

**CITY OF IDAHO SPRINGS  
IDAHO SPRINGS, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2015**

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## **FINANCIAL SECTION**

**City of Idaho Springs**  
Management Discussion and Analysis  
For the Year Ended December 31, 2015

As management of the City of Idaho Springs (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements so that they may better understand the financial position of the City of Idaho Springs.

**A. FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities by \$410,688,448 at the end of 2015.
- Governmental funds reported combined fund equity of \$26,833,905, an increase of \$21,946,465 in comparison with the prior year. This increase is due primarily from the Responsible Acceleration of Maintenance and Partnerships (RAMP) Fund contribution from the Colorado Department of Transportation (CDOT) for the reconstruction of Colorado Boulevard from Seventh Avenue to the roundabout just east of Gilson Avenue.
- The City’s unassigned fund balance for the General Fund was \$2,166,032, while committed fund balance totaled \$3,007,952 of which \$103,004 is for cemetery maintenance and \$198,142 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 \$300,761 as a result of principal payments on long-term debt held by the Water and Wastewater Funds and Capital lease payable.
- Sales, Use and Property Tax Revenues were \$2,597,911, an increase of \$618,828 or 23.5% from the prior year.

**B. OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private sector business.

The ***Statement of Net Position*** presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the City is improving or deteriorating.

The ***Statement of Activities*** presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of

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Management Discussion and Analysis  
For the Year Ended December 31, 2015

cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The governmental activities include the following: general government (administration, building inspector, court, and cemetery), public safety (police and fire), streets, community promotion and parks. The business-type activities include water and wastewater.

**Fund Financial Statements**

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

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds are separated into two major funds: the general fund and sales tax improvement fund.

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

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

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

**City of Idaho Springs**  
**Management Discussion and Analysis**  
**For the Year Ended December 31, 2015**

**Notes to financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

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

**Capital Assets**

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

**C. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

At the close of 2015, total net assets were \$40,688,448. By far the largest portion of net assets is the investment in capital assets (net of related debt) of \$10,485,359. 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 is 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 2015 and 2014.

<b>CONDENSED STATEMENT OF NET POSITION</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>12/31/2015</b>	<b>12/31/2014</b>	<b>12/31/2015</b>	<b>12/31/2014</b>	<b>12/31/2015</b>	<b>12/31/2014</b>
<b>ASSETS</b>						
Current and Other Assets	\$ 27,257,682	\$ 5,116,310	\$ 2,035,399	\$ 2,349,616	\$ 29,293,081	\$ 7,465,926
Capital Assets	<u>5,308,646</u>	<u>3,972,266</u>	<u>8,685,093</u>	<u>8,692,944</u>	<u>13,993,739</u>	<u>12,665,210</u>
Total Assets	<u>32,566,328</u>	<u>9,088,576</u>	<u>10,720,492</u>	<u>11,042,560</u>	<u>43,286,820</u>	<u>20,131,136</u>
DEFERRED OUTFLOWS	<u>33,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,401</u>	<u>-</u>
<b>LIABILITIES</b>						
Current Liabilities	194,408	83,468	120,060	156,663	314,468	240,131
Noncurrent Liabilities	<u>201,124</u>	<u>49,026</u>	<u>1,970,755</u>	<u>2,264,016</u>	<u>2,171,879</u>	<u>2,313,042</u>
Total Liabilities	<u>395,532</u>	<u>132,494</u>	<u>2,090,815</u>	<u>2,420,679</u>	<u>2,486,347</u>	<u>2,553,173</u>
DEFERRED INFOWS	<u>145,426</u>	<u>134,735</u>	<u>-</u>	<u>-</u>	<u>145,426</u>	<u>134,735</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	5,281,146	3,972,266	6,714,338	6,428,928	11,995,484	10,401,194
Restricted	21,446,761	200,756	62,546	-	21,509,307	200,756
Unrestricted	<u>5,330,864</u>	<u>4,648,325</u>	<u>1,852,793</u>	<u>2,192,953</u>	<u>7,183,657</u>	<u>6,841,278</u>
Total Net Position	<u>\$ 32,058,771</u>	<u>\$ 8,821,347</u>	<u>\$ 8,629,677</u>	<u>\$ 8,621,881</u>	<u>\$ 40,688,448</u>	<u>\$ 17,443,228</u>

**City of Idaho Springs**  
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**For the Year Ended December 31, 2015**

The restricted portion of net position (1.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,841,278 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 \$1,006,518 in 2015.

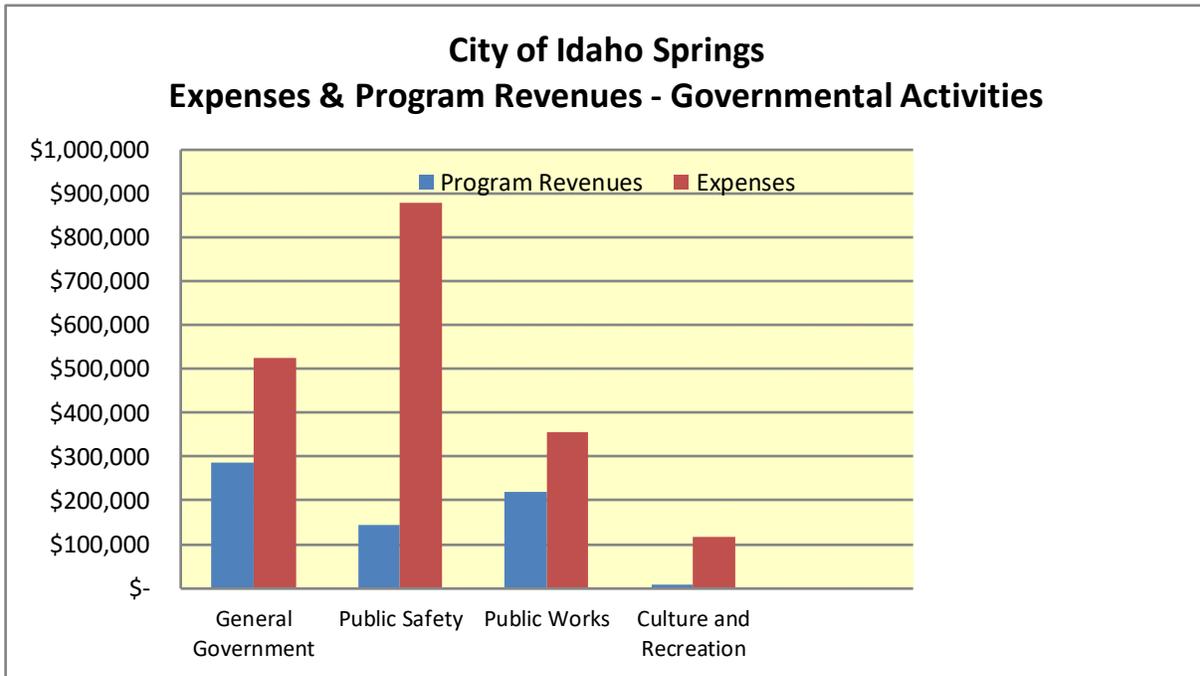
**CONDENSED STATEMENT OF ACTIVITIES**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>PROGRAM REVENUES</b>						
Charges for Services	\$ 309,531	\$ 399,652	\$ 1,406,349	\$ 1,356,927	\$ 1,715,880	\$ 1,756,579
Operating Grants	349,208	2,210	-	9,932	349,208	12,142
Capital Grants	21,900,000	155,053	100,581	47,470	22,000,581	202,523
Total Program Revenues	<u>22,558,739</u>	<u>556,915</u>	<u>1,506,930</u>	<u>1,414,329</u>	<u>24,065,669</u>	<u>1,971,244</u>
<b>GENERAL REVENUES</b>						
Property Taxes	134,206	145,690	-	-	134,206	145,690
Specific Ownership Taxes	8,016	-	-	-	8,016	-
Sales and Use Taxes	2,366,374	1,750,056	-	-	2,366,374	1,750,056
Franchise Taxes	88,315	82,337	-	-	88,315	82,337
Other Taxes	-	201,305	-	-	-	201,305
Interest Income	42,117	18,461	3,015	1,283	45,132	19,744
Insurance Proceeds	-	-	5,300	-	5,300	-
Other Revenues	125,103	31,341	-	82,458	125,103	113,799
Total General Revenues	<u>2,764,131</u>	<u>2,229,190</u>	<u>8,315</u>	<u>83,741</u>	<u>2,772,446</u>	<u>2,312,931</u>
<b>TRANSFERS</b>	<u>(177,190)</u>	<u>(161,690)</u>	<u>161,690</u>	<u>161,690</u>	<u>(15,500)</u>	<u>-</u>
Total Revenues & Transfers	<u>25,145,680</u>	<u>2,624,415</u>	<u>1,676,935</u>	<u>1,659,760</u>	<u>26,822,615</u>	<u>4,284,175</u>
<b>PROGRAM EXPENSES</b>						
General Government	523,517	456,316	-	-	523,517	456,316
Public Safety	877,877	764,435	-	-	877,877	764,435
Public Works	354,088	441,009	-	-	354,088	441,009
Culture and Recreation	115,571	157,421	-	-	115,571	157,421
Water Operations	-	-	861,956	681,263	861,956	681,263
Sewer Operations	-	-	807,182	660,167	807,182	660,167
Interest	-	-	-	117,046	-	117,046
Total Program Expenses	<u>2,004,038</u>	<u>1,819,181</u>	<u>1,669,138</u>	<u>1,458,476</u>	<u>3,673,176</u>	<u>3,277,657</u>
<b>CHANGE IN NET POSITION</b>						
	<u>23,141,642</u>	<u>805,234</u>	<u>7,797</u>	<u>201,284</u>	<u>23,149,439</u>	<u>1,006,518</u>
Net Position, Beginning	8,821,347	8,016,113	8,621,880	8,420,597	17,443,227	16,436,710
Prior Period Restatement	95,782	-	-	-	95,782	-
Net Position, Beginning (as Restated)	<u>8,917,129</u>	<u>8,016,113</u>	<u>8,621,880</u>	<u>8,420,597</u>	<u>17,539,009</u>	<u>16,436,710</u>
<b>NET POSITION, ENDING</b>	<u>\$ 32,058,771</u>	<u>\$ 8,821,347</u>	<u>\$ 8,629,677</u>	<u>\$ 8,621,881</u>	<u>\$ 40,688,448</u>	<u>\$ 17,443,228</u>

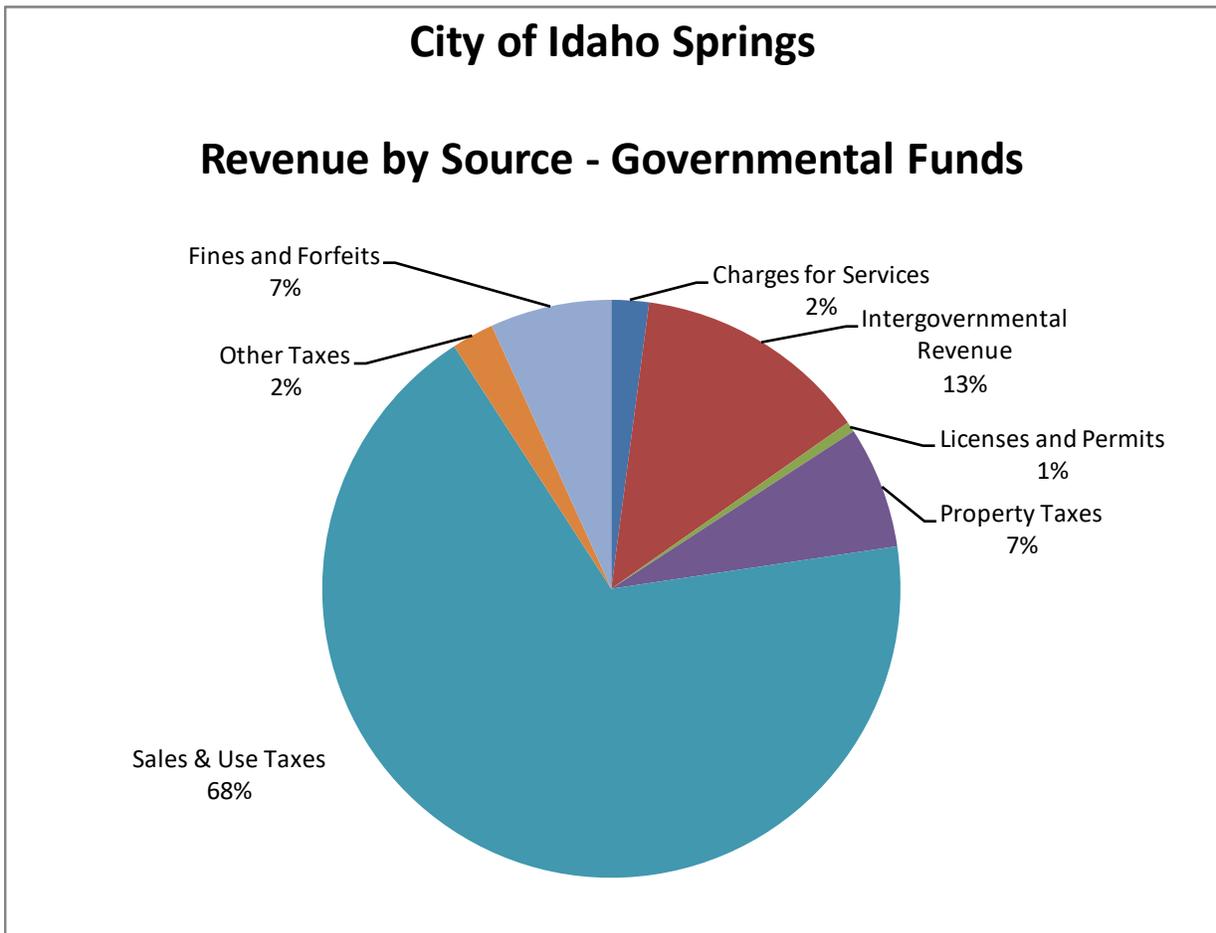
**Governmental Activities**

Governmental activities increased the City's net position by \$805,234. Overall revenue exceeded budget projections by \$444,670, or 21% while increasing 6% over 2014 revenues. Expenditures were under budget and \$46,635 less than in 2014. Governmental activities were subsidized by tax revenue and other general non-program revenues. The following illustrates the governmental activities expenses and program revenues:

**City of Idaho Springs**  
 Management Discussion and Analysis  
 For the Year Ended December 31, 2015



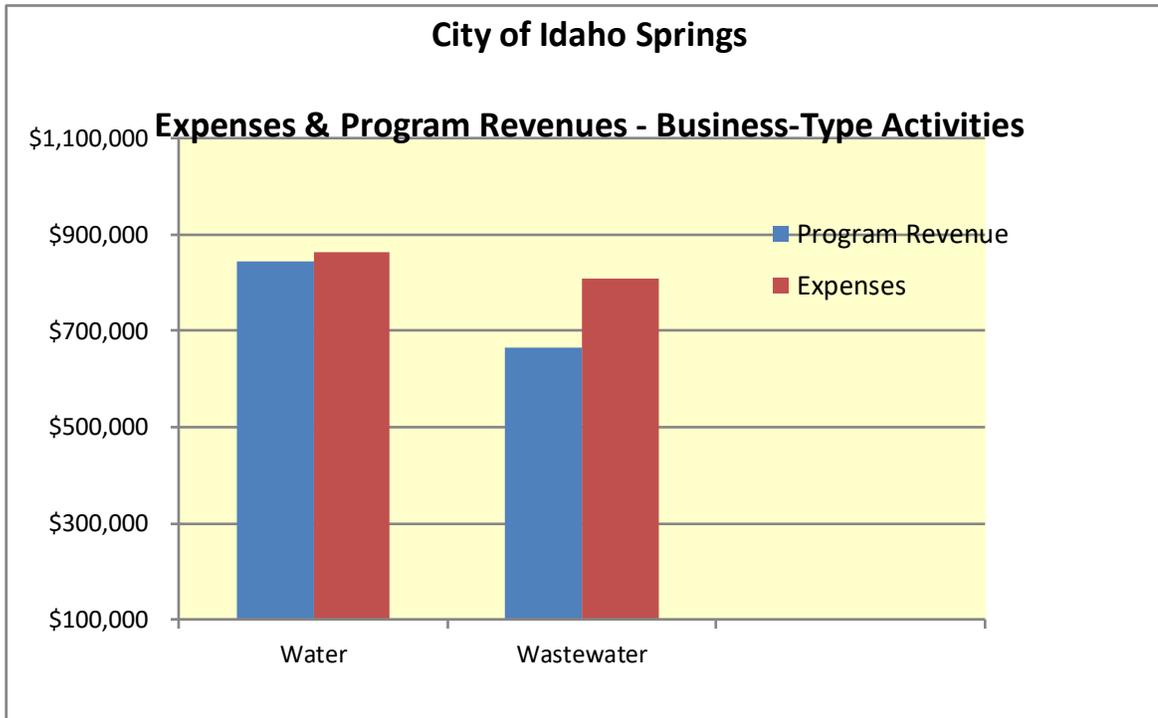
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**City of Idaho Springs**  
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 For the Year Ended December 31, 2015

**Business-type Activities**

Business-type activities for the year resulted in an increase of net position of \$7,797. Charges for services increased \$7,886 compared to 2014. Overall revenue had a slight increase while expenditures decreased one percent. The following illustrates the business-type activities program revenues and expenses:



**D. FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

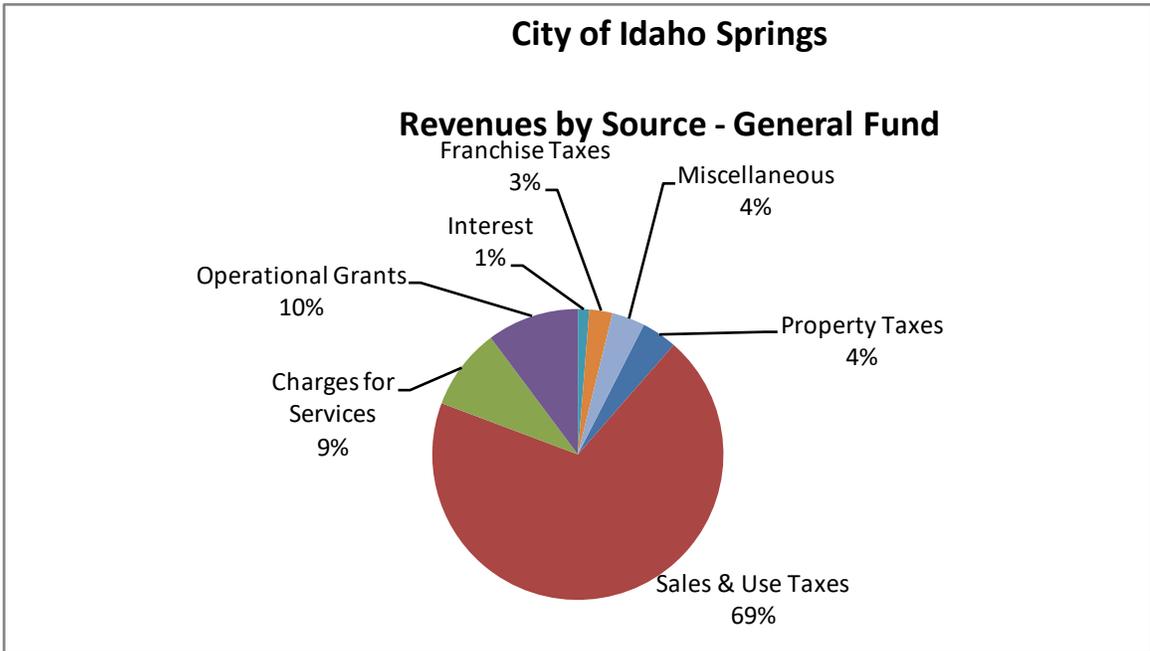
Governmental funds – The focus of government funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of the City’s net resources available for spending at the end of the fiscal year.

As of the end of 2015, the City’s governmental funds reported combined ending fund balances of \$26,833,905 an increase of \$17,916,836 in comparison with the prior year. Expenditures for capital equipment and capital projects were \$818,552. This large increase in expenditures is due to the land acquired for a downtown parking facility which is reflected in the Sales Tax Improvement Fund. Of the combined ending fund balances for all governmental funds, \$298,869 is non-spendable, \$21,361,052 is restricted, \$3,007,952 is committed for cemetery maintenance and capital improvements, and \$2,166,032 is available for appropriation according to the City’s Fund Balance and Reserve Policy.

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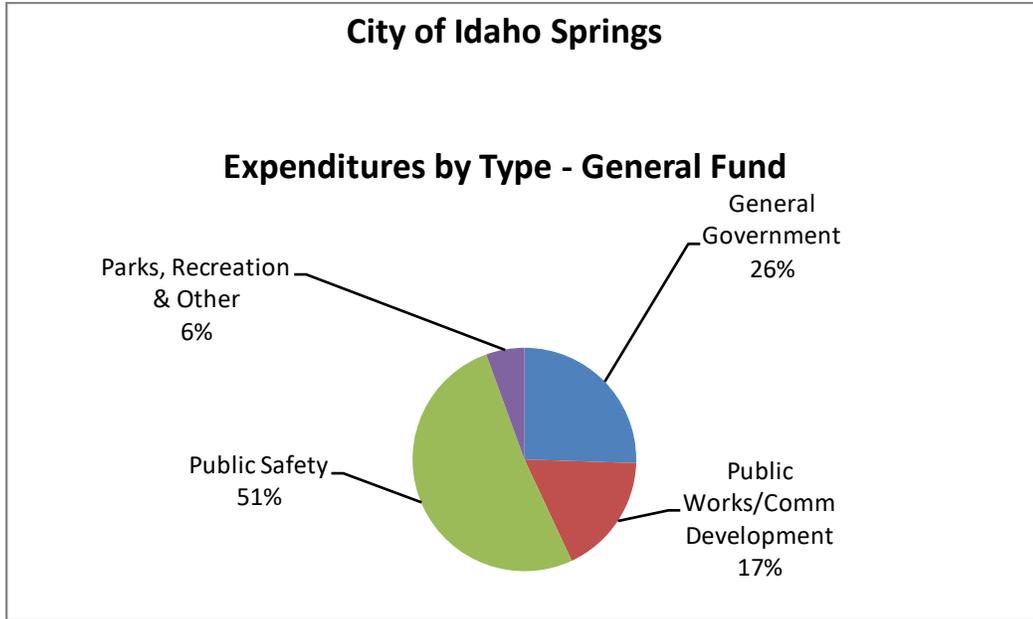
The City has three major governmental funds. They are the General Fund, Sales Tax Improvement Fund, and RAMP Fund.

The General Fund is the primary operating fund for the City of Idaho Springs. Key factors for 2015 are: Revenues were \$300,942 more than budgeted, primarily from unexpected rise in sales, use and state severance tax distribution. Expenditures were more than budgeted by \$29,841 after adjusting for contingency reserves. Public Safety expenditures were over budget by \$121,946 offset by savings in the remaining departments.



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:

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The Sales Tax Improvement Fund had a total fund balance at the end of 2015 of \$2,841,345, an increase of \$278,950. This fund accounts for one third of sales tax revenue and Idaho Springs' share of the special county road and bridge mill levy. In 2015, \$0 was transferred from the General Fund for additional capital improvements. These funds are to be used for street improvements, equipment and other capital projects. A Capital Improvement Plan has been put in place to guide the Council in the use of these funds.

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

The City has two enterprise funds, the Water Fund and the Wastewater Fund. The net position of the enterprise funds at the end of 2015 was \$8,629,677. A breakdown by fund is Water, \$4,586,489 and Wastewater, \$4,043,188. Total net position increased by \$7,796 mainly due to delayed capital improvements. The additional funds will be used for future capital improvements as designated in the Capital Improvement Plan.

**E. CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$43,320,221.

Long Term Debt - At the end of 2015, total bonded debt outstanding was \$1,902,353.

Major capital expenditures during 2015 included:

Police Vehicle Replacement	\$ 30,392
Public Works Vehicle/Equipment	74,900
Land Acquisition	550,090
IT equipment	62,474

**City of Idaho Springs**  
**Management Discussion and Analysis**  
**For the Year Ended December 31, 2015**

**Governmental Activities**

	<b>Balance 12/31/2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2015</b>
Capital Assets Not Being Depreciated				
Land	\$ 1,855,455	\$ 692,591	\$ -	\$ 2,548,046
Water Rights	8,000	-	-	8,000
Construction in Progress	-	671,341	-	671,341
Total Capital Assets Not Being Depreciated	<u>1,863,455</u>	<u>1,363,932</u>	<u>-</u>	<u>3,227,387</u>
Capital Assets Being Depreciated				
Buildings	1,697,308	-	-	1,697,308
Improvements Other Than Buildings	1,690,446	-	-	1,690,446
Equipment	1,648,782	178,532	-	1,827,314
Total Capital Assets Being Depreciated	<u>5,036,536</u>	<u>178,532</u>	<u>-</u>	<u>5,215,068</u>
Accumulated Depreciation				
Buildings	(812,834)	(33,186)	-	(846,020)
Improvements Other Than Buildings	(638,906)	(105,697)	-	(744,603)
Equipment	(1,475,985)	(67,201)	-	(1,543,186)
Total Accumulated Depreciation	<u>(2,927,725)</u>	<u>(206,084)</u>	<u>-</u>	<u>(3,133,809)</u>
Net Governmental Capital Assets	<u>\$ 3,972,266</u>	<u>\$ 1,336,380</u>	<u>\$ -</u>	<u>\$ 5,308,646</u>

**Business-type Activities**

	<b>Balance 12/31/2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2015</b>
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 - Water	293,023	-	-	293,023
Total Capital Assets Not Being Depreciated	<u>366,699</u>	<u>-</u>	<u>-</u>	<u>366,699</u>
Capital Assets Being Depreciated				
Improvements Other Than Buildings - Water	11,446,180	330,932	-	11,777,112
Improvements Other Than Buildings - Wastewater	8,141,312	-	-	8,141,312
Equipment - Water	149,899	141,741	-	291,640
Equipment - Wastewater	254,312	14,793	-	269,105
Total Capital Assets Being Depreciated	<u>19,991,703</u>	<u>487,466</u>	<u>-</u>	<u>20,479,169</u>
Accumulated Depreciation				
Improvements Other Than Buildings - Water	(6,617,721)	(264,158)	-	(6,881,879)
Improvements Other Than Buildings - Wastewater	(4,722,675)	(201,308)	-	(4,923,983)
Equipment - Water	(142,532)	(12,662)	-	(155,194)
Equipment - Wastewater	(182,530)	(17,189)	-	(199,719)
Total Accumulated Depreciation	<u>(11,665,458)</u>	<u>(495,317)</u>	<u>-</u>	<u>(12,160,775)</u>
Net Business-type Capital Assets	<u>\$ 8,692,944</u>	<u>\$ (7,851)</u>	<u>\$ -</u>	<u>\$ 8,685,093</u>

**City of Idaho Springs**  
Management Discussion and Analysis  
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**F. THE FUTURE OF THE CITY**

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

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

After a number of years with no changes to water and sewer rates, the City intends to adopt adjustments for 2016 and beyond. Without adjustment, the current rates, already unable to support much in the way of capital improvements, would soon be unable to support basic maintenance and operations. At this writing, a variety of options are being considered; the type of adjustments and the resulting impacts to users and to the enterprise revenues have not been finalized.

A five-year trend continued as sales tax revenues increased again in 2015. In November 2014, the voters overwhelmingly approved an increase in the City sales 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.

Moving into 2016 and beyond, Interstate 70 construction projects will continue and may affect local businesses and, therefore, sales tax revenue. Overall, however, the City's sound financial position will allow it to avoid any reduction in services. Reserves continue to exceed the levels established as acceptable by the City.

The reconstruction of Colorado Boulevard 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, the 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 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  
303-567-4421

# 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

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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, 2015, 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.

**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, 2015, 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.

**Emphasis of Matter**

As discussed in Note 11 to the financial statements, the 2014 financial statements have been restated to reflect the adoption of GASB Statement Number 68. Our opinion is not modified with respect to this matter.

**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.

A handwritten signature in black ink that reads "Holscher, Mayberry + Company, LLC". The signature is written in a cursive, flowing style.

Englewood, CO  
September 28, 2016

## **BASIC FINANCIAL STATEMENTS**

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CITY OF IDAHO SPRINGS, COLORADO

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES FUND	TOTAL
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ 4,795,490	\$ 1,474,266	\$ 6,269,756
Restricted Cash and Investments	21,584,641	577,991	22,162,632
Receivables			
Property Tax Receivable	143,660	-	143,660
Utility Receivables	-	278,932	278,932
Other Receivables	349,313	3,079	352,392
Internal Balances	298,869	(298,869)	-
Total Current Assets	<u>27,171,973</u>	<u>2,035,399</u>	<u>29,207,372</u>
<b>Noncurrent Assets</b>			
Capital Assets not being Depreciated	3,227,387	366,699	3,594,086
Capital Assets being Depreciated	5,215,068	20,479,169	25,694,237
Accumulated Depreciation	(3,133,809)	(12,160,775)	(15,294,584)
Net Pension Asset	85,709	-	85,709
Total Noncurrent Assets	<u>5,394,355</u>	<u>8,685,093</u>	<u>14,079,448</u>
TOTAL ASSETS	<u>32,566,328</u>	<u>10,720,492</u>	<u>43,286,820</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>			
Pension Contribution Timing Difference	26,142	-	26,142
Pension Investment Earnings Timing Difference	6,758	-	6,758
Pension Change in Proportionate Share	501	-	501
TOTAL DEFERRED OUTFLOWS	<u>33,401</u>	<u>-</u>	<u>33,401</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 32,599,729</u>	<u>\$ 10,720,492</u>	<u>\$ 43,320,221</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 173,439	\$ 71,722	\$ 245,161
Accd Salaries & Benefits	8,993	3,034	12,027
Deposits and Escrow	11,976	-	11,976
Accrued Interest Payable	-	45,304	45,304
Total Current Liabilities	<u>194,408</u>	<u>120,060</u>	<u>314,468</u>
<b>Noncurrent Liabilities</b>			
Due within one year	27,500	145,158	172,658
Due in more than one year	173,624	1,825,597	1,999,221
Total Noncurrent Liabilities	<u>201,124</u>	<u>1,970,755</u>	<u>2,171,879</u>
TOTAL LIABILITIES	<u>395,532</u>	<u>2,090,815</u>	<u>2,486,347</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Property Taxes	143,660	-	143,660
Pension Experience Timing Difference	1,766	-	1,766
TOTAL DEFERRED INFLOWS	<u>145,426</u>	<u>-</u>	<u>145,426</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,281,146	6,714,338	11,995,484
Restricted Net Position	21,446,761	62,546	21,509,307
Unrestricted Net Position	5,330,864	1,852,793	7,183,657
TOTAL NET POSITION	<u>32,058,771</u>	<u>8,629,677</u>	<u>40,688,448</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 32,599,729</u>	<u>\$ 10,720,492</u>	<u>\$ 43,320,221</u>

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

CITY OF IDAHO SPRINGS

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
Government Activities				
Current:				
General Government	\$ 523,517	\$ 131,440	\$ 154,065	\$ -
Public Safety	877,877	144,878	-	-
Public Works	354,088	33,213	186,955	21,900,000
Culture and Recreation	115,571	-	8,188	-
Depreciation - Unallocated	132,985	-	-	-
<b>TOTAL GOVERNMENT ACTIVITIES</b>	<u>2,004,038</u>	<u>309,531</u>	<u>349,208</u>	<u>21,900,000</u>
Business-type Activities				
Current:				
Water	861,956	742,371	-	100,581
Wastewater	807,182	663,978	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>1,669,138</u>	<u>1,406,349</u>	<u>-</u>	<u>100,581</u>
<b>TOTAL GOVERNMENT</b>	<u>\$ 3,673,176</u>	<u>\$ 1,715,880</u>	<u>\$ 349,208</u>	<u>\$ 22,000,581</u>
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Franchise Taxes				
Interest Income				
Insurance Proceeds				
Other Revenues				
TRANSFERS				
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
Prior Period Restatement				
NET POSITION - Beginning (as Restated)				
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
\$ (238,012)	\$ -	\$ (238,012)
(732,999)	-	(732,999)
21,766,080	-	21,766,080
(107,383)	-	(107,383)
<u>(132,985)</u>	<u>-</u>	<u>(132,985)</u>
<u>20,554,701</u>	<u>-</u>	<u>20,554,701</u>
-	(19,004)	(19,004)
<u>-</u>	<u>(143,204)</u>	<u>(143,204)</u>
<u>-</u>	<u>(162,208)</u>	<u>(162,208)</u>
<u>20,554,701</u>	<u>(162,208)</u>	<u>20,392,493</u>
134,206	-	134,206
8,016	-	8,016
2,366,374	-	2,366,374
88,315	-	88,315
42,117	3,015	45,132
-	5,300	5,300
125,103	-	125,103
<u>(177,190)</u>	<u>161,690</u>	<u>(15,500)</u>
<u>2,586,941</u>	<u>170,005</u>	<u>2,756,946</u>
<u>23,141,642</u>	<u>7,797</u>	<u>23,149,439</u>
8,821,347	8,621,880	17,443,227
<u>95,782</u>	<u>-</u>	<u>95,782</u>
<u>8,917,129</u>	<u>8,621,880</u>	<u>17,539,009</u>
<u>\$ 32,058,771</u>	<u>\$ 8,629,677</u>	<u>\$ 40,688,448</u>

CITY OF IDAHO SPRINGS, COLORADO

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2015**

	General Fund	Sales Tax Improvement Fund	RAMP Fund	Nonmajor Conservation Trust Fund	Total 2015
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Investments					
Cash	\$ 2,259,820	\$ 2,535,670	\$ -	\$ -	\$ 4,795,490
Restricted Cash and Investments	103,004	-	21,390,292	91,345	21,584,641
Property Tax Receivable	143,660	-	-	-	143,660
Other Receivables	184,106	165,207	-	-	349,313
Internal Balances	158,401	140,468	-	-	298,869
TOTAL ASSETS	<u>\$ 2,848,991</u>	<u>\$ 2,841,345</u>	<u>\$ 21,390,292</u>	<u>\$ 91,345</u>	<u>\$ 27,171,973</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 52,854	\$ -	\$ 120,585	\$ -	\$ 173,439
Accd Salaries & Benefits	8,993	-	-	-	8,993
Deposits and Escrow	11,976	-	-	-	11,976
TOTAL LIABILITIES	<u>73,823</u>	<u>-</u>	<u>120,585</u>	<u>-</u>	<u>194,408</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>					
Deferred Property Taxes	143,660	-	-	-	143,660
<b>FUND BALANCE</b>					
Nonspendable Fund Balance	158,401	140,468	-	-	298,869
Restricted Fund Balance	-	-	21,269,707	91,345	21,361,052
Committed Fund Balance	307,075	2,700,877	-	-	3,007,952
Unassigned Fund Balance	2,166,032	-	-	-	2,166,032
TOTAL FUND BALANCE	<u>2,631,508</u>	<u>2,841,345</u>	<u>21,269,707</u>	<u>91,345</u>	<u>26,833,905</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 2,848,991</u>	<u>\$ 2,841,345</u>	<u>\$ 21,390,292</u>	<u>\$ 91,345</u>	<u>\$ 27,171,973</u>

The accompanying notes are an integral part of these financial statements

CITY OF IDAHO SPRINGS, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
DECEMBER 31, 2015**

<b>Fund Balance - Governmental Funds</b>	\$ 26,833,905
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	
Capital assets, not being depreciated	3,227,387
Capital assets, being depreciated	5,215,068
Accumulated depreciation	(3,133,809)
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 asset	85,709
Contributions subsequent to measurement date	26,142
Difference between projected and actual investment returns on the pension plan	8,447
Amortization of the investment return difference	(1,689)
Change in proportionate share of the net pension liability	553
Amortization of the change in proportion	(52)
Difference between projected and actual pension plan experience	(1,951)
Amortization of the experience difference	185
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.	
Capital leases payable	(142,500)
Accrued compensated absences	(58,624)
<b>Total Net Position - Governmental Activities</b>	<b><u>\$ 32,058,771</u></b>

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, 2015

	General	Sales Tax	RAMP	Nonmajor Conservation	TOTALS
	Fund	Improvement	Fund	Trust	2015
	Fund	Fund	Fund	Fund	2015
<b>REVENUES</b>					
Taxes	\$ 1,454,160	\$ 1,142,751	\$ -	\$ -	\$ 2,596,911
Intergovernmental Revenue	280,665	60,195	21,900,000	8,188	22,249,048
Licenses and Permits	120,091	-	-	-	120,091
Fines and Forfeits	144,878	-	-	-	144,878
Charges for Services	44,562	-	-	-	44,562
Investment Earnings	9,453	7,560	24,703	401	42,117
Other Revenue	50,263	75,000	-	-	125,263
<b>TOTAL REVENUES</b>	<b>2,104,072</b>	<b>1,285,506</b>	<b>21,924,703</b>	<b>8,589</b>	<b>25,322,870</b>
<b>EXPENDITURES</b>					
Current					
General Government	437,424	-	-	-	437,424
Public Safety	880,722	-	-	-	880,722
Public Works/Comm Devel	300,308	-	-	-	300,308
Parks, Recreation & Other	94,878	-	-	-	94,878
Capital Outlay	12,334	961,053	654,996	-	1,628,383
Debt Service	-	7,500	-	-	7,500
<b>TOTAL EXPENDITURES</b>	<b>1,725,666</b>	<b>968,553</b>	<b>654,996</b>	<b>-</b>	<b>3,349,215</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>378,406</b>	<b>316,953</b>	<b>21,269,707</b>	<b>8,589</b>	<b>21,973,655</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In (Out)	9,500	(186,690)	-	-	(177,190)
<b>NET CHANGE IN FUND BALANCE</b>	<b>387,906</b>	<b>280,263</b>	<b>21,269,707</b>	<b>8,589</b>	<b>21,946,465</b>
<b>FUND BALANCE, BEGINNING</b>	<b>2,243,602</b>	<b>2,561,082</b>	<b>-</b>	<b>82,756</b>	<b>4,887,440</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 2,631,508</b>	<b>\$ 2,841,345</b>	<b>\$ 21,269,707</b>	<b>\$ 91,345</b>	<b>\$ 26,833,905</b>

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

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, 2015**

<b>Change in Fund Balance - Governmental Funds</b>	\$ 21,946,465
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level	
Capitalized Asset Purchases	1,542,464
Depreciation Expense	(206,084)
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	(1,180)
Current year projected to actual investment return difference	8,447
Current year amortization of overall investment return differences	(1,689)
Change in net pension asset/liability	17,248
Current year projected to actual pension plan experience difference	(1,951)
Current year amortization of overall experience differences	185
Current year change in proportionate share of cost-sharing plan asset/liability	553
Current year amortization of overall proportionate share differences	(52)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level	
Proceeds from debt issuances	(150,000)
Principal payments on capital leases	7,500
Change in accrued compensated absences	<u>(20,264)</u>
<b>Change in Net Position - Governmental Activities</b>	<b><u>\$ 23,141,642</u></b>

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

CITY OF IDAHO SPRINGS, COLORADO

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

DECEMBER 31, 2015

	Enterprise Funds		Total
	Water	Wastewater	
	Fund	Fund	2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ 586,026	\$ 888,240	\$ 1,474,266
Restricted Cash and Investments	577,991	-	577,991
Utility Receivables	148,214	130,718	278,932
Other Receivables	1,573	1,506	3,079
Total Current Assets	<u>1,313,804</u>	<u>1,020,464</u>	<u>2,334,268</u>
<b>Noncurrent Assets</b>			
Capital Assets Not Being Depreciated	316,694	50,005	366,699
Capital Assets Being Depreciated	12,068,752	8,410,417	20,479,169
Accumulated Depreciation	(7,037,073)	(5,123,702)	(12,160,775)
Total Noncurrent Assets	<u>5,348,373</u>	<u>3,336,720</u>	<u>8,685,093</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,662,177</u>	<u>\$ 4,357,184</u>	<u>\$ 11,019,361</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	38,183	33,539	\$ 71,722
Accd Salaries & Benefits	1,517	1,517	3,034
Accrued Interest Payable	42,735	2,569	45,304
Total Current Liabilities	<u>82,435</u>	<u>37,625</u>	<u>120,060</u>
<b>Noncurrent Liabilities</b>			
Due within one year	202,762	125,659	170,005
Due in more than one year	1,790,491	150,712	2,099,619
Total Noncurrent Liabilities	<u>1,993,253</u>	<u>276,371</u>	<u>2,269,624</u>
<b>TOTAL LIABILITIES</b>	<u>2,075,688</u>	<u>313,996</u>	<u>2,389,684</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,489,611	3,224,727	6,714,338
Restricted Net Position	62,546	-	62,546
Unrestricted Net Position	1,034,332	818,461	1,852,793
<b>TOTAL NET POSITION</b>	<u>4,586,489</u>	<u>4,043,188</u>	<u>8,629,677</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 6,662,177</u>	<u>\$ 4,357,184</u>	<u>\$ 11,019,361</u>

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, 2015

	Enterprise Funds		Total 2015
	Water Fund	Wastewater Fund	
<b>Operating Revenues</b>			
Charges for Services	\$ 742,371	\$ 663,978	\$ 1,406,349
<b>Operating Expenses</b>			
Transmission and Distribution	502,996	-	502,996
Wastewater Treatment	-	574,126	574,126
Depreciation Expense	276,820	218,497	495,317
Total Expenditures	779,816	792,623	1,572,439
Operating Income (Loss)	(37,445)	(128,645)	(166,090)
<b>Other Income (Expense)</b>			
Investment Earnings	1,603	1,412	3,015
Other Revenue	1,300	4,000	5,300
Interest Expense	(82,140)	(14,559)	(96,699)
Total Other Income (Expense)	(79,237)	(9,147)	(88,384)
Net Income (Loss) before Transfers	(116,682)	(137,792)	(254,474)
<b>Transfers</b>			
Transfers In (Out)	94,950	66,740	161,690
Net Income (Loss)	(21,732)	(71,052)	(92,784)
<b>Contributed Capital</b>			
Plant Investment Fees	5,000	-	5,000
Intergovernmental Revenue	95,581	-	95,581
Total Contributed Capital	100,581	-	100,581
<b>Change in Net Position</b>	78,849	(71,052)	7,797
<b>Net Position, Beginning</b>	4,507,640	4,114,240	8,621,880
<b>Net Position, Ending</b>	\$ 4,586,489	\$ 4,043,188	\$ 8,629,677

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, 2015**

	Enterprise Funds		Total 2015
	Water Fund	Wastewater Fund	
Cash Flows From Operating Activities:			
Cash Received from Customers	\$ 765,711	\$ 660,755	\$ 1,426,466
Cash Paid to Suppliers	(519,586)	(565,134)	(1,084,720)
Cash Paid to Employees	(5,964)	(5,964)	(11,928)
Net Cash Provided by Operating Activities	<u>240,161</u>	<u>89,657</u>	<u>329,818</u>
Cash Flows From Capital and Related Financing Activities:			
Tap Fees Received	5,000	-	5,000
Debt Principal Payments	(186,601)	(106,660)	(293,261)
Grant Proceeds	95,581	-	95,581
Interest Payments	(92,243)	(20,110)	(112,353)
Acquisition of Capital Assets	(472,674)	(14,792)	(487,466)
Cash Flows Used by Capital and Related Financing Activities	<u>(650,937)</u>	<u>(141,562)</u>	<u>(792,499)</u>
Cash Flows (Uses) From Noncapital Financing Activities:			
Cash from Other Funds	84,203	53,605	137,808
Other Revenues (Expense)	1,300	4,000	5,300
Net Cash Provided (Used) by Noncapital Financing Activities	<u>85,503</u>	<u>57,605</u>	<u>143,108</u>
Cash Flows (Uses) From Investing Activities:			
Interest Received	1,603	1,412	3,015
Net Cash Used by Investing Activities	<u>1,603</u>	<u>1,412</u>	<u>3,015</u>
Net Increase (Decrease) in Cash	(323,670)	7,112	(316,558)
Cash - Beginning	1,487,687	881,128	2,368,815
Cash - Ending	<u>\$ 1,164,017</u>	<u>\$ 888,240</u>	<u>\$ 2,052,257</u>
Cash			
Cash	\$ 586,026	\$ 888,240	\$ 1,474,266
Restricted Cash and Investments	577,991	-	577,991
Total	<u>\$ 1,164,017</u>	<u>\$ 888,240</u>	<u>\$ 2,052,257</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:			
Operating Income (Loss)	\$ (37,445)	\$ (128,645)	\$ (166,090)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	276,820	218,497	495,317
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Utility Receivables	24,912	(1,717)	23,195
Other Receivables	(1,572)	(1,506)	(3,078)
(Increase) Decrease in:			
Accounts Payable	(16,590)	8,992	(7,598)
Accd Salaries & Benefits	(5,964)	(5,964)	(11,928)
Total Adjustments	<u>277,606</u>	<u>218,302</u>	<u>495,908</u>
Net Cash Used for Operating Activities	<u>\$ 240,161</u>	<u>\$ 89,657</u>	<u>\$ 329,818</u>

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

**CITY OF IDAHO SPRINGS, COLORADO**

**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2015**

	<b>Police Pension Fund</b>	<b>Hansen's Cemetery Trust Fund</b>	<b>Total  2015</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Restricted Cash and Investments	\$ 589	\$ 9,404	\$ 9,993
Receivables			
<b>NET POSITION</b>			
Restricted Net Position	\$ 589	\$ 9,404	\$ 9,993

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Police Pension</u>	<u>Hansen's</u> <u>Cemetery Trust</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>2015</u>
<b>ADDITIONS</b>			
Investment Earnings	\$ -	\$ -	\$ -
Transfers In	15,500	-	15,500
Total Additions	15,500	-	15,500
<b>DEDUCTIONS</b>			
Pension Benefits	14,918	-	14,918
<b>Change in Net Position</b>	582	-	582
<b>Net Position, Beginning</b>	7	9,404	9,411
<b>Net Position, Ending</b>	<u>\$ 589</u>	<u>\$ 9,404</u>	<u>\$ 9,993</u>

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

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**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.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

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

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

**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.

**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

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

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

**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.

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.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**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.

**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.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**LONG-TERM OBLIGATIONS (Continued)**

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 2015 to be collected in 2016.

**NET POSITION/FUND BALANCES**

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

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

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

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees, 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.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**NET POSITION/FUND BALANCES (Continued)**

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.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 3: CASH AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2015 is as follows:

Petty Cash	\$	550
Cash Deposits		5,646,650
Investments		22,795,181
Total Cash and Investments		<u>\$ 28,442,381</u>

This balance is presented in the financial statements as follows:

Cash and Investments	\$	6,269,756
Restricted Cash and Investments		22,162,632
Fiduciary Cash and Investments		9,993
Total Cash and Investments		<u>\$ 28,442,381</u>

**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.

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, 2015, 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, 2015 were as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 500,000	\$ 500,000
PDPA Collateralized not in City's Name	<u>5,670,622</u>	<u>5,146,650</u>
Total Cash Deposits	<u>\$ 6,170,622</u>	<u>\$ 5,646,650</u>

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**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.

For the year ended December 31, 2015, the City had invested \$22,795,181 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 value 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, 2015, the City's custodial credit risk is related to the investments in Colotrust and CSAFE,

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**RESTRICTED CASH**

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

Restricted - Cemetery	\$ 103,004
Restricted - Conservation Trust	91,345
Restricted - Colorado Blvd Project	21,390,292
Restricted - Rate Stabilization and O&M Reserve	<u>577,991</u>
Total Restricted Cash and Investments	<u>\$22,162,632</u>

**NOTE 4: CAPITAL ASSETS**

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

	<u>Balance</u> <u>12/31/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2015</u>
Capital Assets Not Being Depreciated				
Land	\$ 1,855,455	\$ 692,591	\$ -	\$ 2,548,046
Water Rights	8,000	-	-	8,000
Construction in Progress	<u>-</u>	<u>671,341</u>	<u>-</u>	<u>671,341</u>
Total Capital Assets Not Being Depreciated	<u>1,863,455</u>	<u>1,363,932</u>	<u>-</u>	<u>3,227,387</u>
Capital Assets Being Depreciated				
Buildings	1,697,308	-	-	1,697,308
Improvements Other Than Buildings	1,690,446	-	-	1,690,446
Equipment	<u>1,648,782</u>	<u>178,532</u>	<u>-</u>	<u>1,827,314</u>
Total Capital Assets Being Depreciated	<u>5,036,536</u>	<u>178,532</u>	<u>-</u>	<u>5,215,068</u>
Accumulated Depreciation				
Buildings	(812,834)	(33,186)	-	(846,020)
Improvements Other Than Buildings	(638,906)	(105,697)	-	(744,603)
Equipment	<u>(1,475,985)</u>	<u>(67,201)</u>	<u>-</u>	<u>(1,543,186)</u>
Total Accumulated Depreciation	<u>(2,927,725)</u>	<u>(206,084)</u>	<u>-</u>	<u>(3,133,809)</u>
Net Governmental Capital Assets	<u>\$ 3,972,266</u>	<u>\$ 1,336,380</u>	<u>\$ -</u>	<u>\$ 5,308,646</u>

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4: CAPITAL ASSETS** (Continued)

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

General Government	\$ 25,664
Public Safety	41,916
Public Works	99,023
Parks, Recreation and Other	39,481
Total Depreciation	<u>\$ 206,084</u>

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

	<u>Balance</u> <u>12/31/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2015</u>
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 - Water	293,023	-	-	293,023
Total Capital Assets Not Being Depreciated	<u>366,699</u>	<u>-</u>	<u>-</u>	<u>366,699</u>
Capital Assets Being Depreciated				
Improvements Other Than Buildings - Water	11,446,180	330,932	-	11,777,112
Improvements Other Than Buildings - Wastewater	8,141,312	-	-	8,141,312
Equipment - Water	149,899	141,741	-	291,640
Equipment - Wastewater	254,312	14,793	-	269,105
Total Capital Assets Being Depreciated	<u>19,991,703</u>	<u>487,466</u>	<u>-</u>	<u>20,479,169</u>
Accumulated Depreciation				
Improvements Other Than Buildings - Water	(6,617,721)	(264,158)	-	(6,881,879)
Improvements Other Than Buildings - Wastewater	(4,722,675)	(201,308)	-	(4,923,983)
Equipment - Water	(142,532)	(12,662)	-	(155,194)
Equipment - Wastewater	(182,530)	(17,189)	-	(199,719)
Total Accumulated Depreciation	<u>(11,665,458)</u>	<u>(495,317)</u>	<u>-</u>	<u>(12,160,775)</u>
Net Business-type Capital Assets	<u>\$ 8,692,944</u>	<u>\$ (7,851)</u>	<u>\$ -</u>	<u>\$ 8,685,093</u>

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

Water	\$ 276,820
Wastewater	218,497
Total Depreciation	<u>\$ 495,317</u>

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 5: INTERNAL BALANCES AND TRANSFERS**

The City made the following routine transfer during the year:

	Transfers	
	In	Out
General Fund	\$ 25,000	\$ 15,500
Sales Tax Improvement Fund	-	186,690
Water Fund	94,950	-
Wastewater Fund	66,740	-
Police Pension Fund	15,500	-
Net Transfers	<u>\$ 202,190</u>	<u>\$ 202,190</u>

**Advances**

The General Fund, through 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, 2015 were as follows:

	Advance	
	To	From
General Fund	\$ 158,401	\$ -
Sales Tax Improvement Fund	140,468	-
Water Fund	-	134,491
Wastewater Fund	-	164,378
Net Advances	<u>\$ 298,869</u>	<u>\$ 298,869</u>

**NOTE 6: LONG-TERM DEBT**

**GOVERNMENTAL ACTIVITIES**

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

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>
	<u>12/31/2014</u>	<u>Advances</u>	<u>Repayments</u>	<u>12/31/2015</u>	<u>Portion</u>
<b><u>Governmental Activities</u></b>					
Capital Lease Payable	\$ -	\$ 150,000	\$ 7,500	\$ 142,500	\$ 27,500

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:

<u>Year</u>	<u>Total</u>
2016	\$ 27,500
2017	30,000
2018	30,000
2019	30,000
2020	<u>30,000</u>
Total Future Minimum Lease Payments	147,500
Less: Interest at 0%	-
Present Value of Lease Payments	<u>\$ 147,500</u>

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 6: LONG-TERM DEBT**

**BUSINESS-TYPE ACTIVITIES**

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

	<u>Balance</u> <u>12/31/2014</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance</u> <u>12/31/2015</u>	<u>Current</u> <u>Portion</u>
<b><u>Business-type Activities</u></b>					
1996 CWRPDA Note - Wastewater	\$ 218,653	\$ -	\$ 106,660	\$ 111,993	\$111,993
1997 CWRPDA Note - Water	92,250	-	35,673	56,577	37,296
2000 CWCB Note - Water	750,790	-	24,585	726,205	25,814
2002 CWCB Note - Water	134,275	-	5,224	129,051	7,351
2002 CWRPDA Note - Water	1,068,048	-	121,119	946,930	121,119
Advance from Other Funds - Water	145,238	-	10,747	134,491	11,181
Advance from Other Funds - Wastewater	177,513	-	13,135	164,378	13,666
Total Business-type Activities	<u>\$2,586,767</u>	<u>\$ -</u>	<u>\$ 317,143</u>	<u>\$2,269,625</u>	<u>\$328,420</u>

**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.

**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.

**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.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

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

**BUSINESS-TYPE ACTIVITIES** (Continued)

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 303,574	\$ 79,340	\$ 382,913
2017	180,765	70,226	250,991
2018	168,772	67,267	236,039
2019	170,645	62,394	233,039
2020	178,119	52,839	230,958
2021-2025	532,961	155,524	688,484
2026-2030	266,742	81,844	348,586
2031-2033	169,177	17,195	186,372
<b>Total</b>	<b>\$ 1,970,755</b>	<b>\$ 586,629</b>	<b>\$ 2,557,382</b>

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

	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
Gross Charges for Services	\$ 742,371	\$ 663,978	\$ 1,406,349
<u>Operating Expenses</u>			
Transmission and Distribution	502,996	-	502,996
Wastewater Treatment	-	574,126	574,126
Wastewater Treatment	-	-	-
Total Operating Expenses	502,996	574,126	1,077,122
Net Operating Revenues	239,375	89,852	329,227
Debt Service			
1996 CWRPDA Wastewater Loan	-	119,799	119,799
1997 CWRPDA Water Loan	39,527	-	39,527
2000 CWCB Water Loan	63,125	-	63,125
2002 CWCB Water Loan	14,449	-	14,449
2002 CWRPDA Loan	157,140	-	157,140
Total Debt Service	274,241	119,799	394,040
Debt Coverage Ratio 110%	301,665	131,779	433,444
Excess (Shortfall)	(62,290)	(41,927)	(104,217)
Beginning Rate Stabilization	682,208	-	682,208
Ending Rate Stabilization	\$ 619,918	\$ (41,927)	\$ 577,991
2016 Operating Budget	\$ 418,690	\$ 480,920	\$ 899,610
3 Month Required O & M Reserve	\$ 104,673	\$ 120,230	\$ 224,903

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 6: 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](http://fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf).

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 6: RETIREMENT COMMITMENTS** (Continued)

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)** (Continued)

**General Information about the Pension Plan** (Contributed)

*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.

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.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 6: RETIREMENT COMMITMENTS** (Continued)

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)** (Continued)

**General Information about the Pension Plan** (Contributed)

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.

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 \$27,322 for the plan year ended December 31, 2014 and \$26,142 for the fiscal year ended December 31, 2015. The current year contributions will be expensed in 2016 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, 2015, the City reported an asset of \$85,709 for its proportionate share of the SWDB's net pension asset. The net pension asset or liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The City's proportion of the net pension asset was based on City's contributions to the SWDB for the calendar year 2014 relative to the total contributions of participating employers to the SWDB.

At December 31, 2014, the City's proportion was .075944%, which was a decrease of .00062% from its proportion measured as of December 31, 2013.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 6: 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, 2015, the City recognized pension expense of \$4,529. At December 31, 2015 the District 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	\$ -	\$ (1,766)
Net difference between projected and actual earnings on pension plan investments	\$ 6,758	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ -	\$ 501
Contributions subsequent to the measurement date	\$ 26,142	
<b>Total</b>	<b>\$ 32,900</b>	<b>\$ (1,265)</b>

\$26,142 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, 2016.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 6: 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:	
2016	\$ (1,556)
2017	(1,556)
2018	(1,556)
2019	(1,558)
2020	133
Thereafter	600
Total	\$ (5,493)

*Actuarial assumptions.* The total pension liability in the December 31, 2013 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
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term investment Rate of Return *	7.50%
Salary increase, including wage inflation	4.00-14.00%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	3.00%

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 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-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study adopted by FPPA's Board in July, 2011. The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 6: 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)**

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

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, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	40.00%	8.90%
Equity Long/Short	10.00%	7.50%
Illiquid Alternatives	18.00%	10.50%
Fixed Income	15.00%	4.60%
Absolute Return	12.00%	6.50%
Managed Futures	4.00%	5.50%
Cash	1.00%	2.50%
Total	100.00%	

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.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 6: 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)

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)	\$ (80,807)	\$ 85,709	\$ 224,605

**Police Pension (City)**

The City sponsors and administers a police pension plan, having one participant at December 31, 2015. No independent actuarial study has been made. However, alternative methods were used to determine that no amounts were due as of December 31, 2015.

**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, 2015, the City's contributions were \$14,375, equal to the required contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**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, 2015 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 2015 in the amount of 3% or more of its fiscal year spending. At December 31, 2015, the City has reserved/restricted the following for emergencies:

General Fund	\$ 100,000
RAMP Fund	\$ 657,000

**Other Restrictions and Commitments**

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

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**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, 2015.

**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 not does it have the ability to significantly affect the operations of the entity.

**CITY OF IDAHO SPRINGS, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 11: PRIOR PERIOD RESTATEMENT**

As part of the December 31, 2015 fiscal year audit, it was determined that certain prior year balances required restatement. These adjustments consisted of bond insurance and premiums that were expensed instead of capitalized in prior years, the recording of accrued interest payable on outstanding debt, the inclusion of non-consumable equipment as inventory, the overstatement of a receivable, receivables that were written off yet included as assets and unbilled utility usage not included as receivables.

These restatements are as follows:

	<u>Govt. Act.</u>
Net Position, Beginning	\$ 8,821,347
Contrib. Subs. to Measurement Date	27,322
Net Pension Asset	<u>68,460</u>
Net Position, Beginning (As Restated)	<u>\$ 8,917,129</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF IDAHO SPRINGS, COLORADO**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY)  
FPPA Statewide Defined Benefit Plan  
Last 10 Fiscal Years<sup>(1)</sup>**

	<u>12/31/2015</u>	<u>12/31/2014</u>
City's proportion of the net pension asset (liability)	0.075944%	0.076562%
City's proportionate share of the net pension asset (liability)	\$ 85,709	\$ 68,461
City's covered-employee payroll	\$ 341,523	\$ 332,541
City's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	25.10%	20.59%
Plan fiduciary net position as a percentage of the total pension liability	106.83%	105.83%

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

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**CITY OF IDAHO SPRINGS, COLORADO**

**SCHEDULE OF CITY CONTRIBUTIONS  
FPPA Statewide Defined Benefit Plan  
Last 10 Fiscal Years<sup>(1)</sup>**

	<u>12/31/2015</u>	<u>12/31/2014</u>
Contractually required contributions	\$ 27,322	\$ 26,603
Actual contributions	<u>(27,322)</u>	<u>(26,603)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 341,523	\$ 332,541
Contributions as a percentage of covered-employee payroll	8.00%	8.00%

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

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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**OTHER SUPPLEMENTARY INFORMATION**

CITY OF IDAHO SPRINGS, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015			Variance With Final Budget
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
<b>Taxes</b>				
Property Taxes	\$ 138,000	\$ 138,000	\$ 134,206	\$ (3,794)
Specific Ownership Taxes	11,500	11,500	8,016	(3,484)
Sales and Use Taxes	1,045,562	1,045,562	1,223,623	178,061
Franchise and In Lieu Tax	80,600	80,600	88,315	7,715
Total Tax Revenue	<u>1,275,662</u>	<u>1,275,662</u>	<u>1,454,160</u>	<u>178,498</u>
<b>Intergovernmental Revenue</b>				
Cigarette Taxes	5,000	5,000	5,977	977
Highway Users Tax Fund	62,000	62,000	64,946	2,946
Road and Bridge	63,000	63,000	61,814	(1,186)
Clerk/Motor Vehicle Fees	8,000	8,000	8,808	808
Severance Taxes	8,000	8,000	138,067	130,067
State Grants	-	-	1,053	1,053
Total Intergovernmental Revenue	<u>146,000</u>	<u>146,000</u>	<u>280,665</u>	<u>134,665</u>
<b>Licenses and Permits</b>				
Liquor Licenses	6,100	6,100	5,991	(109)
Building Permits	15,000	15,000	23,078	8,078
Annexation and Planning & Zoning Fees	4,000	4,000	10,135	6,135
Business Licenses	19,000	19,000	18,213	(787)
Other Licenses	20,000	20,000	62,674	42,674
Total Licenses and Permits	<u>64,100</u>	<u>64,100</u>	<u>120,091</u>	<u>55,991</u>
<b>Fines and Forfeits</b>				
	<u>265,000</u>	<u>265,000</u>	<u>144,878</u>	<u>(120,122)</u>
<b>Charges for Services</b>				
Sales of Goods	-	-	500	500
Rents	28,800	28,800	39,105	10,305
Other Charges for Service	1,950	1,950	4,957	3,007
Total Charges for Services	<u>30,750</u>	<u>30,750</u>	<u>44,562</u>	<u>13,812</u>
<b>Investment Earnings</b>				
	<u>7,465</u>	<u>7,465</u>	<u>9,453</u>	<u>1,585</u>
<b>Other Revenue</b>				
Reimbursements and Refunds	500	500	4,998	4,498
Donations	1,250	1,250	160	(1,090)
Other Miscellaneous Revenue	12,000	12,000	45,105	33,105
Total Other Revenue	<u>13,750</u>	<u>13,750</u>	<u>50,263</u>	<u>36,513</u>
<b>TOTAL REVENUES</b>	<u>1,802,727</u>	<u>1,802,727</u>	<u>2,104,072</u>	<u>300,942</u>

(Continued)

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>2015</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
(Continued)				
<b>EXPENDITURES</b>				
<b>General Government</b>				
Administrator/Manager	382,449	382,449	360,719	21,730
Economic Development	79,500	79,500	76,705	2,795
Total General Government	<u>461,949</u>	<u>461,949</u>	<u>437,424</u>	<u>24,525</u>
<b>Public Safety</b>				
Police	598,687	598,687	690,582	(91,895)
Fire	98,623	98,623	98,623	-
Municipal Court	49,466	49,466	46,574	2,892
Code Enforcement	12,000	12,000	44,943	(32,943)
Total Public Safety	<u>758,776</u>	<u>758,776</u>	<u>880,722</u>	<u>(121,946)</u>
<b>Public Works/Comm Devel</b>				
Community Development	-	-	(975)	975
Streets	337,610	337,610	301,283	36,327
Total Public Works/Comm Devel	<u>337,610</u>	<u>337,610</u>	<u>300,308</u>	<u>37,302</u>
<b>Parks, Recreation &amp; Other</b>				
Parks	116,890	116,890	94,603	22,287
Recreation	600	600	-	600
Cemetery	5,500	5,500	275	5,225
Total Parks, Recreation & Other	<u>122,990</u>	<u>122,990</u>	<u>94,878</u>	<u>28,112</u>
<b>Capital Outlay</b>				
General Government Capital Outlay	1,500	1,500	4,606	(3,106)
Public Safety Capital Outlay	3,000	3,000	2,003	997
Public Works Capital Outlay	5,000	5,000	5,126	(126)
Parks, Recreation and Other Capital Outlay	5,000	5,000	599	4,401
Total Capital Outlay	<u>14,500</u>	<u>14,500</u>	<u>12,334</u>	<u>2,166</u>
<b>Contingency Reserve</b>				
	<u>1,043,574</u>	<u>1,043,574</u>	<u>-</u>	<u>1,043,574</u>
TOTAL EXPENDITURES	<u>2,739,399</u>	<u>2,739,399</u>	<u>1,725,666</u>	<u>1,013,733</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>(936,672)</u>	<u>(936,672)</u>	<u>378,406</u>	<u>1,314,675</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	<u>9,500</u>	<u>9,500</u>	<u>9,500</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ (927,172)</u>	<u>\$ (927,172)</u>	<u>387,906</u>	<u>\$ 1,314,675</u>
<b>FUND BALANCE, BEGINNING</b>			<u>2,243,602</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 2,631,508</u>	

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**Sales Tax Improvement Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>2015</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>REVENUES</b>				
<b>Taxes</b>				
Sales and Use Taxes	\$ 970,062	\$ 970,062	\$ 1,142,751	\$ 172,689
<b>Intergovernmental Revenue</b>				
Road and Bridge	-	-	60,195	60,195
State Grants	75,000	75,000	-	(75,000)
Total Intergovernmental Revenue	75,000	75,000	60,195	(14,805)
<b>Investment Earnings</b>	6,903	6,903	7,560	657
<b>Other Revenue</b>				
Sale of Capital Assets	2,000	2,000	-	(2,000)
Other Miscellaneous Revenue	100,000	100,000	75,000	(25,000)
Total Other Revenue	102,000	102,000	75,000	(27,000)
<b>TOTAL REVENUES</b>	<b>1,153,965</b>	<b>1,153,965</b>	<b>1,285,506</b>	<b>131,541</b>
<b>EXPENDITURES</b>				
General Government Capital Outlay	515,500	515,500	784,863	(269,363)
Public Safety Capital Outlay	148,400	148,400	49,856	98,544
Public Works Capital Outlay	202,500	202,500	126,334	76,166
Parks, Recreation and Other Capital Outlay	207,000	207,000	-	207,000
Total Capital Outlay	1,073,400	1,073,400	961,053	112,347
Principal	-	-	7,500	(7,500)
<b>Contingency Reserve</b>	463,875	463,875	-	463,875
<b>TOTAL EXPENDITURES</b>	<b>1,537,275</b>	<b>1,537,275</b>	<b>968,553</b>	<b>568,722</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(383,310)</b>	<b>(383,310)</b>	<b>316,953</b>	<b>700,263</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Proceeds	-	-	150,000	150,000
Transfers In (Out)	343,310	343,310	(186,690)	(530,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>343,310</b>	<b>343,310</b>	<b>(36,690)</b>	<b>(380,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (40,000)</b>	<b>\$ (40,000)</b>	<b>280,263</b>	<b>\$ 320,263</b>
<b>FUND BALANCE, BEGINNING</b>			<b>2,561,082</b>	
<b>FUND BALANCE, ENDING</b>			<b>\$ 2,841,345</b>	

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

BUDGETARY COMPARISON SCHEDULE

RAMP Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

	<b>2015</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>REVENUES</b>				
<b>Taxes</b>				
<b>Intergovernmental Revenue</b>				
Other Intergovernmental	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ -
<b>Investment Earnings</b>	<u>30,000</u>	<u>30,000</u>	<u>24,703</u>	<u>(5,297)</u>
TOTAL REVENUES	<u>21,930,000</u>	<u>21,930,000</u>	<u>21,924,703</u>	<u>(5,297)</u>
<b>EXPENDITURES</b>				
<b>Capital Outlay</b>				
Public Works Capital Outlay	9,250,000	9,250,000	654,996	8,595,004
<b>Contingency Reserve</b>	<u>12,680,000</u>	<u>12,680,000</u>	<u>-</u>	<u>(12,680,000)</u>
TOTAL EXPENDITURES	<u>21,930,000</u>	<u>21,930,000</u>	<u>654,996</u>	<u>(4,084,996)</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>21,269,707</u>	<u>(4,090,293)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>21,269,707</u>	<u>\$ (4,090,293)</u>
<b>FUND BALANCE, BEGINNING</b>			<u>-</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 21,269,707</u>	

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

**BUDGETARY COMPARISON SCHEDULE**  
**Nonmajor Conservation Trust Fund**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>				
<b>Intergovernmental Revenue</b>				
Conservation Trust Fund Revenue	\$ 9,000	\$ 9,000	\$ 8,188	\$ (812)
<b>Investment Earnings</b>	<u>50</u>	<u>50</u>	<u>401</u>	<u>351</u>
TOTAL REVENUES	<u>9,050</u>	<u>9,050</u>	<u>8,589</u>	<u>(461)</u>
<b>EXPENDITURES</b>				
<b>Capital Outlay</b>				
Parks, Recreation and Other Capital Outlay	50,000	50,000	-	50,000
<b>Contingency Reserve</b>	<u>48,538</u>	<u>48,538</u>	<u>-</u>	<u>48,538</u>
TOTAL EXPENDITURES	<u>98,538</u>	<u>98,538</u>	<u>-</u>	<u>98,538</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (89,488)</u>	<u>\$ (89,488)</u>	8,589	<u>\$ 98,077</u>
<b>FUND BALANCE, BEGINNING</b>			<u>82,756</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 91,345</u>	

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**BUDGET AND ACTUAL**

**Water Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>2015</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 776,080	\$ 742,371	\$ (33,709)
<b>Operating Expenses</b>			
Transmission and Distribution	373,940	334,029	39,911
Other Capital Outlay	735,550	641,641	93,909
Contingency Reserve	1,153,848	-	1,153,848
Total Expenditures	2,263,338	975,670	1,287,668
Operating Income (Loss)	(1,487,258)	(233,299)	1,253,959
<b>Other Income (Expense)</b>			
Investment Earnings	1,000	1,603	603
Other Revenue	-	1,300	1,300
Debt Service	(72,886)	(268,741)	(195,855)
Total Other Income (Expense)	(71,886)	(265,838)	(193,952)
Net Income (Loss) before Transfers	(1,559,144)	(499,137)	1,060,007
<b>Transfers</b>			
Transfers In (Out)	172,956	94,950	(78,006)
Net Income (Loss), Budget Basis	(1,386,188)	(404,187)	982,001
<b>Contributed Capital</b>			
Plant Investment Fees	5,000	5,000	-
Intergovernmental Revenue	131,400	95,581	(35,819)
Total Contributed Capital	136,400	100,581	(35,819)
Change in Net Position (Budget Basis)	\$ (1,249,788)	(303,606)	\$ 946,182
<b>Budget to GAAP Reconciliation</b>			
Principal Paid		186,601	
Depreciation Expense		(276,820)	
Capital Outlay		472,674	
Change in Net Position - GAAP Basis		78,849	
Net Position, Beginning		4,507,640	
Net Position, Ending		\$ 4,586,489	

See accompanying Independent Auditors' Report.

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Wastewater Fund

FOR THE YEAR ENDED DECEMBER 31, 2015

	<b>2015</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 701,080	\$ 663,978	\$ (37,102)
<b>Operating Expenses</b>			
Wastewater Treatment	426,937	451,864	(24,927)
Other Capital Outlay	188,450	137,054	51,396
Contingency Reserve	977,842	-	977,842
Total Expenditures	1,593,229	588,918	1,004,311
Operating Income (Loss)	(892,149)	75,060	967,209
<b>Other Income (Expense)</b>			
Investment Earnings	500	1,412	912
Other Revenue	-	4,000	4,000
Debt Service	(19,579)	(121,219)	(101,640)
Total Other Income (Expense)	(19,079)	(115,807)	(96,728)
Net Income (Loss) before Transfers	(911,228)	(40,747)	870,481
<b>Transfers</b>			
Transfers In (Out)	138,074	66,740	(71,334)
Net Income (Loss), Budget Basis	(773,154)	25,993	799,147
<b>Contributed Capital</b>			
Plant Investment Fees	5,000	-	(5,000)
Change in Net Position (Budget Basis)	\$ (768,154)	25,993	\$ 794,147
<b>Budget to GAAP Reconciliation</b>			
Principal Paid		106,660	
Depreciation Expense		(218,497)	
Capital Outlay		14,792	
Change in Net Position - GAAP Basis		(71,052)	
Net Position, Beginning		4,114,240	
Net Position, Ending		\$ 4,043,188	

See accompanying Independent Auditors' Report.

## **STATE COMPLIANCE**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: City of Idaho Springs
	YEAR ENDING : December 2015
This Information From The Records Of (example - City of _ or County of _)	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**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	21,946,440
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	81,886
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	23,143	b. Snow and ice removal (plow truck)	74,900
3. Other local imposts (from page 2)	62,469	c. Other (Bridge Work)	5,663
4. Miscellaneous local receipts (from page 2)	124,721	d. Total (a. through c.)	80,563
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	76,044
a. Bonds - Original Issues		6. Total (1 through 5)	22,184,933
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	210,333	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	21,973,546	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	1,053	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	22,184,932	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	22,184,933

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		22,184,932	22,184,933		(0)

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2015

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	62,469	a. Interest on investments	26,503
b. Other local imposts:		b. Traffic Fines & Penalties	98,218
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.)	62,469	i. Total (a. through h.)	124,721
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	64,923	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	8,623	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (RAMP)	21,900,000	f. Other Federal	1,053
f. Total (a. through e.)	21,908,623	g. Total (a. through f.)	1,053
4. Total (1. + 2. + 3.f)	21,973,546	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		21,946,440	21,946,440
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	21,946,440	21,946,440
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	21,946,440	21,946,440
			(Carry forward to page 1)

Notes and Comments: