

CHAFFEE COUNTY, COLORADO

ANNUAL FINANCIAL REPORT

FOR THE

YEAR ENDED DECEMBER 31, 2014

**CHAFFEE COUNTY, COLORADO
ELECTED AND APPOINTED OFFICIALS
December 31, 2014**

ELECTED OFFICIALS

Dennis Giese, Chairman of the Board, Commissioner District #1
Frank Holman, , Commissioner District #2
Dave Potts, Commissioner District #3
Randy Amettis, County Coroner
Brenda Mosby, County Assessor
Lori Mitchell, County Clerk and Recorder
John Spezze, County Sheriff
Dee Dee Copper, County Treasurer

MANAGEMENT

Dan Short, Director of Finance and Personnel
Robert Christiansen, Director of General Administration

INDEPENDENT AUDITOR

Scott C. Wright
Certified Public Accountant

CHAFFEE COUNTY, COLORADO

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2014

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CHAFFEE COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2014

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FINANCIAL SECTION

SCOTT C. WRIGHT
CERTIFIED PUBLIC ACCOUNTANT
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AVON, COLORADO 81620
scottwright.cpa@icloud.com

Board of County Commissioners
Chaffee County, Colorado
Salida, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chaffee 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 45-47 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

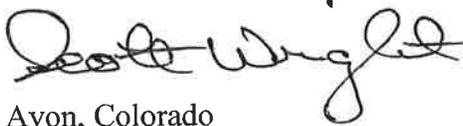
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chaffee County, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and are 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 my opinion, the combining and individual nonmajor fund financial

statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated April 30, 2015, on my consideration of Chaffee County, Colorado's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chaffee County, Colorado's internal control over financial reporting and compliance

A handwritten signature in black ink, appearing to read "Scott Wright". The signature is written in a cursive style with a large initial "S" and a long, sweeping underline.

Avon, Colorado
April 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Chaffee County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Chaffee County for the fiscal year ended December 31, 2014.

Financial Highlights

- The assets of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$28,978,955 (net position). Of this amount, \$10,155,358 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designation and fiscal policies.
- The County's total net position decreased by \$399,598.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$9,846,173, a decrease of \$1,121,708 in comparison with the prior year. Approximately forty-seven percent (47%) of this total amount, or \$4,630,555, is available for use within the County's policies (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund represented forty-eight percent (48%) of total general fund expenditures.
- All scheduled debt service payments on long-term debt obligations were made during the current fiscal year thereby reducing the County's total long-term debt by \$438,780.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two 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 during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from

other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, community and economic development, public safety, health and welfare, public works, parks and recreation, and airport operations. The business-type activities of the County include solid waste landfill operations, emergency medical services and sewer debt recovery operations.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the Chaffee County Facilities Corporation (Facilities Corporation) which was created with the sole purpose of facilitating County financings. The Facilities Corporation is included in the County's financial statements because the County has financial accountability for the Facilities Corporation and they, in turn, are fiscally dependent upon the County. The Facilities Corporation activities are reported as a debt service fund.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County 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, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflow and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of 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. By doing so, readers may better understand the long-term 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 between *governmental funds* and *governmental activities*.

The County maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, and health and human services fund, all of which are considered to be major funds. Data from the other nine nonmajor governmental funds (airport fund, conservation trust fund, retirement fund, contingent reserve fund, asset replacement fund, lodging visitors bureau fund, animal shelter fund, Chaffee County Facilities Corporation fund, and capital expenditures fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste landfill operations, emergency medical services, and sewer debt recovery operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the cost of insurance and estimated damaged property claims allocated to County departments. Because this cost allocation predominately effects governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for waste landfill operations, emergency medical services, and sewer debt recovery operations. Separate information is also provided for the County's internal service fund. The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Chaffee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 26 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-43 of this report.

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The County adopts an annual appropriated budget for its general fund and major special revenue funds. Budgetary comparison statements have been provided for the general fund, road and bridge fund, and health and human services fund to demonstrate compliance with these budgets and can be found on pages 45-47 of this report.

Other Supplemental Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information on pages 52-55. Individual fund statements and schedules and other miscellaneous schedules can also be found in this section on pages 56-80 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Chaffee County, assets exceeded liabilities and deferred inflows of resources by \$28,978,955 as of December 31, 2014.

A large portion of the County's net position (61%) reflects its investment in capital assets (land, construction in progress, buildings and improvements, vehicles, and machinery and equipment), net of any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (3.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$10,155,358) may be used to meet the County's ongoing obligations to citizens and creditors.

Condensed Net Position

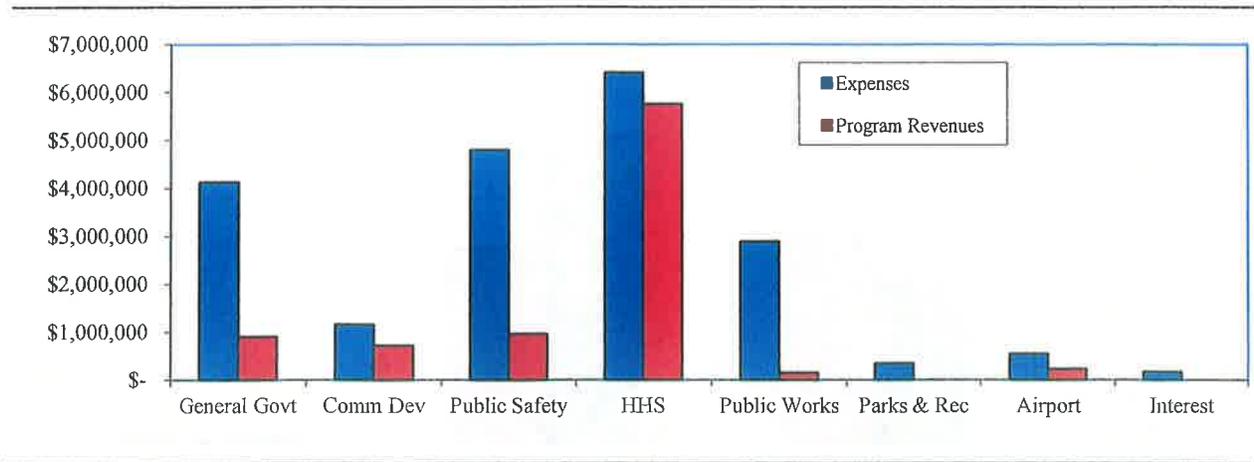
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$14,855,881	\$16,141,136	\$1,893,758	\$1,989,396	\$16,749,639	\$18,130,532
Capital Assets, net	<u>20,151,571</u>	<u>19,855,804</u>	<u>2,323,446</u>	<u>2,113,160</u>	<u>22,475,017</u>	<u>21,968,964</u>
Total Assets	<u>35,007,452</u>	<u>35,996,940</u>	<u>4,217,204</u>	<u>4,102,556</u>	<u>39,224,656</u>	<u>40,099,496</u>
Other Liabilities	1,361,964	1,584,088	108,663	71,238	1,470,627	1,655,326
Noncurrent Liabilities	<u>4,818,969</u>	<u>5,229,736</u>	<u>529,551</u>	<u>539,710</u>	<u>5,348,520</u>	<u>5,769,446</u>
Total Liabilities	<u>6,180,933</u>	<u>6,813,824</u>	<u>638,214</u>	<u>610,948</u>	<u>6,819,147</u>	<u>7,424,772</u>
Deferred Inflows of Resources	<u>3,426,554</u>	<u>3,296,171</u>	<u>-</u>	<u>-</u>	<u>3,426,554</u>	<u>3,296,171</u>
Net Position:						
Net Investment in Capital Assets	15,873,097	15,171,701	1,858,619	1,639,553	17,731,716	16,811,254
Restricted	1,091,881	1,327,780	-	-	1,091,881	1,327,780
Unrestricted	<u>8,434,987</u>	<u>9,387,464</u>	<u>1,720,371</u>	<u>1,852,055</u>	<u>10,155,358</u>	<u>11,239,519</u>
Total Net Position	<u>\$25,399,965</u>	<u>\$25,886,945</u>	<u>\$3,578,990</u>	<u>\$3,491,608</u>	<u>\$28,978,955</u>	<u>\$29,378,553</u>

Change in Net Position

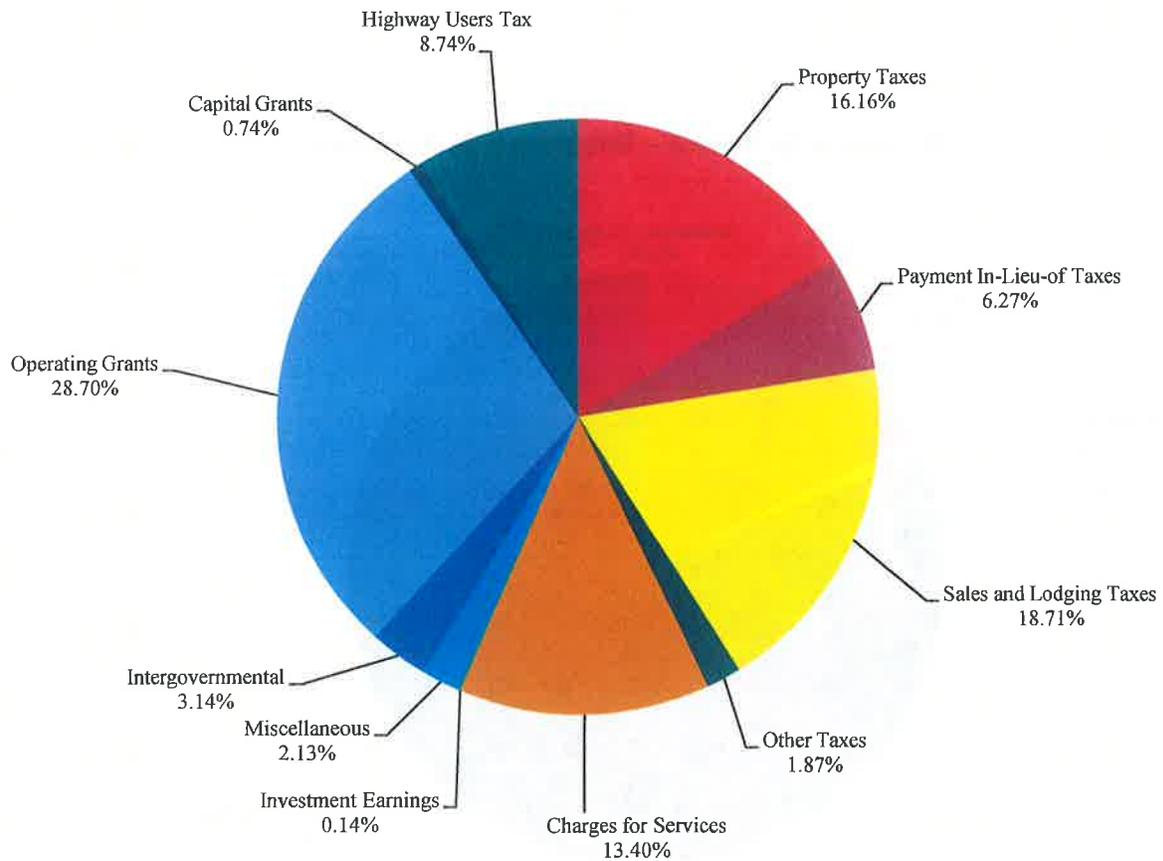
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 2,729,531	\$ 2,653,834	\$ 1,799,653	\$ 1,508,818	\$ 2,729,531	\$ 4,162,652
Operating Grants and Contributions	5,844,608	5,630,642	19,426	43,480	5,844,608	5,674,122
Capital Grants and Contributions	150,543	55,080	-	-	150,543	55,080
General Revenues:						
Taxes:						
Property Taxes	3,289,881	3,178,780	-	-	3,289,881	3,178,780
Sales and Lodging Taxes	3,808,981	3,579,846	-	-	3,808,981	3,579,846
Payment In-Lieu-of Taxes	1,277,304	1,218,663	-	-	1,277,304	1,218,663
Highway Users Tax	1,778,740	1,746,095	-	-	1,778,740	1,746,095
Other Taxes	380,975	422,800	-	-	380,975	422,800
Unrestricted Investment Earnings	28,171	19,430	1,440	1,690	29,611	21,120
Intergovernmental	640,131	599,298	-	-	640,131	599,298
Miscellaneous	<u>433,431</u>	<u>372,104</u>	<u>-</u>	<u>-</u>	<u>433,431</u>	<u>372,104</u>
Total Revenues	<u>20,362,296</u>	<u>19,476,572</u>	<u>1,820,519</u>	<u>1,553,988</u>	<u>22,182,815</u>	<u>21,030,560</u>
EXPENSES						
Program Activities:						
Governmental Activities:						
General Government	4,132,707	3,385,865	-	-	4,132,707	3,385,865
Community / Economic Development	1,159,283	1,042,831	-	-	1,159,283	1,042,831
Public Safety	4,800,871	4,458,522	-	-	4,800,871	4,458,522
Health and Welfare	6,413,798	6,729,678	-	-	6,413,798	6,729,678
Public Works	2,891,141	2,224,669	-	-	2,891,141	2,224,669
Parks and Recreation	344,364	356,281	-	-	344,364	356,281
Airport Operations	545,245	622,265	-	-	545,245	622,265
Interest on Long-term Debt	166,867	153,701	-	-	166,867	153,701
Business-type Activities:						
Landfill Operations	-	-	733,220	708,640	733,220	708,640
Emergency Medical Services	-	-	1,355,972	1,266,412	1,355,972	1,266,412
Sewer Enterprise	<u>-</u>	<u>-</u>	<u>38,945</u>	<u>39,375</u>	<u>38,945</u>	<u>39,375</u>
Total Expenses	<u>20,454,276</u>	<u>18,973,812</u>	<u>2,128,137</u>	<u>2,014,427</u>	<u>22,582,413</u>	<u>20,988,239</u>
Excess (Deficiency) Before Transfers	(91,980)	502,760	(307,618)	(460,439)	(399,598)	42,321
Transfers	<u>(395,000)</u>	<u>(295,000)</u>	<u>395,000</u>	<u>295,000</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net position	(486,980)	207,760	87,382	(165,439)	(399,598)	42,321
Net Position, Beginning	<u>25,886,945</u>	<u>25,679,185</u>	<u>3,491,608</u>	<u>3,657,047</u>	<u>29,378,553</u>	<u>29,336,232</u>
Net Position, Ending	<u>\$25,399,965</u>	<u>\$25,886,945</u>	<u>\$ 3,578,990</u>	<u>\$ 3,491,608</u>	<u>\$28,978,955</u>	<u>\$29,378,553</u>

Governmental Activities. Governmental activities decreased the County's net position by \$486,980 in 2014. The cost of all governmental activities in 2014 was \$20,454,276, a 7.8% increase from the prior year. Revenues from governmental activities increased 4.5% from the prior year. The key elements of this increase were increases in charges for services, property taxes, and sales and lodging taxes in 2014.

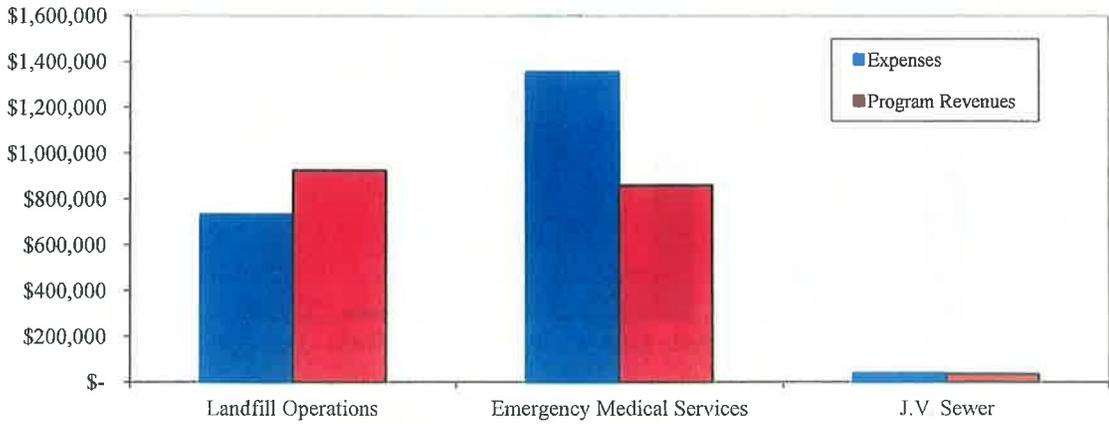
Expenses and Program Revenues – Governmental Activities



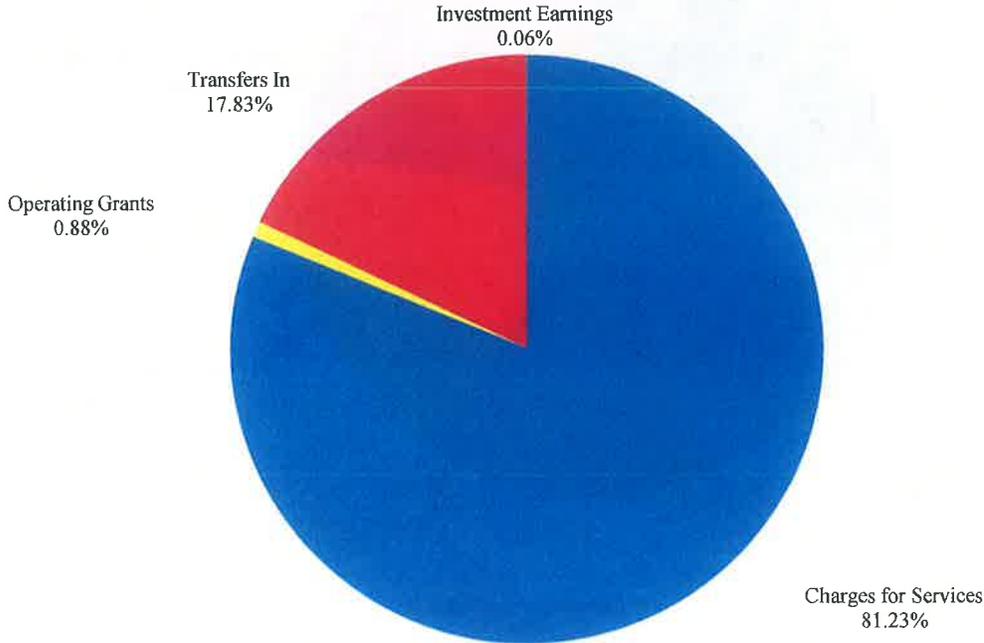
Revenues by Source – Governmental Activities



Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the County's Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2014 and the amount and percentage of increases and decreases in relation to the prior year.

<u>Revenues</u>	2014 <u>Amount</u>	Percent of <u>Total</u>	2013 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$ 7,479,837	37.00%	\$ 7,181,426	\$ 298,411	4.16%
Licenses and Permits	738,725	3.66%	550,949	187,776	34.08%
Intergovernmental	9,646,326	47.72%	9,249,778	396,548	4.29%
Charges for Services	1,846,980	9.14%	1,898,713	(51,733)	(2.72%)
Fines and Forfeitures	93,256	0.46%	66,035	27,221	41.22%
Investment Earnings	27,620	0.14%	18,816	8,804	46.79%
Miscellaneous	<u>380,567</u>	<u>1.88%</u>	<u>367,931</u>	<u>12,636</u>	3.43%
Total	<u>\$20,213,311</u>	<u>100.00%</u>	<u>\$19,333,648</u>	<u>\$ 879,663</u>	

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2014, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	2014 <u>Amount</u>	Percent of <u>Total</u>	2013 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Current:					
General Government	\$ 3,276,484	15.65%	\$ 2,748,908	\$ 527,576	19.19%
Community / Economic Development	1,181,716	5.64%	1,037,337	144,379	13.92%
Public Safety	4,565,984	21.81%	4,193,878	372,106	8.87%
Health and Welfare	6,399,122	30.56%	6,713,454	(314,332)	(4.68%)
Public Works	2,824,317	13.49%	2,142,122	682,195	31.85%
Parks and Recreation	315,150	1.50%	323,329	(8,179)	(2.53%)
Airport Operations	193,251	0.92%	212,700	(19,449)	(9.14%)
Capital Outlay	1,610,066	7.69%	399,862	1,210,024	302.61%
Debt Service:					
Principal	390,000	1.86%	375,000	15,000	40.00%
Interest	181,275	0.87%	190,475	(9,200)	(4.83%)
Fiscal Charges	<u>2,654</u>	<u>0.01%</u>	<u>2,720</u>	<u>(66)</u>	(2.43%)
Total	<u>\$20,940,019</u>	<u>100.00%</u>	<u>\$18,339,785</u>	<u>\$ 2,600,234</u>	

Fund Balances

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, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the year.

The County's governmental funds reported combined ending fund balances of \$9,846,173, a decrease of \$1,121,708 from the prior year. Of this total, \$4,989,260 is restricted due to external

limitations on its use, such as by debt covenants and legal restrictions. A total of \$226,358 is considered unspendable because it has been used for prepaid items (inventories). The remaining \$4,630,555 is unassigned and can be used for any lawful purpose.

The general fund is the main operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,630,555. The fund balance of the general fund decreased by \$234,117 or 4.5%, in 2014. As a measure of the general fund's liquidity, it can be useful to compare unassigned fund balances to total fund expenditures. Unassigned fund balance represents 48.3% of total fund expenditures or the equivalent of almost 6 months of operations. The County's fund balance provides the resources necessary to be financially adaptable to unforeseen circumstances.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December, 31, 2014, totals \$22,475,017 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, and machinery and equipment (see table below). The total decrease in the County's net capital assets for the current fiscal year was 2.3% (a 1.5% increase for governmental activities and a 9.9% increase for business-type activities).

Major capital assets purchased or constructed during the current fiscal year included the purchase of land for \$900,388, the construction of a terminal parking lot at the airport for \$111,099, roof replacement of \$40,705 at the Toubert Building, a new International 7600 for \$108,415, three new Chevy Tahoe Sheriff's vehicles and a mobile command unit totaling \$176,027, a John Deere loader and John Deere excavator for the Chaffee County landfill operations for \$356,400.

County's Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 1,655,545	\$ 755,157	\$ 177,677	\$ 177,677	\$ 1,833,222	\$ 932,834
Construction in Progress	-	-	-	371,900	-	371,900
Buildings & Imp.	17,072,289	17,678,587	858,283	479,669	17,930,572	18,158,256
Utility Lines	-	-	488,452	506,217	488,452	506,217
Vehicles	575,435	542,659	210,866	306,571	786,301	849,230
Mach. & Equip	<u>848,302</u>	<u>879,401</u>	<u>588,168</u>	<u>271,126</u>	<u>1,436,470</u>	<u>1,150,527</u>
Total	<u>\$20,151,571</u>	<u>\$19,855,804</u>	<u>\$ 2,323,446</u>	<u>\$ 2,113,160</u>	<u>\$22,475,017</u>	<u>\$21,968,964</u>

Additional information on the County's capital assets can be found in Notes 4 on pages 37-38 of this report.

Long-term debt. At the end of the current fiscal year, the County had total long-term debt outstanding in the amount of \$4,619,827. Of this amount, \$4,155,000 are Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements. The remainder of the County's debt, \$464,827, represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

County's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenue Bonds	\$ -	\$ -	\$ 464,827	\$ 473,607	\$ 464,827	\$ 473,607
Certificates of Participation	<u>4,155,000</u>	<u>4,545,000</u>	<u>-</u>	<u>-</u>	<u>4,115,000</u>	<u>4,545,000</u>
Total	<u>\$ 4,155,000</u>	<u>\$ 4,545,000</u>	<u>\$ 464,827</u>	<u>\$ 473,607</u>	<u>\$ 4,579,827</u>	<u>\$ 5,018,607</u>

The County's total outstanding debt decreased by a net \$438,780 during the current fiscal year. All scheduled debt service payments on long-term debt obligations were made during the current fiscal year.

Additional information on the County's long-term debt can be found in Note 5 on pages 39-40 of this report.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chaffee County Finance Department, 132 ,Crestone, Salida, CO 81201.

BASIC FINANCIAL STATEMENTS

CHAFFEE COUNTY, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 9,498,093	\$ 1,696,544	\$ 11,194,637
Receivables	4,618,350	197,214	4,815,564
Inventory	226,358	-	226,358
Restricted Assets - Cash and Cash Equivalents	513,080	-	513,080
Capital Assets, net of accumulated depreciation:			
Nondepreciable	1,655,545	177,677	1,833,222
Depreciable	18,496,026	2,145,769	20,641,795
Total Assets	35,007,452	4,217,204	39,224,656
LIABILITIES			
Accounts Payable	268,835	40,665	309,500
Retainages Payable	6,779	-	6,779
Accrued Liabilities	22,638	66,222	88,860
Accrued Interest Payable	18,047	1,776	19,823
Deposits and Reserves	162,066	-	162,066
Unearned Revenues	883,599	-	883,599
Noncurrent Liabilities:			
Due Within One Year	969,015	73,902	1,042,917
Due In More Than One Year	3,849,954	455,649	4,305,603
Total Liabilities	6,180,933	638,214	6,819,147
DEFERRED INFLOWS OF RESOURCES			
Deferred Gain on Advance Refunding of Debt	14,495	-	14,495
Unavailable Revenue - Property Taxes	3,412,059	-	3,412,059
Total Deferred Inflows of Resources	3,426,554	-	3,426,554
NET POSITION			
Net Investment in Capital Assets	15,873,097	1,858,619	17,731,716
Restricted For:			
Emergencies	494,603	-	494,603
Debt Service	597,278	-	597,278
Unrestricted	8,434,987	1,720,371	10,155,358
Total Net Position	\$ 25,399,965	\$ 3,578,990	\$ 28,978,955

The accompanying notes are an integral part of the financial statements.

CHAFFEE COUNTY, COLORADO

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 4,132,707	\$ 829,799	\$ 75,757	\$ -
Community / Economic Development	1,159,283	713,911	3,037	-
Public Safety	4,800,871	821,496	99,400	45,000
Health and Welfare	6,413,798	128,585	5,631,019	-
Public Works	2,891,141	112,347	35,395	-
Parks and Recreation	344,364	-	-	-
Airport Operations	545,245	123,393	-	105,543
Interest and Fiscal Charges on Long-term Debt	166,867	-	-	-
Total Governmental Activities	20,454,276	2,729,531	5,844,608	150,543
Business-type Activities:				
Landfill Operations	733,220	925,193	-	-
Emergency Medical Services	1,355,972	840,064	19,426	-
Sewer	38,945	34,396	-	-
Total Business-type Activities	2,128,137	1,799,653	19,426	-
Total Primary Government	\$ 22,582,413	\$ 4,529,184	\$ 5,864,034	\$ 150,543

General Revenues:

Property Taxes, Levied for General Purposes
 Sales and Lodging Taxes
 Payment In-Lieu-of Taxes
 Highway Users Tax
 Other Taxes
 Miscellaneous Intergovernmental
 Unrestricted Investment Earnings
 Miscellaneous

Transfers

Total General Revenues and Transfers

Increase (Decrease) in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (3,227,151)	\$ -	\$ (3,227,151)
(442,335)	-	(442,335)
(3,834,975)	-	(3,834,975)
(654,194)	-	(654,194)
(2,743,399)	-	(2,743,399)
(344,364)	-	(344,364)
(316,309)	-	(316,309)
(166,867)	-	(166,867)
<u>(11,729,594)</u>	<u>-</u>	<u>(11,729,594)</u>
-	191,973	191,973
-	(496,482)	(496,482)
-	(4,549)	(4,549)
<u>-</u>	<u>(309,058)</u>	<u>(309,058)</u>
<u>(11,729,594)</u>	<u>(309,058)</u>	<u>(12,038,652)</u>
3,289,881	-	3,289,881
3,808,981	-	3,808,981
1,277,304	-	1,277,304
1,778,740	-	1,778,740
380,975	-	380,975
640,131	-	640,131
28,171	1,440	29,611
433,431	-	433,431
(395,000)	395,000	-
<u>11,242,614</u>	<u>396,440</u>	<u>11,639,054</u>
(486,980)	87,382	(399,598)
<u>25,886,945</u>	<u>3,491,608</u>	<u>29,378,553</u>
<u>\$ 25,399,965</u>	<u>\$ 3,578,990</u>	<u>\$ 28,978,955</u>

CHAFFEE COUNTY, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2014

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Other Governmental Funds
ASSETS				
Cash and Investments	\$ 4,443,060	\$ 1,408,009	\$ 1,601,532	\$ 1,796,353
Receivables:				
- Interest	1,907	164	-	205
- Taxes	2,221,715	58,946	599,459	531,939
- Accounts	50,627	-	7,590	714
- Intergovernmental	718,548	116,469	226,555	78,142
Inventories	-	199,034	-	27,324
Restricted Assets - Cash and Cash Equivalents	-	-	-	513,080
Total Assets	\$ 7,435,857	\$ 1,782,622	\$ 2,435,136	\$ 2,947,757
LIABILITIES				
Accounts Payable	\$ 92,615	\$ 15,641	\$ 116,272	\$ 43,530
Retainages Payable	-	-	-	6,779
Accrued Liabilities	22,638	-	-	-
Deposits and Reserves	162,066	-	-	-
Unearned Revenues	-	-	883,599	-
Total Liabilities	277,319	15,641	999,871	50,309
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	2,221,715	58,946	599,459	531,939
FUND BALANCES				
Nonspendable:				
Inventories	-	199,034	-	27,324
Restricted For:				
TABOR Emergency Reserve	167,081	-	-	327,522
Debt Service Reserve	-	-	-	513,080
Secure Rural Schools	111,543	-	-	-
Other Purposes	-	-	-	1,350,309
Health and Public Welfare	-	-	835,806	-
Roads and Bridges	-	1,509,001	-	-
Assigned For:				
Other Purposes	27,644	-	-	147,274
Unassigned	4,630,555	-	-	-
Total Fund Balances	4,936,823	1,708,035	835,806	2,365,509
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,435,857	\$ 1,782,622	\$ 2,435,136	\$ 2,947,757

The accompanying notes are an integral part of the financial statements.

**RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCE TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014**

	<u>Total</u>		
<p>\$ 9,248,954</p> <p style="padding-left: 20px;">2,276</p> <p style="padding-left: 20px;">3,412,059</p> <p style="padding-left: 20px;">58,931</p> <p style="padding-left: 20px;">1,139,714</p> <p style="padding-left: 20px;">226,358</p> <p style="padding-left: 20px;">513,080</p> <hr style="border: 0.5px solid black;"/> <p>\$ 14,601,372</p> <hr style="border: 0.5px solid black;"/> <p>\$ 268,058</p> <p style="padding-left: 20px;">6,779</p> <p style="padding-left: 20px;">22,638</p> <p style="padding-left: 20px;">162,066</p> <p style="padding-left: 20px;">883,599</p> <hr style="border: 0.5px solid black;"/> <p>1,343,140</p> <hr style="border: 0.5px solid black;"/> <p>3,412,059</p> <hr style="border: 0.5px solid black;"/> <p>226,358</p> <p>494,603</p> <p>513,080</p> <p>111,543</p> <p>1,350,309</p> <p>835,806</p> <p>1,509,001</p> <p>174,918</p> <p>4,630,555</p> <hr style="border: 0.5px solid black;"/> <p>9,846,173</p> <hr style="border: 0.5px solid black;"/> <p>\$ 14,601,372</p> <hr style="border: 0.5px solid black;"/>	<p>Total Governmental Fund Balances</p> <p><i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i></p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p> <ul style="list-style-type: none"> - Capital assets - Accumulated depreciation <p>Some liabilities, including bonds, notes and leases payable, and compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds:</p> <ul style="list-style-type: none"> - Certificates of Participation payable - Compensated absences payable <p>Accrued interest payable is recognized for governmental activities but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.</p> <p>The internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position.</p> <p>Net Position of Governmental Activities</p>	<p>\$ 9,846,173</p> <hr style="border: 0.5px solid black;"/> <p>33,129,726</p> <p>(12,978,155)</p> <hr style="border: 0.5px solid black;"/> <p>20,151,571</p> <hr style="border: 0.5px solid black;"/> <p>(4,278,474)</p> <p>(554,990)</p> <hr style="border: 0.5px solid black;"/> <p>(4,833,464)</p> <hr style="border: 0.5px solid black;"/> <p>(18,047)</p> <hr style="border: 0.5px solid black;"/> <p>253,732</p> <hr style="border: 0.5px solid black;"/> <p>\$ 25,399,965</p> <hr style="border: 0.5px solid black;"/>	

CHAFFEE COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Other Governmental Funds
Revenues				
Taxes	\$ 5,742,507	\$ 58,525	\$ 640,978	\$ 1,037,827
Licenses and Permits	734,717	4,008	-	-
Intergovernmental	2,052,892	1,890,846	5,465,207	237,381
Charges for Services	1,661,051	62,536	-	123,393
Fines and Forfeitures	93,256	-	-	-
Investment Earnings	23,047	1,887	117	2,569
Other Revenues	258,588	250	12,296	109,433
Total Revenues	10,566,058	2,018,052	6,118,598	1,510,603
Expenditures				
Current:				
General Government	3,066,756	-	-	209,728
Community / Economic Development	717,070	-	-	464,646
Public Safety	4,565,984	-	-	-
Health and Welfare	485,171	-	5,913,951	-
Public Works	536,272	2,288,045	-	-
Parks and Recreation	213,062	-	-	102,088
Airport Operations	-	-	-	193,251
Capital Outlay	-	189,527	-	1,420,539
Debt Service:				
Principal	-	-	-	390,000
Interest	-	-	-	181,275
Fiscal Charges	-	-	-	2,654
Total Expenditures	9,584,315	2,477,572	5,913,951	2,964,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	981,743	(459,520)	204,647	(1,453,578)
Other Financing Sources (Uses)				
Transfers In	423,200	-	-	1,209,060
Transfers Out	(1,639,060)	(10,000)	(100,000)	(278,200)
Total Other Financing Sources (Uses)	(1,215,860)	(10,000)	(100,000)	930,860
Net Change in Fund Balances	(234,117)	(469,520)	104,647	(522,718)
Fund Balances, Beginning of Year	5,170,940	2,177,555	731,159	2,888,227
Fund Balances, End of year	\$ 4,936,823	\$ 1,708,035	\$ 835,806	\$ 2,365,509

The accompanying notes are an integral part of the financial statements.

**RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Total</u>																																																																																																																																																																														
<table border="0" style="width: 100%;"> <tr><td style="width: 5%;">\$</td><td style="width: 10%;">7,479,837</td><td style="width: 10%;"></td><td style="width: 10%;"></td></tr> <tr><td></td><td>738,725</td><td></td><td></td></tr> <tr><td></td><td>9,646,326</td><td></td><td></td></tr> <tr><td></td><td>1,846,980</td><td></td><td></td></tr> <tr><td></td><td>93,256</td><td></td><td></td></tr> <tr><td></td><td>27,620</td><td></td><td></td></tr> <tr><td></td><td>380,567</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> <tr><td></td><td>20,213,311</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> <tr><td></td><td>3,276,484</td><td></td><td></td></tr> <tr><td></td><td>1,181,716</td><td></td><td></td></tr> <tr><td></td><td>4,565,984</td><td></td><td></td></tr> <tr><td></td><td>6,399,122</td><td></td><td></td></tr> <tr><td></td><td>2,824,317</td><td></td><td></td></tr> <tr><td></td><td>315,150</td><td></td><td></td></tr> <tr><td></td><td>193,251</td><td></td><td></td></tr> <tr><td></td><td>1,610,066</td><td></td><td></td></tr> <tr><td></td><td>390,000</td><td></td><td></td></tr> <tr><td></td><td>181,275</td><td></td><td></td></tr> <tr><td></td><td>2,654</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> <tr><td></td><td>20,940,019</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> <tr><td></td><td>(726,708)</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> <tr><td></td><td>1,632,260</td><td></td><td></td></tr> <tr><td></td><td>(2,027,260)</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> <tr><td></td><td>(395,000)</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> <tr><td></td><td>(1,121,708)</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> <tr><td></td><td>10,967,881</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> <tr><td>\$</td><td>9,846,173</td><td></td><td></td></tr> <tr><td colspan="4"><hr/></td></tr> </table>	\$	7,479,837				738,725				9,646,326				1,846,980				93,256				27,620				380,567			<hr/>					20,213,311			<hr/>					3,276,484				1,181,716				4,565,984				6,399,122				2,824,317				315,150				193,251				1,610,066				390,000				181,275				2,654			<hr/>					20,940,019			<hr/>					(726,708)			<hr/>					1,632,260				(2,027,260)			<hr/>					(395,000)			<hr/>					(1,121,708)			<hr/>					10,967,881			<hr/>				\$	9,846,173			<hr/>				<p>Net Change in Fund Balances - Total Governmental Funds \$ (1,121,708)</p> <p><i>Amounts reported for governmental activities in the Statement of Activities are different because:</i></p> <p>Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than the noncapitalizable items, are reported in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p> <table border="0" style="width: 100%; margin-left: 40px;"> <tr><td style="width: 50%;">- Capital Outlay</td><td style="text-align: right;">1,536,647</td></tr> <tr><td>- Depreciation</td><td style="text-align: right;">(1,240,880)</td></tr> <tr><td></td><td style="text-align: right;"><hr/></td></tr> <tr><td></td><td style="text-align: right;">295,767</td></tr> </table> <p>Repayment of bond and lease principal are reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:</p> <table border="0" style="width: 100%; margin-left: 40px;"> <tr><td style="width: 50%;">- Certificates of Participation retirements</td><td style="text-align: right;">390,000</td></tr> <tr><td></td><td style="text-align: right;"><hr/></td></tr> </table> <p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p> <table border="0" style="width: 100%; margin-left: 40px;"> <tr><td style="width: 50%;">- Change in compensated absences payable</td><td style="text-align: right;">6,973</td></tr> <tr><td>- Change in accrued interest payable on outstanding bonds</td><td style="text-align: right;">1,433</td></tr> <tr><td>- Amortization of deferred gain on refunding and bond premium</td><td style="text-align: right;">15,629</td></tr> <tr><td></td><td style="text-align: right;"><hr/></td></tr> <tr><td></td><td style="text-align: right;">24,035</td></tr> </table> <p>The internal service fund is used by management to charge the cost of insurance to individual funds. The net income of the internal service fund is included in governmental activities.</p> <table border="0" style="width: 100%; margin-left: 40px;"> <tr><td style="width: 50%;"></td><td style="text-align: right;"><hr/></td></tr> <tr><td></td><td style="text-align: right;">(75,074)</td></tr> </table> <p>Change in Net Position of Governmental Activities \$ (486,980)</p>	- Capital Outlay	1,536,647	- Depreciation	(1,240,880)		<hr/>		295,767	- Certificates of Participation retirements	390,000		<hr/>	- Change in compensated absences payable	6,973	- Change in accrued interest payable on outstanding bonds	1,433	- Amortization of deferred gain on refunding and bond premium	15,629		<hr/>		24,035		<hr/>		(75,074)
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- Capital Outlay	1,536,647																																																																																																																																																																														
- Depreciation	(1,240,880)																																																																																																																																																																														
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- Certificates of Participation retirements	390,000																																																																																																																																																																														
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- Change in compensated absences payable	6,973																																																																																																																																																																														
- Change in accrued interest payable on outstanding bonds	1,433																																																																																																																																																																														
- Amortization of deferred gain on refunding and bond premium	15,629																																																																																																																																																																														
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CHAFFEE COUNTY, COLORADO

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2014

	Business-Type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer		
ASSETS					
Current Assets:					
Cash and Investments	\$ 1,538,628	\$ 100,072	\$ 57,844	\$ 1,696,544	\$ 249,139
Receivables:					
- Interest	128	-	-	128	47
- Accounts, net	61,005	136,081	-	197,086	5,323
Total Current Assets	1,599,761	236,153	57,844	1,893,758	254,509
Capital Assets:					
- Land and Improvements	135,677	36,000	6,000	177,677	-
- Buildings and Improvements	1,542,308	514,534	-	2,056,842	-
- Utility Lines	-	-	710,585	710,585	-
- Vehicles	229,429	650,985	-	880,414	-
- Machinery and Equipment	1,341,148	488,077	-	1,829,225	-
- Accumulated Depreciation	(2,105,966)	(1,003,198)	(222,133)	(3,331,297)	-
Net Capital Assets	1,142,596	686,398	494,452	2,323,446	-
Total Assets	2,742,357	922,551	552,296	4,217,204	254,509
LIABILITIES					
Current Liabilities:					
Accounts Payable	31,108	9,557	-	40,665	777
Compensated Absences Payable	19,736	44,988	-	64,724	-
Accrued Closure and Post-Closure Costs	66,222	-	-	66,222	-
Accrued Interest Payable	-	-	1,776	1,776	-
Revenue Bonds Payable - Current	-	-	9,178	9,178	-
Total Current Liabilities	117,066	54,545	10,954	182,565	777
Noncurrent Liabilities:					
Revenue Bonds Payable	-	-	455,649	455,649	-
Total Liabilities	117,066	54,545	466,603	638,214	777
NET POSITION					
Net Investment in Capital Assets	1,142,596	686,398	29,625	1,858,619	-
Unrestricted	1,482,695	181,608	56,068	1,720,371	253,732
Total Net Position	\$ 2,625,291	\$ 868,006	\$ 85,693	\$ 3,578,990	\$ 253,732

The accompanying notes are an integral part of the financial statements.

CHAFFEE COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-Type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer		
Operating Revenues:					
Charges for Services	\$ 904,997	\$ 795,445	\$ 34,396	\$ 1,734,838	\$ 300,003
Other Operating Revenues	20,196	44,619	-	64,815	52,864
Total Operating Revenues	925,193	840,064	34,396	1,799,653	352,867
Operating Expenses:					
Cost of Operations	553,788	1,221,491	-	1,775,279	428,492
Depreciation and Amortization	179,432	134,481	17,765	331,678	-
Total Operating Expenses	733,220	1,355,972	17,765	2,106,957	428,492
Operating Income (Loss)	191,973	(515,908)	16,631	(307,304)	(75,625)
Nonoperating Revenues (Expenses):					
Grant Revenues	-	19,426	-	19,426	-
Interest Income	1,440	-	-	1,440	551
Interest Expense	-	-	(21,180)	(21,180)	-
Total Nonoperating Revenues (Expenses)	1,440	19,426	(21,180)	(314)	551
Income (Loss) Before Transfers	193,413	(496,482)	(4,549)	(307,618)	(75,074)
Transfers In (Out)	(29,000)	424,000	-	395,000	-
Change in Net Position	164,413	(72,482)	(4,549)	87,382	(75,074)
Net Position, Beginning of Year	2,460,878	940,488	90,242	3,491,608	328,806
Net Position, End of Year	\$ 2,625,291	\$ 868,006	\$ 85,693	\$ 3,578,990	\$ 253,732

The accompanying notes are an integral part of the financial statements.

CHAFFEE COUNTY, COLORADO

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-Type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer		
Cash Flows From Operating Activities					
Cash Received from Customers and Users	\$ 855,918	\$ 781,335	\$ 42,995	\$ 1,680,248	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	356
Cash Payments to Suppliers	(240,974)	(290,080)	-	(531,054)	(356,499)
Cash Payments to Employees	(250,367)	(907,208)	-	(1,157,575)	-
Cash Payments for Interfund Services Used	(27,320)	(23,250)	-	(50,570)	-
Other Operating Revenues	20,196	44,619	-	64,815	52,864
Net Cash Provided by (Used in) Operating Activities	<u>357,453</u>	<u>(394,584)</u>	<u>42,995</u>	<u>5,864</u>	<u>(74,059)</u>
Cash Flows From Noncapital Financing Activities					
Grant Received	-	19,426	-	19,426	-
Transfers Out to Other Funds	(29,000)	(6,000)	-	(35,000)	-
Transfer In from Other Funds	-	430,000	-	430,000	-
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>(29,000)</u>	<u>443,426</u>	<u>-</u>	<u>414,426</u>	<u>-</u>
Cash Flows From Capital Financing Activities					
Acquisition and Construction of Fixed Assets	(447,625)	(94,339)	-	(541,964)	-
Interest Paid on Long-term Debt	-	-	(8,814)	(8,814)	-
Principal Paid on Long-term Debt	-	-	(21,180)	(21,180)	-
Net Cash Used in Capital Financing Activities	<u>(447,625)</u>	<u>(94,339)</u>	<u>(29,994)</u>	<u>(571,958)</u>	<u>-</u>
Cash Flows From Investing Activities					
Interest Received from Investments	1,439	-	-	1,439	551
Net Cash Provided by Investing Activities	<u>1,439</u>	<u>-</u>	<u>-</u>	<u>1,439</u>	<u>551</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(117,733)	(45,497)	13,001	(150,229)	(73,508)
Cash and Cash Equivalents, Beginning of Year	<u>1,656,361</u>	<u>145,569</u>	<u>44,843</u>	<u>1,846,773</u>	<u>322,647</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,538,628</u>	<u>\$ 100,072</u>	<u>\$ 57,844</u>	<u>\$ 1,696,544</u>	<u>\$ 249,139</u>

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating Income (Loss)	<u>\$ 191,973</u>	<u>\$ (515,908)</u>	<u>\$ 16,631</u>	<u>\$ (307,304)</u>	<u>\$ (75,625)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation and Amortization	179,432	134,481	17,765	331,678	-
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(49,079)	(14,110)	8,599	(54,590)	789
Increase (Decrease) in Accounts Payable	8,216	(646)	-	7,570	777
Increase (Decrease) in Compensated Absences P:	(2,978)	1,599	-	(1,379)	-
Increase in Accrued Closure and Post Closure Costs	29,889	-	-	29,889	-
Total Adjustments	<u>165,480</u>	<u>121,324</u>	<u>26,364</u>	<u>313,168</u>	<u>1,566</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 357,453</u></u>	<u><u>\$ (394,584)</u></u>	<u><u>\$ 42,995</u></u>	<u><u>\$ 5,864</u></u>	<u><u>\$ (74,059)</u></u>

CHAFFEE COUNTY, COLORADO

STATEMENT OF ASSETS AND LIABILITIES - FIDUCIARY FUNDS AGENCY FUND DECEMBER 31, 2014

	<u>Agency Fund</u>
ASSETS	
Cash and Investments	<u>\$ 1,003,853</u>
Total Assets	<u><u>\$ 1,003,853</u></u>
LIABILITIES	
Due to Other Governments	\$ 103,248
Amounts Held in Escrow	880,605
Amount Held in Trust - Scott Estate	<u>20,000</u>
Total Liabilities	<u><u>\$ 1,003,853</u></u>

The accompanying notes are an integral part of the financial statements.

CHAFFEE COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

The financial statements of Chaffee County, Colorado (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the County’s basic financial statements.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present Chaffee County, Colorado (the primary government) and its component units, entities for which the County is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County’s operations and data from these units are combined with data of the County. The County’s blended component units have a December 31 year-end.

Primary Government. Chaffee County was formed in 1879. The governing body of the County is a three-member Board of County Commissioners. The Board appoints two individuals as co-administrators to administer its policies and authority. Five other elected officials have certain statutory authority specific to their offices. These offices are the Clerk and Recorder, Treasurer, Sheriff, Coroner, and Assessor. The County’s services include general administration, community and economic development, public safety and courts, roads and bridges, parks and recreation, and health and welfare services. In addition, the County operates three enterprise activities: a solid waste landfill, emergency medical services, and a sewer debt recovery operation.

Blended Component Units.

Chaffee County Facilities Corporation

The Chaffee County Facilities Corporation (Corporation) was created as a nonprofit corporation in 2001 in order to assist in the financing of various County facilities. The Corporation’s activities are reported as a debt service fund. The Corporation is included in the County’s financial statements because the Corporation is fiscally dependent upon the County. This component unit does not issue separate financial statements.

Chaffee County Sewer Enterprise (Johnson Village J.V.) Fund

The Chaffee County Sewer Enterprise Fund was created to finance and construct a wastewater distribution system in an area of the County known as “Johnson Village”.

CHAFFEE COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

Other Related Entity. The Public Trustee is a State statutorily-mandated position, appointed by the Board of County Commissioners, but whose financial transactions are independent of the County. However, all expenditures and associated revenues relating to the operations of the County Office of the Public Trustee are included in the General Fund.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the County (the primary government) and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service fund activity has been eliminated to avoid “doubling up” revenues and expenses.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the County. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not appropriate to include among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the County with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes, tourism and sales taxes, state share taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The County uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The County's major governmental funds are:

- *General Fund* – This is the County's primary operating fund. It is used to account for all activities of the County not required to be accounted for in another fund.
- *Road and Bridge Fund* – This fund is used to account for the cost of maintenance and construction of County roads and bridges. Colorado counties are required to maintain a road and bridge fund and to allocate a portion of the county's road and bridge property tax levy back to municipalities located with their county.
- *Health and Human Services Fund* – This fund is used to account for social service programs administered by the County under state and federal regulations. Programs include Medicaid, food assistance, foster care programs, and temporary assistance to needy families. Colorado counties are required by law to maintain a health and human services fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the County's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CHAFFEE COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

The County's proprietary funds are:

- *Waste Disposal Fund* – This fund is used to account for the activities involved in operating the County's solid waste landfill.
- *Emergency Medical Services Fund* – This fund is used to account for the operations of the County's ambulance and related emergency medical services.
- *J.V. Sewer Fund* – This fund (a blended component unit of the County) is used to account for the collection of monies and subsequent payment of debt service related to a wastewater distributions system constructed in an area of the County known as "Johnson Village".

The County's only internal service fund is the Insurance Fund. This fund charges other County funds for their allocated cost of insurance premiums and estimated damaged property claims not covered by insurance.

The County's fiduciary fund is an Agency Fund used to account for monies held on behalf of other governments, agencies and County departments and for property taxes collected on behalf of the other governments or agencies.

D. Budgets

Budgets are adopted by the County on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. The County follows statutory guidelines regarding preparation of the annual budget and follows these procedures in establishing the budgetary data as reflected in these financial statements:

- The County budget officer is responsible for preparing a tentative budget, which is submitted to the Board of County Commissioners prior to October 15th. The budget includes proposed expenditures and the means of financing them. The budget is prepared by fund and department and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year. Public hearings are held by the Board to obtain taxpayer comments. The budget is legally adopted by the Board prior to December 31.
- Once adopted, changes may be made to budgets by adoption of supplemental amendments by resolution of the Board. During the year ended December 31, 2014, one such amendment was adopted by the Board.
- Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis.

E. Assets, Liabilities, and Deferred Inflows of Resources

Cash and Investments. Cash and investment management is administered by the County Treasurer in accordance with Colorado Revised Statutes. The County concentrates the cash resources of its various funds in order to facilitate the management of cash. The balance in this concentration account is available to meet the County's current operating requirements. Cash resources in excess of current requirements is invested in various interest-bearing deposits and securities.

Colorado State statutes authorize the County to invest its excess funds in direct U.S. Government securities, agencies, bonds and other obligations of states and political subdivisions, corporate bonds, money market mutual funds, and local government investment pools. Investments are stated at fair value on the balance sheet except for money-market investments that have a remaining maturity at time of purchase of one year or less. Investment income is recognized when earned.

Inventories. Inventory of the County consists of aviation fuel for airport operations and consumable supplies associated with road and bridge operations. Road and bridge inventory is valued at average cost using the first-in/first-out (FIFO) method. Road and bridge inventory purchases are recorded as expenditures when purchased rather than when consumed and inventory is adjusted at year-end based on actual physical counts. An offsetting reserve of fund balance is reported in the Road and Bridge Fund which indicates that the amount of inventory reported is not available for expenditure as a component of net position.

Aviation fuel inventory is valued at cost using the FIFO method. Aviation fuel purchases are recorded as expenditures when consumed rather than when purchased.

Restricted Assets. Restricted assets in the amount of \$513,080 are reported in the Chaffee County Facilities Corporation in required debt service reserve accounts for the Series 2009 and Series 2012 Certificates of Participation. These accounts are all held in the trust department of UMB Bank.

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

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. It is the County's policy to capitalize expenditures with a cost greater than \$5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available. Donated capital assets are recorded at their estimated fair market value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

CHAFFEE COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Improvements	15-50 years
Improvements Other Than Buildings	10-50 years
Infrastructure	40-50 years
Vehicles	3-20 years
Machinery and Equipment	5-20 years

Deferred Inflows of Resources. In addition to liabilities, the government-wide and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category: deferred gain on advance refunding of debt and unavailable revenue. In the government-wide statement of net position *deferred gain on advance refunding of debt* is the result of the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding bonds. The other type of item, *unavailable revenue*, is reported in the government-wide and governmental funds balance sheet. The County reports *unavailable revenues* from one source: property tax. *Unavailable revenue – property taxes* is reported in the government-wide and governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. 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 position. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

G. Property Taxes

Property taxes are levied on or before December 15 of each year by the Board of County Commissioners. The levy is based on the assessed valuation of property located within the County as determined by the County Assessor generally as of January 1 of each year. The County Treasurer collects the property taxes during the ensuing calendar year for both the County and other taxing entities within the County.

Property taxes are payable in full by April 30, or if in two equal installments, by February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of tax liens on delinquent properties are held in November or December. Property taxes, net of estimated uncollectible taxes, are recorded as receivable in the year levied and offset to deferred revenue since they typically do not meet the availability criterion.

H. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and certain sick pay benefits. The liability for compensated absences is recorded as a current liability in the government-wide financial statements. In the fund financial statements governmental funds report a compensated liability payable only if they have matured, for example, as a result of employee resignations and retirements, while the proprietary funds report the liability as it is incurred. Within the governmental funds, the General Fund typically is used to liquidate any liabilities for compensated absences.

I. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are required to be maintained intact;
- Restricted fund balance – 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 fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

CHAFFEE COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

The County establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of County Commissioners through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The County considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 8).

J. Statements of Cash Flows

For purposes of the statement of cash flows, the County considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Note 2. Cash and Investments

Cash and investments as of December 31, 2014 are classified in the accompanying financial statements as follows:

Cash and Investments	\$ 11,194,637
Restricted Assets – Cash and Investments	513,080
Cash and Investments – Agency Fund	<u>1,003,853</u>
Total	<u>\$ 12,711,570</u>

Cash and investments as of December 31, 2014 consist of the following:

Cash on Hand	\$ 3,419
Deposits With Financial Institutions	1,397,407
Investments	<u>11,310,744</u>
Total	<u>\$ 12,711,570</u>

Investments Authorized by State Statute

The table below identifies the investment types that are authorized by Colorado state statutes.

- U.S. Treasury Obligations
- Federal Agency and Federal Instrumentality Securities
- Repurchase Agreements

Commercial Paper
 General Obligation Debt
 Revenue Obligation Debt
 Local Government Investment Pools
 Money Market Funds
 Time Certificates of Deposit

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. The County manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the County’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County’s investments by maturity:

<u>Investment Type</u>	<u>Carrying Amounts</u>	<u>Weighted Average Maturity To Call (in Years)</u>	<u>Weighted Average Maturity To Maturity (in Years)</u>
Federal Instrumentality Securities:			
Federal Home Loan Mortgage Corp.	\$ 145,000	0.07	1.82
Federal Home Loan Bank	354,501	0.15	3.55
Local Government Investment Pools	9,797,286	NA	NA
Money Market Mutual Funds	500,877	NA	NA
Held by Bond Trustee:			
Money Market Mutual Funds	<u>513,080</u>	NA	NA
Total	<u>\$ 11,310,744</u>		

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All of the County’s investments are rated AAA by Standard and Poors, and Aaa by Moody’s.

CHAFFEE COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

Concentration of Credit Risk

The County did not have any investments in any one issuer (other than U.S. Treasury obligations, mutual funds, and local government investment pools) that represented 5% or more of total County investments.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the County would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits 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 with the County being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping, and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

Local Government Investment Pools

As of December 31, 2014, the County held investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST) and Colorado Surplus Asset Trust (CSAFE), collectively referred to as the Trusts, respectively. Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

The Trusts may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

Note 3. Legal Compliance -- Budgets

For the year ended December 31, 2014, the County incurred expenditures in excess of appropriations in the following funds: Lodging Visitors Bureau Fund - \$30,546, Animal Shelter Fund - \$6,859, Chaffee County Facilities Corporation Fund - \$1,929, Waste Disposal Fund - \$49,726, Emergency Medical Services Fund - \$21,821, and Insurance Fund - \$5,492. According to Colorado State Statute these may be violations of the Local Government Budget Law.

Note 4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 755,157	\$ 900,388	\$ -	\$ 1,655,545
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>755,157</u>	<u>900,388</u>	<u>-</u>	<u>1,655,545</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	23,724,825	164,254	-	23,889,079
Vehicles	2,752,149	216,426	(33,718)	2,934,857
Machinery and Equipment	<u>4,433,697</u>	<u>255,579</u>	<u>(39,031)</u>	<u>4,650,245</u>
Total Capital Assets, Being Depreciated	<u>30,910,671</u>	<u>636,259</u>	<u>(72,749)</u>	<u>31,474,181</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(6,046,238)	(770,552)	-	(6,816,790)
Vehicles	(2,209,490)	(183,650)	33,718	(2,359,422)
Machinery and Equipment	<u>(3,554,296)</u>	<u>(286,678)</u>	<u>39,031</u>	<u>(3,801,943)</u>
Total Accumulated Depreciation	<u>(11,810,024)</u>	<u>(1,240,880)</u>	<u>72,749</u>	<u>(12,978,155)</u>
Total Capital Assets, Being Depreciated, Net	<u>19,100,647</u>	<u>(604,621)</u>	<u>-</u>	<u>18,496,026</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,855,804</u>	<u>\$ 295,767</u>	<u>\$ -</u>	<u>\$ 20,151,571</u>

CHAFFEE COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 177,677	\$ -	\$ -	\$ 177,677
Construction in Progress	<u>371,900</u>	<u>84,545</u>	<u>456,445</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>549,577</u>	<u>84,545</u>	<u>456,445</u>	<u>177,677</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	1,600,397	456,445	-	2,056,842
Utility Lines	710,585	-	-	710,585
Vehicles	897,413	-	(16,999)	880,414
Machinery and Equipment	<u>1,371,807</u>	<u>457,418</u>	<u>-</u>	<u>1,829,225</u>
Total Capital Assets, Being Depreciated	<u>4,580,202</u>	<u>913,863</u>	<u>(16,999)</u>	<u>5,477,066</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,120,728)	(77,831)	-	(1,198,559)
Utility Lines	(204,368)	(17,765)	-	(222,133)
Vehicles	(590,842)	(95,706)	17,000	(669,548)
Machinery and Equipment	<u>(1,100,681)</u>	<u>(140,376)</u>	<u>-</u>	<u>(1,241,057)</u>
Total Accumulated Depreciation	<u>(3,016,619)</u>	<u>(331,678)</u>	<u>17,000</u>	<u>(3,331,297)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,563,583</u>	<u>582,185</u>	<u>1</u>	<u>2,145,769</u>
Business-type Activities Capital Assets, Net	<u>\$ 2,113,160</u>	<u>\$ 666,730</u>	<u>\$ 456,444</u>	<u>\$ 2,323,446</u>

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

Governmental Activities:	
General Government	\$ 278,143
Community / Economic Development	4,000
Public Safety	322,325
Public Works	237,361
Health and Welfare	8,822
Parks and Recreation	34,175
Airport Operations	<u>356,054</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,240,880</u>
Business-type Activities:	
Solid Waste Landfill	\$ 179,432
Emergency Medical Services	134,481
Sewer Enterprise	<u>17,765</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 331,678</u>

Note 5. Long-term Debt

Revenue Bonds. The County has issued bonds through the United States Department of Agriculture – Rural Development in order to finance the construction of a sewage collection line to be used by customers of a local sanitation district, Buena Vista Sanitation, in an area of the County known as Johnson Village. In order to repay the debt, the Sewer Enterprise entered into an intergovernmental agreement with the Buena Vista Sanitation District whereby the Sewer Enterprise would develop a monthly surcharge, subject to annual revisions, to be imposed on the property owners in Johnson Village who are connected to the sewage collection line. Revenue bonds outstanding at December 31, 2014, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Sewage Collection Line	4.50%	<u>\$ 464,827</u>

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2014, are as follows:

<u>Year Ending December 31</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 9,178	\$ 20,816
2016	9,596	20,398
2017	10,033	19,961
2018	10,489	19,505
2019	10,966	19,028
2020-2024	62,788	87,182
2025-2029	78,435	71,535
2030-2034	97,981	51,989
2035-2039	122,398	27,572
2040-2042	<u>52,963</u>	<u>7,025</u>
Total	<u>\$ 464,827</u>	<u>\$ 345,011</u>

Certificates of Participation. In 2001, the Chaffee County Facilities Corporation issued Certificates of Participation in order to finance the cost of constructing County jail facilities. The Certificates evidence assignments of proportionate interest in rights to receive payments pursuant to an annually terminable Lease Purchase and Sublease Agreement, and entered into between the Facilities Corporation as lessor, and the County as lessee.

In 2009, the Chaffee County Facilities Corporation issued Certificates of Participation in order to finance the County's share of the acquisition and renovation of a Community Services Complex.

On March 18, 2012, the County issued \$3,270,000 of Series 2012 Refunding Certificates of Participation with interest rates ranging from 2%-4%. These Certificates were used to refund the outstanding 2001 Certificates of Participation in the aggregate principal amount

CHAFFEE COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

of \$3,290,000. The refunding resulted in an economic gain of \$230,613 with a cash flow savings of \$372,855.

Certificates of Participation outstanding at December 31, 2014, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Community Services Complex	3.00% - 5.50%	\$ 1,785,000
General Government – Refunding (Jail Facility)	2.00% - 4.00%	<u>2,370,000</u>
		<u>\$ 4,155,000</u>

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2014, are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 400,000	\$ 171,675
2016	425,000	158,725
2017	425,000	144,975
2018	435,000	130,975
2019	460,000	115,925
2020-2024	1,365,000	319,875
2025-2028	<u>645,000</u>	<u>91,025</u>
Total	<u>\$ 4,155,000</u>	<u>\$ 1,133,175</u>

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Certificates of Participation	\$ 4,545,000	\$ -	\$ 390,000	\$ 4,155,000	\$ 400,000
Bond Premium	122,773	-	13,794	108,979	14,025
Compensated Absences	<u>561,963</u>	<u>6,973</u>	<u>-</u>	<u>554,990</u>	<u>554,990</u>
Governmental Activity Long-term Liabilities	<u>\$ 5,229,736</u>	<u>\$ 6,973</u>	<u>\$ 403,794</u>	<u>\$ 4,818,969</u>	<u>\$ 969,015</u>
Business-type Activities:					
Revenue Bond	\$ 473,607	\$ -	\$ 8,780	\$ 464,827	\$ 9,178
Compensated Absences	<u>66,103</u>	<u>-</u>	<u>1,379</u>	<u>64,724</u>	<u>64,724</u>
Business-type Activity Long-term Liabilities	<u>\$ 539,710</u>	<u>\$ -</u>	<u>\$ 10,159</u>	<u>\$ 529,551</u>	<u>\$ 73,902</u>

Note 6. Interfund Transfers

Interfund activities represent transactions between different funds within the County.

<u>Fund</u>	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ 423,200	\$ 1,639,060
Road and Bridge Fund	-	10,000
Health and Human Services	-	100,000
Capital Expenditures Fund	450,000	-
Airport Fund	40,000	-
Retirement Fund	-	275,500
Asset Replacement Fund	150,060	-
Lodging Visitors Bureau Fund	-	2,700
Chaffee County Facilities Corporation	569,000	-
Waste Disposal Fund	-	29,000
Emergency Medical Services Fund	<u>430,000</u>	<u>6,000</u>
Total	<u>\$ 2,062,260</u>	<u>\$ 2,062,260</u>

Note 7. Employee Retirement Plan

The County participates in the Colorado County Officials and Employee Retirement Association, a multi-employer defined contribution retirement plan. A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

Eligible employees and the County each contribute an amount equal to 5% of the employee's base salary each month. Employees may contribute up to an additional 10% of base salary on an after-tax basis. The County does not match these additional contributions. During the year there were no differences between contribution requirements and contributions actually made by plan participants or the County. Both the County and the covered employees each made the required 5% contributions to the plans totaling \$664,765. There are no liabilities for benefits beyond the County's matching payments. No changes in the various plan's provisions occurred in 2014.

Note 8. Commitments and Contingencies

Litigation. The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, where the County Attorney is the attorney of record, the County Attorney believes the resolution of these matters will not have a material adverse effect on the financial condition of the County.

CHAFFEE COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

Tax, Spending and Debt Limitations. Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. County officials believe they are in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The emergency reserve balance at December 31, 2014 totaled \$494,603.

Prior to 2008, voters within the County approved the County's request to retain its excess revenue for fiscal year spending. As such the fiscal year spending limitations and refunding of excess revenue to its citizens as defined by this amendment no longer apply. However, the County remains subject to other provisions of this amendment.

Note 9. Risk Management

County Worker's Compensation Pool. The County is exposed to various risks of loss related to injuries of employees while on the job. The County is a member of the County Workers Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The intergovernmental agreement of formation of CWCP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

Colorado Counties Casualty and Property Pool. The County is exposed to various risks of loss related to torts or property and casualty losses. Therefore the County joined together with other Colorado counties to form the Colorado Counties Casualty and Property Pool (CAPP). CAPP is a public entity risk pool that provides property, general and automobile liability and public officials coverage to its members. The intergovernmental agreement of formation of CAPP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

Note 10. Landfill Closure and Post-Closure Care Cost

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County is required to maintain, in written documented form, current cost estimates to close its landfill site and to conduct post-closure care of this site. Financial assurance is required to be established in amounts sufficient to ensure payment of such costs. Chaffee County uses the "Local Government Financial Test" as its financial mechanism to financially assure full payment of all closure, post-closure, and if applicable, corrective action estimated costs. Although the closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The landfill closure and post-closure care liability at December 31, 2014 is \$66,222. This liability consists of closure and post-closure cost of \$32,583 and \$33,639, respectively, and represents the cumulative amount reported to date based on the use of approximately one and eighty four hundredths of one percent (3.26%) of the estimated capacity of the landfill.

The County will recognize the remaining estimated costs of closure and post-closure care of approximately \$2,028,306 as the remaining estimated capacity of the landfill is used. Closure costs are based on an estimate of the closure cost in 2012 dollars as adjusted for inflation. Post-closure costs are calculated based on the present value in 2012 dollars of the future annual cost to perform post-closure care over a ninety-nine year period. Actual costs may be higher or lower due to unknown factors such as changes in technology or regulations. It is estimated that the County landfill has a remaining useful life of ninety-nine years.

**REQUIRED SUPPLEMENTAL
INFORMATION**

CHAFFEE COUNTY, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 5,661,541	\$ 5,661,541	\$ 5,742,507	\$ 80,966
Licenses and Permits	453,200	453,200	734,717	281,517
Intergovernmental	1,631,169	1,631,169	2,052,892	421,723
Charges for Services	1,691,292	1,691,292	1,661,051	(30,241)
Fines and Forfeitures	54,000	54,000	93,256	39,256
Investment Earnings	28,250	28,250	23,047	(5,203)
Other Revenue	293,400	293,400	258,588	(34,812)
Total Revenues	9,812,852	9,812,852	10,566,058	753,206
Expenditures				
Current:				
General Government	3,187,514	3,406,514	3,066,756	339,758
Community Development	740,614	759,314	717,070	42,244
Public Safety	4,358,551	4,512,551	4,565,984	(53,433)
Health and Welfare	419,927	419,927	485,171	(65,244)
Public Works	545,278	553,278	536,272	17,006
Parks and Recreation	183,883	212,883	213,062	(179)
Total Expenditures	9,435,767	9,864,467	9,584,315	280,152
Excess (Deficiency) of Revenues Over (Under) Expenditures	377,085	(51,615)	981,743	1,033,358
Other Financing Sources (Uses)				
Transfers In	552,504	552,504	423,200	(129,304)
Transfers Out	(1,205,360)	(1,655,360)	(1,639,060)	16,300
Total Other Financing Sources (Uses)	(652,856)	(1,102,856)	(1,215,860)	(113,004)
Net Change in Fund Balances	(275,771)	(1,154,471)	(234,117)	920,354
Fund Balances, Beginning of Year	5,202,650	5,202,650	5,170,940	(31,710)
Fund Balances, End of year	\$ 4,926,879	\$ 4,048,179	\$ 4,936,823	\$ 888,644

CHAFFEE COUNTY, COLORADO

ROAD AND BRIDGE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 63,761	\$ 63,761	\$ 58,525	\$ (5,236)
Licenses and Permits	10,000	10,000	4,008	(5,992)
Intergovernmental	1,812,000	1,812,000	1,890,846	78,846
Charges for Services	19,500	19,500	62,536	43,036
Investment Earnings	2,200	2,200	1,887	(313)
Other Revenue	30,500	30,500	250	(30,250)
Total Revenues	<u>1,937,961</u>	<u>1,937,961</u>	<u>2,018,052</u>	<u>80,091</u>
Expenditures				
Current:				
Public Works	2,314,122	2,314,122	2,288,045	26,077
Capital Outlay	170,000	188,000	189,527	(1,527)
Total Expenditures	<u>2,484,122</u>	<u>2,502,122</u>	<u>2,477,572</u>	<u>24,550</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(546,161)</u>	<u>(564,161)</u>	<u>(459,520)</u>	<u>104,641</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(556,161)</u>	<u>(574,161)</u>	<u>(469,520)</u>	<u>104,641</u>
Fund Balances, Beginning of Year	<u>1,916,753</u>	<u>1,916,753</u>	<u>2,177,555</u>	<u>260,802</u>
Fund Balances, End of year	<u>\$ 1,360,592</u>	<u>\$ 1,342,592</u>	<u>\$ 1,708,035</u>	<u>\$ 365,443</u>

CHAFFEE COUNTY, COLORADO

HEALTH AND HUMAN SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted	Actual	Variance with Final Budget - Positive (Negative)
	Amounts		
	Original and Final	Amounts	
Revenues			
Taxes	\$ 573,250	\$ 640,978	\$ 67,728
Intergovernmental	6,445,386	5,465,207	(980,179)
Investment Earnings	-	117	117
Other Revenue	71,135	12,296	(58,839)
Total Revenues	7,089,771	6,118,598	(971,173)
Expenditures			
Current:			
Health and Welfare	7,052,019	5,913,951	1,138,068
Total Expenditures	7,052,019	5,913,951	1,138,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,752	204,647	166,895
Other Financing Sources (Uses)			
Transfers Out	(100,000)	(100,000)	-
Net Change in Fund Balances	(62,248)	104,647	166,895
Fund Balances, Beginning of Year	671,046	731,159	60,113
Fund Balances, End of year	\$ 608,798	\$ 835,806	\$ 227,008

OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Airport Fund – To account for general maintenance of the Harriet Alexander Field Airport. Revenues are principally derived from rental of airport facilities, tie-down fees, sales of fuel, and federal grants.

Conservation Trust Fund – To account for State of Colorado lottery proceeds that are restricted to capital parks and recreation expenditures.

Retirement Fund – To account for County contributions to the County employee retirement plan. Financing is provided by an annual property tax levy.

Contingent Reserve Fund – To account for emergency funds set aside in compliance with Article X, Section 20 of the Colorado Constitution (known as the TABOR amendment).

Asset Replacement Fund – To account for the accumulation of reserves through capital grants and contributions by departments and funds of the County for the replacement of vehicles and equipment.

Lodging Visitors Bureau Fund – To account for funds raised through a 1.9% lodging tax used for marketing and tourism promotion purposes.

Animal Shelter Fund – To account for revenues received from a one-half mill property tax levy and remitted to the Ark-Valley Humane Society.

Debt Service Fund

Debt service funds are used for the accumulation of resources and payment of bond principal and interest from government resources.

Chaffee County Facilities Corporation – To accumulate funds for debt service requirements of the Series 2009 Certificates of Participation used for the acquisition and renovation of the County's share of a Community Services Complex, and the Series 2012 Refunding Certificates of Participation used to refinance the original Series 2002 Certificates of Participation that were issued to finance the construction of the County jail facility.

Capital Projects Fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and/or equipment.

Capital Expenditures Fund – To account for the acquisition or construction of major capital facilities for various departments and funds of the County. Financial resources include a property tax levy and capital grants.

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CHAFFEE COUNTY, COLORADO

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2014

	Special Revenue Funds			
	Airport Fund	Conservation Trust Fund	Retirement Fund	Contingent Reserve Fund
ASSETS				
Cash and Investments	\$ 20,723	\$ 392,588	\$ 367,423	\$ 327,522
Receivables:				
- Interest	-	36	36	-
- Taxes	-	-	235,425	-
- Accounts	714	-	-	-
- Intergovernmental	14,341	-	2,586	-
Inventories	27,324	-	-	-
Restricted Assets - Cash and Investments	-	-	-	-
Total Assets	\$ 63,102	\$ 392,624	\$ 605,470	\$ 327,522
LIABILITIES				
Accounts Payable	\$ 17,746	\$ -	\$ 17,184	\$ -
Retainages Payable	6,779	-	-	-
Total Liabilities	24,525	-	17,184	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	235,425	-
FUND BALANCES (DEFICITS)				
Nonspendable:				
Inventories	27,324	-	-	-
Restricted For:				
TABOR Emergency Reserve	-	-	-	327,522
Debt Service Reserve	-	-	-	-
Animal Shelter	-	-	-	-
Capital Improvements	-	-	-	-
Employee Retirement Plan	-	-	352,861	-
Recreational Purposes	-	392,624	-	-
Tourism Promotion	-	-	-	-
Assigned For:				
Airport	11,253	-	-	-
Capital Improvements	-	-	-	-
Debt Service	-	-	-	-
Total Fund Balances (Deficits)	38,577	392,624	352,861	327,522
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 63,102	\$ 392,624	\$ 605,470	\$ 327,522

Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Asset Replacement Fund	Lodging Visitors Bureau Fund	Animal Shelter Fund	Chaffee County Facilities Corporation	Capital Expenditures Fund	
\$ 53,367	\$ 320,652	\$ 5	\$ 84,198	\$ 229,875	\$ 1,796,353
30	26	-	-	77	205
-	-	178,623	-	117,891	531,939
-	-	-	-	-	714
-	57,958	1,962	-	1,295	78,142
-	-	-	-	-	27,324
-	-	-	513,080	-	513,080
<u>\$ 53,397</u>	<u>\$ 378,636</u>	<u>\$ 180,590</u>	<u>\$ 597,278</u>	<u>\$ 349,138</u>	<u>\$ 2,947,757</u>
\$ 1,574	\$ 6,854	\$ -	\$ -	\$ 172	\$ 43,530
-	-	-	-	-	6,779
<u>1,574</u>	<u>6,854</u>	<u>-</u>	<u>-</u>	<u>172</u>	<u>50,309</u>
-	-	178,623	-	117,891	531,939
-	-	-	-	-	27,324
-	-	-	-	-	327,522
-	-	-	513,080	-	513,080
-	-	1,967	-	-	1,967
-	-	-	-	231,075	231,075
-	-	-	-	-	352,861
-	-	-	-	-	392,624
-	371,782	-	-	-	371,782
-	-	-	-	-	11,253
51,823	-	-	-	-	51,823
-	-	-	84,198	-	84,198
<u>51,823</u>	<u>371,782</u>	<u>1,967</u>	<u>597,278</u>	<u>231,075</u>	<u>2,365,509</u>
<u>\$ 53,397</u>	<u>\$ 378,636</u>	<u>\$ 180,590</u>	<u>\$ 597,278</u>	<u>\$ 349,138</u>	<u>\$ 2,947,757</u>

CHAFFEE COUNTY, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds			
	Airport Fund	Conservation Trust Fund	Retirement Fund	Contingent Reserve Fund
Revenues				
Taxes	\$ -	\$ -	\$ 252,775	\$ -
Intergovernmental	146,698	90,683	-	-
Charges for Services	123,393	-	-	-
Investment Earnings	-	384	390	-
Other Revenues	1,882	-	20,966	-
Total Revenues	<u>271,973</u>	<u>91,067</u>	<u>274,131</u>	<u>-</u>
Expenditures				
Current:				
General Government	-	-	-	-
Community / Economic Development	-	-	-	-
Parks and Recreation	-	102,088	-	-
Airport Operations	193,251	-	-	-
Capital Outlay	111,099	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal Charges	-	-	-	-
Total Expenditures	<u>304,350</u>	<u>102,088</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(32,377)</u>	<u>(11,021)</u>	<u>274,131</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	40,000	-	-	-
Transfers Out	-	-	(275,500)	-
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>-</u>	<u>(275,500)</u>	<u>-</u>
Net Change in Fund Balances	<u>7,623</u>	<u>(11,021)</u>	<u>(1,369)</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>30,954</u>	<u>403,645</u>	<u>354,230</u>	<u>327,522</u>
Fund Balances, End of year	<u>\$ 38,577</u>	<u>\$ 392,624</u>	<u>\$ 352,861</u>	<u>\$ 327,522</u>

Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Asset Replacement Fund	Lodging Visitors Bureau Fund	Animal Shelter Fund	Chaffee County Facilities Corporation	Capital Expenditures Fund	
\$ -	\$ 459,827	\$ 199,015	\$ -	\$ 126,210	\$ 1,037,827
-	-	-	-	-	237,381
-	-	-	-	-	123,393
354	282	1	261	897	2,569
1,107	1,500	-	-	83,978	109,433
<u>1,461</u>	<u>461,609</u>	<u>199,016</u>	<u>261</u>	<u>211,085</u>	<u>1,510,603</u>
-	-	206,339	-	3,389	209,728
-	464,646	-	-	-	464,646
-	-	-	-	-	102,088
-	-	-	-	-	193,251
375,849	-	-	-	933,591	1,420,539
-	-	-	390,000	-	390,000
-	-	-	181,275	-	181,275
-	-	-	2,654	-	2,654
<u>375,849</u>	<u>464,646</u>	<u>206,339</u>	<u>573,929</u>	<u>936,980</u>	<u>2,964,181</u>
<u>(374,388)</u>	<u>(3,037)</u>	<u>(7,323)</u>	<u>(573,668)</u>	<u>(725,895)</u>	<u>(1,453,578)</u>
150,060	-	-	569,000	450,000	1,209,060
-	(2,700)	-	-	-	(278,200)
<u>150,060</u>	<u>(2,700)</u>	<u>-</u>	<u>569,000</u>	<u>450,000</u>	<u>930,860</u>
(224,328)	(5,737)	(7,323)	(4,668)	(275,895)	(522,718)
<u>276,151</u>	<u>377,519</u>	<u>9,290</u>	<u>601,946</u>	<u>506,970</u>	<u>2,888,227</u>
<u>\$ 51,823</u>	<u>\$ 371,782</u>	<u>\$ 1,967</u>	<u>\$ 597,278</u>	<u>\$ 231,075</u>	<u>\$ 2,365,509</u>

CHAFFEE COUNTY, COLORADO

AIRPORT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 249,833	\$ 146,698	\$ (103,135)
Charges for Services	138,300	123,393	(14,907)
Other Revenues	900	1,882	982
Total Revenues	<u>389,033</u>	<u>271,973</u>	<u>(117,060)</u>
Expenditures:			
Current:			
Airport Operations	108,066	108,800	(734)
Fuel Purchases	110,000	84,451	25,549
Capital Outlay	222,223	111,099	111,124
Total Expenditures	<u>440,289</u>	<u>304,350</u>	<u>135,939</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,256)	(32,377)	18,879
Other Financing Sources (Uses):			
Transfers In	40,000	40,000	-
Net Change in Fund Balances	(11,256)	7,623	18,879
Fund Balances, Beginning of Year	<u>12,759</u>	<u>30,954</u>	<u>18,195</u>
Fund Balances, End of Year	<u>\$ 1,503</u>	<u>\$ 38,577</u>	<u>\$ 37,074</u>

CHAFFEE COUNTY, COLORADO

CONSERVATION TRUST FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 90,000	\$ 90,683	\$ 683
Investment Earnings	400	384	(16)
Other Revenues	-	-	-
Total Revenues	90,400	91,067	667
Expenditures:			
Current:			
Parks and Recreation	224,000	102,088	121,912
Total Expenditures	224,000	102,088	121,912
Net Change in Fund Balances	(133,600)	(11,021)	122,579
Fund Balances, Beginning of Year	379,838	403,645	23,807
Fund Balances, End of Year	\$ 246,238	\$ 392,624	\$ 146,386

CHAFFEE COUNTY, COLORADO

RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 253,209	\$ 253,209	\$ 252,775	\$ (434)
Investment Earnings	400	400	390	(10)
Other Revenues	5,000	5,000	20,966	15,966
Total Revenues	258,609	258,609	274,131	15,522
Expenditures:				
Current:				
General Government	5,000	5,000	-	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	253,609	253,609	274,131	20,522
Other Financing Sources (Uses):				
Transfers Out	(250,000)	(276,000)	(275,500)	500
Net Change in Fund Balances	3,609	(22,391)	(1,369)	21,022
Fund Balances, Beginning of Year	369,341	367,069	354,230	(12,839)
Fund Balances, End of Year	\$ 372,950	\$ 344,678	\$ 352,861	\$ 8,183

CHAFFEE COUNTY, COLORADO

CONTINGENT RESERVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Investment Earnings	-	-	-
Other Revenues	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers Out	-	-	-
Total Other Finance Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balances, Beginning of Year	<u>327,522</u>	<u>327,522</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 327,522</u>	<u>\$ 327,522</u>	<u>\$ -</u>

CHAFFEE COUNTY, COLORADO

ASSET REPLACEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment Earnings	\$ 450	\$ 450	\$ 354	\$ (96)
Other Revenues	-	-	1,107	1,107
Total Revenues	450	450	1,461	1,011
Expenditures:				
Capital Outlay	363,000	385,000	375,849	9,151
Total Expenditures	363,000	385,000	375,849	9,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(362,550)	(384,550)	(374,388)	10,162
Other Financing Sources (Uses):				
Transfers In	145,200	145,200	150,060	4,860
Sales of Capital Assets	5,000	5,000	-	(5,000)
Total Other Financing Sources (Uses)	150,200	150,200	150,060	(140)
Net Change in Fund Balances	(212,350)	(234,350)	(224,328)	10,022
Fund Balances, Beginning of Year	286,760	286,760	276,151	(10,609)
Fund Balances, End of Year	\$ 74,410	\$ 52,410	\$ 51,823	\$ (587)

CHAFFEE COUNTY, COLORADO

LODGING VISTORS BUREAU FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 360,000	\$ 360,000	\$ 459,827	\$ 99,827
Investment Earnings	350	350	282	(68)
Other Revenues	-	-	1,500	1,500
Total Revenues	360,350	360,350	461,609	101,259
Expenditures:				
Current:				
Economic Development	354,100	434,100	464,646	(30,546)
Total Expenditures	354,100	434,100	464,646	(30,546)
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,250	(73,750)	(3,037)	70,713
Other Financing Sources (Uses):				
Transfers Out	(2,700)	(2,700)	(2,700)	-
Net Change in Fund Balances	3,550	(76,450)	(5,737)	70,713
Fund Balances, Beginning of Year	385,516	385,516	377,519	(7,997)
Fund Balances, End of Year	\$ 389,066	\$ 309,066	\$ 371,782	\$ 62,716

CHAFFEE COUNTY, COLORADO

ANIMAL SHELTER FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Original and Final	Actual Amounts	
Revenues:			
Taxes	\$ 199,818	\$ 199,015	\$ (803)
Investment Earnings	50	1	(49)
Total Revenues	<u>199,868</u>	<u>199,016</u>	<u>(852)</u>
Expenditures:			
Current:			
General Government	<u>199,480</u>	<u>206,339</u>	<u>(6,859)</u>
Total Expenditures	<u>199,480</u>	<u>206,339</u>	<u>(6,859)</u>
Net Change in Fund Balances	388	(7,323)	(7,711)
Fund Balances, Beginning of Year	<u>3,343</u>	<u>9,290</u>	<u>5,947</u>
Fund Balances, End of Year	<u>\$ 3,731</u>	<u>\$ 1,967</u>	<u>\$ (1,764)</u>

CHAFFEE COUNTY, COLORADO

CHAFFEE COUNTY FACILITIES CORPORATION SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u> </u>	Variance with Final Budget - Positive (Negative) <u> </u>
Revenues:			
Investment Earnings	\$ -	\$ 261	\$ 261
Total Revenues	<u>-</u>	<u>261</u>	<u>261</u>
Expenditures:			
Debt Service:			
Principal	390,000	390,000	-
Interest	181,275	181,275	-
Fiscal Charges	725	2,654	(1,929)
Total Expenditures	<u>572,000</u>	<u>573,929</u>	<u>(1,929)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(572,000)	(573,668)	(1,668)
Other Financing Sources (Uses):			
Transfers In	570,000	569,000	(1,000)
Net Change in Fund Balances	(2,000)	(4,668)	(2,668)
Fund Balances, Beginning of Year	<u>84,559</u>	<u>601,946</u>	<u>517,387</u>
Fund Balances, End of Year	<u>\$ 82,559</u>	<u>\$ 597,278</u>	<u>\$ 514,719</u>

CHAFFEE COUNTY, COLORADO

CAPITAL EXPENDITURES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 126,767	\$ 126,767	\$ 126,210	\$ (557)
Investment Earnings	1,100	1,100	897	(203)
Other Revenues	-	-	83,978	83,978
Total Revenues	127,867	127,867	211,085	83,218
Expenditures:				
Current:				
General Government	3,200	3,200	3,389	(189)
Capital Outlay	30,000	970,000	933,591	36,409
Total Expenditures	33,200	973,200	936,980	36,220
Excess (Deficiency) of Revenues Over (Under) Expenditures	94,667	(845,333)	(725,895)	119,438
Other Financing Sources (Uses):				
Transfers In	-	-	450,000	450,000
Net Change in Fund Balances	94,667	(845,333)	(275,895)	569,438
Fund Balances, Beginning of Year	504,968	504,968	506,970	2,002
Fund Balances, End of Year	\$ 599,635	\$ (340,365)	\$ 231,075	\$ 571,440

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Board of County Commissioners is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered through user charges; or where the Board of County Commissioners has decided that periodic determination of net income is appropriate for accountability purposes.

Waste Disposal Fund – To account for the activities involved in operating the County’s solid waste landfill.

Emergency Medical Services Fund – To account for the operations of the County’s ambulance and related emergency medical services.

J.V. Sewer Fund - To account for the collection of monies and subsequent payment of debt service related to a wastewater distribution system constructed in an area of the County known as “Johnson Village”.

CHAFFEE COUNTY, COLORADO

WASTE DISPOSAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Original and Final	Actual Amounts	
Revenues:			
Charges for Services:			
Garbage Collection Fees	\$ 700,000	\$ 904,997	\$ 204,997
Investment Earnings	1,600	1,440	(160)
Other Revenues	21,500	20,196	(1,304)
Total Revenues	723,100	926,633	203,533
Expenditures:			
Operations:			
Personnel Costs	244,167	247,389	(3,222)
Closure and Post Closure Costs	40,000	67,638	(27,638)
Other Operating Costs	312,520	234,325	78,195
New Landfill Construction	150,000	84,546	65,454
Capital Outlay	205,000	367,515	(162,515)
Total Expenditures	951,687	1,001,413	(49,726)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(228,587)	(74,780)	153,807
Other Financing Sources (Uses):			
Transfers Out	(29,000)	(29,000)	-
Net Change in Fund Balances	(257,587)	(103,780)	153,807
Fund Balances, Beginning of Year	1,573,558	1,586,475	12,917
Fund Balances, End of Year	\$ 1,315,971	\$ 1,482,695	\$ 166,724

Fund Balances at December 31, 2014, is computed as follows:

Current Assets	\$ 1,599,761
Less: Current Liabilities	(117,066)
Fund Balances - December 31, 2014	\$ 1,482,695

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET ASSETS (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	<u>\$ (103,780)</u>
Adjustments to Reconcile Budgetary Basis to GAAP Basis	
Capitalization of Fixed Assets	447,625
Depreciation	<u>(179,432)</u>
Total Adjustments	<u>268,193</u>
Change in Net Assets (GAAP Basis)	<u>\$ 164,413</u>

CHAFFEE COUNTY, COLORADO

EMERGENCY MEDICAL SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services:				
Ambulance Fees	\$ 700,000	\$ 700,000	\$ 795,445	\$ 95,445
Intergovernmental	23,800	23,800	19,426	(4,374)
Other Revenues	10,500	10,500	44,619	34,119
Total Revenues	734,300	734,300	859,490	125,190
Expenditures:				
Operations:				
Personnel Costs	834,709	909,709	908,807	902
Other Operating Costs	287,500	287,500	311,164	(23,664)
Capital Outlay	96,800	96,800	95,859	941
Total Expenditures	1,219,009	1,294,009	1,315,830	(21,821)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(484,709)	(559,709)	(456,340)	103,369
Other Financing Sources (Uses):				
Transfers In	450,000	450,000	430,000	(20,000)
Transfers Out	(6,000)	(6,000)	(6,000)	-
Total Other Financing Sources (Uses)	444,000	444,000	424,000	(20,000)
Net Change in Fund Balances	(40,709)	(115,709)	(32,340)	83,369
Fund Balances, Beginning of Year	278,497	278,497	213,948	(64,549)
Fund Balances, End of Year	\$ 237,788	\$ 162,788	\$ 181,608	\$ 18,820

Fund Balances at December 31, 2014, is computed as follows:

Current Assets	\$ 236,153
Less: Current Liabilities	(54,545)
Fund Balances - December 31, 2014	\$ 181,608

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET ASSETS (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	<u>\$ (32,340)</u>
Adjustments to Reconcile Budgetary Basis to GAAP Basis	
Capitalization of Fixed Assets	94,339
Depreciation	<u>(134,481)</u>
Total Adjustments	<u>(40,142)</u>
Change in Net Assets (GAAP Basis)	<u><u>\$ (72,482)</u></u>

CHAFFEE COUNTY, COLORADO

J.V. SEWER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u> </u>	Variance with Final Budget - Positive (Negative) <u> </u>
Revenues:			
Charges for Services:			
Sewer Surcharge	\$ 34,400	\$ 34,396	\$ (4)
Total Revenues	<u>34,400</u>	<u>34,396</u>	<u>(4)</u>
Expenditures:			
Debt Service:			
Principal	8,780	8,780	-
Interest	21,220	21,180	40
Total Expenditures	<u>30,000</u>	<u>29,960</u>	<u>40</u>
Net Change in Fund Balances	4,400	4,436	36
Fund Balances, Beginning of Year	<u>53,439</u>	<u>51,632</u>	<u>(1,807)</u>
Fund Balances, End of Year	<u>\$ 57,839</u>	<u>\$ 56,068</u>	<u>\$ (1,771)</u>

Fund Balances at December 31, 2014, is computed as follows:

Current Assets	\$ 57,844
Less: Current Liabilities	(10,954)
Add: Current Portion of Revenue Bonds Payable	<u>9,178</u>
Fund Balances - December 31, 2014	<u>\$ 56,068</u>

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET ASSETS (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	<u>\$ 4,436</u>
Adjustments to Reconcile Budgetary Basis to GAAP Basis	
Principal Paid On Revenue Bonds	8,780
Depreciation and Amortization	<u>(17,765)</u>
Total Adjustments	<u>(8,985)</u>
Change in Net Assets (GAAP Basis)	<u><u>\$ (4,549)</u></u>

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or other government units, on a cost reimbursement basis.

Insurance Fund - This fund charges other County funds for their allocated cost of insurance premiums and estimated damaged property claims not covered by insurance.

CHAFFEE COUNTY, COLORADO

INSURANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services:				
Insurance Contribution	\$ 300,000	\$ 300,000	\$ 300,003	\$ 3
Investment Earnings	600	600	551	(49)
Other Revenues	5,000	5,000	52,864	47,864
Total Revenues	305,600	305,600	353,418	47,818
Expenditures:				
Current:				
Administrative, Legal and Claims	10,000	10,000	-	10,000
CAPP Pool Contributions	121,000	121,000	127,583	(6,583)
Workers Compensation Pool Contributions	165,000	165,000	180,351	(15,351)
Property and Casualty Claims	6,000	126,000	104,762	21,238
Miscellaneous	1,000	1,000	15,796	(14,796)
Total Expenditures	303,000	423,000	428,492	(5,492)
Net Change in Fund Balances	2,600	(117,400)	(75,074)	42,326
Fund Balances, Beginning of Year	341,401	341,401	328,806	(12,595)
Fund Balances, End of Year	\$ 344,001	\$ 224,001	\$ 253,732	\$ 29,731

Fund Balances at December 31, 2014, is computed as follows:

Current Assets	\$ 254,509
Less: Current Liabilities	(777)
Fund Balances - December 31, 2014	\$ 253,732

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET ASSETS (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	<u>\$ (75,074)</u>
Adjustments to Reconcile Budgetary Basis to GAAP Basis	
Total Adjustments	<u>-</u>
Change in Net Assets (GAAP Basis)	<u><u>\$ (75,074)</u></u>

CHAFFEE COUNTY, COLORADO

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Board of County Commissioners	\$ 572,000	\$ 572,000	\$ 605,249	\$ (33,249)
Administrative Support	300,953	334,953	296,959	37,994
County Attorney	64,055	64,055	44,460	19,595
Budget Officer	20,576	20,576	17,500	3,076
Audit	25,000	25,000	23,500	1,500
Safety	12,100	12,100	5,474	6,626
County Clerk and Recorder	488,989	527,989	530,990	(3,001)
Elections	148,650	148,650	135,617	13,033
County Treasurer and Public Trustee	222,628	237,628	226,401	11,227
County Assessor	467,600	497,600	484,668	12,932
Information Technology	7,500	7,500	-	7,500
County Extension Service	126,592	126,592	121,589	5,003
Public Health Nurse	448,099	448,099	290,119	157,980
Veterans Service Officer	25,082	75,082	39,466	35,616
Secure Rural Schools	90,000	90,000	46,385	43,615
PILT Funding	83,690	134,690	107,401	27,289
Miscellaneous	84,000	84,000	90,978	(6,978)
Total General Government	3,187,514	3,406,514	3,066,756	339,758
Community Development:				
Planning and Zoning	138,560	157,260	130,698	26,562
Building Inspector	518,008	518,008	507,535	10,473
Environmental Health	84,046	84,046	78,837	5,209
Total Community Development	740,614	759,314	717,070	42,244
Public Safety:				
District Attorney	341,560	341,560	341,560	-
Sheriff	1,685,270	1,715,270	1,758,056	(42,786)
Jail	1,439,836	1,534,836	1,567,464	(32,628)
Coroner	138,500	163,500	146,561	16,939
Emergency Management	104,697	108,697	112,023	(3,326)
Communications Center	648,688	648,688	640,320	8,368
Total Public Safety	4,358,551	4,512,551	4,565,984	(53,433)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and Welfare				
Livewell	\$ 149,852	\$ 149,852	\$ 121,999	\$ 27,853
Immunization	29,200	29,200	51,894	(22,694)
CHP/STEPP	38,460	38,460	26,545	11,915
Healthy Family Community	67,246	67,246	108,625	(41,379)
Oral Health Program	72,296	72,296	117,057	(44,761)
Victims Assistance Program	62,873	62,873	59,051	3,822
Total Health and Welfare	419,927	419,927	485,171	(65,244)
Public Works:				
Buildings and Grounds	288,378	296,378	314,541	(18,163)
Touber Building and Grounds	155,400	155,400	129,205	26,195
Weed Management	101,500	101,500	92,526	8,974
Total Public Works	545,278	553,278	536,272	17,006
Parks and Recreation:				
Fairgrounds	183,883	212,883	213,062	(179)
TOTAL EXPENDITURES	\$ 9,435,767	\$ 9,864,467	\$ 9,584,315	\$ 280,152

CHAFFEE COUNTY, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes:				
General Property Tax	\$ 2,131,541	\$ 2,131,541	\$ 2,134,406	\$ 2,865
General Property Tax - Delinquent Collections	3,000	3,000	2,028	(972)
General Property Tax - Interest and Penalties	9,000	9,000	7,549	(1,451)
Specific Ownership Tax	265,000	265,000	249,370	(15,630)
Sales Tax	3,253,000	3,253,000	3,349,154	96,154
Total Taxes	5,661,541	5,661,541	5,742,507	80,966
Licenses and Permits:				
Liquor Licenses	3,200	3,200	2,565	(635)
Building Permits	400,000	400,000	658,044	258,044
Septic Permits	22,000	22,000	23,565	1,565
F/S Inspections	28,000	28,000	46,303	18,303
Other Permits	-	-	4,240	4,240
Total Licenses and Permits	453,200	453,200	734,717	281,517
Intergovernmental:				
Federal Grants	102,812	102,812	191,173	88,361
Payments In-Lieu-Of Taxes	1,100,000	1,100,000	1,277,304	177,304
State Grants and Contracts	410,657	410,657	570,589	159,932
Other	17,700	17,700	13,826	(3,874)
Total Intergovernmental	1,631,169	1,631,169	2,052,892	421,723
Charges for Services:				
Departmental Fees	822,200	822,200	850,529	28,329
Public Safety Fees	832,292	832,292	728,240	(104,052)
Health and Welfare Fees	36,800	36,800	82,282	45,482
Total Charges for Services	1,691,292	1,691,292	1,661,051	(30,241)
Fines and Forfeitures				
Traffic Fines	54,000	54,000	93,256	39,256
Investment Earnings	28,250	28,250	23,047	(5,203)
Miscellaneous Revenues:				
Rents and Royalties	117,900	117,900	124,831	6,931
Cost Allocations	25,000	25,000	26,828	1,828
Miscellaneous Nonclassified Revenues	150,500	150,500	106,929	(43,571)
Total Miscellaneous Revenues	293,400	293,400	258,588	(34,812)
TOTAL REVENUES	\$ 9,812,852	\$ 9,812,852	\$ 10,566,058	\$ 753,206

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Chaffee
	YEAR ENDING : December 2014
This Information From The Records Of (example - City of __ or County of __ County of Chaffee	Prepared By: Dan Short Phone: 719-530-5596

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:	2,348,673
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	60,610
2. General fund appropriations		b. Snow and ice removal	299,246
3. Other local imposts (from page 2)	50,980	c. Other	
4. Miscellaneous local receipts (from page 2)	76,225	d. Total (a. through c.)	359,856
5. Transfers from toll facilities		4. General administration & miscellaneous	21,959
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,730,488
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)	127,205	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,840,965	2. Notes:	
D. Receipts from Federal Government (from page 2)	49,881	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,018,051	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)	2,730,488

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
	2,120,476	2,018,051	2,730,488	1,408,039	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	44,363	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	
4. Licenses		f. Charges for Services	70,082
5. Specific Ownership &/or Other	6,617	g. Other Misc. Receipts (& Transfers In)	2,136
6. Total (1. through 5.)	6,617	h. Other	4,007
c. Total (a. + b.)	50,980	i. Total (a. through h.)	76,225
	(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	1,778,740	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	62,225	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal (Severance)	49,881
f. Total (a. through e.)	62,225	g. Total (a. through f.)	49,881
4. Total (1. + 2. + 3.f)	1,840,965	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

CHAFFEE COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor / Pass Through Grantor / Program Or Cluster Title	Federal CFDA #	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>		
<i>Passed Through Colorado Department of Human Services:</i>		
Promoting Safe and Stable Families	93.556	26,349
Temporary Assistance for Needy Families	93.558	297,326
Title IV D Administrative	93.563	158,131
Low Income Home Energy Assistance (LEAP)	93.568	330,633
CCDF Discretionary	93.575	24,327
CCDF	93.596	23,843
Title IV B Child Welfare	93.645	6,548
Title IV E Foster Care	93.658	190,413
Title IV E Adoption	93.659	66,999
Title XX	93.667	65,092
Title XIX Medicaid	93.778	148,264
Adjustment to Federal Assistance	93.xxx	(52)
<i>Passed through Colorado Department of Public Health and Environment</i>		
Emergency Preparedness Response Grant (EPRD)	93.069	26,209
Grants to States to Support Oral Health Workforce Activities and Grants for Residency Training in Dental Public Health	93.236	56,472
Childhood Immunization	93.268	6,986
Breastfeeding Promotion and Support	93.741	8,036
Preventative Health and Health Services Block Grant	93.991	8,750
Maternal and Child Health Services Block Grant	93.994	6,052
Total U.S. Department of Health and Human Services		1,450,378

The accompanying notes are an integral part of this schedule.

Federal Grantor / Pass Through Grantor / Program Or Cluster Title	Federal CFDA #	Federal Expenditures
<u>U.S. Department of Homeland Security</u>		
Federal Emergency Management Agency		
<i>Passed through Colorado Department of Local Affairs</i>		
Emergency Management Performance Grant (EMPG)	97.042	34,130
<i>Passed through City of Colorado Springs</i>		
Homeland Security Grant Program	97.067	<u>45,000</u>
Total U.S. Department of Homeland Security		<u>79,130</u>
<u>U.S. Department of Transportation</u>		
Federal Aviation Administration		
Airport Improvement Program	20.106	<u>99,989</u>
Total U.S. Department of Transportation		<u>99,989</u>
<u>U.S. Department of Agriculture</u>		
<i>Passed Through Colorado Department of Human Services:</i>		
Food Assistance Administration	10.561	138,505
Food Assistance	10.551	1,937,054
<i>Rural Business-Cooperative Service</i>		
Rural Business Development Grant	10.351	<u>3,400</u>
Total U.S. Department of Agriculture		<u>2,078,959</u>
Total Expenditures of Federal Awards		<u><u>\$ 3,708,456</u></u>

CHAFFEE COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2014

Note 1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs collected and expended of Chaffee County, Colorado. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts in these schedules may differ from amounts presented in, or used in the presentation of the basic financial statements.

SCOTT C. WRIGHT
CERTIFIED PUBLIC ACCOUNTANT

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Avon, Colorado 81620
scottwright.cpa@icloud.com

Board of County Commissioners
Chaffee County, Colorado
Salida, Colorado

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*

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chaffee County, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Chaffee County, Colorado's basic financial statements, and have issued my report thereon dated April 30, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Chaffee 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chaffee County, Colorado's internal control. Accordingly, I do not express an opinion on the effectiveness of Chaffee 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.

My 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 my audit I did not identify any deficiencies in internal control that I

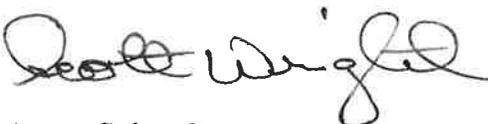
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chaffee County, Colorado's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.



Avon, Colorado
April 30, 2015

SCOTT C. WRIGHT
CERTIFIED PUBLIC ACCOUNTANT

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Board of County Commissioners
Chaffee County, Colorado
Salida, Colorado

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

Report on Compliance for Each Major Federal Program

I have audited Chaffee 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 Chaffee County, Colorado major federal programs for the year ended December 31, 2014. Chaffee 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

My responsibility is to express an opinion on compliance for each of Chaffee County, Colorado's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Chaffee County, Colorado's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my opinion, Chaffee 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.

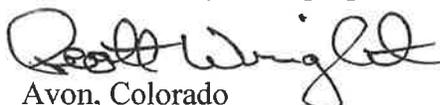
Report on Internal Control Over Compliance

Management of Chaffee 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 my audit of compliance, I considered Chaffee County, Colorado'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, I do not express an opinion on the effectiveness of Chaffee 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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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



Avon, Colorado
April 30, 2015

CHAFFEE COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2014

A. Summary of Auditor Results

- The auditor's report expresses an unqualified opinion on Chaffee County, Colorado's basic financial statements as of and for the year ended December 31, 2014.
- No reportable conditions relating to the audit of the basic financial statements are reported in the 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*.
- No instances of noncompliance material to the basic financial statements of Chaffee County, Colorado were disclosed during the audit.
- No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
- The auditor's report on Compliance for the Major Federal Award Programs for Chaffee County, Colorado expresses an unqualified opinion.
- There are no audit findings relative to the major federal award programs for Chaffee County, Colorado to be reported in Part C of this schedule.
- The programs tested as major federal programs were:
 - CFDA 93.558 Temporary Assistance for Needy Families (TANF)
 - CFDA 10.551 Supplemental Nutrition Assistance Program
- The threshold for distinguishing type A and B programs was \$300,000.
- Chaffee County, Colorado was determined to be a low risk auditee.

B. FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS)

- None

C. FINDINGS AND QUESTIONED COSTS UNDER OMB CIRCULAR A-133

- None

CHAFFEE COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2014

A. Summary Schedule of Prior Audit Findings

- There were no prior year audit findings and/or questioned costs for the year ended December 31, 2013 for Chaffee County, Colorado.