CITY OF IDAHO SPRINGS
IDAHO SPRINGS, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

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FINANCIAL SECTION

The management of the City of Idaho Springs offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ending December 31, 2018. 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 $43,343,524 at the end of 2018.

  Governmental funds reported combined fund equity of $15,863,048 an increase of $3,065,685 in comparison with the prior year. This increase is primarily due to the street bond improvement fund added in 2018 and a decrease in the Responsible Acceleration of Maintenance and Partnerships (RAMP) fund balance as this project is being completed. The bonding for street improvements in the amount of $10,512,794 was authorized by City voters in 2017 and is funded by the one percent sales tax for street improvements that was approved by voters in 2015. The RAMP Fund in the amount of $21,900,000 was established with money from the Colorado Department of Transportation RAMP program when the City accepted ownership and maintenance responsibility of the former State highway through an intergovernmental agreement in 2015.

- In 2018, the City's unassigned fund balance for the General Fund was $2,238,419 while committed fund balance totaled $4,369,990, of which $1,342,535 is for RAMP maintenance and $3,027,455 is from the 1% Sales Tax for street 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 increased by $209,767, a result of bond repayments increasing long-term debt held by the Water and Wastewater Funds, Bonds and Capital lease payable.

- Sales Tax Revenues were $2,902,624 an increase of $209,653 or 8% from the prior year. Property Tax Revenues were $156,178, an increase of $17,134 or 11% from 2017.

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 City finances in a manner similar to a private sector business.

The ***Statement of Net Position*** presents information on all assets; deferred outflows of resources, known as liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Increases or decreases in net position over time 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 changes to the City's net position 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 paid time off).

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 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. 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 in more detail. The proprietary fund financial statements provide separate information for water and wastewater, both of 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

These 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 2018, total net assets were $43,343,524. By far the largest portion of net assets is the investment in capital assets (net of related debt) of $28,504,924. 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 2018 and 2017.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and Other Assets	$ 16,888,207	$ 12,549,238	$ (158,012)	$ 1,565,470	$16,730,195	$14,114,708
Non Current Assets	29,870,488	22,469,438	9,948,076	8,416,842	39,818,564	30,886,280
Total Assets	46,758,695	35,018,676	9,790,064	9,982,312	56,548,759	45,000,988
DEFERRED OUTFLOWS	202,816	176,206	-	-	202,816	176,206
LIABILITIES						
Current Liabilities	905,620	614,695	149,513	147,929	1,055,133	762,624
Noncurrent Liabilities	9,924,206	182,286	1,315,485	1,486,417	11,239,691	1,668,703
Total Liabilities	10,829,826	796,981	1,464,998	1,634,346	12,294,824	2,431,327
DEFERRED INFOWS	1,113,227	163,761	-	-	1,113,227	163,761
NET POSITION						
Net Investment in Capital Assets	19,872,333	22,416,938	8,632,591	7,099,197	28,504,924	29,516,135
Restricted	8,770,965	152,388	398,099	-	9,169,064	152,388
Unrestricted	6,375,160	11,664,813	(705,624)	1,248,769	5,669,536	12,913,582
Total Net Position	**$ 35,018,458**	**$ 34,234,139**	**$ 8,325,066**	**$ 8,347,966**	**$43,343,524**	**$42,582,105**

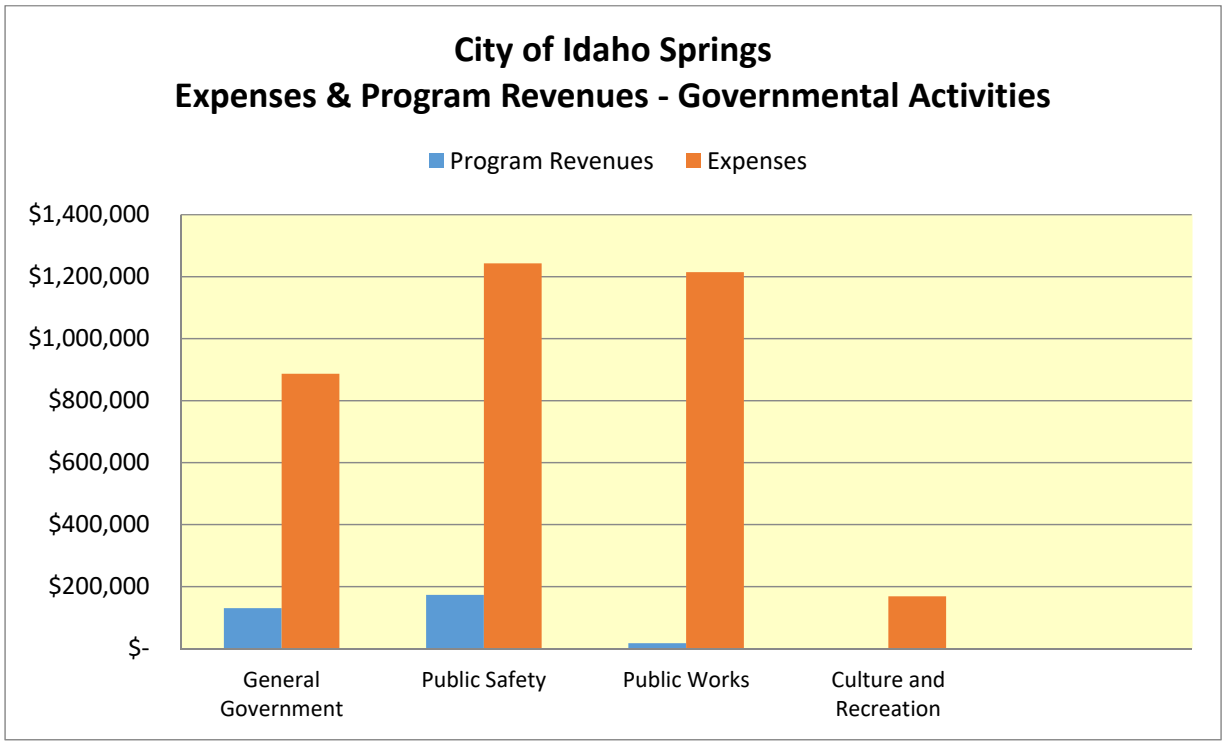
The restricted portion of net position (1.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $5,669,536 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

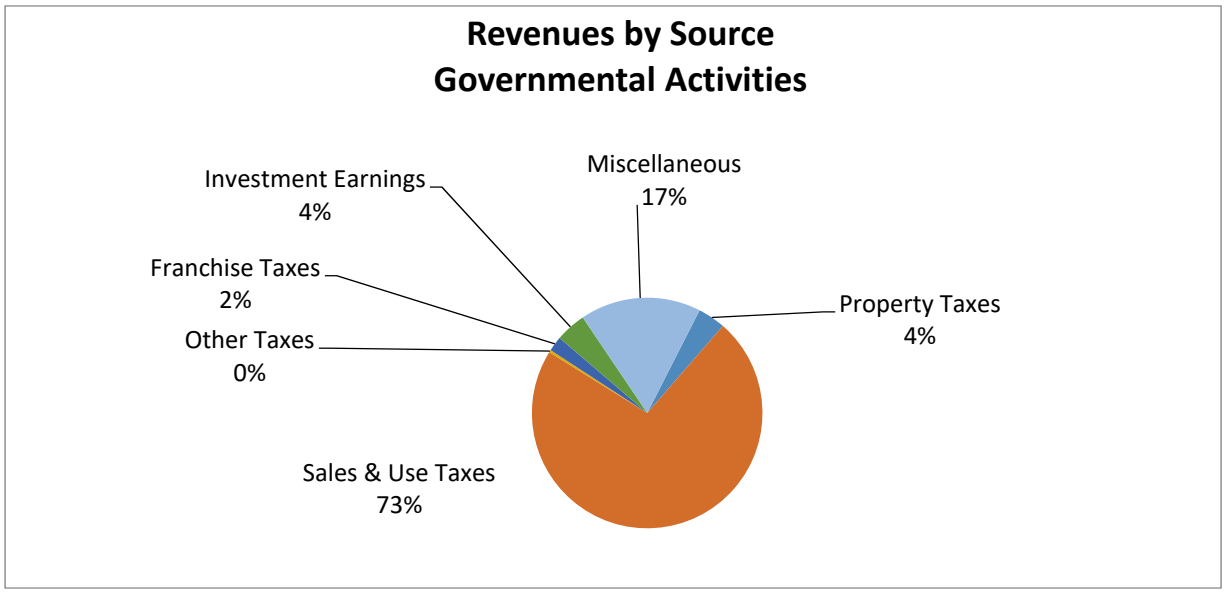
Changes in Net Position

Governmental and business-type activities increased the City's net position by $761,419 in 2018.

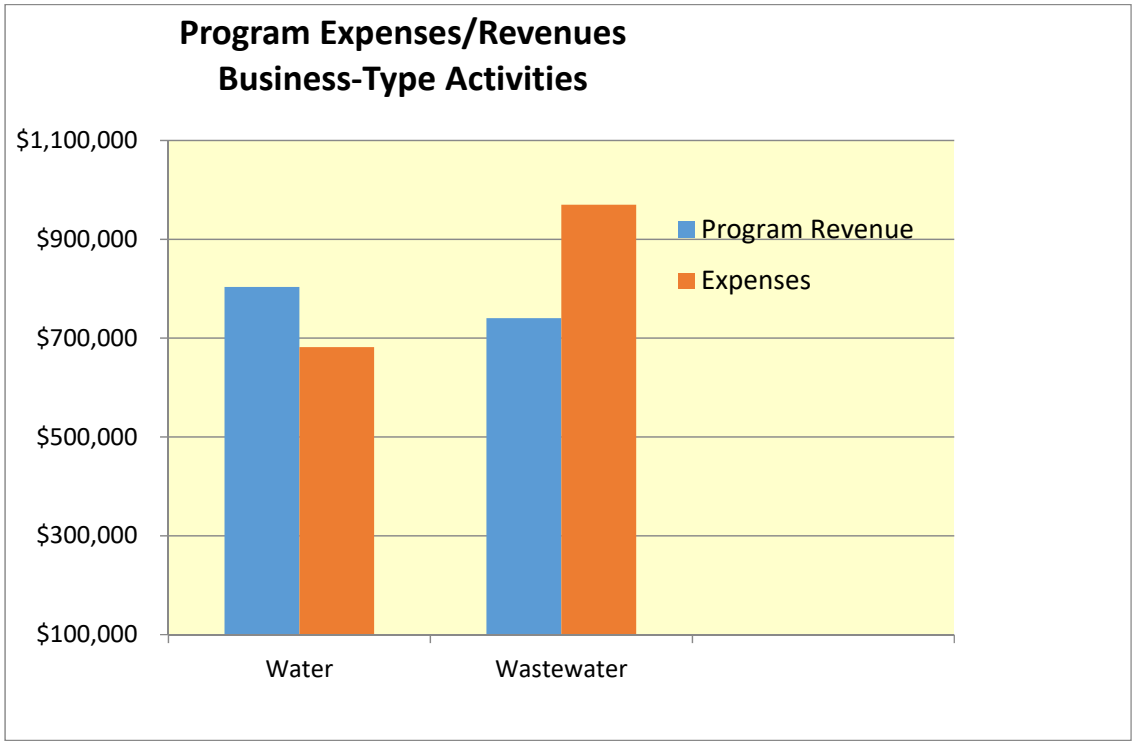
Governmental Activities

Governmental activities increased the City's net position by $784,319. Overall General Fund revenue was over budget projections in 2018 by $87,574. Expenditures were under budget by $38,929 in 2018. Governmental activities were subsidized by tax revenue and other general non-program revenues. The following illustrates the governmental activities expenses and program revenues:





Business-type Activities
Charges for services showed an increase of $113,965 compared to 2017. Overall revenue and expenditures had a slight increase in 2018. The following illustrates the business-type activities program revenues and expenses:



CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
PROGRAM REVENUES						
Charges for Services	$ 320,341	$ 317,305	$ 1,654,747	$ 1,543,818	$ 1,975,088	$ 1,861,123
Operating Grants	378,019	216,562	10,000	-	388,019	216,562
Capital Grants	-	-	5,602	14,474	5,602	14,474
Total Program Revenues	698,360	533,867	1,670,349	1,558,292	2,368,709	2,092,159
GENERAL REVENUES						
Property Taxes	156,178	139,044	-	-	156,178	139,044
Specific Ownership Taxes	13,270	10,851	-	-	13,270	10,851
Sales Taxes	2,902,624	2,692,971	-	-	2,902,624	2,692,971
Other Taxes	83,479	86,078	-	-	83,479	86,078
Interest Income	171,977	136,965	28,802	17,309	200,779	154,274
Insurance Proceeds	-	-	5,913	18,319	5,913	18,319
Other Revenues	678,698	224,327	-	-	678,698	224,327
Total General Revenues	4,006,226	3,290,236	34,715	35,628	4,040,941	3,325,864
TRANSFERS	(15,500)	(15,500)	-	-	(15,500)	(15,500)
Total Revenues & Transfers	4,689,086	3,808,603	1,705,064	1,593,920	6,394,150	5,402,523
PROGRAM EXPENSES						
General Government	997,658	640,896	-	-	997,658	640,896
Public Safety	1,252,855	1,061,757	-	-	1,252,855	1,061,757
Public Works	1,371,639	457,877	-	-	1,371,639	457,877
Culture and Recreation	168,263	172,758	-	-	168,263	172,758
Water Operations	-	-	826,288	884,006	826,288	884,006
Sewer Operations	-	-	901,676	864,752	901,676	864,752
Noncapitalized Capital Outlay	114,352	90,725	-	-	114,352	90,725
Total Program Expenses	3,904,767	2,424,013	1,727,964	1,748,758	5,632,731	4,172,771
CHANGE IN NET POSITION	784,319	1,384,590	(22,900)	(154,838)	761,419	1,229,752
Net Position, Beginning	34,234,139	32,849,549	8,347,966	8,502,804	42,582,105	41,352,353
NET POSITION, ENDING	**$ 35,018,458**	**$ 34,234,139**	**$ 8,325,066**	**$ 8,347,966**	**$43,343,524**	**$42,582,105**

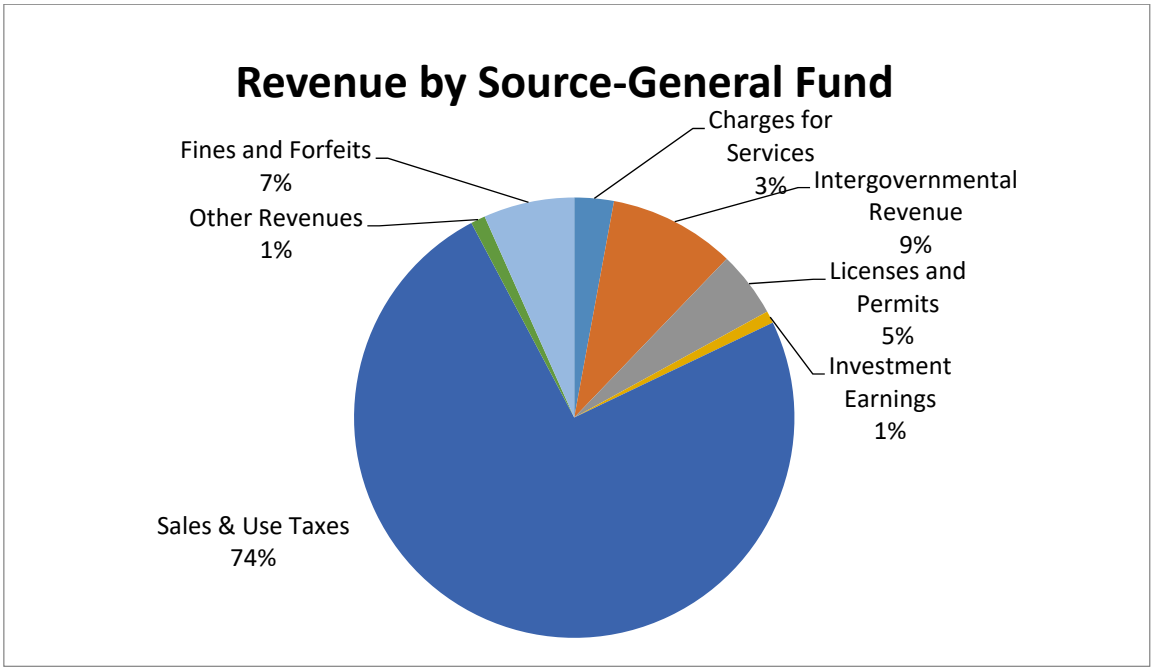
D. FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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.

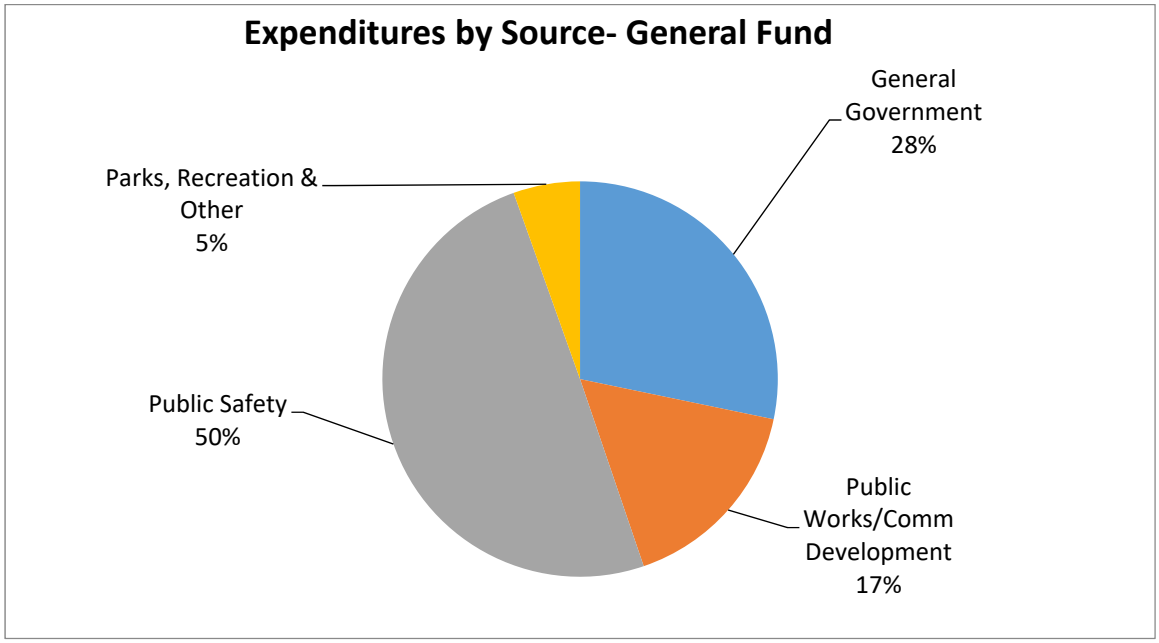
As of the end of 2018, the City's governmental funds reported combined ending fund balances of $15,863,048 an increase of $4,090,801 in comparison with the prior year. This amount includes $600,720 non-spendable, $8,630,919 restricted, $4,369,990 committed and $2,238,419 is available for appropriation according to the City's Fund Balance and Reserve Policy.

The City has four major governmental funds. They are the General Fund, Sales Tax Improvement Fund, RAMP Fund and the Street Bond Fund.

The General Fund is the primary operating fund for the City of Idaho Springs. Key factors for 2018 are: Revenues were $87,574 more than budgeted, primarily from an increase in property taxes and intergovernmental tax distributions. Expenditures were slightly less than budgeted by $38,929 due to unpredictable government expenditures needed in maintaining the operation of the City.



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 2018 of $3,131,455, a decrease of $979,006 primarily due to spending on street projects that has recently occurred using the funds that have accumulated since the 1% sales tax for street improvements was approved by voters in 2015. This fund accounts for Idaho Springs' share of the special county road and bridge mill levy. 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.

The Street Bond fund balance in 2018 was $8,473,861 which was attributed to the acquired bonds in May of 2018. This fund is restricted for the use of street infrastructure improvements.

Proprietary funds - The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but with 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 2018 was $9,063,552. A breakdown by fund is Water, $4,552,376 and Wastewater, $4,511,176. Total net position in 2018 decreased by $715,586 mainly due to capital improvement project expenses. A rate increase was implemented in 2018 to help offset capital improvement expenses.

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, 2018 amounts to $39,701,517.

Governmental Activities

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Capital Assets Not Being Depreciated				
Land	$ 2,888,736	$ 379,443	$ -	$ 3,268,179
Water Rights	8,000	-	-	8,000
Construction in Progress	17,442,562	2,976,457	17,075,540	3,343,478
Total Capital Assets Not Being Depreciated	20,339,298	3,355,900	17,075,540	6,619,657
Capital Assets Being Depreciated				
Buildings	1,713,653	-	-	1,713,653
Improvements Other Than Buildings	1,989,659	21,700,620	-	23,690,279
Equipment	1,986,899	278,586	-	2,265,484
Total Capital Assets Being Depreciated	5,690,211	21,979,206	-	27,669,416
Accumulated Depreciation				
Buildings	(913,046)	(23,013)	-	(936,059)
Improvements Other Than Buildings	(959,664)	(839,587)	-	(1,799,251)
Equipment	(1,687,361)	(112,960)	-	(1,800,321)
Total Accumulated Depreciation	(3,560,071)	(975,560)	-	(4,535,631)
Net Govermental Capital Assets	$ 22,469,438	$ 24,359,546	$ 17,075,540	$ 29,753,442

Business-type Activities

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Capital Assets Not Being Depreciated				
Land - Water	$ 13,231	$ -	$ -	$ 13,231
Land - Wastewater	50,005	379,443	-	429,448
Water Rights	10,440	-	-	10,440
Construction in Progress - Wastewater	560,519	525,301	560,519	525,301
Construction in Progress - Water	-	566,407	-	566,406
Total Capital Assets Not Being Depreciated	634,195	1,471,151	560,519	1,544,826
Capital Assets Being Depreciated				
Improvements Other Than Buildings - Water	12,070,135	20,400	-	12,090,536
Improvements Other Than Buildings - Wastewater	8,141,312	1,154,104	-	9,295,416
Equipment - Water	380,933	-	-	380,934
Equipment - Wastewater	362,471	-	-	362,471
Total Capital Assets Being Depreciated	20,954,851	1,174,504	-	22,129,357
Accumulated Depreciation				
Improvements Other Than Buildings - Water	(7,424,918)	(272,023)	-	(7,696,941)
Improvements Other Than Buildings - Wastewater	(5,326,599)	(227,916)	-	(5,554,515)
Equipment - Water	(187,589)	(26,290)	-	(213,879)
Equipment - Wastewater	(233,099)	(27,674)	-	(260,773)
Total Accumulated Depreciation	(13,172,205)	(553,903)	-	(13,726,108)
Net Business-type Capital Assets	$ 8,416,841	$ 2,091,752	$ 560,519	$ 9,948,075

Long Term Debt - At the end of 2018, total bonded debt outstanding was $9,795,000.

Expenditures for capital equipment and capital projects were $27,980,761.

Major capital expenditures during 2018 included:

- Reconstruction of the final phase of Colorado Boulevard
- Reconstruction of Miner Street between Safeway and the Visitor Center
- Reconstruction of Miner Street and several other streets in the neighborhood east of Safeway
- Construction of several segments of the Greenway
- Acquisition of the former cement plant property for the expansion of the Wastewater Treatment Plant

	Balance 12/31/2017	Advances	Repayments	Balance 12/31/2018	Current Portion
Governmental Activities					
2018 Street Sales Tax Revenue Bonds	$ -	$ 9,875,000	$ 80,000	$ 9,795,000	$ 145,000
Bond Premium	-	872,834	13,590	859,244	57,345
Capital Lease Payable	82,500	-	32,500	50,000	30,000
Total Governmental-type Activities	$ 82,500	$ 10,747,834	$ 126,090	$ 10,704,244	$ 232,345

	Balance 12/31/2017	Advances	Repayments	Balance 12/31/2018	Current Portion
Business-type Activities					
2000 CWCB Note - Water	$ 673,287	$ -	$ 28,460	$ 644,827	$ 29,883
2002 CWCB Note - Water	113,944	-	10,342	103,602	8,751
2002 CWRPDA Note - Water	699,186	-	132,130	567,057	132,130
Advance from Other Funds - Water	123,310	-	23,735	99,575	12,592
Advance from Other Funds - Wastewater	150,712	379,443	29,010	501,145	394,833
Total Business-type Activities	$ 1,760,439	$ 379,443	$ 223,677	$ 1,916,206	$ 578,189

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

A five-year trend continued as sales tax revenues increased again in 2018. In November 2015, the voters overwhelmingly approved a 1% sales tax that increased the total City tax rate to 4%, with the resulting revenue dedicated to street repair and ongoing maintenance. That increase is expected to generate sufficient funds to replace, and likely exceed, the previous special County mill levy for streets that ended in 2013.

The reconstruction of Colorado Boulevard was completed in August 2018 and will bring new opportunities for development and economic revitalization. Other street reconstruction projects are underway, along with construction of additional segments of the Greenway through the City. These projects, along with plans to increase available parking, will further bolster the City's financial position. Combined, these projects will be the cornerstone of the City's future economic growth. The City continues to monitor both revenues and expenditures, while cautiously preparing to accommodate economic changes and fulfilling the commitment to 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. 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

Mayberry & Company, LLC
Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Idaho Springs, Colorado, as of and for the year ended December 31, 2018 and the related notes to the financial statements which collectively comprise the basic financial statements of the City, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 controls. 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.

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Opinion

In our 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 the City of Idaho Springs, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the City of Idaho Springs, Colorado's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 9, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules(Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 - M11 and Pension Schedules on pages 39 - 40 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.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 41 - 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining and individual fund schedules on pages 43 - 48 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The 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.

Such 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 basic 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* is presented on pages 49 - 50 for purposes of legal compliance and is 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Maybery + Company, LLC

Englewood, CO
June 6, 2019

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BASIC FINANCIAL STATEMENTS

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CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	$ 13,355,851	$ (346,117)	$ 13,009,734
Restricted Cash and Investments	2,332,964	398,099	2,731,063
Receivables			
Property Tax Receivable	155,648	-	155,648
Utility Receivable	-	390,726	390,726
Cash with Fiscal Agent	8,766	-	8,766
Other Receivables	434,258	-	434,258
Internal Balances	600,720	(600,720)	-
Total Current Assets	16,888,207	(158,012)	16,730,195
Noncurrent Assets			
Capital Assets not being Depreciated	6,619,657	1,544,827	8,164,484
Capital Assets being Depreciated	27,669,416	22,129,357	49,798,773
Accumulated Depreciation	(4,535,631)	(13,726,108)	(18,261,739)
Net Pension Asset	117,046	-	117,046
Total Noncurrent Assets	29,870,488	9,948,076	39,818,564
TOTAL ASSETS	46,758,695	9,790,064	56,548,759
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Net Deferred Outflow Pension	202,816	-	202,816
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 46,961,511	$ 9,790,064	$ 56,751,575
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 723,678	$ 89,248	$ 812,926
Accrued Salaries and Benefits	29,311	8,644	37,955
Retainage Payable	111,774	20,986	132,760
Deposits and Escrow	4,748	-	4,748
Accrued Interest Payable	36,109	30,635	66,744
Total Current Liabilities	905,620	149,513	1,055,133
Noncurrent Liabilities			
Due within one year	175,000	170,764	345,764
Due in more than one year	9,749,206	1,144,721	10,893,927
Total Noncurrent Liabilities	9,924,206	1,315,485	11,239,691
TOTAL LIABILITIES	10,829,826	1,464,998	12,294,824
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	155,648	-	155,648
Net Deferred Inflows Pension	98,335	-	98,335
Bond Premiums	859,244	-	859,244
TOTAL DEFERRED INFLOWS	1,113,227	-	1,113,227
NET POSITION			
Net Investment in Capital Assets	19,872,333	8,632,591	28,504,924
Restricted Net Position	8,770,965	398,099	9,169,064
Unrestricted Net Position	6,375,160	(705,624)	5,669,536
TOTAL NET POSITION	35,018,458	8,325,066	43,343,524
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 46,961,511	$ 9,790,064	$ 56,751,575

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

CITY OF IDAHO SPRINGS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	$ 997,658	$ 130,202	$ 211,081	$ -
Public Safety	1,252,855	173,000	-	-
Public Works	1,371,639	17,139	157,856	-
Culture and Recreation	168,263	-	9,082	-
Capital Outlay - Non Capitalized	114,352	-	-	-
TOTAL GOVERNMENT ACTIVITIES	3,904,767	320,341	378,019	-
Business-type Activities				
Current:				
Water	826,288	870,060	-	5,602
Wastewater	901,676	784,687	10,000	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,727,964	1,654,747	10,000	5,602
TOTAL GOVERNMENT	$ 5,632,731	$ 1,975,088	$ 388,019	$ 5,602

GENERAL REVENUES
Property Taxes
Specific Ownership Taxes
Sales Taxes
Franchise Taxes
Interest Income
Insurance Proceeds
Other Revenues
TRANSFERS
TOTAL GENERAL REVENUES AND TRANSFERS

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 CHANGES IN NET POSITION		
GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
$ (656,375)	$ -	$ (656,375)
(1,079,855)	-	(1,079,855)
(1,196,644)	-	(1,196,644)
(159,181)	-	(159,181)
(114,352)	-	(114,352)
(3,206,407)	-	(3,206,407)
-	49,374	49,374
-	(106,989)	(106,989)
-	(57,615)	(57,615)
(3,206,407)	(57,615)	(3,264,022)
156,178	-	156,178
13,270	-	13,270
2,902,624	-	2,902,624
83,479	-	83,479
171,977	28,802	200,779
-	5,913	5,913
678,698	-	678,698
(15,500)	-	(15,500)
3,990,726	34,715	4,025,441
784,319	(22,900)	761,419
34,234,139	8,347,966	42,582,105
$ 35,018,458	$ 8,325,066	$ 43,343,524

CITY OF IDAHO SPRINGS, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018
With Comparative Totals for December 31, 2017

	General Fund	RAMP Fund	Sales Tax Improvement Fund	1% Street Sales Tax Fund
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	$ 2,134,449	$ -	$ 3,036,237	$ 8,185,165
Restricted Cash and Investments	90,755	1,404,420	-	792,731
Receivables				
Property Tax Receivable	155,648	-	-	-
Cash with Fiscal Agent	6,517	-	2,249	-
Other Receivables	227,462	-	103,398	103,398
Internal Balances	117,277	-	483,443	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 2,732,108	$ 1,404,420	$ 3,625,327	$ 9,081,294
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 51,705	$ 61,885	$ 110,232	$ 499,856
Accrued Salaries and Benefits	29,311	-	-	-
Retainage Payable	-	-	4,197	107,577
Deposits and Escrow	4,748	-	-	-
TOTAL LIABILITIES	85,764	61,885	114,429	607,433
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Property Taxes	155,648	-	-	-
FUND BALANCE				
Nonspendable Fund Balance	117,277	-	483,443	-
Restricted Fund Balance	135,000	-	-	8,473,861
Committed Fund Balance	-	1,342,535	3,027,455	-
Unassigned Fund Balance	2,238,419	-	-	-
TOTAL FUND BALANCE	2,490,696	1,342,535	3,510,898	8,473,861
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 2,732,108	$ 1,404,420	$ 3,625,327	$ 9,081,294

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

Nonmajor Conservation Trust Fund	Total 2018	Total 2017
$ -	$ 13,355,851	$ 6,089,779
45,058	2,332,964	5,661,447
-	155,648	162,295
-	8,766	7,059
-	434,258	380,486
-	600,720	248,172
$ 45,058	$ 16,888,207	$ 12,549,238

$ -	$ 723,678	$ 350,444
-	29,311	22,388
-	111,774	237,116
-	4,748	4,748
-	869,511	614,696
-	155,648	162,295
-	600,720	248,172
45,058	8,653,919	152,388
-	4,369,990	9,343,196
-	2,238,419	2,028,491
45,058	15,863,048	11,772,247
$ 45,058	$ 16,888,207	$ 12,549,238

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CITY OF IDAHO SPRINGS, COLORADO

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2018

Fund Balance - Governmental Funds		$ 15,863,048
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 6,619,657	
Capital assets, being depreciated	27,669,416	
Accumulated depreciation	(4,535,631)	29,753,442
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Bond premiums	(859,244)	(859,244)
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
FPPA Pension		
Net pension deferred outflows	202,816	
Net pension liability	117,046	
Net pension deferred Inflows	(98,335)	221,527
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(9,795,000)	
Capital leases payable	(50,000)	
Accrued interest payable	(36,109)	
Accrued compensated absences	(79,206)	(9,960,315)
Total Net Position - Governmental Activities		$ 35,018,458

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	General Fund	RAMP Fund	Sales Tax Improvement Fund	1% Street Sales Tax Fund	Nonmajor Conservation Trust Fund
REVENUES					
Taxes	$1,759,573	$ -	$ 718,406	$ 677,571	$ -
Intergovernmental Revenues	232,127	-	136,061	-	9,082
Licenses and Permits	67,188	-	-	-	-
Fines and Forfeits	173,000	-	-	-	-
Charges for Services	80,152	-	-	-	-
Investment Earnings	30,286	45,213	18,891	74,000	3,588
Other Revenues	14,216	665,232	-	-	-
TOTAL REVENUES	2,356,542	710,445	873,358	751,571	12,670
EXPENDITURES					
Current:					
General Government	701,924	-	-	216,955	-
Public Safety	1,239,737	-	-	-	-
Public Works	399,978	-	-	-	-
Parks, Recreation and Other	102,260	-	-	-	-
Capital Outlay	48,293	4,380,462	1,415,421	2,625,901	-
Debt Service	-	-	32,500	182,688	-
TOTAL EXPENDITURES	2,492,192	4,380,462	1,447,921	3,025,544	-
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(135,650)	(3,670,017)	(574,563)	(2,273,973)	12,670
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	-	10,747,834	-
Transfers (In)	9,500	-	-	-	-
Transfers (Out)	-	-	(25,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	9,500	-	(25,000)	10,747,834	-
NET CHANGE IN FUND BALANCE - GAAP BASIS	(126,150)	(3,670,017)	(599,563)	8,473,861	12,670
FUND BALANCE, BEGINNING	2,616,846	5,012,552	4,110,461	-	32,388
FUND BALANCE, ENDING	$2,490,696	$1,342,535	$ 3,510,898	$ 8,473,861	$ 45,058

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

Total	
2018	**2017**
$ 3,155,550	$ 2,928,943
377,270	213,563
67,188	106,432
173,000	147,084
80,152	63,790
171,978	136,965
679,448	227,327
4,704,586	3,824,104
918,879	623,768
1,239,737	1,098,047
399,978	364,474
102,260	120,489
8,470,077	11,210,350
215,188	32,500
11,346,119	13,449,628
(6,641,533)	(9,625,524)
10,747,834	-
9,500	9,500
(25,000)	(25,000)
10,732,334	(15,500)
4,090,801	(9,641,024)
11,772,247	21,413,271
$15,863,048	$11,772,247

CITY OF IDAHO SPRINGS, COLORADO

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

Change in Fund Balance - Governmental Funds		$ 4,090,801
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	8,259,564	
Depreciation Expense	(975,560)	7,284,004
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
FPPA Pension		
Change in deferred pension outflows	34,265	
Change in net pension liability	145,870	
Change in deferred pension inflows	(104,524)	75,611
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Proceeds from debt issuances	(10,747,834)	
Principal payments on bonds payable	80,000	
Principal payments on capital leases	32,500	
Change in accrued interest payable	(36,109)	
Amortization of premiums and discounts	13,590	
Change in accrued compensated absences	(8,244)	(10,666,097)
Change in Net Position - Governmental Activities		$ 784,319

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018
With Comparative Totals for December 31, 2017

	Business-type Activities			
	Water Fund	Wastewater Fund	Total 2018	Total 2017
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	$ 301,136	$ (647,253)	$ (346,117)	$ 1,093,381
Restricted Cash and Investments	398,099	-	398,099	412,121
Receivables				
Utility Receivable	193,751	196,975	390,726	308,140
Internal Balances	(99,575)	(501,145)	(600,720)	(248,172)
Total Current Assets	793,411	(951,423)	(158,012)	1,565,470
Noncurrent Assets				
Capital Assets not being depreciated	590,077	954,750	1,544,827	634,195
Capital Assets being depreciated	12,471,469	9,657,888	22,129,357	20,954,852
Accumulated Depreciation	(7,910,820)	(5,815,288)	(13,726,108)	(13,172,205)
Total Noncurrent Assets	5,150,726	4,797,350	9,948,076	8,416,842
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 5,944,137	$ 3,845,927	$ 9,790,064	$ 9,982,312
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 20,919	$ 68,329	$ 89,248	$ 103,985
Accrued Salaries and Benefits	4,322	4,322	8,644	6,974
Retainage Payable	-	20,986	20,986	-
Accrued Interest Payable	30,635	-	30,635	36,970
Total Current Liabilities	55,876	93,637	149,513	147,929
Noncurrent Liabilities				
Due within one year	170,764	-	170,764	168,772
Due in more than one year	1,144,721	-	1,144,721	1,317,645
Total Noncurrent Liabilities	1,315,485	-	1,315,485	1,486,417
TOTAL LIABILITIES	1,371,361	93,637	1,464,998	1,634,346
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
NET POSITION				
Net Investment in Capital Assets	3,835,241	4,797,350	8,632,591	6,930,425
Restricted Net Position	398,099	-	398,099	412,121
Unrestricted Net Position	339,436	(1,045,060)	(705,624)	1,005,420
TOTAL NET POSITION	4,572,776	3,752,290	8,325,066	8,347,966
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 5,944,137	$ 3,845,927	$ 9,790,064	$ 9,982,312

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	Business-type Activities			
	Water Fund	Wastewater Fund	Total 2018	Total 2017
Operating Revenues				
Utility Charges	$ 870,060	$ 784,687	$ 1,654,747	$ 1,543,818
Operating Expenses				
Collection, Transmission and Distribution	460,915	-	460,915	475,761
Production and Treatment	-	562,776	562,776	565,159
Depreciation Expense	298,313	255,590	553,903	509,327
Other Capital Outlay	3,941	77,997	81,938	120,891
Total Expenditures	763,169	896,363	1,659,532	1,671,138
Operating Income (Loss)	106,891	(111,676)	(4,785)	(127,320)
Other Income (Expense)				
Intergovernmental Revenue	-	10,000	10,000	-
Investment Earnings	14,451	14,351	28,802	17,309
Other Revenue	3,014	2,899	5,913	18,319
Interest Expense	(63,119)	(5,313)	(68,432)	(77,620)
Total Other Income (Expense)	(45,654)	21,937	(23,717)	(41,992)
Net Income (Loss) before Transfers	61,237	(89,739)	(28,502)	(169,312)
Contributed Capital				
Plant Investment Fees	-	-	-	5,000
Intergovernmental Revenue	5,602	-	5,602	9,474
Total Contributed Capital	5,602	-	5,602	14,474
Change in Net Position	125,780	(148,680)	(22,900)	(154,838)
Net Position, Beginning	4,446,996	3,900,970	8,347,966	8,502,804
Net Position, Ending	$ 4,572,776	$ 3,752,290	$ 8,325,066	$ 8,347,966

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

CITY OF IDAHO SPRINGS

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	Business-type Activities			
	Water Fund	Wastewater Fund	Total 2018	Total 2017
Cash Flows From Operating Activities:				
Cash Received from Customers	$ 831,406	$ 740,755	$ 1,572,161	$ 1,531,595
Cash Paid to Suppliers	(314,443)	(432,736)	(747,179)	(730,818)
Cash Paid to Employees	(185,760)	(185,759)	(371,519)	(351,791)
Net Cash Provided by Operating Activities	331,203	122,260	453,463	448,986
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	-	-	-	5,000
Debt Principal Payments	(170,932)	-	(170,932)	(180,765)
Grant Proceeds	5,602	10,000	15,602	9,474
Interest Payments	(69,454)	(5,313)	(74,767)	(78,006)
Acquisition of Capital Assets	(586,806)	(1,477,344)	(2,064,150)	(412,146)
Cash Flows Used by Capital and Related Financing Activities	(821,590)	(1,472,657)	(2,294,247)	(656,443)
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash from Other Funds	46,839	305,710	352,549	(25,851)
Other Revenues (Expense)	3,014	2,899	5,913	18,319
Net Cash Provided (Used) by Noncapital Financing Activities	49,853	308,609	358,462	(7,532)
Cash Flows (Uses) From Investing Activities:				
Interest Received	14,451	14,351	28,802	17,309
Net Increase (Decrease) in Cash	(426,083)	(1,027,437)	(1,453,520)	(197,680)
Cash - Beginning	1,125,318	380,184	1,505,502	1,703,182
Cash - Ending	$ 699,235	$ (647,253)	$ 51,982	$ 1,505,502
Cash	$ 301,136	$ (647,253)	$ (346,117)	$ 1,093,381
Restricted Cash and Investments	398,099	-	398,099	412,121
Total	$ 699,235	$ (647,253)	$ 51,982	$ 1,505,502
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	$ 106,891	$ (111,676)	$ (4,785)	$ (127,320)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	298,313	255,590	553,903	509,327
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(38,654)	(43,932)	(82,586)	(12,223)
(Increase) Decrease in:				
Accounts Payable	(36,181)	21,444	(14,737)	77,770
Accrued Salaries and Benefits	834	834	1,668	1,432
Total Adjustments	224,312	233,936	458,248	576,306
Net Cash Used for Operating Activities	$ 331,203	$ 122,260	$ 453,463	$ 448,986

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018
With Comparative Totals for December 31, 2017

	Business-type Activities			
	Police Pension Fund	Hansen's Cemetery Trust Fund	Total 2018	Total 2017
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Restricted Cash and Investments	$ 2,325	$ 9,404	$ 11,729	$ 11,148
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
NET POSITION				
Restricted Net Position	$ 2,325	$ 9,404	$ 11,729	$ 11,148

'See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2018
With Comparative Totals for December 31, 2017

	Police Pension Fund	Hansen's Cemetery Trust Fund	Total 2018	Total 2017
Additions				
Transfers In	$ 15,500	$ -	$ 15,500	$ 15,500
Deductions				
Pension Benefits	14,919	-	14,919	14,919
Change in Net Position	581	-	581	581
Net Position, Beginning	1,744	9,404	11,148	10,567
Net Position, Ending	$ 2,325	$ 9,404	$ 11,729	$ 11,148

'See accompanying Independent Auditors' Report.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The City is a political subdivision of the State of Colorado which is governed by an elected mayor and six-member City Council. The accounting policies of the City of Idaho Springs, Colorado conform to generally accepted accounting principles (GAAP) as applicable to governments. The Government 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 principles.

REPORTING ENTITY

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consist of (a) the primary government, (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these criteria, there are no additional agencies or entities which should be included in the financial statements of the City.

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 activities of the City. For the most part, the effect of inter-fund 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 segment 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.

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

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

MEASURMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension trust 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, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses 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 non-operating revenues and expenses.

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

General Fund
The General Fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and City administration.

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

MEASURMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Special Revenue Fund:
This fund accounts for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The City's special revenue fund is as follows:

Conservation Trust Fund (Nonmajor Fund)
This fund accounts for funds received through the State of Colorado Lottery/ Conservation Trust Fund program. These funds are required through state statute to be spent on parks and recreation. This is a nonmajor fund.

Capital Project Funds:

Sales Tax Capital Improvement Fund
This fund accounts for one half 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.

RAMP Fund
This fund is used to account for the devolution of Colorado Boulevard from the State of Colorado and related payment for reconstruction and ongoing maintenance of the roadway.

1% Street Sales Tax Fund
This fund is used to account for street improvements and related debt service.

Proprietary Funds

The City also reports the following major proprietary funds:

Water and Wastewater Funds
These funds account for the financial activities associated with the related services.

Fiduciary Funds
Additionally, the City reports fiduciary funds to account for assets held by the City in a trustee capacity for employees and organizations

CASH AND INVESTMENTS
For purposes of the statement of cash flows, cash equivalents are defined as all bank account balances and investments with maturities of thirty days or less. Investments are recorded at fair value.

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

MEASURMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

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.

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

ACCOUNTS RECEIVABLE
Based upon a review of the existing accounts receivable, no allowance for doubtful accounts is warranted for any fund.

INVENTORY
All inventories are valued at cost using the first-in/first-out (FIFO) method in proprietary funds. Inventories of governmental funds are recorded as expenditures when purchased.

PREPAID ITEMS
Payments to vendors for services that will benefit periods beyond the year-end are recorded as prepaid items.

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. 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.

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

CAPITAL ASSETS (Continued)
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

The City has elected to not retroactively report infrastructure.

ACCUMULATED UNPAID LEAVE (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 expenditures but are reported as long term liabilities in the governmental activity presentation.

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 position. Bond premiums and discounts are amortized over the life of the bonds.

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 are reported as other financing used. 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 internal balances. All amounts moved between funds, either as routine or non-routine, are reported as transfers in or out.

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

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element 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 City reports deferred inflows related to taxes levied in 2017 to be collected in 2018

NET POSITION/FUND BALANCES

In the government-wide financial statements and for the proprietary fund statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The City currently has no committed funds.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The City currently has no assigned fund balances.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

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

NET POSITION/FUND EQUITY FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

BUDGETS AND BUDGETARY ACCOUNTING

All funds must have budgets to be allowed expenditures. Budgets for all funds except proprietary funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary funds are prepared on the accrual basis of accounting excluding depreciation expense. All annual appropriations lapse at year end.

By August 25 the County Assessor forwards certification of assessed valuation to the City. On or before October 1, departments must submit to the budget officer an estimate of their expenditure requirements and their estimated revenue for the ensuing budget year. The budget officer shall prepare and submit to the City Council a proposed budget by October 15. Upon receipt of the proposed budget, the City Council shall publish a notice showing the proposed budget is open for inspection by the public and the date the City will consider adoption of such proposed budget.

By December 15, the City Council certifies to County Commissioners the mill levy against the assessed valuation.

Final adoption and an ordinance or resolution making appropriations is due by December 31 and submitted to division of local government within 30 days.

Expenditures may not legally exceed budgeted appropriations at the fund level.

NOTE 3: CASH AND INVESTMENTS

A summary of deposits and investments as of December 31, 2018 is as follows:

Cash Deposits	$	4,385,979
Investments		11,366,547
Total Cash and Investments	$	15,752,526

This balance is presented in the financial statements as follows:

Cash and Investments	$	13,009,734
Restricted Cash and Investments		2,731,063
Fiduciary Cash and Investments		11,729
Total Cash and Investments	$	15,752,526

DEPOSITS

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The City's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations.

Custodial Credit Risk – Deposits (Continued)

Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2018, all of the City's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

NOTE 3: CASH AND INVESTMENTS

DEPOSITS (Continued)
Deposits at December 31, 2018 were as follows:

	Bank Balance	Book Balance
FDIC Insured	$ 500,000	$ 500,000
PDPA Collateralized not in City's Name	4,093,380	4,386,537
Total Cash Deposits	$ 4,593,380	$ 4,886,537

INVESTMENTS
Credit Risk
Colorado statutes specify which instruments units of local government may invest, which include:

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

The City does not have an investment policy that would further limit its investment choices.

Credit Risk
For the year ended December 31, 2018, the City had invested $11,366,547 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 operated similarly to a money market fund and each share vale 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

Concentration of Credit Risk
The City places no limit on the amount that may be invested in any one issuer.

NOTE 3: **CASH AND INVESTMENTS** (Continued)

INVESTMENTS (Continued)

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. 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, other than those contained in the statutes. The City's investment portfolio contains no investments that exceed that limitation.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2018, the City's custodial credit risk is related to the investments in Colotrust and CSAFE,

RESTRICTED CASH

The City has restricted cash and set aside equity as follows:

Restricted - Cemetery	$ 90,755
Restricted - Conservation Trust	45,058
Restricted - Colorado Blvd Project	1,404,420
Restricted - Street Bond Fund	792,731
Restricted - Rate Stabilization and O&M Reserve	398,099
Total Restricted Cash and Investments	$ 2,731,063

NOTE 4: CAPITAL ASSETS

A summary of the City's governmental capital asset transactions for the year are as follows:

Governmental Activities

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Capital Assets Not Being Depreciated				
Land	$ 2,888,736	$ 379,443	$ -	$ 3,268,179
Water Rights	8,000	-	-	8,000
Construction in Progress	17,442,562	2,976,457	17,075,540	3,343,478
Total Capital Assets Not Being Depreciated	20,339,298	3,355,900	17,075,540	6,619,657
Capital Assets Being Depreciated				
Buildings	1,713,653	-	-	1,713,653
Improvements Other Than Buildings	1,989,659	21,700,620	-	23,690,279
Equipment	1,986,899	278,586	-	2,265,484
Total Capital Assets Being Depreciated	5,690,211	21,979,206	-	27,669,416
Accumulated Depreciation				
Buildings	(913,046)	(23,013)	-	(936,059)
Improvements Other Than Buildings	(959,664)	(839,587)	-	(1,799,251)
Equipment	(1,687,361)	(112,960)	-	(1,800,321)
Total Accumulated Depreciation	(3,560,071)	(975,560)	-	(4,535,631)
Net Govermental Capital Assets	$ 22,469,438	$ 24,359,546	$ 17,075,540	$ 29,753,442

Depreciation has been allocated to the various governmental functions as follows:

General Government	$ 27,845
Public Safety	48,257
Public Works	830,830
Parks, Recreation and Other	68,628
Total Depreciation	$ 975,560

NOTE 4: CAPITAL ASSETS (Continued)

A summary of the City's business-type capital asset transactions for the year are as follows:

Business-type Activities

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Capital Assets Not Being Depreciated				
Land - Water	$ 13,231	$ -	$ -	$ 13,231
Land - Wastewater	50,005	379,443	-	429,448
Water Rights	10,440	-	-	10,440
Construction in Progress - Wastewater	560,519	525,301	560,519	525,301
Construction in Progress - Water	-	566,407	-	566,406
Total Capital Assets Not Being Depreciated	634,195	1,471,151	560,519	1,544,826
Capital Assets Being Depreciated				
Improvements Other Than Buildings - Water	12,070,135	20,400	-	12,090,536
Improvements Other Than Buildings - Wastewater	8,141,312	1,154,104	-	9,295,416
Equipment - Water	380,933	-	-	380,934
Equipment - Wastewater	362,471	-	-	362,471
Total Capital Assets Being Depreciated	20,954,851	1,174,504	-	22,129,357
Accumulated Depreciation				
Improvements Other Than Buildings - Water	(7,424,918)	(272,023)	-	(7,696,941)
Improvements Other Than Buildings - Wastewater	(5,326,599)	(227,916)	-	(5,554,515)
Equipment - Water	(187,589)	(26,290)	-	(213,879)
Equipment - Wastewater	(233,099)	(27,674)	-	(260,773)
Total Accumulated Depreciation	(13,172,205)	(553,903)	-	(13,726,108)
Net Business-type Capital Assets	$ 8,416,841	$ 2,091,752	$ 560,519	$ 9,948,075

Depreciation has been allocated to the various business-type activities as follows:

Water	$ 298,313
Wastewater	255,590
Total Depreciation	$ 553,903

NOTE 5: INTERNAL BALANCES AND TRANSFERS

The City made the following routine transfer during the year:

	Transfers	
	To	From
General Fund	$ 25,000	$ 15,500
Sales Tax Improvement Fund	-	25,000
Police Pension	15,500	-
	$ 40,500	$ 40,500

Advances

The General Fund, though normal operation and its stormwater function, as well as the Sales Tax Improvement Fund loaned funds to the Water and Wastewater Funds during fiscal year 2005. During 2018, the Sales Tax Improvement Fund loaned an additional $379,443 to the Wastewater Fund related to property acquisition. The 2005 loans are being repaid in semiannual installments with interest accruing at 4%. The new Sales Tax/Wastewater loan does not bear interest. Outstanding balances at December 31, 2018 were as follows:

	Advance	
	To	From
General Fund	$ 117,277	$ -
Sales Tax Improvement Fund	483,443	-
Water Fund	-	99,575
Wastewater Fund	-	501,145
	$ 600,720	$ 600,720

NOTE 6: LONG-TERM DEBT

GOVERNMENTAL ACTIVITIES

Changes in governmental activities long-term debt are as follows:

	Balance 12/31/2017	Advances	Repayments	Balance 12/31/2018	Current Portion
Governmental Activities					
2018 Street Sales Tax Revenue Bonds	$ -	$ 9,875,000	$ 80,000	$ 9,795,000	$ 145,000
Bond Premium	-	872,834	13,590	859,244	57,345
Capital Lease Payable	82,500	-	32,500	50,000	30,000
Total Governmental-type Activities	$ 82,500	$ 10,747,834	$ 126,090	$ 10,704,244	$ 232,345

NOTE 6: **LONG-TERM DEBT** (Continued)

GOVERNMENTAL ACTIVITIES (Continued)

2018 Street Sales Tax Revenue Bonds

On December 1, 2018 the City was issued $9,875,000 in Sales Tax Revenue Bonds for improvement to the city's streets through a newly established 1% Street Sales Tax Fund. The bonds are payable in 47 annual installments of ranging from $182,688 to $778,866 including interest ranging from 2.00% to 5.00% through December 2041. The bonds contain a reserve account requirement of the lessor of i) 10% of the principal amount of the issued Bonds, ii) 100% of the maximum annual debt service requirements on the Bonds, or iii) 125% of the average annual debt service requirements on the Bonds. Over the life of the bonds, the maximum annual debt service is the lowest of the three amounts at $792,731. The City has established that reserve in the The bonds are secured by net revenues derived from pledged Sale Tax. Future debt service payments are as follows:

Year	Principal	Interest	Total
2019	$ 145,000	$ 433,313	$ 578,313
2020	175,000	427,513	602,513
2021	205,000	420,513	625,513
2022	220,000	412,313	632,313
2023	240,000	403,513	643,513
2024-2028	1,475,000	1,882,113	3,357,113
2029-2033	2,135,000	1,483,313	3,618,313
2034-2038	2,990,000	867,813	3,857,813
2039-2041	2,210,000	162,215	2,372,215
Total	$ 9,795,000	$ 6,492,619	$ 16,287,619

In October 2015, the City entered into a lease agreement for the purchase of real property. The lease requires 60 monthly payments of $2,500 commencing November 1, 2015. The lease does not bear interest. The property has been capitalized as a land investment with a value of $150,000. Payments are due as follows:

Year	Total
2019	$ 30,000
2020	30,000
Total Future Minimum Lease Payments	60,000
Less: Interest at 0%	-
Present Value of Lease Payments	$ 60,000

NOTE 6: **LONG-TERM DEBT** (Continued)

BUSINESS-TYPE ACTIVITIES

Changes in business-type activity long-term debt are as follows:

	Balance 12/31/2017	Advances	Repayments	Balance 12/31/2018	Current Portion
Business-type Activities					
2000 CWCB Note - Water	$ 673,287	$ -	$ 28,460	$ 644,827	$ 29,883
2002 CWCB Note - Water	113,944	-	10,342	103,602	8,751
2002 CWRPDA Note - Water	699,186	-	132,130	567,057	132,130
Advance from Other Funds - Water	123,310	-	23,735	99,575	12,592
Advance from Other Funds - Wastewater	150,712	379,443	29,010	501,145	394,833
Total Business-type Activities	$ 1,760,439	$ 379,443	$ 223,677	$ 1,916,206	$ 578,189

2000 Colorado Water Conservation Board Note Payable
On December 20, 2000, the City entered into a $955,000 loan agreement with the Colorado Water Resource and Power Development Authority for improvement to its water system. The note is payable in 31 annual installments of $62,124, including interest at 5%. The note is secured by the net revenues of the combined water and wastewater system.

2002 Colorado Water Conservation Board Note Payable
On March 1, 2002, the City amended the 2000 CWCB note payable to borrow an additional $210,000. The note is payable in 25 annual installments of $14,449, including interest at 5.5%. The note is secured by the net revenues of the combined water and wastewater system.

2002 Colorado Water Resources and Power Development Authority Note Payable On April 1, 2002 the City entered into a $2,339,797 loan agreement with the Colorado Water Resource and Power Development Authority for improvement to its water system. The note is payable in 41 semi-annual installments of ranging from $29,291 to $85,484, including interest at 3.99% through August 2022. The note is secured by the net revenues of the combined water and wastewater system.

Future debt service on the business-type activities loans is as follows:

Fiscal Year	Principal	Interest	Total
2019	$ 170,645	$ 62,394	$ 233,039
2020	178,119	52,839	230,958
2021	185,694	46,024	231,718
2022	198,881	28,166	227,047
2023	47,017	29,557	76,573
2024-2028	268,325	109,159	377,484
2029-2033	268,964	41,657	310,620
Total	$ 1,317,645	$ 369,796	$ 1,687,439

NOTE 6: **LONG-TERM DEBT** (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

Coverage for the rate maintenance agreement and calculation of the three-month operation reserve requirement is as follows:

	Water
Gross Charges for Services	$ 870,060
Operating Expenses	
Transmission and Distribution	460,915
Water Treatment	3,941
Total Operating Expenses	464,856
Net Operating Revenues	405,204
Debt Service	
2000 CWCB Water Loan	62,124
2002 CWCB Water Loan	14,449
2002 CWRPDA Loan	159,466
Total Debt Service	236,039
Debt Coverage Ratio 110%	259,643
Excess (Shortfall)	145,561
Beginning Rate Stabilization	535,690
Ending Rate Stabilization	$ 681,251
2019 Operating Budget	$ 553,822
3 Month Required O & M Reserve	$ 138,456

NOTE 7: RETIREMENT COMMITMENTS

Statewide Defined Benefit Plan - FPPA

Summary of Significant Accounting Policies

Pensions. The City participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the City are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2014, that can be obtained at:
http://fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

NOTE 7: **RETIREMENT COMMITMENTS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Contributed)
A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

NOTE 7: **RETIREMENT COMMITMENTS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Contributed)
Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the City were $45,323 for the plan year ended December 31, 2017 and $38,071 for the fiscal year ended December 31, 2018. The current year contributions will be expensed in 2018 for FPPA purposes and are a timing difference at year end.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At December 31, 2018, the City reported an asset of $117,046 for its proportionate share of the SWDB's net pension asset. The net pension asset or liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The City's proportion of the net pension asset was based on City's contributions to the SWDB for the calendar year 2017 relative to the total contributions of participating employers to the SWDB.

At December 31, 2017, the City's proportion was .081358%, which was an increase of .001588% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense of $40,472. At December 31, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 82,312	$ (1,211)
Changes of assumptions or other inputs	$ 14,098	$ -
Net difference between projected and actual earnings on pension plan investments	$ 47,125	$ (94,126)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ 10,205	$ (2,998)
Contributions subsequent to the measurement date	$ 49,076	$ -
Total	$ 202,816	$ (98,335)

$49,076 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2018.

NOTE 7: **RETIREMENT COMMITMENTS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)
Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2019	$ 10,498
2020	8,807
2021	(4,697)
2022	(10,839)
2023	12,692
2024-2028	38,943
Total	$ 55,405

Actuarial assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of pension plan	7.50%
Salary increase, including wage inflation	4.00-14.00%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB is used in the projection of post-retirement benefits for members under 55. For post-retirement members 65 and older, the RP-2014 Mortality Tables for Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55-64, a blend of the previous tables is used.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study adopted by FPPA's Board in July 2015. The assumption changes were effective for actuarial valuations beginning January 1, 2016. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

NOTE 7: **RETIREMENT COMMITMENTS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.33%
Equity Long/Short	9.00%	7.15%
Illiquid Alternatives	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	6.85%
Cash	2.00%	2.26%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

NOTE 7: **RETIREMENT COMMITMENTS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)
For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7 .50%.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension asset (liability)	$ (127,429)	$ 117,046	$ 320,052

Police Pension (City)
The City sponsors and administers a police pension plan, having one participant at December 31, 2018. No independent actuarial study has been made. However, alternative methods were used to determine that no amounts were due as of December 31, 2018.

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all non-FPPA 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. During the year ended December 31, 2018, the City's contributions were $55,582, equal to the required contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 8: **FUND BALANCE/NET POSITION RESERVES/RESTRICTIONS**

TAX SPENDING AND DEBT LIMITATIONS

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

NOTE 8: FUND BALANCE/NET POSITION RESERVES/RESTRICTIONS Continued)

TAX SPENDING AND DEBT LIMITATIONS Continued)

The City's financial activity for the year ended December 31, 2018 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 1992, revenue in excess of the City's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

At a November 4, 2008 election, 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.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The City's management believes it is in compliance with the TABOR amendment.

The Article requires an emergency reserve be set aside for 2018 in the amount of 3% or more of its fiscal year spending. At December 31, 2018, the City has reserved/restricted the following for emergencies:

General Fund	$ 113,000

Other Restrictions and Commitments

The City has restricted or committed other amounts as further described in Note 3.

Deficit Net Position

The City has a deficit net position in the Wastewater Fund primarily related to system improvements that will be funded through a March 19, 2019 CWRPDA debt issuance in the amount of $3,000,000.

NOTE 9: COMMITMENTS AND CONTINGENCIES

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the City, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2018.

2019 Colorado Water Resources and Power Development Authority Note Payable On April 1, 2019 the City entered into a $3,000,000 loan agreement with the Colorado Water Resource and Power Development Authority for improvement to its sewer system. The note is payable in 59 semi-annual installments of $54,612, including interest at 0.50% through November 2049. The note is secured by the net revenues of the combined water and wastewater system.

NOTE 10: RISK MANAGEMENT

The City of Idaho Springs, Colorado carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions.

The City of Idaho Springs, Colorado carries property, liability and bond coverage through Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the 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.

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, and 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 the entity.

NOTE 11: BUDGET VIOLATIONS

The City's RAMP, Wastewater Fund and Street Sales Tax Fund expenditures exceeded appropriations by $767,462, $359,282 and $367,581 respectively, which may be a violation of Colorado Statutes.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Scheduled Unaudited)

CITY OF IDAHO SPRINGS

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
FPPA Pension Plan
Last 10 Fiscal Years[1]

	12/31/18	12/31/17	12/31/16
City's proportion of the net pension asset (liability)	0.081358%	0.079770%	0.065043%
City's proportionate share of the net pension asset (liability)	$ 117,046	$ (28,824)	$ 1,147
City's covered payroll	$ 475,888	$ 408,250	$ 315,313
City's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	24.60%	7.06%	0.36%
Plan fiduciary net position as a percentage of the total pension liability	106.34%	98.21%	100.10%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

12/31/15	12/31/14
0.075944%	0.076562%
$ 85,709	$ 68,461
$ 341,523	$ 332,541
25.10%	20.59%
106.83%	105.83%

CITY OF IDAHO SPRINGS

SCHEDULE OF CITY CONTRIBUTIONS
FPPA Pension Plan
Last 10 Fiscal Years[1]

	12/31/18	12/31/17	12/31/16
Contractually required contributions	$ 38,071	$ 32,660	$ 25,225
Actual contributions	(38,071)	(32,660)	(25,225)
Contribution deficiency (excess)	$ -	$ -	$ -
City's covered payroll	$ 475,888	$ 408,250	$ 315,313
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

12/31/15	12/31/14
$ 27,322	$ 26,603
(27,322)	(26,603)
$ -	$ -
$ 341,523	$ 332,541
8.00%	8.00%

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			
	Original & Final Budget	Actual	Variance With Final Budget	2017 Actual
REVENUES				
Taxes				
Property Taxes	$ 162,295	$ 156,178	$ (6,117)	$ 139,044
Specific Ownership Taxes	8,000	13,270	5,270	10,851
Sales Taxes	1,447,048	1,506,646	59,598	1,403,740
Franchise Taxes	83,300	83,479	179	86,078
Total Tax Revenue	1,700,643	1,759,573	58,930	1,639,713
Intergovernmental Revenues				
Cigarette Taxes	6,000	5,896	(104)	6,063
Highway Users	65,000	86,697	21,697	69,546
Road and Bridge	70,000	71,159	1,159	63,333
Clerk/Motor Vehicle Fees	8,000	8,767	767	9,149
Severance Tax	60,000	59,608	(392)	56,668
State Grants	23,000	-	(23,000)	-
Total Intergovernmental Revenue	232,000	232,127	127	204,759
Licenses and Permits				
Liquor Licenses	9,000	7,020	(1,980)	8,050
Building Permits	20,000	13,656	(6,344)	27,317
Annexation/Other P&Z Fees	10,000	3,483	(6,517)	10,864
Business Licenses	19,000	22,553	3,553	22,307
Other Licenses	30,000	20,476	(9,524)	37,894
Total Licenses and Permits	88,000	67,188	(20,812)	106,432
Fines and Forfeits	130,000	173,000	43,000	147,084
Charges for Services				
Rents	60,000	76,261	16,261	56,359
Other Charges for Services	2,900	3,891	991	7,431
Total Charges for Services	62,900	80,152	17,252	63,790
Investment Earnings	30,775	30,286	(489)	19,656
Other Revenues				
Reimbursements and Refunds	500	4,442	3,942	1,471
Donations	150	750	600	3,000
Other Miscellaneous Revenue	24,000	9,024	(14,976)	19,094
Total Other Revenue	24,650	14,216	(10,434)	23,565
TOTAL REVENUES	2,268,968	2,356,542	87,574	2,204,999

See accompanying Independent Auditors' Report.

(Continued)

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			
	Original & Final Budget	Actual	Variance With Final Budget	2017 Actual
(Continued)				
EXPENDITURES				
General Government				
Administrator/Manager	636,213	609,567	(26,646)	539,998
Economic Development	100,000	92,357	(7,643)	83,771
Total General Government	736,213	701,924	(34,289)	623,769
Public Safety				
Police	1,007,036	1,051,795	44,759	910,406
Fire	117,500	117,500	-	104,933
Municipal Court	55,969	58,732	2,763	50,730
Code Enforcement	26,000	11,710	(14,290)	31,978
Total Public Safety	1,206,505	1,239,737	33,232	1,098,047
Public Works				
Streets	415,907	399,978	(15,929)	364,474
Parks, Recreation and Other				
Parks	152,752	96,765	(55,987)	101,352
Cemetery	25,000	5,495	(19,505)	19,137
Total Parks, Recreation & Other	177,752	102,260	(75,492)	120,489
Capital Outlay				
General Government Capital Outlay	11,000	10,486	514	9,741
Public Safety Capital Outlay	4,200	4,712	(512)	3,428
Public Works Capital Outlay	9,500	5,340	4,160	3,080
Parks, Recreation and Other Capital Outlay	5,000	-	5,000	4,004
Other Capital Outlay	150,000	27,755	122,245	-
Total Capital Outlay	179,700	48,293	131,407	20,253
TOTAL EXPENDITURES	2,716,077	2,492,192	38,929	2,227,032
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(447,109)	(135,650)	126,503	(22,033)
OTHER FINANCING SOURCES (USES)				
Transfers In	9,500	9,500	-	9,500
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (437,609)	(126,150)	$ 126,503	(12,533)
Capital Outlay		-		-
NET CHANGE IN FUND BALANCE - GAAP BASIS		(126,150)		(12,533)
FUND BALANCE, BEGINNING		2,616,846		2,629,379
FUND BALANCE, ENDING		$ 2,490,696		$ 2,616,846

See accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
RAMP Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			
	Original & Final Budget	Actual	Variance With Final Budget	2017 Actual
REVENUES				
Investment Earnings	$ 50,000	$ 45,213	$ (4,787)	$ 104,384
Other Revenues				
Other Miscellaneous Revenue	-	665,232	665,232	203,762
TOTAL REVENUES	50,000	710,445	660,445	308,146
EXPENDITURES				
Capital Outlay				
Public Works Capital Outlay	2,985,000	4,380,462	(1,395,462)	10,574,069
Contingency Reserve	628,000	-	628,000	-
TOTAL EXPENDITURES	3,613,000	4,380,462	(767,462)	10,574,069
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (3,563,000)	(3,670,017)	$ (107,017)	(10,265,923)
FUND BALANCE, BEGINNING		5,012,552		15,278,475
FUND BALANCE, ENDING		$ 1,342,535		$ 5,012,552

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
Sales Tax Improvement Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			
	Original & Final Budget	Actual	Variance With Final Budget	2017 Actual
REVENUES				
Taxes				
Sales Taxes	$ 647,442	$ 718,406	$ 70,964	$ 1,289,230
Intergovernmental Revenues				
State Grants	2,673,000	129,039	(2,543,961)	-
Other Intergovernmental	25,000	7,022	(17,978)	-
Total Intergovernmental Revenue	2,698,000	136,061	(2,561,939)	-
Investment Earnings	23,181	18,891	(4,290)	10,760
TOTAL REVENUES	3,368,623	873,358	(2,495,265)	1,299,990
EXPENDITURES				
Capital Outlay				
General Government Capital Outlay	1,220,000	472,726	747,274	369,301
Public Safety Capital Outlay	310,000	370,005	(60,005)	227,087
Public Works Capital Outlay	252,000	362,887	(110,887)	71,425
Parks, Recreation and Other Capital Outlay	2,620,000	209,803	2,410,197	(51,786)
Total Capital Outlay	4,402,000	1,415,421	2,986,579	616,027
Debt Service				
Principal	30,000	32,500	(2,500)	32,500
Contingency Reserve	447,763	-	447,763	-
TOTAL EXPENDITURES	4,879,763	1,447,921	3,431,842	648,527
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,511,140)	(574,563)	936,577	651,463
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(25,000)	(25,000)	-	(25,000)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (1,536,140)	(599,563)	$ 936,577	626,463
FUND BALANCE, BEGINNING		4,110,461		3,483,998
FUND BALANCE, ENDING		$ 3,510,898		$ 4,110,461

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
1% Street Sales Tax Fund
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018		
	Original & Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes			
Sales Taxes	$ 1,112,442	$ 677,571	$ (434,871)
Investment Earnings	-	74,000	74,000
TOTAL REVENUES	1,112,442	751,571	(360,871)
EXPENDITURES			
General Government			
Administrator/Manager	-	216,955	216,955
Capital Outlay			
Public Works Capital Outlay	2,000,000	2,625,901	(625,901)
Debt Service			
Principal	-	80,000	(80,000)
Interest	-	102,688	(102,688)
Total Debt Service	-	182,688	(182,688)
Contingency Reserve	224,053	-	224,053
TOTAL EXPENDITURES	2,224,053	3,025,544	(367,581)
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,111,611)	(2,273,973)	6,710
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	-	10,747,834	(10,747,834)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (1,111,611)	8,473,861	$ 10,754,544
Budget to GAAP Basis Reconciliation			
Debt Proceeds		(10,747,834)	
Capital Outlay		10,747,834	
NET CHANGE IN FUND BALANCE - GAAP BASIS		8,473,861	
FUND BALANCE, BEGINNING		-	
FUND BALANCE, ENDING		$ 8,473,861	

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
Nonmajor Conservation Trust Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			
	Final Budget	Actual	Variance With Final Budget	2017 Actual
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	$ 9,000	$ 9,082	$ 82	$ 8,805
Investment Earnings	1,000	3,588	2,588	2,164
TOTAL REVENUES	10,000	12,670	2,670	10,969
EXPENDITURES				
Capital Outlay				
Parks, Recreation and Other Capital Outlay	10,000	-	10,000	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ -	12,670	$ 12,670	10,969
FUND BALANCE, BEGINNING		32,388		21,419
FUND BALANCE, ENDING		$ 45,058		$ 32,388

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Water Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			
	Final Budget	Actual	Variance with Final Budget	2017 Actual
Operating Revenues				
Utility Charges	$ 874,178	$ 870,060	$ (4,118)	$ 803,554
Operating Expenses				
Collection, Transmission and Distribution	541,127	460,915	80,212	475,761
Depreciation Expense	283,897	298,313	(14,416)	291,537
Other Capital Outlay	748,000	590,747	157,253	131,344
Contingency Reserve	796,664	-	796,664	-
Total Expenditures	2,369,688	1,349,975	1,019,713	898,642
Operating Income (Loss)	(1,495,510)	(479,915)	1,015,595	(95,088)
Other Income (Expense)				
Investment Earnings	6,389	14,451	8,062	8,654
Other Revenue	500	3,014	2,514	-
Debt Service	(71,501)	(234,051)	(162,550)	(255,422)
Total Other Income (Expense)	(64,612)	(216,586)	(151,974)	(246,768)
Net Income (Loss) before Transfers	(1,560,122)	(696,501)	863,621	(341,856)
Transfers				
Transfers In/(Out)	(12,103)	58,941	71,044	-
Net Income (Loss), Budget Basis	(1,572,225)	(637,560)	934,665	(341,856)
Contributed Capital				
Plant Investment Fees	10,000	-	(10,000)	5,000
Intergovernmental Revenue	10,000	5,602	(4,398)	9,474
Total Contributed Capital	20,000	5,602	(14,398)	14,474
Change in Net Position (Budget Basis)	$ (1,552,225)	(631,958)	$ 920,267	(327,382)
Budget to GAAP Reconciliation				
Principal Paid		170,932		180,765
Capital Outlay		586,806		89,293
Change in Net Position - GAAP Basis		125,780		(57,324)
Net Position, Beginning		4,446,996		4,504,320
Net Position, Ending		$ 4,572,776		$ 4,446,996

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Wastewater Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			
	Final Budget	Actual	Variance with Final Budget	2017 Actual
Operating Revenues				
Utility Charges	$ 764,140	$ 784,687	$ 20,547	$ 740,264
Operating Expenses				
Production and Treatment	630,183	562,776	67,407	565,159
Depreciation Expense	218,206	255,590	(37,384)	217,790
Other Capital Outlay	1,255,000	2,136,846	(881,846)	401,693
Contingency Reserve	493,314	-	493,314	-
Total Expenditures	2,596,703	2,955,212	(358,509)	1,184,642
Operating Income (Loss)	(1,832,563)	(2,170,525)	(337,962)	(444,378)
Other Income (Expense)				
Intergovernmental Revenue	-	10,000	10,000	-
Investment Earnings	4,500	14,351	9,851	8,655
Other Revenue	8,000	2,899	(5,101)	18,319
Debt Service	(4,540)	(5,313)	(773)	(2,963)
Total Other Income (Expense)	7,960	21,937	13,977	24,011
Net Income (Loss) before Transfers	(1,824,603)	(2,148,588)	(323,985)	(420,367)
Transfers				
Transfers In/(Out)	(12,641)	(58,941)	(46,300)	-
Net Income (Loss), Budget Basis	(1,837,244)	(2,207,529)	(370,285)	(420,367)
Contributed Capital				
Plant Investment Fees	10,000	-	(10,000)	-
Change in Net Position (Budget Basis)	$ (1,827,244)	(2,207,529)	$ (380,285)	(420,367)
Budget to GAAP Reconciliation				
Capital Outlay		2,058,849		322,853
Change in Net Position - GAAP Basis		(148,680)		(97,514)
Net Position, Beginning		3,900,970		3,998,484
Net Position, Ending		$ 3,752,290		$ 3,900,970

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

ANNUAL HIGHWAY FINANCE REPORT - CY18

Steps for editing and printing your content

1. Enter your email and select your City or County from the list below.
2. Click on "Start" to edit/update your data.
3. Click on "Save" at the bottom of the form to save your work.
4. Click on "Print Mode" at the bottom of the form to view your work in a read only more printer friendly format.
5. Click on "Edit Mode" at the bottom of the form to return to editing your work.
6. Save any changes that are made using the "Save" button.

Your Email Address: treasurer@idahospringsco.com

Select City: Idaho Springs

Start

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	$	354049.00
3. Other local imposts: *from A.3. 'Total' below)*	$	731,629.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	173,904.00
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	1,259,582.00

B. Private Contributions $ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	$	68358.00
b. Other Local Imposts		
1. Sales Taxes:	$	663271.00
2. Infrastructure and Impact Fees:	$	0.00
3. Liens:	$	0.00
4. Licenses:	$	0.00
5. Specific Ownership and/or Other:	$	0.00
Total: *(a + b) carried to 'Other local imposts' above)*	$	731,629.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	$	59564.00
b. Traffic fines & Penalities:	$	104135.00
c. Parking Garage Fees:	$	0.00
d. Parking Meter Fees:	$	10205.00
e. Sale of Surplus Property:	$	0.00
f. Charges for Services:	$	0.00
g. Other Misc. Receipts:	$	0.00
h. Other:	$	0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$	173,904.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	$	87910.00
3. Other State funds:		
c. Motor Vehicle Registrations:	$	8897.00
d. Other (Specify): Comments: undefined	$	0.00
e. Other (Specify): Comments: RAMP Monies	$	4860000.00
Total: *(1+3c,d,e)*	$	4,956,807.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies

a. Forest Service:	$	0.00
b. FEMA:	$	0.00
c. HUD:	$	0.00
d. Federal Transit Administration:	$	0.00
e. U.S. Corp of Engineers	$	0.00
f. Other Federal:	$	0.00
Total: *(2a-f)*	$	0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$	6,066,699.00
2. Maintenance:	$	127111.00
3. Road and street services		
a. Traffic control operations:	$	12646.00
b. Snow and ice removal:	$	1867.00
c. Other:	$	8066.00
4. General administration & miscellaneous	$	0.00
5. Highway law enforcement and safety	$	0.00
Total: *(A.1-5)*	$	6,216,389.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest	$	0.00
b. Redemption	$	0.00
2. Notes		
a. Interest	$	0.00
b. Redemption	$	0.00
SubTotal: *(1+2)*	$	0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways:	$	0.00

D. Payments to Toll Facilities:	$	0.00
Total Disbursements: *(A+B+C+D)*	$	6,216,389.00

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$ 0.00
b. Engineering Costs:	$ 0.00	$ 0.00	$ 0.00
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$ 0.00
2. Capacity Improvements:	$ 0.00	$ 6066699.00	$ 6,066,699.00
3. System Preservation:	$ 0.00	$ 0.00	$ 0.00
4. System Enhancement:	$ 0.00	$ 0.00	$ 0.00
5. Total Construction:			$ 6,066,699.00
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*			$ 6,066,699.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 0.00	$ 6,216,389.00	$ 6,216,389.00	$ 0.00	$ 0.00

Notes & Comments:

undefined

Please enter your name: Sandy Bronson

Please provide a telephone number where you may be reached: 3035674421

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FORM FHWA-536e(Version 5.0) - CY18