

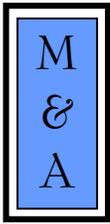
**City of Leadville, Colorado
Financial Statements
December 31, 2014**



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Financial Statements
December 31, 2014**

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MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council City of Leadville, Colorado

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the City of Leadville, Colorado (the "City"), as of and for the year ended December 31, 2014, which collectively comprise the City's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Leadville, Colorado as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Leadville, Colorado

Other Matters

U. S. generally accepted accounting principles require that the Management's Discussion and Analysis in Section B 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 Management's Discussion and Analysis in Section B in accordance with U.S. generally accepted auditing standards, 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

McMahan and Associates, L.L.C.
July 29, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Leadville, Colorado

Management's Discussion and Analysis

December 31, 2014

As management of the City of Leadville, Colorado, (the "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, 2014.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include 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.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all City assets and liabilities (both short-term and long-term), 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 position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government'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 related 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., earned but unused vacation leave). The Statement of Activities focuses on long-term economic resources and is reported on a full accrual basis.

The Statement of Activities identifies functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, judicial (court), public works (streets and maintenance), and parks and recreation.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are 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 funds with similar 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. Reconciliations are provided on pages C4 and C6 to facilitate this comparison between governmental funds and governmental activities.

Overview of the Financial Statements (continued)

Fund Financial Statements (continued): The City maintains three individual governmental funds, all of which are considered to be major funds. Information is presented separately for each fund in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. Basic governmental fund financial statements can be found on pages C3 and C5 of this report.

The City adopts annual appropriated budgets for all governmental funds. A budgetary comparison schedule has been provided for the General, Conservation Trust, and Fire Operations Funds to demonstrate compliance with State budget statutes. These budgetary comparison schedules are found in section E of this report.

Notes to the 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. The Notes to the Financial Statements can be found in Section D of this report.

Government-wide Financial Analysis:

The following chart shows the City's assets, liabilities, and net position at December 31, 2014 and 2013:

	<u>12/31/14</u>	<u>12/31/13</u>
Assets:		
Current and other assets	2,084,475	2,116,539
Capital assets, net	1,415,400	1,284,782
Total Assets	<u>3,499,875</u>	<u>3,401,321</u>
Liabilities:		
Other liabilities	284,770	163,284
Long-term liabilities	220,630	74,879
Total Liabilities	<u>505,400</u>	<u>238,163</u>
Deferred Inflows of Resources:		
Unavailable property tax revenue	364,469	363,423
Total Deferred Inflows of Resources	<u>364,469</u>	<u>363,423</u>
Net Position:		
Net investment in capital assets	1,214,225	1,244,127
Restricted for emergencies	75,000	53,000
Unrestricted	1,340,781	1,502,608
Total Net Position	<u>2,630,006</u>	<u>2,799,735</u>

Total assets of the City increased \$98,554 during the past year. Cash and investments increased \$410,916 during the past year and corresponds to funds received for the sale of the Tabor Grand and the purchase of public works equipment using capital lease proceeds. Capital assets increased by \$130,618 during the past year. This net increase in capital assets is comprised of capital additions of \$283,538 less disposals of capital assets of \$187,228 and less depreciation of \$152,920. Capital asset additions during the past year were related primarily to the purchase of equipment for the public works department.

Government-wide Financial Analysis (continued):

Total liabilities of the City increased \$267,237 from the previous year. This increase is related to the lease purchase of the public works equipment, an increase in accrued compensated absences as relatively new employees achieve the length of employment to begin accruing. In accordance with generally accepted accounting principles, assessed but uncollected property taxes (i.e., taxes that will be collected in the subsequent year) are recorded as a receivable and as deferred inflow of resources on the City's financial statements. The property taxes are flat year over year given no significant change in the property valuations in a non-valuation period.

Long-term liabilities are comprised of accrued vacation and sick pay and capital leases. Accrued vacation and sick pay increased \$11,508 between 2013 and 2014 as employees hired in 2013 began to accrue benefits with length of employment. Additionally, the City entered into a capital lease in 2014 in the amount of \$168,035 for the purchase of public works equipment.

Approximately 46% of the City's net position reflects its investment in capital assets (i.e. land, infrastructure, buildings, vehicles, and equipment less accumulated depreciation and related debt), representing a 2% decrease from 2013. The City uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position of \$1,415,781, \$75,000 has been restricted for emergencies. The remaining balance of \$1,340,781 may be used to meet the City's ongoing obligations relating to its operations.

Consistent with the prior year, the City is able to report positive balances in all three categories of net position.

The following chart summarizes financial information relating to the City's Statement of Activities:

	<u>2014</u>	<u>2013</u>
Revenues:		
Program revenues:		
Charges for services	183,590	259,775
Operating grants and contributions	839,289	833,038
Capital grants and contributions	-	68,678
General revenues:		
Property taxes	363,388	314,272
Sales taxes	984,459	926,394
Other taxes	236,523	207,494
Loss on disposal of capital assets	35,025	-
Interest and other revenue	20,016	9,035
Special item	-	(526,364)
Total Revenues	<u>2,662,290</u>	<u>2,092,322</u>
Expenses:		
General government	555,421	533,944
Public safety	1,680,577	1,693,942
Judicial	21,863	17,006
Public works	554,381	405,425
Parks and recreation	19,777	37,923
Total Expenses	<u>2,832,019</u>	<u>2,688,240</u>
Change in Net Position	(169,729)	(595,918)
Net Position - Beginning	<u>2,799,735</u>	<u>3,395,653</u>
Net Position - Ending	<u>2,630,006</u>	<u>2,799,735</u>

Government-wide Financial Analysis (continued):

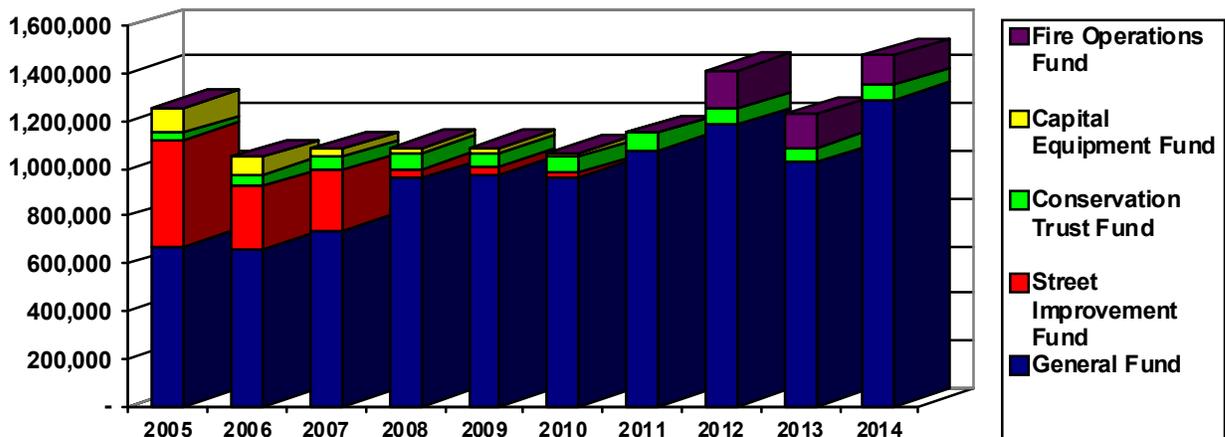
The City's net position decreased \$169,729 during 2014. Key elements of the change in net position are as follows:

- Charges for services decreased by approximately \$76,185(29%) between 2013 and 2014. This decrease in revenue is due to short staffing in public safety resulting in reduced issuance of citation and related fines and court costs.
- Public works expenses increase of approximately \$148,956 (37%) from the previous year is the result of snow removal services contracted out and other repairs and maintenance projects.

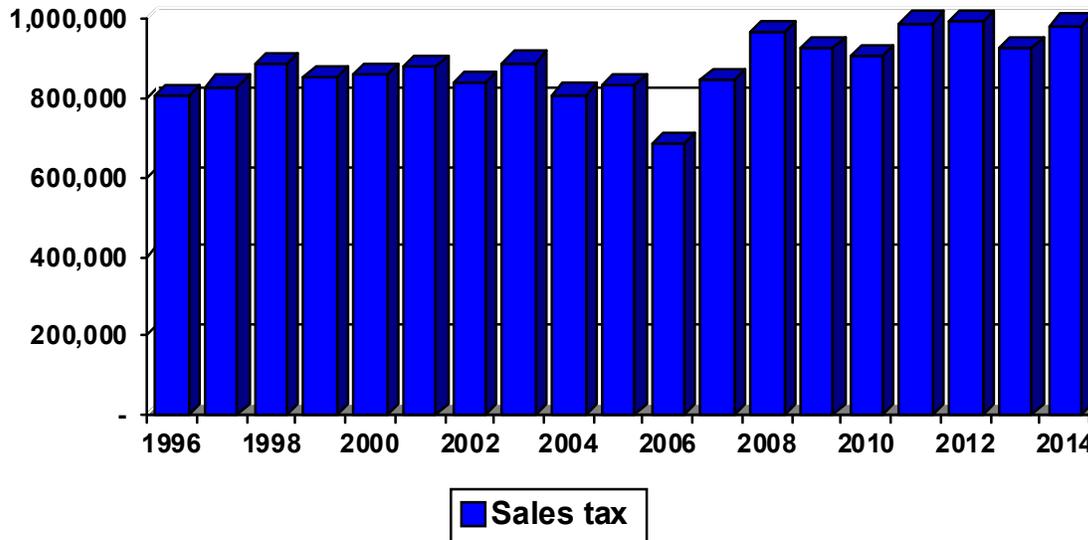
Financial Analysis of the City's Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,475,518, a increase of \$246,683 from the prior year ending fund balances. Unrestricted balances at December 31, 2014 were equal to 41% of aggregate 2014 expenditures, which represents 8% increase from the percentage reported for 2013. Aggregate City fund balances for the past ten years are presented in graph below. Note in 2011 the Capital Equipment and Street Improvement Funds were closed into the General Fund due to reporting requirements.



Sales Tax: The City's main funding source is sales tax. The increase in sales tax from 2013 was 6%, and was the result of a new retail sector in 2014. The following chart indicates changes in the sales taxes.



As mentioned on page 2 of this analysis, the City uses fund accounting to ensure and demonstrate compliance with State budget statutes.

Budget Variances in the General Fund: During the year the City amended appropriations for the General Fund. Significant variances between final budget and actual amounts for the General Fund were as follows:

Account	Variance Positive (Negative)	Reason
Revenues:		
Sales tax	34,459	New retail sector in 2014 and increased tourism traffic
Other taxes	31,176	Primarily due severance taxes which are conservatively budgeted due to unpredictability year-to-year.
Fines and Forfeitures	(28,479)	Police department short of staff and issued less tickets, resulting in lower fines and court fees.
Expenditures:		
General operating	(25,645)	Primarily due to on-going legal costs related to litigation variance of approximately \$33,000 and offset by cost saving measures in other line items.
Police department	25,562	Understaffed, departed officers replaced with less experienced officers at lower pay rates.

Capital Assets and Debt Administration

Capital Assets: The City's capital assets increased by approximately \$130,618 during the past fiscal year. Additional information as well as a detailed classification of the City's capital assets can be found in the Notes to the Financial Statements in section D of this report.

Long-term Debts: The City's long-term debt obligations increased to \$201,176 at year-end in addition to vacation and sick leave owed to employees. Additional information can be found in the Notes to the Financial Statements on section D of this report.

Economic Factors and Next Year's Budget:

The City's General Fund balance at the end of the current fiscal year was \$1,287,803. The City's 2015 General Fund budget anticipates revenues and expenditures of \$1,925,588.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Leadville, City Treasurer, 800 Harrison Avenue, Leadville, Colorado 80461.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Leadville, Colorado
Statement of Net Position
Governmental Activities
December 31, 2014

Assets:

Cash and Cash Equivalents:	
Unrestricted	410,123
Restricted	164,299
Investments	
Unrestricted	974,129
Receivables, net:	
Property taxes	364,469
Other	26,476
Intergovernmental	121,479
Property held for resale	23,500
Land	43,608
Depreciable capital assets, net	1,371,792
Total Assets	<u>3,499,875</u>

Liabilities:

Accounts payable	56,587
Accrued payroll	30,573
Accrued expenses	155,272
Deposits	2,057
Accrued compensated absences:	
Due in more than one year	59,736
Debt payable:	
Due within one year	40,281
Due in more than one year	160,894
Total Liabilities	<u>505,400</u>

Deferred Inflows of Resources:

Unavailable property tax revenue	364,469
Total Deferred Inflows of Resources	<u>364,469</u>

Net Position:

Net investment in capital assets	1,214,225
Restricted for emergencies	75,000
Unrestricted	1,340,781
Total Net Position	<u><u>2,630,006</u></u>

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

City of Leadville, Colorado
Statement of Activities
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	555,421	127,498	15,810	-	(412,113)
Public safety	1,680,577	33,967	674,371	-	(972,239)
Judicial	21,863	9,851	-	-	(12,012)
Public works	554,381	12,274	124,148	-	(417,959)
Parks and recreation	19,777	-	24,960	-	5,183
Total Governmental Activities	2,832,019	183,590	839,289	-	(1,809,140)
General Revenues:					
					984,459
					363,388
					17,161
					138,975
					80,387
					1,206
					35,025
					18,810
					1,639,411
					(169,729)
					2,799,735
					2,630,006

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

FUND FINANCIAL STATEMENTS



City of Leadville, Colorado
Balance Sheet
Governmental Funds
December 31, 2014

	<u>General</u>	<u>Conservation Trust</u>	<u>Fire Operations</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and Cash Equivalents:				
Unrestricted	332,128	8,112	69,883	410,123
Restricted	164,299	-	-	164,299
Investments	889,161	55,979	28,990	974,130
Property taxes assessed but not collectible until subsequent year	364,469	-	-	364,469
Other receivables	26,476	-	-	26,476
Due from other Governments	76,986	-	44,491	121,477
Property held for resale	23,500	-	-	23,500
Total Assets	<u>1,877,019</u>	<u>64,091</u>	<u>143,364</u>	<u>2,084,474</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	45,465	443	10,677	56,585
Accrued payroll	21,953	-	8,620	30,573
Accrued expenses	155,272	-	-	155,272
Deposits	2,057	-	-	2,057
Total Liabilities	<u>224,747</u>	<u>443</u>	<u>19,297</u>	<u>244,487</u>
Deferred Inflows of Resources:				
Unavailable property tax revenue	364,469	-	-	364,469
Total Deferred Inflow of Resources	<u>364,469</u>	<u>-</u>	<u>-</u>	<u>364,469</u>
Fund Balances:				
Unspendable	23,500	-	-	23,500
Restricted for:				
Emergencies	75,000	-	-	75,000
Recreation	-	63,648	-	63,648
Committed for:				
Capital equipment repair and replacement	-	-	124,067	124,067
Unassigned:				
General Fund	1,189,303	-	-	1,189,303
Total Fund Balances	<u>1,287,803</u>	<u>63,648</u>	<u>124,067</u>	<u>1,475,518</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>1,877,019</u>	<u>64,091</u>	<u>143,364</u>	<u>2,084,474</u>

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

City of Leadville, Colorado
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2014

Governmental Funds Total Fund Balance		1,475,518
Add:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,415,400
Less:		
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds.		
Accrued compensated absences	(59,737)	
Capital lease payable	(201,175)	(260,912)
Net Position of Governmental Activities		<u><u>2,630,006</u></u>

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

City of Leadville, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	<u>General</u>	<u>Conservation Trust</u>	<u>Fire Operations</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	1,584,370	-	-	1,584,370
Licenses and permits	42,194	-	-	42,194
Intergovernmental revenue	186,198	24,960	628,812	839,970
Charges for services	94,792	-	5,018	99,810
Fines and forfeitures	26,212	-	-	26,212
Investment income	1,108	65	32	1,205
Donations and contributions	8,992	-	2,601	11,593
Other income	21,912	-	-	21,912
Total Revenues	<u>1,965,778</u>	<u>25,025</u>	<u>636,463</u>	<u>2,627,266</u>
Expenditures:				
General government	551,103	-	-	551,103
Public safety	658,579	-	926,203	1,584,782
Judicial	21,863	-	-	21,863
Public works	552,338	-	-	552,338
Parks and recreation	-	19,777	-	19,777
Debt Service:				
Principal	24,375	-	-	24,375
Interest	4,370	-	-	4,370
Capital outlay	168,035	-	-	168,035
Total Expenditures	<u>1,980,663</u>	<u>19,777</u>	<u>926,203</u>	<u>2,926,643</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,885)</u>	<u>5,248</u>	<u>(289,740)</u>	<u>(299,377)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	269,491	269,491
Transfers (out)	(269,491)	-	-	(269,491)
Sale of capital assets	378,025	-	-	378,025
Lease proceeds	168,035	-	-	168,035
Total Other Financing Sources (Uses)	<u>276,569</u>	<u>-</u>	<u>269,491</u>	<u>546,060</u>
Net Change in Fund Balances	261,684	5,248	(20,249)	246,683
Fund Balances - Beginning	<u>1,026,119</u>	<u>58,400</u>	<u>144,316</u>	<u>1,228,835</u>
Fund Balances - Ending	<u><u>1,287,803</u></u>	<u><u>63,648</u></u>	<u><u>124,067</u></u>	<u><u>1,475,518</u></u>

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

City of Leadville, Colorado
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014

Net Change in Fund Balances - Total Governmental Funds	246,683
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense during the year and includes assets contributed, traded in, and disposed of.	113,756
The issuance of long-term debt (i.e. capital leases) provides current financial resources to the governmental funds, however this transaction has no effect on net assets. This is the amount of capital lease proceeds.	(168,035)
Losses related to long-term receivables do not require the use of current financial resources. This is the amount collected for the Tabor Grand note receivable.	(375,000)
The repayment of principal on long-term debt consumes the current financial resources of governmental funds. This is the amount of principal repayments reported in the governmental funds.	24,375
Some expenses reported in the Statement of Activities do not require the use of current financial resources. This is the change compensated absences.	(11,508)
Change in Net Position of Governmental Activities	<u><u>169,729</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS



City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014

I. Summary of Significant Accounting Policies

The financial statements of the City of Leadville (the "City") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The City is incorporated under the laws of the State of Colorado and operates under an elected Mayor-Council form of government. The financial statements of the reporting entity include those of the City (the primary government) and any component units for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of that organization's governing body, if it is able to impose its will on that organization, or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations that are fiscally dependent upon the City; that is, organizations that are unable to adopt a budget, levy taxes, or issue debt without approval by the City. Finally, organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on these criteria, the City is not financially accountable for any other entity, nor is the City a component unit of any other government.

B. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's individual funds).

1. Government-wide Financial Statements

The government-wide financial statements report information on all non-fiduciary activities of the City and categorize primary activities as either governmental or business-type. The City's governmental activities include general government, public safety, judicial (court), public works (streets and maintenance) and parks and recreation. The City does not have any business-type activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

In the government-wide Statement of Net Position, the governmental activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: net investment in capital assets, net of related debt; restricted net position, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (public safety, public works, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.).

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are mostly supported by general revenues (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that is comprised of its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The City reports the following major governmental funds:

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

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *Fire Operations Fund* accounts for the City's revenue and expenditures relating to the Fire Department operations.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

The government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

2. Investments

Investments are stated at fair market value.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts. The City uses the allowance method for recognizing the potential uncollectibility of delinquent accounts receivable. At December 31, 2014, no allowance has been established, as all amounts are considered collectible.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets

Capital assets, which include land, infrastructure, buildings, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of two years with an initial cost of \$5,000 or more. Purchased assets are recorded at historical cost. 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 asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Buildings, equipment and vehicles and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings	30
Equipment and vehicles	3 - 30
Infrastructure	15 - 20

6. Compensated Absences

For governmental funds, vested and accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources, is reported as expenditures and a fund liability of the governmental fund that will pay it. Vested and accumulated vacation and sick leave not expected to be liquidated with expendable available financial resources are not reported in the governmental fund financial statements. However, these amounts are reported in the government-wide financial statements. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated to be paid upon termination.

7. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City does not have any items that qualify for reporting in this category at December 31, 2014.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Deferred outflows/inflows of resources (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 has one type of item that qualifies for reporting in this category. Accordingly, the item, unearned revenue for property taxes, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

8. Fund Balance

The City classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the City Council.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

10. Restricted Assets

Certain resources of the City are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable agreements.

E. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Restricted and Unrestricted Resources

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

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes a reconciliation between *governmental funds total fund balance* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The \$1,415,400 difference is related to capital assets of \$4,974,638 less accumulated depreciation of \$3,559,238.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between *net change in fund balances - total governmental funds* and *change in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense". The details of this \$113,756 difference are capital outlay of \$266,677, less depreciation expense of \$152,920.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with GAAP. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado Statutes, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2014:

1. For the 2014 budget year, prior to August 25, 2013, the County Assessor sent to the City an assessed valuation of all taxable property within the City's boundaries. The County Assessor may change the assessed valuation on or before December 15, 2013, only once by a single notification to the City.
2. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2013, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.
3. Prior to December 15, 2013, a public hearing was held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Council adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After a required publication of "Notice of Proposed Budget", the City adopted the proposed budget and a resolution that legally appropriated expenditures for the upcoming year.
5. After adoption of the budget resolution, the City may make the following changes:
a) it may transfer appropriated money between funds; b) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) it may approve emergency appropriations, and d) it may reduce appropriations for which originally estimated revenues are insufficient.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2013 were collected in 2014 and taxes certified in 2014 will be collected in 2015. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$75,000 for TABOR, which is the approximate required reserve at December 31, 2014.

On November 2, 2004, the eligible electors of the City authorized the City to collect, retain, and expend the full amount of revenue generated from all sources during 2004 and each subsequent year thereafter, excluding property taxes and occupational license fees, without limitation to Article X, Section 20 of the Colorado Constitution, providing the increase above the base year revenue shall be expended as follows:

1. Twenty-five (25%) of excess revenue generated shall be used to reduce property taxes, to be accomplished through a temporary mill levy reduction. The temporary mill levy reduction shall not be reinstated unless the City's revenue decreases below the adjusted base year.
2. Seventy-five (75%) of the revenue increased shall be expended for the purposes of providing for the health, safety, and welfare of the people of Leadville.

If the City's mill levy were to reach zero for three years consecutively, a vote will be required to reinstate it. The ballot question also allows the City to eliminate the temporary mill levy credit if revenues decrease below the adjusted 2003 base year revenue limit.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

IV. Detailed Notes on all Funds

A. Deposits and Investments

The City's deposits are entirely covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the City's cash and investments was \$1,548,551 at year end. The City had the following cash and investments with the following maturities at December 31, 2014:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Deposits:</i>				
Petty Cash	Not rated	\$ 185	185	-
Checking	Not rated	418,965	418,965	-
Savings	Not rated	155,272	155,272	-
<i>Investments:</i>				
Investment pool	AAAm	974,129	974,129	-
		<u>\$ 1,548,551</u>	<u>1,548,551</u>	<u>-</u>

The investment pool represents an investment in the Colorado Government Liquid Asset Trust ("COLOTRUST") which is a 2a7-like pool. The fair market value of the pool is determined by the pool's share price. The City has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City coordinates its investment maturities closely to match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

Credit Risk. Colorado statutes specify instruments in which local governments may invest, including:

- Obligations of the U.S. and certain U.S. governmental agency securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local governmental 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's general investment policy is to apply the prudent-person rule; Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

IV. Detailed Notes on all Funds (continued)

B. Restricted Cash

Restricted cash and investments consisted of the following at December 31, 2014:

Bail bonds	\$ 1,908
Court surcharge	7,119
Police Chief retirement obligation	<u>155,272</u>
Total Restricted Cash	<u>\$ 164,299</u>

C. Note Receivable – Tabor Grand Hotel

The City was a the holder of a promissory note (the “Note”) for \$557,539 as a result of its participation in the rehabilitation of the Tabor Grand Hotel in Leadville, which was partially funded by a Federal UDAG grant. The following are some provisions of the Note:

Principal is \$557,539, annual interest rate is 7.33% beginning February 19, 1992, and is payable as follows:

1. Interest payments shall be deferred and accrued until August 27, 1994, and such deferred and accrued interest shall be due and payable at the maturity of or upon the acceleration of this Note.
2. Two Hundred Sixteen (216) consecutive interest-only payments of One Thousand Three Hundred Ninety-Four Dollars (\$1,394), representing interest on the principal at the rate of three percent (3%) per annum, shall be paid commencing August 27, 1994, and continuing on the same day of each succeeding month thereafter until July 27, 2012. The balance of the annual interest, four and 33/100 percent (4.33%) per annum, shall be deferred and accrued, and such deferred and accrued interest shall be payable at the maturity of or upon the acceleration of this Note.
3. The entire unpaid balance of this Note, including the principal of \$557,539, and all deferred and accrued interest provided above, shall be due and payable without demand, if not sooner paid, on August 27, 2012, in ONE BALLOON PAYMENT.

The maker of the Tabor Grand Hotel promissory note (see Note IV. C) notified the City of its inability to service the debt. On February 16, 2012 the City acquired the Tabor Grand Hotel at foreclosure sale for \$177,872.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

IV. Detailed Notes on all Funds (continued)

C. Note Receivable – Tabor Grand Hotel (continued)

On May 16, 2012 the City sold the Tabor Grand for \$240,000 in cash and a note receivable of \$901,364 to the Tabor Grand LLC, A Colorado Limited Liability Company (“Purchaser”). The terms of the note receivable include an interest rate of 2.0% with a maturity date of May, 18, 2032. Interest payments begin June 14, 2015 and continue monthly until maturity or payment in full. The note allows for a reduction in the principal owed if the Purchaser agrees to designate units for low and moderate income residents of the community. If the required conditions are met, the City will accept full payment detailed by amounts and timeframe as follows:

<u>Date paid</u>	<u>Amount</u>
May 18, 2012 to May 18, 2013	\$ 350,000
May 19, 2013 to November 18, 2013	375,000
November 19, 2013 to May 18, 2014	400,000
May 19, 2014 to November 18, 2014	425,000
November 19, 2014 to May 18, 2015	450,000
May 19, 2015 or later	500,000

The City accepted \$375,000 as payment in full and received the funds in 2014. The settled transaction results in a loss on note receivable of \$526,364, which the City recognized at December 31, 2013.

D. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 43,608	-	-	43,608
Total Capital Assets, Not Being Depreciated	<u>43,608</u>	<u>-</u>	<u>-</u>	<u>43,608</u>
Capital assets, being depreciated:				
Infrastructure	484,283	-	-	484,283
Buildings	703,822	-	-	703,822
Equipment and vehicles	3,646,615	283,538	(187,228)	3,742,925
Total Capital Assets Being Depreciated	<u>4,834,720</u>	<u>283,538</u>	<u>(187,228)</u>	<u>4,931,030</u>
Less accumulated depreciation for:				
Infrastructure	(227,039)	(28,677)	-	(255,716)
Buildings	(638,716)	(3,577)	-	(642,293)
Equipment and vehicles	(2,727,791)	(120,666)	187,228	(2,661,229)
Total Accumulated Depreciation	<u>(3,593,546)</u>	<u>(152,920)</u>	<u>187,228</u>	<u>(3,559,238)</u>
Total Capital Assets, Being Being Depreciated, Net	<u>1,241,174</u>	<u>130,618</u>	<u>-</u>	<u>1,371,792</u>
Governmental activities capital assets, net	<u>\$ 1,284,782</u>	<u>130,618</u>	<u>-</u>	<u>1,415,400</u>

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

The City had capital outlay expenditures and depreciation expense for 2014 as follows:

	<u>Depreciation Expense</u>	<u>Capital Outlay</u>
Governmental activities:		
General government	\$ 3,601	-
Public safety	76,781	16,861
Public works	72,538	266,677
Total	<u>\$ 152,920</u>	<u>283,538</u>

E. Interfund Transfer

Transfers made during 2014 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	269,491
Fire Operations	269,491	-
	<u>\$ 269,491</u>	<u>269,491</u>

The transfer made from the General Fund to the Fire Fund was the General Fund's subsidy of the fire protection operations.

F. Long-term Liabilities

1. Capital Leases

On October 28, 2013 the City entered into a lease purchase agreement for two police cars in the amount of \$44,245, bearing interest at 6.09%.

In 2012 the City entered into a lease in the amount of \$16,861 for the purchase of public safety equipment, bearing interest at \$4.50%.

Interest expense for the year ended December 31, 2014 of \$3,464 is included in Public Safety functional expenses.

On October 9, 2014 the City entered into a lease purchase agreement for a loader in the amount of \$168,035, bearing interest at 3.20%. Interest expense for the year ended December 31, 2014 of \$906 is included in Public Works functional expenses.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities (continued)

1. Capital Leases

Future lease payments for the City are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 40,281	6,605	46,886
2016	38,039	4,823	42,862
2017	26,126	3,601	29,727
2018	24,087	2,782	26,869
2019	24,880	1,988	26,868
2020 - 2021	47,762	1,501	49,263
Total	<u>\$ 201,175</u>	<u>21,300</u>	<u>222,475</u>

Interest expense for the year ended December 31, 2014 is:

	<u>Interest Expense</u>
Governmental activities:	
Public safety	\$ 3,464
Public works	906
Total	<u>\$ 4,370</u>

The net book value of the assets acquired through the capital lease is computed as follows at December 31, 2014:

Cost	\$ 270,831
Less: accumulated depreciation	(33,506)
Net book Value	<u>\$ 237,325</u>

2. Accrued Compensated Absences

City employees accumulate vacation based upon their length of employment. All employees are encouraged to use their vacation within the year it is earned. Unused accumulated vacation time is payable to employees upon termination; therefore, a liability for unused vacation time is shown on the City's government-wide financial statements.

Sick pay accrues up to 480 hours and is paid upon retirement for employees when the sum of their age and their years of service equal or all greater than seventy. Six employees meet these sick pay requirements at December 31, 2014. Therefore, a liability is recognized by the City for accrued sick pay on the government-wide financial statements for these two employees.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities (continued)

3. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital leases	\$ 40,655	184,896	(24,376)	201,175	40,281
Compensated absences	48,228	16,267	(4,759)	59,736	-
Total	<u>\$ 88,883</u>	<u>201,163</u>	<u>(29,135)</u>	<u>260,911</u>	<u>40,281</u>

These liabilities are generally liquidated by the General Fund and the Fire Operations Fund.

V. Other Information

A. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code ("IRC") Section 457. The plan, which is administered by CPI Qualified Plan Consultants, Inc., permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value. Plan investment purchases are determined by the plan participant and, therefore, the plan's investment concentration varies between participants. The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The City contribution rate to this plan is equal to 5.0% for firefighters and police in non-administrative positions. The City contribution rate for all other employees is equal to 6.0%. The City's contribution to this plan in 2014 totaled \$27,192. Employees may contribute additional amounts, up to maximum allowable limits as established under IRC, but these amounts will not be matched by the City.

B. Pension Plans

Pursuant to Colorado statutes, the City maintains pension plans for its police and fire departments. Three plans for these employees were in effect at December 31, 2014. Two of the plans are administered by the Colorado Fire and Police Pension Association ("FPPA"). The third plan is directly administered by the City. Fire and police employees are classified as either "old hires" or "new hires" depending on whether they were employed by the City before or after April 8, 1978. All assets of the City's Firemen's Pension Plan (including "old hires" and "new hires") were transferred to FPPA in 1981. All assets of the City's Policemen's Pension Plan for "new hires" were also transferred to FPPA in 1981. All assets of the City's Policemen's Pension Plan for "old hires" are administered by the City. Details of each of the three pension plans follow:

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

V. Other Information Plan (continued)

B. Pension Plans (continued)

1. "Old Hires" - City of Leadville Fire Pension Plan

(a) Plan Description

The City, on behalf of its fireman hired prior to April 8, 1978, provides a defined benefit pension plan that is affiliated with FPPA. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement, disability and death benefits to plan members and their beneficiaries. There are 3 retirees and beneficiaries currently receiving benefits. The last eligible "Old Hire" retired in 1992. Title 31, Article 30 of the Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions of the plan. FPPA issues a publicly available annual financial report that includes the assets of the plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

(b) Basis of Accounting

The financial statements of the plan are prepared using the accrual basis of accounting and are included in these financial statements as part of the pension trust fund. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The investments are presented at fair market value except for short-term investments that are recorded at cost, which approximates fair market value.

(c) Funding Policy

Plan members and the City are required to contribute at a rate set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30 of the CRS, as amended. The required contribution for the year ended December 31, 2014 is \$8,461.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

V. Other Information (continued)

B. Pension Plans (continued)

1. "Old Hires" - City of Leadville Fire Pension Plan (continued)

(d) Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation for the current year are as follows:

Annual required contribution	\$	8,461
Interest on net pension obligation		53
Adjustment to annual required contribution		(72)
Annual pension cost		8,442
Contributions made		(8,461)
Increase (decrease) in net pension obligation		(19)
Net pension obligation - Beginning of year		708
Net pension obligation - End of year	\$	689

The following table presents trend information for the past five years:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 8,461	100%	689
12/31/2013	8,443	100%	708
12/31/2012	4,544	100%	726
12/31/2011	4,550	100%	747
12/31/2010	(38)	N/A	762

(e) Actuarial Information

The Annual Required Contribution ("ARC") for the January 1, 2014 year (the last available year) was determined by the FPPA actuary, or an actuarial firm designated by FPPA using the "entry age, normal" actuarial cost method. The significant actuarial assumptions and methodologies used in the valuation as of January 1, 2014 were: (a) life expectancy of participants was obtained from the RP-2000 combined healthy generational mortality, with a blue collar adjustment for healthy retirees; (b) retirement eligibility starts at the age of 50 and with 18 years of service; (c) no post-retirement benefit increases are assumed; (d) investment return of 7.5% per annum net of operating expenses, compounded annually; (e) change in amortization period to the lesser of 20 years or the average remaining life expectancy of the group; (f) inflation rate of 3.0%; (g) amortization method used - "level dollar", and (i) for the purpose of this actuarial study, plan assets were valued based on a five-year smoothed fair market value methodology which is a change assumption from a three-year smoothed fair market value methodology.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

V. Other Information (continued)

B. Pension Plans (continued)

1. "Old Hires" - City of Leadville Fire Pension Plan (continued)

(e) Actuarial Information (continued)

The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability/ (Funding) (Excess) (B-A)	Funded Ratio (A)/(B)	Covered Payroll (C)	Percentage of Covered Payroll ((B-A)/(C))
1/1/2014	\$ 175,503	269,960	94,457	65.0%	-	N/A
1/1/2012	196,945	280,501	83,556	70.2%	-	N/A
1/1/2010	235,088	277,241	42,153	84.8%	-	N/A
1/1/2008	298,702	286,223	(12,479)	104.4%	-	N/A
1/1/2006	289,752	294,576	4,824	98.4%	-	N/A

2. "New Hires" - City of Leadville Fire and Police Pension Plan

(a) Plan Description

The City contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan that is also administered by FPPA. All full-time, paid police officers of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. The FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan.

That report may be obtained by writing to the FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111, or by calling the FPPA at 303-770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

V. Other Information (continued)

B. Pension Plans (continued)

2. "New Hires" - City of Leadville Fire and Police Pension Plan (continued)

(b) Funding Policy

Plan members and the City are required to contribute a rate set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for members and for the City is 8% of covered salary. The City's contributions to the Statewide Defined Benefit Plan were \$59,853, \$60,422, and \$58,153 during the years ended December 31, 2014, 2013, and 2012, respectively, equal to the City's required contribution for those years.

C. Other Payroll Obligation

1. Police Chief Retirement Benefit Obligation

(a) Description

The City has one retired police chief is covered by an agreement to provide retirement benefits. The benefit provides approximately \$30,000 in annual payments. In 2014 the City has set aside \$155,272 to provide this benefit. The City has not completed recurring actuarial evaluations due to the fact that there is only one beneficiary receiving benefits who is age 80 as of December 31, 2014. No other City employees currently participate or will participate in the plan in the future as all employees hired after April 8, 1978, are covered by a FPPA "new hire" pension plan.

The payment is based upon 65% of the average salary received one year before retirement, with an adjustment of 3% of such average salary for each year of service completed in excess of 22 years, up to a maximum of 100% of such policemen's average salary.

The City has recorded this amount as restricted cash and a liability as accrued expenses in the General Fund.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

V. Other Information (continued)

D. Risk Management

1. Colorado Intergovernmental Risk Sharing Agency

The City is exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; general property liability and errors and omissions. To address such risks, the City is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property, \$600,000 per claim or occurrence for liability, \$600,000 for public officials' liability and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the City may be liable for any losses in excess of this coverage, the City does not anticipate such losses at December 31, 2014. The deductible amount paid by the City for each incident in 2014 was \$1,000. All settlements for the year-ended December 31, 2014 were under the maximum coverage allowed.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

The City's share of CIRSA's assets, liabilities and fund equity as of December 31, 2014, (the latest year for which audited data is available) is as follows:

Property and Casualty Pool:	Equity Ratio
Operating Fund	0.0132%
Loss Fund	0.0038%
Excess Fund	0.0524%
Reserve Fund	0.1146%

CIRSA's combined financial information for the year ended December 31, 2014, is summarized as follows:

Assets:	
Cash and investments	\$ 76,309,382
Other assets	6,327,089
Total assets	<u>\$ 82,636,471</u>
Total liabilities	<u>\$ 33,713,754</u>
Net position	<u>\$ 48,922,717</u>
Total revenues	\$ 25,463,136
Total expenses	(18,481,600)
Change in net position	<u>\$ 6,981,536</u>

A copy of CIRSA's audit report can be obtained by writing to CIRSA, 3665 Cherry Creek North Drive, Denver, CO 80209, or by calling (800)-228-7136.

City of Leadville, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

V. Other Information (continued)

D. Risk Management (continued)

2. Workers Compensation

The Town is exposed to various risks of loss related to workers compensation. The Town has acquired commercial coverage for this risk and any settled claims are not expected to exceed the commercial insurance coverage. There is no change in coverage from past years, and settlements have not exceeded coverage for each of the past three fiscal years.

E. Commitments and Contingencies

1. Legal Claims

During the normal course of business, the City may incur claims and other assertions against it from various agencies and individuals. Management of the City and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2014.

2. Federal and State Grants and Financial Sources

The City receives financial assistance from federal and state governmental agencies in the form of grants and operating agreements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and may be 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 would 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, 2014.

F. Intergovernmental Agreements

In accordance with an intergovernmental agreement with Lake County, Colorado ("County"), the County reimburses the City for 70% of the City's fire protection expenditures. The County's share of fire protection expenditures totaled \$628,812 for the year ended December 31, 2014.

In accordance with an intergovernmental agreement with Lake County, the County and City equally share all costs associated with the construction and maintenance of an animal shelter. The City is responsible for providing staffing of 12 hours per week for the animal shelter via the City's Police Department. The County's share of animal shelter costs totaled \$33,966 during 2014.

In 2004, the City entered into an agreement with the County Health Pool for administration of a health insurance program for all full-time non-elected City employees. Under this agreement, the City must purchase and pay for 75% of the employees' health insurance premiums and 100% of employees' group life insurance premiums. Employees are eligible for coverage after 30 days of continuous full time employment.

REQUIRED SUPPLEMENTARY INFORMATION



City of Leadville, Colorado
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts For the Year Ended 2013)

	2014			Final Budget Variance Positive (Negative)	2013
	Original Budget	Original and Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property tax	364,418	364,418	363,388	(1,030)	314,272
Specific ownership tax	22,597	22,597	17,161	(5,436)	23,883
Sales tax	950,000	950,000	984,459	34,459	926,394
Franchise tax	141,517	141,517	138,975	(2,542)	133,516
Other taxes	49,211	49,211	80,387	31,176	50,095
Total Taxes	<u>1,527,743</u>	<u>1,527,743</u>	<u>1,584,370</u>	<u>56,627</u>	<u>1,448,160</u>
Licenses and Permits:					
Liquor license fee	1,800	1,800	2,169	369	2,836
Business licenses	19,000	19,000	33,299	14,299	12,740
Private parking permits	4,000	4,000	4,225	225	4,475
Excavation and zoning	4,000	4,000	2,500	(1,500)	2,000
Total Licenses and Permits	<u>28,800</u>	<u>28,800</u>	<u>42,193</u>	<u>13,393</u>	<u>22,051</u>
Intergovernmental Revenue:					
Grant revenue	-	-	15,810	15,810	-
State Highway Users Fund	105,439	105,439	110,934	5,495	106,474
Animal control reimbursement (County)	32,194	32,194	33,966	1,772	35,171
Motor vehicle fees	13,136	13,136	13,214	78	14,803
State highway maintenance	8,855	8,855	12,274	3,419	8,800
Total Intergovernmental Revenue	<u>159,624</u>	<u>159,624</u>	<u>186,198</u>	<u>26,574</u>	<u>165,248</u>
Charges for Services:					
Building inspection fees	65,564	65,564	53,708	(11,856)	25,433
Fire department administrative fee	25,383	25,383	25,383	-	-
Other charges for services	5,100	5,100	3,114	(1,986)	4,771
Animal control fees	16,905	16,905	12,587	(4,318)	14,349
Total Charges for Services	<u>112,952</u>	<u>112,952</u>	<u>94,792</u>	<u>(18,160)</u>	<u>44,553</u>
Fines and Forfeitures:					
Traffic fines	25,415	25,415	10,892	(14,523)	23,438
Other	8,468	8,468	4,580	(3,888)	8,416
Court fines	19,309	19,309	9,851	(9,458)	18,823
Parking fines	1,500	1,500	890	(610)	1,225
Total Fines and Forfeitures	<u>54,692</u>	<u>54,692</u>	<u>26,213</u>	<u>(28,479)</u>	<u>51,902</u>
Other:					
Investment income	1,256	1,256	1,108	(148)	794
Donations and contributions	5,107	5,107	8,992	3,885	4,400
Other income	5,308	5,308	21,912	16,604	9,013
Total Other	<u>11,671</u>	<u>11,671</u>	<u>32,012</u>	<u>20,341</u>	<u>14,207</u>
Total Revenues	<u>1,895,482</u>	<u>1,895,482</u>	<u>1,965,778</u>	<u>70,296</u>	<u>1,746,121</u>

(continued)

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

City of Leadville, Colorado
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts For the Year Ended 2013)
(Continued)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Expenditures:					
General Government:					
Executive	41,076	41,076	43,905	(2,829)	60,184
Administrative	77,724	77,724	69,523	8,201	85,969
City Clerk	50,357	50,357	30,587	19,770	34,512
City Treasurer	72,914	72,914	65,382	7,532	34,959
General operating	316,061	316,061	341,706	(25,645)	312,363
Police department	603,621	603,621	578,059	25,562	598,366
Animal shelter	75,088	75,088	80,520	(5,432)	84,692
Municipal court	20,023	20,023	21,863	(1,840)	17,006
Public works	441,124	566,124	552,338	13,786	396,468
Debt Service:					
Principal	16,093	16,093	24,375	(8,282)	3,594
Interest	-	-	4,370	(4,370)	430
Total Expenditures	<u>1,714,081</u>	<u>1,839,081</u>	<u>1,812,628</u>	<u>26,453</u>	<u>1,628,543</u>
Excess of Revenues Over Expenditures	<u>181,401</u>	<u>56,401</u>	<u>153,150</u>	<u>96,749</u>	<u>117,578</u>
Other Financing (Uses)					
Transfer (out)	(286,401)	(286,401)	(269,491)	16,910	(273,002)
Sale of capital assets	105,000	480,000	378,025	(101,975)	-
Capital outlay	-	-	(168,035)	(168,035)	-
Lease proceeds	-	-	168,035	168,035	-
Total Other Financing (Uses)	<u>(181,401)</u>	<u>193,599</u>	<u>108,534</u>	<u>(85,065)</u>	<u>(273,002)</u>
Net Change in Fund Balances	<u>-</u>	<u>250,000</u>	<u>261,684</u>	<u>11,684</u>	<u>(155,424)</u>
Fund Balances - Beginning			<u>1,026,119</u>		<u>1,181,543</u>
Fund Balances - Ending			<u>1,287,803</u>		<u>1,026,119</u>

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

City of Leadville, Colorado
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
Conservation Trust Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts For the Year Ended 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
State lottery funds	28,601	28,601	24,960	(3,641)	28,356
Investment income	75	75	65	(10)	72
Total Revenues	<u>28,676</u>	<u>28,676</u>	<u>25,025</u>	<u>(3,651)</u>	<u>28,428</u>
Expenditures:					
Parks	18,600	18,600	11,598	7,002	6,600
Other	1,599	6,599	8,178	(1,579)	31,324
Total Expenditures	<u>20,199</u>	<u>25,199</u>	<u>19,776</u>	<u>5,423</u>	<u>37,924</u>
Net Change in Fund Balances	<u>8,477</u>	<u>3,477</u>	5,249	<u>1,772</u>	(9,496)
Fund Balances - Beginning			<u>58,399</u>		<u>67,895</u>
Fund Balances - Ending			<u>63,648</u>		<u>58,399</u>

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

City of Leadville, Colorado
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
Fire Operations Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts For the Year Ended 2013)

	2014		Budget Variance Positive (Negative)	2013
	Original and Final Budget	Actual		Actual
Revenues:				
Intergovernmental revenue - Lake County	668,270	628,812	(39,458)	637,004
Grants	-	-	-	71,508
Forest service payments	-	1,193	1,193	96,323
Standby payments	-	3,824	3,824	35,267
Donations and contributions	-	2,601	2,601	4,000
Investment income	-	32	32	34
Total Revenues	668,270	636,462	(31,808)	844,136
Expenditures:				
Salaries, wages and taxes	677,769	640,789	36,980	645,766
Wildfire assignment and standby expense	-	27,900	(27,900)	229,177
Other fire expense	276,902	257,513	19,389	264,240
Total Expenditures	954,671	926,202	28,469	1,139,183
(Deficiency) of Revenues Over Expenditures	(286,401)	(289,740)	(3,339)	(295,047)
Other Financing Sources:				
Transfers in	286,401	269,491	(16,910)	273,002
Total Other Financing Sources	286,401	269,491	(16,910)	273,002
Net Change in Fund Balances	-	(20,249)	(20,249)	(22,045)
Fund Balances - Beginning		144,316		166,361
Fund Balances - Ending		124,067		144,316

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

SUPPLEMENTARY INFORMATION



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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Leadville
		YEAR ENDING : December 2014
This Information From The Records Of (example - City of _ or County of City of Leadville)	Prepared By: Phone:	Roy D. McGinnis 719-486-5329

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	14,732
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	325,391
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	516,554	b. Snow and ice removal	216,927
3. Other local imposts (from page 2)	140,218	c. Other	
4. Miscellaneous local receipts (from page 2)	12,094	d. Total (a. through c.)	216,927
5. Transfers from toll facilities		4. General administration & miscellaneous	10,434
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	237,804
a. Bonds - Original Issues		6. Total (1 through 5)	805,288
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	668,866	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	136,422	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	805,288	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	805,288

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		805,288	805,288		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2014	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	12,094
1. Sales Taxes	123,057	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	17,161	g. Other Misc. Receipts	
6. Total (1. through 5.)	140,218	h. Other	
c. Total (a. + b.)	140,218	i. Total (a. through h.)	12,094
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	110,934	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	13,214	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	12,274	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	25,488	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	136,422	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		14,732	14,732
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	14,732
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	14,732
			(Carry forward to page 1)
Notes and Comments:			