,800,800</u>	<u>18,086,651</u>
Expenditures					
Current:					
General government	3,573,305	-	-	-	3,573,305
Judicial	133,348	-	-	-	133,348
Public safety	4,071,280	-	-	110,294	4,181,574
Retirement benefits	-	-	-	390,360	390,360
Health and welfare	-	-	-	1,891,662	1,891,662
Housing and transportation	-	-	-	378,015	378,015
Economic development	-	-	-	395,109	395,109
Energy programs	-	-	-	24,815	24,815
Recreation and culture	-	-	1,028,642	-	1,028,642
Auxiliary services	259,809	-	-	-	259,809
Public Works	-	3,402,792	-	-	3,402,792
Debt Service	-	-	-	244,200	244,200
Capital outlay	-	-	-	193,327	193,327
Total expenditures	<u>8,037,742</u>	<u>3,402,792</u>	<u>1,028,642</u>	<u>3,627,782</u>	<u>16,096,958</u>
Excess (deficiency) of revenues over expenditures	<u>1,394,078</u>	<u>138,095</u>	<u>284,502</u>	<u>173,018</u>	<u>1,989,693</u>
Other financing sources (uses)					
Transfers in (out)	(380,532)	203,188	134,232	43,112	-
Sale of assets	-	738	-	-	738
Total other financing sources (uses)	<u>(380,532)</u>	<u>203,926</u>	<u>134,232</u>	<u>43,112</u>	<u>738</u>
Net change to fund balance	1,013,546	342,021	418,734	216,130	1,990,431
Fund balance, January 1	10,710,573	3,434,138	1,928,073	4,532,428	20,605,212
Prior period adjustment	-	-	-	4,154	4,154
Increase an inventory	-	(64,336)	-	-	(64,336)
Fund balance, December 31	<u>\$ 11,724,119</u>	<u>\$ 3,711,823</u>	<u>\$ 2,346,807</u>	<u>\$ 4,752,712</u>	<u>\$ 22,535,461</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

Net change in fund balances - total governmental funds \$ 1,990,431

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

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

Fixed assets current additions	\$ 960,444	
Depreciation expense	<u>(736,059)</u>	
Excess of capital outlay over depreciation		224,385

The net effect of various transactions involving capital assets(i.e.,sales, trade ins, and contributions) is to decrease net assets. (4,911)

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

Principal payments on debt service		193,175
Compensated absences		(247,911)
Inventory Increase		(64,336)

Change in net position of governmental funds \$ 2,090,833

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2014

Treasurer's Agency Fund

Cash and investments	<u>\$ 502,479</u>
Due to other governments	<u>\$ 502,479</u>

Note 1 – Summary of Significant Accounting Policies

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

Financial Reporting Entity

San Miguel County is located in western Colorado with a population of approximately 7,700. The principal towns are Telluride, Mountain Village and Norwood. San Miguel County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County has six other elected officials; the Assessor, the Clerk and Recorder, the Coroner, the Sheriff, the Surveyor and the Treasurer. San Miguel County is included in the Seventh Judicial District. An elected District Attorney for the District serves Montrose, Delta, Gunnison, Hinsdale, San Miguel and Ouray Counties. The County provides several additional services through other governmental organizations, which are excluded or included in this report, as detailed below.

Related Entities

Public Trustee

The Public Trustee is a state statutorily mandated position, whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund.

Jointly Funded Organization

The County, in conjunction with other counties, shares in the financial support of the District Attorney of the Seventh Judicial District of the State of Colorado. In 2014, the County contributed \$133,348 for the operation of the District Attorney.

The County, in conjunction with other Towns within San Miguel County, share in the financial support of the San Miguel Regional Housing Authority. The County contributed \$65,605 for the operation of the Housing Authority. The County records the R-1 Housing Deed Restricted Fund, along with other County housing funds in the Dependent District on pages 45 and 46.

Other

The County Commissioners are also responsible for appointing members of the board of the San Miguel Disposal District and approving their budget. Therefore, their financial statements are included in the County's financial reports.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues.

Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The County considers revenues to be available if they are collectible within 90 days except for property taxes which are considered available if they are collectible within sixty days after year-end. Property taxes, sales taxes, licenses, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payment is due. Compensated absences, claims and judgements are expected to be liquidated with expendable available resources and are reported as expenditures and a fund liability of the governmental fund that will pay for it.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted assets first, then unrestricted resources as they are needed.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each category-*governmental and fiduciary*-are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Deferred Outflows / Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognize as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

The government reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

The *Open Space Fund* accounts for the administration and operations of the Parks and Recreation Fund and also the purchase of land for open space.

The government reports the following non-major governmental funds:

The *Public Welfare Fund* accounts for the administration and operations of the County's public health and welfare system.

Sales Tax Fund accounts for revenues derived from sales tax. One half of the sales tax revenue collected annually is designated for capital expenditures or debt service.

Transit Fund accounts for the collection of transportation impact fees and other sources designated for mass transit and other transportation services.

Retirement Fund accounts for revenues from property taxes designated for a county employee retirement program.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

Conservation Trust Fund reflects the receipt of the County's share of Colorado Lottery funds and money from other sources to be used for recreation purposes within the County.

Contingent Fund reflects the accumulation and disbursement of funds set aside to be used as needed for unforeseen contingencies.

Lodging Tax Fund accounts for revenues derived from lodging tax to be used for economic development.

Public Health Fund accounts for all revenues and expenditures related to the administration of public health services and programs. The fund was set up pursuant to Senate Bill – 08-194.

Energy Fund was created in 2011 per Resolution 2011-50 for the sole purpose of funding capital expenses associated with the purchase, installation, and/or construction of renewable energy and/or energy conservation facilities or projects located within San Miguel County.

Dependent District Funds - special revenue funds used to account for the revenue from property taxes and other revenues designated for specific purposes. The San Miguel County Housing Authority's general fund has been blended as a dependent district.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues included all taxes.

Assets, Liabilities, and Net Assets or Equity

Receivable and Payable Balances

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year with the exception of the amounts for the accrual for compensated absences and capital leases.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Property Taxes

Property taxes are levied in December and attached as an enforceable lien on property as of January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15 or in full on April 30. The County, through the San Miguel County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County.

Taxes levied in 2014 for collection in 2015 are recorded in governmental funds as taxes receivable and deferred inflows of resources as of December 31, 2014 since the amount is measurable but not available until 2015. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” These amounts are eliminated in the Total Column on the “statement of net assets” column. Any residual balances outstanding between “discrete presented component units” and the “primary government” are reported on a separate line.

Inventories

Inventories are valued at cost which is determined using the first-in, first-out method. Inventories in most Governmental funds are recorded as expenditures when purchased. Inventories in the Road and Bridge Fund are recorded as expenditures when consumed rather than when purchased.

Capital Assets

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Capital Assets

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

Buildings and improvements	20 to 40 Years
Equipment and Furniture	5 to 10 Years

Future Compensated Absences

A maximum of 24 to 48 days vacation per year may be accumulated by each employee. Employees will be paid for up to the maximum accumulation of unused vacation days upon separation from County service after six months continuous service.

Full-time employees can earn one (1) day of sick leave per payroll reporting period. For part-time employees, sick leave is earned at a rate of one day per payroll reporting period that is proportionate to 1/5 or their weekly hours. After two (2) years of continuous service, upon separation from employment (either voluntary or involuntary), the terminating employee will be paid at the current regular rate of pay for 50% of their unused accrued sick leave. After fifteen (15) years will be paid at 75% of their current regular rate of pay for up to 120 days of unused accrued sick leave. After twenty (20) years terminating employee will be paid at 100% of their current regular rate of pay for up to 120 days of unused accrued sick leave. Starting after March 1, 2013, the continuous service was changed from two to ten years the terminating employee will be paid at the current regular rate of pay for 50% of their unused accrued sick leave.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. At December 31, 2014 the only long term debt that San Miguel County had was from the accrual of compensated absences and capital leases.

Fund Equity

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - includes amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Fund Equity

Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – includes amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the County Commissioners take the same highest level action to remove or change the constraint.

Assigned – includes amounts the County intends to use for a specific purpose; intent can be expressed by the County Commissioners or by an official or body to which the County Commissioners delegates the authority.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balance in other governmental funds are reported as unassigned once other purposes of that fund were reduced. For the General Fund, a negative fund balance would be eliminated by reducing unassigned fund balance first.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless County Commissioners' have provided otherwise in its commitment or assignment actions.

Net position is reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

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

As provided for in the amendment the voters of San Miguel County approved in November 1994, for the 1995 budget year and subsequent budget years, that the San Miguel County mill levy may remain at the 1994 level of 10.120 mills; and, authorized the County to increase its revenues and expenditure limitations beyond those authorized by Article X, Section 20 as amended, for 1995 and each subsequent year thereafter, in the amount of \$750,000 per year.

The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment.

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Estimates

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

Contraband Proceeds

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2014, the County had no proceeds from the seizures of contraband.

Note 2 – Stewardship, Compliance, and Accountability

A. Budgetary Information

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

B. Budgeted Level of Expenditures

The budgetary control is maintained at the department level for the general fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications. All annual appropriations lapse at year end. During 2014, two supplemental appropriations were adopted by the County Commissioners.

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

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget. No budget is shown or required for the San Miguel Regional Housing Authority. The County could be in violation of Colorado Budget Law because the San Miguel Disposal District and Lodging Tax Tourism Funds actual expenditures exceed budgetary amounts.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2014

Note 3 – Deposits and Investments

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2014, the bank balance of the County's deposits was \$ 8,477,380 of which \$ 501,654 was covered by federal depository insurance and \$ 7,975,726 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The County's investment policy follows Colorado statutes.

The County had invested \$ 6,214,396 in the Colorado Government Liquid Asset Trust (COLOTRUST), \$3,006,551 in the CSIP and \$3,514,462 in CSAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to a money market fund and each share is equal in value to \$1.00. Investments in these pools consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services for these investment pools in connection with the direct investment and withdrawal functions. Substantially all securities owned by these investment 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 these pools. These pools are not required to and are not registered with the SEC, but are rated AAA by Standard and Poor's, Fitch's and Moody's rating services.

The County's investments carried at fair market value as of December 31, 2014 are:

	<u>Fair Value</u>	<u>Credit Risk</u>
Sweep Account-Government Bonds	\$ 563,498	AAAm
US Treasury Note	545,443	AAA
Federal Home Loan Bank	453,794	AAA
Federated Prime Cash Obligation Fund	1,004,222	AAAm
ColoTrust (Governmental Pool)	6,214,396	AAA
CSIP	3,006,551	AAA
Csafe	<u>3,514,462</u>	AAA
	<u>\$15,302,365</u>	

Summary of Combined Cash and Investments Held By Primary Government and Dependent Districts:

<u>Description</u>		<u>Cost</u>
Demand deposits and cash	\$	1,588,822
Certificates of deposits and savings		6,820,817
Investments		<u>15,302,366</u>
		<u>\$ 23,712,005</u>

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2014

Note 4 – Capital Assets

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

	Balances 1/1/2014	Additions	Deletions	Balances 12/31/2014
Capital assets not being depreciated				
Land	\$ 7,041,200	\$ -	\$ -	\$ 7,041,200
Construction in progress	-	210,466	-	210,466
Infrastructure	59,010,255	46,336	-	59,056,591
Total capital assets not being depreciated	<u>66,051,455</u>	<u>256,802</u>	<u>-</u>	<u>66,308,257</u>
Capital assets being depreciated				
Buildings and improvements	15,623,939	162,222	-	15,786,161
Equipment and furniture	7,114,482	541,420	(68,870)	7,587,032
Total capital assets being depreciated	<u>22,738,421</u>	<u>703,642</u>	<u>(68,870)</u>	<u>23,373,193</u>
Less accumulated depreciation				
Buildings and improvements	4,798,459	346,916	-	5,145,375
Equipment and furniture	5,274,978	389,143	(63,959)	5,600,162
Total accumulated depreciation	<u>10,073,437</u>	<u>736,059</u>	<u>(63,959)</u>	<u>10,745,537</u>
Total capital assets being depreciated, net	<u>12,664,984</u>	<u>(32,417)</u>	<u>(4,911)</u>	<u>12,627,656</u>
Governmental activities capital assets	<u>\$ 78,716,439</u>	<u>\$ 224,385</u>	<u>\$ (4,911)</u>	<u>\$ 78,935,913</u>

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

Governmental activities:	
General government	\$ 168,327
Public safety	186,623
Public works	287,417
Recreation and culture	89,943
Health and welfare	<u>3,749</u>
Total depreciation expense-governmental activities	<u>\$ 736,059</u>

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2014

Note 5 – Long-Term Liabilities

Long-term obligations

The County has adopted the policy of acquiring certain fixed assets through the use of lease purchase agreements. For the lease purchase backed by the full faith and credit of the County, debt service is accounted for in the fund that accounts for the function associated with the asset.

General capitalized lease obligations payable are comprised of the following:

Zion Bank, land purchase agreement, annual payments starting at \$ 244,175.40 through December 2025 at 2.074% \$ 2,318,419

Year	Principal	Interest	Payment
2015	\$ 197,363	\$ 46,813	\$ 244,176
2016	201,477	42,698	244,175
2017	205,678	38,498	244,176
2018	209,965	34,210	244,175
2019	214,343	29,833	244,176
2020-2024	1,140,634	80,243	1,220,877
2025	148,959	1,585	150,544
Total	<u>\$ 2,318,419</u>	<u>\$ 273,880</u>	<u>\$ 2,592,299</u>

The repayment of the capital lease is subject to annual appropriations by the County Commissioners.

A summary of long-term debt is as follows:

	Payable January 2014	Additions	Deletions	Payable December 2013
General capitalized lease obligation	\$ 2,511,594	\$ -	\$ 193,175	\$ 2,318,419
Compensated absences payable	480,105	247,911	-	728,016
	<u>\$ 2,991,699</u>	<u>\$ 247,911</u>	<u>\$ 193,175</u>	<u>\$ 3,046,435</u>

Note 6 – Retirement Plan

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

San Miguel County provides pension benefits for all of its full-time employees through a defined contribution plan with the Colorado County Officials and Employees Retirement Association Retirement Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon hire. Elected officials are eligible to participate immediately. Participation is mandatory for all eligible employees and for all elected officials. Both the County and the employee contribute 5% of the employee's monthly base salary to the plan.

The County's contribution for each employee (and interest allocated to the employee's account) is 100% vested after five years. Any non-vested County contributions forfeited by an employee who leaves the County's employment are remitted to the County. The County also participates in a voluntary deferred compensation contribution for those employed more than five years.

The County's total payroll was \$ 7,100,799 in 2014. The total payroll covered by the pension plan was \$ 6,530,983 in 2014. The total contribution paid was \$ 653,036 in 2014 (10% of covered payroll), \$ 322,243 by the employees and \$ 330,793 by the County.

The County has no liability for losses under the plan.

Complete financial statements for the retirement plans may be obtained from the CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Note 7 – Post Employment Benefits

The County provides no post employment benefits to employees who retire from the County other than those mandated by the State and Federal governments.

The “Consolidated Omnibus Budget Reconciliation Act of 1985” (COBRA), that is mandated by the Federal Government, requires that employers allow eligible employees the opportunity to purchase medical and dental insurance for various periods of time after their employment is discontinued. San Miguel County complies with the Federal Statutes.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2014

Note 8 – Noncash Program Activity

Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures
For the Year Ended December 31, 2014

	County EBT Authorizations	State and Federal Share of Authorizations	Expenditures by County Warrant	Authorizations Plus Expenses by County Warrant	Total County Expenditures
TANF	\$ 34,610	\$ (59,869)	\$ 37,342	\$ 71,952	\$ 12,083
Child care	20,348	(20,305)	5,976	26,324	6,019
Child care quality grant	-	(1,575)	-	-	(1,575)
Child welfare	52,136	(240,677)	246,564	298,700	58,023
FS Job Search	-	(10,088)	10,229	10,229	141
Administration	-	(110,485)	93,374	93,374	(17,111)
Core services	-	(19,353)	20,875	20,875	1,522
IV-D Administration	-	(8,384)	9,603	9,603	1,219
Aid to needy disabled	7,747	(5,502)	-	7,747	2,245
Old age pension	54,410	(57,251)	2,841	57,251	-
LEAP	47,914	(51,953)	4,039	51,953	-
Medicaid transportation	-	(7,975)	10,263	10,263	2,288
General assistance	-	-	2,295	2,295	2,295
Miscellaneous	28,627	(141,041)	101,619	130,246	(10,795)
Subtotal	245,792	(734,458)	545,020	790,812	56,354
Food assistance	570,200	(570,200)	-	570,200	-
Grand total	<u>\$ 815,992</u>	<u>\$ (1,304,658)</u>	<u>\$ 545,020</u>	<u>\$ 1,361,012</u>	<u>\$ 56,354</u>

- A. Welfare payments authorized by the San Miguel County Department of Human Services. These County authorizations are paid by the Colorado Department of Human Services by QUEST debit cards or by electronic funds transfer (EFT).
- B. County share of EBT authorizations - these amounts are settled monthly by a reduction of State cash advances to the County.
- C. Expenditures made by County warrants or other County payment methods
- D. This represents the total cost of the welfare programs that are administered by San Miguel County.
- E. This total matches the expenditures on the Social Services Department Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2014

Note 9 – Budget Amendment

During 2014 the County amended its budget twice. The following is a schedule of the changes to the original budget:

Fund	Original Budget	Revisions	Final Budget
General	\$ 8,798,236	\$ 336,079	\$ 9,134,315
Road and Bridge	4,590,215	-	4,590,215
Open Space	1,436,028	-	1,436,028
Public Welfare	1,481,000	-	1,481,000
Transit	282,300	-	282,300
Sales tax capital	955,227	-	955,227
Retirement	376,981	19,000	395,981
Conservation Trust	100,000	-	100,000
Lodging Tax Tourism	315,950	75,000	390,950
Public Health	491,497	48,000	539,497
Energy	-	35,000	35,000
SMC Solid Waste Disposal District	95,701	-	95,701
Totals	<u>\$ 18,923,135</u>	<u>\$ 513,079</u>	<u>\$ 19,436,214</u>

Note 10 - Transfers

The following schedule briefly summarizes the County's transfer activity:

Fund	Transfers In	Transfers Out
General Fund	\$ 20,000	\$ 400,532
Retirement Fund	50,000	-
Public Health Fund	271,300	-
Conservation Trust Fund	-	75,000
Sales Tax Capital Fund	-	203,188
Open Space and Park Fund	154,232	20,000
Road and Bridge Fund	203,188	-
Totals	<u>\$ 698,720</u>	<u>\$ 698,720</u>

Transfers to and from the various funds were to cover the costs of operations, capital and retirement benefits.

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2014

As allowed by GASB Statement No.34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, the county has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and /or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets,
- Perform and document replicable condition assessments once every three years of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the County.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the County.

ROADS

San Miguel County applies the modified approach to all roads. owned and/ or maintained by the County. The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost effective maintenance program that preserves the County's investment in its road network and enhances public transportation and safety.

Condition Assessments

Roads are categorized as native, gravel and oil surface. Formal condition assessments are not done on natural and rock surface roads. These roads are maintained on an as-needed basis, for example, when a road is washed out. Formal condition assessments are performed on all gravel and oil surface roads at least once every three years in accordance with GASB 34. Each year a formal assessment is performed on a portion of the County's roads on a rotating basis. The results of formal condition assessments performed in 2013 and 2014 are disclosed. The process and purpose of these condition assessments are described briefly below.

Gravel Surface Roads: The condition assessments of gravel roads are based on gravel thickness and surface smoothness. Roads are rated as excellent, good and poor. A poor rating indicates gravel thickness of less than 1" or excessive surface deterioration. Roads rated in poor condition require maintenance.

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2014

Paved Roads: The condition assessments of paved roads are based on the following criteria: potholes, cracking, rutting, shoulder condition, surface smoothness and base condition. Roads are rated as excellent, good, fair and poor. For GASB 34 reporting purposes, the County's official desired condition is 70%. The County's goal is to maintain its infrastructure at a category condition level of fair or better.

Condition Rating of the County's Road System

Percentage of Lane-Miles in Fair to Excellent Conditions in 2014:

	<u>Percentage</u>
Paved	75%
Gravel	75%
Overall System	78%

Percentage of Lane-Miles in Poor Conditions in 2014:

	<u>Percentage</u>
Paved	1%
Gravel	3%
Overall System	2%

Comparison of Needed-to-Actual Maintenance/Preservation in 2014: The County did not budget separately for maintenance/preservation costs for roads and bridges in 2014, therefore they are shown combined below. Amounts will be budgeted separately in the future.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Estimated	\$5,046,549	3,946,816	4,950,499	4,515,962	4,590,215
Actual	\$3,706,183	2,511,005	3,578,717	3,398,770	3,402,792

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2014

BRIDGES

The structural sufficiency of the County's bridges is determined using the state of Colorado's Structure Inspection and Inventory Program. The bridge sufficiency rating is based on the assessment of the ability of individual components to function structurally. The rating system uses a numerical scale from 50 (needs replacement) to 100 (new). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of fair equal to or greater than 70 percent. Bridges are inspected by the state of Colorado Department of Transportation every two years. GASB 34 requires inspection every three years. The most recent inspection was in 2012. There were no new bridge structures added to the system during 2014.

Disclosures for a Network of Bridges 2014

Number of Bridges

	CDOT Structural Sufficiency Rating	<u>Number</u>	<u>%</u>
Excellent	91-100	17	68%
Good	71-90	6	24%
Fair	51-70	0	0%
Poor	50 and below	<u>2</u>	<u>8%</u>
Total		<u>25</u>	<u>100.0%</u>

SAN MIGUEL COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 4,499,064	\$ 4,499,064	\$ 4,509,659	\$ 10,595
Sales and miscellaneous taxes	1,340,354	1,340,354	1,583,332	242,978
Fees and charges	951,720	951,720	1,098,861	147,141
Licenses and permits	139,100	139,100	145,549	6,449
Intergovernmental	925,319	1,163,166	1,778,597	615,431
Interest earnings	26,400	26,400	23,522	(2,878)
Miscellaneous	192,187	195,247	292,300	97,053
Total revenues	<u>8,074,144</u>	<u>8,315,051</u>	<u>9,431,820</u>	<u>1,116,769</u>
Expenditures				
Current				
General government	4,009,421	4,009,421	3,573,305	436,116
Judicial	135,000	135,000	133,348	1,652
Public Safety	4,084,434	4,420,513	4,071,280	349,233
Auxiliary services	298,081	298,081	259,809	38,272
Total expenditures	<u>8,526,936</u>	<u>8,863,015</u>	<u>8,037,742</u>	<u>825,273</u>
Revenues over (under) expenditures	(452,792)	(547,964)	1,394,078	1,942,042
Other Financing Sources				
Transfer in (Out)	(271,300)	(271,300)	(380,532)	(109,232)
Total other financing sources	<u>(271,300)</u>	<u>(271,300)</u>	<u>(380,532)</u>	<u>(109,232)</u>
Revenues and other sources over expenditures	(724,092)	(819,264)	1,013,546	1,832,810
Fund balance, January 1	10,284,036	10,284,036	10,710,573	426,537
Fund balance, December 31	<u>\$ 9,559,944</u>	<u>\$ 9,464,772</u>	<u>\$ 11,724,119</u>	<u>\$ 2,259,347</u>

SAN MIGUEL COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property tax	\$ 1,384,327	\$ 1,384,327	\$ 1,387,587	\$ 3,260
Specific ownership tax	39,500	39,500	55,760	16,260
Penalty and interest	2,500	2,500	3,353	853
Total	<u>1,426,327</u>	<u>1,426,327</u>	<u>1,446,700</u>	<u>20,373</u>
Intergovernmental				
Payment in lieu of taxes	100	100	502	402
Mineral leasing	140,000	140,000	108,145	(31,855)
Forest service	35,755	35,755	43,175	7,420
R & B services	25,000	25,000	27,899	2,899
Federal land and materials	200	200	-	(200)
Total	<u>201,055</u>	<u>201,055</u>	<u>179,721</u>	<u>(21,334)</u>
Intergovernmental - State and Local				
Highway user's - County	1,765,228	1,765,228	1,861,624	96,396
Town of Sawpit	1,200	1,200	1,293	93
Automobile registration	17,510	17,510	22,001	4,491
Total	<u>1,783,938</u>	<u>1,783,938</u>	<u>1,884,918</u>	<u>100,980</u>
Licenses and permits				
Special permits and fees	4,120	4,120	3,750	(370)
Total	<u>4,120</u>	<u>4,120</u>	<u>3,750</u>	<u>(370)</u>
Miscellaneous				
Sale of assets	20,953	20,953	25,798	4,845
Total revenues	<u>3,436,393</u>	<u>3,436,393</u>	<u>3,541,625</u>	<u>105,232</u>
Expenditures				
Current				
Construction	23,000	23,000	-	23,000
Maintenance of conditions	3,582,578	3,582,578	2,462,398	1,120,180
Snow and ice removal	38,110	38,110	14,909	23,201
Administration	946,527	946,527	925,485	21,042
Total expenditures	<u>4,590,215</u>	<u>4,590,215</u>	<u>3,402,792</u>	<u>1,187,423</u>
Revenues over (under) expenditures	(1,153,822)	(1,153,822)	138,833	1,292,655
Transfers in (out)	255,000	255,000	203,188	(51,812)
Fund balance, January 1	2,956,640	2,956,640	3,434,138	477,498
Changes in reserve for inventory	-	-	(64,336)	(64,336)
Fund balance, December 31	<u>\$ 2,057,818</u>	<u>\$ 2,057,818</u>	<u>\$ 3,711,823</u>	<u>\$ 1,654,005</u>

SAN MIGUEL COUNTY, COLORADO
OPEN SPACE AND PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property tax	\$ 1,092,890	\$1,092,890	\$ 1,095,464	\$ 2,574
Specific ownership tax	22,700	22,700	44,018	21,318
Penalty and interest	500	500	2,647	2,147
Total	<u>1,116,090</u>	<u>1,116,090</u>	<u>1,142,129</u>	<u>26,039</u>
Intergovernmental				
Payment in lieu of taxes	350	350	396	46
Other grants	-	-	62,843	62,843
Total	<u>350</u>	<u>350</u>	<u>63,239</u>	<u>62,889</u>
Miscellaneous				
Event center fees	14,000	14,000	7,483	(6,517)
Fairground fees	10,000	10,000	6,000	(4,000)
Other fees	6,000	6,000	8,669	2,669
Other	14,344	14,344	85,624	71,280
Total	<u>44,344</u>	<u>44,344</u>	<u>107,776</u>	<u>63,432</u>
Total revenues	<u>1,160,784</u>	<u>1,160,784</u>	<u>1,313,144</u>	<u>152,360</u>
Expenditures				
Current				
Recreation	571,597	571,597	237,297	334,300
Open space commission	130,400	130,400	39,516	90,884
Historical preservation	119,250	119,250	43,042	76,208
Fairgrounds and regional park	195,183	195,183	317,604	(122,421)
Parks administration	391,398	391,398	391,183	215
Total expenditures	<u>1,407,828</u>	<u>1,407,828</u>	<u>1,028,642</u>	<u>379,186</u>
Other financing sources and (uses)				
Transfer In (Out)	(28,200)	(28,200)	134,232	162,432
Total other financing sources (uses)	<u>(28,200)</u>	<u>(28,200)</u>	<u>134,232</u>	<u>162,432</u>
Revenues over (under) expenditures	(275,244)	(275,244)	418,734	693,978
Fund balance, January 1	1,646,002	1,646,002	1,928,073	282,071
Fund balance, December 31	<u><u>\$ 1,370,758</u></u>	<u><u>\$ 1,370,758</u></u>	<u><u>\$ 2,346,807</u></u>	<u><u>\$ 976,049</u></u>

SAN MIGUEL COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2014

	<u>Lodging</u>	<u>Sales Tax</u>	<u>Transit</u>	<u>Contingent</u>	<u>Welfare</u>
	<u>Tax Tourism</u>				
Assets					
Cash and cash equivalents	\$ 8,253	\$ 1,710,369	\$ 274,490	\$ 627,831	\$ 103,388
Taxes receivable	-	-	-	-	111,799
Land for resale	-	-	-	-	-
Due from other governmental units	-	-	-	-	44,741
Other receivables	65,998	316,438	3,008	-	1,160
Total assets	<u>\$ 74,251</u>	<u>\$ 2,026,807</u>	<u>\$ 277,498</u>	<u>\$ 627,831</u>	<u>\$ 261,088</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 65,998	\$ 25,610	\$ 587	\$ -	\$ 9,635
Accrued payroll	-	-	-	-	-
Accrued vacation and sick leave	-	-	-	-	-
Total liabilities	<u>65,998</u>	<u>25,610</u>	<u>587</u>	<u>-</u>	<u>9,635</u>
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	771
Deferred property tax revenue	-	-	-	-	111,799
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,570</u>
Fund balances					
Reserved for:					
Emergencies	-	-	-	627,831	-
Transportation	-	-	276,911	-	-
Housing	-	-	-	-	-
Energy	-	-	-	-	-
Solid waste	-	-	-	-	-
Air quality	-	-	-	-	-
Unreserved:	8,253	2,001,197	-	-	138,883
Total fund balances	<u>8,253</u>	<u>2,001,197</u>	<u>276,911</u>	<u>627,831</u>	<u>138,883</u>
Total liabilities and fund balances	<u>\$ 74,251</u>	<u>\$ 2,026,807</u>	<u>\$ 277,498</u>	<u>\$ 627,831</u>	<u>\$ 261,088</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Public Health</u>	<u>Energy</u>	<u>Dependent Districts</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 111,958	\$ 95,881	\$ 49,633	\$ 78,185	\$ 1,286,951	\$ 4,346,939
281,302	-	-	-	-	393,101
-	-	-	-	227,089	227,089
-	-	-	-	-	44,741
-	231	30,869	-	-	417,704
<u>\$ 393,260</u>	<u>\$ 96,112</u>	<u>\$ 80,502</u>	<u>\$ 78,185</u>	<u>\$ 1,514,040</u>	<u>\$ 5,429,574</u>
\$ 30,638	\$ 75,000	\$ 24,701	\$ 3,000	\$ 5,769	\$ 240,938
-	-	1,823	-	-	1,823
-	-	40,229	-	-	40,229
<u>30,638</u>	<u>75,000</u>	<u>66,753</u>	<u>3,000</u>	<u>5,769</u>	<u>282,990</u>
-	-	-	-	-	771
<u>281,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,101</u>
<u>281,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,872</u>
-	-	-	-	-	627,831
-	-	-	-	-	276,911
-	-	-	-	1,316,274	1,316,274
-	-	-	75,185	-	75,185
-	-	-	-	191,997	191,997
-	-	69,527	-	-	69,527
<u>81,320</u>	<u>21,112</u>	<u>(55,778)</u>	<u>-</u>	<u>-</u>	<u>2,194,987</u>
<u>81,320</u>	<u>21,112</u>	<u>13,749</u>	<u>75,185</u>	<u>1,508,271</u>	<u>4,752,712</u>
<u>\$ 393,260</u>	<u>\$ 96,112</u>	<u>\$ 80,502</u>	<u>\$ 78,185</u>	<u>\$ 1,514,040</u>	<u>\$ 5,429,574</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2014

	<u>Lodging Tax Tourism</u>	<u>Sales Tax</u>	<u>Transit Fund</u>	<u>Contingent</u>	<u>Welfare</u>
Revenues					
Taxes	\$ 395,109	\$ 1,053,170	\$ -	\$ -	\$ 118,018
Intergovernmental	-	-	78,751	-	1,186,641
Charges for services	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Interest earnings	-	-	158	-	-
Miscellaneous	-	29,787	177,846	-	-
Total revenues	<u>395,109</u>	<u>1,082,957</u>	<u>256,755</u>	<u>-</u>	<u>1,304,659</u>
Expenditures					
Current:					
Public safety	-	-	-	-	-
Retirement benefits and contributions	-	-	-	-	-
Health and human services	-	-	-	-	1,361,013
Urban development, housing and transportation	-	-	277,391	-	-
Economic development	395,109	-	-	-	-
Energy programs	-	-	-	-	-
Capital outlay	-	177,115	-	-	-
Debt service payments	-	244,200	-	-	-
Total expenditures	<u>395,109</u>	<u>421,315</u>	<u>277,391</u>	<u>-</u>	<u>1,361,013</u>
Excess (deficiency) of revenues over expenditures	-	661,642	(20,636)	-	(56,354)
Other financing sources and (uses)					
Transfer In (Out)	-	(203,188)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(203,188)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	-	458,454	(20,636)	-	(56,354)
Fund balance, January 1	8,253	1,542,743	297,547	627,831	191,083
Prior Period adjustment	-	-	-	-	4,154
Fund balance, December 31	<u>\$ 8,253</u>	<u>\$ 2,001,197</u>	<u>\$276,911</u>	<u>\$627,831</u>	<u>\$ 138,883</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Public Health</u>	<u>Energy</u>	<u>Dependent Districts</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 296,952	\$ -	\$ -	\$ -	\$ 46,249	\$ 1,909,498
-	25,734	121,587	-	-	1,412,713
-	-	55,056	-	127,253	182,309
-	-	40,261	-	-	40,261
-	136	-	-	406	700
41,334	-	6,301	-	51	255,319
<u>338,286</u>	<u>25,870</u>	<u>223,205</u>	<u>-</u>	<u>173,959</u>	<u>3,800,800</u>
-	-	-	-	110,294	110,294
390,360	-	-	-	-	390,360
-	-	530,649	-	-	1,891,662
-	-	-	-	-	-
-	-	-	-	100,624	378,015
-	-	-	-	-	395,109
-	-	-	24,815	-	24,815
-	16,212	-	-	-	193,327
-	-	-	-	-	244,200
<u>390,360</u>	<u>16,212</u>	<u>530,649</u>	<u>24,815</u>	<u>210,918</u>	<u>3,627,782</u>
(52,074)	9,658	(307,444)	(24,815)	(36,959)	173,018
50,000	(75,000)	271,300	-	-	43,112
<u>50,000</u>	<u>(75,000)</u>	<u>271,300</u>	<u>-</u>	<u>-</u>	<u>43,112</u>
(2,074)	(65,342)	(36,144)	(24,815)	(36,959)	216,130
83,394	86,454	49,893	100,000	1,545,230	4,532,428
-	-	-	-	-	4,154
<u>\$ 81,320</u>	<u>\$ 21,112</u>	<u>\$ 13,749</u>	<u>\$ 75,185</u>	<u>\$ 1,508,271</u>	<u>\$ 4,752,712</u>

**SAN MIGUEL COUNTY, COLORADO
DEPENDENT DISTRICTS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS
December 31, 2014**

	<u>San Miguel Disposal District</u>	<u>San Miguel County Housing Authority</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 197,766	\$ 1,089,185	\$ 1,286,951
Land for resale	-	227,089	227,089
Total assets	<u>\$ 197,766</u>	<u>\$ 1,316,274</u>	<u>\$ 1,514,040</u>
 Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 5,769	\$ -	\$ 5,769
Total liabilities	<u>5,769</u>	<u>-</u>	<u>5,769</u>
 Fund balances			
Reserved for:			
Housing	-	1,316,274	1,316,274
Solid waste	191,997	-	191,997
Total fund balances	<u>191,997</u>	<u>1,316,274</u>	<u>1,508,271</u>
Total liabilities and fund balances	<u>\$ 197,766</u>	<u>\$ 1,316,274</u>	<u>\$ 1,514,040</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS
Year Ended December 31, 2014

	San Miguel Disposal District	San Miguel County Housing Authority	Total
Revenues			
Taxes	\$ 46,249	\$ -	\$ 46,249
Charges for services	13,743	113,510	127,253
Interest earnings	-	406	406
Miscellaneous	51	-	51
Total revenues	<u>60,043</u>	<u>113,916</u>	<u>173,959</u>
Expenditures			
Current:			
Public safety	110,294	-	110,294
Urban development, housing and transportation	-	100,624	100,624
Total expenditures	<u>110,294</u>	<u>100,624</u>	<u>210,918</u>
Net change to fund balance	(50,251)	13,292	(36,959)
Fund balance, January 1	<u>242,248</u>	<u>1,302,982</u>	<u>1,545,230</u>
Fund balance, December 31	<u><u>\$ 191,997</u></u>	<u><u>\$ 1,316,274</u></u>	<u><u>\$ 1,508,271</u></u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - LODGING TAX TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Lodging tax	\$ 315,000	\$ 390,000	\$ 395,109	\$ 5,109
Total revenues	<u>315,000</u>	<u>390,000</u>	<u>395,109</u>	<u>5,109</u>
Expenditures				
Current				
Economic development				
Other contracted services	315,950	390,950	395,109	(4,159)
Total expenditures	<u>315,950</u>	<u>390,950</u>	<u>395,109</u>	<u>(4,159)</u>
Revenues over (under) expenditures	(950)	(950)	-	950
Fund balance, January 1	<u>11,195</u>	<u>11,195</u>	<u>8,253</u>	<u>(2,942)</u>
Fund balance, December 31	<u>\$ 10,245</u>	<u>\$ 10,245</u>	<u>\$ 8,253</u>	<u>\$ (1,992)</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - SALES TAX CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Sales and use tax	\$ 895,489	\$ 895,489	\$1,053,170	\$ 157,681
Miscellaneous	3,186	3,186	29,787	26,601
Total revenues	<u>898,675</u>	<u>898,675</u>	<u>1,082,957</u>	<u>184,282</u>
Expenditures				
Capital outlay	456,027	456,027	177,115	278,912
Debt service				
Lease payments	244,200	244,200	244,200	-
Total expenditures	<u>700,227</u>	<u>700,227</u>	<u>421,315</u>	<u>278,912</u>
Revenues over (under) expenditures	198,448	198,448	661,642	463,194
Other Financing Sources				
Transfers In	(255,000)	(255,000)	(203,188)	51,812
Total other financing sources	<u>(255,000)</u>	<u>(255,000)</u>	<u>(203,188)</u>	<u>51,812</u>
Revenues and other sources over expenditures	(56,552)	(56,552)	458,454	515,006
Fund balance, January 1	<u>1,381,244</u>	<u>1,381,244</u>	<u>1,542,743</u>	<u>161,499</u>
Fund balance, December 31	<u>\$ 1,324,692</u>	<u>\$ 1,324,692</u>	<u>\$2,001,197</u>	<u>\$ 676,505</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Interest	\$ 600	\$ 600	\$ 158	\$ (442)
Grants	78,750	78,750	78,751	1
Other	11,000	11,000	9,685	(1,315)
RETA fees	100,000	100,000	168,161	68,161
Total revenues	<u>190,350</u>	<u>190,350</u>	<u>256,755</u>	<u>66,405</u>
Expenditures				
Current				
Other	20,300	20,300	15,443	4,857
Transportation contract	262,000	262,000	261,948	52
Total expenditures	<u>282,300</u>	<u>282,300</u>	<u>277,391</u>	<u>52</u>
Revenues over (under) expenditures	(91,950)	(91,950)	(20,636)	71,314
Fund balance, January 1	<u>326,908</u>	<u>326,908</u>	<u>297,547</u>	<u>(29,361)</u>
Fund balance, December 31	<u><u>\$ 234,958</u></u>	<u><u>\$ 234,958</u></u>	<u><u>\$ 276,911</u></u>	<u><u>\$ 41,953</u></u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	-	-	-	-
Fund balance, January 1	<u>627,831</u>	<u>627,831</u>	<u>627,831</u>	<u>-</u>
Fund balance, December 31	<u><u>\$ 627,831</u></u>	<u><u>\$ 627,831</u></u>	<u><u>\$ 627,831</u></u>	<u><u>\$ -</u></u>

SAN MIGUEL, COLORADO
PUBLIC WELFARE FUND-SOCIAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ 117,082	\$ 117,082	\$ 118,018	\$ 936
County administration	107,000	107,000	134,073	27,073
Old age pension	54,950	54,950	57,251	2,301
Aid to the needy and disabled	9,600	9,600	5,502	(4,098)
Child care	52,000	52,000	20,305	(31,695)
Food assistance	625,000	625,000	570,200	(54,800)
Child welfare	198,000	198,000	240,677	42,677
Core services	50,870	50,870	19,352	(31,518)
Leap	64,500	64,500	51,953	(12,547)
CSBG grant	15,000	15,000	8,400	(6,600)
Colorado works	62,000	62,000	59,869	(2,131)
Child support	6,600	6,600	8,384	1,784
Medicaid transportation and other	20,000	20,000	7,975	(12,025)
Miscellaneous	1,000	1,000	2,700	1,700
Total revenues	<u>1,383,602</u>	<u>1,383,602</u>	<u>1,304,659</u>	<u>(78,943)</u>
Expenditures				
County funded grants	60,000	60,000	77,268	(17,268)
County administration	133,000	133,000	159,306	(26,306)
Old age pension	55,000	55,000	57,251	(2,251)
Colorado works	80,000	80,000	71,802	8,198
Aid to the needy and disabled	12,000	12,000	7,747	4,253
Medicaid transportation	20,000	20,000	10,263	9,737
Child care	64,000	64,000	26,324	37,676
General assistance	10,000	10,000	2,295	7,705
Leap	64,500	64,500	51,953	12,547
Child welfare	290,000	290,000	297,749	(7,749)
Core services	50,000	50,000	20,875	29,125
CSBG grant	15,000	15,000	8,173	6,827
Child support	10,000	10,000	9,603	397
Direct cost allocation	(7,500)	(7,500)	(10,748)	3,248
Food assistance	625,000	625,000	570,200	54,800
Miscellaneous	-	-	952	(952)
Supplemental	-	-	-	-
Total expenditures	<u>1,481,000</u>	<u>1,481,000</u>	<u>1,361,013</u>	<u>119,987</u>
Excess (deficiency) of revenues over expenditures	(97,398)	(97,398)	(56,354)	41,044
Fund balance, January 1	205,500	205,500	191,083	(14,417)
Prior period adjustment	-	-	4,154	4,154
Fund balance, December 31	<u>\$ 108,102</u>	<u>\$ 108,102</u>	<u>\$ 138,883</u>	<u>\$ 30,781</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property tax	\$ 284,151	\$ 284,151	\$ 284,601	\$ 450
Delinquent tax	-	-	219	219
Specific ownership tax	6,700	6,700	11,444	4,744
Penalty and interest	150	150	688	538
Other				
Forfeitures and miscellaneous	19,000	19,000	41,334	22,334
Total revenues	<u>310,001</u>	<u>310,001</u>	<u>338,286</u>	<u>28,285</u>
Expenditures				
Current				
Employer's contribution	376,981	395,981	390,360	5,621
Total expenditures	<u>376,981</u>	<u>395,981</u>	<u>390,360</u>	<u>5,621</u>
Revenues over (under) expenditures	(66,980)	(85,980)	(52,074)	33,906
Other Financing Sources				
Transfers (Out)	50,000	50,000	50,000	-
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Revenues and other sources over expenditures	(16,980)	(35,980)	(2,074)	33,906
Fund balance, January 1	<u>75,913</u>	<u>75,913</u>	<u>83,394</u>	<u>7,481</u>
Fund balance, December 31	<u><u>\$ 58,933</u></u>	<u><u>\$ 39,933</u></u>	<u><u>\$ 81,320</u></u>	<u><u>\$ 41,387</u></u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental				
State lottery proceeds	\$ 28,000	\$ 28,000	\$ 25,734	\$ (2,266)
Interest income	250	250	136	(114)
Total revenues	<u>28,250</u>	<u>28,250</u>	<u>25,870</u>	<u>(2,380)</u>
Expenditures				
Current				
Capital outlay	25,000	25,000	16,212	8,788
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>16,212</u>	<u>8,788</u>
Revenues over (under) expenditures	3,250	3,250	9,658	6,408
Other Financing Sources				
Transfers In or (Out)	(75,000)	(75,000)	(75,000)	-
Total other financing sources	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Fund balance, January 1	<u>78,602</u>	<u>78,602</u>	<u>86,454</u>	<u>7,852</u>
Fund balance, December 31	<u>\$ 6,852</u>	<u>\$ 6,852</u>	<u>\$ 21,112</u>	<u>\$ 14,260</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 120,560	\$ 157,560	\$ 121,587	\$ (35,973)
Licenses and permits	41,500	41,500	40,261	(1,239)
Charges for services	50,000	50,000	55,056	5,056
Miscellaneous	4,924	4,924	6,301	1,377
Total revenues	<u>216,984</u>	<u>253,984</u>	<u>223,205</u>	<u>(30,779)</u>
Expenditures				
Current				
Health and welfare	491,497	539,497	530,649	8,848
Total expenditures	<u>491,497</u>	<u>539,497</u>	<u>530,649</u>	<u>8,848</u>
Revenues over (under) expenditures	(274,513)	(285,513)	(307,444)	(21,931)
Other Financing Sources				
Transfers In or (Out)	271,300	271,300	271,300	-
Total other financing sources	<u>271,300</u>	<u>271,300</u>	<u>271,300</u>	<u>-</u>
Revenues and other sources over expenditures	(3,213)	(14,213)	(36,144)	(21,931)
Fund balance, January 1	<u>11,804</u>	<u>11,804</u>	<u>49,893</u>	<u>38,089</u>
Fund balance, December 31	<u>\$ 8,591</u>	<u>\$ (2,409)</u>	<u>\$ 13,749</u>	<u>\$ 16,158</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - ENERGY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Miscellaneous				
Other	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
Energy programs	-	35,000	24,815	10,185
Total expenditures	<u>-</u>	<u>35,000</u>	<u>24,815</u>	<u>10,185</u>
Revenues over (under) expenditures	-	(35,000)	(24,815)	10,185
Fund balance, January 1	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Fund balance, December 31	<u><u>\$100,000</u></u>	<u><u>\$ 65,000</u></u>	<u><u>\$ 75,185</u></u>	<u><u>\$ 10,185</u></u>

SAN MIGUEL COUNTY, COLORADO
SAN MIGUEL DISPOSAL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property tax	\$ 44,199	\$ 44,199	\$ 44,352	\$ 153
Specific ownership tax	960	960	1,777	817
Penalty and interest	50	50	120	70
Total taxes	<u>45,209</u>	<u>45,209</u>	<u>46,249</u>	<u>1,040</u>
Intergovernmental				
Other	40	40	51	11
Charges for services	12,500	12,500	13,743	1,243
Total intergovernmental	<u>12,540</u>	<u>12,540</u>	<u>13,794</u>	<u>1,254</u>
Total revenues	<u>57,749</u>	<u>57,749</u>	<u>60,043</u>	<u>2,294</u>
Expenditures				
Current				
General government				
Waste disposal	95,701	105,701	110,294	(4,593)
Total expenditures	<u>95,701</u>	<u>105,701</u>	<u>110,294</u>	<u>(4,593)</u>
Revenues over (under) expenditures	(37,952)	(47,952)	(50,251)	(2,299)
Fund balance, January 1	<u>246,365</u>	<u>246,365</u>	<u>242,248</u>	<u>(4,117)</u>
Fund balance, December 31	<u>\$ 208,413</u>	<u>\$ 198,413</u>	<u>\$ 191,997</u>	<u>\$ (6,416)</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: San Miguel County
	YEAR ENDING : December 2014
This Information From The Records Of San Miguel County	Prepared By: Phyllis Shaffer Phone: 970-327-4835

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,439,022
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	66,712
3. Other local imposts (from page 2)	1,446,701	c. Other	
4. Miscellaneous local receipts (from page 2)	261,372	d. Total (a. through c.)	66,712
5. Transfers from toll facilities		4. General administration & miscellaneous	925,485
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,431,219
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,708,073	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,885,421	2. Notes:	
D. Receipts from Federal Government (from page 2)	151,320	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,744,814	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,431,219

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,692,031	3,744,814	3,431,219	3,005,626	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,432,605	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	738
4. Licenses		f. Charges for Services	27,899
5. Specific Ownership &/or Other	14,096	g. Other Misc. Receipts	228,985
6. Total (1. through 5.)	14,096	h. Other	3,750
c. Total (a. + b.)	1,446,701	i. Total (a. through h.)	261,372
	(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	1,862,918	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	43,175
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	22,001	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) (DOW PILT)	502	f. Other Federal (Mineral Leasing)	108,145
f. Total (a. through e.)	22,503	g. Total (a. through f.)	151,320
4. Total (1. + 2. + 3.f)	1,885,421	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

SINGLE AUDIT SECTION

SAN MIGUEL, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass Through Grantor/Program Title	FEDERAL CFDA NUMBER	FEDERAL AWARDS EXPENDED
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed Through Colorado Department of Health care policy and Financing Medical Assistance program	93.778	\$ 41,725
Passed Through Colorado Department of Public Health and Environment:		
Public Health Emergency Preparedness	93.069	22,743
Family Planning Services	93.217	837
Childhood Immunization	93.268	4,196
Breastfeeding promotion and support-Improving maternity care practices	93.741	-
Maternal and Child health Services Block Grant to the states	93.994	3,365
Passed Through Colorado Department of Human Services		
Temporary Assistance to Needy Families	93.558	59,494
Promoting safe and stable Families	93.556	951
Child Support Enforcement (Title IV-d)	93.563	39,842
Low Income Home Energy Assistance	93.568	48,590
Child Care and Development Block Grant	93.575	7,017
Child Care mandatory and Matching Funds of the Child Care and Development fund and Development Block Grant	93.596	5,061
Child Welfare Services - State Grants	93.645	2,016
Foster Care - Title IV-E	93.658	70,300
Adoption Assistance	93.659	3,198
Social Services Block Grant	93.667	11,729
Single Entry Point	93.XXX	(147)
Total Department of Health and Human Services		\$ 329,927

**SAN MIGUEL COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/Pass Through Grantor/Program Title	FEDERAL CFDA NUMBER	FEDERAL AWARDS EXPENDED
DEPARTMENT OF AGRICULTURE		
Passed Through Colorado Department of Health Services:		
State Administrative matching Grants for Food Stamp program	10.561	\$ 55,486
Passed Through Colorado Department of Public Health and Environment:		
Special Supplemental Nutrition program for Women, Infants, and Children	10.557	27,724
Special Supplemental Nutrition program Women Infants and Children - Non Cash	10.557	48,441
Total Department of Agriculture		<u>131,651</u>
DEPARTMENT OF HOMELAND SECURITY		
Emergency Management Performance Grant	97.042	45,000
Homeland Security Grant-2012	97.067	102,204
Homeland Security Grant-2013	97.067	126,348
		<u>273,552</u>
DEPARTMENT OF JUSTICE		
JAG Grant	16.738	<u>3,164</u>
DEPARTMENT OF TRANSPORTATION		
Formula Grants For Rural Areas	20.509	<u>78,751</u>
Total federal award expenditures		<u>\$ 817,045</u>

SAN MIGUEL COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Schedule of Expenditures of Federal Awards is not prepared on the accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources.

Federal awards provided to sub recipients are treated as expenditures when paid or distributed to the sub recipients.

NOTE B - REPORTING ENTITY

The financial reporting entity consists of San Miguel County, Colorado (the County) as the primary government; organizations for which the County is financially accountable; and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

The Department of Human Services and Health Department are considered to be part of the primary government of the County because they are not legally separate. The county is accountable and has fiscal control over these departments.

NOTE C - PASS-THROUGH AWARDS

The County receives certain federal awards from pass-through awards from the State of Colorado. The amounts received are commingled by the State of Colorado with other funds. Only the federal amount of such pass-through awards is included in the Schedule of Expenditures of Federal Awards.

**INDEPENDENT AUDITOR'S 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
San Miguel County, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of San Miguel County, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise San Miguel County, Colorado's basic financial statements, and have issued our report thereon dated May 27, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Board of County Commissioners
San Miguel County, Colorado
Page Two

Purpose of this Report

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

Blair and Associates, P.C.

Cedaredge, Colorado
May 27, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of County Commissioners
San Miguel County, Colorado

Report on Compliance for Each Major Federal Program

We have audited San Miguel County, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of San Miguel County, Colorado's major federal programs for the year ended December 31, 2014. San Miguel County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of San Miguel County, Colorado, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of San Miguel County, Colorado's internal control over compliance.

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

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

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

Blair and Associates, P.C.

Cedaredge, Colorado
May 27, 2015

San Miguel County, Colorado
Schedule of Findings and Questioned Costs
Year ended December 31, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		<u>Unqualified Opinion</u>		
Internal control over financial reporting:				
Material weakness (es) identified?	_____	yes	_X_	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_X_	none
Noncompliance material to financial statements noted?	_____	yes	_X_	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	_X_	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_X_	none

Type of auditor's report issued on compliance for major programs:		<u>Unqualified Opinion</u>		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	yes	_X_	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.067	Homeland Security Grant-2012
97.067	Homeland Security Grant-2013
20.509	Formula Grant for Rural Areas
10.557	Special Supplement Nutrition Program For Women, Infants and Children

Dollar threshold used to distinguish between Type A and Type B programs:		\$ 300,000		
Auditee qualified as low-risk auditee?	_____	yes	_X_	no

San Miguel County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS — CONTINUED
Year ended December 31, 2014

SECTION II — FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING
STANDARDS

There are no findings under Generally Accepted Government Auditing
Standards.

SECTION III — FINDINGS AND QUESTIONED COSTS UNDER OMB CIRCULAR A-133

There are no findings under OMB Circular A-133.

San Miguel County, Colorado
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended December 31, 2014

SECTION II— FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING
STANDARDS

None

SECTION III — FINDINGS AND QUESTIONED COSTS UNDER OMB CIRCULAR A-133

None