CITY OF IDAHO SPRINGS
IDAHO SPRINGS, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017

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FINANCIAL SECTION

City of Idaho Springs
Management Discussion and Analysis
For the Year Ended December 31, 2017

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 ended December 31, 2017. 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 $42,582,105 at the end of 2017.

- Governmental funds reported combined fund equity of $11,722,247, a decrease of $9,641,024 in comparison with the prior year. This decrease is primarily due to the expenditures from the Colorado Boulevard reconstruction project depleting the Responsible Acceleration of Maintenance and Partnerships (RAMP) Fund balance. The RAMP Fund 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 2017, the City's unassigned fund balance for the General Fund was $2,028,491, while committed fund balance totaled $336,824, of which $104,824 is for cemetery maintenance and $231,996 is for storm water system improvements. The unassigned portion of fund balance is available to meet the City's reserve requirements and future spending at the City's discretion.

- Total long-term liabilities decreased by $463,871, a result of loan payoffs reducing principal payments on long-term debt held by the Water and Wastewater Funds and Capital lease payable.

- Sales Tax Revenues were $2,692,970 an increase of $188,283 or 5.5% from the prior year. Property Tax Revenues were $139,044, a decrease of $3,977 or 3.3% from 2016.

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 2017, total net position was $42,582,105. By far the largest portion of net position is the investment in capital assets (net of related debt) of $29,516,135. 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 2017 and 2016.

	Governmental Activities		Business-type Activities		Total	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
ASSETS						
Current and Other Assets	$ 12,549,238	$ 21,989,021	$ 1,565,470	$ 1,999,099	$ 14,114,708	$ 23,988,120
Capital Assets	22,469,438	11,493,415	8,416,842	8,514,022	30,886,280	20,007,437
Total Assets	35,018,676	33,482,436	9,982,312	10,513,121	45,000,988	43,995,557
DEFERRED OUTFLOWS	176,206	134,440	-	-	176,206	134,440
LIABILITIES						
Current Liabilities	614,695	429,685	147,929	69,113	762,624	498,798
Noncurrent Liabilities	182,286	191,370	1,486,417	1,941,204	1,668,703	2,132,574
Total Liabilities	796,981	621,055	1,634,346	2,010,317	2,431,327	2,631,372
DEFERRED INFOWS	163,761	146,272	-	-	163,761	146,272
NET POSITION						
Net Investment in Capital Assets	22,416,938	11,378,415	7,099,197	6,846,840	29,516,135	18,225,255
Restricted	152,388	15,403,041	-	99,576	152,388	15,502,617
Unrestricted	11,664,813	6,068,093	1,248,769	1,556,388	12,913,582	7,624,481
Total Net Position	**$ 34,234,139**	**$ 32,849,549**	**$ 8,347,966**	**$ 8,502,804**	**$ 42,582,105**	**$ 41,352,353**

The restricted portion of net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of $12,913,582 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

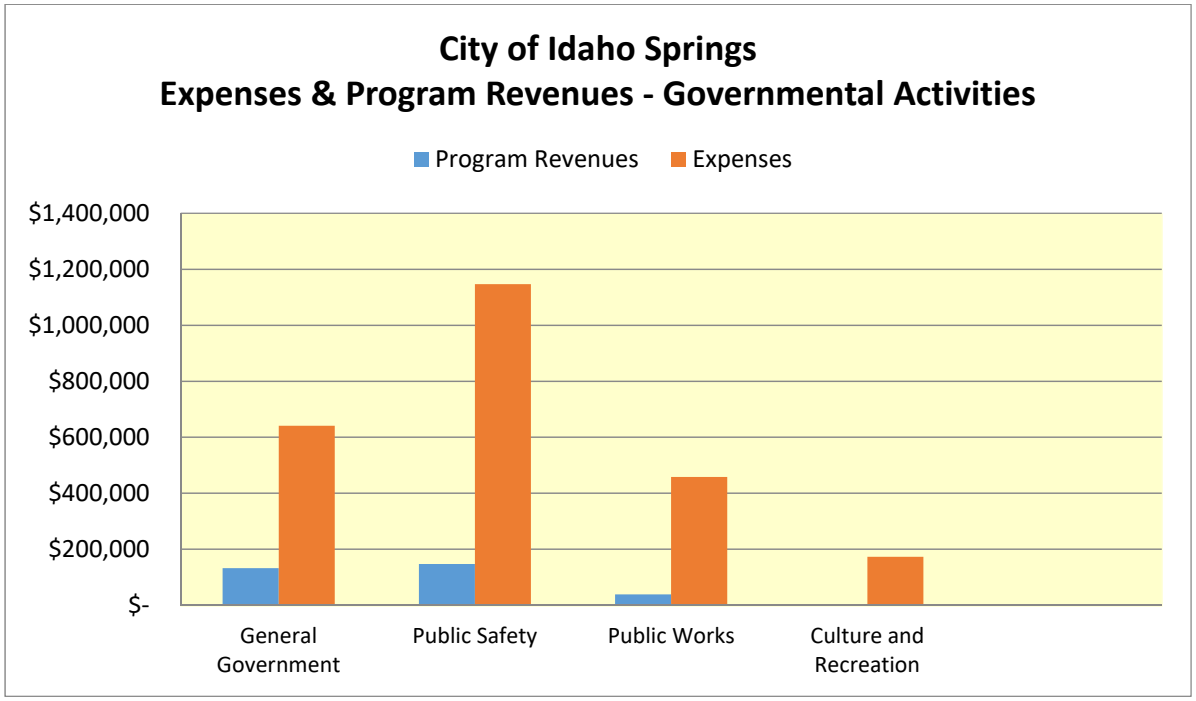
Changes in Net Position

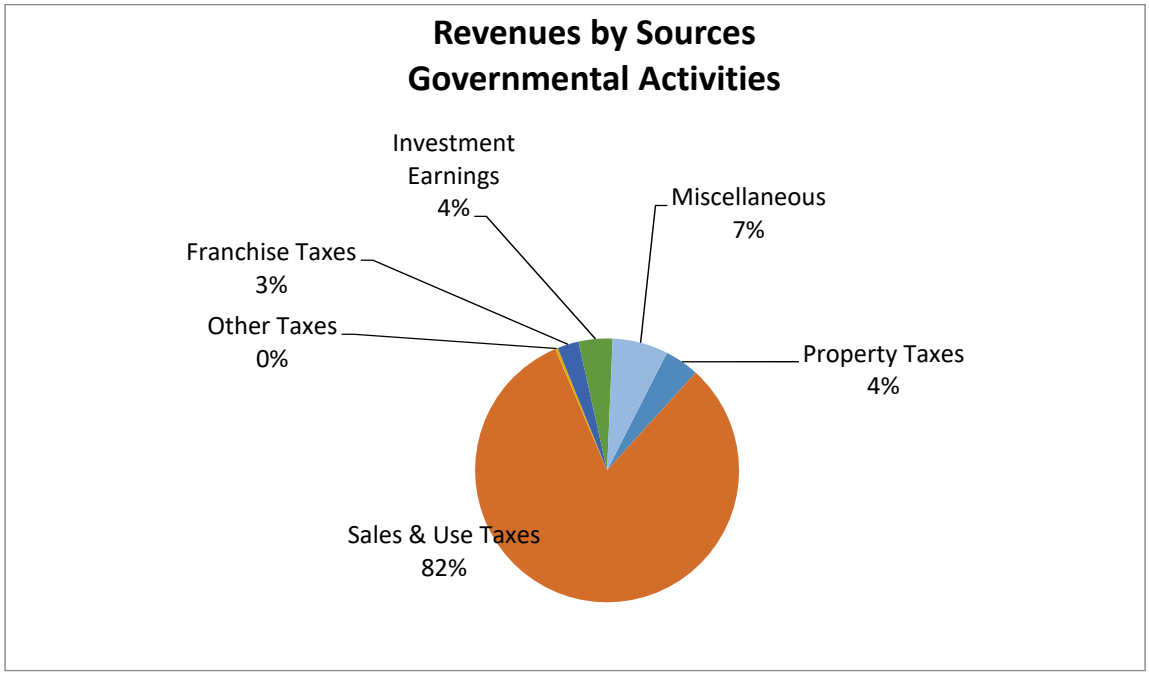
Governmental and business-type activities increased the City's net position by $1,229,353 in 2017.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
PROGRAM REVENUES						
Charges for Services	$ 317,305	$ 280,587	$ 1,543,818	$ 1,367,860	$ 1,861,123	$ 1,648,447
Operating Grants	216,562	236,020	-	-	216,562	236,020
Capital Grants	-	-	14,474	34,716	14,474	34,716
Total Program Revenues	533,867	516,607	1,558,292	1,402,576	2,092,159	1,919,183
GENERAL REVENUES						
Property Taxes	139,044	143,021	-	-	139,044	143,021
Specific Ownership Taxes	10,851	8,558	-	-	10,851	8,558
Sales Taxes	2,692,971	2,504,686	-	-	2,692,971	2,504,686
Cigarette Taxes	-	83,168	-	-	-	83,168
Other Taxes	86,078	145,149	-	-	86,078	145,149
Interest Income	136,965	(16,345)	17,309	9,740	154,274	(6,605)
Gain (Loss) on Capital Assets	-	-	-	-	-	-
Insurance Proceeds	-	-	18,319	6,435	18,319	6,435
Other Revenues	224,327	27,695	-	-	224,327	27,695
Total General Revenues	3,290,236	2,895,932	35,628	16,175	3,325,864	2,912,107
TRANSFERS	(15,500)	(15,493)	-	-	(15,500)	(15,493)
Total Revenues & Transfers	3,808,603	3,397,046	1,593,920	1,418,751	5,402,523	4,815,797
PROGRAM EXPENSES						
General Government	640,896	667,327	-	-	640,896	667,327
Public Safety	1,061,757	1,181,625	-	-	1,061,757	1,181,625
Public Works	457,877	648,136	-	-	457,877	648,136
Culture and Recreation	172,758	109,180	-	-	172,758	109,180
Water Operations	-	-	884,006	839,361	884,006	839,361
Sewer Operations	-	-	864,752	706,263	864,752	706,263
Total Program Expenses	2,424,013	2,606,268	1,748,758	1,545,624	4,172,771	4,151,892
CHANGE IN NET POSITION	1,384,590	790,778	(154,838)	(126,873)	1,229,752	663,905
Net Position, Beginning	32,849,549	32,058,771	8,502,804	8,629,677	41,352,353	40,688,448
Prior Period Restatement	-	-	-	-	-	-
Net Position, Beginning (as Restated	32,849,549	32,058,771	8,502,804	8,629,677	41,352,353	40,688,448
NET POSITION, ENDING	**$ 34,234,139**	**$ 32,849,549**	**$ 8,347,966**	**$ 8,502,804**	**$42,582,105**	**$41,352,353**

Governmental Activities

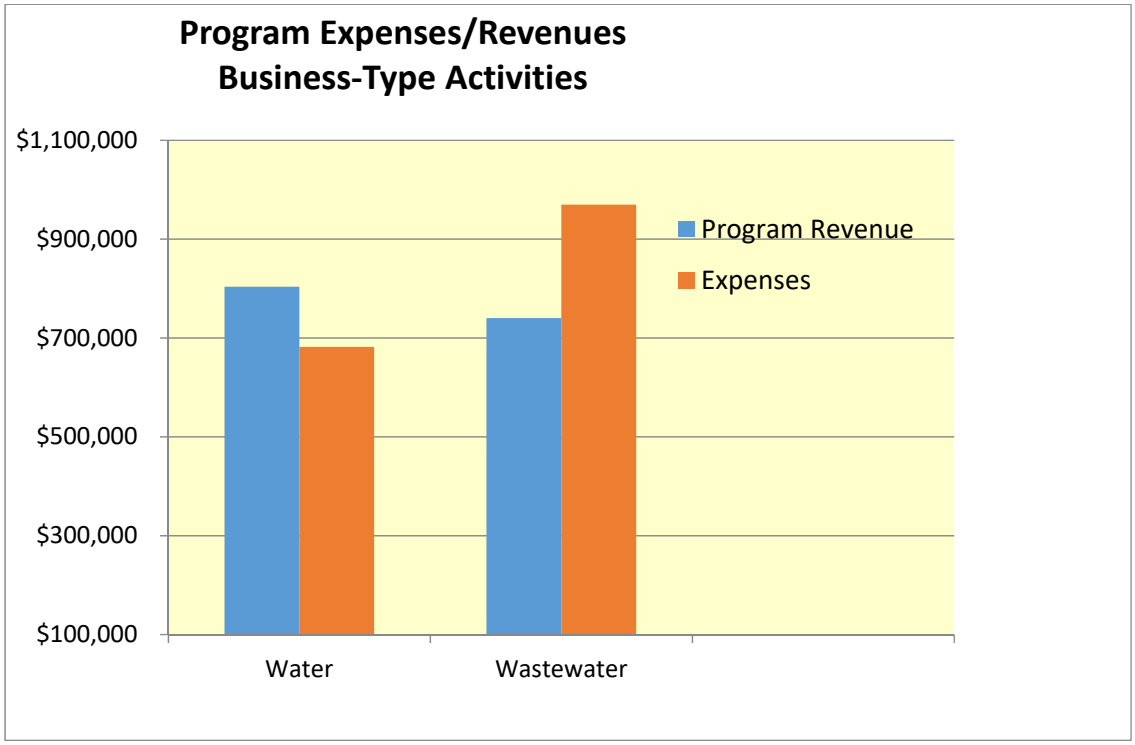
Governmental activities increased the City's net position by $1,384,590. Overall revenue was under budget projections in 2017 by $706,408. Expenditures were over budgeted by $119,984 in 2017. Governmental activities were subsidized by tax revenue and other general non-program revenues. The following illustrates the governmental activities expenses and program revenues:





Business-type Activities

Business-type activities for the year resulted in a decrease of net position in 2017 of $154,838. Charges for services showed an increase of $175,958 compared to 2016. Overall revenue had a slight increase and expenditures increased five percent. The following illustrates the business-type activities program revenues and expenses:



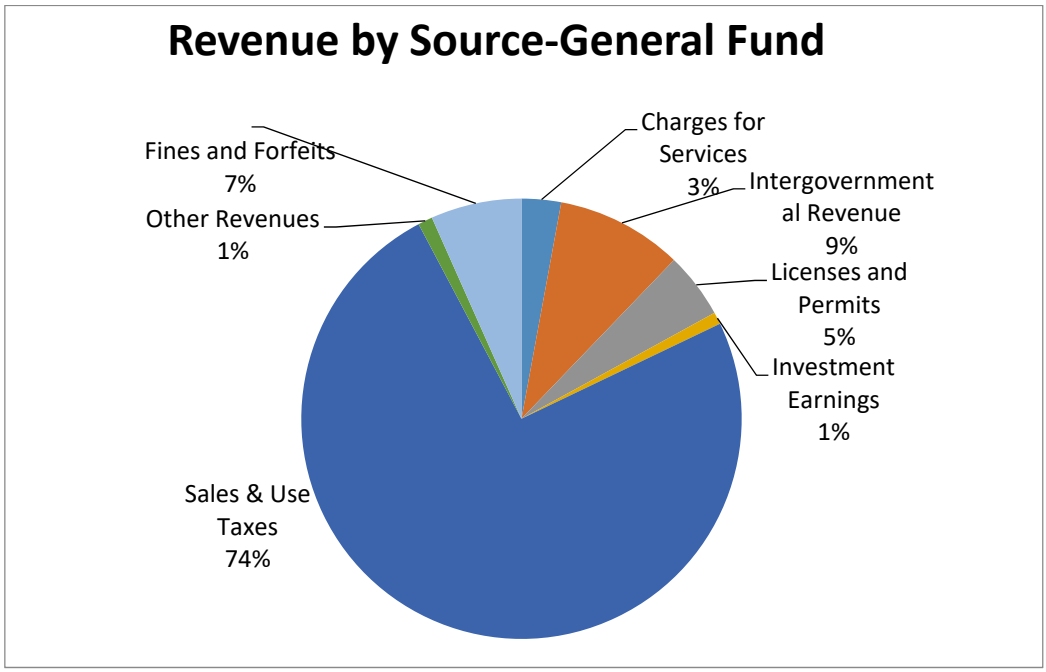
D. FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

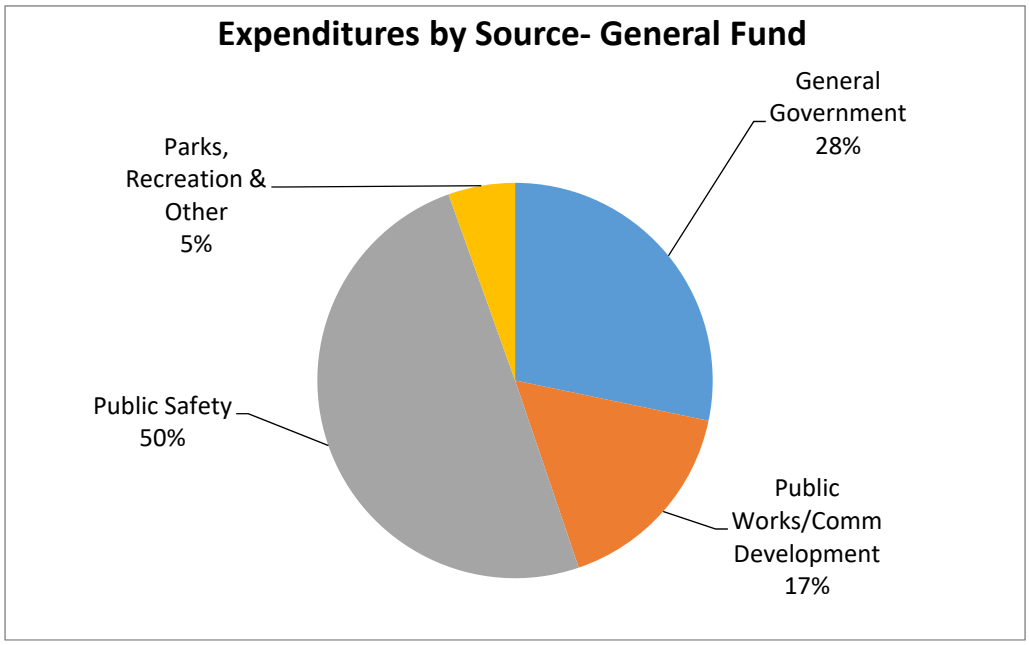
As of the end of 2017, the City's governmental funds reported combined ending fund balances of $11,772,247 a decrease of $9,641,024 in comparison with the prior year attributed to spending of the RAMP money during 2017 construction. Expenditures for capital equipment and capital projects were $11,210,350. Of the combined ending fund balances for all governmental funds, $248,172 is non-spendable, $152,388 is restricted, and $2,147,323 is available for appropriation according to the City's Fund Balance and Reserve Policy.

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

The General Fund is the primary operating fund for the City of Idaho Springs. Key factors for 2017 are: Revenues were $706,408 less than budgeted, primarily from a decrease in property taxes and intergovernmental tax distributions. Expenditures were slightly more than budgeted by $119,984 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 2017 of $4,110,461, an increase of $626,463. This fund accounts for half of the sales tax revenue as well as 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.

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 2017 was $8,347,966. A breakdown by fund is Water, $4,446,996 and Wastewater, $3,900,970. Total net position in 2017 decreased by $154,838, mainly due to capital improvement project expenses. A rate increase was implemented in 2017 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, 2017 amounts to $30,886,280.

Long Term Debt - At the end of 2017, total bonded debt outstanding was $1,668,703.

Major capital expenditures during 2017 included:

- Reconstruction of Colorado Boulevard
- Public Works All-Terrain Vehicle
- Replacement of Garage Doors at Public Works Facility
- Replacement of a pick-up truck for Water/Wastewater

Governmental Activities

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Capital Assets Not Being Depreciated				
Land	$ 2,548,046	$ 340,690	$ -	$ 2,888,736
Water Rights	8,000	-	-	8,000
Construction in Progress	6,831,870	10,610,692	-	17,442,562
Total Capital Assets Not Being Depreciated	9,387,916	10,951,382	-	20,339,298
Capital Assets Being Depreciated				
Buildings	1,713,653	-	-	1,713,653
Improvements Other Than Buildings	1,783,846	205,813	-	1,989,659
Equipment	1,939,335	47,564	-	1,986,899
Total Capital Assets Being Depreciated	5,436,834	253,377	-	5,690,211
Accumulated Depreciation				
Buildings	(879,533)	(33,513)	-	(913,046)
Improvements Other Than Buildings	(845,713)	(113,951)	-	(959,664)
Equipment	(1,606,089)	(81,272)	-	(1,687,361)
Total Accumulated Depreciation	(3,331,335)	(228,736)	-	(3,560,071)
Net Govermental Capital Assets	$11,493,415	$10,976,023	$ -	$22,469,438

Business-type Activities

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Capital Assets Not Being Depreciated				
Land - Water	$ 13,231	$ -	$ -	$ 13,231
Land - Wastewater	50,005	-	-	50,005
Water Rights	10,440	-	-	10,440
Construction in Progress - Wastewater	331,031	229,488	-	560,519
Construction in Progress - Water	-	-	-	-
Total Capital Assets Not Being Depreciated	404,707	229,488	-	634,195
Capital Assets Being Depreciated				
Improvements Other Than Buildings - Water	12,070,135	-	-	12,070,135
Improvements Other Than Buildings - Wastewater	8,141,312	-	-	8,141,312
Equipment - Water	291,640	89,293	-	380,933
Equipment - Wastewater	269,105	93,366	-	362,471
Total Capital Assets Being Depreciated	20,772,192	182,659	-	20,954,851
Accumulated Depreciation				
Improvements Other Than Buildings - Water	(7,153,406)	(271,512)	-	(7,424,918)
Improvements Other Than Buildings - Wastewater	(5,125,291)	(201,308)	-	(5,326,599)
Equipment - Water	(167,564)	(20,025)	-	(187,589)
Equipment - Wastewater	(216,617)	(16,482)	-	(233,099)
Total Accumulated Depreciation	(12,662,878)	(509,327)	-	(13,172,205)
Net Business-type Capital Assets	$ 8,514,021	$ (97,180)	$ -	$ 8,416,841

F. THE FUTURE OF THE CITY

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

Sales tax revenues reflect continued increases, due in part to the onset of retail marijuana sales in January 2017. While this source of revenue is expected to level out in the future, the addition to the City's revenues, along with the excise tax on sales, provides the City another level of financial comfort.
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 2017. 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 will be completed in August 2018 and will bring new opportunities for development and economic revitalization. That project, along with development of 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

Holscher, 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, 2017 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, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 31, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 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 (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M10 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 - 43 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 44 - 47 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 48 - 49 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.

Holscher, Mayberry + Company, LLC

Englewood, CO
July 9, 2018

BASIC FINANCIAL STATEMENTS

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CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	$ 6,089,779	$ 1,052,478	$ 7,142,257
Restricted Cash and Investments	5,661,447	453,024	6,114,471
Receivables			
Property Tax Receivable	162,295	-	162,295
Utility Receivable	-	308,140	308,140
Cash with Fiscal Agent	7,059	-	7,059
Other Receivables	380,486	-	380,486
Internal Balances	248,172	(248,172)	-
Total Current Assets	12,549,238	1,565,470	14,114,708
Noncurrent Assets			
Capital Assets not being Depreciated	20,339,298	634,195	20,973,493
Capital Assets being Depreciated	5,690,210	20,954,852	26,645,062
Accumulated Depreciation	(3,560,071)	(13,172,205)	(16,732,276)
Total Noncurrent Assets	22,469,437	8,416,842	30,886,279
TOTAL ASSETS	35,018,675	9,982,312	45,000,987
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Pension Contribution Timing	45,323	-	45,323
Pension Investment Earnings Timing	77,802	-	77,802
Pension Benefits Timing	25,736	-	25,736
Pension Change in Assumptions	19,690	-	19,690
Pens External Change in %	7,655	-	7,655
TOTAL DEFERRED OUTFLOWS	176,206	-	176,206
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 35,194,881	$ 9,982,312	$ 45,177,193
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 350,443	$ 103,985	$ 454,428
Accrued Salaries and Benefits	22,388	6,974	29,362
Retainage Payable	237,116	-	237,116
Deposits and Escrow	4,748	-	4,748
Accrued Interest Payable	-	36,970	36,970
Total Current Liabilities	614,695	147,929	762,624
Noncurrent Liabilities			
Due within one year	30,000	168,772	198,772
Due in more than one year	152,286	1,317,645	1,469,931
Total Noncurrent Liabilities	182,286	1,486,417	1,668,703
TOTAL LIABILITIES	796,981	1,634,346	2,431,327
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	162,295	-	162,295
Pension Investment Earnings Timing	1,466	-	1,466
TOTAL DEFERRED INFLOWS	163,761	-	163,761
NET POSITION			
Net Investment in Capital Assets	22,416,938	7,099,197	29,516,135
Restricted Net Position	152,388	-	152,388
Unrestricted Net Position	11,664,813	1,248,769	12,913,582
TOTAL NET POSITION	34,234,139	8,347,966	42,582,105
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 35,194,881	$ 9,982,312	$ 45,177,193

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

CITY OF IDAHO SPRINGS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	$ 640,896	$ 132,041	$ 74,878	$ -
Public Safety	1,061,757	147,084	-	-
Public Works	457,877	38,180	132,879	-
Culture and Recreation	172,758	-	8,805	-
TOTAL GOVERNMENT ACTIVITIES	2,424,013	317,305	216,562	-
Business-type Activities				
Current:				
Water	884,006	803,554	-	14,474
Wastewater	864,752	740,264	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,748,758	1,543,818	-	14,474
TOTAL GOVERNMENT	$ 4,172,771	$ 1,861,123	$ 216,562	$ 14,474
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
$ (433,977)	$ -	$ (433,977)
(914,673)	-	(914,673)
(286,818)	-	(286,818)
(163,953)	-	(163,953)
(1,890,146)	-	(1,890,146)
-	(65,978)	(65,978)
-	(124,488)	(124,488)
-	(190,466)	(190,466)
(1,890,146)	(190,466)	(2,080,612)
139,044	-	139,044
10,851	-	10,851
2,692,971	-	2,692,971
86,078	-	86,078
136,965	17,309	154,274
-	18,319	18,319
224,327	-	224,327
(15,500)	-	(15,500)
3,274,736	35,628	3,310,364
1,384,590	(154,838)	1,229,752
32,849,549	8,502,804	41,352,353
$ 34,234,139	$ 8,347,966	$ 42,582,105

CITY OF IDAHO SPRINGS, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
With Comparative Totals for December 31, 2016

	General Fund	RAMP Fund	Sales Tax Improvement Fund	Nonmajor Conservation Trust Fund
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	$ 2,255,158	$ -	$ 3,834,621	$ -
Restricted Cash and Investments	91,187	5,537,872	-	32,388
Receivables				
Property Tax Receivable	162,295	-	-	-
Cash with Fiscal Agent	590	-	6,469	-
Other Receivables	202,160	-	178,326	-
Internal Balances	131,531	-	116,641	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 2,842,921	$ 5,537,872	$ 4,136,057	$ 32,388
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 36,644	$ 288,204	$ 25,596	$ -
Accrued Salaries and Benefits	22,388	-	-	-
Retainage Payable	-	237,116	-	-
Deposits and Escrow	4,748	-	-	-
TOTAL LIABILITIES	63,780	525,320	25,596	-
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Property Taxes	162,295	-	-	-
FUND BALANCE				
Nonspendable Fund Balance	131,531	-	116,641	-
Restricted Fund Balance	120,000	-	-	32,388
Committed Fund Balance	336,824	5,012,552	3,993,820	-
Assigned Fund Balance	-	-	-	-
Unassigned Fund Balance	2,028,491	-	-	-
TOTAL FUND BALANCE	2,616,846	5,012,552	4,110,461	32,388
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 2,842,921	$ 5,537,872	$ 4,136,057	$ 32,388

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

Total	
2017	2016
$ 6,089,779	$ 5,455,782
5,661,447	15,740,235
162,295	144,918
7,059	-
380,486	372,916
248,172	274,023
$ 12,549,238	$ 21,987,874

$ 350,444	$ 221,338
22,388	16,697
237,116	187,807
4,748	3,843
614,696	429,685
162,295	144,918
248,172	274,023
152,388	316,000
9,343,196	18,948,188
-	1,086,630
2,028,491	788,430
11,772,247	21,413,271
$ 12,549,238	$ 21,987,874

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CITY OF IDAHO SPRINGS, COLORADO

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2017

Fund Balance - Governmental Funds		$ 11,772,247
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 20,339,298	
Capital assets, being depreciated	5,690,211	
Accumulated depreciation	(3,560,071)	22,469,438
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		
Net pension liability	(28,824)	
Contributions subsequent to measurement date	45,323	
Difference between projected and actual investment returns on the pension plan	122,391	
Amortization of the investment return difference	(44,589)	
Difference between projected and actual pension plan experience	29,988	
Amortization of the experience difference	(4,252)	
Change in Assumptions	24,487	
Amortization of Change in Assumptions	(4,797)	
Difference between projected and actual investment returns on the pension plan	(2,049)	
Amortization of the investment return difference	583	
Change in proportionate share of the net pension liability	10,018	
Amortization of the change in proportion	(2,363)	145,916
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(82,500)	
Accrued compensated absences	(70,962)	(153,462)
Total Net Position - Governmental Activities		$ 34,234,139

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, 2017
With Comparative Totals for the Year Ended December 31, 2016

	General Fund	RAMP Fund	Sales Tax Improvement Fund	Nonmajor Conservation Trust Fund
REVENUES				
Taxes	$ 1,639,713	$ -	$ 1,289,230	$ -
Intergovernmental Revenues	204,758	-	-	8,805
Licenses and Permits	106,432	-	-	-
Fines and Forfeits	147,084	-	-	-
Charges for Services	63,790	-	-	-
Investment Earnings	19,656	104,384	10,761	2,164
Other Revenues	23,565	203,762	-	-
TOTAL REVENUES	2,204,998	308,146	1,299,991	10,969
EXPENDITURES				
Current:				
General Government	623,768	-	-	-
Public Safety	1,098,047	-	-	-
Public Works	364,474	-	-	-
Parks, Recreation and Other	120,489	-	-	-
Capital Outlay	20,253	10,574,069	616,028	-
Debt Service	-	-	32,500	-
TOTAL EXPENDITURES	2,227,031	10,574,069	648,528	-
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(22,033)	(10,265,923)	651,463	10,969
OTHER FINANCING SOURCES (USES)				
Transfers (In)	9,500	-	-	-
Transfers (Out)	-	-	(25,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	9,500	-	(25,000)	-
NET CHANGE IN FUND BALANCE - GAAP BASIS	(12,533)	(10,265,923)	626,463	10,969
FUND BALANCE, BEGINNING	2,629,379	15,278,475	3,483,998	21,419
FUND BALANCE, ENDING	$ 2,616,846	$ 5,012,552	$ 4,110,461	$ 32,388

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

Total	
2017	**2016**
$ 2,928,943	$ 2,739,433
213,563	236,021
106,432	82,655
147,084	132,591
63,790	65,341
136,965	145,147
227,327	27,696
3,824,104	3,428,884
623,768	651,741
1,098,047	956,667
364,474	332,327
120,489	96,257
11,210,350	6,769,533
32,500	27,500
13,449,628	8,834,025
(9,625,524)	(5,405,141)
9,500	14,507
(25,000)	(30,000)
(15,500)	(15,493)
(9,641,024)	(5,420,634)
21,413,271	26,833,905
$ 11,772,247	$ 21,413,271

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, 2017

Change in Fund Balance - Governmental Funds		$ (9,641,024)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	11,295,484	
Depreciation Expense	(228,736)	11,066,748
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.		
Change in contributions subsequent to the measurement date	8,613	
Current year projected to actual investment return difference	47,258	
Current year amortization of overall investment return differences	(27,925)	
Change in net pension asset/liability	(29,971)	
Current year projected to actual pension plan experience difference	19,707	
Current year amortization of overall experience differences	(3,245)	
Change in the changes of assumptions	1,980	
Current year change in proportionate share of cost-sharing plan asset/liability	(3,772)	
Current year amortization of overall proportionate share differences	(962)	11,683
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		
Principal payments on capital leases	32,500	
Change in accrued compensated absences	5,408	37,908
Change in Net Position - Governmental Activities		$ 1,475,315

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017
With Comparative Totals for December 31, 2016

	Business-type Activities			
	Water Fund	Wastewater Fund	Total 2017	Total 2016
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	$ 672,294	$ 380,184	$ 1,052,478	$ 1,177,145
Restricted Cash and Investments	453,024	-	453,024	526,037
Receivables				
Utility Receivable	155,097	153,043	308,140	295,917
Internal Balances	(111,678)	(136,494)	(248,172)	(274,022)
Total Current Assets	1,168,737	396,733	1,565,470	1,725,077
Noncurrent Assets				
Capital Assets not being depreciated	23,671	610,524	634,195	404,707
Capital Assets being depreciated	12,451,069	8,503,783	20,954,852	20,772,193
Accumulated Depreciation	(7,612,507)	(5,559,698)	(13,172,205)	(12,662,878)
Total Noncurrent Assets	4,862,233	3,554,609	8,416,842	8,514,022
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 6,030,970	$ 3,951,342	$ 9,982,312	$ 10,239,099
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 57,100	$ 46,885	$ 103,985	$ 26,215
Accrued Salaries and Benefits	3,487	3,487	6,974	5,542
Accrued Interest Payable	36,970	-	36,970	37,356
Total Current Liabilities	97,557	50,372	147,929	69,113
Noncurrent Liabilities				
Due within one year	168,772	-	168,772	206,616
Due in more than one year	1,317,645	-	1,317,645	1,460,566
Total Noncurrent Liabilities	1,486,417	-	1,486,417	1,667,182
TOTAL LIABILITIES	1,583,974	50,372	1,634,346	1,736,295
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
NET POSITION				
Net Investment in Capital Assets	3,544,588	3,554,609	7,099,197	6,846,840
Restricted Net Position	-	-	-	99,576
Unrestricted Net Position	902,408	346,361	1,248,769	1,556,388
TOTAL NET POSITION	4,446,996	3,900,970	8,347,966	8,502,804
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 6,030,970	$ 3,951,342	$ 9,982,312	$ 10,239,099

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, 2017
With Comparative Totals for the Year Ended December 31, 2016

	Business-type Activities			
	Water Fund	Wastewater Fund	Total 2017	Total 2016
Operating Revenues				
Utility Charges	$ 803,554	$ 740,264	$ 1,543,818	$ 1,367,860
Operating Expenses				
Collection, Transmission and Distribution	475,761	-	475,761	374,467
Production and Treatment	-	565,159	565,159	462,430
Depreciation Expense	291,537	217,790	509,327	502,103
Other Capital Outlay	42,051	78,840	120,891	123,525
Total Expenditures	809,349	861,789	1,671,138	1,462,525
Operating Income (Loss)	(5,795)	(121,525)	(127,320)	(94,665)
Other Income (Expense)				
Investment Earnings	8,654	8,655	17,309	9,740
Other Revenue	-	18,319	18,319	6,435
Interest Expense	(74,657)	(2,963)	(77,620)	(83,099)
Total Other Income (Expense)	(66,003)	24,011	(41,992)	(66,924)
Net Income (Loss) before Transfers	(71,798)	(97,514)	(169,312)	(161,589)
Contributed Capital				
Plant Investment Fees	5,000	-	5,000	20,000
Intergovernmental Revenue	9,474	-	9,474	14,716
Total Contributed Capital	14,474	-	14,474	34,716
Change in Net Position	(57,324)	(97,514)	(154,838)	(126,873)
Net Position, Beginning	4,504,320	3,998,484	8,502,804	8,629,677
Net Position, Ending	$ 4,446,996	$ 3,900,970	$ 8,347,966	$ 8,502,804

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, 2017
With Comparative Totals for the Year Ended December 31, 2016

	Business-type Activities			
	Water Fund	Wastewater Fund	Total 2017	Total 2016
Cash Flows From Operating Activities:				
Cash Received from Customers	$ 798,676	$ 732,919	$ 1,531,595	$ 1,353,955
Cash Paid to Suppliers	(292,302)	(438,516)	(730,818)	(702,281)
Cash Paid to Employees	(175,896)	(175,895)	(351,791)	(301,142)
Net Cash Provided by Operating Activities	330,478	118,508	448,986	350,532
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	5,000	-	5,000	20,000
Debt Principal Payments	(180,765)	-	(180,765)	(303,573)
Grant Proceeds	9,474	-	9,474	14,716
Interest Payments	(75,043)	(2,963)	(78,006)	(91,047)
Acquisition of Capital Assets	(89,293)	(322,853)	(412,146)	(331,031)
Cash Flows Used by Capital and Related Financing Activities	(330,627)	(325,816)	(656,443)	(690,935)
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash from Other Funds	(11,633)	(14,218)	(25,851)	(24,847)
Other Revenues (Expense)	-	18,319	18,319	6,435
Net Cash Provided (Used) by Noncapital Financing Activities	(11,633)	4,101	(7,532)	(18,412)
Cash Flows (Uses) From Investing Activities:				
Interest Received	8,654	8,655	17,309	9,740
Net Increase (Decrease) in Cash	(3,128)	(194,552)	(197,680)	(349,075)
Cash - Beginning	1,128,446	574,736	1,703,182	2,052,257
Cash - Ending	$ 1,125,318	$ 380,184	$ 1,505,502	$ 1,703,182
Cash	$ 672,294	$ 380,184	$ 1,052,478	$ 1,177,145
Restricted Cash and Investments	453,024	-	453,024	526,037
Total	$ 1,125,318	$ 380,184	$ 1,505,502	$ 1,703,182
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	$ (5,795)	$ (121,525)	$ (127,320)	$ (94,665)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	291,537	217,790	509,327	502,103
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(4,878)	(7,345)	(12,223)	(16,984)
Other Receivables	-	-	-	3,079
(Increase) Decrease in:				
Accounts Payable	48,898	28,872	77,770	(45,507)
Accrued Salaries and Benefits	716	716	1,432	2,506
Total Adjustments	336,273	240,033	576,306	445,197
Net Cash Used for Operating Activities	$ 330,478	$ 118,508	$ 448,986	$ 350,532

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017
With Comparative Totals for December 31, 2016

	Business-type Activities			
	Police Pension Fund	Hansen's Cemetery Trust Fund	Total	
			2017	2016
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Restricted Cash and Investments	$ 1,744	$ 9,404	$ 11,148	$ 10,567
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
NET POSITION				
Restricted Net Position	$ 1,744	$ 9,404	$ 11,148	$ 10,567

'See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2017
With Comparative Totals for December 31, 2016

	Police Pension Fund	Hansen's Cemetery Trust Fund	Total 2017	Total 2016
Additions				
Transfers In	$ 15,500	$ -	$ 15,500	$ 15,493
Deductions				
Pension Benefits	14,919	-	14,919	14,919
Change in Net Position	581	-	581	574
Net Position, Beginning	1,163	9,404	10,567	9,993
Net Position, Ending	$ 1,744	$ 9,404	$ 11,148	$ 10,567

'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.

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.

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.

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

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

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION/FUND BALANCES (Continued)
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.

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, 2017 is as follows:

Petty Cash	$	816
Cash Deposits		6,079,664
Investments		7,187,438
Total Cash and Investments	$	13,267,918

This balance is presented in the financial statements as follows:

Cash and Investments	$	7,141,725
Restricted Cash and Investments		6,114,471
Fiduciary Cash and Investments		11,722
Total Cash and Investments	$	13,267,918

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.

NOTE 3: CASH AND INVESTMENTS

DEPOSITS (Continued)

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, 2017, 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.

Deposits at December 31, 2017 were as follows:

	Bank Balance	Book Balance
FDIC Insured	$ 500,000	$ 500,000
PDPA Collateralized not in City's Name	5,942,508	6,079,664
Total Cash Deposits	$ 6,442,508	$ 6,579,664

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.

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

INVESTMENTS (Continued)

Credit Risk
For the year ended December 31, 2017, the City had invested $7,187,438 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.

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, 2017, 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	$ 91,187
Restricted - Conservation Trust	32,388
Restricted - Colorado Blvd Project	5,537,872
Restricted - Rate Stabilization and O&M Reserve	453,024
Total Restricted Cash and Investments	$ 6,114,471

NOTE 4: CAPITAL ASSETS

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

Governmental Activities

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Capital Assets Not Being Depreciated				
Land	$ 2,548,046	$ 340,690	$ -	$ 2,888,736
Water Rights	8,000	-	-	8,000
Construction in Progress	6,831,870	10,610,692	-	17,442,562
Total Capital Assets Not Being Depreciated	9,387,916	10,951,382	-	20,339,298
Capital Assets Being Depreciated				
Buildings	1,713,653	-	-	1,713,653
Improvements Other Than Buildings	1,783,846	205,813	-	1,989,659
Equipment	1,939,335	47,564	-	1,986,899
Total Capital Assets Being Depreciated	5,436,834	253,377	-	5,690,211
Accumulated Depreciation				
Buildings	(879,533)	(33,513)	-	(913,046)
Improvements Other Than Buildings	(845,713)	(113,951)	-	(959,664)
Equipment	(1,606,089)	(81,272)	-	(1,687,361)
Total Accumulated Depreciation	(3,331,335)	(228,736)	-	(3,560,071)
Net Govermental Capital Assets	$ 11,493,415	$ 10,976,023	$ -	$ 22,469,438

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

General Government	$ 25,393
Public Safety	55,495
Public Works	95,107
Parks, Recreation and Other	52,741
Total Depreciation	$ 228,736

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

NOTE 4: CAPITAL ASSETS(Continued)

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Capital Assets Not Being Depreciated				
Land - Water	$ 13,231	$ -	$ -	$ 13,231
Land - Wastewater	50,005	-	-	50,005
Water Rights	10,440	-	-	10,440
Construction in Progress - Wastewater	331,031	229,488	-	560,519
Construction in Progress - Water	-	-	-	-
Total Capital Assets Not Being Depreciated	404,707	229,488	-	634,195
Capital Assets Being Depreciated				
Improvements Other Than Buildings - Water	11,777,112	293,023	-	12,070,135
Improvements Other Than Buildings - Wastewater	8,141,312	-	-	8,141,312
Equipment - Water	291,640	89,293	-	380,933
Equipment - Wastewater	269,105	93,366	-	362,471
Total Capital Assets Being Depreciated	20,479,169	475,682	-	20,954,851
Accumulated Depreciation				
Improvements Other Than Buildings - Water	(7,153,406)	(271,512)	-	(7,424,918)
Improvements Other Than Buildings - Wastewater	(5,125,291)	(201,308)	-	(5,326,599)
Equipment - Water	(167,564)	(20,025)	-	(187,589)
Equipment - Wastewater	(216,617)	(16,482)	-	(233,099)
Total Accumulated Depreciation	(12,662,878)	(509,327)	-	(13,172,205)
Net Business-type Capital Assets	$ 8,220,998	$ 195,843	$ -	$ 8,416,841

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

Water	$ 291,537
Wastewater	217,790
Total Depreciation	$ 509,327

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. These loans are being repaid in semiannual installments with interest accruing at 4%. Outstanding balances at December 31, 2017 were as follows:

	Advance	
	To	From
General Fund	$ 131,531	$ -
Sales Tax Improvement Fund	116,640	-
Water Fund	-	111,677
Wastewater Fund	-	136,494
	$ 248,171	$ 248,171

NOTE 6: LONG-TERM DEBT

GOVERNMENTAL ACTIVITIES

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

	Balance 12/31/2016	Advances	Repayments	Balance 12/31/2017	Current Portion
Governmental Activities					
Capital Lease Payable	$ 115,000	$ -	$ 32,500	$ 82,500	$ 30,000

NOTE 6: LONG-TERM DEBT (Continued)

GOVERNMENTAL ACTIVITIES (Continued)

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
2018	$ 30,000
2019	30,000
2020	30,000
Total Future Minimum Lease Payments	90,000
Less: Interest at 0%	-
Present Value of Lease Payments	$ 90,000

BUSINESS-TYPE ACTIVITIES

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

	Balance 12/31/2016	Advances	Repayments	Balance 12/31/2017	Current Portion
Business-type Activities					
1996 CWRPDA Note - Wastewater	$ -	$ -	$ -	$ -	$ -
1997 CWRPDA Note - Water	19,280	-	19,280	-	-
2000 CWCB Note - Water	700,391	-	27,105	673,287	28,460
2002 CWCB Note - Water	121,699	-	7,756	113,944	8,182
2002 CWRPDA Note - Water	825,811	-	126,624	699,186	132,130
Advance from Other Funds - Water	134,491	-	11,181	123,310	11,633
Advance from Other Funds - Wastewater	164,378	-	13,666	150,712	14,218
Total Business-type Activities	$ 1,966,050	$ -	$ 205,612	$ 1,760,439	$ 194,623

1996 Colorado Water Resources and Power Development Authority Note Payable
On June 1, 1996, the City entered into a $1,541,237 loan agreement with the Colorado Water Resource and Power Development Authority for improvement to its wastewater treatment plant and collection facilities. The note is payable in 39 semi-annual installments of $40,820 to $63,831, including interest at 3.99%. The note is secured by the net revenues of the combined water and wastewater system. The note was paid off during the fiscal year.

1997 Colorado Water Resources and Power Development Authority Note Payable
On October 15, 1997, the City entered into a $500,000 loan agreement with the Colorado Water Resource and Power Development Authority for improvement to its water treatment plant and distribution facilities. The note is payable in 39 semi-annual installments of $19,714, including interest at 4.5%. The note is secured by the net revenues of the combined water and wastewater system.

NOTE 6: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

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
2018	$ 168,772	$ 67,267	$ 236,039
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
2023-2027	260,389	122,477	382,865
2027-2032	322,150	74,111	396,261
2033	59,165	2,960	62,124
Total	$ 1,543,815	$ 456,238	$ 2,000,051

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	$ 803,554
Operating Expenses	
Transmission and Distribution	475,761
Wastewater Treatment	-
Wastewater Treatment	131,344
Total Operating Expenses	607,105
Net Operating Revenues	196,449
Debt Service	
1997 CWRPDA Water Loan	19,714
2000 CWCB Water Loan	62,124
2002 CWCB Water Loan	14,449
2002 CWRPDA Loan	154,703
Total Debt Service	250,990
Debt Coverage Ratio 110%	276,089
Excess (Shortfall)	(79,640)
Beginning Rate Stabilization	526,037
Ending Rate Stabilization	$ 446,397
2018 Operating Budget	$ 544,127
3 Month Required O & M Reserve	$ 136,032

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 $36,710 for the plan year ended December 31, 2016 and $32,660 for the fiscal year ended December 31, 2017. 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, 2017, the City reported a liability of $28,824 for its proportionate share of the SWDB's net pension asset. The net pension asset or liability was measured as of December 31, 2016, 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, 2016. The City's proportion of the net pension asset was based on City's contributions to the SWDB for the calendar year 2016 relative to the total contributions of participating employers to the SWDB.

At December 31, 2016, the City's proportion was .07977%, which was an increase of .003208% from its proportion measured as of December 31, 2015.

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 year ended December 31, 2017, the City recognized pension expense of $44,490. At December 31, 2017 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	$ 25,736	$ (1,467)
Changes of assumptions or other inputs	$ 19,689	$ -
Net difference between projected and actual earnings on pension plan	$ 77,801	$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ -	$ 7,655
Contributions subsequent to the measurement date	$ 45,323	$ -
Total	$ 168,549	$ 6,188

$45,323 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:	Amortization Amount
2018	$ (30,663)
2019	$ (30,661)
2020	$ (28,887)
2021	$ (12,326)
2022	$ (6,184)
Thereafter	$ (26,877)
Total	$ (129,414)

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	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.

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 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.

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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	36.00%	9.25%
Equity Long/Short	10.00%	7.35%
Illiquid Alternatives	23.00%	10.75%
Fixed Income	15.00%	4.10%
Absolute Return	10.00%	6.55%
Managed Futures	4.00%	5.50%
Cash	2.00%	0%*
Total	100.00%	

* While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

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 discount rate used to measure the total pension liability was 7.50 percent. 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).

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 (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset (liability)	$ (245,246)	$ (28,824)	$ 150,925

Police Pension (City)
The City sponsors and administers a police pension plan, having one participant at December 31, 2017. No independent actuarial study has been made. However, alternative methods were used to determine that no amounts were due as of December 31, 2017.

NOTE 7: RETIREMENT COMMITMENTS (Continued)

Deferred Compensation Plan
The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all City employees and permits them to defer a portion of their salary until future years. The City matches employee contributions up to 5% of eligible salary, however, no match is provided to police officers covered by FPPA. During the year ended December 31, 2017, the City's contributions were $14,345, 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.

The City's financial activity for the year ended December 31, 2017 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 2017 in the amount of 3% or more of its fiscal year spending. At December 31, 2017, the City has reserved/restricted the following for emergencies:

General Fund	$ 120,000

Other Restrictions and Commitments
The City has restricted or committed other amounts as further described in Note 3.

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, 2017.

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.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules 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]

	12/31/17	12/31/16	12/31/15	12/31/14
City's proportion of the net pension asset (liability)	0.079770%	0.065043%	0.075944%	0.076562%
City's proportionate share of the net pension asset (liability)	$ (28,824)	$ 1,147	$ 85,709	$ 68,461
City's covered-employee payroll	$ 408,250	$ 315,313	$ 341,523	$ 332,541
City's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	7.06%	0.36%	25.10%	20.59%
Plan fiduciary net position as a percentage of the total pension liability	98.21%	100.10%	106.83%	105.83%

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.

CITY OF IDAHO SPRINGS

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

	12/31/17	12/31/16	12/31/15	12/31/14
Contractually required contributions	$ 32,660	$ 25,225	$ 27,322	$ 26,603
Actual contributions	(32,660)	(25,225)	(27,322)	(26,603)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 408,250	$ 315,313	$ 341,523	$ 332,541
Contributions as a percentage of covered-employee payroll	8.00%	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.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Original & Final Budget	Actual	Variance With Final Budget	2016 Actual
REVENUES				
Taxes				
Property Taxes	$ 145,000	$ 139,044	$ (5,956)	$ 143,021
Specific Ownership Taxes	8,000	10,851	2,851	8,558
Sales Taxes	1,324,042	1,403,740	79,698	1,284,548
Franchise Taxes	85,100	86,078	978	83,168
Total Tax Revenue	1,562,142	1,639,713	77,571	1,519,295
Intergovernmental Revenues				
Cigarette Taxes	6,000	6,063	63	6,080
Highway Users	65,000	69,546	4,546	66,154
Road and Bridge	75,000	63,333	(11,667)	65,874
Clerk/Motor Vehicle Fees	8,000	9,149	1,149	8,879
Severance Tax	65,000	56,668	(8,332)	53,962
State Grants	35,000	-	(35,000)	299
Total Intergovernmental Revenue	254,000	204,759	(49,241)	201,248
Licenses and Permits				
Liquor Licenses	8,000	8,050	50	9,786
Building Permits	15,000	27,317	12,317	11,438
Annexation/Other P&Z Fees	8,000	10,864	2,864	4,132
Business Licenses	18,000	22,307	4,307	26,074
Other Licenses	30,000	37,894	7,894	31,225
Total Licenses and Permits	79,000	106,432	27,432	82,655
Fines and Forfeits	162,000	147,084	(14,916)	132,591
Charges for Services				
Sales of Goods	-	-	-	2,000
Rents	60,000	56,359	(3,641)	53,346
Other Charges for Services	11,800	7,431	(4,369)	9,995
Total Charges for Services	71,800	63,790	(8,010)	65,341
Investment Earnings	25,775	19,656	(6,119)	15,217
Other Revenues				
Reimbursements and Refunds	500	1,471	971	252
Donations	150	3,000	2,850	150
Other Miscellaneous Revenue	756,040	19,094	(736,946)	27,294
Total Other Revenue	756,690	23,565	(733,125)	27,696
TOTAL REVENUES	2,911,407	2,204,999	(706,408)	2,044,043

See accompanying Independent Auditors' Report.

(Continued)

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Original & Final Budget	Actual	Variance With Final Budget	2016 Actual
(Continued)				
EXPENDITURES				
General Government				
Administrator/Manager	554,707	539,998	(14,709)	572,869
Economic Development	93,500	83,771	(9,729)	78,872
Total General Government	648,207	623,769	(24,438)	651,741
Public Safety				
Police	896,064	910,406	14,342	794,515
Fire	104,933	104,933	-	98,623
Municipal Court	51,604	50,730	(874)	48,505
Code Enforcement	16,000	31,978	15,978	15,024
Total Public Safety	1,068,601	1,098,047	29,446	956,667
Public Works				
Streets	409,564	364,474	(45,090)	332,327
Parks, Recreation and Other				
Parks	134,162	101,352	(32,810)	94,213
Cemetery	25,000	19,137	(5,863)	2,044
Total Parks, Recreation & Other	159,162	120,489	(38,673)	96,257
Capital Outlay				
General Government Capital Outlay	47,000	9,741	37,259	10,321
Public Safety Capital Outlay	10,492	3,428	7,064	7,767
Public Works Capital Outlay	6,500	3,080	3,420	-
Parks, Recreation and Other Capital Outlay	5,000	4,004	996	599
Other Capital Outlay	150,000	-	150,000	-
Total Capital Outlay	218,992	20,253	198,739	18,687
TOTAL EXPENDITURES	2,504,526	2,227,032	119,984	2,055,679
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	406,881	(22,033)	(586,424)	(11,636)
OTHER FINANCING SOURCES (USES)				
Transfers In	9,500	9,500	-	9,507
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ 416,381	(12,533)	$ (586,424)	(2,129)
Debt Proceeds		204,742		-
Capital Outlay		(204,742)		-
NET CHANGE IN FUND BALANCE - GAAP BASIS		(12,533)		(2,129)
FUND BALANCE, BEGINNING		2,629,379		2,631,508
FUND BALANCE, ENDING		$ 2,616,846		$ 2,629,379

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, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Original & Final Budget	Actual	Variance With Final Budget	2016 Actual
REVENUES				
Investment Earnings	$ 50,000	$ 104,384	$ 54,384	$ 118,340
Other Revenues				
Other Miscellaneous Revenue	-	203,762	203,762	-
TOTAL REVENUES	50,000	308,146	258,146	118,340
EXPENDITURES				
Capital Outlay				
Public Works Capital Outlay	11,910,000	10,574,069	1,335,931	6,109,572
Contingency Reserve	3,140,000	-	3,140,000	-
TOTAL EXPENDITURES	15,050,000	10,574,069	4,475,931	6,109,572
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (15,000,000)	(10,265,923)	$ 4,734,077	(5,991,232)
FUND BALANCE, BEGINNING		15,278,475		21,269,707
FUND BALANCE, ENDING		$ 5,012,552		$ 15,278,475

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
Sales Tax Improvement Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Original & Final Budget	Actual	Variance With Final Budget	2016 Actual
REVENUES				
Taxes				
Sales Taxes	$ 1,190,550	$ 1,289,230	$ 98,680	$ 1,220,139
Intergovernmental Revenues				
Road and Bridge	60,000	-	(60,000)	-
State Grants	115,000	-	(115,000)	-
Other Intergovernmental	-	-	-	25,000
Total Intergovernmental Revenue	175,000	-	(175,000)	25,000
Investment Earnings	21,181	10,760	(10,421)	10,373
TOTAL REVENUES	1,386,731	1,299,990	(86,741)	1,255,512
EXPENDITURES				
Capital Outlay				
General Government Capital Outlay	955,000	369,301	585,699	137,486
Public Safety Capital Outlay	118,708	227,087	(108,379)	269,701
Public Works Capital Outlay	1,062,000	71,425	990,575	82,961
Parks, Recreation and Other Capital Outlay	90,000	(51,786)	141,786	100,211
Total Capital Outlay	2,225,708	616,027	1,609,681	590,359
Debt Service				
Principal	30,000	32,500	(2,500)	27,500
Contingency Reserve	565,202	-	565,202	-
TOTAL EXPENDITURES	2,820,910	648,527	2,172,383	617,859
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,434,179)	651,463	2,085,642	637,653
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	5,000
Transfers (Out)	(25,000)	(25,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(25,000)	(25,000)	-	5,000
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (1,459,179)	626,463	$ 2,085,642	642,653
FUND BALANCE, BEGINNING		3,483,998		2,841,345
FUND BALANCE, ENDING		$ 4,110,461		$ 3,483,998

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE
Nonmajor Conservation Trust Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Final Budget	Actual	Variance With Final Budget	2016 Actual
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	$ 9,000	$ 8,805	$ (195)	$ 9,773
Investment Earnings	1,000	2,164	1,164	1,217
TOTAL REVENUES	10,000	10,969	969	10,990
EXPENDITURES				
Capital Outlay				
Parks, Recreation and Other Capital Outlay	10,000	-	(10,000)	50,916
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	10,969	10,969	(39,926)
Transfers (Out)	-	-	-	(30,000)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ -	10,969	$ 10,969	(69,926)
FUND BALANCE, BEGINNING		21,419		91,345
FUND BALANCE, ENDING		$ 32,388		$ 21,419

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, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Final Budget	Actual	Variance with Final Budget	2016 Actual
Operating Revenues				
Utility Charges	$ 864,553	$ 803,554	$ (60,999)	$ 722,255
Operating Expenses				
Collection, Transmission and Distribution	473,316	475,761	(2,445)	374,467
Depreciation Expense	276,820	291,537	(14,717)	283,897
Other Capital Outlay	325,500	131,344	194,156	102,147
Contingency Reserve	838,433	-	838,433	-
Total Expenditures	1,914,069	898,642	1,015,427	760,511
Operating Income (Loss)	(1,049,516)	(95,088)	954,428	(38,256)
Other Income (Expense)				
Investment Earnings	6,389	8,654	2,265	4,870
Other Revenue	1,150	-	(1,150)	351
Debt Service	(74,936)	(255,422)	(180,486)	(270,430)
Total Other Income (Expense)	(67,397)	(246,768)	(179,371)	(265,209)
Net Income (Loss) before Transfers	(1,116,913)	(341,856)	775,057	(303,465)
Transfers In/(Out)	(11,633)	-	11,633	-
Net Income (Loss), Budget Basis	(1,128,546)	(341,856)	786,690	(303,465)
Contributed Capital				
Plant Investment Fees	10,000	5,000	(5,000)	15,000
Intergovernmental Revenue	-	9,474	9,474	14,716
Total Contributed Capital	10,000	14,474	4,474	29,716
Change in Net Position (Budget Basis)	$ (1,118,546)	(327,382)	$ 791,164	(273,749)
Budget to GAAP Reconciliation				
Principal Paid		180,765		191,580
Capital Outlay		89,293		-
Change in Net Position - GAAP Basis		(57,324)		(82,169)
Net Position, Beginning		4,504,320		4,586,489
Net Position, Ending		$ 4,446,996		$ 4,504,320

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, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Final Budget	Actual	Variance with Final Budget	2016 Actual
Operating Revenues				
Utility Charges	$ 744,097	$ 740,264	$ (3,833)	$ 645,605
Operating Expenses				
Production and Treatment	628,301	565,159	63,142	462,430
Depreciation Expense	218,497	217,790	707	218,206
Other Capital Outlay	1,947,500	401,693	1,545,807	352,410
Contingency Reserve	718,685	-	718,685	-
Total Expenditures	3,512,983	1,184,642	2,328,341	1,033,046
Operating Income (Loss)	(2,768,886)	(444,378)	2,324,508	(387,441)
Other Income (Expense)				
Investment Earnings	4,500	8,655	4,155	4,870
Other Revenue	8,000	18,319	10,319	6,085
Debt Service	(5,031)	(2,963)	2,068	(116,243)
Total Other Income (Expense)	7,469	24,011	16,542	(105,288)
Net Income (Loss) before Transfers	(2,761,417)	(420,367)	2,341,050	(492,729)
Transfers In/(Out)	(12,150)	-	12,150	-
Net Income (Loss), Budget Basis	(2,773,567)	(420,367)	2,353,200	(492,729)
Contributed Capital				
Plant Investment Fees	10,000	-	(10,000)	5,000
Change in Net Position (Budget Basis)	$ (2,763,567)	(420,367)	$ 2,343,200	(487,729)
Budget to GAAP Reconciliation				
Principal Paid		-		111,993
Capital Outlay		322,853		331,032
Change in Net Position - GAAP Basis		(97,514)		(44,704)
Net Position, Beginning		3,998,484		4,043,188
Net Position, Ending		$ 3,900,970		$ 3,998,484

See accompanying Independent Auditors' Report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Idaho Springs YEAR ENDING : December 2016
This Information From The Records Of (example - City of _ or County of City of Idaho Springs	Prepared By: Sandy Bronson Phone: 303-567-4421

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	14,889
3. Other local imposts (from page 2)	65,409
4. Miscellaneous local receipts (from page 2)	123,626
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	203,924
B. Private Contributions	
C. Receipts from State government (from page 2)	6,184,604
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	6,388,528

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	6,109,572
2. Maintenance:	50,590
3. Road and street services:	
a. Traffic control operations	3,599
b. Snow and ice removal	9,477
c. Other	82,960
d. Total (a. through c.)	96,036
4. General administration & miscellaneous	
5. Highway law enforcement and safety	132,330
6. Total (1 through 5)	6,388,528
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	6,388,528

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	6,388,528	6,388,528		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	65,410	a. Interest on investments	39,740
b. Other local imposts:		b. Traffic Fines & Penalities	83,888
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	65,410	i. Total (a. through h.)	123,628
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	66,154	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	8,878	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (RAMP Funds)	6,109,572	f. Other Federal	0
f. Total (a. through e.)	6,118,450	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	6,184,604	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		6,109,572	6,109,572
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	6,109,572	6,109,572
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	6,109,572	6,109,572
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

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