

CITY OF IDAHO SPRINGS, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2013

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the City Council
City of Idaho Springs
Idaho Springs, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Idaho Springs, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Idaho Springs, as of December 31, 2013, 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 the budgetary comparison information on pages 28-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated in all material respects in relation to the financial statements as a whole.

John Cutler & Associates, LLC

July 30, 2013

As management of the City of Idaho Springs (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the City of Idaho Springs.

A. FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities by \$16,436,710 at the end of 2013.
- Governmental funds reported combined fund equity of \$4,051,197, an increase of \$847,920 in comparison with the prior year. This increase is due primarily to savings in the Sales Tax Improvement Fund which will be used for future capital projects.
- The City’s unassigned fund balance for the General Fund was \$1,041,216, while committed fund balance totaled \$275,259 of which \$99,380 is for cemetery maintenance and \$175,879 is for storm water system improvements. The unassigned portion of fund balance is available to meet the City’s reserve requirements and future spending at the City’s discretion.
- Total long-term liabilities decreased by \$272,888 as a result of principal payments on long-term debt held by the Water and Wastewater Funds.
- Sales, Use and Property Tax Revenues were \$1,833,149, an increase of \$196,471 or 12% from the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains 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 our finances in a manner similar to a private sector business.

The ***Statement of Net Position*** presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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 situation of the City is improving or deteriorating.

The ***Statement of Activities*** presents information showing how the City’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 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., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions 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 include the following: general government (administration, building inspector, court, and cemetery), public safety (police and fire), streets, community promotion and parks. The business-type activities include water and wastewater.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requisites. The City's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows 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 activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds are separated into two major funds: the general fund and sales tax improvement fund.

An annual appropriated budget is adopted for all governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds - Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and wastewater, which are considered to be major funds.

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 the City's own programs. The method of accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to 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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board*.

Capital Assets

Beginning with the 2003 financial statements, the City must comply with capital assets reporting requirements as specified in *Governmental Accounting Standards Board Statement 34 (GASB34)*. One of the requirements is to report capital assets in the government-wide financial statements. The City has complied with these requirements. Accordingly, the government-wide financial statements include information about capital assets and infrastructure and their related expenses.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the close of 2013, total net assets were \$16,436,710. By far the largest portion of net assets is the investment in capital assets (net of related debt) of \$10,532,994 (64%). This amount reflects the investment in all capital assets (e.g.; infrastructure, land, buildings, and equipment) less any debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City's governmental and business-type net position for 2013 and 2012.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current & other assets	\$ 4,271,084	\$ 3,431,095	\$ 2,109,940	\$ 1,766,102	\$ 6,381,024	\$ 5,197,197
Capital assets	4,022,909	4,051,353	9,055,272	9,420,532	13,078,181	13,471,885
Total Assets	8,293,993	7,482,448	11,165,212	11,186,634	19,459,205	18,669,082
Current Liabilities	82,190	90,042	199,428	119,387	281,618	209,429
Noncurrent Liabilities	57,993	55,041	2,545,187	2,818,075	2,603,180	2,873,116
Total Liabilities	140,183	145,083	2,744,615	2,937,462	2,884,798	3,082,545
Deferred Inflows of Resources:	137,697	137,776	-	-	137,697	137,776
Net Position:						
Invested in capital assets net of related debt	4,022,909	4,051,353	6,510,085	6,602,457	10,532,994	10,653,810
Restricted	182,516	172,193	-	-	182,516	172,193
Unrestricted	3,810,688	2,976,043	1,910,512	1,646,715	5,721,200	4,622,758
Total Net Position	\$ 8,016,113	\$ 7,199,589	\$ 8,420,597	\$ 8,249,172	\$ 16,436,710	\$ 15,448,761

The restricted portion of net position (1.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$5,721,200 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in Net Position

Governmental and business-type activities increased the City's net position by \$987,949 in 2013.

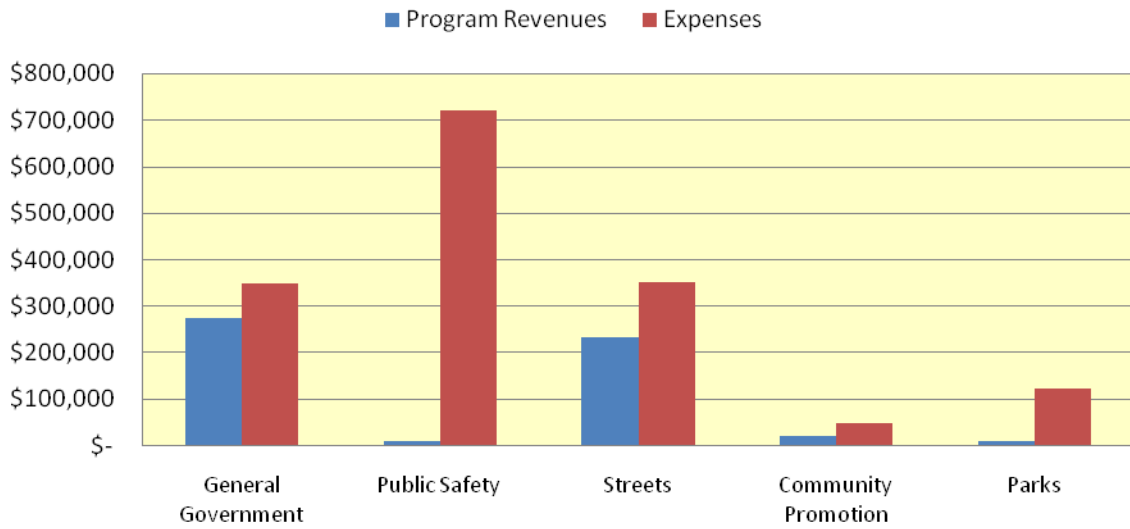
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 272,357	\$ 211,319	\$ 1,376,714	\$ 1,443,994	\$ 1,649,071	\$ 1,655,313
Operating grants	32,093	86,115	9,932	-	42,025	86,115
Capital grants & contributions	237,766	290,461	47,470	10,000	285,236	300,461
General revenues:						
Property taxes	151,803	149,827	-	-	151,803	149,827
Sales & use taxes	1,597,755	1,409,214	-	-	1,597,755	1,409,214
Other taxes	206,063	210,141	-	-	206,063	210,141
Interest Income	17,239	18,524	1,564	1,936	18,803	20,460
Other general revenues	25,869	20,767	16,474	24,386	42,343	45,153
Total revenues	2,540,945	2,396,368	1,452,154	1,480,316	3,993,099	3,876,684
Expenses:						
General Government	346,322	364,203	-	-	346,322	364,203
Public Safety	721,100	737,277	-	-	721,100	737,277
Streets	351,514	377,288	-	-	351,514	377,288
Community Promotion	48,090	32,215	-	-	48,090	32,215
Parks	122,595	125,273	-	-	122,595	125,273
Non-capitalized outlay	-	-	-	-	-	-
Interest on long-term debt	-	-	123,400	148,925	123,400	148,925
Water	-	-	649,453	641,055	649,453	641,055
Wastewater	-	-	642,676	613,382	642,676	613,382
Total expenses	1,589,621	1,636,256	1,415,529	1,403,362	3,005,150	3,039,618
Transfers In (Out)	(134,800)	(140,000)	134,800	140,000	-	-
Change in Net Position	816,524	620,112	171,425	216,954	987,949	837,066
Net Position – Beginning	7,199,589	6,579,477	8,249,172	8,032,218	15,448,761	14,611,695
Net Position – Ending	\$8,016,113	\$7,199,589	\$ 8,420,597	\$8,249,172	\$16,436,710	\$15,448,761

Governmental Activities

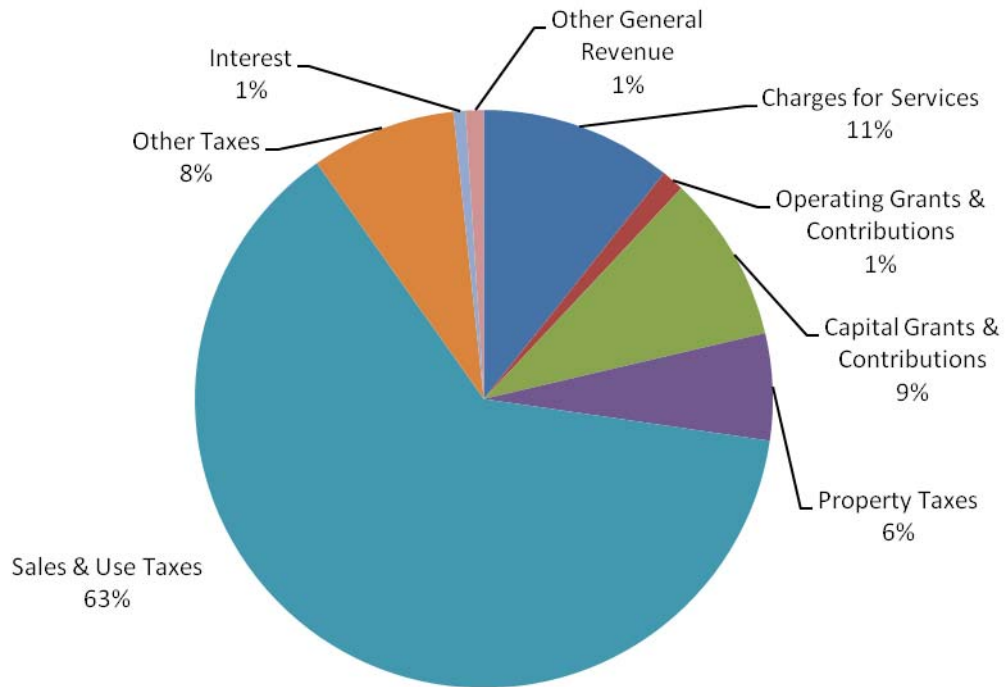
Governmental activities increased the City's net position by \$816,524. Overall revenue exceeded budget projections by \$444,659, or 21% while increasing 6% over 2012 revenues. Expenditures were under budget and \$46,635 less than in 2012. Governmental activities were subsidized by tax revenue and other general non-program revenues. The following illustrates the governmental activities expenses and program revenues:

City of Idaho Springs Expenses & Program Revenues - Governmental Activities



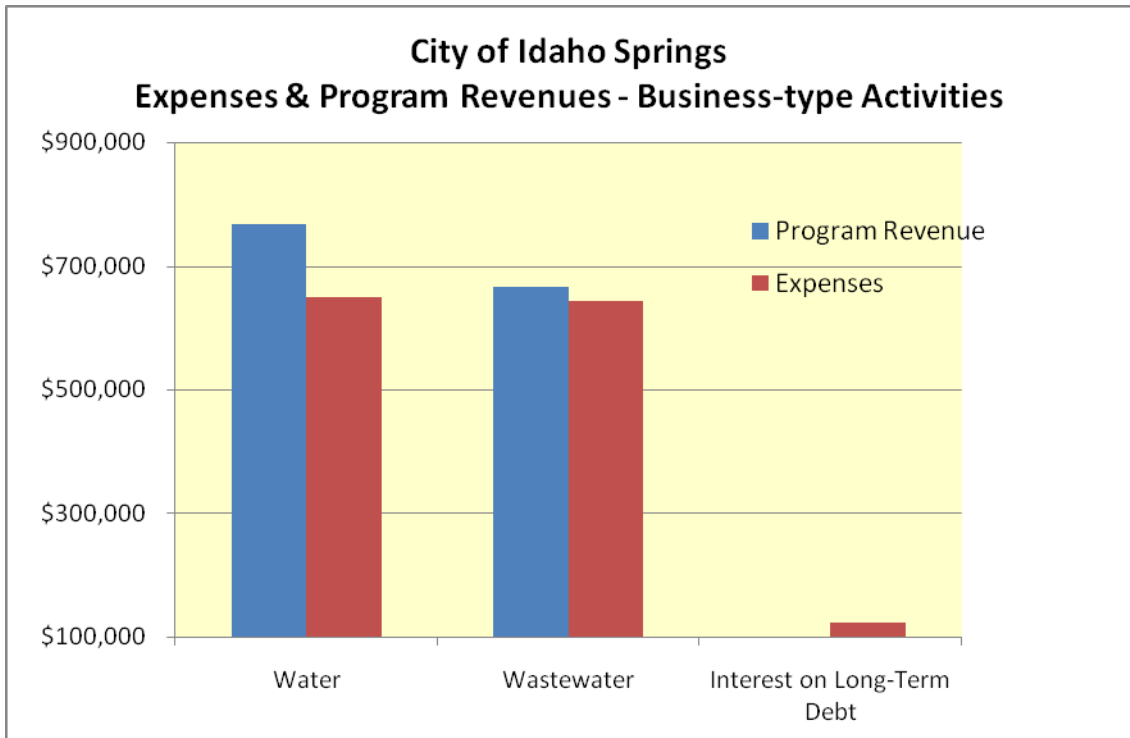
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City of Idaho Springs Revenue by Source - Governmental Activities



Business-type Activities

Business-type activities for the year resulted in an increase of net position of \$171,425. Charges for services accounted for 95 percent of total revenues and decreased \$67,280 compared to 2012. Overall revenue decreased 2 percent while expenditures increased one percent. The following illustrates the business-type activities program revenues and expenses:



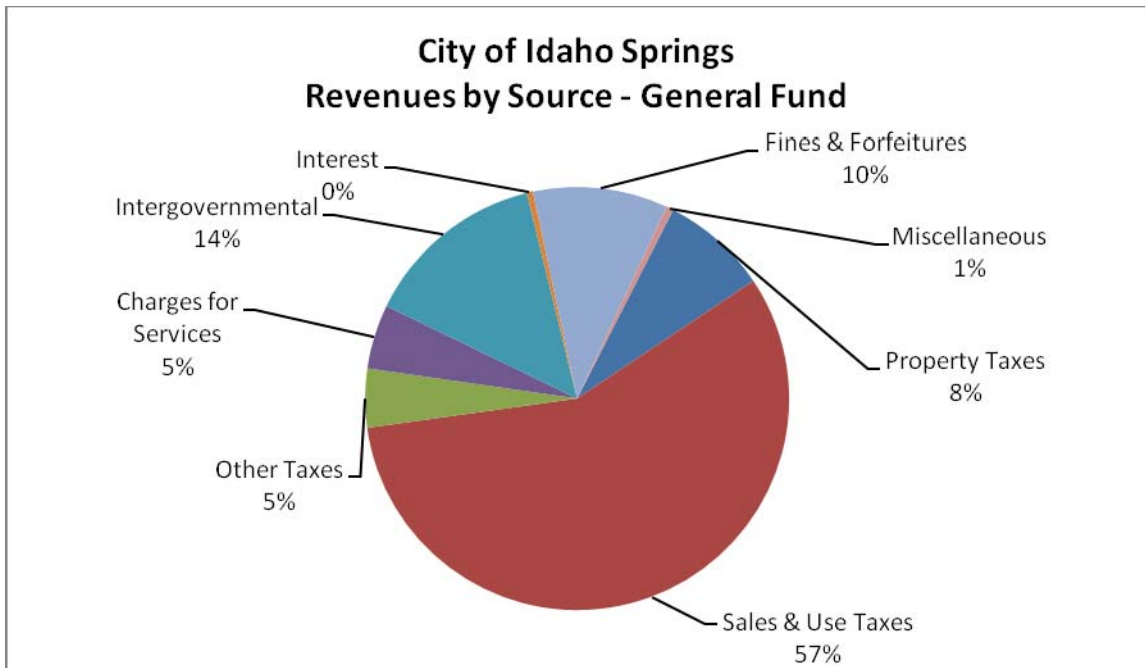
D. FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Governmental funds – The focus of government funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of the City’s net resources available for spending at the end of the fiscal year.

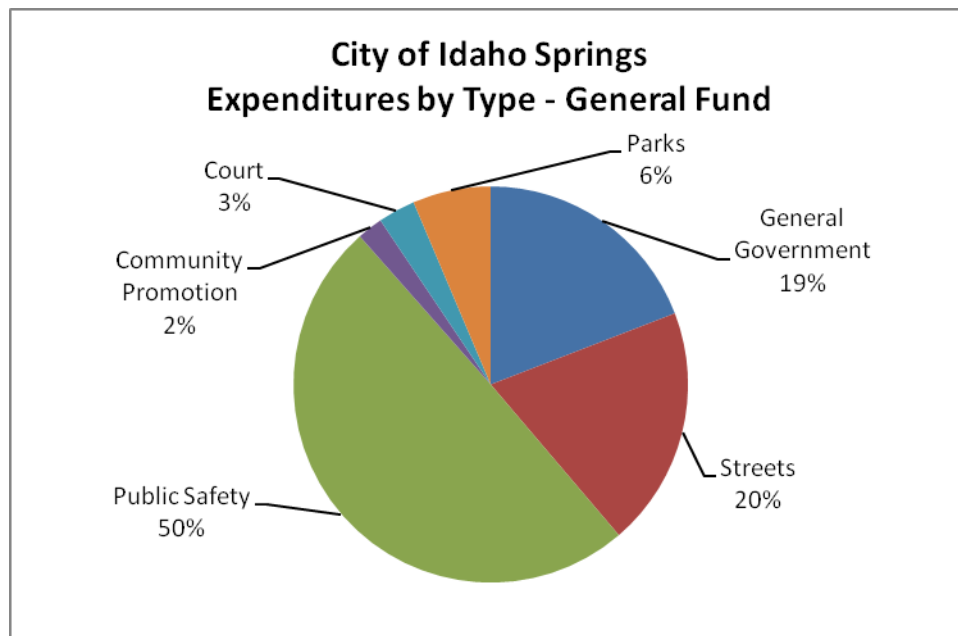
As of the end of 2013, the City’s governmental funds reported combined ending fund balances of \$4,051,197, an increase of \$847,920 in comparison with the prior year. Expenditures for capital equipment and capital projects were \$184,680 and are reflected in the Sales Tax Improvement Fund, Conservation Trust and Grants Funds. Of the combined ending fund balances for all governmental funds, \$345,707 is non-spendable, \$182,516 is restricted, \$2,481,758 is committed for cemetery maintenance and capital improvements, and \$1,041,216 is available for appropriation according to the City’s Fund Balance and Reserve Policy.

The City has two major governmental funds. They are the General Fund and Sales Tax Improvement Fund.

The General Fund is the primary operating fund for the City of Idaho Springs. Key factors for 2013 are: Revenues were \$387,003 more than budgeted, primarily from sales and use taxes and state severance tax distribution. Expenditures were less than budgeted by \$125,445 not including contingency reserves. Savings were throughout all departments except court and fire.



General Fund expenditures include all administrative functions of the City including Council, Clerk, Administration, Court, Planning, Public Works and Public Safety (Police & Fire), Cemetery Maintenance and Storm Water system improvements. The following shows a graphical presentation of General Fund expenditures by type:



The Sales Tax Improvement Fund had a total fund balance at the end of 2013 of \$2,368,982, an increase of \$661,050. This fund accounts for one third of sales tax revenue and Idaho Springs' share of the special county road and bridge mill levy. In 2013, \$330,000 was transferred from the General Fund for additional capital improvements. These funds are to be used for street improvements, equipment and other capital projects. A Capital Improvement Plan has been put in place to guide the Council in the use of these funds.

Proprietary funds - The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The City has two enterprise funds, the Water Fund and the Wastewater Fund. The net position of the enterprise funds at the end of 2013 was \$8,420,597. A breakdown by fund is Water, \$4,380,984; and Wastewater, \$4,039,613. Total net position increased by \$171,425 mainly due to delayed capital improvements. The additional funds will be used for future capital improvements as designated in the Capital Improvement Plan.

E. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2013, amounts to \$13,078,181.

Long Term Debt - At the end of 2013, total bonded debt outstanding was \$2,545,187.

Major capital expenditures during 2013 included:

Police Vehicle Replacement	\$ 79,652
Public Works Vehicle/Equipment	36,306
Computer Software	42,187
Water Distribution & Plant Improvements	154,400

F. THE FUTURE OF THE CITY

The City of Idaho Springs' financial position remains stable. Reserves continue to exceed the levels established as acceptable by the City, a circumstance that is intended to continue in future years.

Sales tax revenues reflect continued increases, due in part to the onset of retail marijuana sales in January 2014. While that economic source is expected to level out at some point in the future, the addition to the City's revenues, along with the excise tax on sales, provides the City an additional level of financial comfort.

In November 2014 the City will ask the voters for approval to increase the City sales tax rate by one percent with the resulting revenue to be dedicated to street repair and ongoing maintenance. That increase, if approved, is expected to generate sufficient funds to replace, and likely exceed, the previous special County mill levy for streets that ended in 2013.

After a number of years with no changes to water and sewer rates, the City intends to adopt some adjustments for 2015 and beyond. Without adjustment the current rates, already unable to support much in the way of capital improvements, would soon be unable to support basic maintenance and operations. At this writing, a variety of options are being considered; the type of adjustments and the resulting impacts to users and to the enterprise revenues have not been finalized.

The City continues to seek opportunities for economic growth while improving the quality of services offered and maintaining its financial sustainability.

G. REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Idaho Springs's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

City Administrator
City of Idaho Springs
1711 Miner St.
PO Box 907
Idaho Springs, CO 80452

BASIC FINANCIAL STATEMENTS

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS	TOTALS	
		TYPE ACTIVITIES	2013	2012
ASSETS				
Cash and Investments	\$ 3,548,015	\$ 1,444,517	\$ 4,992,532	\$ 3,813,759
Restricted Cash and Investments	-	682,208	682,208	682,208
Receivables				
Property Taxes	137,697	-	137,697	137,776
Sales and Other	230,847	-	230,847	234,240
Accounts	318	327,498	327,816	325,764
Grants	8,500	-	8,500	-
Interfund Amounts	345,707	(345,707)	-	-
Bond Discounts	-	1,424	1,424	3,450
Capital Assets, Not Depreciated	1,863,455	228,076	2,091,531	1,937,131
Capital Assets, Depreciated Net of Accumulated Depreciation	2,159,454	8,827,196	10,986,650	11,534,754
TOTAL ASSETS	8,293,993	11,165,212	19,459,205	18,669,082
LIABILITIES				
Accounts Payable	27,644	122,084	149,728	66,450
Accrued Salaries and Benefits	42,869	14,962	57,831	51,745
Accrued Interest	-	62,382	62,382	72,378
Unearned Grant Revenue	-	-	-	6,120
Developer Escrow and Deposits	11,677	-	11,677	12,736
Noncurrent Liabilities				
Due within One Year	-	281,172	281,172	272,889
Due in More Than One Year	57,993	2,264,015	2,322,008	2,600,227
TOTAL LIABILITIES	140,183	2,744,615	2,884,798	3,082,545
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax Revenue	137,697	-	137,697	137,776
NET POSITION				
Investment in Capital Assets	4,022,909	6,510,085	10,532,994	10,653,810
Restricted for Emergencies	108,000	-	108,000	100,000
Restricted for Parks and Recreation	74,516	-	74,516	72,193
Unrestricted	3,810,688	1,910,512	5,721,200	4,622,758
TOTAL NET POSITION	\$ 8,016,113	\$ 8,420,597	\$ 16,436,710	\$ 15,448,761

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
Streets	\$ 351,514	\$ -	\$ 3,643	\$ 228,590
Administration	297,691	77,661	-	-
Community Promotion	48,090	-	19,621	-
Building Inspector	7,015	-	-	-
Police	612,725	-	8,829	-
Court	41,375	192,446	-	-
Fire Department	108,375	-	-	-
Parks	122,595	-	-	9,176
Cemetery	241	2,250	-	-
Total Governmental Activities	<u>1,589,621</u>	<u>272,357</u>	<u>32,093</u>	<u>237,766</u>
Business-Type Activities				
Water	649,453	740,521	9,932	17,470
Wastewater	642,676	636,193	-	30,000
Interest on Long-Term Debt	<u>123,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>1,415,529</u>	<u>1,376,714</u>	<u>9,932</u>	<u>47,470</u>
Total Primary Government	<u>\$ 3,005,150</u>	<u>\$ 1,649,071</u>	<u>\$ 42,025</u>	<u>\$ 285,236</u>

GENERAL REVENUES

Sales Taxes
Property Taxes
Franchise Taxes
Other Taxes
Interest
Other

TRANSFERS

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION Beginning

NET POSITION Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2013	2012
\$ (119,281)	\$ -	\$ (119,281)	\$ (94,117)
(220,030)	-	(220,030)	(225,084)
(28,469)	-	(28,469)	(32,215)
(7,015)	-	(7,015)	(16,961)
(603,896)	-	(603,896)	(546,334)
151,071	-	151,071	99,524
(108,375)	-	(108,375)	(109,031)
(113,419)	-	(113,419)	(116,660)
2,009	-	2,009	(7,483)
<u>(1,047,405)</u>	<u>-</u>	<u>(1,047,405)</u>	<u>(1,048,361)</u>
-	118,470	118,470	128,177
-	23,517	23,517	71,380
<u>-</u>	<u>(123,400)</u>	<u>(123,400)</u>	<u>(148,925)</u>
<u>-</u>	<u>18,587</u>	<u>18,587</u>	<u>50,632</u>
(1,047,405)	18,587	(1,028,818)	(997,729)
1,597,755	-	1,597,755	1,409,214
151,803	-	151,803	149,827
83,591	-	83,591	77,636
122,472	-	122,472	132,505
17,239	1,564	18,803	20,460
25,869	16,474	42,343	45,153
(134,800)	134,800	-	-
<u>1,863,929</u>	<u>152,838</u>	<u>2,016,767</u>	<u>1,834,795</u>
816,524	171,425	987,949	837,066
<u>7,199,589</u>	<u>8,249,172</u>	<u>15,448,761</u>	<u>14,611,695</u>
<u>\$ 8,016,113</u>	<u>\$ 8,420,597</u>	<u>\$ 16,436,710</u>	<u>\$ 15,448,761</u>

CITY OF IDAHO SPRINGS, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2013

	General Fund	Sales Tax Improvement Fund	Other Governmental Funds	TOTALS	
				2013	2012
ASSETS					
Cash and Investments	\$ 1,343,140	\$ 2,130,359	\$ 74,516	\$ 3,548,015	\$ 2,669,143
Property Taxes Receivable	137,697	-	-	137,697	137,776
Other Taxes Receivable	154,707	76,140	-	230,847	234,240
Grants Receivable	-	-	8,500	8,500	-
Accounts Receivable	318	-	-	318	22,166
Due from Other Funds	7,480	-	-	7,480	-
Advances to Other Funds	183,224	162,483	-	345,707	367,770
TOTAL ASSETS	\$ 1,826,566	\$ 2,368,982	\$ 83,016	\$ 4,278,564	\$ 3,431,095
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
Accounts Payable	\$ 26,624	\$ -	\$ 1,020	\$ 27,644	\$ 30,495
Accrued Salaries and Benefits	42,869	-	-	42,869	40,691
Due to Other Funds	-	-	7,480	7,480	-
Unearned Grant Revenue	-	-	-	-	6,120
Escrows and Deposits	11,677	-	-	11,677	12,736
TOTAL LIABILITIES	81,170	-	8,500	89,670	90,042
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	137,697	-	-	137,697	137,776
FUND EQUITY					
Fund Balance					
Nonpendable	183,224	162,483	-	345,707	367,770
Restricted	108,000	-	74,516	182,516	172,193
Committed	275,259	2,206,499	-	2,481,758	1,756,210
Unassigned	1,041,216	-	-	1,041,216	907,104
TOTAL FUND EQUITY	1,607,699	2,368,982	74,516	4,051,197	3,203,277
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	\$ 1,826,566	\$ 2,368,982	\$ 83,016		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	4,022,909	4,051,353
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This is Accrued Compensated Absences.	(57,993)	(55,041)
Net position of governmental activities	\$ 8,016,113	\$ 7,199,589

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2013

	General Fund	Sales Tax Improvement Fund	Other Governmental Funds	TOTALS	
				2013	2012
REVENUES					
Taxes	\$ 1,301,051	\$ 532,098	\$ -	\$ 1,833,149	\$ 1,636,678
Charges for Services	91,561	-	-	91,561	83,091
Intergovernmental	260,804	102,730	28,796	392,330	483,600
Court	192,446	-	-	192,446	141,338
Interest	8,848	8,329	62	17,239	18,524
Miscellaneous	9,918	4,302	-	14,220	33,137
TOTAL REVENUES	1,864,628	647,459	28,858	2,540,945	2,396,368
EXPENDITURES					
Current					
Streets	266,868	-	-	266,868	238,090
Administration	252,672	-	-	252,672	251,963
Community Promotion	28,470	-	-	28,470	32,215
Building Inspector	7,015	-	-	7,015	16,961
Police	574,395	-	-	574,395	596,613
Court	41,375	-	-	41,375	41,814
Fire Department	100,867	-	-	100,867	101,523
Parks	86,723	-	-	86,723	83,522
Cemetery	241	-	-	241	12,283
Capital Outlay	-	158,145	26,535	184,680	380,870
TOTAL EXPENDITURES	1,358,626	158,145	26,535	1,543,306	1,755,854
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	506,002	489,314	2,323	997,639	640,514
OTHER FINANCING SOURCES (USES)					
Transfers In	23,464	330,000	-	353,464	321,832
Transfers Out	(344,919)	(158,264)	-	(503,183)	(476,751)
TOTAL OTHER FINANCING SOURCES (USES)	(321,455)	171,736	-	(149,719)	(154,919)
NET CHANGE IN FUND BALANCES	184,547	661,050	2,323	847,920	485,595
FUND BALANCES, Beginning	1,423,152	1,707,932	72,193	3,203,277	2,717,682
FUND BALANCES, Ending	<u>\$ 1,607,699</u>	<u>\$ 2,368,982</u>	<u>\$ 74,516</u>	<u>\$ 4,051,197</u>	<u>\$ 3,203,277</u>

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

CITY OF IDAHO SPRINGS, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 847,920
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$171,033) exceeded capital outlay \$142,589, in the current period.	(28,444)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the increase of Accrued Compensated Absences.	<u>(2,952)</u>
Change in Net Position of Governmental Activities	<u>\$ 816,524</u>

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2013

	WATER	WASTE WATER	TOTALS	
			2013	2012
ASSETS				
Current Assets				
Cash and Investments	\$ 730,368	\$ 714,149	\$ 1,444,517	\$ 1,144,616
Restricted Cash and Investments	682,208	-	682,208	682,208
Accounts Receivable	203,464	124,034	327,498	303,598
Total Current Assets	1,616,040	838,183	2,454,223	2,130,422
Noncurrent Assets				
Bond Discounts	-	1,424	1,424	3,450
Capital Assets, net of accumulated depreciation	5,313,415	3,741,857	9,055,272	9,420,532
Total Noncurrent Assets	5,313,415	3,743,281	9,056,696	9,423,982
TOTAL ASSETS	6,929,455	4,581,464	11,510,919	11,554,404
LIABILITIES				
Current Liabilities				
Accounts Payable	107,377	14,707	122,084	35,955
Accrued Expenses	7,481	7,481	14,962	11,054
Accrued Interest Payable	52,838	9,544	62,382	72,378
Bonds Payable, Current Portion	179,844	101,328	281,172	272,889
Total Current Liabilities	347,540	133,060	480,600	392,276
Noncurrent Liabilities				
Advances from Other Funds	155,568	190,139	345,707	367,770
Bonds Payable	2,045,363	218,652	2,264,015	2,545,186
Total Noncurrent Liabilities	2,200,931	408,791	2,609,722	2,912,956
TOTAL LIABILITIES	2,548,471	541,851	3,090,322	3,305,232
NET POSITION				
Investment in Capital Assets	3,088,208	3,421,877	6,510,085	6,602,457
Unreserved	1,292,776	617,736	1,910,512	1,646,715
TOTAL NET POSITION	\$ 4,380,984	\$ 4,039,613	\$ 8,420,597	\$ 8,249,172

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2013

	WATER	WASTE WATER	TOTALS	
	<u>WATER</u>	<u>WASTE WATER</u>	<u>2013</u>	<u>2012</u>
OPERATING REVENUES				
Charges for Services	\$ 740,521	\$ 636,193	\$ 1,376,714	\$ 1,443,994
Other Revenues	43,107	769	43,876	24,386
 TOTAL OPERATING REVENUES	 <u>783,628</u>	 <u>636,962</u>	 <u>1,420,590</u>	 <u>1,468,380</u>
OPERATING EXPENSES				
Water Treatment	347,576	-	347,576	339,413
Wastewater Treatment	-	424,893	424,893	395,172
Depreciation and Amortization	301,877	217,783	519,660	519,852
 TOTAL OPERATING EXPENSES	 <u>649,453</u>	 <u>642,676</u>	 <u>1,292,129</u>	 <u>1,254,437</u>
 OPERATING INCOME	 <u>134,175</u>	 <u>(5,714)</u>	 <u>128,461</u>	 <u>213,943</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	1,083	481	1,564	1,936
Interest Expenses	(97,894)	(25,506)	(123,400)	(148,925)
 TOTAL NON-OPERATING REVENUES (EXPENSES)	 <u>(96,811)</u>	 <u>(25,025)</u>	 <u>(121,836)</u>	 <u>(146,989)</u>
 INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	 <u>37,364</u>	 <u>(30,739)</u>	 <u>6,625</u>	 <u>66,954</u>
Transfers In	71,000	63,800	134,800	140,000
Capital Contribution - Tap Fees	-	30,000	30,000	10,000
 TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	 <u>71,000</u>	 <u>93,800</u>	 <u>164,800</u>	 <u>150,000</u>
 NET INCOME	 108,364	 63,061	 171,425	 216,954
NET POSITION Beginning	<u>4,272,620</u>	<u>3,976,552</u>	<u>8,249,172</u>	<u>8,032,218</u>
NET POSITION Ending	<u>\$ 4,380,984</u>	<u>\$ 4,039,613</u>	<u>\$ 8,420,597</u>	<u>\$ 8,249,172</u>

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2013
 Increase (Decrease) in Cash and Cash Equivalents

	WATER	WASTE WATER	TOTALS	
			2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 701,407	\$ 651,407	\$ 1,352,814	\$ 1,518,311
Cash Received from Others	43,107	769	43,876	24,386
Cash Paid to Suppliers	(133,809)	(320,743)	(454,552)	(554,003)
Cash Paid to Employees	(124,306)	(125,637)	(249,943)	(247,342)
Net Cash Provided by Operating Activities	<u>486,399</u>	<u>205,796</u>	<u>692,195</u>	<u>741,352</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Capital Contribution - Tap Fees	-	30,000	30,000	10,000
Transfers In	71,000	63,800	134,800	140,000
Net Cash Provided by Noncapital Financing Activities	<u>71,000</u>	<u>93,800</u>	<u>164,800</u>	<u>150,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(154,399)	-	(154,399)	(24,970)
Bond Payments	(176,894)	(93,968)	(270,862)	(264,744)
Interest Payments	(106,593)	(26,804)	(133,397)	(154,839)
Net Cash Used by Capital and Related Financing Activities	<u>(437,886)</u>	<u>(120,772)</u>	<u>(558,658)</u>	<u>(444,553)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>1,083</u>	<u>481</u>	<u>1,564</u>	<u>1,936</u>
Net Increase in Cash and Cash Equivalents	120,596	179,305	299,901	448,735
CASH AND CASH EQUIVALENTS, Beginning	<u>1,291,980</u>	<u>534,844</u>	<u>1,826,824</u>	<u>1,378,089</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,412,576</u>	<u>\$ 714,149</u>	<u>\$ 2,126,725</u>	<u>\$ 1,826,824</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ 134,175</u>	<u>\$ (5,714)</u>	<u>\$ 128,461</u>	<u>\$ 213,943</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation and Amortization	301,877	217,783	519,660	519,852
Changes in Assets and Liabilities				
Accounts Receivable	(39,114)	15,214	(23,900)	74,317
Accounts Payable	97,435	(11,306)	86,129	(38,531)
Accrued Expenses	1,954	1,954	3,908	(7,023)
Advances from Other Funds	(9,928)	(12,135)	(22,063)	(21,206)
Total Adjustments	<u>352,224</u>	<u>211,510</u>	<u>563,734</u>	<u>527,409</u>
Net Cash Provided by Operating Activities	<u>\$ 486,399</u>	<u>\$ 205,796</u>	<u>\$ 692,195</u>	<u>\$ 741,352</u>

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 Year Ended December 31, 2013

	POLICE	HANSON	TOTALS	
	PENSION FUND	CEMETERY TRUST	2013	2012
ASSETS				
Cash and Investments	\$ -	\$ 9,398	\$ 9,398	\$ 9,390
LIABILITIES AND NET ASSETS				
Accrued Expenses	\$ -	\$ -	\$ -	\$ -
Net Assets	-	9,398	9,398	9,390
TOTAL LIABILITIES AND NET ASSETS	\$ -	\$ 9,398	\$ 9,398	\$ 9,390

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

CITY OF IDAHO SPRINGS, COLORADO
STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
Year Ended December 31, 2013

	POLICE PENSION FUND	HANSON CEMETERY TRUST	TOTALS	
			2013	2012
ADDITIONS				
Interest	\$ -	\$ 8	\$ 8	\$ 12
Other Income	14,919	-	14,919	14,919
TOTAL ADDITIONS	14,919	8	14,927	14,931
DEDUCTIONS				
Benefit Payments	14,919	-	14,919	14,919
CHANGE NET ASSETS	-	8	8	12
NET ASSETS, Beginning	-	9,390	9,390	9,378
NET ASSETS, Ending	<u>\$ -</u>	<u>\$ 9,398</u>	<u>\$ 9,398</u>	<u>\$ 9,390</u>

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Idaho Springs, Colorado (the “City”) conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the City has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the City does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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. Operating expenses for enterprise 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.

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In the fund financial statements, the City reports the following major governmental funds:

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

The *Sales Tax Improvement Fund* accounts for one third of the City's sales and use tax revenues that are used to finance the acquisition, construction, and improvement of capital assets and for the related debt service.

The City also reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Wastewater Fund* accounts for the financial activities associated with the provision of wastewater services.

Additionally, the City reports the following fund type:

The *Fiduciary Funds* account for assets held by the City in a trustee capacity for employees and organizations.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The City also capitalizes all acquisitions of land and buildings without a minimum. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Infrastructure	20 – 40 years
Buildings and Improvements	15 – 40 years
Vehicles and Equipment	5 – 15 years

Compensated Absences

Personal Time Off (PTO) accumulates at a rate based on length of employment, up to a maximum accrual in one year of 25 days. Maximum carryover is twice what is earned in one year. PTO is paid out at the regular pay rate upon termination. PTO may be used for vacation, sick leave or personal business.

It is the City's policy to permit employees to accumulate earned but unused PTO benefits. In the government-wide statements, PTO pay is accrued when incurred and reported as a liability of the governmental and business-type activities. In the governmental funds, PTO pay that is expected to be liquidated with expendable, available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable, available financial resources are not reported as expenditure.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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 received, are reported as debt service expenditures.

Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year-end, outstanding balances between funds are reported as “due to/from other funds”. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted. Investment in capital assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position are liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third party limitations on their use.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The City classifies advances to other funds as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the City has classified the fund balance in the Conservation Trust Fund as restricted because their use is restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has classified the following balances as committed as of December 31, 2013:

Capital Improvements for preservation of peace, health, and safety	\$ 2,206,499
Cemetery maintenance	99,380
Repair and improvements of stormwater system	<u>175,879</u>
Total	<u>\$ 2,481,758</u>

- Assigned – This classification includes amounts that are constrained by the City Council intent to be used for specific purposes, but are neither restricted nor committed. As of December 31, 2013, the City reports no assigned fund balances.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balances.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the City staff submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of an resolution.
- Any revisions that alter the total expenditures of any fund must be approved by the City Council.
- Budgets are legally adopted for all funds of the City. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the City Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2013 follows:

Petty Cash	\$ 4,050
Cash Deposits	4,903,594
Investments	<u>776,494</u>
Total	<u>\$ 5,684,138</u>

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

The above amounts are classified in the statement of net position as follows:

Cash and Investments	\$ 4,992,832
Restricted Cash and Investments	682,208
Fiduciary Funds	<u>9,398</u>
Total	<u>\$ 5,684,138</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2013, State regulatory commissioners have indicated that all financial institutions holding deposits for the City are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The City has no policy regarding custodial credit risk for deposits.

At December 31, 2013, the City had deposits with financial institutions with a carrying amount of \$4,903,594. The bank balances with the financial institutions were \$4,924,865. Of these balances, \$458,717 was covered by federal depository insurance and \$4,466,148 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities.

The City had invested \$776,494 in the Colorado Government Liquid Asset Trust (COLOTRUST) and in the Colorado Surplus Asset Fund Trust (CSAFE); investment vehicles established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotrust and CSAFE are both rated AAAM by Standard and Poor's.

Restricted Cash

Cash of \$682,208 is restricted in the Water fund for the purposes of enhancing the ability of the City to control and manage the Revenues of the Enterprise and of the Water Fund and Wastewater Fund. This reserve is titled as the Rate Stabilization Fund.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2013 is summarized below:

	Balances <u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/13</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,855,455	\$ -	\$ -	\$ 1,855,455
Water Rights	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Total Capital Assets, not depreciated	<u>1,863,455</u>	<u>-</u>	<u>-</u>	<u>1,863,455</u>
Capital Assets, depreciated				
Buildings	1,697,308	-	-	1,697,308
Infrastructure	1,619,148	-	-	1,619,148
Machinery and Equipment	<u>1,484,878</u>	<u>142,589</u>	<u>32,236</u>	<u>1,595,231</u>
Total Capital Assets, depreciated	<u>4,801,334</u>	<u>142,589</u>	<u>32,236</u>	<u>4,911,687</u>
Less Accumulated Depreciation				
Buildings	746,460	33,187	-	779,647
Infrastructure	443,938	97,546	-	541,484
Machinery and Equipment	<u>1,423,038</u>	<u>40,300</u>	<u>32,236</u>	<u>1,431,102</u>
Total Accumulated Depreciation	<u>2,613,436</u>	<u>171,033</u>	<u>32,236</u>	<u>2,752,233</u>
Total Capital Assets, depreciated, Net	<u>2,187,898</u>	<u>(28,444)</u>	<u>-</u>	<u>2,159,454</u>
Governmental Activities, Capital Assets, Net	<u>\$ 4,051,353</u>	<u>\$ (28,444)</u>	<u>\$ -</u>	<u>\$ 4,022,909</u>

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/13</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 63,236	\$ -	\$ -	\$ 63,236
Water Rights	10,440	-	-	10,440
Construction in Progress	<u>-</u>	<u>154,400</u>	<u>-</u>	<u>154,400</u>
Total Capital Assets, not depreciated	<u>73,676</u>	<u>154,400</u>	<u>-</u>	<u>228,076</u>
Capital Assets, depreciated				
Infrastructure	19,587,491	-	-	19,587,491
Machinery and Equipment	<u>389,795</u>	<u>-</u>	<u>-</u>	<u>389,795</u>
Total Capital Assets, depreciated	<u>19,977,286</u>	<u>-</u>	<u>-</u>	<u>19,977,286</u>
Less: Accumulated Depreciation				
Infrastructure	10,350,126	495,130	-	10,845,256
Machinery and Equipment	<u>280,304</u>	<u>24,530</u>	<u>-</u>	<u>304,834</u>
Total Accumulated Depreciation	<u>10,630,430</u>	<u>519,660</u>	<u>-</u>	<u>11,150,090</u>
Total Capital Assets, depreciated, Net	<u>9,346,856</u>	<u>(519,660)</u>	<u>-</u>	<u>8,827,196</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 9,420,532</u>	<u>\$ (365,260)</u>	<u>\$ -</u>	<u>\$ 9,055,272</u>

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

Governmental Activities

Streets	\$ 84,766
Administration	24,149
Police	18,738
Fire Department	7,508
Parks	<u>35,872</u>
Total	<u>\$ 171,033</u>

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 5: INTERFUND BALANCES AND TRANSFERS

The City made the following transfers during the year.

	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ 23,464	\$ 344,919
Sales Tax Improvement Fund	330,000	158,264
Police Pension Fund	14,919	-
Water Fund	71,000	-
Wastewater Fund	<u>63,800</u>	<u>-</u>
Total	<u>\$ 503,183</u>	<u>\$ 503,183</u>

Transfers arise from various cash transactions and are reimbursement to or from the respective funds.

Advances and Due to Other Funds

The General, Sales Tax Improvement and Stormwater Utility Funds loaned the Water and Wastewater Funds \$345,707. This loan is being repaid with semiannual installments with interest accruing at 4%.

As of December 31, 2013, the Grant Fund owed the General Fund \$7,480. This is as a result of expenses that were paid by the General Fund on behalf of the Grant Fund.

NOTE 6: LONG-TERM DEBT

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2013.

	Balance <u>12/31/12</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/13</u>	Due In <u>One Year</u>
1996 CWR&PDA Bond	\$ 415,974	\$ -	\$ 95,994	\$ 319,980	\$ 101,328
1997 CWR&PDA Bond	159,005	-	32,635	126,370	34,120
2000 CWC Bond	943,821	-	28,646	915,175	30,110
2002 CWR&PDA Bond	<u>1,299,275</u>	<u>-</u>	<u>115,613</u>	<u>1,183,662</u>	<u>115,614</u>
Total	<u>\$ 2,818,075</u>	<u>\$ -</u>	<u>\$ 272,888</u>	<u>\$ 2,545,187</u>	<u>\$ 281,172</u>

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 6: LONG-TERM DEBT (Continued)

1996 Colorado Water Resources & Power Development Authority Bond

On June 1, 1996, the City issued \$1,541,237 in revenue bonds payable to Colorado Water Resources & Power Development Authority for improvements to its wastewater treatment plant and collection facilities. The bonds are payable in 39 semi-annual installments of \$40,829 to \$63,831, including interest at 3.99%. The bonds are secured by the net revenues of the combined system.

1997 Colorado Water Resources & Power Development Authority Bond

On October 15, 1997 the City issued \$500,000 Drinking Water Revenue Bonds payable to Colorado Water Resources & Power Development Authority payable in 39 semi-annual installments of \$19,714, including interest at 4.5%; payments are due 1998 through 2017 and are secured by the net revenues of the combined system.

2000 Colorado Water Conservation Board Bonds

On December 20, 2000, the City issued \$1,165,000 in revenue bonds payable to Colorado Water Conservation Board for improvements to the City's water system. The loan is payable in 31 annual installments, including interest at 5% to 5.5% through 2033. The bonds are secured by the net revenues of the combined system.

2002 Colorado Water Resources & Power Development Authority Bond

On April 1, 2002, the City issued \$2,339,797 in revenue bonds payable to Colorado Water Resources & Power Development Authority to fund construction of a water treatment plant. The bonds are payable in 40 semi-annual installments of \$81,914 to \$85,484, including interest at 3.99% beginning 1998 through August 1, 2022. The bonds are secured by the net revenues of the combined system.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 6: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2013 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 281,172	\$ 118,039	\$ 399,211
2015	295,100	109,145	404,245
2016	303,675	95,905	399,580
2017	180,871	83,210	264,081
2018	168,885	77,597	246,482
2019 – 2023	781,023	267,304	1,048,327
2024 – 2028	265,502	108,293	373,795
2029 – 2033	<u>268,959</u>	<u>41,663</u>	<u>310,622</u>
Total Debt Service Requirements	<u>\$ 2,545,187</u>	<u>\$ 901,156</u>	<u>\$ 3,446,343</u>

NOTE 7: RETIREMENT COMMITMENTS

State Fire And Police Pension Plan (FPPA)

The City contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the Colorado Fire and Police Pension Association. This is a noncontributory plan. All full-time, paid police officers of the City are members of the Statewide Death and Disability Plan.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 7: RETIREMENT COMMITMENTS (Continued)

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes the financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. The report may be obtained by calling 303-770-3772 in the Denver Metro area or 1-800-332-3773.

The contribution requirements of plan members and the City are established by statute. The contribution rate for plan members and for the City are 8% of covered salaries. The City contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2013, 2012, and 2011 were \$30,247, \$29,651, and \$29,572, respectively, which were equal to the required annual contributions of the City.

Police Pension (City)

The City sponsors and administers a police pension plan, having one participant at December 31, 2013. No independent actuarial study has been made. However, alternative methods were used to determine that no amounts were due as of December 31, 2013.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all City employees and permits them to defer a portion of their salary until future years. The City matches employee contributions up to 5% of eligible salary, no match is provided to police officers covered by FPPA. During the year ended December 31, 2013, the City contributions were \$11,916, equal to the required contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 8: PUBLIC ENTITY RISK POOL

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 8: PUBLIC ENTITY RISK POOL (Continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of entity.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The City participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2013, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 4, 2008, the residents voted to authorize the City to retain all revenues, in excess of Tabor and statutory limits from all sources in 2008 and subsequent years, and spend the same for streets, curbs and gutters, water and sewer utilities under said streets, drainage, and asphalt associated with said street work. The City believes it is in substantial compliance with the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2013, the emergency reserve of \$108,000 was recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF IDAHO SPRINGS, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2013

	2013		VARIANCE Positive (Negative)	2012 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 1,089,918	\$ 1,301,051	\$ 211,133	\$ 1,167,399
Charges for Services	92,800	91,561	(1,239)	83,091
Intergovernmental	165,077	260,804	95,727	337,626
Court	116,000	192,446	76,446	141,338
Interest	9,830	8,848	(982)	9,640
Miscellaneous	4,000	9,918	5,918	7,657
TOTAL REVENUES	1,477,625	1,864,628	387,003	1,746,751
EXPENDITURES				
Current				
Streets	284,577	266,868	17,709	238,090
Administration	269,928	252,672	17,256	251,963
Community Promotion	41,650	28,470	13,180	32,215
Building Inspector	26,000	7,015	18,985	16,961
Police	575,392	574,395	997	596,613
Court	40,742	41,375	(633)	41,814
Fire Department	100,448	100,867	(419)	101,523
Parks	117,499	86,723	30,776	83,522
Cemetery	6,250	241	6,009	12,283
Contingency	750,513	-	750,513	-
Capital Outlay	21,585	-	21,585	2,000
TOTAL EXPENDITURES	2,234,584	1,358,626	875,958	1,376,984
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(756,959)	506,002	1,262,961	369,767
OTHER FINANCING SOURCES (USES)				
Transfers In	21,077	23,464	2,387	21,832
Transfers Out	(345,000)	(344,919)	81	(314,919)
TOTAL OTHER FINANCING SOURCES (USES)	(323,923)	(321,455)	2,468	(293,087)
NET CHANGE IN FUND BALANCE	(1,080,882)	184,547	1,265,429	76,680
FUND BALANCE, Beginning	1,080,882	1,423,152	342,270	1,346,472
FUND BALANCE, Ending	\$ -	\$ 1,607,699	\$ 1,607,699	\$ 1,423,152

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

SALES TAX IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2013

	2013		VARIANCE Positive (Negative)	2012 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 409,500	\$ 532,098	\$ 122,598	\$ 469,279
Intergovernmental	150,600	102,730	(47,870)	130,071
Interest	8,461	8,329	(132)	8,795
Other	17,000	4,302	(12,698)	25,480
TOTAL REVENUES	<u>585,561</u>	<u>647,459</u>	<u>61,898</u>	<u>633,625</u>
EXPENDITURES				
Current				
Capital Outlay	594,023	158,145	435,878	371,580
Contingency	189,786	-	189,786	-
TOTAL EXPENDITURES	<u>783,809</u>	<u>158,145</u>	<u>625,664</u>	<u>371,580</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(198,248)</u>	<u>489,314</u>	<u>687,562</u>	<u>262,045</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	330,000	330,000	-	300,000
Transfers Out	(1,321,077)	(158,264)	1,162,813	(161,832)
TOTAL OTHER SOURCES (USES)	<u>(991,077)</u>	<u>171,736</u>	<u>1,162,813</u>	<u>138,168</u>
NET CHANGE IN FUND BALANCE	<u>(1,189,325)</u>	<u>661,050</u>	<u>1,850,375</u>	<u>400,213</u>
FUND BALANCE, Beginning	<u>1,189,325</u>	<u>1,707,932</u>	<u>518,607</u>	<u>1,307,719</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 2,368,982</u>	<u>\$ 2,368,982</u>	<u>\$ 1,707,932</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF IDAHO SPRINGS, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2013

	Conservation	Grant	TOTALS	
	Trust Fund	Fund	2013	2012
ASSETS				
Cash and Investments	\$ 74,516	\$ -	\$ 74,516	\$ 81,193
Grants Receivable	-	8,500	8,500	-
TOTAL ASSETS	<u>\$ 74,516</u>	<u>\$ 8,500</u>	<u>\$ 83,016</u>	<u>\$ 81,193</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 1,020	\$ 1,020	\$ 2,880
Due to Other Funds	-	7,480	7,480	-
Unearned Grant Revenue	-	-	-	6,120
TOTAL LIABILITIES	<u>-</u>	<u>8,500</u>	<u>8,500</u>	<u>9,000</u>
FUND EQUITY				
Fund Balance				
Restricted	<u>74,516</u>	<u>-</u>	<u>74,516</u>	<u>72,193</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 74,516</u>	<u>\$ 8,500</u>	<u>\$ 83,016</u>	<u>\$ 81,193</u>

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2013

	Conservation	Grant	TOTALS	
	Trust		2013	2012
	Fund	Fund		
REVENUES				
Lottery Revenues	\$ 9,176	\$ -	\$ 9,176	\$ 8,613
Intergovernmental	-	19,620	19,620	7,290
Interest	62	-	62	89
	<u>9,238</u>	<u>19,620</u>	<u>28,858</u>	<u>15,992</u>
TOTAL REVENUES				
EXPENDITURES				
Capital Outlay	6,915	19,620	26,535	7,290
	<u>6,915</u>	<u>19,620</u>	<u>26,535</u>	<u>7,290</u>
TOTAL EXPENDITURES				
CHANGE IN FUND BALANCES	2,323	-	2,323	8,702
FUND BALANCES, Beginning	72,193	-	72,193	63,491
FUND BALANCES, Ending	<u>\$ 74,516</u>	<u>\$ -</u>	<u>\$ 74,516</u>	<u>\$ 72,193</u>

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2013

	2013		VARIANCE Positive (Negative)	2012 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Lottery Revenues	\$ 9,000	\$ 9,176	\$ 176	\$ 8,613
Interest	100	62	(38)	89
TOTAL REVENUES	9,100	9,238	138	8,702
EXPENDITURES				
Parks and Recreation	81,286	6,915	74,371	-
NET CHANGE IN FUND BALANCE	(72,186)	2,323	74,509	8,702
FUND BALANCE, Beginning	72,186	72,193	7	63,491
FUND BALANCE, Ending	\$ -	\$ 74,516	\$ 74,516	\$ 72,193

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

GRANTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2013

	2013		VARIANCE Positive (Negative)	2012 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 24,000	\$ 19,620	\$ (4,380)	\$ 7,290
TOTAL REVENUES	<u>24,000</u>	<u>19,620</u>	<u>(4,380)</u>	<u>7,290</u>
EXPENDITURES				
Current				
Capital Outlay	<u>24,000</u>	<u>19,620</u>	<u>4,380</u>	<u>7,290</u>
TOTAL EXPENDITURES	<u>24,000</u>	<u>19,620</u>	<u>4,380</u>	<u>7,290</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2013

	2013		VARIANCE Positive (Negative)	2012 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 719,700	\$ 740,521	\$ 20,821	\$ 764,232
Investment Income	1,500	1,083	(417)	1,465
Intergovernmental	207,550	32,565	(174,985)	24,386
Transfers In	650,000	71,000	(579,000)	72,000
Other Revenues	5,000	10,542	5,542	5,000
TOTAL REVENUES	1,583,750	855,711	(728,039)	867,083
EXPENDITURES				
Water Treatment	385,162	347,576	37,586	339,413
Capital Outlay	467,000	154,400	312,600	12,485
Debt Service				
Principal	186,824	176,894	9,930	174,082
Interest	114,026	97,894	16,132	117,297
Contingency	1,573,235	-	1,573,235	-
TOTAL EXPENDITURES	2,726,247	776,764	1,949,483	643,277
NET INCOME, Budget Basis	\$ (1,142,497)	78,947	\$ 1,221,444	223,806
GAAP BASIS ADJUSTMENTS				
Capital Outlay		154,400		12,485
Depreciation		(301,877)		(301,642)
Principal Paid on Long-Term Debt		176,894		174,082
NET INCOME, GAAP Basis		108,364		108,731
NET ASSETS, Beginning		4,272,620		4,163,889
NET ASSETS, Ending		<u>\$ 4,380,984</u>		<u>\$ 4,272,620</u>

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

WASTEWATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2013

	2013		VARIANCE Positive (Negative)	2012 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 643,000	\$ 636,193	\$ (6,807)	\$ 679,762
Investment Income	400	481	81	471
Other Income	-	30,769	30,769	5,000
Transfers In	650,000	63,800	(586,200)	68,000
TOTAL REVENUES	<u>1,293,400</u>	<u>731,243</u>	<u>(562,157)</u>	<u>753,233</u>
EXPENDITURES				
Wastewater Treatment	418,258	424,893	(6,635)	395,172
Capital Outlay	29,000	-	29,000	12,485
Debt Service				
Principal	108,129	95,994	12,135	90,662
Interest	26,805	25,506	1,299	31,628
Contingency	843,815	-	843,815	-
TOTAL EXPENDITURES	<u>1,426,007</u>	<u>546,393</u>	<u>879,614</u>	<u>529,947</u>
NET INCOME, Budget Basis	<u>\$ (132,607)</u>	184,850	<u>\$ 317,457</u>	223,286
GAAP BASIS ADJUSTMENTS				
Capital Outlay		-		12,485
Depreciation & Amortization		(217,783)		(218,210)
Principal Paid on Long-Term Debt		95,994		90,662
NET INCOME, GAAP Basis		63,061		108,223
NET ASSETS, Beginning		<u>3,976,552</u>		<u>3,868,329</u>
NET ASSETS, Ending		<u>\$ 4,039,613</u>		<u>\$ 3,976,552</u>

See the accompanying independent auditors' report.

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Idaho Springs
		YEAR ENDING : December 2013
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	Katie Jackson 303-567-4421

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:	303,054
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	275,444	b. Snow and ice removal	
3. Other local imposts (from page 2)	165,866	c. Other	
4. Miscellaneous local receipts (from page 2)	64,961	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	281,240
a. Bonds - Original Issues		6. Total (1 through 5)	584,294
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)	506,271	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	71,577	2. Notes:	
D. Receipts from Federal Government (from page 2)	6,446	a. Interest	
E. Total receipts (A.7 + B + C + D)	584,294	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)	584,294

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
		584,294	584,294		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2013	
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	165,866	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	64,961
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	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	165,866	i. Total (a. through h.)	64,961
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	62,724	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	3,644
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	7,858	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)	995	f. Other Federal	2,802
f. Total (a. through e.)	8,853	g. Total (a. through f.)	6,446
4. Total (1. + 2. + 3.f)	71,577	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	0
			(Carry forward to page 1)
Notes and Comments:			
Item C 3 e CDOT DUI enforcement (overtime)			
Item D 2 f US Department of Justice COPS Hiring Recovery Program Grant			