

Management Report

For

San Miguel County

December 31, 2014

Board of Commissioners
San Miguel County
Telluride, Colorado

Dear Members of the Board:

We enjoyed the opportunity of working with the staff at San Miguel County during the performance of your December 31, 2014 audit. This letter is a by-product of the audit process, and accompanies your annual audited financial statements.

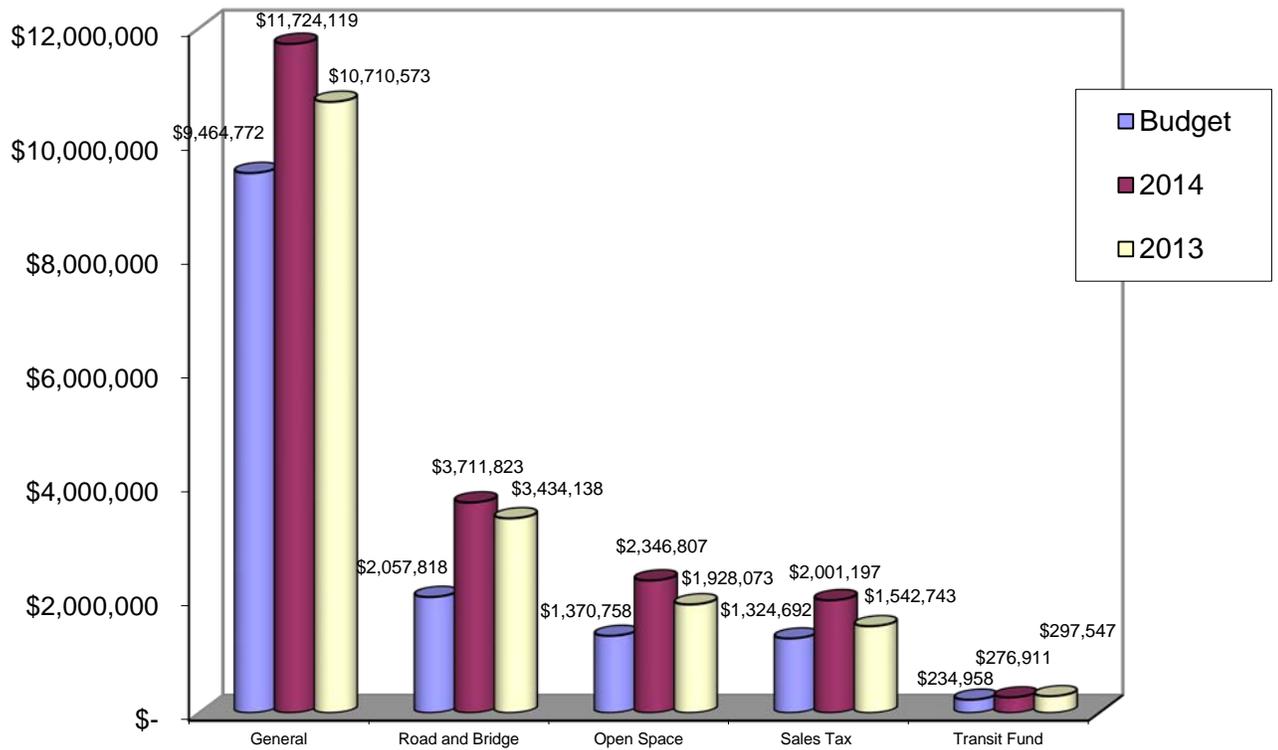
We hope this management letter provides you with valuable information that will assist in managing the County's financial operations. Included in this report are segments on positive observations, financial analysis and suggestions to improve the County's financial operations.

We did not design our review of the County's financial polices to detect all control weaknesses or irregularities that may exist within the County's operations. Consequently, we do not express an opinion on your internal control structure.

Positive Operations

In this section, we highlight the positive financial areas that we observed. Our first Graph illustrates the projected fund balances compared to actual balances at December 31, 2014 for the governmental fund types.

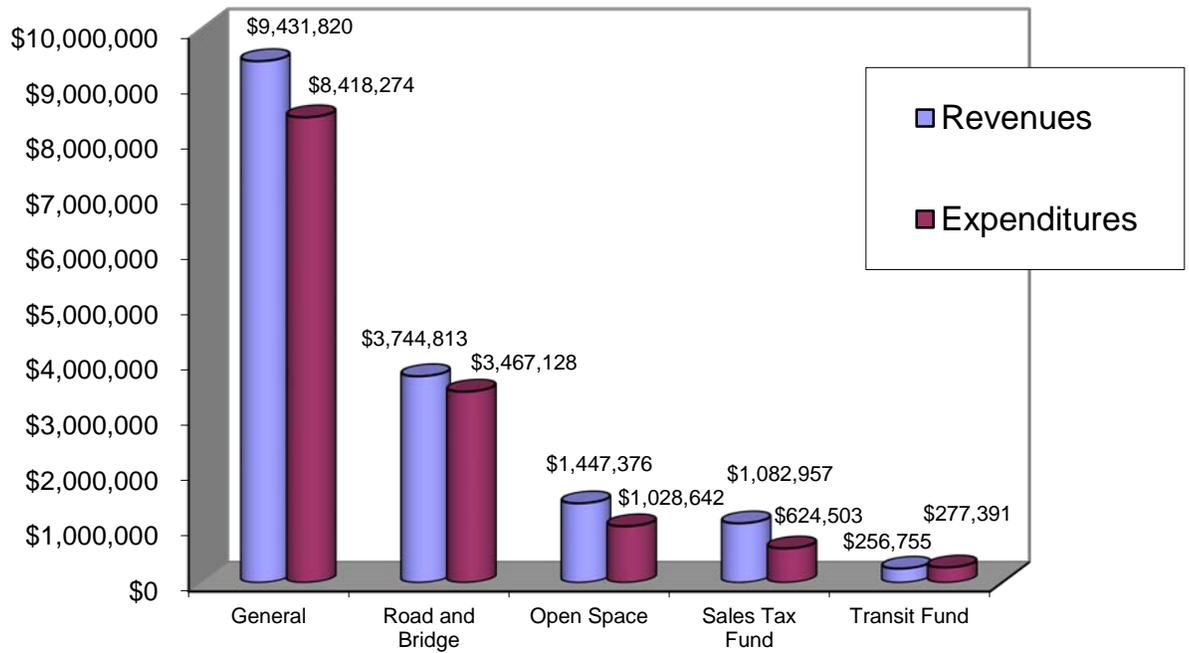
Fund Balances



Operating Revenues and Expenditures

The following graph depicts a comparison of 2014 sources of operating revenues and expenditures for the governmental funds.

Comparison of Revenues and Expenditures



Final Remarks

We would like to thank the County for allowing us to assist you with your financial consulting and auditing needs. We would especially like to thank Ramona Rummel for her assistance in helping us complete the audit.

Should you have any questions or require additional assistance, please contact Pete Blair at 1-970-856-7550 or at PeteBlaircpa@yahoo.com.