

CITY OF IDAHO SPRINGS, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2014

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Idaho Springs, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Idaho Springs, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 28-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

John Cutler & Associates, LLC

July 8, 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, 2014. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the City of Idaho Springs.

A. FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities by \$17,443,228 at the end of 2014.
- Governmental funds reported combined fund equity of \$4,887,441, an increase of \$836,244 in comparison with the prior year. This increase is due primarily to savings in the Sales Tax Improvement Fund which will be used for future capital projects.
- The City’s unassigned fund balance for the General Fund was \$1,650,135, while committed fund balance totaled \$304,410 of which \$102,443 is for cemetery maintenance and \$201,967 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 \$281,171 as a result of principal payments on long-term debt held by the Water and Wastewater Funds.
- Sales, Use and Property Tax Revenues were \$1,978,083, an increase of \$144,934 or 8% from the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

The ***Statement of Activities*** presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

Fund Financial Statements

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

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

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

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

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

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

Notes to financial statements

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

Other Information

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

Capital Assets

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

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the close of 2014, total net position was \$17,443,228. By far the largest portion of net position is the investment in capital assets (net of related debt) of \$10,401,194 (62%). This amount reflects the investment in all capital assets (e.g.; infrastructure, land, buildings, and equipment) less any debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City's governmental and business-type net position for 2014 and 2013.

Statement of Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Current & other assets	\$ 5,116,310	\$ 4,271,084	\$ 2,349,616	\$ 2,109,940	\$ 7,465,926	\$ 6,381,024
Capital assets	3,972,266	4,022,909	8,692,944	9,055,272	12,665,210	13,078,181
Total Assets	9,088,576	8,293,993	11,042,560	11,165,212	20,131,136	19,459,205
Current Liabilities	83,468	82,190	156,663	199,428	250,797	281,618
Noncurrent Liabilities	49,026	57,993	2,264,016	2,545,187	2,302,376	2,603,180
Total Liabilities	132,494	140,183	2,420,679	2,744,615	2,553,173	2,884,798
Deferred Inflows of Resources:	134,735	137,697	-	-	134,735	137,697
Net Position:						
Invested in capital assets						
net of related debt	3,972,266	4,022,909	6,428,928	6,510,085	10,401,194	10,532,994
Restricted	200,756	182,516	-	-	200,756	182,516
Unrestricted	4,648,325	3,810,688	2,192,956	1,910,512	6,841,278	5,721,200
Total Net Position	\$ 8,821,347	\$ 8,016,113	\$ 8,621,884	\$ 8,420,597	\$ 17,443,228	\$ 16,436,710

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 2014.

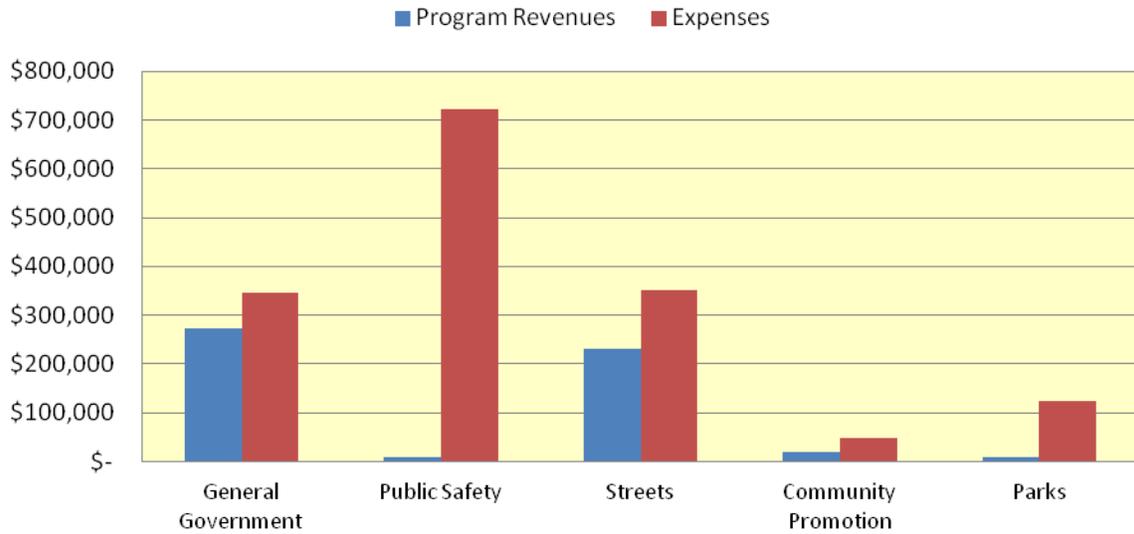
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 399,652	\$ 272,357	\$1,356,927	\$ 1,376,714	\$ 1,756,579	\$ 1,649,071
Operating grants	2,210	32,093	9,932	9,932	12,142	42,025
Capital grants & contributions	155,053	237,766	47,470	47,470	202,523	285,236
General revenues:						
Property taxes	145,690	151,803	-	-	145,690	151,803
Sales & use taxes	1,750,056	1,597,755	-	-	1,750,056	1,597,755
Other taxes	283,641	206,063	-	-	283,641	206,063
Interest Income	18,462	17,239	1283	1,564	19,745	18,803
Other general revenues	31,341	25,869	82458	16,474		42,343
Total revenues	2,786,105	2,540,945	1,498,070	1,452,154	4,170,376	3,993,099
Expenses:						
General Government	456,316	346,322	-	-	456,316	346,322
Public Safety	764,435	721,100	-	-	764,435	721,100
Streets	441,009	351,514	-	-	441,009	351,514
Community Promotion	40,766	48,090	-	-	40,766	48,090
Parks	116,655	122,595	-	-	116,655	122,595
Non-capitalized outlay	-	-	-	-	-	-
Interest on long-term debt	-	-	117,046	123,400	117,046	123,400
Water	-	-	681,263	649,453	681,263	649,453
Wastewater	-	-	660,167	642,676	660,167	642,676
Total expenses	1,819,181	1,589,621	1,224,384	1,415,529	3,043,565	3,005,150
Transfers In (Out)	(161,690)	(134,800)	161,690	134,800	-	-
Change in Net Position	805,234	816,524	201,284	171,425	1,006,518	987,949
Net Position – Beginning	8,016,113	7,199,589	8,420,597	8,249,172	16,436,710	15,448,761
Net Position – Ending	\$8,821,347	\$8,016,113	\$8,420,597	\$8,420,597	\$17,443,228	\$16,436,710

Governmental Activities

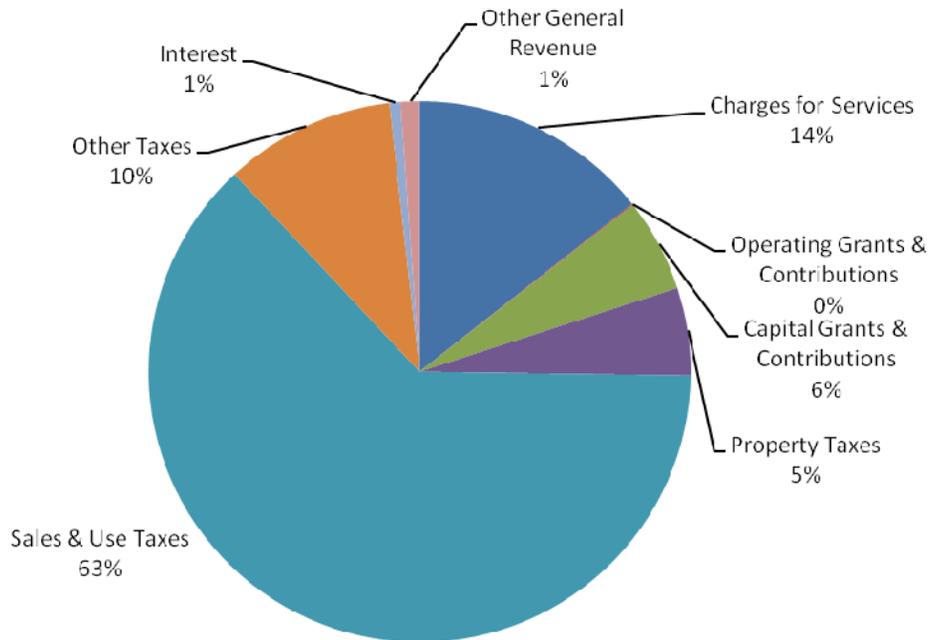
Governmental activities increased the City's net position by \$805,234. Overall revenue exceeded budget projections by \$241,502, or 9% while increasing 10% over 2013 revenues. Expenditures were under budget and \$229,560 more than in 2013. Governmental activities were subsidized by tax revenue and other general non-program revenues. The following illustrates the governmental activities expenses and program revenues:

City of Idaho Springs Expenses & Program Revenues - Governmental Activities



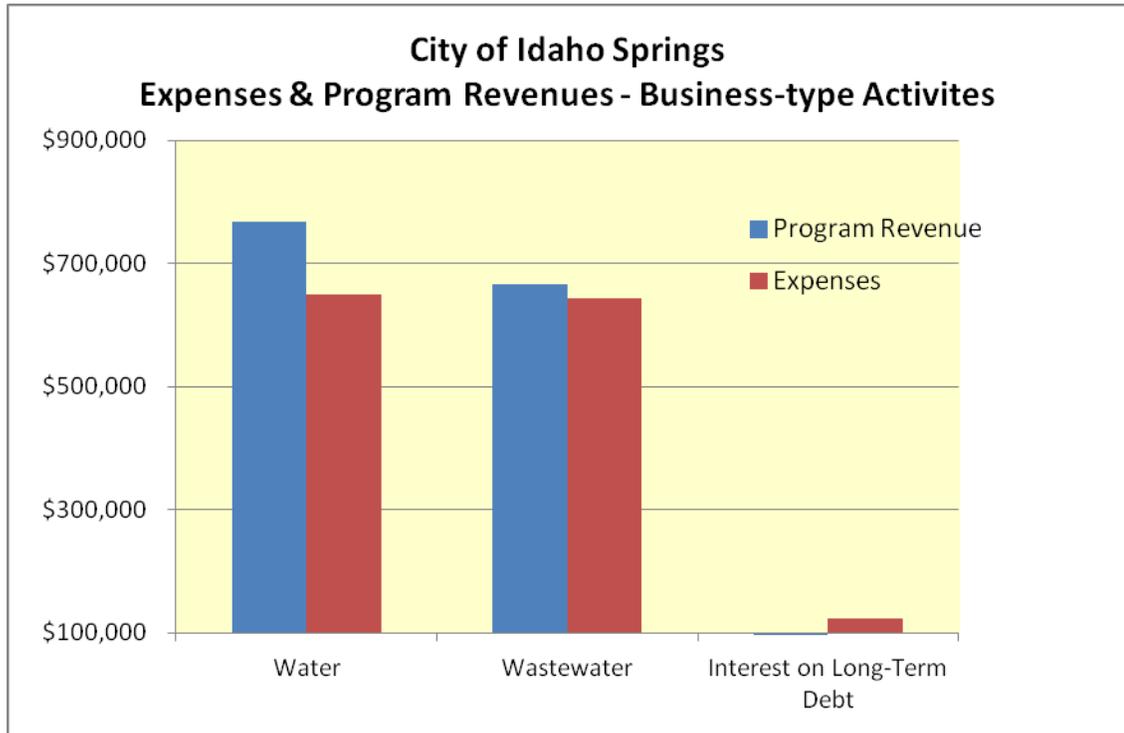
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City of Idaho Springs Revenue by Source-Governmental Activities



Business-type Activities

Business-type activities for the year resulted in an increase of net position of \$201,284. Charges for services accounted for 91 percent of total revenues and decreased \$19,787 compared to 2013. Overall revenue increased 3 percent while expenditures decreased 14 percent. The following illustrates the business-type activities program revenues and expenses:



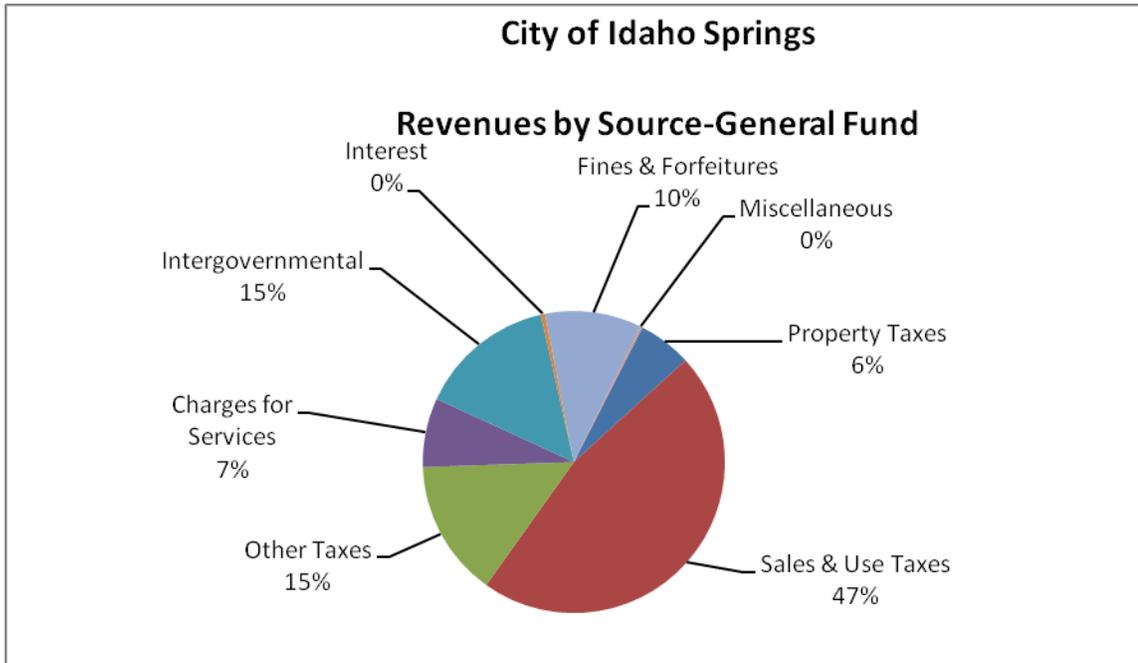
D. FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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.

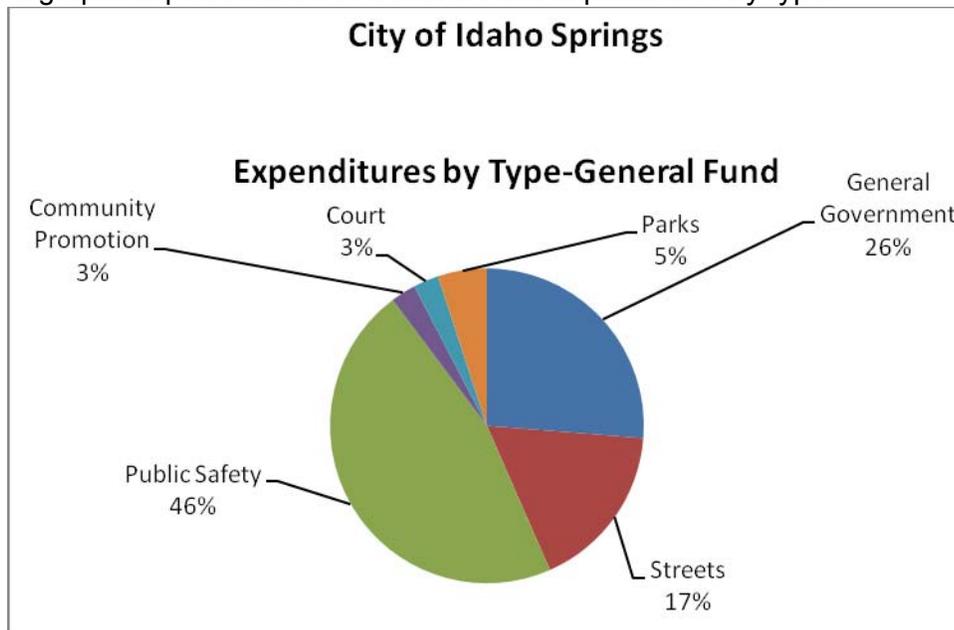
As of the end of 2014, the City’s governmental funds reported combined ending fund balances of \$4,887,441, an increase of \$836,244 in comparison with the prior year. Expenditures for capital equipment and capital projects were \$209,815 and are reflected in the Sales Tax Improvement Fund, Conservation Trust and Grants Funds. Of the combined ending fund balances for all governmental funds, \$322,751 is non-spendable, \$200,756 is restricted, \$2,713,799 is committed for cemetery maintenance and capital improvements, and \$1,650,135 is available for appropriation according to the City’s Fund Balance and Reserve Policy.

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

The General Fund is the primary operating fund for the City of Idaho Springs. Key factors for 2014 are: Revenues were \$576,411 more than budgeted, primarily from sales and use taxes and state severance tax distribution. Expenditures were more than budgeted by \$27,433 not including contingency reserves. Savings were throughout all departments except administration, building inspector and community promotion.



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



The Sales Tax Improvement Fund had a total fund balance at the end of 2014 of \$2,561,082, an increase of \$192,100. This fund accounts for one third of sales tax revenue and Idaho Springs' share of the special county road and bridge mill levy. In 2014, \$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 2014 was \$8,621,881. A breakdown by fund is Water, \$4,507,641 and Wastewater, \$4,114,240. Total net position increased by \$201,284 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, 2014, amounts to \$12,665,210.

Long Term Debt - At the end of 2014, total bonded debt outstanding was \$2,264,016.

Major capital expenditures during 2014 included:

Police Vehicle Replacement	\$	35,878
Public Works Vehicle/Equipment		26,687
Computer Software		32,259
Water Distribution & Plant Improvements		138,624

F. THE FUTURE OF THE CITY

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

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

After a number of years with no changes to water and sewer rates, the City intends to adopt some 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.

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

A five-year trend continued as sales tax revenues increased again in 2014, providing the City an additional level of financial comfort. 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 2015 and beyond, interstate construction projects 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's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

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

BASIC FINANCIAL STATEMENTS

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2014

	GOVERNMENTAL ACTIVITIES	BUSINESS	TOTALS	
		TYPE ACTIVITIES	2014	2013
ASSETS				
Cash and Investments	\$ 4,445,824	\$ 1,686,607	\$ 6,132,431	\$ 4,992,532
Restricted Cash and Investments	-	682,208	682,208	682,208
Receivables				
Property Taxes	134,735	-	134,735	137,697
Sales and Other	212,873	-	212,873	230,847
Accounts	127	302,128	302,255	327,816
Grants	-	-	-	8,500
Interfund Amounts	322,751	(322,751)	-	-
Bond Discounts	-	1,424	1,424	1,424
Capital Assets, Not Depreciated	1,863,455	366,700	2,230,155	2,091,531
Capital Assets, Depreciated Net of Accumulated Depreciation	2,108,811	8,326,244	10,435,055	10,986,650
TOTAL ASSETS	9,088,576	11,042,560	20,131,136	19,459,205
LIABILITIES				
Accounts Payable	30,060	79,319	109,379	149,728
Accrued Salaries and Benefits	53,408	14,962	68,370	57,831
Accrued Interest	-	62,382	62,382	62,382
Developer Escrow and Deposits	10,666	-	10,666	11,677
Noncurrent Liabilities				
Due within One Year	-	295,100	295,100	281,172
Due in More Than One Year	38,360	1,968,916	2,007,276	2,322,008
TOTAL LIABILITIES	132,494	2,420,679	2,553,173	2,884,798
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax Revenue	134,735	-	134,735	137,697
NET POSITION				
Investment in Capital Assets	3,972,266	6,428,928	10,401,194	10,532,994
Restricted for Emergencies	118,000	-	118,000	108,000
Restricted for Parks and Recreation	82,756	-	82,756	74,516
Unrestricted	4,648,325	2,192,953	6,841,278	5,721,200
TOTAL NET POSITION	\$ 8,821,347	\$ 8,621,881	\$ 17,443,228	\$ 16,436,710

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
Streets	\$ 441,009	\$ -	\$ -	\$ 146,862
Administration	362,147	148,169	-	-
Community Promotion	40,766	-	2,210	-
Building Inspector	52,987	-	-	-
Police	657,189	-	-	-
Court	41,158	248,233	-	-
Fire Department	107,246	-	-	-
Parks	116,655	-	-	8,191
Cemetery	24	3,250	-	-
Total Governmental Activities	<u>1,819,181</u>	<u>399,652</u>	<u>2,210</u>	<u>155,053</u>
Business-Type Activities				
Water	681,263	721,454	9,932	17,470
Wastewater	660,167	635,473	-	30,000
Interest on Long-Term Debt	<u>117,046</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>1,458,476</u>	<u>1,356,927</u>	<u>9,932</u>	<u>47,470</u>
Total Primary Government	<u>\$ 3,277,657</u>	<u>\$ 1,756,579</u>	<u>\$ 12,142</u>	<u>\$ 202,523</u>

GENERAL REVENUES

Sales Taxes
Property Taxes
Franchise Taxes
Other Taxes
Interest
Other

TRANSFERS

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION Beginning

NET POSITION Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2014	2013
\$ (294,147)	\$ -	\$ (294,147)	\$ (119,281)
(213,978)	-	(213,978)	(220,030)
(38,556)	-	(38,556)	(28,469)
(52,987)	-	(52,987)	(7,015)
(657,189)	-	(657,189)	(603,896)
207,075	-	207,075	151,071
(107,246)	-	(107,246)	(108,375)
(108,464)	-	(108,464)	(113,419)
3,226	-	3,226	2,009
<u>(1,262,266)</u>	<u>-</u>	<u>(1,262,266)</u>	<u>(1,047,405)</u>
-	67,593	67,593	118,470
-	5,306	5,306	23,517
<u>-</u>	<u>(117,046)</u>	<u>(117,046)</u>	<u>(123,400)</u>
<u>-</u>	<u>(44,147)</u>	<u>(44,147)</u>	<u>18,587</u>
(1,262,266)	(44,147)	(1,306,413)	(1,028,818)
1,750,056	-	1,750,056	1,597,755
145,690	-	145,690	151,803
82,337	-	82,337	83,591
201,305	-	201,305	122,472
18,461	1,283	19,744	18,803
31,341	82,458	113,799	42,343
(161,690)	161,690	-	-
<u>2,067,500</u>	<u>245,431</u>	<u>2,312,931</u>	<u>2,016,767</u>
805,234	201,284	1,006,518	987,949
<u>8,016,113</u>	<u>8,420,597</u>	<u>16,436,710</u>	<u>15,448,761</u>
<u>\$ 8,821,347</u>	<u>\$ 8,621,881</u>	<u>\$ 17,443,228</u>	<u>\$ 16,436,710</u>

CITY OF IDAHO SPRINGS, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2014

	General Fund	Sales Tax Improvement Fund	Other Governmental Funds	TOTALS	
				2014	2013
ASSETS					
Cash and Investments	\$ 2,023,041	\$ 2,340,027	\$ 82,756	\$ 4,445,824	\$ 3,548,015
Property Taxes Receivable	134,735	-	-	134,735	137,697
Other Taxes Receivable	142,198	70,675	-	212,873	230,847
Grants Receivable	-	-	-	-	8,500
Accounts Receivable	127	-	-	127	318
Due from Other Funds	-	-	-	-	7,480
Advances to Other Funds	171,058	151,693	-	322,751	345,707
TOTAL ASSETS	\$ 2,471,159	\$ 2,562,395	\$ 82,756	\$ 5,116,310	\$ 4,278,564
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
Accounts Payable	\$ 28,747	\$ 1,313	\$ -	\$ 30,060	\$ 27,644
Accrued Salaries and Benefits	53,408	-	-	53,408	42,869
Due to Other Funds	-	-	-	-	7,480
Unearned Grant Revenue	-	-	-	-	-
Escrows and Deposits	10,666	-	-	10,666	11,677
TOTAL LIABILITIES	92,821	1,313	-	94,134	89,670
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	134,735	-	-	134,735	137,697
FUND EQUITY					
Fund Balance					
Nonpendable	171,058	151,693	-	322,751	345,707
Restricted	118,000	-	82,756	200,756	182,516
Committed	304,410	2,409,389	-	2,713,799	2,481,758
Unassigned	1,650,135	-	-	1,650,135	1,041,216
TOTAL FUND EQUITY	2,243,603	2,561,082	82,756	4,887,441	4,051,197
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	\$ 2,471,159	\$ 2,562,395	\$ 82,756		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	3,972,266	4,022,909
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This is Accrued Compensated Absences.	(38,360)	(57,993)
Net position of governmental activities	\$ 8,821,347	\$ 8,016,113

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2014

	General Fund	Sales Tax Improvement Fund	Other Governmental Funds	TOTALS	
				2014	2013
REVENUES					
Taxes	\$ 1,397,346	\$ 580,737	\$ -	\$ 1,978,083	\$ 1,833,149
Charges for Services	177,336	-	-	177,336	91,561
Intergovernmental	350,376	-	8,191	358,567	392,330
Court	248,233	-	-	248,233	192,446
Interest	10,545	7,868	49	18,462	17,239
Miscellaneous	5,424	-	-	5,424	14,220
TOTAL REVENUES	2,189,260	588,605	8,240	2,786,105	2,540,945
EXPENDITURES					
Current					
Streets	273,097	-	-	273,097	266,868
Administration	325,868	-	-	325,868	252,672
Community Promotion	40,766	-	-	40,766	28,470
Building Inspector	52,987	-	-	52,987	7,015
Police	640,023	-	-	640,023	574,395
Court	41,158	-	-	41,158	41,375
Fire Department	99,738	-	-	99,738	100,867
Parks	80,092	-	-	80,092	86,723
Cemetery	24	-	-	24	241
Contingency	9,103	-	-	9,103	-
Capital Outlay	-	209,815	-	209,815	184,680
TOTAL EXPENDITURES	1,562,856	209,815	-	1,772,671	1,543,306
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	626,404	378,790	8,240	1,013,434	997,639
OTHER FINANCING SOURCES (USES)					
Transfers In	25,000	-	-	25,000	353,464
Transfers Out	(15,500)	(186,690)	-	(202,190)	(503,183)
TOTAL OTHER FINANCING SOURCES (USES)	9,500	(186,690)	-	(177,190)	(149,719)
NET CHANGE IN FUND BALANCES	635,904	192,100	8,240	836,244	847,920
FUND BALANCES, Beginning	1,607,699	2,368,982	74,516	4,051,197	3,203,277
FUND BALANCES, Ending	<u>\$ 2,243,603</u>	<u>\$ 2,561,082</u>	<u>\$ 82,756</u>	<u>\$ 4,887,441</u>	<u>\$ 4,051,197</u>

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

CITY OF IDAHO SPRINGS, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 836,244
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$175,492) exceeded capital outlay \$124,849, in the current period.	(50,643)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the decrease of accrued compensated absences.	<u>19,633</u>
Change in Net Position of Governmental Activities	<u>\$ 805,234</u>

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2014

	WATER	WASTE WATER	TOTALS	
			2014	2013
ASSETS				
Current Assets				
Cash and Investments	\$ 805,479	\$ 881,128	\$ 1,686,607	\$ 1,444,517
Restricted Cash and Investments	682,208	-	682,208	682,208
Accounts Receivable	173,127	129,001	302,128	327,498
Total Current Assets	1,660,814	1,010,129	2,670,943	2,454,223
Noncurrent Assets				
Bond Discounts	-	1,424	1,424	1,424
Capital Assets, net of accumulated depreciation	5,152,519	3,540,425	8,692,944	9,055,272
Total Noncurrent Assets	5,152,519	3,541,849	8,694,368	9,056,696
TOTAL ASSETS	6,813,333	4,551,978	11,365,311	11,510,919
LIABILITIES				
Current Liabilities				
Accounts Payable	54,772	24,547	79,319	122,084
Accrued Expenses	7,481	7,481	14,962	14,962
Accrued Interest Payable	52,838	9,544	62,382	62,382
Bonds Payable, Current Portion	188,440	106,660	295,100	281,172
Total Current Liabilities	303,531	148,232	451,763	480,600
Noncurrent Liabilities				
Advances from Other Funds	145,238	177,513	322,751	345,707
Bonds Payable	1,856,923	111,993	1,968,916	2,264,015
Total Noncurrent Liabilities	2,002,161	289,506	2,291,667	2,609,722
TOTAL LIABILITIES	2,305,692	437,738	2,743,430	3,090,322
NET POSITION				
Investment in Capital Assets	3,107,156	3,321,772	6,428,928	6,510,085
Unreserved	1,400,485	792,468	2,192,953	1,910,512
TOTAL NET POSITION	\$ 4,507,641	\$ 4,114,240	\$ 8,621,881	\$ 8,420,597

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2014

	WATER	WASTE WATER	TOTALS	
			2014	2013
OPERATING REVENUES				
Charges for Services	\$ 721,454	\$ 635,473	\$ 1,356,927	\$ 1,376,714
Other Revenues	84,115	25,745	109,860	43,876
TOTAL OPERATING REVENUES	805,569	661,218	1,466,787	1,420,590
OPERATING EXPENSES				
Water Treatment	381,743	-	381,743	347,576
Wastewater Treatment	-	444,319	444,319	424,893
Depreciation and Amortization	299,520	215,848	515,368	519,660
TOTAL OPERATING EXPENSES	681,263	660,167	1,341,430	1,292,129
OPERATING INCOME	124,306	1,051	125,357	128,461
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	806	477	1,283	1,564
Interest Expenses	(93,405)	(23,641)	(117,046)	(123,400)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(92,599)	(23,164)	(115,763)	(121,836)
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	31,707	(22,113)	9,594	6,625
Transfers In	94,950	66,740	161,690	134,800
Capital Contribution - Tap Fees	-	30,000	30,000	30,000
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	94,950	96,740	191,690	164,800
NET INCOME	126,657	74,627	201,284	171,425
NET POSITION Beginning	4,380,984	4,039,613	8,420,597	8,249,172
NET POSITION Ending	<u>\$ 4,507,641</u>	<u>\$ 4,114,240</u>	<u>\$ 8,621,881</u>	<u>\$ 8,420,597</u>

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2014
 Increase (Decrease) in Cash and Cash Equivalents

	WATER	WASTE WATER	TOTALS	
			2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 751,791	\$ 630,506	\$ 1,382,297	\$ 1,352,814
Cash Received from Others	84,115	25,745	109,860	43,876
Cash Paid to Suppliers	(312,081)	(317,645)	(629,726)	(454,552)
Cash Paid to Employees	(132,597)	(129,460)	(262,057)	(249,943)
Net Cash Provided by Operating Activities	<u>391,228</u>	<u>209,146</u>	<u>600,374</u>	<u>692,195</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Capital Contribution - Tap Fees	-	30,000	30,000	30,000
Transfers In	94,950	66,740	161,690	134,800
Net Cash Provided by Noncapital Financing Activities	<u>94,950</u>	<u>96,740</u>	<u>191,690</u>	<u>164,800</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(138,624)	(14,416)	(153,040)	(154,399)
Bond Payments	(179,844)	(101,327)	(281,171)	(270,862)
Interest Payments	(93,405)	(23,641)	(117,046)	(133,397)
Net Cash Used by Capital and Related Financing Activities	<u>(411,873)</u>	<u>(139,384)</u>	<u>(551,257)</u>	<u>(558,658)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	806	477	1,283	1,564
Net Increase in Cash and Cash Equivalents	75,111	166,979	242,090	299,901
CASH AND CASH EQUIVALENTS, Beginning	<u>1,412,576</u>	<u>714,149</u>	<u>2,126,725</u>	<u>1,826,824</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,487,687</u>	<u>\$ 881,128</u>	<u>\$ 2,368,815</u>	<u>\$ 2,126,725</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ 124,306</u>	<u>\$ 1,051</u>	<u>\$ 125,357</u>	<u>\$ 128,461</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation and Amortization	299,520	215,848	515,368	519,660
Changes in Assets and Liabilities				
Accounts Receivable	30,337	(4,967)	25,370	(23,900)
Accounts Payable	(52,605)	9,840	(42,765)	90,037
Accrued Expenses	-	-	-	3,908
Advances from Other Funds	(10,330)	(12,626)	(22,956)	(22,063)
Total Adjustments	<u>266,922</u>	<u>208,095</u>	<u>475,017</u>	<u>563,734</u>
Net Cash Provided by Operating Activities	<u>\$ 391,228</u>	<u>\$ 209,146</u>	<u>\$ 600,374</u>	<u>\$ 692,195</u>

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 Year Ended December 31, 2014

	POLICE	HANSON	TOTALS	
	PENSION FUND	CEMETERY TRUST	2014	2013
ASSETS				
Cash and Investments	\$ 7	\$ 9,404	\$ 9,411	\$ 9,398
LIABILITIES AND NET ASSETS				
Accrued Expenses	\$ -	\$ -	\$ -	\$ -
Net Assets	7	9,404	9,411	9,398
TOTAL LIABILITIES AND NET ASSETS	\$ 7	\$ 9,404	\$ 9,411	\$ 9,398

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

CITY OF IDAHO SPRINGS, COLORADO

STATEMENT OF CHANGES IN NET ASSETS
 FIDUCIARY FUNDS
 Year Ended December 31, 2014

	POLICE PENSION FUND	HANSON CEMETERY TRUST	TOTALS	
			2014	2013
ADDITIONS				
Interest	\$ -	\$ 6	\$ 6	\$ 8
Transfers In	15,500	-	15,500	-
TOTAL ADDITIONS	15,500	6	15,506	8
DEDUCTIONS				
Benefit Payments	15,493	-	15,493	-
CHANGE NET ASSETS	7	6	13	8
NET ASSETS, Beginning	-	9,398	9,398	9,390
NET ASSETS, Ending	\$ 7	\$ 9,404	\$ 9,411	\$ 9,398

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The City also reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund type:

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

Cash and Investments

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

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

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

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

Compensated Absences

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

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Interfund Transactions

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

Net Position

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The City classifies advances to other funds as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the City has classified the fund balance in the Conservation Trust Fund as restricted because its use is restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has classified the following balances as committed as of December 31, 2014:

Capital Improvements for preservation of peace, health, and safety	\$ 2,409,389
Cemetery maintenance	102,443
Repair and improvements of stormwater system	<u>201,967</u>
Total	<u>\$ 2,713,799</u>

- Assigned – This classification includes amounts that are constrained by the City Council intent to be used for specific purposes, but are neither restricted nor committed. As of December 31, 2014, the City reports no assigned fund balances.

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

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

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

Deferred Outflows/Inflows of Resources

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

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

Property Taxes

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

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2014 follows:

Petty Cash	\$ 4,050
Cash Deposits	5,712,340
Investments	<u>1,107,660</u>
Total	<u>\$ 6,824,050</u>

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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

Cash and Investments	\$ 6,132,431
Restricted Cash and Investments	682,208
Fiduciary Funds	<u>9,411</u>
Total	<u>\$ 6,824,050</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2014, State regulatory commissioners have indicated that all financial institutions holding deposits for the City are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

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

At December 31, 2014, the City had deposits with financial institutions with a carrying amount of \$5,712,340. The bank balances with the financial institutions were \$5,858,029. Of these balances, \$500,000 was covered by federal depository insurance and \$5,358,029 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

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

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

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

The City had invested \$1,107,660 in the Colorado Government Liquid Asset Trust (COLOTRUST) and in the Colorado Surplus Asset Fund Trust (CSAFE); investment vehicles established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colostrust and CSAFE are both rated AAAM by Standard and Poor's.

Restricted Cash

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2014 is summarized below:

	Balances <u>12/31/13</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/14</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,855,455	\$ -	\$ -	\$ 1,855,455
Water Rights	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Total Capital Assets, not depreciated	<u>1,863,455</u>	<u>-</u>	<u>-</u>	<u>1,863,455</u>
Capital Assets, depreciated				
Buildings	1,697,308	-	-	1,697,308
Infrastructure	1,619,148	71,298	-	1,690,446
Machinery and Equipment	<u>1,595,231</u>	<u>53,551</u>	<u>-</u>	<u>1,648,782</u>
Total Capital Assets, depreciated	<u>4,911,687</u>	<u>124,849</u>	<u>-</u>	<u>5,036,536</u>
Less Accumulated Depreciation				
Buildings	779,647	33,187	-	812,834
Infrastructure	541,484	97,422	-	638,906
Machinery and Equipment	<u>1,431,102</u>	<u>44,883</u>	<u>-</u>	<u>1,475,985</u>
Total Accumulated Depreciation	<u>2,752,233</u>	<u>175,492</u>	<u>-</u>	<u>2,927,725</u>
Total Capital Assets, depreciated, Net	<u>2,159,454</u>	<u>(50,643)</u>	<u>-</u>	<u>2,108,811</u>
Governmental Activities, Capital Assets, Net	<u>\$ 4,022,909</u>	<u>\$ (50,643)</u>	<u>\$ -</u>	<u>\$ 3,972,266</u>

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/13</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/14</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 63,236	\$ -	\$ -	\$ 63,236
Water Rights	10,440	-	-	10,440
Construction in Progress	<u>154,400</u>	<u>138,624</u>	<u>-</u>	<u>293,024</u>
Total Capital Assets, not depreciated	<u>228,076</u>	<u>138,624</u>	<u>-</u>	<u>366,700</u>
Capital Assets, depreciated				
Infrastructure	19,587,491	-	-	19,587,491
Machinery and Equipment	<u>389,795</u>	<u>14,416</u>	<u>-</u>	<u>404,211</u>
Total Capital Assets, depreciated	<u>19,977,286</u>	<u>14,416</u>	<u>-</u>	<u>19,991,702</u>
Less: Accumulated Depreciation				
Infrastructure	10,845,256	495,140	-	11,340,396
Machinery and Equipment	<u>304,834</u>	<u>20,228</u>	<u>-</u>	<u>325,062</u>
Total Accumulated Depreciation	<u>11,150,090</u>	<u>515,368</u>	<u>-</u>	<u>11,665,458</u>
Total Capital Assets, depreciated, Net	<u>8,827,196</u>	<u>(500,952)</u>	<u>-</u>	<u>8,326,244</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 9,055,272</u>	<u>\$ (362,328)</u>	<u>\$ -</u>	<u>\$ 8,692,944</u>

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

Governmental Activities

Streets	\$ 82,946
Administration	24,025
Police	24,450
Fire Department	7,508
Parks	<u>36,563</u>
Total	<u>\$ 175,492</u>

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 5: INTERFUND BALANCES AND TRANSFERS

The City made the following transfers during the year.

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

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

Advances and Due to Other Funds

The General, Sales Tax Improvement and Stormwater Utility Funds loaned the Water and Wastewater Funds \$322,751. This loan is being repaid with semiannual installments with interest accruing at 4%.

NOTE 6: LONG-TERM DEBT

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2014.

	Balance <u>12/31/13</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/14</u>	Due In <u>One Year</u>
1996 CWR&PDA Bond	\$ 319,980	\$ -	\$ 101,327	\$ 218,653	\$ 106,660
1997 CWR&PDA Bond	126,370	-	34,120	92,250	35,673
2000 CWC Bond	915,175	-	30,110	885,065	31,649
2002 CWR&PDA Bond	<u>1,183,662</u>	<u>-</u>	<u>115,614</u>	<u>1,068,048</u>	<u>121,118</u>
Total	<u>\$ 2,545,187</u>	<u>\$ -</u>	<u>\$ 281,171</u>	<u>\$ 2,264,016</u>	<u>\$ 295,100</u>

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: LONG-TERM DEBT (Continued)

1996 Colorado Water Resources & Power Development Authority Bond

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

1997 Colorado Water Resources & Power Development Authority Bond

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

2000 Colorado Water Conservation Board Bonds

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

2002 Colorado Water Resources & Power Development Authority Bond

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2014 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 295,100	\$ 109,145	\$ 404,245
2016	303,675	95,905	399,580
2017	180,871	83,210	264,081
2018	168,885	77,597	246,482
2019	170,764	72,180	242,944
2020 – 2024	659,835	222,122	881,957
2025 – 2029	264,602	94,744	359,346
2030 – 2033	<u>220,284</u>	<u>28,215</u>	<u>248,499</u>
Total Debt Service Requirements	<u>\$ 2,264,016</u>	<u>\$ 783,118</u>	<u>\$ 3,047,134</u>

NOTE 7: RETIREMENT COMMITMENTS

State Fire and Police Pension Plan (FPPA)

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 7: RETIREMENT COMMITMENTS (Continued)

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

The contribution requirements of plan members and the City are established by statute. The contribution rate for plan members and for the City are 8% of covered salaries. The City contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2014, 2013, and 2012 were \$30,662, \$30,247, and \$29,651, respectively, which were equal to the required annual contributions of the City.

Police Pension (City)

The City sponsors and administers a police pension plan, having one participant at December 31, 2014. No independent actuarial study has been made. However, alternative methods were used to determine that no amounts were due as of December 31, 2014.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all City employees and permits them to defer a portion of their salary until future years. The City matches employee contributions up to 5% of eligible salary, no match is provided to police officers covered by FPPA. During the year ended December 31, 2014, the City contributions were \$14,054, equal to the required contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 8: PUBLIC ENTITY RISK POOL

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

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

CITY OF IDAHO SPRINGS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 8: PUBLIC ENTITY RISK POOL (Continued)

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

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

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The City participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2014, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

Tabor Amendment

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

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2014, the emergency reserve of \$118,000 was recorded in the General Fund.

NOTE 10: SUBSEQUENT EVENTS

In June of 2015, the Town received a grant in the amount of \$21,900,000 from the Colorado Department of Transportation for road construction and repairs.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF IDAHO SPRINGS, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 1,228,131	\$ 1,397,346	\$ 169,215	\$ 1,301,051
Charges for Services	85,800	177,336	91,536	91,561
Intergovernmental	145,610	350,376	204,766	260,804
Court	141,000	248,233	107,233	192,446
Interest	8,308	10,545	2,237	8,848
Miscellaneous	4,000	5,424	1,424	9,918
TOTAL REVENUES	<u>1,612,849</u>	<u>2,189,260</u>	<u>576,411</u>	<u>1,864,628</u>
EXPENDITURES				
Current				
Streets	317,799	273,097	44,702	266,868
Administration	286,521	325,868	(39,347)	252,672
Community Promotion	50,650	40,766	9,884	28,470
Building Inspector	13,000	52,987	(39,987)	7,015
Police	576,701	640,023	(63,322)	574,395
Court	51,328	41,158	10,170	41,375
Fire Department	100,238	99,738	500	100,867
Parks	111,351	80,092	31,259	86,723
Cemetery	6,250	24	6,226	241
Contingency	777,420	9,103	768,317	-
Capital Outlay	21,585	-	21,585	-
TOTAL EXPENDITURES	<u>2,312,843</u>	<u>1,562,856</u>	<u>749,987</u>	<u>1,358,626</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(699,994)</u>	<u>626,404</u>	<u>1,326,398</u>	<u>506,002</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	25,000	25,000	-	23,464
Transfers Out	(545,500)	(15,500)	530,000	(344,919)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(520,500)</u>	<u>9,500</u>	<u>530,000</u>	<u>(321,455)</u>
NET CHANGE IN FUND BALANCE	<u>(1,220,494)</u>	<u>635,904</u>	<u>1,856,398</u>	<u>184,547</u>
FUND BALANCE, Beginning	<u>1,507,435</u>	<u>1,607,699</u>	<u>100,264</u>	<u>1,423,152</u>
FUND BALANCE, Ending	<u>\$ 286,941</u>	<u>\$ 2,243,603</u>	<u>\$ 1,956,662</u>	<u>\$ 1,607,699</u>

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

SALES TAX IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 498,311	\$ 580,737	\$ 82,426	\$ 532,098
Intergovernmental	78,500	-	(78,500)	102,730
Interest	7,792	7,868	76	8,329
Other	102,000	-	(102,000)	4,302
TOTAL REVENUES	<u>686,603</u>	<u>588,605</u>	<u>(97,998)</u>	<u>647,459</u>
EXPENDITURES				
Current				
Capital Outlay	749,500	209,815	539,685	158,145
Contingency	2,450,364	-	2,450,364	-
TOTAL EXPENDITURES	<u>3,199,864</u>	<u>209,815</u>	<u>2,990,049</u>	<u>158,145</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,513,261)</u>	<u>378,790</u>	<u>2,892,051</u>	<u>489,314</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	530,000	-	(530,000)	330,000
Transfers Out	(186,690)	(186,690)	-	(158,264)
TOTAL OTHER SOURCES (USES)	<u>343,310</u>	<u>(186,690)</u>	<u>(530,000)</u>	<u>171,736</u>
NET CHANGE IN FUND BALANCE	<u>(2,169,951)</u>	<u>192,100</u>	<u>2,362,051</u>	<u>661,050</u>
FUND BALANCE, Beginning	<u>2,339,908</u>	<u>2,368,982</u>	<u>29,074</u>	<u>1,707,932</u>
FUND BALANCE, Ending	<u>\$ 169,957</u>	<u>\$ 2,561,082</u>	<u>\$ 2,391,125</u>	<u>\$ 2,368,982</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF IDAHO SPRINGS, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2014

	Conservation	Grant	TOTALS	
	Trust Fund	Fund	2014	2013
ASSETS				
Cash and Investments	\$ 82,756	\$ -	\$ 82,756	\$ 74,516
Grants Receivable	-	-	-	8,500
TOTAL ASSETS	<u>\$ 82,756</u>	<u>\$ -</u>	<u>\$ 82,756</u>	<u>\$ 83,016</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,020
Due to Other Funds	-	-	-	7,480
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,500</u>
FUND EQUITY				
Fund Balance				
Restricted	<u>82,756</u>	<u>-</u>	<u>82,756</u>	<u>74,516</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 82,756</u>	<u>\$ -</u>	<u>\$ 82,756</u>	<u>\$ 83,016</u>

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2014

	Conservation Trust Fund	Grant Fund	TOTALS	
			2014	2013
REVENUES				
Lottery Revenues	\$ 8,191	\$ -	\$ 8,191	\$ 9,176
Intergovernmental	-	-	-	19,620
Interest	49	-	49	62
TOTAL REVENUES	8,240	-	8,240	28,858
EXPENDITURES				
Capital Outlay	-	-	-	26,535
TOTAL EXPENDITURES	-	-	-	26,535
CHANGE IN FUND BALANCES	8,240	-	8,240	2,323
FUND BALANCES, Beginning	74,516	-	74,516	72,193
FUND BALANCES, Ending	\$ 82,756	\$ -	\$ 82,756	\$ 74,516

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Lottery Revenues	\$ 9,000	\$ 8,191	\$ (809)	\$ 9,176
Interest	100	49	(51)	62
TOTAL REVENUES	<u>9,100</u>	<u>8,240</u>	<u>(860)</u>	<u>9,238</u>
EXPENDITURES				
Parks and Recreation	<u>90,288</u>	<u>-</u>	<u>90,288</u>	<u>6,915</u>
NET CHANGE IN FUND BALANCE	(81,188)	8,240	89,428	2,323
FUND BALANCE, Beginning	<u>81,188</u>	<u>74,516</u>	<u>(6,672)</u>	<u>72,193</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 82,756</u>	<u>\$ 82,756</u>	<u>\$ 74,516</u>

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

GRANTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 19,620
TOTAL REVENUES	-	-	-	19,620
EXPENDITURES				
Current				
Capital Outlay	-	-	-	19,620
TOTAL EXPENDITURES	-	-	-	19,620
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 723,000	\$ 721,454	\$ (1,546)	\$ 740,521
Investment Income	1,000	806	(194)	1,083
Intergovernmental	345,250	76,285	(268,965)	32,565
Transfers In	94,950	94,950	-	71,000
Other Revenues	35,000	7,830	(27,170)	10,542
TOTAL REVENUES	<u>1,199,200</u>	<u>901,325</u>	<u>(297,875)</u>	<u>855,711</u>
EXPENDITURES				
Water Treatment	396,111	381,743	14,368	347,576
Capital Outlay	837,200	138,624	698,576	154,400
Debt Service				
Principal	186,824	179,844	6,980	176,894
Interest	114,026	93,405	20,621	97,894
Contingency	1,081,043	-	1,081,043	-
TOTAL EXPENDITURES	<u>2,615,204</u>	<u>793,616</u>	<u>1,821,588</u>	<u>776,764</u>
NET INCOME, Budget Basis	<u>\$ (1,416,004)</u>	107,709	<u>\$ 1,523,713</u>	78,947
GAAP BASIS ADJUSTMENTS				
Capital Outlay		138,624		154,400
Depreciation		(299,520)		(301,877)
Principal Paid on Long-Term Debt		179,844		176,894
NET INCOME, GAAP Basis		126,657		108,364
NET ASSETS, Beginning		<u>4,380,984</u>		<u>4,272,620</u>
NET ASSETS, Ending		<u>\$ 4,507,641</u>		<u>\$ 4,380,984</u>

See the accompanying independent auditors' report.

CITY OF IDAHO SPRINGS, COLORADO

WASTEWATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 667,000	\$ 635,473	\$ (31,527)	\$ 636,193
Investment Income	400	477	77	481
Other Income	-	55,745	55,745	30,769
Transfers In	66,740	66,740	-	63,800
TOTAL REVENUES	<u>734,140</u>	<u>758,435</u>	<u>24,295</u>	<u>731,243</u>
EXPENDITURES				
Wastewater Treatment	426,882	444,319	(17,437)	424,893
Capital Outlay	174,090	14,416	159,674	-
Debt Service				
Principal	108,129	101,327	6,802	95,994
Interest	26,805	23,641	3,164	25,506
Contingency	686,424	-	686,424	-
TOTAL EXPENDITURES	<u>1,422,330</u>	<u>583,703</u>	<u>838,627</u>	<u>546,393</u>
NET INCOME, Budget Basis	<u>\$ (688,190)</u>	174,732	<u>\$ 862,922</u>	184,850
GAAP BASIS ADJUSTMENTS				
Capital Outlay		14,416		-
Depreciation & Amortization		(215,848)		(217,783)
Principal Paid on Long-Term Debt		101,327		95,994
NET INCOME, GAAP Basis		74,627		63,061
NET ASSETS, Beginning		<u>4,039,613</u>		<u>3,976,552</u>
NET ASSETS, Ending		<u>\$ 4,114,240</u>		<u>\$ 4,039,613</u>

See the accompanying independent auditors' report.

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Idaho Springs
	YEAR ENDING : December 2014

This Information From The Records Of (example - City of _ or County of City of Idaho Springs)	Prepared By: Phone: 303-567-4421/Sandy Bronson
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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)	101,882
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	288,735
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	305,865	b. Snow and ice removal	
3. Other local imposts (from page 2)	83,211	c. Other	
4. Miscellaneous local receipts (from page 2)	89,093	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	161,322
a. Bonds - Original Issues		6. Total (1 through 5)	551,938
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)	478,169	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	71,559	2. Notes:	
D. Receipts from Federal Government (from page 2)	2,210	a. Interest	
E. Total receipts (A.7 + B + C + D)	551,938	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)	551,938

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
	c	551,938	551,938	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	83,211	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	89,093
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.)	83,211	i. Total (a. through h.)	89,093
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	63,651	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	2,210
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	7,908	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	7,908	g. Total (a. through f.)	2,210
4. Total (1. + 2. + 3.f)	71,559	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		101,882	101,882
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	101,882	101,882
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	101,882	101,882
			(Carry forward to page 1)

Notes and Comments: