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**TOWN OF MOUNTAIN VILLAGE  
COLORADO**

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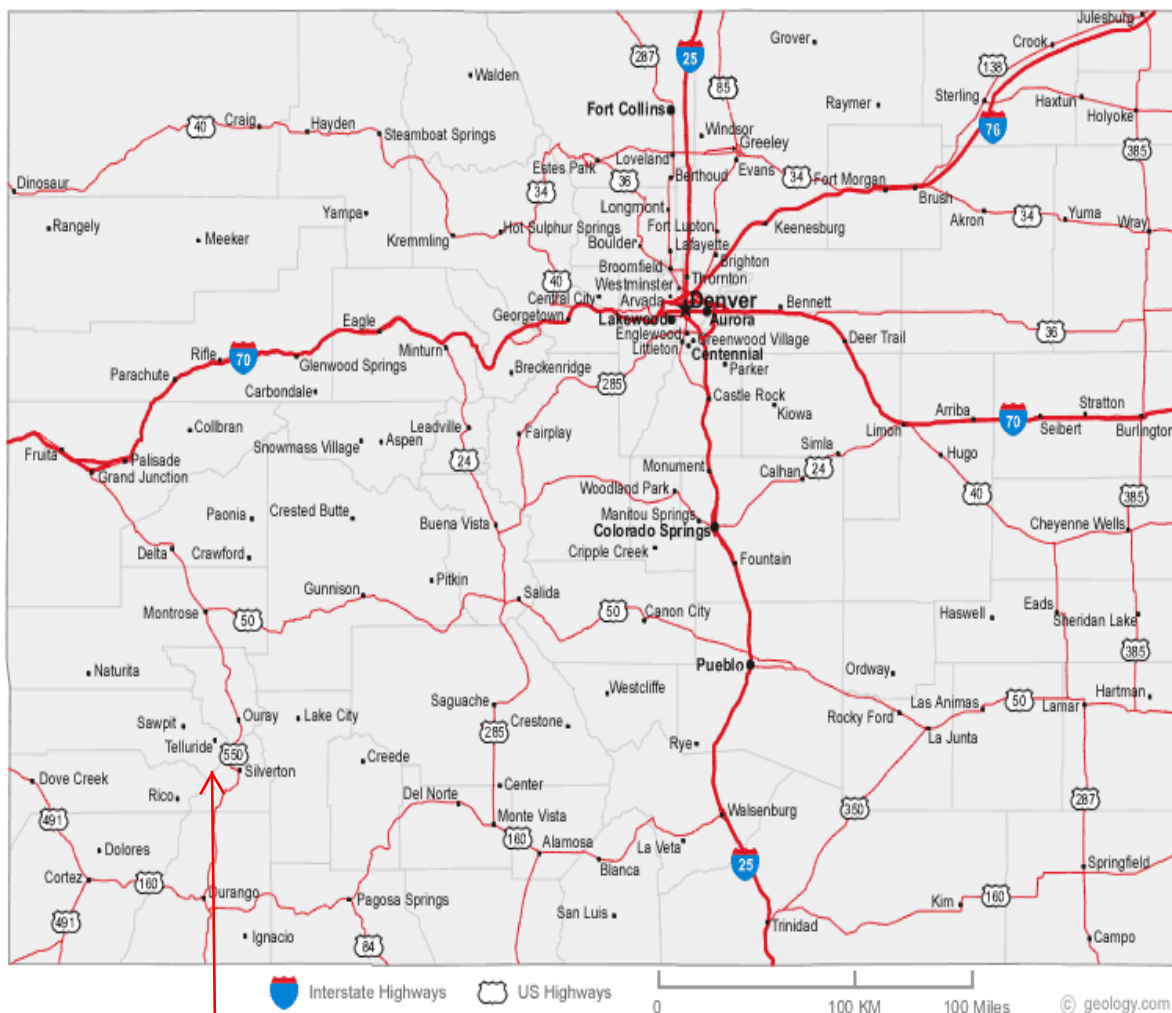


**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2014**

## ABOUT MOUNTAIN VILLAGE

Mountain Village, situated in the heart of the breathtaking San Juan Mountains, was incorporated in 1995 as a home rule municipality. Its founders envisioned a European-style ski-in/ski-out, pedestrian-friendly destination resort that would complement the historic mining town of Telluride. A three-stage gondola transportation system connects the Town of Mountain Village with the Town of Telluride. Situated at 9,500 feet, Mountain Village is comparably a world apart from other resorts: it is innately spectacular, beautifully orchestrated and planned, and overflowing with style, charm and sophistication. For more information, please visit us on the Web at [www.townofmountainvillage.com](http://www.townofmountainvillage.com).



Mountain Village

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**Mayor, Dan Jansen**  
**Mayor Pro Tem, Cath Jett**  
**Council Members: Martin McKinley, John Howe, Jonette Bronson,**  
**Dave Schillaci, Michelle Sherry**  
**Town Manager, Kim Montgomery**

**Prepared by:**  
**The Finance Department of The Town of Mountain Village**  
**Kevin Swain, Treasurer and Finance Director**  
**Kate Burns, Controller**  
**Julie Vergari, Chief Accountant**  
**Kathy Smith, Accounts Payable Technician**  
**Susan Ray, Billing Service Specialist**  
**Sheri Mahoney, Payroll Technician**



June 19, 2015

To the Honorable Mayor, Members of the Governing Town Council and Citizens of the Town of Mountain Village:

The Comprehensive Annual Financial Report of the Town of Mountain Village (the "Town") for the year ended December 31, 2014, is hereby submitted as mandated by the Town's home rule charter and state statutes. The charter and statutes require that the Town of Mountain Village issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures, rests with the Town's management. We believe the information as presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

### **Governmental Structure, Local Economic Condition and Outlook**

The Town, incorporated under a Home Rule Charter in 1995, is located in the San Juan Range of the Rocky Mountains, in southwest Colorado, in San Miguel County, and consists of approximately 2,100 acres of land. The Town is an upscale European styled resort-oriented community situated in the mountains above and adjacent to, the Town of Telluride and includes a large part of the Telluride Ski Area. The Town also has the power, by state statute, to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the governing town council.

The Town has operated under a council-mayor form of government since its inception. Policy-making and legislative authority are vested in the governing council; certain executive authority rests with the Mayor. The governing council ("Town Council" or the "Council") is responsible, among other things, for passing ordinances, adopting the budget and appointing committees. The Mayor is selected from within the Town Council and his or her tenure in office is subject to termination at any time by the Town Council. The Mayor is responsible, among other things, for appointing the various officials of the Town and is empowered to carry out the policies and ordinances of the Town Council.

The Council is elected on a non-partisan basis. Council members are elected at large to four year staggered terms.

It was determined by the District and the Town that it was in the best interests of the residents of the Town and the District that the District be dissolved and that the Town assume the governmental services and functions currently performed by the District. On December 13, 2006, the District Court, San Miguel County, Colorado approved the dissolution of the District effective January 1, 2007, which was approved by the District's electors on November 7, 2006. The District stays in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding General Obligation Bonds. The Town Council of the Town of Mountain Village, Colorado (the Town) is responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements. The Town assumed the assets and all other obligations of the District effective January 1, 2007.

The Town is a body corporate and politic with all of the powers of a public or quasi-municipal corporation and is a political subdivision of the State of Colorado. The Town was organized for the purpose of providing for its residents various governmental services including, but not limited to, general governmental services, (affordable housing, building code enforcement, planning, zoning and design review) and law enforcement. The Town is empowered to levy taxes subject to voter authorization and may issue bonds. The Town imposes certain fees and charges upon its residents and users for design review, plan review, inspection, planning and zoning. The Town has a zoned population of approximately 8,000 and is approximately 71.25% developed with an additional 100 units or 1.5% of density either under construction or in the DRB review process. The estimated current permanent population is 1,371 people, and the 2014 assessed valuation of the Town is \$266,407,970.

The Town recently enjoyed several years of favorable economic conditions which resulted in operating surpluses allowing investments in affordable housing and the growth of fund reserves. While the Town has grown and begun to mature as a stable resort destination, it is still very much reliant on real estate development. As the national economy entered into a global recession the pace of real estate development and property sales slowed dramatically and the result was a devalued property tax base. In recognition of these factors, the Town took budgetary measures for 2013 and 2014 that offset the decline in property tax in those years. Budget measures taken include a policy established for 2010 and 2011 whereby a set-aside of current property tax revenue was established as a backstop against falling revenue resulting from the reduced property tax base. The two year result ended up in additional reserves for the General Fund in the amount of \$450,828. Those reserves have been maintained and have been repurposed for utilization in 2015 and 2016 if the Town Council finds it prudent and necessary.

The continued strong financial condition of the Town is creating both opportunities and challenges for the organization and its constituents. Although the Town's finances have stabilized recently, the Town is faced with new challenges to meet increased demand for services, facilities and amenities triggered by the local growth. As the Village grows, demand for more affordable housing and childcare services and facilities are of primary concern. It will require significant financial resources to address these deficiencies in the upcoming years.



## **Financial Information**

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the organization are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Town maintains extensive budgetary controls. The objective of these controls is to ensure compliance with the legal provisions embodied in the annually appropriated budget approved by the Town Council. Financial activities of the Town's governmental funds are included in the annual appropriated budget. The point of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. In order to address long range financial planning issues, a long-range financial plan is maintained and revised periodically by the Town Council. As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A") which can be found immediately following the independent auditor's report.

## **Long Term Financial Planning**

As part of the Town's annual budget process, a five year financial plan for all funds and operations of the Town is updated and included as part of the budget adoption process. Revenue projections are updated and all Town department and fund budgets are forecast for the upcoming five years.

## **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The firm of Chadwick, Steinkirchner, Davis, & Co. has been retained to audit the Town. The auditors used Generally Accepted Auditing Standards in conducting the engagement. The auditor's report in the general-purpose financial statements, and combining and individual fund statements and schedules, is included in the financial section of this report.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the year ended December 31, 2013. This

was the fourteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

I would like to express my appreciation to all members of the Town's staff who assisted and contributed to the preparation of this report. I would also like to thank the Mayor and the Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Kevin Swain  
Town Finance Director

<p style="text-align: center;"><b>Town of Mountain Village Organizational Chart</b></p> <p style="text-align: center;"><b>Voters/Electorate</b></p> <p style="text-align: center;"><b>Town Council (Legislative)</b></p> <p style="text-align: center;"><b>Mayor (Executive)</b></p>		
<p><b><u>Town Offices</u></b> Town Manager Town Attorney Town Clerk Town Treasurer</p>	<p><b><u>Departments</u></b> Community Development, Public Safety, Road &amp; Bridge, Transportation, Recreation, Public Works, Vehicle Maintenance, Plaza &amp; Environmental Services, Community Relations, Human Relations</p>	<p><b><u>(Judicial)</u></b> Municipal Court</p>
	<p><b><u>Enterprise Operations</u></b> Cable Television Water &amp; Sanitary Sewer Conference Center Child Development Housing Authority Parking Services</p>	

### List of Elected and Appointed Officials December 31, 2014

#### Elected Officials

Council Member-At large	Dan Jansen
Council Member-At large	Cath Jett
Council Member-At large	Jonette Bronson
Council Member-At large	David Schillaci
Council Member-At large	Martin McKinley
Council Member-At large	Michelle Sherry
Council Member-At large	John Howe

#### Appointed Officials

Town Manager	Kim Montgomery
Town Attorney (Contracted)	J. David Reed esq.
Town Clerk	Jackie Kennefick
Town Treasurer	Kevin Swain
Director of Community Development	Chris Hawkins
Police Chief	Chris Broady

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Mountain Village  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

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## **Independent Auditors Report**

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**Independent Auditor's Report**

June 18, 2015

Town Council  
Town of Mountain Village  
Mountain Village, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mountain Village, Colorado (the Town), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mountain Village, Colorado, 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 budgetary comparison information on pages 7–15 and 63–64 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.

Town Council  
Town of Mountain Village



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 Town's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, budget to actual fund schedules, Local Highway Finance Report and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules, budget to actual fund schedules, and Local Highway Finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2015, on our consideration of the Town of Mountain Village's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Mountain Village's internal control over financial reporting and compliance.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

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## **Management's Discussion and Analysis**

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# TOWN OF MOUNTAIN VILLAGE, COLORADO

## Management's Discussion and Analysis

### For the Year Ended December 31, 2014

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As management of the Town of Mountain Village (the Town), we offer readers of these financial statements this summary overview and analysis of the financial activities and position through and as of December 31, 2014. We encourage readers to consider the information presented in conjunction with the additional information furnished in our basic financial statements to more thoroughly understand the financial activities and position of the Town.

#### **A. Financial Highlights**

- Net Position (excess assets/deferred outflows over liabilities/deferred inflows) increased \$2.26 million from \$52 to \$54 million.
- Re-financings of outstanding bond issues were accomplished for the Series 2006A General Obligation Bonds and the Series 2000 Housing Facilities Revenue bonds. Taking advantage of the continued low interest rate environment the Town taxpayers will enjoy a reduced property tax burden from the new series 2014 General Obligation bonds and a longer term fixed rate for its housing bonds with reduced annual interest costs and annual fees.
- Sales taxes collections reached and went over the \$3 million mark for the first time in Town history.

Transfer of assets and assumption of services of the Mountain Village Metropolitan District. The Mountain Village Metropolitan District (the District) was established on September 12, 1983 for the purpose of providing certain services including: domestic water, wastewater treatment, drainage, roads, television relay and translator facilities, public parks and recreation facilities, and transportation. It was determined by the District and the Town that it is in the best interests of the residents of the Town and the District that the District be dissolved and that the Town assume the governmental services and functions currently performed by the District. On December 13, 2006, the District Court, San Miguel County, Colorado approved the dissolution of the District effective January 1, 2007, which was approved by the District's electors on November 7, 2006. **The District will stay in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding General Obligation Bonds.** The Town Council will be responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements. The Town assumed the assets and all other obligations of the District effective January 1, 2007.

#### **B. Overview of Financial Statements**

This discussion and analysis is intended to serve as the introduction to the Town'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.

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

The statement of net position presents information on all of the organization's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time,

increases or decreases in net position may serve as a useful indicator of whether the organization's financial condition is improving or deteriorating.

The statement of activities presents information showing how the Town'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 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.

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 general government, economic development, debt service, capital projects, culture and recreation, and transportation. The business-type activities include affordable housing rental and development, cable television, water and sewer, conference center, child development, parking services, and regional communications.

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 requirements. The Town funds are separated into two classifications: governmental funds and enterprise (proprietary) 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 expendable resources, as well as on balances of expendable 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 more thoroughly understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds are separated into the following major funds: General Fund, Gondola Special Revenue Fund, and as a unit of The Town, Debt Service Fund. All non-major funds (Capital Projects Fund, Vehicle and Equipment Acquisition, Historical Museum and Tourism Funds) are combined as other governmental funds.

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

Enterprise Funds- Enterprise funds (proprietary) are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The enterprise funds are used to account for child development, regional communications and affordable housing programs. The Town's major enterprise funds are the Housing Authority Fund, Cable, Telluride Conference Center, and the Water and Sewer Fund. All non-major funds (Child Development, Parking Services, and Communication System Funds) are combined as other enterprise funds.

Notes to Financial Statements The notes provide additional information that are essential to full understanding of the data provided in the various financial reports.

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

Capital Assets- Beginning with the 2004 financial statements, the Town must comply with the capital assets reporting requirements as specified in Governmental Accounting Standards Board Statement 34 (GASB 34). One of the requirements is to report capital assets in the government-wide financial statements. The Town has complied with these requirements.

In addition, beginning with the 2007 financial statements, the Town must report on its capital assets. In anticipation of this requirement, the Town decided to report its capital assets beginning with the 2004 financial statements. Accordingly, the government-wide financial statements include information about capital assets and the related expenses.

Fund Balance- Effective with financial reporting periods beginning after June 15, 2010, Governmental Accounting Standards Board Statement 54 (GASB 54) requires the classification of fund balance in governmental funds. The objective is to enhance the usefulness of fund balance information. The Town has complied with GASB 54 requirements starting with its 2009 financial statements.

### C. Government-wide Financial Analysis

At the close of 2014, the total Net Position was \$54 million, an increase of \$2,255,771 from prior year which is primarily a result of record breaking sales tax collections and controlled spending.

For a full summary of the Town's Net Position, please see page 21 of this report.

#### Statements of Net Position December 31, 2014 and 2013

	Governmental Activities		Business - Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$19,188,431	\$18,055,399	\$ 5,985,199	\$ 5,188,060	\$ 25,173,630	\$ 23,243,459
Capital Assets	48,106,760	49,225,821	24,989,037	26,275,646	73,095,797	75,501,467
<b>Total Assets</b>	<b>67,295,191</b>	<b>67,281,220</b>	<b>30,974,236</b>	<b>31,463,706</b>	<b>98,269,427</b>	<b>98,744,926</b>
<b>Deferred Outflow of Resources</b>	<b>742,036</b>	<b>177,422</b>	<b>62,064</b>	<b>319,734</b>	<b>804,100</b>	<b>497,156</b>
Current Liabilities	4,588,102	3,979,035	821,187	825,618	5,409,289	4,804,653
Non - Current Liabilities						
Due Within One Year	2,945,001	2,728,477	356,834	235,116	3,301,835	2,963,593
Due In More Than One Year	16,404,566	19,142,439	13,000,221	13,257,131	29,404,788	32,399,570
<b>Total Liabilities</b>	<b>23,937,669</b>	<b>25,849,951</b>	<b>14,178,242</b>	<b>14,317,865</b>	<b>38,115,912</b>	<b>40,167,816</b>
<b>Deferred Inflow of Resources</b>	<b>6,709,918</b>	<b>6,762,607</b>	<b>-</b>	<b>319,734</b>	<b>6,709,918</b>	<b>7,082,341</b>
Net Position						
Net Investment in Capital Assets	29,055,499	27,532,327	11,694,046	13,318,565	40,749,545	40,850,892
Restricted for Debt Service	750,647	734,651	850,023	450,000	1,600,670	1,184,651
Restricted for Emergencies	536,090	532,144	-	-	536,090	532,144
Unrestricted	7,047,403	6,046,962	4,313,988	3,377,277	11,361,391	9,424,239
<b>Total Net Position</b>	<b>\$37,389,639</b>	<b>\$34,846,084</b>	<b>\$ 16,858,058</b>	<b>\$ 17,145,842</b>	<b>\$ 54,247,697</b>	<b>\$ 51,991,926</b>

For a full summary of the Town's changes in Net Position, see page 22 of this report.

**Statements of Changes in Net Position**  
For the Years Ended December 31, 2014 and 2013

	Governmental Activities		Business - Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,130,999	\$ 1,864,272	\$ 6,736,798	\$ 6,474,417	\$ 7,867,797	\$ 8,338,689
Operating Grants and Contributions	3,883,361	3,520,479	46,846	59,043	3,930,207	3,579,521
Capital Grants and Contributions	482,543	537,244	47,001	176,725	529,544	713,968
Total Program Revenues	5,496,903	5,921,995	6,830,646	6,710,184	12,327,549	12,632,179
<b>General Revenues</b>						
Property and Specific Ownership Taxes	7,415,950	7,968,282	-	-	7,415,950	7,968,282
Sales and Use Taxes	3,502,280	4,196,071	-	-	3,502,280	4,196,071
Lodging and Restaurant Taxes	1,517,993	1,357,417	-	-	1,517,993	1,357,417
Miscellaneous	144,401	126,629	389,133	384,538	533,534	511,167
Investment Earnings	94,542	9,122	179	470	94,722	9,592
Gain on Sale of Assets	43,990	-	-	-	43,990	-
Total General Revenues	12,719,157	13,657,521	389,313	385,008	13,108,470	14,042,530
<b>Total Revenues</b>	<b>18,216,061</b>	<b>19,579,516</b>	<b>7,219,959</b>	<b>7,095,192</b>	<b>25,436,019</b>	<b>26,674,708</b>
<b>Expenses</b>						
General Government	3,522,156	4,054,627	-	-	3,522,156	4,054,627
Gondola Operations and Capital Expenditures	3,922,108	3,382,884	-	-	3,922,108	3,382,884
Public Safety	926,589	1,211,029	-	-	926,589	1,211,029
Roads and Bridges	1,635,861	2,259,809	-	-	1,635,861	2,259,809
Culture and Recreation	487,552	430,976	-	-	487,552	430,976
Equipment & Property Maintenance	1,939,836	1,948,923	-	-	1,939,836	1,948,923
Transportation	1,094,386	1,170,322	-	-	1,094,386	1,170,322
Water & Sewer	-	-	2,059,875	2,013,911	2,059,875	2,013,911
Cable Television	-	-	1,393,850	1,361,458	1,393,850	1,361,458
Telluride Conference Center	-	-	416,111	416,067	416,111	416,067
Economic Development	2,348,837	2,220,203	-	-	2,348,837	2,220,203
Housing Authority	-	-	2,536,978	2,347,284	2,536,978	2,347,284
Parking Services	-	-	328,928	288,821	328,928	288,821
Daycare Program	-	-	567,180	563,955	567,180	563,955
Regional Communications System	-	-	-	193,646	-	193,646
Total Expenses	15,877,325	16,678,773	7,302,922	7,185,143	23,180,248	23,863,916
<b>Change in Net Position before Transfers</b>	<b>2,338,735</b>	<b>2,900,743</b>	<b>(82,964)</b>	<b>(89,951)</b>	<b>2,255,772</b>	<b>2,810,792</b>
<b>Transfers</b>	<b>204,820</b>	<b>549,382</b>	<b>(204,820)</b>	<b>(549,381)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>2,543,555</b>	<b>3,450,125</b>	<b>(287,784)</b>	<b>(639,332)</b>	<b>2,255,772</b>	<b>2,810,792</b>
<b>Beginning Net Position</b>	<b>34,846,084</b>	<b>31,395,960</b>	<b>17,145,842</b>	<b>17,785,174</b>	<b>51,991,926</b>	<b>49,181,134</b>
<b>Ending Net Position</b>	<b>\$ 37,389,639</b>	<b>\$34,846,085</b>	<b>\$ 16,858,058</b>	<b>\$17,145,842</b>	<b>\$ 54,247,698</b>	<b>\$51,991,926</b>



## D. Financial Analysis of the Town's Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Town's Governmental Funds are comprised of the following:

- General Fund
- Gondola Fund (special revenue)
- Tourism Fund (special revenue)
- Historical Museum Fund (special revenue)
- Debt Service Fund (acting for the Mountain Village Metropolitan District)
- Vehicle and Equipment Acquisition Fund
- Capital Projects Fund

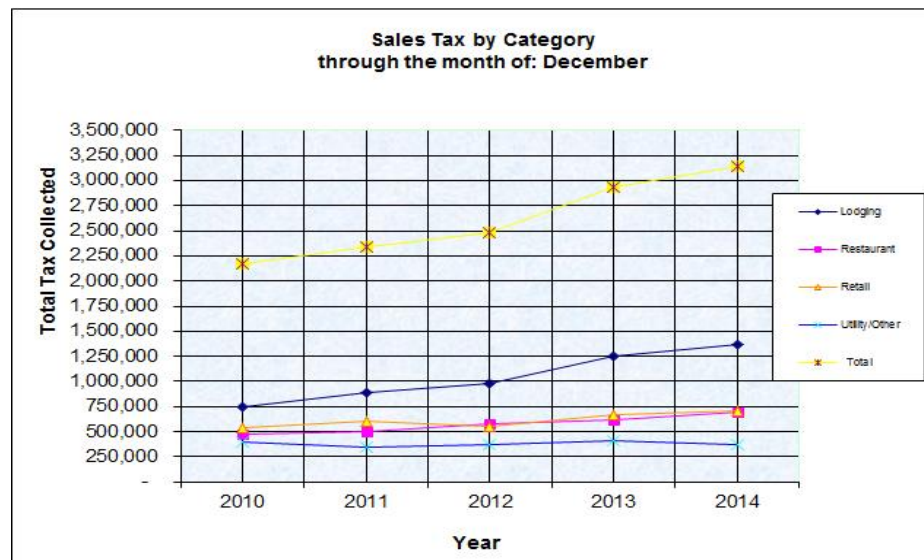
### General Fund

Revenues of \$8.2 million were over budgeted expectations by \$450,000. Expenditures came in below budget by \$600,000 leaving the general fund a surplus of \$475,000 after inter-fund transfers. Budget savings were due to the continued conscientiousness of staff in controlling expenditures, savings in utilities because of ongoing energy efficiencies, and worker's comp. Total fund balance remains adequate at \$7.1 million.

### Sales Tax

Sales tax revenues of \$3.14 million increased from prior year by \$203,000 or 7% with record breaking tax collections including the highest collection month on record, March 2014. Sales tax increases were noticed most heavily in the lodging and restaurant categories. Please see detailed analysis that follows.

Actual Sales Tax Base By Class, Through December 2014										
Category	Actual 2010	Actual 2011	PY % Increase	Actual 2012	PY % Increase	Actual 2013	PY % Increase	Actual 2014	PY \$ Variance	PY % Increase
	4.5%	4.5%	2010 to 2011	4.5%	2011 to 2012	4.5%	2012 to 2013	4.5%	2013 to 2014	2013 to 2014
Lodging	16,667,064	19,663,485	18%	21,813,629	11%	27,745,883	27%	30,348,012	2,602,129	9.38%
Restaurant	10,606,332	11,223,839	6%	12,717,690	13%	13,631,180	7%	15,497,118	1,865,938	13.69%
Retail	11,947,237	13,406,936	12%	12,293,787	-8%	14,864,000	21%	15,593,895	729,894	4.91%
Utility/Other	8,861,304	7,625,308	-14%	8,323,303	9%	9,049,664	9%	8,344,931	(704,733)	-7.79%
Total	48,081,937	51,919,568	8%	55,148,409	6%	65,290,728	18%	69,783,956	4,493,229	6.88%



## **Tourism Fund**

Lodging taxes, restaurant taxes and business license fees flow through this fund to fund various Mountain Village marketing, promotion and economic development programs. Those programs include general regional marketing, promotion and group sales activity through Marketing Telluride Inc. (MTI) and various airline guaranty programs through the Telluride and Montrose Regional Air Organization (TMRAO).

Lodging tax receipts of \$1.2 million were up 12% from prior year, and restaurant tax receipts of \$315,300 show an increase of 14% from prior year. 2014 receipts include prior year taxes which are shown in the proper periods in the tables below. Business license fees of \$270,572 increased over prior year activity by less than 1%. Tourism activity generated approximately \$898,081 for the airline guaranty program and \$849,906 for regional marketing programs and group sales efforts. Overall, the town's tourism fund reinvested over \$1.77 million back into the region to support the various businesses operating in the community which includes additional funding of \$25,000 to airline guaranty. Please see the lodging and restaurant tax revenue summary below for further information.

Town of Mountain Village Colorado Lodging Tax Summary								
	2010 Activity (4%)	2011 Activity (4%)	2012 Activity (4%)	2013 Activity (4%)	2014 Activity (4%)	2013 Var %	2014 Budget	Budget Var %
Total	781,594	870,717	865,780	1,081,555	1,206,989	11.60%	1,055,532	12.55%
Tax Base	19,539,844	21,767,932	21,644,491	27,038,867	30,174,718		26,388,300	

Town of Mountain Village Colorado Restaurant Tax Summary								
	2010 Activity (2%)	2011 Activity (2%)	2012 Activity (2%)	2013 Activity (2%)	2014 Activity (2%)	2013 Var %	2014 Budget	Budget Var %
Total	224,278	244,750	245,593	274,828	315,303	14.73%	270,495	14.21%
Tax Base	11,213,910	12,237,496	12,279,634	13,741,420	15,765,152		13,524,750	

## **Vehicle and Equipment Acquisition Fund**

The Road and Bridge, Parks and Recreation, and Plaza and Environmental Services departments purchased new vehicles to replace older vehicles in the fleet. Road and Bridge purchased a plow truck with matching grant funds (80%). 5 new employee shuttle vehicles were acquired with matching grant funds (80%). The Road and Bridge and Plaza Services departments each procured capital equipment.

## **Capital Projects Fund**

Activity in the Capital Projects Fund was the receipt of interest on notes payable, continuing radio technology expenditures, paid for with grant funds, and initial planning funds for the project known as the Meadows Improvement Plan.

## **Historical Museum Fund**

The Town instituted a voter approved mill levy January 1, 2005 for the purpose of providing funding to the Telluride Historical Museum for operating costs. The property taxes generated for this purpose in 2014 were approximately \$88,343.

### **Gondola Fund**

The Gondola Fund is used to account for the activity of financing, improving and operating the Gondola and Chondola transit system. The costs for this program are funded through contributions from TMVOA, Telluride Ski and Golf Company (Telski), as well as contributions and charges for extended operating hours. Current year funding of \$3.8 million was mainly comprised of contributions from TMVOA (\$3.27 million or 86%), Telski (\$158,550 or 4%), charges for extended operating hours and miscellaneous revenues (\$5,525 or less than 1%), grant funding of \$325,908 or 8% and other regional government contributions (\$36,000 or less than 1%). Fund expenditures of \$3.8 million increased over prior year by \$410,958. Increases from prior year are primarily the result of major repairs and replacements and capital expense.

### **Debt Service Fund**

Current year debt service activity reflected \$2,880,000 in debt reduction (or 13%) from the prior year's outstanding bond level. The total general obligation bond debt outstanding at 12/31/2014 was \$18,190,000.

	2011	2012	2013	2014
Assessed Valuation	373,861,120	373,861,120	265,515,290	266,407,970
Tax Supported Bonds Outstanding	23,065,000	20,765,000	18,370,000	15,595,000
% of Tax Supported Bonds Outstanding vs. AV	7%	7%	7%	6%
Mill Levy	8.794	10.75	10.823	13.325
Self Supported Bonds Outstanding	2,900,000	2,800,000	2,700,000	2,595,000

The Town's enterprise funds are comprised of the following:

- Housing Authority
  - Village Court Apartments (Affordable Housing)
  - Affordable Housing Development Fund
  - Mortgage Assistance Pool Fund
- Child Development Fund
- Communications System Fund (Last year, 2014)
- Cable Fund
- Water and Sewer Fund
- Telluride Conference Center Fund
- Parking Services Fund

### **Village Court Apartments**

VCA net operating income of \$1.32 million (before capital and debt service obligations) increased over prior year by \$238,377. Operating revenues of \$2.3 million increased over prior year primarily as a result of increased occupancy, utility billings and other miscellaneous revenues. Operating costs of \$1 million decreased from prior year. A transfer from the affordable housing development fund of \$33,000 was made in 2014 to balance the fund at year end. Long term bonds and other debt were refinanced to take advantage of continued low interest rates and longer term financing availability.

### **Affordable Housing Development Fund**

Starting in 2007, The Town pledged 11.11% of sales taxes to the affordable housing development fund, 2014 contributions were \$348,409. Expenses of \$88,041 were for HOA dues and other small repair items for Town owned units as well as support to the Regional Housing Authority. Transfers to Village Court Apartments of \$33,752 and to the Capital Projects Fund of \$54,221 were made to offset deficits in those funds.

### **Mortgage Assistance Pool Fund**

One note with interest was re-paid in 2014. There was no other activity in this fund for the year.

### **Child Development Fund**

The Town has operated daycare services since 2004. In September of 2009, the director launched a preschool, in addition to the daycare and the fund is now called the Child Development Fund with daycare and preschool activities as individual departments. The daycare program provides services for approximately 21 children (6 infants and 15 toddlers) and the preschool accommodates up to 15 children. The preschool showed a surplus of \$2,184 which offset the 2014 General Fund subsidy requirement of \$86,937, a \$14,722 increase from 2013 funding requirements.

### **Parking Services Fund**

Operating costs in 2014 of approximately \$328,928 include personnel, utilities, and maintenance was offset by parking fees of \$347,547, receipts from other entities for shared expenses of \$20,771 and fines of \$29,182. Any deficit is funded by transfer from the general fund. In 2014, mainly the result of increased revenues and controlled spending, the parking fund transferred \$68,572, which includes the overhead allocation, to the General Fund. The gondola intercept parking bonds are not accounted for in this fund; rather it is in the Debt Service Fund.

### **Communications System Fund**

The only activity in the Communication Funds was to transfer the assets to the Town's General Fund. This fund has become defunct and closed as of 12/31/14.

### **Water and Sewer Fund**

A surplus of \$518,976 was retained in the fund for upcoming capital expenses. Expenditures of \$1.45 million were \$30,028 more than prior year in large part due to capital expenditures. Capital investment of \$298,653 was for regional sewer system improvements, repair and replacement of a well, a leak detection system, and a new water line.

### **Cable Television Fund**

Revenues of \$1.6 million surpassed prior year performance by \$52,884 due mainly to growth in internet subscribers. Expenses totaling \$1.28 million were \$40,486 less than prior year due to an upgrade to the system in 2013. The cable fund was able to return to the General Fund a transfer of \$296,264 which includes an overhead administrative allocation of \$116,336.

### **Telluride Conference Center**

In October 2009, the conference center operations were turned over to an outside local contractor. The required transfer from the general fund of \$153,097 was for HOA dues, marketing, and some capital items. Under the agreement, the town continues to fund these costs, and upon certain thresholds, will share in a portion of the revenues earned.

## **E. General Fund Budgetary Results**

The General Fund finished the fiscal year with a surplus of \$475,000. The budgeted deficit was \$804,000. The budgetary variance was the result of total expenditures coming in under budget by \$600,163 and revenues over budget by \$448,533 and other sources and uses over budget by \$230,210.

## **F. Capital Asset and Debt Administration**

### **Capital Assets**

The Town's investment in capital assets for its governmental activities decreased by \$1,119,061, from \$49,225,821 to \$48,106,760, due mainly to depreciation expense. The Town's investment in capital assets for its business-type activities, which include Village Court Apartments, other affordable housing endeavors, the water and sewer system, and the regional communication system decreased \$1,286,609 from \$26,275,646 to \$24,989,037 primarily as a result of the annual depreciation charges.

Additional information on the Town's capital assets can be found in Note 9.

### **Long-Term Debt**

Total outstanding debt at the beginning of the fiscal year amounted to \$21,070,000. Throughout the year, \$2,880,000 was retired bringing the outstanding bond debt down to \$18,190,000 at year end.

On June 2, 2005, the Town entered into an interest rate swap agreement, effective January 2, 2007, which fixed the interest rate at 3.485%. That agreement terminated on September 1, 2010. A new agreement was entered into beginning on December 31, 2010. That agreement was terminated on September 30, 2014 as part of the refinancing of the Series 2000 Housing Facility Revenue Bonds.

Additional information on the Town's long-term debt can be found in Note 10.

### **Economic**

Prior to 2008 the Town enjoyed several years of favorable economic conditions which resulted in operating surpluses allowing investments in affordable housing and the growth of fund reserves. While the Town has grown and begun to mature as a stable resort destination, it is still very much reliant on real estate development. As the national economy entered into a global recession in 2008 the pace of real estate development and property sales slowed dramatically and the result has been a devalued property tax base. In recognition of these factors, the Town has taken budgetary measures for 2015 that will offset expected reductions in property tax revenues for 2015 and beyond as the economic recovery continues but still remains somewhat uncertain.

### **Request for Information**

This financial report is designed to provide a general overview of the Town of Mountain Village's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in the report or requests for additional information should be addressed to:

Finance Director  
Town of Mountain Village  
455 Mountain Village Blvd-Suite A  
Mountain Village, CO 81435  
970.728.8000 kswain@mtnvillage.org

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## **Basic Financial Statements**

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## **Government-Wide Financial Statements**

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**Town of Mountain Village**  
**Statement of Net Position**  
**December 31, 2014**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash (See Note 5)	\$ 2,181,164	\$ 3,737,458	\$ 5,918,623
Investments (See Note 5)	6,058,587	700,226	6,758,813
Receivables			
Taxes	7,576,839	-	7,576,839
Accounts	923,980	275,248	1,199,227
Interest	7,529	-	7,529
Notes (See Note 6)	753,636	134,000	887,636
Internal Balances	(1,713)	1,713	-
Accrued Revenues	-	2,344	2,344
Prepaid Items	322,325	4,648	326,973
Deposits (See Note 5)	539,158	1,272	540,430
Restricted Investments (See Note 5)			
Housing Authority	-	850,023	850,023
Bond Reserve Fund	826,926	-	826,926
Development Property Held for Sale (See Note 8)	-	278,268	278,268
<b>Capital Assets</b>			
Non-depreciable Capital Assets (See Note 9)	2,949,109	234,591	3,183,700
Depreciable Capital Assets (See Note 9)	45,157,651	24,754,446	69,912,097
Total assets	<u>67,295,191</u>	<u>30,974,236</u>	<u>98,269,427</u>
Deferred Outflow of Resources	<u>742,036</u>	<u>62,064</u>	<u>804,100</u>
<b>Liabilities</b>			
Accounts Payable	807,217	444,290	1,251,507
Accrued Expenses	291,967	53,851	345,818
Deposits	59,729	271,942	331,671
Due to Pooled Cash (See Note 5)	2,518,370	24,198	2,542,569
Accrued Interest Payable	64,116	-	64,116
Unearned Revenue	846,703	26,905	873,608
Noncurrent Liabilities (See Note 10)			
Due within one year	2,945,001	356,834	3,301,835
Due in more than one year	16,404,566	13,000,221	29,404,788
Total liabilities	<u>23,937,669</u>	<u>14,178,242</u>	<u>38,115,912</u>
Deferred Inflow of Resources	<u>6,709,918</u>	<u>-</u>	<u>6,709,918</u>
<b>Net Position</b>			
Net Investment in Capital Assets	29,055,499	11,694,046	40,749,545
Restricted For			
Debt Service	750,647	850,023	1,600,670
Emergencies	536,090	-	536,090
Unrestricted	7,047,403	4,313,988	11,361,391
Total Net Position	<u>\$37,389,639</u>	<u>\$16,858,058</u>	<u>\$54,247,697</u>

**Town of Mountain Village**  
**Statement of Activities**  
**For the Fiscal Year Ended December 31, 2014**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,417,262	\$ 32,283	\$ 236,071	\$ -	\$ (2,148,908)	\$ -	\$ (2,148,908)
Administration	199,137	-	-	-	(199,137)	-	(199,137)
Public Safety	926,589	5,592	-	83,725	(837,271)	-	(837,271)
Roads & Bridges	1,635,861	300,570	-	124,000	(1,211,291)	-	(1,211,291)
Equipment & Property Maintenance	1,939,836	-	-	-	(1,939,836)	-	(1,939,836)
Culture & Recreation	487,552	-	-	-	(487,552)	-	(487,552)
Parking & Transportation	5,016,494	5,525	3,647,290	274,818	(1,088,861)	-	(1,088,861)
Economic Development	2,348,837	787,029	-	-	(1,561,808)	-	(1,561,808)
Interest on Long Term Debt	905,757	-	-	-	(905,757)	-	(905,757)
Total Governmental Activities	15,877,325	1,130,999	3,883,361	482,543	(10,380,422)	-	(10,380,422)
Business-type Activities:							
Housing Authority	2,536,978	1,941,392	-	-	-	(595,586)	(595,586)
Cable TV	1,393,850	1,625,486	-	-	-	231,636	231,636
Regional Communications System	-	-	-	-	-	-	-
Child Development	567,180	430,994	26,075	9,240	-	(100,871)	(100,871)
Parking Services	328,928	376,729	20,771	-	-	68,572	68,572
Telluride Conference Center	416,111	-	-	-	-	(416,111)	(416,111)
Water and Sewer	2,059,875	2,362,197	-	37,761	-	340,083	340,083
Total Business-type Activities	7,302,922	6,736,798	46,846	47,001	-	(472,277)	(472,277)
Total	\$ 23,180,248	\$ 7,867,797	\$ 3,930,207	\$ 529,544			
General Revenues:							
Taxes:							
Property					7,128,873	-	7,128,873
Specific Ownership					287,077	-	287,077
Sales & Use					3,502,280	-	3,502,280
Lodging					1,203,169	-	1,203,169
Restaurant					314,825	-	314,825
Miscellaneous					144,401	389,133	533,534
Investment Earnings					94,542	179	94,722
Gain or (loss) on Sale of Assets					43,990	-	43,990
Transfers					204,820	(204,820)	-
Total General Revenues and Transfers					12,923,978	184,493	13,108,470
Change in Net Position					2,543,555	(287,784)	2,255,771
Net Position - Beginning					34,846,084	17,145,842	51,991,926
Net Position - Ending					\$ 37,389,639	\$ 16,858,058	\$ 54,247,697

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

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**Fund Financial Statements**

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**Town of Mountain Village**  
**Balance Sheet - Governmental Funds**  
**December 31, 2014**

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Assets					
Cash	\$ 1,203,300	\$ 135,456	\$ 590,035	\$ 252,373	\$ 2,181,164
Investments	6,058,587	-	-	-	6,058,587
Receivables					
Taxes	3,903,312	-	3,315,711	357,816	7,576,839
Accounts	879,359	44,621	-	-	923,980
Notes	-	-	-	753,636	753,636
Interest	392	-	7,138	-	7,529
Due from Other Funds	847,813	-	-	-	847,813
Prepaid Items	322,325	-	-	-	322,325
Deposits	539,158	-	-	-	539,158
Restricted Bond Reserve	-	-	826,926	-	826,926
Total Assets	<u>\$ 13,754,247</u>	<u>\$ 180,077</u>	<u>\$ 4,739,810</u>	<u>\$ 1,363,825</u>	<u>\$ 20,037,957</u>
Liabilities:					
Accounts Payable	\$ 407,351	\$ 59,370	\$ -	\$ 340,496	\$ 807,217
Accrued Payables	171,260	120,707	-	-	291,967
Due to Other Funds	163,663	-	685,865	-	849,528
Deposits	59,729	-	-	-	59,729
Due to Pooled Cash	2,517,960	-	-	410	2,518,370
Unearned Revenue	-	-	-	846,703	846,703
Total Liabilities	<u>3,319,964</u>	<u>180,077</u>	<u>685,865</u>	<u>1,187,609</u>	<u>5,373,514</u>
Deferred Inflows, Property Tax	<u>3,322,341</u>	<u>-</u>	<u>3,303,299</u>	<u>84,278</u>	<u>6,709,918</u>
Fund Balances:					
Nonspendable	322,325	-	-	-	322,325
Restricted for:					
Debt Service	-	-	750,647	-	750,647
Emergencies	536,090	-	-	-	536,090
Assigned	-	-	-	91,938	91,938
Unassigned	6,253,526	-	-	-	6,253,526
Total Fund Balances	<u>7,111,942</u>	<u>-</u>	<u>750,647</u>	<u>91,938</u>	<u>7,954,526</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 13,754,247</u>	<u>\$ 180,077</u>	<u>\$ 4,739,811</u>	<u>\$ 1,363,825</u>	<u>\$ 20,037,958</u>

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

**Town of Mountain Village**

**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**December 31, 2014**

Total Fund Balance - Governmental Funds	\$	7,954,526
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Amounts reported for governmental activities in the statement of Net Position are difference because:

Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in the governmental funds:

Cost of Capital Assets	\$ 65,593,674	
Less Accumulated Depreciation	<u>(17,486,915)</u>	48,106,759

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

General Obligation Bonds	(18,190,000)	
Compensated Absences	<u>(443,730)</u>	(18,633,730)

Long-term debt premiums and discounts are reported in the governmental funds when first incurred, but deferred and amortized in the statement of Net Position.		(715,837)
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Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(64,116)
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The difference between the net proceeds from the issuance of the refunding bonds and the carrying amount of refunded bonds is not reported in the governmental funds, but is deferred and amortized in the statement of Net Position.		<u>742,036</u>
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Total Net Position - Governmental Activities	\$	<u><u>37,389,639</u></u>
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The accompanying notes are an integral part of the financial statements.



**Town of Mountain Village**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended December 31, 2014**

	<b>General</b>	<b>Gondola</b>	<b>Debt Service</b>	<b>Non-Major Governmental</b>	<b>Total</b>
Revenues					
Taxes	\$ 7,151,121	\$ -	\$ 3,678,766	\$ 1,606,336	\$ 12,436,224
Licenses & Permits	274,555	-	-	270,572	545,126
Intergovernmental	363,555	-	-	-	363,555
Contributions from Other Entities	35,287	3,464,984	204,425	-	3,704,696
Charges for Services	279,123	5,525	-	-	284,648
Fines & Forfeitures	4,093	-	-	-	4,093
Miscellaneous	81,551	3,169	-	12,546	97,266
Interest Income	44,268	-	10,582	39,693	94,543
Grants & Contributions	8,287	325,908	-	307,725	641,920
Total Revenues	<u>8,241,840</u>	<u>3,799,586</u>	<u>3,893,773</u>	<u>2,236,872</u>	<u>18,172,070</u>
Expenditures					
Current:					
General Government	2,508,869	-	-	5,130	2,513,999
Public Safety	714,239	-	-	-	714,239
Roads & Bridges	910,000	-	-	-	910,000
Equipment & Property Maintenance	1,718,824	-	-	-	1,718,824
Culture & Recreation	400,979	-	-	86,573	487,552
Parking & Transportation	224,094	3,636,647	-	-	3,860,741
Economic Development	575,850	-	-	1,772,987	2,348,837
Debt Service:					
Administrative Charges	-	-	113,844	-	113,844
Principal	-	-	3,185,000	-	3,185,000
Interest	-	-	941,225	-	941,225
Bond Issuance Costs	-	-	120,673	-	120,673
Capital Outlay:					
General Government	120,766	-	-	545,681	666,447
Culture & Recreation	19,562	-	-	-	19,562
Equipment & Property Maintenance	149,354	-	-	-	149,354
Parking & Transportation	-	119,373	-	-	119,373
Total Expenditures	<u>7,342,538</u>	<u>3,756,020</u>	<u>4,360,742</u>	<u>2,410,371</u>	<u>17,869,670</u>
Excess (Deficiency) of					
Revenues Over (Under) Expenditures	<u>899,302</u>	<u>43,566</u>	<u>(466,970)</u>	<u>(173,499)</u>	<u>302,400</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	10,432	558	-	33,000	43,990
Issuance of Refunding Bonds	-	-	7,571,396	-	7,571,396
Payment to Refunding Bonds Escrow	-	-	(7,445,847)	-	(7,445,847)
Transfers In	839,448	-	500,000	240,215	1,579,663
Transfers Out	(1,274,437)	(44,124)	(142,584)	(28,124)	(1,489,270)
Total Other Financing Sources (Uses)	<u>(424,556)</u>	<u>(43,566)</u>	<u>482,965</u>	<u>245,090</u>	<u>259,933</u>
Net Change in Fund Balances	474,746	-	15,995	71,592	562,332
Fund balance - Beginning of Year	<u>6,637,196</u>	<u>-</u>	<u>734,652</u>	<u>20,346</u>	<u>7,392,193</u>
Fund balance - End of Year	<u>\$ 7,111,942</u>	<u>\$ -</u>	<u>\$ 750,646</u>	<u>\$ 91,937</u>	<u>\$ 7,954,526</u>

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

**Town of Mountain Village**

**Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures, and Changes in Fund Balance to the Statement of Activities  
For the Fiscal Year Ended December 31, 2014**

Net Change in Fund Balance - Governmental Funds	\$	562,332
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in the governmental funds; however, in the statement of activities, the cost is allocated over the estimated useful lives of the assets as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	\$ 1,042,339	
Capital Assets Deletions, Net	(94,366)	
Depreciation	<u>(2,181,456)</u>	(1,233,483)

Capital transfers from business-type activities to governmental funds are not recognized in the fund but are recognized as interfund transfers in the statement of activities.		114,422
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Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not as expenditures in the governmental funds:

Compensated Absences	(8,956)	
Accrued Interest Payable	<u>14,320</u>	5,363

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction has any effect on Net Position in the government-wide statements. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Proceeds from Bond Issuance	(7,155,000)	
Premium Proceeds from Bond Issuance	(416,396)	
Payment to Bond Escrow Agent	7,445,847	
Principal Payment	3,185,000	
Amortization of Deferred Loss on Refunding	(31,233)	
Premium on Bonds Payable	<u>66,701</u>	3,094,919

Change in Net Position of Governmental Funds	\$	<u><u>2,543,554</u></u>
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The accompanying notes are an integral part of the financial statements.

**Town of Mountain Village**  
**Statement of Net Position - Enterprise Funds**  
**December 31, 2014**

	<b>Housing Authority</b>	<b>Water and Sewer</b>	<b>Telluride Conference Center</b>	<b>Cable TV</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 729,646	\$ 2,664,176	\$ 82,086	\$ 256,155	\$ 5,395	\$ 3,737,458
Investments	700,226	-	-	-	-	700,226
Accounts Receivable	(6,456)	233,597	-	1,997	46,110	275,248
Prepaid Expenses	-	-	-	4,648	-	4,648
Accrued Revenues	-	-	-	-	2,342	2,342
Deposits	-	636	-	636	-	1,272
Due From Other Funds	163,663	-	-	-	-	163,663
Total Current Assets	<u>1,587,080</u>	<u>2,898,409</u>	<u>82,086</u>	<u>263,435</u>	<u>53,847</u>	<u>4,884,857</u>
<b>Noncurrent Assets:</b>						
Restricted Investments	850,023	-	-	-	-	850,023
Notes Receivable	134,000	-	-	-	-	134,000
<b>Development Property Held for Sale:</b>						
Buildings	278,268	-	-	-	-	278,268
<b>Capital Assets:</b>						
Land	160,499	-	-	-	-	160,499
Buildings and Improvements	17,744,676	13,917,353	6,211,007	-	199,368	38,072,404
Construction in Progress	-	42,880	31,212	-	-	74,092
Furniture and Fixtures	-	-	231,399	-	-	231,399
Communications System	-	-	-	2,013,273	-	2,013,273
Vehicles & Equipment	199,475	117,147	186,293	209,330	27,650	739,895
Less: Accumulated Depreciation	<u>(7,272,549)</u>	<u>(4,847,432)</u>	<u>(2,504,400)</u>	<u>(1,556,125)</u>	<u>(122,017)</u>	<u>(16,302,524)</u>
Total Noncurrent Assets	<u>12,094,391</u>	<u>9,229,948</u>	<u>4,155,511</u>	<u>666,477</u>	<u>105,002</u>	<u>26,251,329</u>
Total Assets	<u>13,681,471</u>	<u>12,128,357</u>	<u>4,237,597</u>	<u>929,912</u>	<u>158,849</u>	<u>31,136,185</u>
<b>Deferred Outflow of Resources</b>	<u>62,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,064</u>
<b>Liabilities</b>						
<b>Current Liabilities:</b>						
Accounts Payable	34,584	240,233	65,967	97,627	5,880	444,290
Accrued Expenses	11,438	14,163	-	10,685	17,565	53,851
Due to Pooled Cash	-	-	-	-	24,198	24,198
Deposits	259,720	-	-	12,223	-	271,942
Unearned Revenue	20,701	-	-	-	6,204	26,905
Due to Other Funds	161,950	-	-	-	-	161,950
Current Portion of Notes and Bonds Payable	356,834	-	-	-	-	356,834
Total Current Liabilities	<u>845,226</u>	<u>254,396</u>	<u>65,967</u>	<u>120,535</u>	<u>53,847</u>	<u>1,339,971</u>
<b>Noncurrent Liabilities:</b>						
Notes Payable	660,221	-	-	-	-	660,221
Revenue Bond Payable	12,340,000	-	-	-	-	12,340,000
Total Noncurrent Liabilities	<u>13,000,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000,221</u>
Total Liabilities	<u>13,845,448</u>	<u>254,396</u>	<u>65,967</u>	<u>120,535</u>	<u>53,847</u>	<u>14,340,192</u>
<b>Deferred Inflow of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>						
Net Investment in Capital Assets	(2,462,892)	9,229,948	4,155,511	666,477	105,002	11,694,046
Restricted for Debt Service	850,023	-	-	-	-	850,023
Unrestricted	<u>1,510,956</u>	<u>2,644,013</u>	<u>16,119</u>	<u>142,900</u>	<u>-</u>	<u>4,313,988</u>
Total Net Position	<u>\$ (101,912)</u>	<u>\$ 11,873,961</u>	<u>\$ 4,171,630</u>	<u>\$ 809,377</u>	<u>\$ 105,002</u>	<u>\$ 16,858,058</u>

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

**Town of Mountain Village**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Enterprise Funds**  
**For the Fiscal Year Ended December 31, 2014**

	<b>Housing Authority</b>	<b>Water and Sewer</b>	<b>Telluride Conference Center</b>	<b>Cable TV Fund</b>	<b>Non-major Enterprise Funds</b>	<b>Total</b>
Operating Revenues:						
Charges for Sales & Services	\$ 1,954,310	\$ 2,362,197	\$ -	\$ 1,625,486	\$ 807,723	\$ 6,749,716
Operating Grants and Contributions	-	-	-	-	46,846	46,846
Other	388,214	-	920	-	-	389,134
Total Operating Revenues	<u>2,342,524</u>	<u>2,362,197</u>	<u>920</u>	<u>1,625,486</u>	<u>854,569</u>	<u>7,185,697</u>
Operating Expenses:						
Cost of Sales & Services	1,093,578	1,447,875	115,078	1,237,251	872,934	4,766,716
Depreciation and Amortization	585,730	612,001	295,742	156,599	23,173	1,673,246
Total Operating Expenses	<u>1,679,309</u>	<u>2,059,875</u>	<u>410,820</u>	<u>1,393,850</u>	<u>896,107</u>	<u>6,439,962</u>
Operating Income (Loss)	<u>663,215</u>	<u>302,322</u>	<u>(409,900)</u>	<u>231,636</u>	<u>(41,538)</u>	<u>745,734</u>
Nonoperating Revenues (Expenses):						
Interest Income	179	-	-	-	-	179
Transfer of Assets	-	-	-	-	(114,427)	(114,427)
Loss on Disposal of Assets	(338,963)	-	-	-	-	(338,963)
Major Repairs and Replacements	(89,254)	-	(5,290)	-	-	(94,544)
Interest Expense	(262,799)	-	-	-	-	(262,799)
Loan Fees	(179,573)	-	-	-	-	(179,573)
Total Nonoperating Revenue (Expenses)	<u>(870,410)</u>	<u>-</u>	<u>(5,290)</u>	<u>-</u>	<u>(114,427)</u>	<u>(990,127)</u>
Income (Loss) Before Transfers	<u>(207,194)</u>	<u>302,322</u>	<u>(415,191)</u>	<u>231,636</u>	<u>(155,965)</u>	<u>(244,393)</u>
Transfers In	382,161	-	153,097	-	86,937	622,195
Transfers Out	(204,608)	(134,455)	-	(296,264)	(77,260)	(712,588)
Net Transfers From (To) Other Funds	<u>177,553</u>	<u>(134,455)</u>	<u>153,097</u>	<u>(296,264)</u>	<u>9,677</u>	<u>(90,393)</u>
Capital Grants & Contributions	<u>-</u>	<u>37,761</u>	<u>-</u>	<u>-</u>	<u>9,240</u>	<u>47,001</u>
Change in Net Position	<u>(29,642)</u>	<u>205,628</u>	<u>(262,094)</u>	<u>(64,629)</u>	<u>(137,048)</u>	<u>(287,785)</u>
Total Net Position - Beginning of Year	<u>(72,271)</u>	<u>11,668,332</u>	<u>4,433,725</u>	<u>874,006</u>	<u>242,051</u>	<u>17,145,843</u>
Total Net Position - End of Year	<u><u>\$ (101,913)</u></u>	<u><u>\$ 11,873,960</u></u>	<u><u>\$ 4,171,630</u></u>	<u><u>\$ 809,377</u></u>	<u><u>\$ 105,003</u></u>	<u><u>\$ 16,858,057</u></u>

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

**Town of Mountain Village**  
**Statement of Cash Flows - Enterprise Funds**  
**For the Fiscal Year Ended December 31, 2014**

	<b>Housing Authority</b>	<b>Water and Sewer</b>	<b>Telluride Conference Center</b>	<b>Cable TV Fund</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>
Cash Flows from Operating Activities						
Receipts from Customers	\$ 1,947,295	\$ 2,438,429	\$ -	\$ 1,635,441	\$ 788,896	\$ 6,810,061
Operating Contributions	-	-	920	-	46,846	47,766
Payments to Suppliers	(562,808)	(1,436,534)	(112,742)	(1,007,463)	(476,309)	(3,595,856)
Payments to Employees	(394,808)	-	-	(216,254)	(395,689)	(1,006,751)
Other Receipts	388,214	-	-	-	-	388,214
Net Cash Provided by (Used in) Operating Activities	1,377,893	1,001,895	(111,822)	411,723	(36,257)	2,643,433
Cash Flows from Non-capital Financing Activities						
Interfund Borrowings	-	-	-	-	-	-
Transfers to Other Funds	(402,210)	(134,455)	-	(296,264)	(61,617)	(894,547)
Transfers from Other Funds	382,161	-	153,097	-	86,937	622,195
Net Cash Provided by (Used in) Noncapital Financing Activities	(20,049)	(134,455)	153,097	(296,264)	25,320	(272,352)
Cash Flows from Capital and Related Financing Activities						
Principal Payments - Notes and Bonds	(13,551,192)	-	-	-	-	(13,551,192)
Proceeds from Debt Issuance	13,416,000	-	-	-	-	13,416,000
Interest Expense	(262,799)	-	-	-	-	(262,799)
Loan Fees	(179,573)	-	-	-	-	(179,573)
Bond Issuance Costs	(401,037)	-	-	-	-	(401,037)
Purchase of Major Repairs and Replacements	(89,254)	-	(5,290)	-	-	(94,544)
Purchase of Capital Assets	(117,552)	(298,653)	(33,648)	(41,971)	(9,240)	(501,064)
Capital Grants and Contributions	-	37,761	-	-	9,240	47,001
Net Cash Used in Capital and Related Financing Activities	(1,185,407)	(260,892)	(38,938)	(41,971)	-	(1,527,208)
Cash Flows from Investing Activities						
Proceeds from Sale of Investments	200,450	-	-	-	-	200,450
Purchase of Investments	(143,115)	-	-	-	-	(143,115)
Interest Received	179	-	-	-	-	179
Net Cash Used in Investing Activities	57,514	-	-	-	-	57,514
Net Increase in Cash and Cash Equivalents	229,951	606,548	2,336	73,488	(10,937)	901,387
Cash and Cash Equivalents, Beginning of Year	499,695	2,057,628	79,750	182,666	16,332	2,836,071
Cash and Cash Equivalents, End of Year	\$ 729,646	\$ 2,664,176	\$ 82,087	\$ 256,154	\$ 5,395	\$ 3,737,458

Note: Totals may not foot due to rounding.

(Continued)

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

**Town of Mountain Village**

**Statement of Cash Flows - Enterprise Funds**  
**For the Fiscal Year Ended December 31, 2014**

	<b><u>Housing Authority</u></b>	<b><u>Water and Sewer</u></b>	<b><u>Telluride Conference Center</u></b>	<b><u>Cable TV Fund</u></b>	<b><u>Non-Major Enterprise Funds</u></b>	<b><u>Total</u></b>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 663,215	\$ 302,322	\$ (409,900)	\$ 231,636	\$ (41,538)	\$ 745,734
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Depreciation and Amortization	585,730	612,001	295,742	156,599	23,173	1,673,246
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	8,670	76,231	-	9,755	(15,282)	79,374
(Increase) Decrease in Deferred Revenue	(11,079)	-	-	-	(1,203)	(12,282)
(Increase) Decrease in Prepaid Items	-	-	-	(358)	5,902	5,545
Increase (Decrease) in Accounts Payable	138,487	15,633	11,600	10,361	(4,967)	171,114
Increase (Decrease) in Accrued Expenses	(2,525)	(4,292)	(9,264)	3,530	-	(12,551)
Increase (Decrease) in Accrued Revenues	-	-	-	-	(2,342)	(2,342)
Increase (Decrease) in Deposits	(4,606)	-	-	200	-	(4,406)
Total	<u>\$ 714,677</u>	<u>\$ 699,573</u>	<u>\$ 298,079</u>	<u>\$ 180,088</u>	<u>\$ 5,281</u>	<u>\$ 1,897,698</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,377,893</u>	<u>\$ 1,001,895</u>	<u>\$ (111,822)</u>	<u>\$ 411,723</u>	<u>\$ (36,257)</u>	<u>\$ 2,643,433</u>

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

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## **Notes to Basic Financial Statements**

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# TOWN OF MOUNTAIN VILLAGE, COLORADO

## Notes to Basic Financial Statements

December 31, 2014

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### Note 1 - Summary of Significant Accounting Policies

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The financial statements of the Town of Mountain Village, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (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 Town's accounting policies are described below:

#### A. Financial Reporting Entity

The Town of Mountain Village, Colorado (the Town) was incorporated March 10, 1995 and operates under a Home Rule Charter and a council/mayor form of government with seven elected council members. As required by accounting principles generally accepted in the United States of America, after consideration of any potential component units for which the Town is financially accountable, there are no component units required to be presented in these financial statements.

On December 13, 2006, the District Court, San Miguel County, Colorado, approved the dissolution of the Mountain Village Metropolitan District (the District) effective January 1, 2007, which was approved by the District's electors on November 7, 2006. **The District will stay in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding general obligation bonds.** The Town Council, acting as the Board of Directors of the District, will be responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements.

All other assets and obligations of the District have been transferred to the Town for providing the following services:

- Domestic water system
- Wastewater treatment system
- Road and bridge system
- Transportation (Gondola, Chondola and Dial a Ride)
- Public parks and recreational facilities
- Telluride Conference Center
- Television relay and translator facilities
- Water rights

At a special Town election on November 7, 2006, the electorate approved an increase in taxes by \$2.75 million in 2007, and by such amounts annually thereafter that may be generated by the imposition of an additional mill levy not to exceed 10 mills for the purpose of funding the continued administration, operation, maintenance and capital replacement of the facilities and operations being assumed by the Town upon the dissolution of the District, without limitations contained in Article X, Section 20, of the Colorado Constitution.

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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**B. Government-wide Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those 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*.

**C. Fund Financial Statements**

The accounts of the Town are organized on the basis of funds, which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

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

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The *Gondola Fund* is used to account for revenues restricted for the purpose of financing, improving and operating a gondola and "Chondola" transit system for the benefit of the Telluride Mountain Village Resort Company dba Telluride Mountain Village Owners Association (TMVOA), TSG Ski & Golf Company (TSGC), the Town of Telluride, the Town of Mountain Village and San Miguel County, Colorado. The cost of operations and maintenance of the transit system is funded mainly through contributions from TMVOA and TSGC.

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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- The *Debt Service Fund* is used to account for the accumulation of resources and payment of general obligation bond principal and interest.

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

- The *Capital Projects Fund*, which accounts for the acquisition and construction of major capital facilities other than those financed by enterprise funds.
- The *Historical Museum Fund*, which accounts for the proceeds of a .333 property tax mill levy as authorized by the Town's electorate for remittance to the Telluride Historical Museum, a nonprofit entity.
- The *Tourism Fund*, which accounts for lodging taxes, restaurant taxes, and business license revenues remitted to Marketing Telluride, Inc. (MTI) to promote tourism in the Telluride and Mountain Village Communities, and the Telluride/Montrose Regional Air Organization to fund the Airline Guaranty Program.
- The *Vehicle and Equipment Acquisition Fund*, which accounts for the acquisition of vehicles and other capital equipment for the general government.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to external users on a continuing basis be financed or recovered primarily through user charges.

Enterprise funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for apartment rental, charges to users for water and sewer, Broadband Services, conference center sales and services, and preschool and daycare fees. 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 non-operating revenues and expenses.

The Town's major enterprise funds consist of:

- The Town of Mountain Village *Housing Authority*, which accounts for the Village Court apartments, as well as developing affordable housing and providing mortgage assistance.
- The *Water and Sewer Fund* which accounts for water service to Mountain Village, the "Ski Ranches", and West Meadows or "Skyfield" housing communities and maintaining sewer service for Mountain Village.
- The *Cable Fund* which accounts for cable television, digital phone service, and high speed internet services to Mountain Village residents.
- The *Telluride Conference Center (TCC) Fund* which accounts for the operations of the Telluride Conference Center, primarily funded by charges for sales and services, providing

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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the area with 11,000 square feet of meeting space, video conferencing services, and food and beverage services. In October 2009, the conference center operations were turned over to an outside local party under an agreement that was terminated in October 2012. A new 5-year agreement was executed with another party at that time.

The remaining enterprise funds are aggregated and presented as non-major funds. Those funds include:

- The *Child Development Fund*, which accounts for a daycare and preschool program in the Town.
- The *Communications System Fund*, which accounts for a public safety communications system, funded by subscriber fees from other governmental entities. This fund's assets were transferred to the Town's General Fund and will be inactive going forward.
- The *Parking Services Fund*, which accounts for all parking related expenses and revenues.

**D. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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 and attach as a lien on property. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Those revenues susceptible to accrual are taxes, interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

**E. Cash and Cash Equivalents**

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating cash and highly liquid securities with an initial maturity of three months or less.

**F. Investments**

Money market funds and external investment pools are stated at cost, which is equal to fair value. All other investments are stated at fair value based on quoted market values.

**G. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**H. Property Taxes**

The Town of Mountain Village property taxes for the current year are levied and attach as a lien on property the following January 1. Property taxes in Mountain Village are payable in full by April 30 or in two equal installments due February 28 and June 15. Town property taxes are reported as receivable and deferred inflows of resources at December 31. The deferred property taxes are reported as revenue in the year they are available and collected.

**I. Restricted Assets**

Certain proceeds of the enterprise fund's revenue bonds, as well as other resources, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The debt service fund is used to segregate resources accumulated for debt service payments. The debt service reserve fund is set aside to provide funds for potential deficiencies that could adversely affect debt service payments. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**J. 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. Capitalized assets are defined by the Town as assets that have a useful life of more than one year and a value of \$5,000 or greater.

All assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Interest costs are capitalized when incurred by enterprise funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax exempt borrowing arrangements restricted for the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Class	Useful Life
Buildings and Improvements	30 - 31.5 years
Vehicles and Equipment	5 years
Gondola	50 years
Water System	40 years
Sewer System	50 years
Cable TV System	20 years
Regional Communications System	10 years
Other Infrastructure	50 years

**K. Deferred Outflows of Resources**

Deferred outflows of resources consist of situations where current and advance refunding result in the defeasance of debt. The difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources.

**L. Accrued Liabilities for Compensated Absences**

It is the Town's policy to permit employees to accumulate earned but unused paid time off (PTO). In the government-wide statements, PTO is accrued when incurred and reported as a liability of the governmental and business-type activities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

**M. Net Position**

Net Position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

The Town's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**N. Inter-fund Transactions**

Inter-fund receivables and payables arise from inter-fund 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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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**Note 2 - Reconciliation of Government-wide and Fund Financial Statements**

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The governmental funds balance sheet includes a reconciliation between *total fund balances - governmental funds* and *total net position - governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances - governmental funds* and *changes in net position - governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

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**Note 3 - Tax, Spending and Debt Limitations**

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Colorado voters passed an amendment to the State Constitution, Article X, Section 20. The amendment has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

On June 25, 1996 the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning in 1996, without limitations imposed by the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment.

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**Note 4 - Budgets**

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Approximately five months prior to the beginning of each year, the Mayor prepares a proposed budget and an accompanying message for the ensuing year and submits it to the Town Council.

The budget represents a complete financial plan of all Town funds and activities for the ensuing year indicating anticipated revenues, proposed operating, debt and capital expenditures, including a provision for contingencies. In addition, a long-range capital expenditure program is submitted and incorporated into the current year budget as applicable. The total proposed expenditures and provisions for contingencies shall not exceed the total of estimated revenues plus fund balance.

A public hearing on the proposed budget and proposed capital program is held by the Town Council prior to its final adoption. After the public hearing, the Council may adopt the budget with or without amendment.

The Council shall adopt the budget by ordinance on or before the final day established by law for the certification of the ensuing year’s tax levy to the County. Adoption of the budget by the Town Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

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**Note 4 – Budgets (Continued)**

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If during the year the Mayor determines that there are revenues in excess of those estimated in the budget, the Council by ordinance may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the year it appears probable to the Mayor that the revenues available will be insufficient to meet the amount appropriated, he or she shall report to the Council without delay, indicating the estimated amount of deficit, any remedial action already taken, and his or her recommendation as to any further steps to be taken. Any time during the year the Mayor may transfer part or all of any unencumbered appropriation balance among programs within a department, within an office or within a fund. The Council may also, by ordinance, transfer part or all of any unencumbered appropriated balance from one department, office, or fund to another. The Town amended its original 2014 budget by decreasing budgeted expenditures for the various funds by \$848,806. Budget appropriations lapse at the end of each year.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditure of funds in future periods) is not used by the Town for budget or financial reporting purposes.

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgets for the enterprise funds are adopted on a basis consistent with the governmental funds. Following are the adjustments to convert GAAP basis expenditures to budgetary basis expenditures:

	VCA	Communication System	Child Development	Telluride Conference Center	Cable	Water and Sewer	Parking Services
GAAP Basis	\$ 2,033,639	\$ -	\$ 567,180	\$ 410,820	\$ 1,393,850	\$ 2,059,875	\$ 328,928
Add (Deduct)							
Depreciation	(585,730)	-	(23,173)	(295,742)	(156,599)	(612,001)	-
Capital Outlay	89,254	-	9,240	33,648	41,971	298,653	-
Debt Principal Payments	185,801	-	-	-	-	-	-
Budgetary Basis	1,722,964	-	553,246	148,726	1,279,222	1,746,528	328,928
Final Budget	1,754,609	-	584,673	144,018	1,307,910	1,943,762	370,441
Variance	\$ 31,645	\$ -	\$ 31,427	\$ (4,708)	\$ 28,688	\$ 197,234	\$ 41,513

**Budgeted Expenditures in Excess of Appropriations**

Expenditures for the Tourism Fund exceeded budget by \$185,826, which may be a violation of the Town's Charter. The budget overage resulted from substantial increases in lodging and restaurant taxes, which funds MTI and the Airline Guaranty by contractual agreement.

Expenditures for the Capital Projects Fund exceeded budget by \$314, which may be a violation of the Town's Charter. The budget overage resulted from small costs incurred that exceeded budgeted (revised) expectations for the "Meadows Improvement Plan".



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## Note 5 - Deposits and Investments

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### A. Deposits

The Colorado Public Deposit Protection Act (PDPA) governs the Town's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2014, the carrying amount of the Town's deposits was \$2,787,430 and the bank balances were \$3,320,437. Of this amount, \$250,000 is covered by federal depository insurance and \$3,070,437 is collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of a number of government accounts of which the Town is a part.

### B. Investments

#### Credit Risk

The Town's Charter specifies that the Town's investments conform to State statutes. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including: obligations of the United States and certain United States government agency securities; certain international agency securities; general obligation and revenue bonds of local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; guaranteed investment contracts; and corporate or bank debt subject to certain limitations. The Town has no investment policy that would further limit its investment choices.

#### Interest Rate Risk

The maximum maturity date for all securities shall be no more than five years from the date of purchase unless otherwise authorized by the governing body.

### C. A reconciliation of cash and investments to the amount shown on the statement of net position follows:

<b>Cash and Investments:</b>	
Cash on hand	\$ 2,300
Carrying amount of deposits	2,787,430
Carrying amount of investments	<u>9,562,515</u>
	<u>\$ 12,352,246</u>
<b>Statement of Net Position:</b>	
Cash	\$ 5,918,213
Due to pooled Cash	(2,542,159)
Deposits	540,430
Investments	6,758,813
Debt service reserve fund	850,023
Bond reserve fund	<u>826,926</u>
	<u>\$ 12,352,246</u>

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**Note 5 - Deposits and Investments (continued)**

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The following summarizes the Town's investments and maturities as of December 31, 2014:

Investment Type	Fair Value	Maturity Date
Fannie Mae Note (Rated AAA)	249,835	2016
FED Home Loan Banks Bnd (Rated AAA)	251,376	2016
US Treasury Note (Unrated)	248,378	2016
Fannie Mae Note (Rated AAA)	249,217	2016
Fannie Mae Note (Rated AAA)	249,212	2016
FED National Mortgage (Rated AAA)	249,151	2017
FED Home Loan Banks Bnd (Rated AAA)	251,947	2017
Freddie Mac UNNT (Rated AAA)	249,692	2017
Federal Farm Credit Bank (Rated AAA)	248,864	2017
FED Home Loan Bank (Rated AAA)	248,945	2017
Fannie Mae Note (Rated AAA)	249,832	2017
Freddie Mac (Rated AAA)	250,112	2017
FED Home Loan Bank (Rated AAA)	249,500	2017
Federal Farm Credit Bank (Rated AAA)	250,024	2018
Freddie Mac (Rated AAA)	249,975	2018
Fannie Mae Note (Rated AAA)	247,118	2018
Freddie Mac (Rated AAA)	247,500	2018
FED Home Loan Banks Bnd (Rated AAA)	246,673	2018
FED Home Loan Banks Bnd (Rated AAA)	247,419	2018
FED Home Loan Bank (Rated AAA)	249,994	2018
Federal Farm Credit Bank (Rated AAA)	250,313	2018
Freddie Mac (Rated AAA)	250,066	2018
FED Home Loan Bank (Rated AAA)	250,460	2019
Fed Nat Mortgage Assoc (Rated AAA)	50,047	2015
Fannie Mae (Rated AAA)	49,967	2016
FED Home Loan Banks Bnd (Rated AAA)	49,866	2018
Freddie Mac (Rated AAA)	50,013	2018
Total	5,935,493	
First American Prime Obligations Rated AAA/A+1	400,011	2025
First American Prime Obligations Rated AAA/A+1	450,012	2025
COLOTRUST	9,766	n/a
Money Market Funds (Unrated)	2,767,234	n/a
Total	<u>\$ 9,562,515</u>	

COLOTRUST and CSAFE are investment vehicles established for local government entities in Colorado to pool surplus funds for investment purposes. They are routinely monitored by the Colorado Division of Securities with regard to their operations and investments, which is also subject to provisions of C.R.S. Title 24, Article 75, Section 6. The fair value of the investments in COLOTRUST and CSAFE are the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book entry form. COLOTRUST is rated AAAM by Standard and Poor's. Financial statements for COLOTRUST may be obtained from [www.colotrust.com](http://www.colotrust.com).

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**Note 6 - Note Receivable**

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The notes receivable in the amount of \$134,000 consists of notes from employees participating in the *Town of Mountain Village Housing Authority Employer Assisted Housing Program with Shared Appreciation*. The program is to assist employees who are unable to qualify for a conventional mortgage on various affordable for sale housing projects located in the Town or the community.

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**Note 6 - Note Receivable (continued)**

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The notes are payable upon the sale of the real property or 30 days following resignation or termination.

The Town has promissory notes receivable from a developer in the total amount of \$753,636. Principal and any accrued interest at *The Wall Street Journal* prime plus one percent are payable June 23, 2019 or earlier on the occurrence of certain events specified in the notes. The notes receivable are reported as unearned revenue and will be recognized as revenue in the years funds are available and collected.

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**Note 7 – Inter-fund Receivables, Payables and Transfers**

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Inter-fund receivables and payables consist of the following as of December 31, 2014:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service	\$ 685,865
Housing Authority	General Fund	\$ 1,715

The outstanding balances between funds result mainly from the time lag between the dates payments between funds are made and borrowings from the pooled cash account.

Transfers between funds for the year ended December 31, 2014, were as follows:

Transfer From	Transfer To						Total
	General	Debt Service	Non-Major Governmental Funds	Telluride Conference Center	Housing Authority	Non-Major Enterprise Funds	
General Fund	\$ -	\$ 500,000	\$ 185,994	\$ 153,097	\$ 348,409	\$ 86,937	\$ 1,274,437
Gondola	44,124	-	-	-	-	-	44,124
Debt Service	142,584	-	-	-	-	-	142,584
Non-Major Enterprise Funds	77,261	-	-	-	-	-	77,261
Tourism Fund	28,124	-	-	-	-	-	28,124
Housing Authority	116,635	-	54,221	-	33,752	-	204,608
Cable	296,264	-	-	-	-	-	296,264
Water and Sewer	134,455	-	-	-	-	-	134,455
Total	\$ 839,448	\$ 500,000	\$ 240,215	\$ 153,097	\$ 382,161	\$ 86,937	\$ 2,201,858

Transfers are used to move unrestricted revenues of various funds to the General Fund and to move General Fund revenues to other funds to provide subsidies or matching funds for various projects.

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**Note 8 - Development Property Held for Sale**

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After the sale of a deed restricted condo the Town now owns 1 deed restricted condominium. Following is a summary of cumulative costs incurred as of December 31, 2014:

	Deed Restricted Town Properties	Total
	\$	\$
Buildings	278,268	278,268
Total	278,268	278,268

## Note 9 - Capital Assets

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

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 2,347,944	\$ -	\$ (94,366)	\$ 2,253,578
Construction in Progress	379,568	315,963	-	695,531
Total Capital Assets Not Being Depreciated	2,727,512	315,963	(94,366)	2,949,109
Capital Assets Being Depreciated				
Buildings and Improvements	9,805,751	156,249	-	9,962,000
Gondola Transit System	20,589,306	119,373	-	20,708,678
Vehicles and Equipment	3,160,765	565,176	(151,054)	3,574,888
Infrastructure	28,399,000	-	-	28,399,000
Total	61,954,822	840,798	(151,054)	62,644,566
Less Accumulated Depreciation:				
Buildings and Improvements	(2,749,468)	(324,157)	-	(3,073,624)
Gondola Transit System	(3,626,323)	(518,738)	-	(4,145,062)
Infrastructure	(6,409,585)	(1,060,798)	-	(7,470,383)
Vehicles and Equipment	(2,671,137)	(277,763)	151,054	(2,797,846)
Total	(15,456,513)	(2,181,456)	151,054	(17,486,915)
Capital Assets Being Depreciated, Net	46,498,309	(1,340,658)	-	45,157,651
Total Governmental Activities Capital Assets	\$ 49,225,821	\$ (1,024,695)	\$ (94,366)	\$ 48,106,760

Depreciation was charged to governmental activity functions/programs as follows:

General Government	\$ 16,757
Administration	83,523
Public Safety	97,922
Roads & Bridges	725,861
Equipment & Property Maintenance	221,012
Parking & Transportation	1,036,381
Total	<u>\$ 2,181,456</u>

## Note 9 - Capital Assets (Continued)

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 160,499	\$ -	\$ -	\$ 160,499
Construction in Progress	127,233	42,880	(96,021)	74,092
Total	<u>287,732</u>	<u>42,880</u>	<u>(96,021)</u>	<u>234,591</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	24,116,095	38,956		24,155,051
Water Systems	6,180,833	230,465	-	6,411,299
Sewer Systems	7,409,076	96,978		7,506,054
Regional Communication System	1,780,558	-	(1,780,558)	-
Cable TV Systems	2,013,272	-		2,013,272
Vehicles and Equipment	783,489	187,805	-	971,294
Total	<u>42,283,324</u>	<u>554,205</u>	<u>(1,780,558)</u>	<u>41,056,971</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(8,635,333)	(866,427)	-	(9,501,760)
Water Systems	(2,418,397)	(334,801)	-	(2,753,198)
Sewer Systems	(1,741,118)	(263,687)	-	(2,004,805)
Regional Communication System	(1,666,131)	-	1,666,131	-
Cable TV Systems	(1,248,176)	(146,456)	-	(1,394,632)
Vehicles and Equipment	(586,255)	(61,875)	-	(648,130)
Total	<u>(16,295,410)</u>	<u>(1,673,246)</u>	<u>1,666,131</u>	<u>(16,302,525)</u>
Capital Assets Being Depreciated, Net	<u>25,987,914</u>	<u>(1,119,041)</u>	<u>(114,427)</u>	<u>24,754,446</u>
Total Business-type Activities Capital Assets	<u>\$ 26,275,646</u>	<u>\$ (1,076,161)</u>	<u>\$ (210,448)</u>	<u>\$ 24,989,037</u>

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**Note 10 - Long-term Liabilities**

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**A. Changes in Long-term Liabilities**

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

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Tax Supported:					
Series 2005	2,525,000	-	(585,000)	1,940,000	615,000
Series 2007	6,380,000	-	(1,495,000)	4,885,000	1,555,000
Series 2009	1,175,000	-	(280,000)	895,000	290,000
Series 2006A	8,290,000	-	(7,570,000)	720,000	230,000
Series 2014	-	7,155,000	-	7,155,000	15,000
Self Supported:					
Series 2011	2,700,000	-	(105,000)	2,595,000	110,000
Total General Obligation Bonds	21,070,000	7,155,000	(10,035,000)	18,190,000	2,815,000
Discount/Premiums, Net	366,142	416,396	(66,701)	715,837	85,628
Compensated Absences	434,774	607,908	(598,952)	443,730	44,373
Total Governmental	21,870,916	8,179,304	(10,700,653)	19,349,567	2,945,001
Business-type Activities					
Note Payable	1,042,247	1,076,000	(1,101,192)	1,017,055	356,834
Revenue Bonds	12,450,000	12,340,000	(12,450,000)	12,340,000	-
Total Business-type	13,492,247	13,416,000	(13,551,192)	13,357,055	356,834
Total Long-term Liabilities	<u>\$ 35,363,163</u>	<u>\$ 21,595,304</u>	<u>\$ (24,251,845)</u>	<u>\$ 32,706,623</u>	<u>\$ 3,301,835</u>

The compensated absences liabilities are liquidated by the General Fund.

**General Obligation Bonds*****Series 2001***

On November 20, 2001, the District issued \$3,600,000 in General Obligation Bonds, Series 2001, to advance refund the remaining \$3,155,000 of outstanding 1995 bonds. On January 1, 2007, the Town assumed this debt. TMVOA and TSGC agreed to fund all debt service costs related to the Series 2001 bonds. In addition, the District established a reserve fund with a portion of the proceeds of the bond issue. Principal on the bonds is payable annually on December 1 with interest at 3.75% to 5.375%, payable semi-annually on June 1, and December 1 through 2032.

***Series 2002***

On August 23, 2002, the District issued \$6,695,000 in General Obligation Refunding Bonds, Series 2002, dated September 1, 2002, to call the remaining \$5,880,000 of outstanding Series 1992 refunded bonds and advance refund the remaining \$1,710,000 of outstanding Series 1993 bonds. On January 1, 2007, the Town assumed this debt. Principal on the bonds is payable annually on December 1, with interest at 2.5% to 3.8% payable semi-annually on June 1, and December 1 through 2012. The bonds are not subject to redemption prior to maturity.

***Series 2005***

On September 20, 2005, the District issued \$5,740,000 of General Obligation Refunding Bonds; Series 2005, to advance refund \$5,780,000 of outstanding General Obligation Bonds, Series 1998, with maturity dates of December 1, 2009 through December 1, 2017. On January 1, 2007, the Town assumed this debt. Principal on the bonds is payable December 1 with interest at 4.00% to 5.00%, payable semi-annually on June 1 and December 1. The Series 2005 bonds are not subject to redemption prior to maturity.

***Series 2006A***

On September 28, 2006, the District issued \$8,900,000 in General Obligation Bonds to finance construction of a public parking facility. Bonds maturing on or after December 1, 2017 are subject to optional redemption on December 1, 2016, and any date thereafter prior to maturity without a redemption premium. Principal on the bonds is payable annually on December 1 with interest at 4.00% to 5.00%, payable semi-annually on June 1 and December 1 through 2036. On January 1, 2007, the Town assumed this debt. A portion of the bonds outstanding were refunded on an advance refunding basis on December 1, 2014 from the proceeds of the General Obligation Refunding Bonds Series 2014. Bonds maturing in 2015, 2016 and 2017 remain outstanding and total \$720,000 and will be paid as scheduled.

The Town of Mountain Village pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order, is now responsible for the public parking facility project. Commencing in December of 2007, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Bonds from its available funds. If on or before December 15<sup>th</sup> of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A bond on the next succeeding June 1 and December 1 is not on deposit, The District is required to levy an ad valorem property tax sufficient to make such payments.

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**Note 10 - Long-term Liabilities (Continued)**

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***Series 2007***

On October 23, 2007, the District issued \$9,375,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds were used to fund an escrow account with respect to the District's General Obligation Refunding Bonds, Series 1997.

The Bonds mature between 2009 and 2017 and are not subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 3.75% to 5.25%, payable semi-annually on June 1 and December 1.

***Series 2009***

On December 1, 2009 the District issued \$2,270,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds were used to fund an optional redemption at par of all outstanding 1998 Series bonds.

The Bonds mature between 2010 and 2017 and are not subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.0% to 4.0%, payable semi-annually on June 1 and December 1.

***Series 2011***

On September 1, 2011 the District issued \$3,025,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds, together with other funds of the District, were used to fund an optional redemption at par of all outstanding 2001 Series bonds. TMVOA and TSGC agreed to fund all debt service costs related to the Series 2011 bonds.

The Bonds mature between 2011 and 2032 and are subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.5% to 4.0%, payable semi-annually on June 1 and December 1.

The bonds maturing December 1, 2023, December 1, 2026, and December 1, 2032 (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest to the redemption date. The bonds subject to mandatory sinking fund redemption shall be selected by lot in such manner as the Registrar shall determine (giving proportionate weight to Bonds in denominations larger than \$5,000).

***Series 2014***

On December 1, 2014 the District issued \$7,155,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds, together with other funds of the District, were used to fund an advance refunding of a portion of the 2006A Series bonds. The bonds maturing on or after December 1, 2018 in the aggregate principal amount of \$7,350,000 are the bonds defeased and paid from the refunding bond escrow.

The Bonds mature between 2015 and 2036 and are subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.0% to 4.0%, payable semi-annually on June 1 and December 1.



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**Note 10 - Long-term Liabilities (Continued)**

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such maturities as are selected by the district at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

The bonds were issued at a total cost of \$125,085. Total debt service remaining on the old bonds was \$12,298,025, the total debt service on the new bonds is \$10,914,086. The savings resulting from the cash flow differential between the old issue and the new issue is \$1,383,939. The present value of the savings is \$1,028,432.

The Town of Mountain Village pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order, is now responsible for the public parking facility project. Commencing in December of 2007, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Bonds from its available funds. If on or before December 15<sup>th</sup> of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A bond on the next succeeding June 1 and December 1 is not on deposit, The District is required to levy an ad valorem property tax sufficient to make such payments.

**Debt Service Requirements**

Annual debt service requirements to maturity for general obligation bonds, are as follows:

Debt Service Requirements			
Year	Total	Principal	Interest
2015	3,571,186	2,815,000	756,186
2016	3,569,675	2,935,000	634,675
2017	3,566,963	3,075,000	491,963
2018	732,875	390,000	342,875
2019	738,925	405,000	333,925
2020	729,625	405,000	324,625
2021	737,475	425,000	312,475
2022	733,425	435,000	298,425
2023	731,025	450,000	281,025
2024	738,025	475,000	263,025
2025	734,025	490,000	244,025
2026	726,150	500,000	226,150
2027	732,900	525,000	207,900
2028	733,725	545,000	188,725
2029	733,825	565,000	168,825
2030	733,175	585,000	148,175
2031	736,800	610,000	126,800
2032	727,400	625,000	102,400
2033	532,400	455,000	77,400
2034	534,200	475,000	59,200
2035	535,200	495,000	40,200
2036	530,400	510,000	20,400
	<u>\$ 23,839,399</u>	<u>\$ 18,190,000</u>	<u>\$ 5,649,399</u>

The 2006, 2009, 2011 and 2014 bond resolutions require the maintenance of a liquidity reserve of \$300,000. The liquidity reserve is available to pay debt service on all of the District's outstanding General Obligation bonds.

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**Note 10 - Long-term Liabilities (Continued)**

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**Authorized Unissued Debt**

The Town has no authorized or unissued debt.

**Note Payable**

The Town entered into a construction loan agreement, dated June 12, 2006, in the amount of \$1,500,000 for the purpose of constructing Phase III of the Village Court Apartments. The remaining balance of \$1,200,000 was converted to a permanent loan January 1, 2007. The loan was refinanced in 2014 by the Town of Mountain Village Housing Authority Housing Facilities Taxable Refunding Loan Series 2014B.

**Taxable Loan**

On September 30, 2014 the Town of Mountain Village Housing Authority issued \$1,076,000 in taxable debt in the form of a loan secured by pledged revenues, a deed of trust, a sales tax revenue fund and a debt service reserve. The loan proceeds were used to refinance the construction loan agreement, dated June 12, 2006. The loan has a fixed rate of 3.3% with a maturity date December 1, 2017.

Following is the debt service requirements of the 2014 Series B Loan to maturity:

Debt Service Requirements Loan Series 2014B

Year	Total	Principal	Interest
2014	\$ 65,060	\$ 58,945	\$ 6,115
2015	\$ 390,863	\$ 356,834	\$ 34,029
2016	\$ 389,771	\$ 367,621	\$ 22,150
2017	\$ 302,390	\$ 292,600	\$ 9,790
	<u>\$ 1,148,084</u>	<u>\$ 1,076,000</u>	<u>\$ 72,084</u>

**Tax Exempt Loan**

On September 30, 2014 the Town of Mountain Village Housing Authority issued \$12,340,000 in tax exempt debt in the form of a loan secured by pledged revenues, a deed of trust, a sales tax revenue fund and a debt service reserve. The loan proceeds were used to refinance the Series 2000 revenue bonds. The loan has a fixed rate of 3.17% with a maturity date December 1, 2024.

Following is the debt service requirements of the 2014 Series A Loan to maturity:

Revenue Bonds Debt Service Requirements Loan Series 2014A

Year	Total	Principal	Interest
2014	\$ 67,370	\$ -	\$ 67,370
2015	\$ 396,611	\$ -	\$ 396,611
2016	\$ 397,698	\$ -	\$ 397,698
2017	\$ 461,084	\$ 64,473	\$ 396,611
2018	\$ 788,277	\$ 393,738	\$ 394,539
2019	\$ 788,277	\$ 406,393	\$ 381,884
2020	\$ 788,274	\$ 418,441	\$ 369,833
2021	\$ 788,278	\$ 432,904	\$ 355,374
2022	\$ 788,277	\$ 446,817	\$ 341,460
2023	\$ 788,277	\$ 461,178	\$ 327,099
2024	\$ 10,029,188	\$ 9,716,056	\$ 313,132

**Revenue Bonds**

On December 29, 2000, the Town issued \$16,325,000 in Revenue Bonds, Series 2000, due November 1, 2033, for the purpose of acquiring the Village Court Apartments (VCA), an affordable rental housing complex, and to finance the construction collateralized by a pledge of the revenues of VCA and by a letter of credit from a bank. On September 30, 2014 the outstanding bonds were retired with proceeds of the Town of Mountain Village Housing Authority Tax Exempt Refunding Loan Series 2014A.

**Interest Rate Swap Agreement**

As a means to fixing its borrowing costs, the Town entered into an interest rate swap agreement effective January 2, 2007 in connection with its \$16,325,000, 2000 variable-rate revenue bonds secured by a letter of credit. The intention of the swap was to effectively change the District's variable interest rate on the bonds to a synthetic fixed rate of 3.485%. That agreement matured on December 31, 2010 and was replaced by a new agreement dated September 1, 2010 and maturing on August 31, 2015. The new agreement fixed the rate of the bonds at a synthetic rate of 1.7%. That agreement was terminated by the Authority with the refinancing of the Series 2000 revenue bonds. The termination fee was \$199,540.

**Pledged Revenues**

The Town has issued General Obligation and Housing Facility Revenue Bonds which are outstanding through year end. These bonds were issued to finance various projects within each of the issuing funds, with pledged revenues coming from each respective fund.

	<u>Amount Pledged</u>	<u>Term of Commitment</u>
<b>Governmental Activities:</b>		
Series 05	\$ 1,940,000	2017
Series 06A	\$ 720,000	2017
Series 07	\$ 4,885,000	2017
Series 09	\$ 895,000	2017
Series 11	\$ 2,595,000	2032
Series 14	\$ 7,155,000	2036
<b>Business-type Activities:</b>		
Series 14A Loan	\$ 12,340,000	2024
Series 14B Loan	\$ 1,017,055	2017

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain to future amounts. However, the debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt. The debt service coverage or comparison of pledged revenues net of specific operating expenses, for each pledged debt is outlined in the Pledged-Revenue Coverage Table in the Statistical Section of this Comprehensive Annual Financial Report.

TMVOA and the Town are members of the Mountain Village Condominium Owner's Association (MVCOA), which was created to manage the complex that includes a grocery store, postal and municipal office facilities.

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**Note 11 - Relationship with Other Entities**

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The Telluride Fire Protection District (Fire District) and the Town have an intergovernmental agreement for the ownership of a joint service facility. The Fire District is responsible for administration of the joint service facility. The Town reports its percentage interest in the joint facility as a capital asset and its percentage of the joint service facility's operating costs as an operating expense. The Town's carrying value of its interest in the joint facility was \$548,359 as of December 31, 2014.

Marketing Telluride, Inc. (MTI) provides services to promote the communities of Telluride and Mountain Village. During 2012, the Town contributed 100% of the Town's business license revenues, net of a 6% administrative fee and ½ of a 4% lodging tax, net of a 2% administrative fee, imposed on the rental of accommodations within the Town to assist in funding these services. The total amount expended related to the funding to MTI during 2014 was \$849,906.

Beginning in 2004, the Town imposed a 2% sales tax on bar and restaurant sales to fund the Airline Guaranty Program administered by the TMRAO. The objective of the Airline Guaranty Program is to increase air service into the Telluride and Montrose regional airports. In addition, in 2003, the lodging tax was increased to 4%, with 2% of the tax to fund services provided by MTI above. The additional 2% is to fund the Airline Guaranty Program. The amount remitted to TMRAO during 2014 was \$898,081, which includes an additional funding request of \$25,000.

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**Note 12 - Transfer of Assets and Assumption of Services**

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On September 28, 2006, the District issued \$8,900,000 in General Obligation Bonds, Series 2006A, to finance construction of a public parking facility. The Town, pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order (Order), became responsible for the project. Commencing in December of 2007, if the amount in the debt service fund is insufficient as provided in the approving resolution, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Series 2006A Bonds from its available funds. If on or before December 15<sup>th</sup> of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A Bonds on the next succeeding June 1 and December 1, is not on deposit, the District is required to levy an ad valorem property tax sufficient to make such payments.

In 1997, TMVOA entered into an agreement with TSGC to pay a certain portion of operational costs of the Chondola, which provides supplemental public transportation within the Town. The agreement is for a term of one year and automatically renews for one-year terms unless terminated by either party. The final capital lease payment was made June 1, 2007. TMVOA assigned its responsibilities under the agreement to the District effective January 1, 2004. Effective January 1, 2007, the responsibilities under the agreement were transferred to the Town pursuant to the Order.

TMVOA and TSGC have agreed to fund operations and maintenance costs of the gondola transit system operated by the District through December 31, 2027. The operation and maintenance costs of the gondola are paid by TMVOA except for a 1% surcharge on certain ski lift tickets, which is contributed by TSGC. Effective January 1, 2007, the responsibilities under the agreement were transferred to the Town pursuant to the Order.

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**Note 12 - Transfer of Assets and Assumption of Services (Continued)**

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TSGC leases a portion of a maintenance facility formerly from the District, now the Town. The original lease is now paid and the monthly rental for the balance of the ninety-nine year lease is \$1 with an option to purchase by each party for \$10. Effective January 1, 2007 the lease was transferred to the Town pursuant to the Order.

In exchange for contributing certain water and sewer systems to the District in 1984, TSGC was to be given free water and sewer services and taps up to \$36,000 annually, increasing by 4% each year. The Town assumed the obligation effective January 1, 2007. In 2014, \$116,762 was refunded to TSGC.

Effective January 1, 2004 TMVOA transferred the following functions and assets to the District.

- Common area property maintenance - open space parcels and related management functions.
- Trash services - trash facilities and removal.
- Postal operations - postal operations within Mountain Village.

Effective January 1, 2007, the village activities functions were transferred to the Town in accordance with the Order with continued funding by TMVOA. The Town continued the village activities function through August of 2007, at which time, it was transferred to TMVOA. Property Maintenance, Trash Services, and Postal Operations were transferred to the Town in accordance with the Order. The agreement with TMVOA for funding common area maintenance, trash services and postal functions was terminated and these functions and services were transferred to the Town effective January 1, 2007.

Under the agreement to sell Lots 50 and 51, TMVOA and MVMD agreed to purchase certain improvements to be constructed by the purchaser of the properties. These improvements include subsurface facilities (122 parking spaces, a loading dock and a pro-rata share of the cost to construct a ramp and tunnel to the garage), an ice skating rink, a skate rental facility, a building to house the Zamboni used for ice maintenance, public restrooms and certain plaza improvements. The purchase price for the subsurface facilities is \$5,867,000, plus an allowance of 8% (\$470,000) for soft costs. MVMD agreed to fund the subsurface facility costs through a bond issue in the amount of \$8,900,000. TMVOA subsequently assigned all of their rights to purchase the other improvements to MVMD (now the Town) and agreed to fund the purchase of all of the improvements, with the exception of the subsurface facilities.

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**Note 13 - Risk Management**

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The Town 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.

The Town belongs to the Colorado Intergovernmental Risk Sharing Agency (CIRSA) property and casualty pool, a public entity risk pool currently operating as a common risk management and insurance program for members. CIRSA is to be self-sustaining through member premiums and

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**Note 13 - Risk Management (continued)**

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reinsures through commercial companies for claims in excess of certain limits for each insured event. CIRSA members are subject to a supplemental assessment in the event of a deficiency. Claims settlements have not exceeded coverage in the last three years.

Effective January 1, 2007, the Town changed its health insurance program from a self-insured program to a government pooled plan with the non-profit Colorado Employer Benefit Trust (CEBT). The CEBT is a multiple employer trust for Colorado public institutions, comprised of approximately 25,000 employees and over 200 participating groups. The purpose of the CEBT is to spread risk of adverse claims over a larger base of members and to recognize reduced administrative costs through economies of scale. Under this program the Town takes on no additional risk beyond monthly premiums. If claim costs should exceed the Town's monthly plan premiums, CEBT will take on the additional cost associated with those claims. In 2014, claims from the Town employees and family members were 83.8% of premiums submitted.

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**Note 14 - Retirement Plans**

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**A. Defined Benefit Pension Plan**

**Plan Description.** The Town contributes to the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The LGDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the Town are members of the LGDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the LGDTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**Funding Policy** Plan members and the Town are required to contribute to PERA at a rate set by statute. The contribution requirements of plan members and the Town are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the Town it is 13.7% of covered salary. A portion of the Town's contribution (1.02% of covered salary for 2012) is allocated for the HCTF. The Town is also required to pay an amortization equalization disbursement (AED) equal to 2.20% of the total payroll a supplemental amortization equalization disbursement (SAED) equal to 1.50% of the total payroll for the calendar year 2013. If the Town rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay the employer contribution rate, the AED and the SAED on the amounts paid for the retiree; in 2012 member contributions are also required. The Town's contributions to PERA for the years ending December 31, 2012, 2013 and 2014 were \$772,745, \$718,153 and \$734,602 respectively, equal to their required contributions for each year. The contributions for the year ended December 31, 2014 were allocated as \$481,513, \$54,693, \$117,965 and \$80,431, for the LGDTF, the HCTF, AED, and the SAED, respectively.

**B. Postemployment Healthcare Benefits**

**Plan Description.** The Town contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**Funding Policy** The Town is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. December 31, 2012, 2013 and 2014 were \$57,533, \$45,102, and \$54,693 respectively, equal to their required contributions for each year.

**C. Voluntary Investment Program**

The LGDTF members of the Town may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. The 401(k) Plan is funded by voluntary member contributions up to a maximum limit set by the IRS. The contribution requirements for the Town are established under Title 24, Article 51, Section 1402 of the Colorado Revised Statutes, as amended. The 401(k) Plan member contributions from the Town for the year ended December 31, 2014, were \$306,500. The employer contributions to the 401(k) Plan from the Town for the year ended December 2012 were \$229,075.

The Town offers employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Service Code Section 457, administered by ICMA Retirement Corporation. The Plan is available to all permanent full-time employees, and permits them to defer a portion of their salary until future years. The Plan allows the Town to make discretionary contributions of each eligible employee's salary up to the amount allowed by law. The Town has no matching contribution. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The assets under this plan are not property of the Town, and are held by a second party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The Town has little administrative involvement and does not perform the investing function for this plan. Therefore, these assets are not included as part of the Town's financial statements.

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**Note 14 - Retirement Plans (Continued)**

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**D. Law Enforcement Pension Plans**

Law enforcement employees participate in the statewide Fire and Police Pension Association (FPPA) money purchase plan, a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the money purchase plan plus investment earnings. The employees contribute at the rate of 8% and the Town contributes at the rate of 14% of employee salaries. Member contributions are 100% vested. Employer contributions vest over a period of five years. Contribution obligations and benefit provisions of the plan are established under the authority of state statute.

Following is a summary of 2014 FPPA money purchase plan contributio

Total payroll	\$ 5,776,503
Covered payroll	306,845
Contributions:	
Town	42,919
Employees	<u>24,548</u>
Total	<u>\$ 67,466</u>

The Town offers its law enforcement employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or 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 (until paid or made available to the employee or other beneficiary) held in the Deferred Compensation Plan Trusts for the exclusive benefit of participants and their beneficiaries. FPPA is trustee of the trusts. The Town has no ownership interest in the plan nor is the Town liable for losses under the deferred compensation plan. The Town matches the employee's contributions anywhere from 1% to 9%, depending on the employee's years of service. This is a discretionary match. For the year ended December 31, 2013, the Town contributed \$18,907 on \$18,992 of employee contributions.

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**Note 15 – Fund Balance Classifications**

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**General Fund**

The Town's policy is to apply committed resources first when an expense is incurred for purposes for which committed, restricted, assigned, and unassigned net position are available.

The non-spendable fund balance in the General Fund consists of deposits held for construction projects and prepaid expenses.



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**Note 15 – Fund Balance Classifications (Continued)**

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Colorado voters passed an amendment to the State Constitution, Article X, Section 20. The amendment has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. On June 25, 1996 the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning in 1996, without limitations imposed by the amendment. The amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the amendment.

The remaining fund balance in the General Fund is unassigned.

**Debt Service Fund**

The restricted fund balance in the Debt Service Fund is wholly restricted for debt service obligations.

**Vehicle & Equipment Acquisition Fund**

Town Council is authorized to assign amounts to a specific purpose. The assigned fund balance in the Vehicle & Equipment Acquisition Fund is to be used for future vehicle or equipment acquisitions via a resolution as adopted by Town Council.

**Special Revenue Funds**

**Gondola Fund** – Used to account for revenues restricted for the purpose of financing, improving and operating a gondola and “Chondola” transit system for the benefit of the Telluride Mountain Village Resort Company dba Telluride Mountain Village Owners Association (TMVOA), TSG Ski & Golf Company (TSGC), the Town of Telluride, the Town of Mountain Village and San Miguel County, Colorado. The cost of operations and maintenance of the transit system is funded through contributions from TMVOA and TSGC.

**Historical Museum Fund** - Accounts for the proceeds of a .333 property tax mill levy as authorized by the Town’s electorate for remittance to the Telluride Historical Museum, a nonprofit entity.

**Tourism Fund** - Accounts for lodging taxes, restaurant taxes, and business license revenues remitted to the Marketing Telluride, Inc. (MTI) to promote tourism in the Telluride and Mountain Village Communities, and the Telluride/Montrose Regional Air Organization to fund the Airline Guaranty Program.

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**Note 16 – Other Commitments**

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On January 23, 2015 the Town entered into the Land Acquisition and Conveyance Agreement with the Telluride Hospital District whereby the Town has agreed to convey Lot 1003R-1 to the District for its use as a site for a new regional medical center. The parties are in a diligence period as of the date of the financials and are proceeding to closing on June 17, 2015.

On January 15, 2015 The Town entered into a Contract to Buy and Sell Real Estate with a private developer who will develop a rental housing project on the property. The closing date is June 10, 2015 and the parties are in the diligence period. At closing the developer will tender the purchase price into Escrow to be held and released to the Town upon the completion of certain undertakings by the developer and the Town and the issuance of a building permit to the developer.

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### **Required Supplementary Information**

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**Town of Mountain Village**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended December 31, 2014**

	<b><u>Budgeted Amounts</u></b>			<b>Variance with Final Budget</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	
Revenues				
Taxes	\$ 7,257,147	\$ 6,934,226	\$ 7,151,121	\$ 216,895
Licenses & Permits	263,365	158,060	274,555	116,495
Intergovernmental	416,743	362,528	363,555	1,027
Contributions from Other Entities	27,564	53,648	35,287	(18,361)
Charges for Services	249,114	175,891	279,123	103,232
Fines & Forfeitures	6,077	6,077	4,093	(1,984)
Earnings on Deposits & Investments	13,500	25,000	44,268	19,268
Miscellaneous	105,382	77,877	81,551	3,674
Grants & Contributions	-	-	8,287	8,287
Total Revenues	<u>8,338,892</u>	<u>7,793,307</u>	<u>8,241,840</u>	<u>448,533</u>
Expenditures				
General Government	2,722,397	3,135,899	2,508,869	(627,030)
Public Safety	848,237	742,731	714,239	(28,492)
Roads & Bridges	1,019,833	1,011,628	910,000	(101,628)
Equipment & Property Maintenance	1,877,555	1,462,815	1,718,824	256,009
Culture & Recreation	402,732	445,044	400,979	(44,065)
Parking & Transportation	315,186	287,627	224,094	(63,533)
Economic Development	611,295	598,286	575,850	(22,436)
Capital Outlay	583,000	258,671	289,682	31,011
Total Expenditures	<u>8,380,235</u>	<u>7,942,701</u>	<u>7,342,538</u>	<u>(600,163)</u>
Excess of Revenues Over Expenditures	<u>(41,343)</u>	<u>(149,394)</u>	<u>899,302</u>	<u>1,048,696</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	10,432	10,432
Transfers In	803,366	639,323	839,448	200,125
Transfers Out	<u>(935,526)</u>	<u>(1,294,089)</u>	<u>(1,274,437)</u>	<u>19,652</u>
Total Other Financing Sources (Uses)	<u>(132,160)</u>	<u>(654,766)</u>	<u>(424,556)</u>	<u>230,210</u>
Net Change in Fund Balance	(173,503)	(804,160)	474,746	1,278,906
Fund Balance - Beginning of Year	<u>5,691,722</u>	<u>6,637,196</u>	<u>6,637,196</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 5,518,219</u>	<u>\$ 5,833,036</u>	<u>\$ 7,111,942</u>	<u>\$1,278,906</u>

The basis of budgeting is the same as GAAP and this schedule is presented on that basis.

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual - Special Revenue Fund -**  
**Gondola Fund**

**For the Fiscal Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Contributions:				
Mountain Village Owner's Association	\$ 4,009,341	\$ 4,014,383	\$ 3,270,434	\$ (743,949)
Telluride Ski and Golf Company	134,230	134,230	158,550	24,320
Other Revenues:				
Event Operating Hours Subsidies	-	-	5,525	5,525
Grant Funding	642,300	478,259	325,908	(152,351)
Miscellaneous	-	5,000	3,169	(1,831)
Operating Contributions	36,000	36,000	36,000	-
Total Revenues	4,821,871	4,667,872	3,799,586	(868,286)
Expenditures				
Gondola:				
Grant Success Fees	17,356	37,702	37,702	-
Operations	1,616,220	1,597,816	1,529,002	(68,814)
MARRS	77,885	77,356	71,291	(6,065)
Maintenance	1,214,331	1,196,431	1,122,519	(73,912)
Fixed Costs	489,437	490,093	440,604	(49,489)
Major Repairs and Maintenance	275,376	288,056	272,685	(15,371)
Capital Outlay	729,500	739,500	119,373	(620,127)
Chondola:				
Operations	348,766	187,917	162,843	(25,074)
Total Expenditures	4,768,871	4,614,871	3,756,020	(858,851)
Excess of Revenues Over Expenditures	53,000	53,001	43,566	9,435
Other Financing Uses				
Proceeds from Sale of Assets	-	-	558	558
Transfers To Other Funds	(53,000)	(53,001)	(44,124)	8,877
Other Financing Uses	(53,000)	(53,001)	(43,566)	9,435
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

The basis of budgeting is the same as GAAP and this schedule is presented on that basis.

See the accompanying independent auditors report.

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### **Other Supplementary Information**

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**Town of Mountain Village**

**Combining Balance Sheet - Nonmajor Governmental Funds**  
**December 31, 2014**

	<b><u>Special Revenue Funds</u></b>			<b>Vehicle and Equipment Acquisition Fund</b>	
	<b><u>Historical Museum</u></b>	<b><u>Tourism</u></b>	<b><u>Capital Projects Fund</u></b>		<b><u>Total</u></b>
Assets					
Cash	\$ -	\$ 156,344	\$ 32,761	\$ 63,268	\$ 252,373
Receivables:					
Notes	-	-	753,636	-	753,636
Taxes	84,688	273,128	-	-	357,816
Grants	-	-	-	-	-
Total Assets	<u>84,688</u>	<u>429,472</u>	<u>786,397</u>	<u>63,268</u>	<u>1,363,825</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	-	336,404	731	3,360	340,496
Due to Pooled Cash	410	-	-	-	410
Unearned Revenue	-	93,068	753,636	-	846,703
Total Liabilities	<u>410</u>	<u>429,472</u>	<u>754,367</u>	<u>3,360</u>	<u>1,187,609</u>
Deferred Inflows of Resources, Property Tax	<u>84,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,278</u>
Fund Balances:					
Assigned	<u>-</u>	<u>-</u>	<u>32,030</u>	<u>59,908</u>	<u>91,938</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 59,908</u>	<u>\$ 91,938</u>

See the accompanying independent auditors report.

**Town of Mountain Village**

**Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Nonmajor Governmental Funds**  
**For the Fiscal Year Ended December 31, 2014**

	<b><u>Special Revenue Funds</u></b>			<b>Vehicle and Equipment Acquisition Fund</b>	
	<b>Historical Museum</b>	<b>Tourism</b>	<b>Capital Projects Fund</b>		<b>Total</b>
Revenues					
Taxes	\$ 88,343	\$ -	\$ -	\$ -	\$ 88,343
Lodging Taxes	-	1,203,169	-	-	1,203,169
Restaurant Taxes	-	314,825	-	-	314,825
Business License Fees	-	270,572	-	-	270,572
Grant Revenues	-	-	83,725	224,000	307,725
Penalties & Interest	-	12,546	39,693	-	52,239
Total Revenues	<u>88,343</u>	<u>1,801,111</u>	<u>123,418</u>	<u>224,000</u>	<u>2,236,872</u>
Expenditures					
Culture and Recreation	86,573	-	-	-	86,573
Marketing	-	849,906	-	-	849,906
Economic Development	-	923,081	-	-	923,081
Vehicles and Equipment	-	-	-	400,072	400,072
Capital Outlay	-	-	145,609	-	145,609
Grant Success Fees	-	-	-	3,360	3,360
Administrative Costs	1,770	-	-	-	1,770
Total Expenditures	<u>88,343</u>	<u>1,772,987</u>	<u>145,609</u>	<u>403,432</u>	<u>2,410,371</u>
Revenues Over (Under)					
Expenditures	<u>-</u>	<u>28,124</u>	<u>(22,191)</u>	<u>(179,432)</u>	<u>(173,499)</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	-	-	-	33,000	33,000
Transfers In (Out)	-	(28,124)	54,221	185,994	212,090
Total Other Financing Sources (Uses)	<u>-</u>	<u>(28,124)</u>	<u>54,221</u>	<u>218,994</u>	<u>245,090</u>
Net Change in Fund Balance	-	-	32,030	39,562	71,592
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,346</u>	<u>20,346</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 59,908</u>	<u>\$ 91,938</u>

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual - Special Revenue Fund -**  
**Historical Museum Fund**  
**For the Fiscal Year Ended December 31, 2014**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
Revenues				
Property Taxes	\$ 88,417	\$ 88,417	\$ 88,343	\$ (74)
Expenditures				
Administrative Costs	1,769	1,769	1,770	2
Culture and Recreation	86,649	86,649	86,573	(76)
Total Expenditures	88,417	88,417	88,343	(74)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual - Special Revenue Fund -**  
**Tourism Fund**

**For the Fiscal Year Ended December 31, 2014**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
Revenues				
Sales and Marketing:				
Lodging Taxes	\$ 1,055,532	\$ 1,055,532	\$ 1,203,169	\$ 147,637
Restaurant Taxes	270,495	270,495	314,825	44,330
Business License Fees	271,145	271,145	270,572	(574)
Penalties and Interest	3,000	3,000	12,546	9,546
Total Revenues	1,600,172	1,600,172	1,801,111	200,939
Expenditures				
Other Economic Development Contributions	-	-	-	-
Administrative Expense	2,500	2,500	-	(2,500)
Contract Sales and Marketing Services	777,365	777,365	849,906	72,541
Airline Guaranty	782,296	807,296	923,081	115,785
Total Expenditures	1,562,161	1,587,161	1,772,987	185,826
Revenues Over				
Expenditures Before Transfers	38,011	13,011	28,124	15,113
Transfers				
Transfer In (Out)	(38,011)	(13,011)	(28,124)	(15,113)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Vehicle and Equipment Acquisition Fund**  
**For the Fiscal Year Ended December 31, 2014**

	<b><u>Budgeted Amounts</u></b>			<b><u>Variance with</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Final Budget</u></b>
Revenues				
Grant Revenues	\$ 156,000	\$ 280,000	\$ 224,000	\$ (56,000)
Total Revenues	156,000	280,000	224,000	(56,000)
Expenditures				
Vehicles and Equipment	327,057	446,822	403,432	(43,390)
Total Expenditures	327,057	446,822	403,432	(43,390)
Revenue Under Expenditures Before Transfers and Other Financing Sources	(171,057)	(166,822)	(179,432)	(12,610)
Other Financing Sources				
Proceeds from Sale of Assets	-	-	33,000	33,000
Transfers In	222,374	216,868	185,994	(30,874)
Total Other Financing Sources (Uses)	222,374	216,868	218,994	2,126
Net Change in Fund Balance	51,317	50,046	39,562	(10,484)
Fund Balance, Beginning of Year	(2,138)	-	20,346	20,346
Fund Balance, End of Year	\$ 49,179	\$ 50,046	\$ 59,908	\$ 9,862

See the accompanying independent auditors report.

**Town of Mountain Village**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service Fund**  
**For the Fiscal Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$3,617,061	\$3,617,061	\$3,678,766	\$ 61,705
Contributions from Other Entities	203,740	203,740	204,425	685
Interest Income	6,835	5,910	10,582	4,672
Miscellaneous Income	-	-	-	-
Total Revenues	<u>3,827,636</u>	<u>3,826,711</u>	<u>3,893,773</u>	<u>67,062</u>
Expenditures				
Debt Service:				
Administrative Charges	121,017	121,017	113,844	(7,173)
Principal	2,685,000	3,185,000	3,185,000	-
Bond Issuance Costs	-	125,549	120,673	(4,876)
Interest	941,226	941,226	941,225	(1)
Total Expenditures	<u>3,747,243</u>	<u>4,372,792</u>	<u>4,360,742</u>	<u>(12,050)</u>
Income (Loss) Before Transfers	<u>80,393</u>	<u>(546,081)</u>	<u>(466,970)</u>	<u>79,111</u>
Other Financing Uses				
Principal Proceeds from Bond Issuance	-	7,155,000	7,155,000	-
Premium Proceeds from Bond Issuance	-	416,396	416,396	-
Payment to Refunding Bonds Escrow	-	(7,445,847)	(7,445,847)	-
Transfers In	-	500,000	500,000	-
Transfers Out	<u>(79,970)</u>	<u>(79,670)</u>	<u>(142,584)</u>	<u>(62,914)</u>
Total Other Financing Uses	<u>(79,970)</u>	<u>545,879</u>	<u>482,965</u>	<u>(62,914)</u>
Net Change in Fund Balances	423	(202)	15,995	16,197
Fund Balance - Beginning of Year	<u>737,976</u>	<u>734,652</u>	<u>734,652</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 738,399</u>	<u>\$ 734,450</u>	<u>\$ 750,647</u>	<u>\$ 16,197</u>

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Capital Projects Fund**  
**For the Fiscal Year ended December 31, 2014**

	<b><u>Budgeted Amounts</u></b>			<b><u>Variance with</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Final Budget</u></b>
Revenues				
Grant Revenues	\$ -	\$ 83,725	\$ 83,725	\$ -
Interest Income	32,030	32,030	39,693	7,663
Total Revenues	32,030	115,755	123,418	7,663
Expenditures				
Capital Outlay	500,000	145,295	145,609	314
Income (Loss) Before Other Financing Sources and Uses	(467,970)	(29,540)	(22,191)	7,349
Other Financing Sources and Uses				
Transfer In (Out)	500,000	61,570	54,221	(7,349)
Net Change in Fund Balance	32,030	32,030	32,030	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ 32,030	\$ 32,030	\$ 32,030	\$ -

See the accompanying independent auditors report.

**Town of Mountain Village**

**Combining Schedule of Net Position -**  
**Housing Authority Enterprise Fund**  
**December 31, 2014**

	<b>Village Court Apartments</b>	<b>Affordable Housing Development</b>	<b>Mortgage Assistance Pool</b>	<b>Total</b>
<b>Assets</b>				
Current Assets				
Cash and Cash Equivalents	\$ 406,085	\$ 270,631	\$ 52,930	\$ 729,646
Investments	700,226	-	-	700,226
Accounts Receivable	(6,456)	-	-	(6,456)
Due from Other Funds	163,663	-	-	163,663
Total Current Assets	<u>1,263,518</u>	<u>270,631</u>	<u>52,930</u>	<u>1,587,080</u>
Non Current Assets				
Restricted Investments	450,012	400,011	-	850,023
Notes Receivable	-	-	134,000	134,000
Development Property Held for Sale				
Buildings and Improvements	-	278,268	-	278,268
Capital Assets				
Land	160,499	-	-	160,499
Buildings and Improvements	17,744,676	-	-	17,744,676
Vehicles and Equipment	199,475	-	-	199,475
Less Accumulated Depreciation	<u>(7,272,549)</u>	<u>-</u>	<u>-</u>	<u>(7,272,549)</u>
Total Noncurrent Assets	<u>11,282,112</u>	<u>678,279</u>	<u>134,000</u>	<u>12,094,391</u>
Total Assets	<u>12,545,630</u>	<u>948,910</u>	<u>186,930</u>	<u>13,681,471</u>
Deferred Outflow of Resources	<u>62,064</u>	<u>-</u>	<u>-</u>	<u>62,064</u>
<b>Liabilities</b>				
Current Liabilities				
Accounts Payable	34,501	83	-	34,584
Accrued Expenses	11,438	-	-	11,438
Due to Other Funds	161,950	-	-	161,950
Deposits	259,720	-	-	259,720
Unearned Revenue	20,701	-	-	20,701
Current Portion of Notes and Bond Payable	<u>356,834</u>	<u>-</u>	<u>-</u>	<u>356,834</u>
Total Current Liabilities	<u>845,143</u>	<u>83</u>	<u>-</u>	<u>845,226</u>
Noncurrent Liabilities				
Notes Payable	660,221	-	-	660,221
Revenue Bonds Payable	<u>12,340,000</u>	<u>-</u>	<u>-</u>	<u>12,340,000</u>
Total Liabilities	<u>13,845,365</u>	<u>83</u>	<u>-</u>	<u>13,845,448</u>
Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in Capital Assets	(2,462,892)	-	-	(2,462,892)
Restricted for Debt Service	450,012	400,011	-	850,023
Unrestricted	<u>775,210</u>	<u>548,816</u>	<u>186,930</u>	<u>1,510,956</u>
Total Net Position	<u>\$ (1,237,670)</u>	<u>\$ 948,827</u>	<u>\$ 186,930</u>	<u>\$ (101,912)</u>

See the accompanying independent auditors' report.



**Town of Mountain Village**

**Combining Schedule of Revenues, Expenses, and Changes in Net Position -**  
**Housing Authority Enterprise Fund**  
**For the Fiscal Year ended December 31, 2014**

	<b>Village Court Apartments</b>	<b>Affordable Housing Development</b>	<b>Mortgage Assistance Pool</b>	<b>Total</b>
Operating Revenues				
Rental Income	\$ 1,941,605	\$ 12,705	\$ -	\$ 1,954,310
Other	382,641	-	5,572	388,214
Total Operating Revenues	<u>2,324,246</u>	<u>12,705</u>	<u>5,572</u>	<u>2,342,524</u>
Operating Expenses				
Office Operations	186,519	-	-	186,519
General and Administrative	109,656	-	-	109,656
Utilities	362,008	-	-	362,008
Repair and Maintenance	347,354	88,041	-	435,396
Depreciation and Amortization	585,730	-	-	585,730
Total Operating Expenses	<u>1,591,268</u>	<u>88,041</u>	<u>-</u>	<u>1,679,309</u>
Operating Income (Loss)	<u>732,979</u>	<u>(75,336)</u>	<u>5,572</u>	<u>663,215</u>
Nonoperating Revenue (Expense)				
Interest Income	179	-	-	179
Major Repairs and Replacements	(89,254)	-	-	(89,254)
Cost of Issuance	(338,963)	-	-	(338,963)
Interest Expense	(262,799)	-	-	(262,799)
Loan Fees	(179,573)	-	-	(179,573)
Total Nonoperating Revenues (Expenses)	<u>(870,409)</u>	<u>-</u>	<u>-</u>	<u>(870,409)</u>
Loss Before Transfers	<u>(137,431)</u>	<u>(75,336)</u>	<u>5,572</u>	<u>(207,194)</u>
Transfers In	33,752	348,409	-	382,161
Transfers Out	(116,635)	(87,973)	-	(204,608)
Total Transfers In (Out)	<u>(82,883)</u>	<u>260,435</u>	<u>-</u>	<u>177,553</u>
Capital Grant and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	(220,313)	185,100	5,572	(29,641)
Net Position, Beginning of Year	<u>(1,017,356)</u>	<u>763,727</u>	<u>181,358</u>	<u>(72,271)</u>
Net Position, End of Year	<u>\$ (1,237,670)</u>	<u>\$ 948,827</u>	<u>\$ 186,930</u>	<u>\$ (101,913)</u>

See the accompanying independent auditors' report.

**Town of Mountain Village**

**Combining Schedule of Cash Flows -**  
**Housing Authority Enterprise Fund**  
**For the Fiscal Year ended December 31, 2014**

	<b>Village Court Apartments</b>	<b>Affordable Housing Development</b>	<b>Mortgage Assistance Pool</b>	<b>Total</b>
Cash Flows from Operating Activities				
Receipts from Renters	\$ 1,934,590	\$ 12,705	\$ -	\$ 1,947,295
Payments to Suppliers	(474,732)	(88,076)	-	(562,808)
Payments to Employees	(394,808)	-	-	(394,808)
Other Receipts	382,641	-	5,572	388,214
Net Cash Provided by (Used in) Operating Activities	1,447,692	(75,371)	5,572	1,377,893
Cash Flows from Non-capital Financing Activities				
Interfund Activity	-	-	-	-
Transfers to Other Funds	(314,237)	(87,973)	-	(402,210)
Transfers from Other Funds	33,752	348,409	-	382,161
Net Cash Provided by Noncapital Financing Activities	(280,485)	260,435	-	(20,049)
Cash Flows from Capital and Related Financing Activities				
Principal Payments	(13,551,192)	-	-	(13,551,192)
Proceeds from Debt Issuance	13,416,000	-	-	13,416,000
Interest Expense	(262,799)	-	-	(262,799)
Bond Issuance Costs	(401,037)	-	-	(401,037)
Major Repairs and Replacements	(89,254)	-	-	(89,254)
Purchase of Capital Asset	(117,552)	-	-	(117,552)
Loan Fees	(179,573)	-	-	(179,573)
Net Cash Used in Capital and Related Financing Activities	(1,185,407)	-	-	(1,185,407)
Cash Flows from Investing Activities				
Proceeds from Sale of Investments	200,450	-	-	200,450
Purchase of Investments	-	(143,115)	-	(143,115)
Interest Received	179	-	-	179
Net Cash Used in Investing Activities	200,629	(143,115)	-	57,514
Net Increase (Decrease) in Cash and Cash Equivalents	182,429	41,950	5,572	229,951
Cash, Beginning of Year	223,656	228,681	47,358	499,695
Cash, End of Year	\$ 406,085	\$ 270,631	\$ 52,930	\$ 729,646
Reconciliation of Operating Income				
(Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 732,979	\$ (75,336)	\$ 5,572	\$ 663,215
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	585,730	-	-	585,730
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	8,670	-	-	8,670
(Increase) Decrease in Prepaid Items	-	-	-	-
Increase (Decrease) in Accounts Payable	138,522	(35)	-	138,487
Increase (Decrease) in Accrued Expenses	(2,525)	-	-	(2,525)
Increase (Decrease) in Unearned Revenues	(11,079)	-	-	(11,079)
Increase (Decrease) in Deposits	(4,606)	-	-	(4,606)
Total Adjustments	714,712	(35)	-	714,677
Net Cash Provided by (Used in) Operating Activities	\$ 1,447,691	\$ (75,371)	\$ 5,572	\$ 1,377,893

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in  
Working Capital - Budget and Actual (Budgetary Basis) -  
Village Court Apartments  
For the Fiscal Year ended December 31, 2014**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Operating Revenues				
Rental Income	\$ 1,743,379	\$ 1,943,231	\$ 1,941,605	\$ (1,626)
Other	337,729	369,627	382,641	13,014
Total Operating Income	2,081,108	2,312,858	2,324,246	11,388
Operating Expenditures				
Office Operations	188,934	191,671	186,519	(5,152)
General and Administrative	121,755	119,275	109,656	(9,619)
Utilities	415,479	408,532	362,007	(46,525)
Repairs and Maintenance	379,385	371,987	347,354	(24,633)
Contingency	13,427	12,509	-	(12,509)
Total Operating Expenditures	1,118,980	1,103,974	1,005,537	(98,437)
Excess of Operating Revenues Over Operating Expenditures	962,128	1,208,884	1,318,710	109,826
Nonoperating Revenues (Expenditures)				
Interest Revenue	1,500	1,500	179	(1,321)
Interest Expense	(264,808)	(248,558)	(262,799)	(14,241)
Loan Fees	(212,250)	(177,631)	(179,573)	(1,942)
Cost of Issuance	-	(410,000)	(338,963)	71,037
Major Repairs and Replacements	(237,172)	(127,691)	(89,254)	38,437
Capital Outlay	(78,500)	(106,781)	(117,552)	(10,771)
Debt Principal Payments	(235,116)	(135,192)	(285,801)	(150,609)
Total Nonoperating Revenues (Expenditures)	(1,026,346)	(1,204,353)	(1,273,763)	(69,410)
Transfers Out	(122,815)	(116,385)	(116,635)	(250)
Transfers In	187,033	111,854	33,752	(78,102)
Total Operating Transfers	64,218	(4,531)	(82,883)	(78,352)
Net Change in Working Capital	-	-	(37,936)	(37,936)
Working Capital, Beginning of Year	59,130	75,353	59,130	(16,223)
Working Capital, End of Year	<u>\$ 59,130</u>	<u>\$ 75,353</u>	21,194	<u>\$ (54,159)</u>
Add (Deduct):				
Depreciation and Amortization			(585,730)	
Debt Principal			285,801	
Capital Outlay			117,552	
Carryover from Prior Years			(1,076,487)	
Net Position, End of Year, GAAP Basis			<u>\$ (1,237,670)</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Affordable Housing Development Fund**  
**For the Fiscal Year ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sale/Rental Proceeds	\$ -	\$ 12,728	\$ 12,705	\$ (23)
Expenditures				
Operating Expenditures	99,280	99,280	88,041	(11,239)
Total Expenditures	99,280	99,280	88,041	(11,239)
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Transfers	(99,280)	(86,552)	(75,336)	11,216
Transfers				
Transfers In	330,000	330,000	348,409	18,409
Transfer Out	(747,034)	(197,852)	(87,973)	109,879
Total Transfers In (Out)	(417,034)	132,148	260,435	128,287
Net Change in Working Capital	(516,314)	45,596	185,100	139,504
Working Capital, Beginning of Year	222,502	74,851	(1,583,006)	(1,657,857)
Working Capital, End of Year	<u>\$ (293,812)</u>	<u>\$ 120,447</u>	(1,397,906)	<u>\$ (1,518,353)</u>
Add (Deduct):				
Carryover from Prior Years			2,346,733	
Net Position, End of Year, GAAP Basis			<u>\$ 948,827</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Mortgage Assistance Pool**  
**For the Fiscal Year ended December 31, 2014**

	<b><u>Budgeted Amounts</u></b>			<b><u>Variance with</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Final Budget</u></b>
Revenues	\$ -	\$ 5,572	\$ 5,572	\$ -
Expenditures				
Mortgage Assistance	<u>60,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Transfers	<u>(60,000)</u>	<u>(24,428)</u>	<u>5,572</u>	<u>30,000</u>
Transfers				
Transfers In	<u>60,000</u>	<u>24,428</u>	<u>-</u>	<u>(24,428)</u>
Net Change in Working Capital	-	-	5,572	5,572
Working Capital, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Working Capital, End of Year	<u>\$ -</u>	<u>\$ -</u>	5,572	<u>\$ 5,572</u>
Add (Deduct):				
Carryover from Prior Years			<u>181,358</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 186,930</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Water and Sewer Fund**  
**For the Fiscal Year ended December 31, 2014**

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues				
Charges for Services	\$ 2,232,371	\$ 2,232,371	\$ 2,362,197	\$ 129,826
Operating Expenditures				
Operating Costs	1,582,631	1,576,374	1,447,875	(128,499)
Excess of Operating Revenues Over Operating Expenditures	649,740	655,997	914,323	258,326
Nonoperating Revenues (Expenditures)				
Capital Outlay	(159,946)	(367,388)	(298,653)	68,735
Grants and Contributions	40,075	40,075	37,761	(2,314)
Total Nonoperating Revenues (Expenditures)	(119,871)	(327,313)	(260,892)	66,421
Transfers Out	(132,752)	(134,455)	(134,455)	-
Net Change in Working Capital	397,117	194,229	518,976	324,747
Working Capital, Beginning of Year	1,422,579	1,030,324	2,170,125	1,139,801
Working Capital, End of Year	<u>\$ 1,819,696</u>	<u>\$ 1,224,553</u>	2,689,101	<u>\$ 1,464,548</u>
Add (Deduct):				
Depreciation			(612,001)	
Capital Outlay			298,653.33	
Carryover from Prior Years			9,498,207	
Net Position, End of Year, GAAP Basis			<u>\$ 11,873,961</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Telluride Conference Center**  
**For the Fiscal Year ended December 31, 2014**

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
Operating Revenues				
Operating Contributions	\$ -	\$ -	\$ 920	\$ 920
Total Revenues	-	-	920	920
Operating Expenditures				
Operating Costs	144,018	144,018	115,078	(28,940)
Excess (Deficiency) of Operating Revenues				
Over (Under) Operating Expenditures	(144,018)	(144,018)	(114,158)	29,860
Nonoperating Expenditures				
Capital Outlay	(20,000)	(20,000)	(33,648)	(13,648)
Non-Routine Repairs	-	-	(5,290)	(5,290)
Non-Operating Revenues (Expenses)	(20,000)	(20,000)	(38,938)	(18,938)
Transfers				
Transfers In	164,018	164,018	153,097	(10,921)
Total Operating Transfers	164,018	164,018	153,097	(10,921)
Net Change in Working Capital	-	-	-	-
Working Capital, Beginning of Year	1,318	1,318	1,318	-
Working Capital, End of Year				
End of Year	<u>\$ 1,318</u>	<u>\$ 1,318</u>	1,318	<u>\$ -</u>
Add (Deduct):				
Depreciation			(295,742)	
Capital Outlay			33,648	
Carryover from Prior Years			<u>4,432,407</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 4,171,630</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Cable TV Enterprise Fund**  
**For the Fiscal Year ended December 31, 2014**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Operating Revenues				
Charges for Sales and Services	\$ 1,696,882	\$ 1,639,874	\$ 1,625,486	\$ (14,388)
Total Revenues	1,696,882	1,639,874	1,625,486	(14,388)
Operating Expenditures				
Cost of Sales and Services	1,253,324	1,259,910	1,237,251	(22,659)
Contingency	3,000	3,000	-	(3,000)
Total Expenditures	1,256,324	1,262,910	1,237,251	(25,659)
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	440,558	376,964	388,235	11,271
Nonoperating Expenditures				
Capital Outlay	(45,000)	(45,000)	(41,971)	3,029
Gain on Sale of Capital Assets	-	-	-	-
Total Non-Operating Expenditures	(45,000)	(45,000)	(41,971)	3,029
Transfers				
Transfers Out	(345,558)	(281,964)	(296,264)	(14,300)
Net Change in Working Capital	50,000	50,000	50,000	-
Working Capital, Beginning of Year	141,042	91,042	91,042	-
Working Capital, End of Year	<u>\$ 191,042</u>	<u>\$ 141,042</u>	141,042	<u>\$ -</u>
Add (Deduct):				
Capital Outlay			41,971	
Depreciation			(156,599)	
Carryover from Prior Years			782,963	
Net Position, End of Year, GAAP Basis			<u>\$ 809,377</u>	

See the accompanying independent auditor's report.



**Town of Mountain Village**

**Combining Statement of Net Position -**  
**Nonmajor Enterprise Funds**  
**December 31, 2014**

	<b>Child Development</b>	<b>Communications System</b>	<b>Parking Services</b>	<b>Total</b>
Current Assets				
Cash	\$ 5,095	\$ -	\$ 300	\$ 5,395
Accounts Receivable	15,406	-	30,704	46,110
Accrued Revenues	-	-	2,342	2,342
Total Current Assets	20,501		33,346	53,847
Capital Assets				
Buildings and Improvements	199,368	-	-	199,368
Vehicles and Equipment	27,650	-	-	27,650
Regional Communications System	-	-	-	-
Less Accumulated Depreciation	(122,017)	-	-	(122,017)
Total Capital Assets	105,002		-	105,002
Total Assets	125,503		33,346	158,849
Current Liabilities				
Accounts Payable	1,357	-	4,523	5,880
Due to Pooled Cash	-	-	24,198	24,198
Accrued Expenses	12,940	-	4,625	17,565
Unearned Revenue	6,204	-	-	6,204
Total Liabilities	20,501	-	33,346	53,847
Net Position				
Net Investment in Capital Assets	105,002	-	-	105,002
Unrestricted	-	-	-	-
Total Net Position	\$ 105,002	\$ -	\$ -	\$ 105,002

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Combining Statement of Revenues, Expenses, and Changes  
in Net Position - Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2014**

	<b>Child Development</b>	<b>Communications System</b>	<b>Parking Services</b>	<b>Total</b>
Operating Revenues				
Charges for Sales and Services	\$ 430,994	\$ -	\$ 376,729	\$ 807,723
Operating Grants and Contributions	26,075	-	20,771	46,846
Total Operating Revenues	<u>457,069</u>	<u>-</u>	<u>397,500</u>	<u>854,569</u>
Operating Expenses				
Cost of Sales and Services	544,006	-	328,928	872,934
Depreciation Expense	<u>23,173</u>	<u>-</u>	<u>-</u>	<u>23,173</u>
Total Operating Expenses	<u>567,180</u>	<u>-</u>	<u>328,928</u>	<u>896,107</u>
Operating Gain (Loss)	<u>(110,111)</u>	<u>-</u>	<u>68,572</u>	<u>(41,538)</u>
Non-operating Revenues (Expenses)				
Grant Proceeds	9,240	-	-	9,240
Transfer of Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Revenue	<u>9,240</u>	<u>-</u>	<u>-</u>	<u>9,240</u>
Profit/Loss Before Capital Contributions and Transfers	(100,871)	-	68,572	(32,298)
Transfers				
Transfers In	86,937	-	-	86,937
Transfers Out	<u>-</u>	<u>(123,115)</u>	<u>(68,572)</u>	<u>(191,687)</u>
Total Transfers	<u>86,937</u>	<u>(123,115)</u>	<u>(68,572)</u>	<u>(104,750)</u>
Changes in Net Position	(13,933)	(123,115)	-	(137,048)
Net Position, Beginning of Year	<u>118,935</u>	<u>123,115</u>	<u>-</u>	<u>242,050</u>
Net Position, End of Year	<u><u>\$ 105,002</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 105,002</u></u>

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Combining Statement of Cash Flows -**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended December 31, 2014**

	<b>Child Development</b>	<b>Communications System</b>	<b>Parking Services</b>	<b>Total</b>
Cash Flows From Operating Activities:				
Operating Contributions	\$ 26,075	\$ -	\$ 20,771	\$ 46,846
Cash Receipts	431,705	-	357,191	788,896
Payments to Suppliers	(236,502)	-	(239,807)	(476,309)
Payments to Employees	(310,715)	-	(84,974)	(395,689)
Net Cash Used in Operating Activities	(89,437)	-	53,180	(36,257)
Cash Flows from Non-capital Financing Activities:				
Transfers (to)/from Other Funds	86,937	(8,688)	(52,929)	25,320
Net Cash Provided by Noncapital Financing Activities	86,937	(8,688)	(52,929)	25,320
Cash Flows from Capital and Related Activities				
Capital Grants	9,240	-	-	9,240
Purchase of Capital Assets	(9,240)	-	-	(9,240)
Net Cash Used in Capital and Related Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(2,500)	(8,688)	251	(10,937)
Cash and Cash Equivalents, Beginning of Year	7,595	8,688	50	16,333
End of Year	\$ 5,095	\$ -	\$ 301	\$ 5,396
Reconciliation of Operating Loss to Net Cash Used in Operating Activities				
Operating Gain (Loss)	(110,111)		68,572	(41,538)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities				
Depreciation	23,173	-	-	23,173
(Increase) Decrease in Accounts Receivable	1,914	-	(17,196)	(15,282)
(Increase) Decrease in Prepaid Items	-	-	5,902	5,902
Increase (Decrease) in Unearned Revenues	(1,203)	-	-	(1,203)
Increase (Decrease) in Accrued Revenues	-	-	(2,342)	(2,342)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(3,211)	-	(1,756)	(4,967)
Net Cash Used in Operating Activities	\$ (89,437)	\$ -	\$ 53,180	\$ (36,257)

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in  
Working Capital - Budget and Actual (Budgetary Basis) -**

**Parking Services Fund**

**For the Fiscal Year Ended December 31, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Revenues				
Contributions:				
Contributions/Shared Expense from Other Entities	\$ 18,500	\$ 18,500	\$ 20,771	\$ 2,271
Other Revenues:				
Parking Permits	12,000	12,000	14,986	2,986
Parking Fines	13,000	13,000	29,182	16,182
Parking Revenues	261,400	292,400	332,561	40,161
Total Revenues	304,900	335,900	397,500	61,600
Expenditures				
Parking Services	146,523	148,824	129,272	(19,552)
Gondola Parking Garage	85,212	80,592	62,594	(17,998)
Surface Lots	26,260	22,260	23,909	1,649
Heritage Parking Garage	116,190	118,765	113,152	(5,613)
Total Expenditures	374,185	370,441	328,928	(41,513)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,285)	(34,541)	68,572	103,113
Nonoperating (Expenditures) Revenues				
Capital Outlay	-	-	-	-
Transfers from Other Funds	100,545	66,362	-	(66,362)
Transfers to Other Funds	(31,260)	(31,821)	(68,572)	(36,751)
Other Financing Sources (Uses), Net	69,285	34,541	(68,572)	(103,113)
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Child Development Enterprise Fund**  
**For the Fiscal Year ended December 31, 2014**

	<b><u>Budgeted Amounts</u></b>			<b><u>Variance with</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Final Budget</u></b>
Operating Revenues				
Charges for Services	\$ 456,453	\$ 452,783	\$ 430,994	\$ (21,789)
Grant Proceeds	35,380	35,380	26,075	(9,305)
Total Revenues	491,833	488,163	457,069	(31,094)
Operating Expenditures				
Operating Costs	601,182	575,433	544,006	(31,427)
Deficiency of Operating Revenues Under Operating Expenditures	(109,349)	(87,270)	(86,937)	333
Nonoperating (Expenditures) Revenues				
Capital Outlay	(9,240)	(9,240)	(9,240)	-
Capital Grants and Contributions	9,240	9,240	9,240	-
Nonoperating (Expenditures) Revenues, Net	-	-	-	-
Transfers In	109,349	87,270	86,937	(333)
Net Change in Working Capital	-	-	-	-
Working Capital, Beginning of Year	4,692	4,692	4,692	-
Working Capital, End of Year	<u>\$ 4,692</u>	<u>\$ 4,692</u>	4,692	<u>\$ -</u>
Add (Deduct):				
Capital Outlay			9,240	
Depreciation			(23,173)	
Carryover from Prior Years			114,243	
Net Position, End of Year, GAAP Basis			<u>\$ 105,002</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Communications System Enterprise Fund**  
**For the Fiscal Year ended December 31, 2014**

	<b><u>Budgeted Amounts</u></b>			<b>Variance</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>with Final</u></b> <b><u>Budget</u></b>
Operating Revenues				
Charges for Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Operating Expenditures				
Operating Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	-	-	-	-
Nonoperating (Expenditures) Revenues				
Transfers In (Out)	<u>-</u>	<u>(8,688)</u>	<u>(8,688)</u>	<u>-</u>
Net Change in Working Capital	-	(8,688)	(8,688)	-
Working Capital, Beginning of Year	296,683	286,804	305,464	18,660
Prior Year Adjustment to Working Capital	<u>-</u>	<u>-</u>	<u>(296,776)</u>	<u>(296,776)</u>
Working Capital, Beginning of Year Re-stated	296,683	286,804	8,688	(278,116)
Working Capital, End of Year	<u><u>\$ 296,683</u></u>	<u><u>\$ 278,116</u></u>	<u>-</u>	<u><u>\$ (278,116)</u></u>
Add:				
Accumulated Depreciation			<u>-</u>	
Net Position, End of Year, GAAP Basis			<u><u>\$ -</u></u>	

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Town of Mountain Village
		YEAR ENDING : December 2014
This Information From The Records Of Town of Mountain Village	Prepared By: Phone: (970)369-6448	Julie Vergari

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

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

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

ITEM	AMOUNT
<b>A. Receipts from local sources:</b>	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	565,787
3. Other local imposts (from page 2)	281,547
4. Miscellaneous local receipts (from page 2)	-
5. Transfers from toll facilities	-
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	-
b. Bonds - Refunding Issues	-
c. Notes	-
d. Total (a. + b. + c.)	-
7. Total (1 through 6)	847,334
<b>B. Private Contributions</b>	-
<b>C. Receipts from State government</b> (from page 2)	62,667
<b>D. Receipts from Federal Government</b> (from page 2)	-
<b>E. Total receipts (A.7 + B + C + D)</b>	910,001

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	-
2. Maintenance:	786,992
3. Road and street services:	
a. Traffic control operations	-
b. Snow and ice removal	123,009
c. Other	-
d. Total (a. through c.)	123,009
4. General administration & miscellaneous	-
5. Highway law enforcement and safety	-
6. Total (1 through 5)	910,001
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	-
b. Redemption	-
c. Total (a. + b.)	-
2. Notes:	
a. Interest	-
b. Redemption	-
c. Total (a. + b.)	-
3. Total (1.c + 2.c)	-
<b>C. Payments to State for highways</b>	-
<b>D. Payments to toll facilities</b>	-
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	910,001

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	910,001	910,001	-	-

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
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	237,904	a. Interest on investments	-
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	43,644	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.)	43,644	h. Other	-
c. Total (a. + b.)	281,547	i. Total (a. through h.)	-
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	57,465	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	5,202	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.)	5,202	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	62,667	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	-	-	-
b. Engineering Costs	-	-	-
c. Construction:			
(1). New Facilities	-	-	-
(2). Capacity Improvements	-	-	-
(3). System Preservation	-	-	-
(4). System Enhancement & Operation	-	-	-
(5). Total Construction (1) + (2) + (3) + (4)	-	-	-
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	-	-
			(Carry forward to page 1)

<b>Notes and Comments:</b>



## TOWN OF MOUNTAIN VILLAGE

### Statistical Section

December 31, 2014

This part of Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

### Contents

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

- A-1 Net Position by Component
- A-2 Changes in Net Position
- A-3 Program Revenues by Function/Program
- A-4 Fund Balances, Governmental Funds
- A-5 Changes in Fund Balances, Governmental Funds
- A-6 Tax Revenues by Source, Governmental Funds
- A-7 User Fee Revenues, Enterprise Funds
- A-8 Enterprise Fund Expenses

#### **Revenue Capacity**

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

- B-1 Actual Value and Estimated Assessed Value of Taxable Property
- B-2 Direct and Overlapping Property Tax Rates
- B-3 Principal Property Taxpayers
- B-4 Property Tax Levies and Collections

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

- C-1 Ratios of Outstanding Debt by Type
- C-2 Direct and Overlapping Bond Debt
- C-3 Pledged-Revenue Coverage
- C-4 Legal Debt Margin Information

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

- D-1 Demographic and Economic Statistics
- D-2 Principal Employers

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

- E-1 Full-Time Equivalent Town Employees by Function/Program
- E-2 Operating Indicators by Function/Program
- E-3 Capital Asset Statistics by Function/Program

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The Town implemented GASB 34 in 2004; schedules presenting government-wide information include information beginning in that year.

**TOWN OF MOUNTAIN VILLAGE**

**Net Position by Component**

**Last Ten Years**

**TABLE A-1**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 29,055,499	\$ 27,532,327	26,700,785	26,241,771	\$ 26,634,411	\$ 25,897,608	\$ 11,359,109	\$ 9,108,621	\$ 1,959,065	\$ 963,790
Restricted for:										
Debt Service	750,647	734,651	1,033,003	1,056,461	1,023,210	1,293,186	1,097,281	1,107,026	-	-
Emergencies	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800	210,500
Unrestricted	7,047,403	6,046,962	3,160,555	2,819,313	1,115,565	2,002,857	17,238,544	19,825,893	1,502,124	2,750,454
Total Net Position	<u>37,389,639</u>	<u>34,846,083</u>	<u>31,395,960</u>	<u>30,619,811</u>	<u>29,295,936</u>	<u>29,522,956</u>	<u>30,232,674</u>	<u>30,579,280</u>	<u>3,708,989</u>	<u>3,924,744</u>
Business-type Activities:										
Net Investment in Capital Assets	11,694,046	13,318,565	13,681,119	15,789,269	19,000,536	22,002,632	21,023,208	23,291,366	2,414,872	963,808
Restricted for:										
Capital Projects	-	-	-	-	-	295,466	974,936	-	-	-
Debt Service	850,023	450,000	450,077	450,062	453,806	449,231	-	450,958	449,057	488,987
Unrestricted	4,313,988	3,377,277	3,606,621	2,679,130	2,108,087	(498,199)	1,969,932	1,393,073	2,171,435	636,544
Total Net Position	<u>16,858,058</u>	<u>17,145,842</u>	<u>17,737,817</u>	<u>18,918,460</u>	<u>21,562,429</u>	<u>22,249,130</u>	<u>23,968,076</u>	<u>25,135,397</u>	<u>5,035,364</u>	<u>2,089,339</u>
Primary Government:										
Net Investment in Capital Assets	40,749,545	40,850,892	40,381,904	42,031,039	45,634,947	47,900,240	32,382,317	32,399,987	4,373,937	1,927,598
Restricted for:										
Debt Service	1,600,670	1,184,651	1,483,080	1,506,523	1,477,016	1,742,417	1,097,281	1,557,984	449,057	488,987
Capital Projects	-	-	-	-	-	295,466	974,936	-	-	-
Emergencies	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800	210,500
Unrestricted	11,361,391	9,424,239	6,767,176	5,498,443	3,223,652	1,504,658	19,208,476	21,218,966	3,673,559	3,386,998
Total Net Position	<u>54,247,696</u>	<u>51,991,925</u>	<u>\$ 49,133,777</u>	<u>\$ 49,538,271</u>	<u>\$ 50,858,365</u>	<u>\$ 51,772,086</u>	<u>\$ 54,200,750</u>	<u>\$ 55,714,677</u>	<u>\$ 8,744,353</u>	<u>\$ 6,014,083</u>

**TOWN OF MOUNTAIN VILLAGE**  
**Changes in Net Position**  
**Last Ten Years**

**TABLE A-2**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Primary Government:										
Program Expenses:										
Governmental Activities:										
General Government	\$ 12,114,348	\$ 12,816,565	\$ 13,393,334	\$ 13,532,429	\$ 12,544,856	\$ 15,695,455	\$ 19,096,466	\$ 16,369,922	\$ 1,661,676	\$ 1,390,447
Public Safety	926,589	1,211,029	930,812	941,734	956,624	1,002,641	991,345	859,608	1,020,769	964,977
Culture and Recreation	487,552	430,976	623,271	673,324	685,898	491,755	349,280	800,525	94,912	73,869
Economic Development	2,348,837	2,220,203	1,433,224	1,307,533	1,173,179	1,072,877	961,059	1,153,452	1,212,690	1,037,162
Intergovernmental	-	-	-	-	-	-	441,801	-	2,576,666	2,478,731
Total Governmental Activities Expenses	15,877,325	16,678,773	16,380,641	16,455,020	15,360,557	18,262,728	21,839,951	19,183,507	6,566,713	5,945,186
Business-type Activities:										
Housing Authority	2,536,978	2,347,284	2,526,775	4,893,022	2,311,278	4,004,065	2,983,112	2,445,802	1,879,034	1,770,045
Water & Sewer	2,059,875	2,013,911	1,989,756	2,048,121	1,860,514	1,730,240	1,798,936	1,544,351	-	-
Telluride Conference Center	416,111	416,067	449,473	442,267	539,740	1,042,216	1,149,843	1,277,256	-	-
Daycare Program	567,180	563,955	574,001	569,756	582,369	433,154	371,074	312,071	261,337	234,906
Parking Services	328,928	288,821	259,665	354,796	307,891	-	-	-	-	-
Cable TV	1,393,850	1,361,458	1,317,112	1,324,139	1,447,972	1,155,889	1,130,893	1,065,175	-	-
Regional Communication System	-	193,646	210,346	216,768	273,699	202,597	220,961	230,840	209,797	218,752
Total Business-type Activities Expenses	7,302,922	7,185,143	7,327,128	9,848,870	7,323,463	8,568,162	7,654,818	6,875,495	2,350,168	2,223,703
Total Primary Government Expenses	23,180,248	23,863,916	23,707,769	26,303,890	22,684,020	26,830,890	29,494,769	26,059,002	8,916,881	8,168,889
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	332,853	598,790	686,119	820,898	756,085	679,083	1,353,068	1,321,481	2,154,506	1,684,992
Public Safety	5,592	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580	80,714	79,132
Transportation	5,525	11,779	9,380	2,880	35,854	87,728	78,473	-	-	-
Economic Development	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396	174,225	173,280
Total Charges for Services	1,130,999	1,864,273	1,299,371	1,398,226	1,494,389	1,581,050	2,447,496	2,753,457	2,409,445	1,937,404
Operating Grants and Contributions	3,883,361	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228	611,878	298,699	251,150
Capital Grants and Contributions	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081	7,035,980	53,160	273,878
Total Governmental Activities Program Revenues	5,496,903	5,921,996	5,068,578	5,262,515	5,123,809	5,130,690	9,619,805	10,401,315	2,761,304	2,462,432
Business-type Activities:										
Housing Authority:										
Charges for Services	1,941,392	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780	1,977,744	1,730,042	1,654,622
Operating Grants and Contributions	-	-	-	-	-	-	-	-	291,807	-
Capital Grants and Contributions	-	-	147,708	732,292	-	-	-	1,100,000	872,200	226,321
Water & Sewer										
Charges for Services	2,362,197	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626	1,649,841	-	-
Capital Grants and Contributions	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761	665,386	-	-
Telluride Conference Center										
Charges for Services	-	-	-	-	76	421,774	494,103	815,187	-	-
Operating Grants and Contributions	-	-	-	14,200	-	-	-	-	-	-
Child Development:										
Charges for Services	430,994	429,238	404,664	352,011	344,450	220,175	189,145	142,242	129,478	127,796
Operating Grants and Contributions	26,075	39,475	40,099	40,798	40,586	33,560	96,252	400	131,859	103,348
Capital Grants and Contributions	9,240	-	-	-	32,050	159,724	-	-	-	-
Cable TV										
Charges for Services	1,625,486	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726	1,072,134	-	-
Parking Services:										
Charges for Services	376,729	311,311	272,803	251,935	170,877	-	-	-	-	-
Operating Grants and Contributions	20,771	19,567	24,419	25,124	30,590	-	-	-	-	-
Regional Communication System:										
Charges for Services	-	15,767	27,024	36,000	37,344	38,208	47,508	31,322	40,574	49,760
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	74,515
Total Business-type Activities Program Revenues	6,830,646	6,710,184	6,366,210	6,771,247	5,801,848	5,602,027	5,851,901	7,454,256	3,195,960	2,236,362
Total Primary Government Program Revenues	12,327,549	12,632,180	11,434,787	12,033,761	10,925,657	10,732,717	15,471,706	17,855,571	5,957,264	4,698,794

Table A-2 (Continued)

Net (Expense)/Revenues:										
Governmental Activities	(10,380,422)	(10,756,777)	(11,312,063)	(11,192,505)	(10,236,748)	(13,132,038)	(12,220,146)	(8,782,192)	(3,805,409)	(3,482,754)
Business-type Activities	<u>(472,277)</u>	<u>(474,959)</u>	<u>(960,918)</u>	<u>(3,077,623)</u>	<u>(1,521,615)</u>	<u>(2,966,135)</u>	<u>(1,802,917)</u>	<u>578,761</u>	<u>845,792</u>	<u>12,659</u>
Total Primary Government Net Expense	<u>(10,852,699)</u>	<u>(11,231,736)</u>	<u>(12,272,982)</u>	<u>(14,270,128)</u>	<u>(11,758,363)</u>	<u>(16,098,173)</u>	<u>(14,023,063)</u>	<u>(8,203,431)</u>	<u>(2,959,617)</u>	<u>(3,470,095)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	7,128,873	7,709,941	7,845,065	8,357,159	7,635,783	6,517,003	6,539,508	7,205,552	855,700	708,680
Specific Ownership	287,077	258,341	219,426	211,892	211,838	227,304	261,106	283,270	35,559	31,346
Sales and Use	3,502,280	4,196,071	2,780,228	2,745,202	2,807,409	2,635,121	3,984,012	2,380,152	3,546,322	2,827,039
Lodging	1,203,169	1,082,424	872,113	871,063	782,576	661,853	767,514	718,457	765,480	696,788
Restaurant	314,825	274,993	246,473	243,948	224,278	205,006	207,566	200,032	205,520	188,250
Miscellaneous	144,401	126,629	116,976	152,874	107,955	471,785	175,243	121,898	13,672	12,723
Grants and Contributions Not Restricted to Specific Programs	43,990	-	-	-	-	2,575,862	-	99,616	98,458	96,519
Interest Earnings	94,542	9,122	65,634	56,860	87,025	55,183	924,678	1,215,081	120,589	60,138
Gain on Sale of Capital Assets	-	-	-	7,807	-	95,000	81,459	165,913	8,400	-
Transfers	<u>204,820</u>	<u>549,382</u>	<u>25,455</u>	<u>(130,424)</u>	<u>(587,322)</u>	<u>(1,021,800)</u>	<u>(604,644)</u>	<u>1,409,843</u>	<u>(2,060,046)</u>	<u>(54,135)</u>
Total Governmental Activities General Revenues	<u>12,923,978</u>	<u>14,206,903</u>	<u>12,171,370</u>	<u>12,516,382</u>	<u>11,269,542</u>	<u>12,422,317</u>	<u>12,336,442</u>	<u>13,799,814</u>	<u>3,589,654</u>	<u>4,755,598</u>
Business-type Activities:										
Miscellaneous	389,133	384,538	352,202	308,442	246,270	210,632	-	50,721	-	-
Investment Earnings	179	470	931	905	1,321	7,429	45,466	39,622	40,187	-
Gain (Loss) on Sale of Capital Assets	-	-	-	(6,117)	-	7,306	7,122	200	-	44,100
Contributions	-	-	-	-	-	-	-	-	-	9,979
Transfers	<u>(204,820)</u>	<u>(549,381)</u>	<u>(25,455)</u>	<u>130,424</u>	<u>587,322</u>	<u>1,021,800</u>	<u>604,644</u>	<u>(1,409,843)</u>	<u>2,060,046</u>	<u>54,135</u>
Total Business-type Activities General Revenues	<u>184,493</u>	<u>(164,373)</u>	<u>327,678</u>	<u>433,654</u>	<u>834,913</u>	<u>1,247,167</u>	<u>657,232</u>	<u>(1,319,300)</u>	<u>2,100,233</u>	<u>108,214</u>
Total Primary Government General Revenues and Transfers	<u>13,108,470</u>	<u>14,042,530</u>	<u>12,499,048</u>	<u>12,950,036</u>	<u>12,104,455</u>	<u>13,669,484</u>	<u>12,480,514</u>	<u>12,480,514</u>	<u>5,689,887</u>	<u>4,863,812</u>
Change in Net Position:										
Governmental Activities	2,543,555	3,450,126	859,307	1,323,876	1,032,794	(709,721)	116,296	5,017,622	(215,755)	1,272,844
Business-type Activities	<u>(287,784)</u>	<u>(639,332)</u>	<u>(633,241)</u>	<u>(2,643,969)</u>	<u>(686,702)</u>	<u>(1,718,968)</u>	<u>(1,145,685)</u>	<u>(740,539)</u>	<u>2,946,025</u>	<u>120,873</u>
Total Primary Government	<u>\$ 2,255,772</u>	<u>\$ 2,810,794</u>	<u>\$ 226,066</u>	<u>\$ (1,320,093)</u>	<u>\$ 346,093</u>	<u>\$ (2,428,689)</u>	<u>\$ (1,029,389)</u>	<u>\$ 4,277,083</u>	<u>\$ 2,730,270</u>	<u>\$ 1,393,717</u>

**TOWN OF MOUNTAIN VILLAGE**  
**Program Revenues by Function/Program**  
**Last Ten Years**

**TABLE A-3**

Function/Program:	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Governmental Activities:</b>										
General Government	\$ 332,853	\$ 598,790	\$ 686,119	\$ 820,898	\$ 756,085	\$ 679,083	\$ 1,353,068	\$ 1,321,481	\$ 2,154,506	\$ 1,684,992
Public Safety	5,592	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580	80,714	79,132
Parking & Transportation	5,525	11,779	9,380	2,880	35,854	87,728	78,473	-	-	-
Economic Development	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396	174,225	173,280
Operating Grants and Contributions	3,883,361	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228	611,878	298,699	251,150
Capital Grants and Contributions	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081	7,035,980	53,160	273,878
Total Governmental Activities	<u>5,496,903</u>	<u>5,921,996</u>	<u>5,068,578</u>	<u>5,262,515</u>	<u>5,123,809</u>	<u>5,130,690</u>	<u>9,619,805</u>	<u>10,401,315</u>	<u>2,761,304</u>	<u>2,462,432</u>
<b>Business-type Activities:</b>										
Housing Authority:										
Charges for Services	1,941,392	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780	1,977,744	1,730,042	1,654,622
Operating Grants and Contributions	-	-	-	-	-	-	-	-	291,807	-
Capital Grants and Contributions	-	-	147,708	732,292	-	-	-	1,100,000	872,200	226,321
Water & Sewer										
Charges for Services	2,362,197	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626	1,649,841	-	-
Operating Grants and Tap Fee Contributions	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761	665,386	-	-
Telluride Conference Center										
Charges for Services	-	-	-	-	76	421,774	494,103	815,187	-	-
Operating Grants and Tap Fee Contributions	-	-	-	14,200	-	-	-	-	-	-
Daycare Program:	-	-	-	-	-	-	-	-	-	-
Charges for Services	430,994	429,238	404,664	352,011	344,450	220,175	189,145	142,242	129,478	127,796
Operating Grants and Contributions	26,075	39,475	40,099	40,798	40,586	33,560	96,252	400	131,859	103,348
Capital Grants and Contributions	9,240	-	-	-	32,050	159,724	-	-	-	-
Cable TV										
Charges for Services	1,625,486	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726	1,072,134	-	-
Parking Services:										
Charges for Services	376,729	311,311	272,803	251,935	170,877	-	-	-	-	-
Operating Grants and Contributions	20,771	19,567	24,419	25,124	30,590	-	-	-	-	-
Regional Communication System:										
Charges for Services	-	15,767	27,024	36,000	37,344	38,208	47,508	31,322	40,574	49,760
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	74,515
Total Business-type Activities	<u>6,830,646</u>	<u>6,710,184</u>	<u>6,366,210</u>	<u>6,771,247</u>	<u>5,801,848</u>	<u>5,602,027</u>	<u>5,851,901</u>	<u>7,454,256</u>	<u>3,195,960</u>	<u>2,236,362</u>
Total Primary Government	<u>\$ 12,327,549</u>	<u>\$ 12,632,180</u>	<u>\$ 11,434,787</u>	<u>\$ 12,033,761</u>	<u>\$ 10,925,657</u>	<u>\$ 10,732,717</u>	<u>\$ 15,471,706</u>	<u>\$ 17,855,571</u>	<u>\$ 5,957,264</u>	<u>\$ 4,698,794</u>

**TOWN OF MOUNTAIN VILLAGE**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**

**TABLE A-4**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007 (1)</u>	<u>2006</u>	<u>2005</u>
General Fund:										
Restricted for:										
Long-term Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	165,837	\$ -	\$ -
Emergencies	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800	210,500
Non-spendable	322,325	395,397	34,385	251,876	325,498	-	-	-	-	-
Unassigned	<u>6,253,526</u>	<u>5,709,655</u>	<u>3,324,779</u>	<u>2,612,323</u>	<u>1,448,541</u>	<u>2,002,857</u>	<u>3,563,981</u>	<u>3,439,076</u>	<u>1,568,633</u>	<u>2,804,502</u>
Total Fund Balance	<u>7,111,942</u>	<u>6,637,196</u>	<u>3,860,781</u>	<u>3,366,466</u>	<u>2,296,789</u>	<u>2,332,161</u>	<u>4,101,721</u>	<u>4,142,653</u>	<u>1,816,433</u>	<u>3,015,002</u>
All Other Governmental Funds:										
Restricted for:										
Debt Service	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280	1,177,640	-	-
Capital Projects	-	-	-	-	-	-	(1,588,877)	18,886,087	-	-
Assigned	91,938	20,346	102,710	48,623	11,424	-	-	-	-	-
Unassigned, Reported in:	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	15,428,143	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>842,584</u>	<u>754,997</u>	<u>1,135,713</u>	<u>1,105,084</u>	<u>1,138,093</u>	<u>1,293,186</u>	<u>14,936,546</u>	<u>20,063,727</u>	<u>-</u>	<u>-</u>
Total Governmental Funds										
Restricted for:										
Long-term Receivables	-	-	-	-	-	-	-	165,837	-	-
Debt Service	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280	1,177,640	-	-
Capital Projects	-	-	-	-	-	-	(1,588,877)	18,886,087	-	-
Emergencies	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800	210,500
Non-spendable	322,325	395,397	34,385	251,876	325,498	-	-	-	-	-
Assigned	91,938	20,346	102,710	48,623	11,424	-	-	-	-	-
Unassigned, Reported in:										
General Fund	6,253,526	5,709,655	3,324,779	2,612,323	1,448,541	2,002,857	3,563,981	3,439,076	1,568,633	2,804,502
Other Funds	-	-	-	-	-	-	15,428,143	-	-	-
Total Fund Balances	<u>\$ 7,954,526</u>	<u>\$ 7,392,193</u>	<u>\$ 4,996,494</u>	<u>\$ 4,471,550</u>	<u>\$ 3,434,882</u>	<u>\$ 3,625,347</u>	<u>\$ 19,038,267</u>	<u>\$ 24,206,380</u>	<u>\$ 1,816,433</u>	<u>\$ 3,015,002</u>
Percent change from previous year	<u>7.6%</u>	<u>47.9%</u>	<u>11.7%</u>	<u>30.2%</u>	<u>-5.3%</u>	<u>-81.0%</u>	<u>-21.4%</u>	<u>1232.6%</u>	<u>-39.8%</u>	<u>56.3%</u>

(1) Effective January 1, 2007 the Town of Mountain Village assumed all functions of the Mountain Village Metropolitan District

**TOWN OF MOUNTAIN VILLAGE**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Years**

**TABLE A-5**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:										
Taxes	\$ 12,436,224	\$ 13,521,770	\$ 11,963,305	\$ 12,429,265	\$ 11,661,884	\$ 10,246,286	\$ 11,759,707	\$ 6,856,892	\$ 5,422,253	\$ 4,464,826
Licenses and Permits	545,126	762,552	417,710	432,166	464,527	549,088	961,058	1,190,759	1,341,110	1,060,682
Intergovernmental	363,555	440,285	415,315	455,538	445,252	401,778	441,801	413,890	450,317	621,547
Charges for Services	284,648	736,705	441,139	494,218	554,579	509,067	1,036,903	1,029,581	1,037,114	772,427
Fines and Forfeitures	4,093	2,725	(558)	5,156	25,578	121,117	54,896	79,975	17,370	96,214
Investment Earnings	94,543	41,151	65,634	56,860	87,025	55,183	919,904	144,589	120,589	60,138
Grants and Contributions	4,346,616	3,968,785	3,769,206	3,875,430	3,861,383	6,125,502	7,121,147	-	-	-
Miscellaneous	97,266	108,789	142,742	152,874	115,770	471,785	179,243	461,723	13,851	8,081
Total Revenue	<u>18,172,070</u>	<u>19,582,763</u>	<u>17,214,493</u>	<u>17,901,506</u>	<u>17,215,998</u>	<u>18,479,806</u>	<u>22,474,659</u>	<u>10,177,408</u>	<u>8,402,604</u>	<u>7,083,915</u>
Expenditures:										
Current:										
General Government	9,003,564	9,722,040	10,073,500	10,014,456	10,472,575	11,057,927	14,917,454	8,305,813	1,659,142	1,405,885
Public Safety	714,239	765,603	838,821	850,149	870,536	1,002,641	954,082	768,222	1,014,081	873,647
Culture and Recreation	487,552	434,215	574,777	673,324	685,898	491,755	347,373	604,961	94,912	73,869
Economic Development	2,348,837	2,220,203	1,433,224	1,307,533	1,176,543	1,072,877	1,209,993	36,716	1,212,690	1,037,162
Intergovernmental	-	-	-	-	-	-	-	-	2,576,666	2,273,609
Capital Outlay	954,735	952,990	163,233	425,183	376,793	3,558,299	3,317,780	620,862	1,045,196	279,122
Debt service:										
Administrative Charges	113,844	114,780	114,912	140,822	90,412	-	-	-	-	-
Bond Issuance Costs	120,673	-	-	-	-	-	-	-	-	-
Principal	3,185,000	2,495,000	2,400,000	2,140,000	1,840,000	14,200,000	2,000,000	298,250	-	-
Interest	941,225	1,033,300	1,122,098	1,190,754	1,306,384	1,079,230	2,055,093	-	-	-
Total Expenditures	<u>17,869,670</u>	<u>17,738,132</u>	<u>16,720,567</u>	<u>16,742,221</u>	<u>16,819,141</u>	<u>32,462,728</u>	<u>24,801,774</u>	<u>10,634,823</u>	<u>7,602,687</u>	<u>5,943,294</u>
Excess of Revenues Over (Under) Expenditures	<u>302,400</u>	<u>1,844,631</u>	<u>493,927</u>	<u>1,159,285</u>	<u>396,857</u>	<u>(13,982,922)</u>	<u>(2,327,115)</u>	<u>(457,415)</u>	<u>799,917</u>	<u>1,140,621</u>
Other Financing Sources (Uses):										
Transfers In	1,579,663	1,787,359	856,571	890,208	611,163	1,677,264	2,340,072	2,670,177	76,564	30,148
Transfers Out	(1,489,270)	(1,237,977)	(831,117)	(1,020,632)	(1,198,485)	(2,699,064)	(2,702,151)	(1,749,655)	(2,083,450)	(84,283)
Payments of Refunded Bonds	(7,445,847)	-	-	(3,025,000)	-	-	-	-	-	-
Issuance of Refunded Bonds	7,571,396	-	-	3,025,000	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	43,990	1,685	5,563	7,807	-	95,000	81,459	157,913	8,400	-
Total Other Financing Sources (Uses)	<u>259,933</u>	<u>551,067</u>	<u>31,018</u>	<u>(122,617)</u>	<u>(587,322)</u>	<u>(926,800)</u>	<u>(280,620)</u>	<u>1,078,435</u>	<u>(1,998,486)</u>	<u>(54,135)</u>
Net Change in Fund Balances	<u>\$ 562,332</u>	<u>\$ 2,395,698</u>	<u>\$ 524,944</u>	<u>\$ 1,036,668</u>	<u>\$ (190,465)</u>	<u>\$ (14,909,722)</u>	<u>\$ (2,607,735)</u>	<u>\$ 621,020</u>	<u>\$ (1,198,569)</u>	<u>\$ 1,086,486</u>
Debt Service as a Percent of Non-capital Expenditures	<u>32.3%</u>	<u>26.6%</u>	<u>27.0%</u>	<u>25.6%</u>	<u>23.7%</u>	<u>112.1%</u>	<u>23.3%</u>	<u>3.1%</u>	<u>0.0%</u>	<u>0.0%</u>

**TOWN OF MOUNTAIN VILLAGE**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Years**

**TABLE A-6**

<b>Year</b>	<b>Property</b>	<b>Specific Ownership</b>	<b>Sales</b>	<b>Use and Cigarette</b>	<b>Lodging</b>	<b>Restaurant</b>	<b>Penalties and Interest</b>	<b>Total</b>
2005	708,680	31,346	2,027,543	809,295	696,788	188,250	2,924	4,464,826
2006	855,700	35,559	2,284,260	1,272,125	765,480	205,520	3,609	5,422,253
2007	6,440,326 (1)	283,270	2,374,104	948,051	718,457	200,032	81,422	11,045,662
2008	6,400,527	261,105	2,429,211	1,552,182	767,481	207,566	45,410	11,663,481
2009	6,517,003	227,304	2,148,018	436,324	659,226	205,006	53,406	10,246,286
2010	7,613,001	211,838	2,314,439	487,124	782,576	224,278	29,157	11,662,414
2011	8,315,474	211,892	2,474,576	268,297	871,063	243,948	44,014	12,429,264
2012	7,790,254 (2)	219,426	2,496,731	279,374	872,113	246,473	60,423	11,964,795
2013	7,694,069	258,341	2,955,474	1,229,436	1,082,424	274,993	27,032	13,521,770
2014	7,026,165	287,077	3,138,781	357,359	1,203,169	314,825	23,316	12,350,692
Change								
2005-2014	891.4%	815.8%	54.8%	-55.8%	72.7%	67.2%	697.4%	176.6%
2005-2012	999.3%	600.0%	23.1%	-65.5%	25.2%	30.9%	1966.5%	168.0%
2010-2014	-7.7%	35.5%	35.6%	-26.6%	53.7%	40.4%	-20.0%	5.9%

(1) Effective January 1, 2007 the Town of Mountain Village assumed all functions of the Mountain Village Metropolitan District

(2) Effective January 1, 2012 the Town of Mountain Village began self collection of sales taxes.



**Town of Mountain Village**  
**User Fee Revenues, Enterprise Funds**  
**Last Ten Years**

**TABLE A-7**

<b>Year</b>	<b>Water and Sewer Fund User Fees</b>	<b>Water System Development User (Tap) Fees</b>	<b>Cable and Internet Fund User Fees</b>	<b>Child Development Fund User Fees</b>	<b>Parking Services Fund User Fees</b>	<b>Telluride Conference Center Fund User Fees</b>	<b>Total User Fees</b>
2005	\$ 1,701,026	\$ 1,088,523	\$ 874,930	\$ 127,796	\$ -	\$ 584,585	\$ 4,376,860
2006	1,660,198	1,644,570	963,840	129,479	-	663,328	5,061,414
2007	1,649,840	665,386	1,072,134	143,210	-	785,085	4,315,655
2008	1,703,626	268,931	1,205,726	187,079	-	491,662	3,857,023
2009	1,914,913	26,534	1,297,013	220,175	-	421,795	3,880,429
2010	1,896,887	92,472	1,410,430	344,450	170,212	76	3,914,527
2011	2,116,620	20,356	1,472,986	352,011	263,113	-	4,225,086
2012	2,125,578	124,573	1,522,159	393,119	286,544	-	4,451,974
2013	2,379,454	176,725	1,572,602	415,121	323,035	-	4,866,936
2014	2,362,197	37,761	1,625,486	430,994	368,318	920	4,825,676

**Town of Mountain Village**  
**Enterprise Fund Expenses**  
**Last Ten Years**

**TABLE A-8**

	Operations					Capital Outlay				Total Expenses
	Water and Sewer Fund	Cable and Internet Fund	Child Development Fund	Parking Services Fund	Telluride Conference Center Fund	Water and Sewer Fund	Cable and Internet Fund	Child Development Fund	Telluride Conference Center Fund	
2005	\$ 1,050,677	\$ 545,459	\$ 231,144	\$ -	\$ 986,822	\$ 182,247	\$ 283,146	\$ -	\$ 76,594	\$ 3,356,089
2006	1,117,035	700,802	261,337	-	1,008,835	14,268	424,239	-	5,163	3,531,679
2007	951,915	971,183	312,071	-	931,684	115,642	57,473	-	57,708	3,397,676
2008	1,136,342	990,614	369,854	-	931,684	44,646	231,246	3,795	57,708	3,765,889
2009	1,219,265	919,664	427,817	-	706,585	42,608	247,541	175,433	6,631	3,745,544
2010	1,247,676	1,207,522	560,678	339,115	222,319	11,841	54,898	32,050	-	3,676,099
2011	1,403,872	1,086,474	546,161	351,065	130,749	27,284	10,057	-	-	3,555,662
2012	1,380,534	1,155,171	550,406	259,665	139,959	121,563	19,897	-	15,525	3,642,721
2013	1,305,576	1,214,275	540,929	281,338	105,542	401,407	105,431	-	92,787	4,047,285
2014	1,447,875	1,237,251	544,006	328,928	120,368	298,653	41,971	-	33,648	4,052,700

**TOWN OF MOUNTAIN VILLAGE**  
**Actual Value and Estimated Assessed Value of Taxable Property**  
**Last Ten Years**

**TABLE B-1**

<b>Collection Year</b>	<b>Assessment Year</b>	<b>Vacant Property</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Personal Property</b>	<b>State Assessed</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Actual Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Assessed Taxable Value</b>	<b>Taxable Estimated Assessed Value as a % of Actual Total Taxable Value</b>
2006	2005	324,007,744	1,600,074,784	80,234,689	17,282,227	297,170	21,842,520	2,000,054,094	3.443	249,694,660	12.5%
2007	2006	290,783,830	1,724,029,259	80,054,583	17,927,575	260,463	17,077,397	2,095,978,313	13.697	247,050,670	11.8%
2008	2007	319,168,782	2,075,687,795	90,622,567	18,093,978	310,759	31,443,024	2,472,440,857	13.446	289,401,880	11.7%
2009	2008	309,444,713	2,236,232,301	96,019,648	16,835,620	664,069	31,185,284	2,628,011,067	13.443	309,559,030	11.8%
2010	2009	352,810,365	2,914,840,872	120,616,538	19,392,657	678,808	32,849,849	3,375,489,391	13.448	370,033,758	11.0%
2011	2010	340,682,083	2,979,575,525	102,003,092	28,002,801	664,919	31,938,566	3,418,989,854	13.604	373,861,120	10.9%
2012	2011	285,890,645	2,564,807,411	81,866,265	26,986,021	743,724	31,912,149	2,928,597,597	13.691	318,849,890	10.9%
2013	2012	225,264,565	2,177,223,916	117,188,460	21,971,079	N/A	34,225,675	2,507,422,345	13.479	317,578,720	12.7%
2014	2013	213,148,847	2,147,342,272	90,787,423	21,529,847	712,289	33,739,055	2,439,781,623	13.485	265,515,290	10.9%
2015	2014	231,186,150	2,529,775,804	93,154,429	20,427,600	508,131	41,826,618	2,833,225,496	0.000	266,407,970	9.4%

N/A - information is not available.

**Source:** San Miguel County Assessor's Office

**TOWN OF MOUNTAIN VILLAGE**

**Property Tax Rates**

**Direct and Overlapping Governments**

**TABLE B-2**

Fiscal Year	Town Direct Rates				Overlapping Rates													
	Operations *	Debt (1)	Mountain	Total	Mountain	Telluride	San	Library	Telluride	Lone	Southwestern	Telluride						
			Village		Village								Fire	Miguel	School	Tree	Water	Hospital
			Historical		Metropolitan								District	County	District	Cemetery	Conservation	District
			Museum	Direct	District	District		R-1	District	District	District	District						
2006	3.110	-	0.333	3.443	23.598	2.513	2.513	3.835	12.746	0.061	0.225	2.577						
2007	13.364	-	0.333	13.697	11.704	2.670	10.120	3.690	13.568	0.063	0.205	2.603						
2008	13.113	-	0.333	13.446	9.159	2.350	10.120	3.661	13.246	0.053	0.207	2.291						
2009	13.110	-	0.333	13.443	8.050	2.454	10.120	3.629	10.887	0.054	0.216	2.288						
2010	13.115	-	0.333	13.448	7.478	2.344	10.120	3.492	10.647	0.049	0.020	2.284						
2011	13.271	-	0.333	13.604	8.794	2.498	10.120	3.492	10.290	0.051	0.272	2.294						
2012	13.358	-	0.333	13.691	10.750	2.947	10.120	3.587	10.113	0.051	0.291	2.304						
2013	13.146	-	0.333	13.479	10.823	2.967	10.120	3.630	8.678	0.051	0.307	2.288						
2014	13.152	-	0.333	13.485	13.325	3.038	10.120	3.710	8.989	0.051	0.368	2.286						
2015	13.127	-	0.333	13.460	13.052	3.020	10.120	3.655	11.922	0.051	0.362	2.280						

**Source:** San Miguel County Treasurer's Office

Tax rates are per \$1,000 assessed valuation, a rate of 1,000 results in \$1 of revenue for every \$1,000 of assessed

\* The mill levy for general operating expenses has remained stable - the small variances are caused by refunds and abatements.

(1) The debt for the town is still serviced through the district.

Combined Mill Levy for the Town of Mountain Village Residents by year:

2006	27.041	2011	22.398
2007	25.401	2012	24.441
2008	22.605	2013	24.302
2009	21.493	2014	26.810
2010	20.926	2015	26.512

**TOWN OF MOUNTAIN VILLAGE**  
**Principal Property Taxpayers**  
**Current Year and Ten Years Ago**

**TABLE B-3**

Taxpayer	Type of Business	2014			2005		
		Taxable Assessed Value	Rank	Percentage of Town's Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Town's Taxable Assessed Value
Telluride Ski and Golf Company	Ski Area Owner and Operator	\$ 20,098,920	1	7.5%	\$ 17,924,654	1	7.2%
Madeline Property Owners LLC	Hotel/Condominium Units	8,993,420	2	3.4%	1,780,550	9	0.7%
MV Colorado Development Partners LLC	Real Estate Developer	6,525,000	3	2.4%	-		0.0%
Peaks Resort and Spa (Telluride Resort and Spa LLC)	Hotel and Spa	3,964,770	4	1.5%	5,579,420	3	2.3%
AMMV Investments, LLC / Club Telluride LLC	Residential Ownership Club	2,500,360	5	0.9%	4,820,980	4	1.9%
Yellow Brick Road Company LLC	Private Property Owner	2,320,000	6	0.9%	-		0.0%
Butler, Alice L as Trustee	Private Property Owner	2,096,570	7	0.8%	2,290,540	6	0.9%
CO Lot 161C R Mountain	Real Estate Developer	1,827,000	8	0.7%	-		0.0%
Northern Trust NA AS TRTEE ET AL	Financial Institution	1,725,920	9	0.6%	-		0.0%
Telluride LLC	Private Property Owner	1,476,880	10	0.6%	-		0.0%
St. Sophia Partners, LLLP	Real Estate Developer	-		-	5,769,070	2	2.3%
Stonegate Sundance Partners, LLC	Real Estate Developer	-		-	3,145,780	5	1.3%
Honig Aviation	Real Estate Developer	-		-	2,219,660	7	0.9%
Exclusive Resorts	Residential Ownership Club	-		-	1,946,210	8	0.8%
Barnett, Hoyt and Carol	Private Property Owner	-		0.0%	1,723,530	10	0.7%
Subtotal Principal Taxpayers		51,528,840		19.3%	45,476,864		18.3%
All Other Taxpayers		214,879,130		80.7%	202,457,996		81.7%
Total Taxpayers		\$ 266,407,970		100.0%	\$ 247,934,860		100.0%

**Source:** San Miguel County Assessor's Office

(1) Formerly Lost Creek Associates & RAL Mountain Village Lodging & Ektornet US Telluride LLC

**TOWN OF MOUNTAIN VILLAGE**  
**Property Tax Levies and Collections**  
**Last Ten Years**

**TABLE B-4**

<u>Collection Year</u>	<u>Assessment Year</u>		<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collection in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2005	2004		709,700	707,962	99.76%	-	707,962	99.76%
2006	2005		859,574	856,223	99.61%	-	856,223	99.61%
2007	2006	(1)	6,351,519	6,350,226	99.98%	4,832	6,354,058	100.04%
2008	2007		6,522,491	6,496,245	99.60%	(44)	6,496,201	99.60%
2009	2008		6,463,656	6,458,377	99.92%	-	6,458,377	99.92%
2010	2009		7,743,049	7,613,326	98.32%	(5,731)	7,607,595	98.25%
2011	2010		8,368,027	\$8,330,119	99.55%	(12,169)	\$8,317,950	99.40%
2012	2011		7,793,017	\$7,742,011	99.35%	(1,076)	\$7,740,935	99.33%
2013	2012		7,717,798	\$7,697,744	99.74%	163	\$7,697,907	99.74%
2014	2013		7,118,465	\$7,116,268	99.97%	-	\$7,116,268	99.97%

**Source:** San Miguel County Treasurer Office

**Notes:** The San Miguel County Treasurer's fee has not been deducted from the collection amounts. The negative numbers reflect abatements (refunds) that have been granted to property owners who successfully protested their valuations in the tax area in subsequent years.

(1) The Mountain Village Metropolitan District dissolved effective 1/1/2007; all the assets and obligations were transferred to the Town of Mountain Village

**TOWN OF MOUNTAIN VILLAGE**  
**Ratios of Outstanding Debt by Type -Town of Mountain Village**  
**Last Ten Years**

**TABLE C-1**

<b>Year</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Actual Property Value (1)</b>	<b>Per Capita (2)</b>	<b>Per Personal Income</b>
	<b>General Obligation Bonds, Net (1)</b>	<b>Revenue Bonds</b>	<b>Note Payable</b>				
2005	28,795,000	13,585,000	- (5)	42,380,000	2.5%	36,534	1,018
2006	48,485,000	13,265,000	1,200,000	62,950,000	3.1%	54,644	1,241
2007	46,145,000	13,265,000	1,171,056	60,581,056	2.9%	50,908	1,188
2008	44,145,000	13,265,000	1,152,591	58,562,591	2.4%	45,645	1,137
2009	29,945,000	13,020,000	1,132,898	44,097,898	1.7%	33,637	922
2010	28,105,000	13,020,000	1,110,691	42,235,691	1.3%	32,070	1,104
2011	26,090,000	12,840,000	1,088,946	40,018,946	1.2%	29,977	893
2012	23,565,000	12,650,000	1,066,251	37,281,251	1.3%	27,677	779
2013	21,070,000	12,450,000	1,042,247	34,562,247	1.4%	25,470	705
2014	18,190,000	12,340,000	1,017,055	31,547,055	1.3%	23,017	637

**Note:** Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

- (1) See Table B-1 for taxable property value data.
- (2) See Table D-1 for population data.
- (3) The revenue bonds were issued on December 29, 2000.
- (4) In 2002, the Town entered into a loan for the purpose of land acquisition and construction planning costs for the Affordable Housing Development fund.
- (5) Mountain Village Metropolitan District merged into the Town of Mountain Village 1/1/2007

**Town Of Mountain Village**  
**Direct and Overlapping Bond Debt**  
**December 31, 2014**

**TABLE C-2**

<b>Governmental Unit</b>	<b>2014 Valuation</b>	<b>Bond Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Library District R-1	757,275,610	2,000,000	35.2%	703,596
Telluride Fire District	757,275,610	3,180,022	35.2%	1,118,725
Subtotal		5,180,022		1,822,321
Mountain Village Metropolitan District, a unit of the Town of Mountain Village	266,407,970	18,190,000 (1)	100.0%	18,190,000
Total Direct and Overlapping Debt		\$ <u>23,370,022</u>		\$ <u>20,012,321</u>

**Sources:** San Miguel County Assessor's Office for the 2014 valuation; each governmental unit for the debt outstanding data.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Mountain Village by taking the total valuation of MV divided by the total valuation of the entire district times the outstanding debt of each entity. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) For the purposes of debt service, Mountain Village Metropolitan District has been kept in existence until all debt service is retired.



# TOWN OF MOUNTAIN VILLAGE

## Pledged-Revenue Coverage

Last Ten Years

TABLE C-3

### Village Court Apartments (VCA) Revenue Bonds and Construction Note (1)

Year	Gross Revenue	Less:	Net	Debt Service		Coverage
		Operating Expenses	Available Revenue	Principal	Interest	
2005	1,911,843	759,225	1,152,618	635,000	300,873	1.23
2006	2,062,036	830,836	1,231,200	320,000	261,335	2.12
2007	2,034,595	870,328	1,164,267	30,690	506,439	2.17
2008	1,974,545	1,014,551	959,994	18,468	697,628	1.34
2009	1,808,333	1,484,950	323,383	264,610	552,620	0.40
2010	1,986,020	1,121,823	864,197	22,298	486,158	1.70
2011	1,996,266	1,095,394	900,872	201,745	293,179	1.82
2012	2,007,358	1,003,534	1,003,824	214,502	272,229	2.06
2013	2,129,888	1,049,555	1,080,333	224,004	266,229	2.20
2014	2,324,246	1,005,537	1,318,710	185,801	262,799	2.94

**Notes:** Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Gross revenues include non-operating interest income and grants and contributions.

Operating expenses do not include interest, loan fees, depreciation, or amortization.

- (1) The VCA revenue bonds were issued on December 29, 2000. The construction Note issued in 2006.
- (2) The Telluride Mountain Village Owners Association (TMVOA) guarantees the debt service payments to the extent not covered by operating surpluses by pledging its property owner assessments and guaranteeing the obligation by funding the guaranty fund in the amount of \$1,350,000.

**Town of Mountain Village - Mountain Village Metropolitan District**  
**Legal Debt Margin Information**  
**Last Ten Years**

**TABLE C-4**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed Value	\$ <u>206,128,480</u>	\$ <u>249,694,660</u>	\$ <u>250,050,970</u>	\$ <u>288,548,790</u>	\$ <u>370,033,758</u>	\$ <u>373,861,120</u>	\$ <u>318,849,890</u>	\$ <u>317,578,720</u>	\$ <u>265,515,290</u>	\$ <u>266,407,970</u>
Debt Limit (1)	103,064,240	124,847,330	125,025,485	144,274,395	185,016,879	186,930,560	159,424,945	158,789,360	132,757,645	133,203,985
Total Net Debt Applicable to Limit	<u>25,425,000</u>	<u>36,280,000</u>	<u>34,005,000</u>	<u>32,075,000</u>	<u>26,845,000</u>	<u>25,080,000</u>	<u>23,065,000</u>	<u>20,765,000</u>	<u>18,370,000</u>	<u>15,595,000</u>
Legal debt margin	\$ <u>77,639,240</u>	\$ <u>88,567,330</u>	\$ <u>91,020,485</u>	\$ <u>112,199,395</u>	\$ <u>158,171,879</u>	\$ <u>161,850,560</u>	\$ <u>136,359,945</u>	\$ <u>138,024,360</u>	\$ <u>114,387,645</u>	\$ <u>117,608,985</u>
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	24.7%	29.1%	27.2%	22.2%	14.5%	13.4%	14.5%	13.1%	13.8%	11.7%

**Source:** San Miguel County Assessor's Office for the assessed value.

(1) Greater of 50% of assessed valuation or \$2,000,000.

**TOWN OF MOUNTAIN VILLAGE**  
**Demographic and Economic Statistics**  
**Last Ten Years**

**TABLE D-1**

Town of Mountain Village					San Miguel County Area				
Year	Population	Per Capita Personal Income	Per Capita Total Income	Zoned Population	Population	Per Capita Personal Income	Per Capita Total Income	School Enrollment	Unemployment Rate
2005	1,152	-	-	8,027	7,045	41,617	293,191,765	901	4.3%
2006	1,190	-	-	8,027	7,059	50,721	358,039,539	929	3.5%
2007	1,283	-	-	8,027	7,276	50,987	370,981,412	1,011	3.1%
2008	1,311	-	-	8,027	7,304	51,525	376,338,600	1,010	3.9%
2009	1,274	-	-	8,027	7,267	47,827	347,558,809	973	6.6%
2010	1,317	45,520	59,949,195	8,027	7,356	38,247	358,998,071	954	7.6%
2011	1,335	-	-	8,027	7,488	44,830	288,524,311	1,032	7.8%
2012	1,347	-	-	8,027	7,584	47,862	362,985,408	738	7.3%
2013	1,357	-	-	8,027	7,658	49,006	321,051,257	863	6.4%
2014	1,371	-	-	8,027	7,905	49,496	391,266,354	835	6.0%

**Source:** Population and income data provided by the Colorado Division of local Government, State Demography Office; school enrollment data provided by Colorado Department of Education; unemployment data provided by the US Bureau of Labor Statistics. Personal per capita income for the Town of Mountain Village is only calculated every ten years during the U.S. Census.

**TOWN OF MOUNTAIN VILLAGE**

**Principal Employers**

**Last Nine Years**

**TABLE D-2**

2014				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company (& Inn at Lost Creek)	Ski Area Owner and Operator	953	72.25%	1
Town of Mountain Village	Government	128	9.71%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	125	9.48%	3
Ektornet (Hotel Madeline)	Hotel and Restaurants	113	8.57%	4
Total		1,319		
2013				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company (& Inn at Lost Creek)	Ski Area Owner and Operator	965	73.25%	1
Town of Mountain Village	Government	130	9.90%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	121	9.18%	3
Ektornet (Hotel Madeline)	Hotel and Restaurants	101	7.67%	4
Total		1,317		
2012				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,050	69.12%	1
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	180	11.85%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	145	9.55%	2
Town of Mountain Village	Government	144	9.48%	4
Total		1,519		
2011				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,010	68.93%	1
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	157	10.71%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	150	10.24%	2
Town of Mountain Village	Government	148	10.12%	4
Total		1,465		
2010				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	970	67.08%	1
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	175	12.10%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	153	10.58%	2
Town of Mountain Village	Government	148	10.24%	4
Total		1,446		
2009				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	950	69.90%	1
Town of Mountain Village	Government	156	11.48%	2
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	130	9.57%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	123	9.05%	4
Total		1,359		
2008				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,079	75.09%	1
Telluride Resort and Spa	Hotel, Restaurants, and Spa	205	14.27%	2
Town of Mountain Village	Government	153	10.65%	3
Total		1,437		
2007				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,194	74.39%	1
Town of Mountain Village	Government	221	13.77%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	190	11.84%	3
Total		1,605		
2006				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company	Ski Area Owner and Operator	908	65.84%	1
Town of Mountain Village	Government	291	21.10%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	180	13.05%	3
Total		1,379		

**Source:** Human Resource departments for various agencies.

**Note:** Data for five years prior not currently available.

**TOWN OF MOUNTAIN VILLAGE**  
**Full-Time Equivalent Town Employees by Function/Program**  
**Last Ten Years**

**TABLE E-1**

**Former MVMD Employees - Functions/Programs (1)**

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Development</u>	<u>Housing Authority</u>	<u>Daycare Program</u>	<u>Administration</u>	<u>Road &amp; Bridge</u>	<u>Parking &amp; Transit</u>	<u>Plaza Services Parks &amp; Recreation</u>	<u>Gondola</u>	<u>Water &amp; Sewer</u>	<u>Cable TV</u>	<u>Conference Center</u>	<u>Total</u>
2005	5.00	10.00	7.00	5.00	5.00	9.00	14.00	18.00	16.00	49.00	7.00	3.00	8.00	156.00
2006	4.70	10.00	8.40	5.00	5.50	8.50	13.80	17.80	22.30	51.00	7.40	2.90	9.10	166.40
2007	5.00	10.00	9.00	5.00	5.00	9.00	15.00	22.00	17.00	51.00	6.00	3.00	9.00	166.00
2008	6.00	10.00	9.00	5.00	7.00	10.00	16.00	18.00	18.00	47.00	6.00	4.00	9.00	165.00
2009	4.00	10.00	6.00	5.00	10.00	8.00	14.00	17.00	18.00	45.00	7.00	4.00	8.00	156.00
2010	3.80	10.70	6.00	5.50	9.20	8.50	13.00	18.15	17.25	45.00	7.00	4.00	0.00	148.10
2011	3.80	10.70	7.00	6.00	8.55	9.20	13.00	18.15	17.25	44.10	6.50	4.00	0.00	148.25
2012	3.50	9.70	6.85	6.15	8.55	9.50	12.50	17.90	15.00	44.25	6.50	4.00	0.00	144.40
2013	3.50	8.70	5.00	6.15	8.50	9.50	12.50	6.95	15.10	44.05	6.50	4.00	0.00	130.45
2014	3.50	9.00	4.85	6.15	8.50	9.50	12.00	4.90	15.20	43.95	6.50	4.00	0.00	128.05

N/A - information is not available.

**Source:** Town of Mountain Village Human Resources Department

(1) Mountain Village Metropolitan District merged into the Town of Mountain Village 1/1/2007-Prior year statistics are included for former MVMD departments.

**TOWN OF MOUNTAIN VILLAGE**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

Function/Program:	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General:										
Business Licenses Issued (5)	1,043	1,038	1,035	944	778	640	648	670	636	616
Business Licenses Revenue	\$ 270,572	\$ 268,235	\$ 245,933	\$ 228,506	201,719	\$ 187,160	\$ 185,476	196,126	\$ 171,930	\$ 171,396
Skier Days (1)	478,211	454,259	424,822	423,927	420,621	454,257	450,730	426,244	390,346	411,396
Real Estate Transfer Assessments (RETA)	\$ 6,301,078	\$ 3,962,093	\$ 4,873,158	\$ 2,684,481	4,318,347	\$ 3,400,333	\$ 4,721,320	\$ 8,312,927	\$ 9,038,755	\$ 10,490,204
Community Development:										
Construction Permits Issued	93	128	127	303	87	75	192	209	190	213
Building Permits Valuation	\$ 17,782,576	\$ 56,574,803	\$ 37,471,121	\$ 18,130,969	27,388,886	\$ 32,562,444	\$ 86,183,479	\$ 158,362,440	\$ 210,394,175	\$ 133,249,837
Housing Authority										
Occupancy Rate	95.53%	87.16%	81.56%	81.36%	85.92%	81.82%	90.68%	N/A	N/A	N/A
Public Works:										
Street Resurfacing (miles)	1.06	3.30	1.50	0.00	5.00	1.80	1.90	1.73	2.40	6.30
Water:										
Average Daily Consumption (gallons)	530,348	644,682	686,717	695,070	545,099	479,431	439,688	427,441	504,638	494,490
Wastewater:										
Average Daily Sewage Treatment (gallons)	240,565	223,572	212,085	218,071	212,312	222,784	232,342	236,534	232,921	246,353
Transit:										
Gondola Passengers	2,407,193	2,283,778	2,171,113	2,148,977	2,298,067	2,264,662	2,435,322	2,349,442	2,152,548	1,898,905
Dial A Ride Passengers	48,172	26,887	59,280	66,973	61,411	52,439	63,935	63,097	55,163	51,914
Cable TV & Broadband Services:										
Cable Subscribers	1,560	1,423	1,412	1,448	1,501	1,489	1,542	1,401	1,356	1,225
Phone Subscribers	96	88	84	77	37	N/A	N/A	N/A	N/A	N/A
Internet Subscribers	1,012	952	955	954	910	823	621	718	624	577
Daycare Services: (3)										
Average # of Resident Infants Tended Per Day	4.39	3.92	4.57	2.57	2.02	3.16	5.10	5.08	4.13	4.65
Average # of Resident Toddlers Tended Per Day	12.14	12.45	9.10	8.52	9.95	10.43	12.95	12.72	12.29	11.89
Average # of Non-resident Infants Tended Per Day	0.77	0.73	0.92	1.19	1.15	1.84	0.65	N/A	N/A	N/A
Average # of Non-resident Toddlers Tended Per Day	1.10	1.83	2.18	3.57	5	3.36	3.74	N/A	N/A	N/A
Preschool Services: (4)										
Average # of Resident Students Tended Per Day	9.81	8.55	9.80	9.11	8.67	7.72	N/A	N/A	N/A	N/A
Average # of Non-resident Students Tended Per Day	4.06	4.98	4.30	3.60	2.81	1.44	N/A	N/A	N/A	N/A
Conference Center: (2)										
Attendance at Events	28,943	13,321	11,839	11,530	24,309	19,792	27,694	N/A	N/A	N/A
Number of Event Days	81	129	87	103	131	90	131	187	147	178
Percentage of Possible Event Days	22.19%	35.34%	23.84%	28.22%	35.89%	24.66%	35.84%	51.23%	40.27%	48.77%

N/A - information is not available or has changed in the way that it is tracked.

**Sources:** Various town departments. skier days data provided by the Telluride Ski and Golf Company.

- (1) Skier Days represents the number of skiers visits.  
(2) In October of 2009, the operations of the Conference Center was contracted out to a management company.  
(3) In 2008, new rates were established for resident and non-resident children.  
(4) In October of 2009, a preschool program was started.  
(5) The increase in BL's from 2009-2011 was due mainly to a change in the BL ordinance and new audit procedures. For business licensing and tax collections, the Town went to an online filing and payment system in 2012. Some of the increase in licensing are (zero fee) taxpayers, previously not licensed.

**TOWN OF MOUNTAIN VILLAGE**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

**TABLE E-3**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Function/Program:										
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	20	18	18	18	18	18	18	18	18	18
Water Mains (miles)	35	30	30	30	30	30	30	30	30	30
Sewer Lines (miles)	29	19	19	19	19	19	19	19	19	19
Fleet:										
Vehicles (1)	81	79	78	79	80	77	76	78	75	81
Cable TV & Broadband Services:										
Cable TV Line (miles)	33	33	33	33	33	33	28	20	20	20
Parks and Recreation:										
Acreage of Parks and Open Space	1,169	1,169	1,169	1,169	1,169	1,169	1,169	1,129	1,129	1,129
Miles of Maintained Trails (Winter)	15	15	13	13	13	13	13	13	13	13
Miles of Maintained Trails (Summer)	16	16	10	8	8	8	8	8	8	8
Ponds	3	3	3	3	4	4	4	4	4	4
Outdoor Ice Skating Rink	1	1	1	1	1	1	0	0	0	0
Outdoor Ice Skating Pond	0	0	0	0	1	1	1	1	1	1
Conference Center	1	1	1	1	1	1	1	1	1	1

**Sources:** Various town departments.

(1) Because of the merger of the Town and Mountain Village Metropolitan District, the vehicle fleets have been combined for comparison purposes.

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