
TOWN OF MOUNTAIN VILLAGE COLORADO



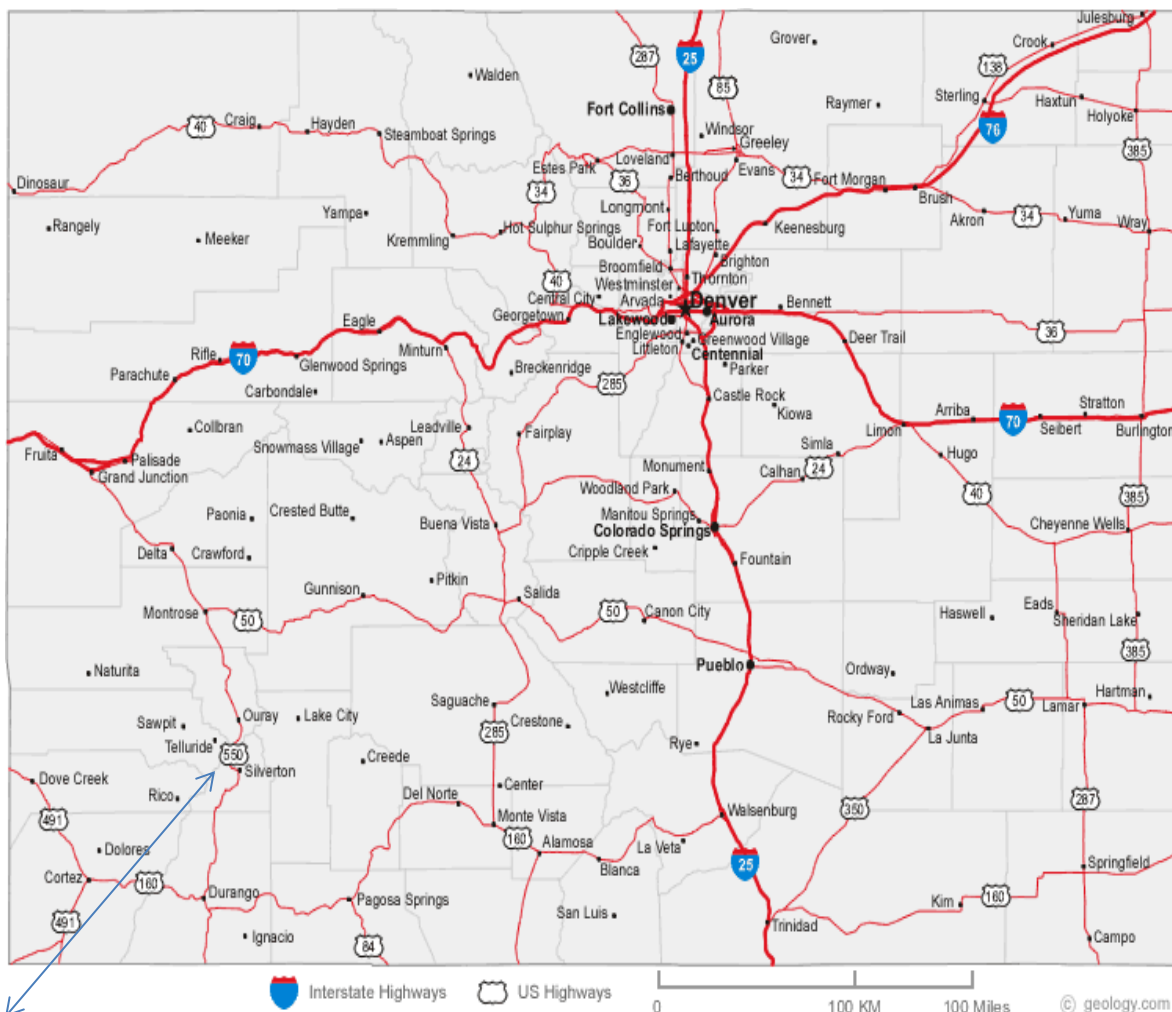
The Mountain Village summer "sunset" concert series, Firstgrass

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2015

ABOUT MOUNTAIN VILLAGE

Situated in the heart of the breathtaking San Juan Mountains, Mountain Village 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.



Mountain Village

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Mayor, Dan Jansen
Mayor Pro Tem, Martin McKinley
Council Members: Dan Caton, Bruce Macintire,
Laila Benitez, Michelle Sherry, Cath Jett
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 22, 2016

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, 2015, 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. Mountain Village has a zoned "person equivalent density" of just over 8,000. Currently 30% of this density has been constructed. Approximately 65 person equivalent density is under construction or in the design review process. The estimated current permanent population is 1,395 people, and the 2015 assessed valuation of the Town is \$294,538,840.

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.

As the Town has been able to grow its cash reserves the investment accounts have been increased and reflect the growth of those unrestricted reserves. However continued low interest rates and the conservative investment policy of the town have served to restrain the income earned off investments of idle funds.

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, 2014. This was the sixteenth 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;">Town of Mountain Village Organizational Chart</p> <p style="text-align: center;">Voters/Electorate</p> <p style="text-align: center;">Town Council (Legislative)</p> <p style="text-align: center;">Mayor (Executive)</p>		
<p><u>Town Offices</u> Town Manager Town Attorney Town Clerk Town Treasurer</p>	<p><u>Departments</u> Planning & Development Services, Public Safety, Public Works, Transportation, Recreation, Plaza & Environmental Services, Marketing & Business Development, Human Relations</p>	<p><u>(Judicial)</u> Municipal Court</p>
	<p><u>Enterprise Operations</u> Broadband Services Water & Sanitary Sewer Conference Center Child Development Housing Authority Parking Services</p>	

List of Elected and Appointed Officials December 31, 2015

Elected Officials

Council Member-At large	Dan Jansen
Council Member-At large	Cath Jett
Council Member-At large	Dan Caton
Council Member-At large	Bruce Macintire
Council Member-At large	Martin McKinley
Council Member-At large	Michelle Sherry
Council Member-At large	Laila Benitez

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	Glen Van Nimwegen
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, 2014

Executive Director/CEO

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Independent Auditors Report

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INDEPENDENT AUDITOR'S REPORT

June 22, 2016

To the Town Council
Town of 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 as of and for the year ended December 31, 2015, 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. 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, 2015, 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.



Town of Mountain Village, Colorado
June 22, 2016
Page Two

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 67-69 and the pension schedules on pages 70-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mountain Village, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget to actual fund schedules, the 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 nonmajor fund financial statements, 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, the combining and individual nonmajor fund financial statements are 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.

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

Grand Junction, Colorado

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, 2015

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, 2015. 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 \$3.4 million from \$46.8 to \$50.2 million, after re-statement of the prior year Net Position due to a change in accounting principle for GASB pronouncements 67 & 68.
- Sales taxes collections continue to establish new record levels and exceeded \$3.8 million for the first time in Town history contributing to surpluses building the Town's General Fund reserves to almost \$9 million.

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 2015, the total Net Position was \$50.2 million, an increase of \$3.4 million from prior year which is primarily a result of record breaking sales tax collections, increased development related revenues, 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, 2015 and 2014

	Governmental Activities		Business - Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$21,521,692	\$19,188,431	\$ 5,444,833	\$ 5,985,199	\$ 26,966,524	\$ 25,173,630
Capital Assets	47,006,132	48,106,760	25,165,880	24,989,037	72,172,012	73,095,797
Total Assets	68,527,824	67,295,191	30,610,713	30,974,236	99,138,537	98,269,427
Deferred Outflow of Resources	1,639,767	1,287,407	240,083	196,622	1,879,850	1,484,029
Current Liabilities	14,981,779	4,588,102	2,514,198	821,187	17,495,978	5,409,289
Non - Current Liabilities						
Due Within One Year	3,066,696	44,373	367,621	-	3,434,317	44,373
Due In More Than One Year	13,399,196	25,809,531	12,632,600	14,944,702	26,031,796	40,754,234
Total Liabilities	31,447,672	30,442,006	15,514,419	15,765,889	46,962,091	46,207,896
Deferred Inflow of Resources	3,782,998	6,709,918	5,013	-	3,788,012	6,709,918
Net Position						
Net Investment in Capital Assets	30,763,276	29,055,499	12,230,261	11,694,046	42,993,537	40,749,545
Restricted for Debt Service	743,941	750,647	850,160	850,023	1,594,102	1,600,670
Restricted for Emergencies	551,223	536,090	-	-	551,223	536,090
Unrestricted	2,878,480	7,047,403	2,250,944	4,313,988	5,129,424	11,361,392
Prior Period Adjustment -						
Change in Accounting Principle	-	(5,958,966)	-	(1,453,089)	-	(7,412,055)
Total Net Position	\$34,936,921	\$31,430,673	\$ 15,331,365	\$ 15,404,968	\$ 50,268,286	\$ 46,835,641

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, 2015 and 2014

	Governmental Activities		Business - Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$ 1,314,128	\$ 1,130,999	\$ 7,370,045	\$ 6,736,798	\$ 8,684,174	\$ 7,867,797
Operating Grants and Contributions	3,677,500	3,883,361	46,231	46,846	3,723,731	3,930,207
Capital Grants and Contributions	964,267	482,543	173,002	47,001	1,137,270	529,544
Total Program Revenues	5,955,896	5,496,903	7,589,279	6,830,646	13,545,174	12,327,549
General Revenues						
Property and Specific Ownership Taxes	7,373,696	7,415,950	-	-	7,373,696	7,415,950
Sales and Use Taxes	4,394,807	3,502,280	-	-	4,394,807	3,502,280
Lodging and Restaurant Taxes	1,869,271	1,517,993	-	-	1,869,271	1,517,993
Miscellaneous	114,614	144,401	72,856	389,133	187,470	533,534
Investment Earnings	62,211	94,542	72	179	62,283	94,722
Gain on Sale of Assets	40,534	43,990	-	-	40,534	43,990
Total General Revenues	13,855,132	12,719,157	72,929	389,313	13,928,061	13,108,470
Total Revenues	19,811,028	18,216,061	7,662,207	7,219,959	27,473,235	25,436,019
Expenses						
General Government	3,812,618	3,522,156	-	-	3,812,618	3,522,156
Gondola Operations and Capital Expenditures	4,155,706	3,922,108	-	-	4,155,706	3,922,108
Public Safety	899,441	926,589	-	-	899,441	926,589
Roads and Bridges	1,561,233	1,635,861	-	-	1,561,233	1,635,861
Culture and Recreation	485,452	487,552	-	-	485,452	487,552
Equipment & Property Maintenance	2,093,442	1,939,836	-	-	2,093,442	1,939,836
Transportation	1,110,573	1,094,386	-	-	1,110,573	1,094,386
Water & Sewer	-	-	2,041,858	2,059,875	2,041,858	2,059,875
Broadband	-	-	1,541,273	1,393,850	1,541,273	1,393,850
Telluride Conference Center	-	-	495,140	416,111	495,140	416,111
Economic Development	2,681,472	2,348,837	-	-	2,681,472	2,348,837
Housing Authority	-	-	2,309,596	2,536,978	2,309,596	2,536,978
Parking Services	-	-	280,298	328,928	280,298	328,928
Daycare Program	-	-	572,489	567,180	572,489	567,180
Regional Communications System	-	-	-	-	-	-
Total Expenses	16,799,937	15,877,325	7,240,654	7,302,922	24,040,591	23,180,248
Change in Net Position before Transfers	3,011,091	2,338,735	421,553	(82,964)	3,432,644	2,255,772
Transfers	495,157	204,820	(495,157)	(204,820)	-	-
Change in Net Position	3,506,247	2,543,556	(73,604)	(287,784)	3,432,644	2,255,772
Beginning Net Position	31,430,674	34,846,084	15,404,969	17,145,842	46,835,643	51,991,926
Prior Period Adjustment - Change in Accounting Principle	-	(5,958,966)	-	(1,453,089)	-	(7,412,055)
Beginning Net Position - As Re-stated	31,430,674	28,887,118	15,404,969	15,692,753	46,835,643	44,579,871
Ending Net Position	\$ 34,936,921	\$31,430,674	\$ 15,331,365	\$15,404,969	\$ 50,268,286	\$46,835,643

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 \$9.3 million were over budgeted expectations by \$25,000. Expenditures came in below budget by \$900,000 leaving the general fund a surplus of \$1.9 million 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 capital expenditures. Total fund balance remains sufficient at \$9 million.

Sales Tax

Sales tax revenues of \$3.8 million increased from prior year by \$607,000 or 22.5% with record breaking tax collections including the highest collection month on record, March 2015. Sales tax increases were noticed most heavily in the lodging and "other" categories. Please see detailed analysis that follows.

Actual Sales Tax Base By Class, Through December 2015										
Category	Actual 2011	Actual 2012	PY % Increase	Actual 2013	PY % Increase	Actual 2014	PY % Increase	Actual 2015	PY \$ Variance	PY % Increase
	4.5%	4.5%	2011 to 2012	4.5%	2012 to 2013	4.5%	2013 to 2014	4.5%	2014 to 2015	2014 to 2015
Lodging	21,860,293	21,813,629	0%	27,745,883	27%	29,433,592	6%	38,550,178	9,116,586	30.97%
Restaurant	12,411,676	12,717,690	2%	13,631,180	7%	15,497,118	14%	18,425,565	2,928,446	18.90%
Retail	13,711,348	12,293,787	-10%	14,864,000	21%	15,593,895	5%	16,505,541	911,646	5.85%
Utility/Other	6,776,839	8,323,303	23%	9,049,664	9%	8,349,222	-8%	10,875,210	2,525,987	30.25%
Total	54,760,157	55,148,409	1%	65,290,728	18%	68,873,827	5%	84,356,493	15,482,666	22.48%



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 \$1.5 million were up 24% from prior year, and restaurant tax receipts of \$367,000 show an increase of 16% from prior year. 2015 receipts include prior year taxes which are shown in the proper periods in the tables below. Business license fees of \$282,000 increased over prior year activity by 4%. Tourism activity generated approximately \$1.1 million for the airline guaranty program and \$1 million for regional marketing programs and group sales efforts. Overall, the town's tourism fund reinvested over \$2.1 million back into the region to support the various businesses operating in the community which includes additional funding of \$8,100 to MTI for a guest services agent. Please see the lodging and restaurant tax revenue summary below for further information.

Town of Mountain Village Colorado Lodging Tax Summary								
	2011 Activity (4%)	2012 Activity (4%)	2013 Activity (4%)	2014 Activity (4%)	2015 Activity (4%)	2014 Var %	2015 Budget	Budget Var %
Total	870,717	865,780	1,081,555	1,207,229	1,497,425	24.04%	1,066,088	28.81%
Tax Base	21,767,932	21,644,491	27,038,867	30,180,718	37,435,624		26,652,197	

Town of Mountain Village Colorado Restaurant Tax Summary								
	2011 Activity (2%)	2012 Activity (2%)	2013 Activity (2%)	2014 Activity (2%)	2015 Activity (2%)	2014 Var %	2015 Budget	Budget Var %
Total	244,750	245,593	274,828	315,303	366,759	16.32%	273,200	25.51%
Tax Base	12,237,496	12,279,634	13,741,420	15,765,152	18,337,941		13,659,997	

Vehicle and Equipment Acquisition Fund

A snow blower attachment and a sweeper broom were purchased for public works. A police vehicle, two buses, a dump truck, a building department vehicle, and a parks and recreation vehicle were acquired to replace older vehicles. Bobcat leases were paid. Grant monies were received totaling \$221,800 and \$283,300 was transferred from the General Fund which is the deficit plus 30% for reserves.

Capital Projects Fund

Activity in the Capital Projects Fund was for ongoing 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 2015 were approximately \$88,618.

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 \$4.1 million was mainly comprised of contributions from TMVOA (\$3.6 million or 86%), Telski (\$181,200 or 4%), charges for extended operating hours and miscellaneous revenues (\$28,762 or less than 1%), grant funding of \$321,943 or 7% and other regional government contributions (\$36,000 or less than 1%). Fund expenditures of \$4.1 million increased over prior year by \$325,800. Increases from prior year are primarily the result of capital expenses, some of which were partially grant funded.

Debt Service Fund

Current year debt service activity reflected \$2,815,000 in debt reduction (or 15%) from the prior year's outstanding bond level. The total general obligation bond debt outstanding at 12/31/2015 was \$15,375,000.

	2012	2013	2014	2015
Assessed Valuation	373,861,120	265,515,290	266,407,970	294,538,840
Tax Supported Bonds Outstanding	20,765,000	18,370,000	15,595,000	12,890,000
% of Tax Supported Bonds Outstanding vs. AV	7%	7%	7%	4%
Mill Levy	10.75	10.823	13.325	11.82
Self Supported Bonds Outstanding	2,800,000	2,700,000	2,595,000	2,485,000

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)
- Broadband 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 \$1,746. Operating revenues of \$2.3 million increased over prior year primarily as a result of increased rents. Operating costs of \$1 million increased from prior year by less than 1%. Long term bonds and other debt were refinanced in 2014 to take advantage of continued low interest rates and longer term financing availability. That debt was reduced by \$357,000 in 2015.

Affordable Housing Development Fund

Since 2007, The Town pledged 11.11% of sales taxes to the affordable housing development fund, 2015 contributions were \$423,604. Expenses of \$103,409 were for HOA dues and other small repair items for Town owned units as well as support to the Regional Housing Authority. Transfers to the Capital Projects Fund of \$453,202 for the Meadows Improvement Plan and to the mortgage assistance program fund to keep the fund balanced were made.

Mortgage Assistance Pool Fund

\$30,000 in mortgage assistance was provided in 2015. 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 \$43,956 which offset the 2015 General Fund subsidy requirement of \$59,902 for daycare operations, which were up \$26,900 from 2014.

Parking Services Fund

Operating costs in 2015 of approximately \$280,298 include personnel, utilities, and maintenance was offset by parking fees of \$441,590, receipts from other entities for shared expenses of \$7,732 and fines of \$52,769. Any deficit is funded by transfer from the general fund. In 2015, mainly the result of increased revenues and controlled spending, the parking fund transferred \$221,793, 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.

Water and Sewer Fund

Due to major capital expenses, the fund drew down reserves of \$686,000. Expenditures of \$3.2 million were \$1.6 million more than prior year due mainly to capital expenditures. Capital investment of \$1.76 million was for regional sewer system improvements, repair and replacement the “wapiti” water line, water rights, and a new vehicle. Remaining available reserves remain adequate.

Broadband Fund

Revenues of \$1.7 million surpassed prior year performance by \$92,100 due mainly to growth in internet subscribers. Expenses totaling \$1.38 million were \$140,200 more than prior year due to an upgrade of internet bandwidth and operating costs associated because of the increase in 2015. The cable fund was able to return to the General Fund a transfer of \$264,162 which includes an overhead administrative allocation of \$117,017.

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 \$193,103 was for HOA dues, marketing, and some equipment. 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 \$1.87 million. The budgeted surplus was \$557,748. The budgetary variance was the result of total expenditures coming in under budget by \$892,200 and revenues over budget by \$24,495 and other sources and uses over budget by \$398,971.

F. Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental activities decreased by \$1,100,628, from \$48,106,760 to \$47,006,132, due mainly to depreciation expense and deletions. 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 increased \$176,844 from \$24,989,037 to \$25,165,881 primarily as a result of the water line project.

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 \$18,190,000. Throughout the year, \$2,815,000 was retired bringing the outstanding bond debt down to \$15,375,000 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 exited from a global recession in 2011 the pace of real estate development and property sales accelerated and the result has been a bottoming and now a property tax base beginning to recover its value lost during the recession. In recognition of these factors, the Town has taken budgetary measures for 2016 that will provide for compensation increases for employees and modest but necessary capital outlays and improvements.

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, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash (See Note 5)	\$ 2,591,321	\$ 3,581,121	\$ 6,172,442
Investments (See Note 5)	7,017,544	201,653	7,219,197
Receivables			
Taxes	8,085,152	-	8,085,152
Accounts	1,263,950	355,328	1,619,277
Interest	7,138	-	7,138
Notes (See Note 6)	753,636	164,000	917,636
Internal Balances	(6,467)	6,467	-
Accrued Revenues	-	1,845	1,845
Prepaid Items	287,930	4,719	292,649
Deposits (See Note 5)	693,747	1,272	695,019
Restricted Investments (See Note 5)			
Housing Authority	-	850,160	850,160
Bond Reserve Fund	827,742	-	827,742
Development Property Held for Sale (See Note 8)	-	278,268	278,268
Capital Assets			
Non-depreciable Capital Assets (See Note 9)	2,742,097	1,830,185	4,572,282
Depreciable Capital Assets (See Note 9)	44,264,035	23,335,695	67,599,730
Total assets	<u>68,527,824</u>	<u>30,610,713</u>	<u>99,138,537</u>
Deferred Outflow of Resources Related to Pensions (See Note 14)	956,048	227,671	1,183,718
Deferred Outflow of Resources Deferred Loss on Refunding	683,719	12,413	696,132
Deferred Outflow of Resources	<u>1,639,767</u>	<u>240,083</u>	<u>1,879,850</u>
Liabilities			
Accounts Payable	1,570,215	438,939	2,009,153
Accrued Expenses	71,290	20,352	91,641
Deposits	157,229	271,630	428,858
Due to Pooled Cash (See Note 5)	1,862,442	35,228	1,897,670
Accrued Interest Payable	63,016	-	63,016
Unearned Revenue	4,211,236	26,672	4,237,908
Noncurrent Liabilities (See Note 10)			
Net Pension Liability	7,046,353	1,721,378	8,767,731
Due within one year	3,066,696	367,621	3,434,317
Due in more than one year	13,399,196	12,632,600	26,031,796
Total liabilities	<u>31,447,672</u>	<u>15,514,419</u>	<u>46,962,091</u>
Deferred Inflow of Resources Related to Pensions (See Note 14)	20,322	5,013	25,335
Deferred Inflow of Resources Property Tax	3,762,676	-	3,762,676
Deferred Inflow of Resources	<u>3,782,998</u>	<u>5,013</u>	<u>3,788,012</u>
Net Position			
Net Investment in Capital Assets	30,763,276	12,230,261	42,993,537
Restricted For			
Debt Service	743,941	850,160	1,594,102
Emergencies	551,223	-	551,223
Unrestricted	2,878,480	2,250,944	5,129,424
Total Net Position	<u>\$34,936,921</u>	<u>\$15,331,365</u>	<u>\$50,268,286</u>

Town of Mountain Village
Statement of Activities
For the Fiscal Year Ended December 31, 2015

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	\$ 2,728,716	\$ 38,405	\$ 251,510	\$ -	\$ (2,438,801)	\$ -	\$ (2,438,801)
Administration	356,127	-	-	-	(356,127)	-	(356,127)
Public Safety	899,441	7,146	-	-	(892,295)	-	(892,295)
Roads & Bridges	1,561,233	383,479	9,107	165,784	(1,002,864)	-	(1,002,864)
Equipment & Property Maintenance	2,093,442	41,554	46,642	-	(2,005,246)	-	(2,005,246)
Culture & Recreation	485,452	-	13,018	-	(472,433)	-	(472,433)
Parking & Transportation	5,266,280	16,663	3,357,223	798,484	(1,093,910)	-	(1,093,910)
Economic Development	2,681,472	826,881	-	-	(1,854,590)	-	(1,854,590)
Interest on Long Term Debt	727,775	-	-	-	(727,775)	-	(727,775)
Total Governmental Activities	16,799,937	1,314,128	3,677,500	964,267	(10,844,042)	-	(10,844,042)
Business-type Activities:							
Housing Authority	2,309,596	2,277,184	-	-	-	(32,413)	(32,413)
Broadband	1,541,273	1,717,541	-	-	-	176,268	176,268
Child Development	572,489	441,422	38,499	-	-	(92,568)	(92,568)
Parking Services	280,298	494,359	7,732	-	-	221,793	221,793
Telluride Conference Center	495,140	-	-	-	-	(495,140)	(495,140)
Water and Sewer	2,041,858	2,439,540	-	173,002	-	570,684	570,684
Total Business-type Activities	7,240,654	7,370,045	46,231	173,002	-	348,624	348,624
 Total	 \$ 24,040,591	 \$ 8,684,174	 \$ 3,723,731	 \$ 1,137,270			
General Revenues:							
Taxes:							
Property					7,070,688	-	7,070,688
Specific Ownership					303,008	-	303,008
Sales & Use					4,394,807	-	4,394,807
Lodging					1,502,265	-	1,502,265
Restaurant					367,006	-	367,006
Miscellaneous					114,614	72,856	187,470
Investment Earnings					62,211	72	62,283
Gain or (loss) on Sale of Assets					40,534	-	40,534
Transfers					495,157	(495,157)	-
Total General Revenues and Transfers					14,350,289	(422,228)	13,928,061
Change in Net Position					3,506,247	(73,604)	3,432,644
Net Position - Beginning					37,389,639	16,858,058	54,247,697
Prior Period Adjustment - Change in Accounting Principle					(5,958,966)	(1,453,089)	(7,412,055)
Net Position - Beginning as Re-stated					31,430,673	15,404,969	46,835,642
Net Position - Ending					\$ 34,936,920	\$ 15,331,365	\$ 50,268,285

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

Fund Financial Statements

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Town of Mountain Village
Balance Sheet - Governmental Funds
December 31, 2015

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Tourism</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Assets						
Cash	\$ 1,928,893	\$ 101,992	\$ -	\$ 357,247	\$ 203,190	\$ 2,591,321
Investments	6,269,383	-	748,161	-	-	7,017,544
Receivables						
Taxes	4,349,558	-	3,320,358	321,353	93,883	8,085,152
Accounts	981,747	161,680	-	-	120,522	1,263,950
Notes	-	-	-	-	753,636	753,636
Interest	-	-	7,138	-	-	7,138
Due from Other Funds	1,009,277	-	-	-	-	1,009,277
Prepaid Items	287,930	-	-	-	-	287,930
Deposits	693,747	-	-	-	-	693,747
Restricted Bond Reserve	-	-	827,742	-	-	827,742
Total Assets	<u>\$ 15,520,535</u>	<u>\$ 263,672</u>	<u>\$ 4,903,399</u>	<u>\$ 678,600</u>	<u>\$ 1,171,231</u>	<u>\$ 22,537,436</u>
Liabilities:						
Accounts Payable	\$ 642,035	\$ 233,424	\$ -	\$ 528,376	\$ 166,380	\$ 1,570,215
Accrued Payables	41,042	30,248	-	-	-	71,290
Due to Other Funds	163,663	-	852,081	-	-	1,015,744
Deposits	157,229	-	-	-	-	157,229
Due to Pooled Cash	1,861,720	-	-	-	722	1,862,442
Unearned Revenue	-	-	3,307,377	150,224	753,636	4,211,236
Total Liabilities	<u>2,865,688</u>	<u>263,672</u>	<u>4,159,457</u>	<u>678,600</u>	<u>920,738</u>	<u>8,888,155</u>
Deferred Inflows, Property Tax	<u>3,669,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,177</u>	<u>3,762,676</u>
Fund Balances:						
Nonspendable	287,930	-	-	-	-	287,930
Restricted for:						
Debt Service	-	-	743,941	-	-	743,941
Emergencies	551,223	-	-	-	-	551,223
Assigned	-	-	-	-	157,316	157,316
Unassigned	8,146,194	-	-	-	-	8,146,194
Total Fund Balances	<u>8,985,348</u>	<u>-</u>	<u>743,941</u>	<u>-</u>	<u>157,316</u>	<u>9,886,605</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 15,520,535</u>	<u>\$ 263,672</u>	<u>\$ 4,903,399</u>	<u>\$ 678,600</u>	<u>\$ 1,171,231</u>	<u>\$ 22,537,436</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, 2015

Total Fund Balance - Governmental Funds	\$	9,886,605
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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	\$ 66,580,879	
Less Accumulated Depreciation	<u>(19,574,748)</u>	47,006,131

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

General Obligation Bonds	(15,375,000)	
Compensated Absences	<u>(460,683)</u>	(15,835,683)

Items related to pensions are considered to be long term items and are therefore not reported in the governmental funds.

Net Pension liability	(7,046,353)	
Deferred Pension Outflows	956,048	
Deferred Pension Inflows	<u>(20,322)</u>	(6,110,627)

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.

(630,209)

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.

(63,016)

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.

683,719

Total Net Position - Governmental Activities

\$ 34,936,920

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, 2015

	General	Gondola	Debt Service	Tourism	Non-Major Governmental	Total
Revenues						
Taxes	\$ 8,057,308	\$ -	\$ 3,622,577	\$ 1,869,271	\$ 88,618	\$ 13,637,774
Licenses & Permits	349,783	-	-	281,898	-	631,681
Intergovernmental	375,754	-	-	-	-	375,754
Contributions from Other Entities	39,762	3,774,645	206,275	-	-	4,020,681
Charges for Services	341,139	16,663	-	-	-	357,801
Fines & Forfeitures	7,146	-	-	-	-	7,146
Miscellaneous	76,066	12,100	-	26,448	-	114,614
Interest Income	60,650	-	1,561	-	-	62,211
Grants & Contributions	19,107	321,943	-	-	221,784	562,834
Total Revenues	9,326,713	4,125,350	3,830,413	2,177,617	310,402	19,770,495
Expenditures						
Current:						
General Government	2,686,351	-	-	-	1,776	2,688,128
Public Safety	811,016	-	-	-	-	811,016
Roads & Bridges	843,589	-	-	-	-	843,589
Equipment & Property Maintenance	1,856,376	-	-	-	-	1,856,376
Culture & Recreation	398,610	-	-	-	86,842	485,452
Parking & Transportation	207,720	3,735,912	-	-	-	3,943,632
Economic Development	568,999	-	-	2,112,472	-	2,681,472
Debt Service:						
Administrative Charges	-	-	116,754	2,500	-	119,254
Principal	-	-	2,815,000	-	-	2,815,000
Interest	-	-	756,186	-	-	756,186
Capital Outlay:						
General Government	75,042	-	-	-	892,913	967,955
Culture & Recreation	17,722	-	-	-	-	17,722
Equipment & Property Maintenance	32,122	-	-	-	-	32,122
Parking & Transportation	-	356,203	-	-	-	356,203
Total Expenditures	7,497,548	4,092,115	3,687,940	2,114,972	981,531	18,374,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,829,165	33,235	142,473	62,645	(671,129)	1,396,389
Other Financing Sources (Uses)						
Proceeds from Sale of Assets	30,034	10,500	-	-	-	40,534
Issuance of Refunding Bonds	-	-	-	-	-	-
Payment to Refunding Bonds Escrow	-	-	-	-	-	-
Transfers In	974,120	-	-	-	736,507	1,710,628
Transfers Out	(959,913)	(43,735)	(149,178)	(62,645)	-	(1,215,471)
Total Other Financing Sources (Uses)	44,241	(33,235)	(149,178)	(62,645)	736,507	535,690
Net Change in Fund Balances	1,873,406	-	(6,705)	-	65,378	1,932,079
Fund balance - Beginning of Year	7,111,942	-	750,646	-	91,937	7,954,525
Fund balance - End of Year	\$ 8,985,348	\$ -	\$ 743,941	\$ -	\$ 157,315	\$ 9,886,604

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, 2015**

Net Change in Fund Balance - Governmental Funds \$ 1,932,079

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	\$ 1,343,475	
Capital Assets Deletions, Net	(233,138)	
Depreciation	<u>(2,210,965)</u>	(1,100,628)

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:

Pension Expense	(151,661)	
Compensated Absences	(16,953)	
Accrued Interest Payable	<u>1,100</u>	(167,514)

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 Payment	2,815,000	
Amortization of Deferred Loss on Refunding	(58,317)	
Premium on Bonds Payable	<u>85,628</u>	2,842,311

Change in Net Position of Governmental Funds \$ 3,506,248

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

Town of Mountain Village
Statement of Net Position - Enterprise Funds
December 31, 2015

	Housing Authority	Water and Sewer	Telluride Conference Center	Broadband	Non-Major Enterprise Funds	Total
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 1,425,463	\$ 1,935,250	\$ 16,119	\$ 204,088	\$ 200	\$ 3,581,121
Investments	201,653	-	-	-	-	201,653
Accounts Receivable	(24,434)	320,424	-	(2,489)	61,827	355,328
Prepaid Expenses	-	-	-	4,719	-	4,719
Accrued Revenues	-	-	-	-	1,845	1,845
Deposits	-	636	-	636	-	1,272
Due From Other Funds	163,663	-	-	-	-	163,663
Total Current Assets	<u>1,766,345</u>	<u>2,256,310</u>	<u>16,119</u>	<u>206,954</u>	<u>63,872</u>	<u>4,309,601</u>
Noncurrent Assets:						
Restricted Investments	850,160	-	-	-	-	850,160
Notes Receivable	164,000	-	-	-	-	164,000
Development Property Held for Sale:						
Buildings	278,268	-	-	-	-	278,268
Capital Assets:						
Land	366,782	-	-	-	-	366,782
Buildings and Improvements	17,538,393	14,136,393	6,211,007	-	199,368	38,085,161
Construction in Progress	-	1,551,881	31,212	39,383	-	1,622,475
Furniture and Fixtures	-	-	231,399	-	-	231,399
Communications System	-	-	-	2,099,866	-	2,099,866
Vehicles & Equipment	199,475	145,921	186,293	209,330	27,650	768,669
Less: Accumulated Depreciation	(7,873,224)	(5,474,502)	(2,806,437)	(1,712,817)	(141,490)	(18,008,471)
Total Noncurrent Assets	<u>11,523,853</u>	<u>10,359,692</u>	<u>3,853,474</u>	<u>635,762</u>	<u>85,528</u>	<u>26,458,310</u>
Total Assets	<u>13,290,198</u>	<u>12,616,002</u>	<u>3,869,594</u>	<u>842,716</u>	<u>149,400</u>	<u>30,767,910</u>
Deferred Outflow of Resources - Related to Pensions	52,188	67,143	-	46,542	61,797	227,671
Deferred Outflow of Resources - Deferred Loss on Refunding	12,413	-	-	-	-	12,413
Deferred Outflow of Resources	<u>64,601</u>	<u>67,143</u>	<u>-</u>	<u>46,542</u>	<u>61,797</u>	<u>240,083</u>
Liabilities						
Current Liabilities:						
Accounts Payable	48,403	280,764	-	97,311	12,461	438,939
Accrued Expenses	4,176	5,492	-	4,121	6,562	20,352
Due to Pooled Cash	-	-	-	-	35,228	35,228
Deposits	259,007	-	-	12,623	-	271,630
Unearned Revenue	17,052	-	-	-	9,620	26,672
Due to Other Funds	157,196	-	-	-	-	157,196
Current Portion of Notes and Bonds Payable	367,621	-	-	-	-	367,621
Total Current Liabilities	<u>853,455</u>	<u>286,256</u>	<u>-</u>	<u>114,054</u>	<u>63,872</u>	<u>1,317,638</u>
Noncurrent Liabilities:						
Notes Payable	292,600	-	-	-	-	292,600
Revenue Bond Payable	12,340,000	-	-	-	-	12,340,000
Net Pension Liability	377,423	533,276	-	345,920	464,759	1,721,378
Total Noncurrent Liabilities	<u>13,010,023</u>	<u>533,276</u>	<u>-</u>	<u>345,920</u>	<u>464,759</u>	<u>14,353,978</u>
Total Liabilities	<u>13,863,478</u>	<u>819,532</u>	<u>-</u>	<u>459,974</u>	<u>528,631</u>	<u>15,671,615</u>
Deferred Inflow of Resources Related to Pensions	1,195	1,457	-	986	1,376	5,013
Net Position						
Net Investment in Capital Assets	(2,704,195)	10,359,692	3,853,474	635,762	85,528	12,230,261
Restricted for Debt Service	850,160	-	-	-	-	850,160
Unrestricted	1,344,161	1,502,464	16,119	(207,463)	(404,338)	2,250,944
Total Net Position	<u>\$ (509,874)</u>	<u>\$ 11,862,156</u>	<u>\$ 3,869,594</u>	<u>\$ 428,299</u>	<u>\$ (318,809)</u>	<u>\$ 15,331,365</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, 2015

	Housing Authority	Water and Sewer	Telluride Conference Center	Broadband	Non-major Enterprise Funds	Total
Operating Revenues:						
Charges for Sales & Services	\$ 2,277,184	\$ 2,439,540	\$ -	\$ 1,717,541	\$ 935,781	\$ 7,370,045
Operating Grants and Contributions	-	-	-	-	46,231	46,231
Other	72,856	-	-	-	-	72,856
Total Operating Revenues	2,350,040	2,439,540	-	1,717,541	982,012	7,489,133
Operating Expenses:						
Cost of Sales & Services	1,133,410	1,414,788	193,103	1,384,582	833,312	4,959,195
Depreciation and Amortization	600,675	627,070	302,037	156,692	19,473	1,705,947
Total Operating Expenses	1,734,085	2,041,858	495,140	1,541,273	852,786	6,665,142
Operating Income (Loss)	615,955	397,682	(495,140)	176,268	129,226	823,991
Nonoperating Revenues (Expenses):						
Interest Income	72	-	-	-	-	72
Major Repairs and Replacements	(90,721)	-	-	-	-	(90,721)
Interest Expense	(480,291)	-	-	-	-	(480,291)
Loan Fees	(4,500)	-	-	-	-	(4,500)
Total Nonoperating Revenue (Expenses)	(575,440)	-	-	-	-	(575,440)
Income (Loss) Before Transfers	40,516	397,682	(495,140)	176,268	129,226	248,552
Transfers In	453,604	-	193,103	-	59,902	706,609
Transfers Out	(588,646)	(127,164)	-	(264,162)	(221,793)	(1,201,766)
Net Transfers From (To) Other Funds	(135,043)	(127,164)	193,103	(264,162)	(161,891)	(495,157)
Capital Grants & Contributions	-	173,002	-	-	-	173,002
Change in Net Position	(94,527)	443,520	(302,037)	(87,894)	(32,665)	(73,603)
Total Net Position - Beginning of Year	(101,913)	11,873,960	4,171,630	809,377	105,003	16,858,057
Prior Period Adjustment - Change in Accounting Pri	(313,435)	(455,324)	-	(293,184)	(391,146)	(1,453,089)
Total Net Position - Beginning of Year as Re-stated	(415,348)	11,418,636	4,171,630	516,193	(286,143)	15,404,968
Total Net Position - End of Year	\$ (509,875)	\$11,862,156	\$ 3,869,593	\$ 428,298	\$ (318,808)	\$ 15,331,364

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, 2015

	Housing Authority	Water and Sewer	Telluride Conference Center	Broadband	Non-Major Enterprise Funds	Total
Cash Flows from Operating Activities						
Receipts from Customers	\$ 2,290,800	\$ 2,352,713	\$ -	\$ 1,722,427	\$ 923,977	\$ 7,289,916
Operating Contributions	-	-	-	-	46,231	46,231
Payments to Suppliers	(846,629)	(1,044,841)	(259,071)	(1,150,951)	(423,395)	(3,724,887)
Payments to Employees	(267,293)	(325,822)	-	(233,403)	(390,116)	(1,216,634)
Other Receipts	72,856	-	-	-	-	72,856
Net Cash Provided by (Used in) Operating Activities	1,249,734	982,050	(259,071)	338,073	156,696	2,467,483
Cash Flows from Non-capital Financing Activities						
Transfers to Other Funds	(593,399)	(127,164)	-	(264,162)	(221,793)	(1,206,519)
Transfers from Other Funds	423,604	-	193,103	-	59,902	676,609
Net Cash Provided by (Used in) Noncapital Financing Activities	(169,795)	(127,164)	193,103	(264,162)	(161,891)	(529,910)
Cash Flows from Capital and Related Financing Activities						
Principal Payments - Notes and Bonds	(356,834)	-	-	-	-	(356,834)
Interest Expense	(430,640)	-	-	-	-	(430,640)
Loan Fees	(4,500)	-	-	-	-	(4,500)
Purchase of Major Repairs and Replacements	(90,721)	-	-	-	-	(90,721)
Purchase of Capital Assets	-	(1,756,814)	-	(125,976)	-	(1,882,790)
Capital Grants	-	-	-	-	-	-
Capital Grants and Contributions	-	173,002	-	-	-	173,002
Net Cash Used in Capital and Related Financing Activities	(882,695)	(1,583,812)	-	(125,976)	-	(2,592,483)
Cash Flows from Investing Activities						
Purchase of Investments	-	-	-	-	-	-
Interest Received	72	-	-	-	-	72
Net Cash Used in Investing Activities	498,572	-	-	-	-	498,572
Net Increase in Cash and Cash Equivalents	695,817	(728,926)	(65,967)	(52,065)	(5,195)	(156,337)
Cash and Cash Equivalents, Beginning of Year	729,646	2,664,176	82,087	256,154	5,395	3,737,458
Cash and Cash Equivalents, End of Year	\$ 1,425,463	\$ 1,935,250	\$ 16,120	\$ 204,089	\$ 200	\$ 3,581,121

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, 2015

	<u>Housing Authority</u>	<u>Water and Sewer</u>	<u>Telluride Conference Center</u>	<u>Broadband</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 615,955	\$ 397,682	\$ (495,140)	\$ 176,268	\$ 129,226	\$ 823,991
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Depreciation and Amortization	600,675	627,070	302,037	156,692	19,473	1,705,947
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	17,978	(86,827)	-	4,486	(15,717)	(80,080)
(Increase) Decrease in Deferred Revenue	(3,649)	-	-	-	3,416	(233)
Increase (Decrease) in Net Pension Liability	12,995	12,265	-	7,179	13,192	45,631
(Increase) Decrease in Prepaid Items	-	-	-	(71)	-	(71)
Increase (Decrease) in Accounts Payable	13,819	40,531	(65,967)	(316)	6,609	(5,324)
Increase (Decrease) in Accrued Expenses	(7,326)	(8,671)	-	(6,564)	-	(22,561)
Increase (Decrease) in Accrued Revenues	-	-	-	-	497	497
Increase (Decrease) in Deposits	(713)	-	-	400	-	(313)
	<u>\$ 633,779</u>	<u>\$ 584,368</u>	<u>\$ 236,069</u>	<u>\$ 161,805</u>	<u>\$ 27,470</u>	<u>\$ 1,643,492</u>
Total						
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,249,734</u>	<u>\$ 982,050</u>	<u>\$ (259,071)</u>	<u>\$ 338,073</u>	<u>\$ 156,696</u>	<u>\$ 2,467,483</u>

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

Notes to Basic Financial Statements

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TOWN OF MOUNTAIN VILLAGE, COLORADO

Notes to Basic Financial Statements

December 31, 2015

Note 1 - Summary of Significant Accounting Policies

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, Employee Shuttle Program and Municipal Bus)
- 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

- The *Debt Service Fund* is used to account for the accumulation of resources and payment of general obligation bond principal and interest.
- 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 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 *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 the Affordable Housing Development Fund and the Mortgage Assistance Pool Fund.
- 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 *Broadband 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 *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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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
Broadband Services 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."

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

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.

Note 3 - Tax, Spending and Debt Limitations

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.

Note 4 - Budgets

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.

Note 4 – Budgets (Continued)

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 2015 budget by decreasing budgeted expenditures for the various funds by \$2,377,830. 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	Child Development	Telluride Conference Center	Broadband	Water and Sewer	Parking Services
GAAP Basis	\$ 2,206,187	\$ 572,488	\$ 495,140	\$ 1,541,273	\$ 2,041,858	\$ 280,298
Add (Deduct)						
Depreciation	(600,675)	(19,473)	(302,037)	(156,692)	(627,070)	-
Capital Outlay	-	-	-	125,976	1,756,814	-
Debt Principal Payments	356,834	-	-	-	-	-
Budgetary Basis	1,962,346	553,015	193,103	1,510,558	3,171,602	280,298
Final Budget	1,956,688	590,306	183,335	1,476,636	3,909,217	363,283
Variance	\$ (5,658)	\$ 37,291	\$ (9,768)	\$ (33,922)	\$ 737,615	\$ 82,985

Budgeted Expenditures in Excess of Appropriations

Expenditures for the Tourism Fund exceeded budget by \$77,683, 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 Broadband Fund exceeded budget by \$26,743, which may be a violation of the Town's Charter. The budget overage resulted from additional costs incurred for the high speed internet upgrade.

Note 5 - Deposits and Investments

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, 2015, the carrying amount of the Town's deposits was \$4,275,792 and the bank balances were \$4,279,234. Of this amount, \$500,000 is covered by federal depository insurance and \$3,779,234 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:

Cash and Investments:	
Cash on hand	\$ 2,100
Carrying amount of deposits	4,278,292
Carrying amount of investments	<u>9,586,497</u>
	<u>\$ 13,866,890</u>
Statement of Net Position:	
Cash	\$ 6,172,442
Due to pooled cash	(1,897,670)
Deposits	695,019
Investments	7,219,197
Debt service reserve fund	850,160
Bond reserve fund	<u>827,742</u>
	<u>\$ 13,866,890</u>

Note 5 - Deposits and Investments (continued)

The following summarizes the Town's investments and maturities as of December 31, 2015:

Investment Type	Fair Value	Maturity Date
FED Home Loan Bank (Rated AAA)	250,017	2016
FED Home Loan Banks Bnd (Rated AAA)	250,441	2016
US Treasury Note (Unrated)	249,564	2016
FED National Mortgage (Rated AAA)	250,101	2017
FED Home Loan Banks Bnd (Rated AAA)	250,824	2017
Freddie Mac UNNT (Rated AAA)	249,524	2017
Federal Farm Credit Bank (Rated AAA)	250,004	2017
FED Home Loan Bank (Rated AAA)	248,928	2017
FED Home Loan Bank (Rated AAA)	249,381	2017
FED Home Loan Bank (Rated AAA)	248,599	2018
Freddie Mac (Rated AAA)	249,556	2018
Fannie Mae Note (Rated AAA)	248,362	2018
Freddie Mac (Rated AAA)	247,535	2018
FED Home Loan Banks Bnd (Rated AAA)	247,114	2018
FED Home Loan Banks Bnd (Rated AAA)	249,572	2018
FED Home Loan Bank (Rated AAA)	248,601	2018
Federal Farm Credit Bank (Rated AAA)	248,294	2018
Freddie Mac (Rated AAA)	249,333	2018
FED Home Loan Bank (Rated AAA)	247,408	2019
Federal Farm Credit Bank (Rated AAA)	246,808	2020
Fannie Mae Note (Rated AAA)	250,340	2019
FED Home Loan Banks Bnd (Rated AAA)	50,003	2016
Fannie Mae (Rated AAA)	50,068	2019
FED Home Loan Bank (Rated AAA)	49,786	2017
Federal Farm Credit Bank (Rated AAA)	49,575	2019
Total	<u>5,429,738</u>	
First American Prime Obligations Rated AAA/A+1	400,075	2025
First American Prime Obligations Rated AAA/A+1	450,085	2025
COLOTRUST	9,783	n/a
Money Market Funds (Unrated)	<u>3,296,816</u>	n/a
Total	<u>\$ 9,586,497</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.

Note 6 - Note Receivable

The notes receivable in the amount of \$164,000 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.

Note 6 - Note Receivable (continued)

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. Interest due on June 1, 2015 remains unpaid and the notes are now in default and the Town has notified the issuer and is considering its options regarding the default.

Note 7 – Inter-fund Receivables, Payables and Transfers

Inter-fund receivables and payables consist of the following as of December 31, 2015:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service	\$ 852,081
Housing Authority	General Fund	\$ 6,467

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, 2015, 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	\$ -	\$ -	\$ 283,305	\$ 193,103	\$ 423,604	\$ 59,902	\$ 959,914
Gondola	43,735	-	-	-	-	-	43,735
Debt Service	149,178	-	-	-	-	-	149,178
Non-Major Enterprise Funds	221,793	-	-	-	-	-	221,793
Tourism Fund	62,645	-	-	-	-	-	62,645
Housing Authority	105,444	-	453,202	-	30,000	-	588,646
Broadband	264,162	-	-	-	-	-	264,162
Water and Sewer	127,164	-	-	-	-	-	127,164
Total	\$ 974,121	\$ -	\$ 736,507	\$ 193,103	\$ 453,604	\$ 59,902	\$ 2,417,237

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.

Note 8 - Development Property Held for Sale

The Town owns 1 deed restricted condominium. Following is a summary of cumulative costs incurred as of December 31, 2015:

	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, 2015 was as follows:

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 2,253,578	\$ -	\$ -	\$ 2,253,578
Construction in Progress	695,531	26,125	(233,137)	488,519
Total Capital Assets Not Being Depreciated	2,949,109	26,125	(233,137)	2,742,097
Capital Assets Being Depreciated				
Buildings and Improvements	9,962,000	579,676	-	10,541,676
Gondola Transit System	20,708,678	-	-	20,708,678
Vehicles and Equipment	3,574,888	737,674	(123,133)	4,189,429
Infrastructure	28,399,000	-	-	28,399,000
Total	62,644,566	1,317,350	(123,133)	63,838,783
Less Accumulated Depreciation:				
Buildings and Improvements	(3,073,624)	(328,058)	-	(3,401,682)
Gondola Transit System	(4,145,062)	(521,709)	-	(4,666,771)
Infrastructure	(7,470,383)	(305,911)	-	(7,776,294)
Vehicles and Equipment	(2,797,846)	(1,055,287)	123,132	(3,730,001)
Total	(17,486,915)	(2,210,965)	123,132	(19,574,748)
Capital Assets Being Depreciated, Net	45,157,651	(893,615)	(1)	44,264,035
Total Governmental Activities Capital Assets	\$ 48,106,760	\$ (867,490)	\$ (233,138)	\$ 47,006,132

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

General Government	\$ 25,410
Administration	83,435
Public Safety	88,425
Roads & Bridges	717,644
Equipment & Property Maintenance	237,066
Parking & Transportation	1,058,985
Total	<u>\$ 2,210,965</u>

Note 9 - Capital Assets (Continued)

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 160,499	\$ -	\$ -	\$ 160,499
Construction in Progress	74,092	1,595,594	-	1,669,686
Total	<u>234,591</u>	<u>1,595,594</u>	<u>-</u>	<u>1,830,185</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	24,155,051	-		24,155,051
Water Systems	6,411,299	104,786	-	6,516,085
Sewer Systems	7,506,054	28,774		7,534,828
Broadband Systems	2,013,272	39,383		2,052,655
Vehicles and Equipment	971,294	114,254	-	1,085,548
Total	<u>41,056,971</u>	<u>287,196</u>	<u>-</u>	<u>41,344,167</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(9,501,760)	(869,064)	-	(10,370,824)
Water Systems	(2,753,198)	(338,669)	-	(3,091,867)
Sewer Systems	(2,004,805)	(275,852)	-	(2,280,658)
Cable TV Systems	(1,394,632)	(142,396)	-	(1,537,028)
Vehicles and Equipment	(648,130)	(79,965)	-	(728,095)
Total	<u>(16,302,525)</u>	<u>(1,705,947)</u>	<u>-</u>	<u>(18,008,472)</u>
Capital Assets Being Depreciated, Net	<u>24,754,446</u>	<u>(1,418,751)</u>	<u>-</u>	<u>23,335,695</u>
Total Business-type Activities Capital Assets	<u>\$ 24,989,037</u>	<u>\$ 176,843</u>	<u>\$ -</u>	<u>\$ 25,165,880</u>

Note 10 - Long-term Liabilities

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2015 was as follows:

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Tax Supported:					
Series 2005	1,940,000	-	(615,000)	1,325,000	645,000
Series 2007	4,885,000	-	(1,555,000)	3,330,000	1,625,000
Series 2009	895,000	-	(290,000)	605,000	295,000
Series 2006A	720,000	-	(230,000)	490,000	240,000
Series 2014	7,155,000	-	(15,000)	7,140,000	15,000
Self Supported:					
Series 2011	2,595,000	-	(110,000)	2,485,000	115,000
Total General Obligation Bonds	18,190,000	-	(2,815,000)	15,375,000	2,935,000
Discount/Premiums, Net	715,837	-	(85,628)	630,209	85,628
Compensated Absences	443,730	668,547	(651,594)	460,683	46,068
Total Governmental	19,349,567	668,547	(3,552,222)	16,465,892	3,066,696
Business-type Activities					
Note Payable	1,017,055	-	(356,834)	660,221	367,621
Revenue Bonds	12,340,000	-	-	12,340,000	-
Total Business-type	13,357,055	-	(356,834)	13,000,221	367,621
Total Long-term Liabilities	\$ 32,706,623	\$ 668,547	\$ (3,909,056)	\$ 29,466,114	\$ 3,434,317

The compensated absences liabilities are liquidated by the General Fund.

Note 10 - Long-term Liabilities (Continued)

General Obligation Bonds***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 the total \$720,000 outstanding 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 15th 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.

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.

Note 10 - Long-term Liabilities (Continued)

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.

The bonds maturing on or after December 1, 2023 are subject to redemption prior to maturity at the option of the district, on December 1, 2022 or on any date thereafter in whole or in part from 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 was \$1,383,939. The present value of the savings was \$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 15th 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.

Note 10 - Long-term Liabilities (Continued)

Debt Service Requirements

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

Debt Service Requirements			
Year	Total	Principal	Interest
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>\$ 20,268,213</u>	<u>\$ 15,375,000</u>	<u>\$ 4,893,213</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.

Note 10 - Long-term Liabilities (Continued)

Authorized Unissued Debt

The Town has no authorized or unissued debt.

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 389,771	\$ 367,621	\$ 22,150
2017	\$ 302,390	\$ 292,600	\$ 9,790
	<u>\$ 692,161</u>	<u>\$ 660,221</u>	<u>\$ 31,940</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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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
	<u>\$ 15,617,630</u>	<u>\$ 12,340,000</u>	<u>\$ 3,277,630</u>

Note 10 - Long-term Liabilities (Continued)

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 property taxes levied (for GO Bonds) and rent revenues (for Housing Authority Debt).

	<u>Amount Pledged</u>	<u>Term of Commitment</u>
Governmental Activities:		
Series 05	\$ 1,325,000	2017
Series 06A	\$ 490,000	2017
Series 07	\$ 3,330,000	2017
Series 09	\$ 605,000	2017
Series 11	\$ 2,485,000	2032
Series 14	\$ 7,140,000	2036
Business-type Activities:		
Series 14A Loan	\$ 12,340,000	2024
Series 14B Loan	\$ 660,221	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.

Note 11 - Relationship with Other Entities

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.

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 \$517,024 as of December 31, 2015.

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,

Note 11 - Relationship with Other Entities (Continued)

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 2015 was \$1 million, which includes an additional funding request of \$8,100 for a guest services agent.

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 2015 was \$1.1 million.

Note 12 - Transfer of Assets and Assumption of Services

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 15th 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.

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 so long as such credit does not exceed \$36,000 annually, increasing by 4% each year. The Town assumed the obligation effective January 1, 2007. The Town has determined that the water credit exceeded the \$36,000 annual increased by 4% each

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

year, therefore the agreement was terminated and the Town will no longer be refunding water and sewer fees to TSG.

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.

Note 13 - Risk Management

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 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 Colorado Employer Benefit Trust (CEBT) is a multiple employer trust for public institutions providing employee benefits. Since 1980 CEBT has grown to approximately 25,000

Note 13 - Risk Management (continued)

members and about 260 participating groups. The Trust is governed by a Board of Trustees made up of representatives from participating groups. The Trust fund is approaching \$125,000,000 in annual premium deposits with approximately \$35,000,000 in reserves. 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 2015, claims from the Town employees and family members were 91% of premiums submitted.

Note 14 - Retirement Plans

Defined Benefit Pension Plan**Summary of Significant Accounting Policies**

Pensions The Town of Mountain Village participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description Eligible employees of The Town of Mountain Village are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

Note 14 - Retirement Plans (Continued)

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions Eligible employees and The Town of Mountain Village are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended 12/31/2015	For the Year Ended 12/31/2014
Employer Contribution Rate ¹	10.00%	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	-1.02%	-1.02%
Amount Apportioned to the LGDTF ¹	8.98%	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Note 14 - Retirement Plans (Continued)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and The Town of Mountain Village is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from The Town of Mountain Village and enterprise funds were \$708,244 for the year ended December 31, 2015. The fund breakout is shown below:

Employer Contributions		
Governmental Funds	\$	568,083
Broadband Fund		27,551
Water/Sewer Fund		40,724
Child Development Fund		38,458
VCA (Affordable Housing) Fund		33,429
Total	\$	<u>708,244</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, The Town of Mountain Village reported a liability of \$8,767,731 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The Town of Mountain Village proportion of the net pension liability was based on The Town of Mountain Village contributions to the LGDTF for the calendar year 2014 relative to the total contributions of participating employers to the LGDTF. The fund breakout is shown below:

Allocation of Net Pension Liability (NPL)		
Governmental Funds	\$	7,046,353
Broadband Fund		345,920
Water/Sewer Fund		533,276
Child Development Fund		464,759
VCA (Affordable Housing) Fund		377,423
Total	\$	<u>8,767,731</u>
		<u>100.00%</u>

At December 31, 2014, The Town of Mountain Village proportion was 0.9782040094%, which was a decrease of .0051235787% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the recognized pension expenses for the Town and the enterprise funds were as follows:

Pension Expense	
Governmental Funds	\$ 719,744
Broadband Fund	34,730
Water/Sewer Fund	52,989
Child Development Fund	51,650
VCA (Affordable Housing) Fund	46,424
Total	<u>\$ 905,536</u>

Note 14 - Retirement Plans (Continued)

For the year ended December 31, 2015, The Town of Mountain Village recognized pension expense of \$905,536. At December 31, 2015, The Town of Mountain Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,761
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	475,475	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	23,574
Contributions subsequent to the measurement date	708,263	-
Total	\$ 1,183,738	\$ 25,335

\$708,263 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amortization for the Year Ended 12/31:

2016	98,919
2017	113,488
2018	118,871
2019	118,862
2020	-
Thereafter	-

Actuarial assumptions The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic) Financed by the Annual Increase Reserve	

Note 14 - Retirement Plans (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The

Note 14 - Retirement Plans (Continued)

discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of The Town of Mountain Village proportionate share of the net pension liability to changes in the discount rate The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Collective Net Pension Liability	\$ 1,463,771,000	\$ 896,309,000	\$ 423,212,000
Governmental Funds	11,507,433	7,046,353	3,327,080
Broadband Fund	564,923	345,920	163,333
Water/Sewer Fund	870,895	533,276	251,797
Child Development Fund	759,000	464,759	219,446
VCA (Affordable Housing) Fund	616,371	377,423	178,208
Town of Mountain Village Total	\$ 14,318,623	\$ 8,767,731	\$ 4,139,864

Pension plan fiduciary net position Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description - Employees of The Town of Mountain Village that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, The Town of Mountain Village has agreed to match employee contributions up to 9 percent of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. The 401(k) Plan member contributions from the Town for the year ended December 31, 2015, were \$310,427. The employer contributions to the 401(k) Plan from the Town for the year ended December 31, 2015 were \$220,976.

Other Post-Employment Benefits**Health Care Trust Fund**

Plan Description – The Town of Mountain Village contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Town of Mountain Village is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for The Town of Mountain Village are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2015, 2014, and 2013, The Town of Mountain Village contributions to the HCTF were \$56,792, \$54,673 and \$45,102, respectively, equal to their required contributions for each year.

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 2015 FPPA money purchase plan contributio

Total payroll	\$ 6,273,527
Covered payroll	349,529
Contributions:	
Town	48,934
Employees	<u>27,962</u>
Total	<u><u>\$ 76,896</u></u>

Note 14 - Retirement Plans (Continued)

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, 2015, the Town contributed \$19,602 on \$24,915 of employee contributions.

Note 15 – Fund Balance Classifications

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.

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, by article VIII of The Town of Mountain Village Home Rule Charter 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.

Note 15 – Fund Balance Classifications (Continued)

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 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.

Note 16 – Other Commitments

On January 23, 2015 the Town entered into the Land Acquisition and Conveyance Agreement with the Telluride Hospital District whereby the Town has conveyed Lot 1003R-1 to the District for its use as a site for a new regional medical center.

On January 15, 2015 The Town entered into a Contract to Buy and Sell Real Estate with a private developer who would develop a rental housing project on the property. The closing date was June 10, 2015 and the parties did not complete the transaction which has now expired.

Note 17 – Prior Year Adjustments and Accounting Changes

A prior period adjustment of \$5,958,966 and \$1,453,089 were made to decrease the beginning net position of the governmental activities and business-type activities, respectively, in accordance with the implementation of GASB 68 and GASB 71. The adjustment was made to record the beginning net pension liability and deferred outflows of resources for contributions subsequent to the measurement date.

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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 7,576,337	\$ 8,177,996	\$ 8,057,308	\$ (120,688)
Licenses & Permits	260,736	296,467	349,783	53,316
Intergovernmental	373,596	371,920	375,754	3,834
Contributions from Other Entities	266,788	42,286	39,762	(2,524)
Charges for Services	251,440	262,923	341,139	78,216
Fines & Forfeitures	6,077	6,077	7,146	1,069
Earnings on Deposits & Investments	13,770	50,000	60,650	10,650
Miscellaneous	77,877	80,442	76,066	(4,376)
Grants & Contributions	-	14,107	19,107	5,000
Total Revenues	<u>8,826,621</u>	<u>9,302,218</u>	<u>9,326,713</u>	<u>24,495</u>
Expenditures				
General Government	2,825,937	2,800,421	2,686,351	(114,070)
Public Safety	844,878	850,214	811,016	(39,198)
Roads & Bridges	1,038,197	1,020,086	843,589	(176,497)
Equipment & Property Maintenance	2,234,016	2,054,719	1,856,376	(198,343)
Culture & Recreation	478,793	457,440	398,610	(58,830)
Parking & Transportation	269,167	264,217	207,720	(56,497)
Economic Development	744,870	631,408	568,999	(62,409)
Capital Outlay	461,235	311,235	124,886	(186,349)
Total Expenditures	<u>8,897,093</u>	<u>8,389,740</u>	<u>7,497,548</u>	<u>(892,192)</u>
Excess of Revenues Over Expenditures	<u>(70,472)</u>	<u>912,478</u>	<u>1,829,165</u>	<u>916,687</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	30,034	30,034
Transfers In	749,833	729,909	974,120	244,211
Transfers Out	<u>(1,061,670)</u>	<u>(1,084,639)</u>	<u>(959,913)</u>	<u>124,726</u>
Total Other Financing Sources (Uses)	<u>(311,837)</u>	<u>(354,730)</u>	<u>44,241</u>	<u>398,971</u>
Net Change in Fund Balance	(382,309)	557,748	1,873,406	1,315,658
Fund Balance - Beginning of Year	<u>5,518,219</u>	<u>5,833,036</u>	<u>7,111,942</u>	<u>1,278,906</u>
Fund Balance - End of Year	<u>\$ 5,135,910</u>	<u>\$ 6,390,784</u>	<u>\$ 8,985,348</u>	<u>\$2,594,564</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, 2015

	<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	\$ 5,701,803	\$ 3,701,890	\$ 3,557,440	\$ (144,450)
Telluride Ski and Golf Company	135,572	174,315	181,205	6,890
Other Revenues:				
Event Operating Hours Subsidies	-	-	16,663	16,663
Grant Funding	326,837	452,297	321,943	(130,354)
Miscellaneous	-	-	12,100	12,100
Operating Contributions	36,000	36,000	36,000	-
Total Revenues	6,200,212	4,364,502	4,125,350	(239,152)
Expenditures				
Gondola:				
Grant Success Fees	-	27,138	29,166	2,028
Operations	1,735,834	1,732,535	1,632,286	(100,249)
MARRS	76,966	76,965	66,092	(10,873)
Maintenance	1,216,984	1,200,677	1,194,030	(6,647)
Fixed Costs	519,372	456,707	374,806	(81,901)
Major Repairs and Maintenance	200,000	230,324	214,440	(15,884)
Capital Outlay	521,000	361,000	356,203	(4,797)
Chondola:				
Operations	1,877,056	226,156	225,093	(1,063)
Total Expenditures	6,147,212	4,311,502	4,092,115	(219,387)
Excess of Revenues Over Expenditures	53,000	53,000	33,235	19,765
Other Financing Uses				
Proceeds from Sale of Assets	-	-	10,500	10,500
Transfers To Other Funds	(53,000)	(53,000)	(43,735)	9,265
Other Financing Uses	(53,000)	(53,000)	(33,235)	19,765
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.

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, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Sales and Marketing:				
Lodging Taxes	\$ 1,066,088	\$ 1,429,238	\$ 1,502,265	\$ 73,027
Restaurant Taxes	273,200	347,037	367,006	19,969
Business License Fees	273,856	277,545	281,898	4,353
Penalties and Interest	3,000	22,422	26,448	4,026
Total Revenues	1,616,144	2,076,242	2,177,617	101,375
Expenditures				
Other Economic Development Contributions	-	26,000	8,091	(17,909)
Administrative Expense	2,500	2,500	2,500	-
Contract Sales and Marketing Services	811,138	968,366	1,008,605	40,239
Airline Guaranty	790,119	1,040,423	1,095,776	55,353
Total Expenditures	1,603,757	2,037,289	2,114,972	77,683
Revenues Over				
Expenditures Before Transfers	12,387	38,953	62,645	23,692
Transfers				
Transfer In (Out)	(12,387)	(38,953)	(62,645)	(23,692)
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 the Town's Proportionate Share of the Net Pension Liability
Last Two Years

	<u>2014</u>	<u>2013</u>
Town of Mountain Village proportion (share) of the collective net pension liability	0.9782010094%	0.9833245881%
Town of Mountain Village share of the collective pension liability	\$ 8,767,731	\$ 8,091,985
Covered employee payroll	\$ 5,362,058	\$ 5,241,993
Town of Mountain Village proportionate share of the net pension liability as a percentage of it's covered employee payroll	163.51%	154.37%
Plan fiduciary net pension as a percentage of the total pension liability	80.72%	81.00%

The amounts presented for each fiscal year were determined as of December 31

Town of Mountain Village
Schedule of Activity - Employer Pension Contributions
Last Two Years

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Statutorily Required Contributions	\$ 632,087	\$ 618,644
Contributions in Relation to the Statutorily Required Contribution	<u>632,087</u>	<u>618,644</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>
Covered Employee Payroll	5,360,121	5,246,099
Contributions as a percentage of Employer Covered Payroll	11.8%	11.8%

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Other Supplementary Information

Town of Mountain Village

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2015

	<u>Special Revenue Fund</u>		Vehicle and Equipment Acquisition Fund	Total
	Historical Museum	Capital Projects Fund		
Assets				
Cash	\$ -	\$ 47,331	\$ 155,859	\$ 203,190
Receivables:				
Notes	-	753,636	-	753,636
Taxes	93,883	-	-	93,883
Grants	-	-	120,522	120,522
Total Assets	<u>93,883</u>	<u>800,966</u>	<u>276,381</u>	<u>1,171,231</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	(16)	15,301	151,095	166,380
Due to Pooled Cash	722	-	-	722
Unearned Revenue	-	753,636	-	753,636
Total Liabilities	<u>706</u>	<u>768,936</u>	<u>151,095</u>	<u>920,738</u>
Deferred Inflows of Resources, Property Tax	<u>93,177</u>	<u>-</u>	<u>-</u>	<u>93,177</u>
Fund Balances:				
Assigned	-	32,030	125,286	157,316
Total Fund Balance	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 125,286</u>	<u>\$ 157,316</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, 2015**

	<u>Special Revenue Fund</u>		Vehicle and Equipment Acquisition Fund	Total
	<u>Historical Museum</u>	<u>Capital Projects Fund</u>		
Revenues				
Taxes	\$ 88,618	\$ -	\$ -	\$ 88,618
Grant Revenues	-	-	221,784	221,784
Total Revenues	<u>88,618</u>	<u>-</u>	<u>221,784</u>	<u>310,402</u>
Expenditures				
Culture and Recreation	86,842	-	-	86,842
Vehicles and Equipment	-	-	439,711	439,711
Capital Outlay	-	453,202	-	453,202
Administrative Costs	1,776	-	-	1,776
Total Expenditures	<u>88,618</u>	<u>453,202</u>	<u>439,711</u>	<u>981,531</u>
Revenues Over (Under)				
Expenditures	<u>-</u>	<u>(453,202)</u>	<u>(217,927)</u>	<u>(671,129)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	453,202	283,305	736,507
Total Other Financing Sources (Uses)	<u>-</u>	<u>453,202</u>	<u>283,305</u>	<u>736,507</u>
Net Change in Fund Balance	-	-	65,378	65,378
Fund Balance, Beginning of Year	<u>-</u>	<u>32,030</u>	<u>59,908</u>	<u>91,938</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 125,286</u>	<u>\$ 157,316</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, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property Taxes	\$ 88,714	\$ 88,714	\$ 88,618	\$ (96)
Expenditures				
Administrative Costs	1,774	1,774	1,776	2
Culture and Recreation	86,940	86,940	86,842	(98)
Total Expenditures	88,714	88,714	88,618	(96)
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, 2015

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Grant Revenues	\$ 194,557	\$ 250,557	\$ 221,784	\$ (28,773)
Total Revenues	194,557	250,557	221,784	(28,773)
Expenditures				
Vehicles and Equipment	465,373	483,733	439,711	(44,022)
Total Expenditures	465,373	483,733	439,711	(44,022)
Revenue Under Expenditures Before Transfers and Other Financing Sources	(270,816)	(233,176)	(217,927)	15,249
Other Financing Sources				
Proceeds from Sale of Assets	-	-	-	-
Transfers In	352,061	283,586	283,305	(281)
Total Other Financing Sources (Uses)	352,061	283,586	283,305	(281)
Net Change in Fund Balance	81,245	50,410	65,378	14,968
Fund Balance, Beginning of Year	70,394	59,908	59,908	-
Fund Balance, End of Year	<u>\$ 151,639</u>	<u>\$ 110,318</u>	<u>\$ 125,286</u>	<u>\$ 14,968</u>

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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$3,557,808	\$3,557,808	\$3,622,577	\$ 64,769
Contributions from Other Entities	206,215	206,240	206,275	35
Interest Income	6,010	1,645	1,561	(84)
Miscellaneous Income	-	-	-	-
Total Revenues	<u>3,770,033</u>	<u>3,765,693</u>	<u>3,830,413</u>	<u>64,720</u>
Expenditures				
Debt Service:				
Administrative Charges	119,228	119,228	116,754	(2,474)
Principal	2,800,000	2,815,000	2,815,000	-
Interest	769,391	756,186	756,186	-
Total Expenditures	<u>3,688,619</u>	<u>3,690,414</u>	<u>3,687,940</u>	<u>(2,474)</u>
Income (Loss) Before Transfers	<u>81,414</u>	<u>75,279</u>	<u>142,473</u>	<u>67,194</u>
Other Financing Uses				
Principal Proceeds from Bond Issuance	-	-	-	-
Premium Proceeds from Bond Issuance	-	-	-	-
Payment to Refunding Bonds Escrow	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(81,251)	(81,272)	(149,178)	(67,906)
Total Other Financing Uses	<u>(81,251)</u>	<u>(81,272)</u>	<u>(149,178)</u>	<u>(67,906)</u>
Net Change in Fund Balances	163	(5,993)	(6,705)	(712)
Fund Balance - Beginning of Year	<u>734,450</u>	<u>734,450</u>	<u>750,646</u>	<u>16,196</u>
Fund Balance - End of Year	<u>\$ 734,613</u>	<u>\$ 728,457</u>	<u>\$ 743,941</u>	<u>\$ 15,484</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grant Revenues	\$ 53,872	\$ 53,872	\$ -	\$ (53,872)
Interest Income	9,950	9,950	-	(9,950)
Total Revenues	63,822	63,822		(63,822)
Expenditures				
Capital Outlay	492,302	492,302	453,202	(39,100)
Income (Loss) Before Other Financing Sources and Uses	(428,480)	(428,480)	(453,202)	(24,722)
Other Financing Sources and Uses				
Transfer In (Out)	438,430	438,430	453,202	14,772
Net Change in Fund Balance	9,950	9,950	-	(9,950)
Fund Balance, Beginning of Year	32,030	32,030	32,030	-
Fund Balance, End of Year	<u>\$ 41,980</u>	<u>\$ 41,980</u>	<u>\$ 32,030</u>	<u>\$ (9,950)</u>

See the accompanying independent auditors report.

Town of Mountain Village

Combining Schedule of Net Position -
Housing Authority Enterprise Fund
December 31, 2015

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 1,252,399	\$ 120,133	\$ 52,930	\$ 1,425,463
Investments	201,653	-	-	201,653
Accounts Receivable	(24,434)	-	-	(24,434)
Due from Other Funds	163,663	-	-	163,663
Total Current Assets	1,593,282	120,133	52,930	1,766,345
Non Current Assets				
Restricted Investments	450,085	400,075	-	850,160
Notes Receivable	-	-	164,000	164,000
Development Property Held for Sale				
Buildings and Improvements	-	278,268	-	278,268
Capital Assets				
Land	366,782	-	-	366,782
Buildings and Improvements	17,538,393	-	-	17,538,393
Vehicles and Equipment	199,475	-	-	199,475
Less Accumulated Depreciation	(7,873,224)	-	-	(7,873,224)
Total Noncurrent Assets	10,681,510	678,343	164,000	11,523,853
Total Assets	12,274,792	798,476	216,930	13,290,198
Deferred Outflow of Resources - Related to Pensions	52,188	-	-	52,188
Deferred Outflow of Resources - Deferred Loss on Refunding	12,413	-	-	12,413
Deferred Outflow of Resources	64,601	-	-	64,601
Liabilities				
Current Liabilities				
Accounts Payable	48,324	79	-	48,403
Accrued Expenses	4,176	-	-	4,176
Due to Other Funds	157,196	-	-	157,196
Deposits	259,007	-	-	259,007
Unearned Revenue	17,052	-	-	17,052
Current Portion of Notes and Bond Payable	367,621	-	-	367,621
Total Current Liabilities	853,376	79	-	853,455
Noncurrent Liabilities				
Net Pension Liability	377,423	-	-	377,423
Notes Payable	292,600	-	-	292,600
Revenue Bonds Payable	12,340,000	-	-	12,340,000
Total Liabilities	13,863,399	79	-	13,863,478
Deferred Inflow of Resources - Related to Pensions	1,195	-	-	1,195
Net Position				
Net Investment in Capital Assets	(2,704,195)	-	-	(2,704,195)
Restricted for Debt Service	450,085	400,075	-	850,160
Unrestricted	728,908	398,322	216,930	1,344,161
Total Net Position	\$ (1,525,202)	\$ 798,397	\$ 216,930	\$ (509,874)

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, 2015

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Operating Revenues				
Rental Income	\$ 2,264,605	\$ 12,579	\$ -	\$ 2,277,184
Other	72,856	-	-	72,856
Total Operating Revenues	2,337,461	12,579	-	2,350,040
Operating Expenses				
Office Operations	204,744	-	-	204,744
General and Administrative	111,240	-	-	111,240
Utilities	348,609	-	-	348,609
Repair and Maintenance	365,407	103,409	-	468,817
Depreciation and Amortization	600,675	-	-	600,675
Total Operating Expenses	1,630,675	103,409	-	1,734,085
Operating Income (Loss)	706,786	(90,831)	-	615,955
Nonoperating Revenue (Expense)				
Interest Income	72	-	-	72
Major Repairs and Replacements	(90,721)	-	-	(90,721)
Interest Expense	(480,291)	-	-	(480,291)
Loan Fees	(4,500)	-	-	(4,500)
Total Nonoperating Revenues (Expenses)	(575,440)	-	-	(575,440)
Income (Loss) Before Transfers	131,347	(90,831)	-	40,516
Transfers In	-	423,604	30,000	453,604
Transfers Out	(105,444)	(483,202)	-	(588,646)
Total Transfers In (Out)	(105,444)	(59,599)	30,000	(135,043)
Capital Grant and Contributions	-	-	-	-
Changes in Net Position	25,903	(150,429)	30,000	(94,527)
Net Position, Beginning of Year	(1,237,670)	948,827	186,930	(101,913)
Prior Period Adjustment - Change in Accounting Principle	(313,435)	-	-	(313,435)
Net Position, Beginning of Year as Re-stated	(1,551,105)	948,827	186,930	(415,348)
Net Position, End of Year	\$ (1,525,202)	\$ 798,398	\$ 216,930	\$ (509,875)

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, 2015

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Cash Flows from Operating Activities				
Receipts from Renters	\$ 2,278,221	\$ 12,579	\$ -	\$ 2,290,800
Payments to Suppliers	(743,151)	(103,477)	-	(846,629)
Payments to Employees	(267,293)	-	-	(267,293)
Other Receipts	72,856	-	-	72,856
Net Cash Provided by (Used in) Operating Activities	1,340,633	(90,899)	-	1,249,734
Cash Flows from Non-capital Financing Activities				
Transfers to Other Funds	(110,197)	(483,202)	-	(593,399)
Transfers from Other Funds	-	423,604	-	423,604
Net Cash Provided by Noncapital Financing Activities	(110,197)	(59,599)	-	(169,795)
Cash Flows from Capital and Related Financing Activities				
Principal Payments	(356,834)	-	-	(356,834)
Interest Expense	(430,640)	-	-	(430,640)
Major Repairs and Replacements	(90,721)	-	-	(90,721)
Purchase of Capital Assets	-	-	-	-
Loan Fees	(4,500)	-	-	(4,500)
Net Cash Used in Capital and Related Financing Activities	(882,695)	-	-	(882,695)
Cash Flows from Investing Activities				
Proceeds from Sale of Investments	498,500	-	-	498,500
Interest Received	72	-	-	72
Net Cash Used in Investing Activities	498,572	-	-	498,572
Net Increase (Decrease) in Cash and Cash Equivalents	846,314	(150,497)	-	695,817
Cash, Beginning of Year	406,085	270,631	52,930	729,646
Cash, End of Year	<u>\$ 1,252,399</u>	<u>\$ 120,134</u>	<u>\$ 52,930</u>	<u>\$ 1,425,463</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 706,786	\$ (90,831)	\$ -	\$ 615,955
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	600,675	-	-	600,675
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	17,978	-	-	17,978
Increase (Decrease) in Net Pension Liability	12,995	-	-	12,995
(Increase) Decrease in Prepaid Items	-	-	-	-
Increase (Decrease) in Accounts Payable	13,823	(4)	-	13,819
Increase (Decrease) in Accrued Expenses	(7,262)	(64)	-	(7,326)
Increase (Decrease) in Unearned Revenues	(3,649)	-	-	(3,649)
Increase (Decrease) in Deposits	(713)	-	-	(713)
Total Adjustments	633,847	(68)	-	633,779
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,340,633</u>	<u>\$ (90,899)</u>	<u>\$ -</u>	<u>\$ 1,249,734</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) -
Village Court Apartments
For the Fiscal Year ended December 31, 2015**

	<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	\$ 2,225,944	\$ 2,225,944	\$ 2,264,605	\$ 38,661
Other	89,225	89,225	72,856	(16,369)
Total Operating Income	<u>2,315,169</u>	<u>2,315,169</u>	<u>2,337,461</u>	<u>22,292</u>
Operating Expenditures				
Office Operations	197,348	187,601	204,744	17,143
General and Administrative	144,276	111,166	111,240	74
Utilities	423,524	393,523	348,609	(44,914)
Repairs and Maintenance	374,355	374,300	365,407	(8,893)
Contingency	13,575	11,903	-	(11,903)
Total Operating Expenditures	<u>1,153,079</u>	<u>1,078,493</u>	<u>1,030,000</u>	<u>(48,493)</u>
Excess of Operating Revenues Over Operating Expenditures	<u>1,162,089</u>	<u>1,236,676</u>	<u>1,307,461</u>	<u>70,785</u>
Nonoperating Revenues (Expenditures)				
Interest Revenue	1,500	1,500	72	(1,428)
Interest Expense	(430,640)	(396,611)	(480,291)	(83,680)
Loan Fees	-	-	(4,500)	(4,500)
Major Repairs and Replacements	(218,021)	(123,702)	(90,721)	32,981
Capital Outlay	-	-	-	-
Debt Principal Payments	(356,834)	(390,863)	(356,834)	34,029
Total Nonoperating Revenues (Expenditures)	<u>(1,003,995)</u>	<u>(909,676)</u>	<u>(932,274)</u>	<u>(22,598)</u>
Transfers Out	(113,084)	(105,444)	(105,444)	-
Transfers In	-	-	-	-
Total Operating Transfers	<u>(113,084)</u>	<u>(105,444)</u>	<u>(105,444)</u>	<u>-</u>
Net Change in Working Capital	45,010	221,556	269,744	48,188
Working Capital, Beginning of Year	<u>59,130</u>	<u>75,353</u>	<u>21,194</u>	<u>(54,159)</u>
Working Capital, End of Year	<u>\$ 104,140</u>	<u>\$ 296,909</u>	<u>290,938</u>	<u>\$ (5,971)</u>
Add (Deduct):				
Prior Period Adjustment - Change in Accounting Principle			(313,435)	
Depreciation and Amortization			(600,675)	
Debt Principal			356,834	
Capital Outlay			-	
Carryover from Prior Years			<u>(1,258,864)</u>	
Net Position, End of Year, GAAP Basis			<u>\$ (1,525,202)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sale/Rental Proceeds	\$ 12,778	\$ 12,778	\$ 12,579	\$ (200)
Expenditures				
Operating Expenditures	87,138	109,638	103,409	(6,229)
Total Expenditures	87,138	109,638	103,409	(6,229)
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Transfers	(74,360)	(96,860)	(90,831)	6,029
Transfers				
Transfers In	339,889	406,750	423,604	16,854
Transfer Out	(468,430)	(468,430)	(483,202)	(14,772)
Total Transfers In (Out)	(128,541)	(61,680)	(59,599)	2,081
Net Change in Working Capital	(202,901)	(158,540)	(150,429)	8,111
Working Capital, Beginning of Year	(293,812)	120,447	(1,397,906)	(1,518,353)
Working Capital, End of Year	<u>\$ (496,713)</u>	<u>\$ (38,093)</u>	(1,548,335)	<u>\$ (1,510,242)</u>
Add (Deduct):				
Carryover from Prior Years			2,346,733	
Net Position, End of Year, GAAP Basis			<u>\$ 798,398</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Mortgage Assistance	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Transfers	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Transfers				
Transfers In	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net Change in Working Capital	-	-	-	-
Working Capital, Beginning of Year	<u>-</u>	<u>-</u>	<u>5,572</u>	<u>5,572</u>
Working Capital, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>5,572</u>	<u>\$ 5,572</u>
Add (Deduct):				
Notes Receivable			30,000	
Carryover from Prior Years			<u>181,358</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 216,930</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, 2015

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues				
Charges for Services	\$ 2,252,992	\$ 2,280,992	\$ 2,439,540	\$ 158,548
Operating Expenditures				
Operating Costs	1,602,375	1,535,479	1,414,788	(120,691)
Excess of Operating Revenues Over Operating Expenditures	650,617	745,513	1,024,752	279,239
Nonoperating Revenues (Expenditures)				
Capital Outlay	(2,824,383)	(2,373,738)	(1,756,814)	616,924
Grants and Contributions	40,075	132,572	173,002	40,430
Total Nonoperating Revenues (Expenditures)	(2,784,308)	(2,241,166)	(1,583,812)	657,354
Transfers Out	(122,143)	(127,164)	(127,164)	-
Net Change in Working Capital	(2,255,834)	(1,622,817)	(686,224)	936,593
Working Capital, Beginning of Year	1,819,696	1,224,553	2,689,101	1,464,548
Working Capital, End of Year	<u>\$ (436,138)</u>	<u>\$ (398,264)</u>	2,002,877	<u>\$ 2,401,141</u>
Add (Deduct):				
Prior Period Adjustment - Change in Accounting Principle			(455,324)	
Depreciation			(627,070)	
Capital Outlay			1,756,814	
Carryover from Prior Years			9,184,859	
Net Position, End of Year, GAAP Basis			<u>\$ 11,862,156</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, 2015

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
Operating Revenues				
Operating Contributions	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Operating Expenditures				
Operating Costs	147,729	183,335	193,103	9,768
Excess (Deficiency) of Operating Revenues				
Over (Under) Operating Expenditures	(147,729)	(183,335)	(193,103)	(9,768)
Nonoperating Expenditures				
Capital Outlay	(20,000)	(20,000)	-	20,000
Non-Operating Revenues (Expenses)	(20,000)	(20,000)	-	20,000
Transfers				
Transfers In	167,729	203,335	193,103	(10,232)
Total Operating Transfers	167,729	203,335	193,103	(10,232)
Working Capital, Beginning of Year	1,318	1,318	1,318	-
Working Capital, End of Year				
End of Year	\$ 1,318	\$ 1,318	1,318	\$ -
Add (Deduct):				
Depreciation			(302,037)	
Capital Outlay			-	
Carryover from Prior Years			4,170,313	
Net Position, End of Year, GAAP Basis			\$ 3,869,594	

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) -
Broadband Enterprise Fund
For the Fiscal Year ended December 31, 2015

	<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	\$ 1,686,595	\$ 1,720,467	\$ 1,717,541	\$ (2,926)
Total Revenues	1,686,595	1,720,467	1,717,541	(2,926)
Operating Expenditures				
Cost of Sales and Services	1,327,099	1,346,136	1,384,582	(38,446)
Contingency	3,000	3,000	-	3,000
Total Expenditures	1,330,099	1,349,136	1,384,582	(35,446)
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	356,497	371,331	332,959	(38,372)
Nonoperating Expenditures				
Capital Outlay	(67,500)	(127,500)	(125,976)	1,524
Total Non-Operating Expenditures	(67,500)	(127,500)	(125,976)	1,524
Transfers				
Transfers Out	(338,997)	(293,831)	(264,162)	29,669
Net Change in Working Capital	(50,000)	(50,000)	(57,179)	(7,179)
Working Capital, Beginning of Year	191,092	141,042	141,042	-
Working Capital, End of Year	<u>\$ 141,092</u>	<u>\$ 91,042</u>	83,863	<u>\$ (7,179)</u>
Add (Deduct):				
Prior Period Adjustment - Change in Accounting Principle			(293,184)	
Capital Outlay			125,976	
Depreciation			(156,692)	
Carryover from Prior Years			668,335	
Net Position, End of Year, GAAP Basis			<u>\$ 428,298</u>	

See the accompanying independent auditor's report.

Town of Mountain Village
Combining Statement of Net Position -
Nonmajor Enterprise Funds
December 31, 2015

	Child Development	Parking Services	Total
Current Assets			
Cash	\$ 100	\$ 100	\$ 200
Accounts Receivable	19,227	42,600	61,827
Accrued Revenues	-	1,845	1,845
	<hr/>	<hr/>	<hr/>
Total Current Assets	19,327	44,545	63,872
	<hr/>	<hr/>	<hr/>
Capital Assets			
Buildings and Improvements	199,368	-	199,368
Vehicles and Equipment	27,650	-	27,650
Regional Communications System	-	-	-
Less Accumulated Depreciation	(141,490)	-	(141,490)
	<hr/>	<hr/>	<hr/>
Total Capital Assets	85,528	-	85,528
	<hr/>	<hr/>	<hr/>
Total Assets	104,855	44,545	149,400
	<hr/>	<hr/>	<hr/>
Deferred Outflow of Resources - Related to Pensions	61,797	-	61,797
	<hr/>	<hr/>	<hr/>
Current Liabilities			
Accounts Payable	3,413	9,048	12,461
Due to Pooled Cash	1,113	34,115	35,228
Accrued Expenses	5,181	1,381	6,562
Unearned Revenue	9,620	-	9,620
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	19,327	44,545	63,872
	<hr/>	<hr/>	<hr/>
Noncurrent Liabilities			
Net Pension Liability	464,759	-	464,759
	<hr/>	<hr/>	<hr/>
Total Liabilities	484,086	44,545	528,631
	<hr/>	<hr/>	<hr/>
Deferred Inflow of Resources - Related to Pensions	1,376	-	1,376
	<hr/>	<hr/>	<hr/>
Net Position			
Net Investment in Capital Assets	85,528	-	85,528
Unrestricted	(404,338)	-	(404,338)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ (318,809)	\$ -	\$ (318,809)
	<hr/>	<hr/>	<hr/>

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, 2015**

	Child Development	Parking Services	Total
Operating Revenues			
Charges for Sales and Services	\$ 441,422	\$ 494,359	\$ 935,781
Operating Grants and Contributions	38,499	7,732	46,231
Total Operating Revenues	<u>479,921</u>	<u>502,091</u>	<u>982,012</u>
Operating Expenses			
Cost of Sales and Services	553,015	280,298	833,312
Depreciation Expense	<u>19,473</u>	<u>-</u>	<u>19,473</u>
Total Operating Expenses	<u>572,488</u>	<u>280,298</u>	<u>852,786</u>
Operating Gain (Loss)	<u>(92,567)</u>	<u>221,793</u>	<u>129,226</u>
Non-operating Revenues (Expenses)			
Grant Proceeds	-	-	-
Pension Expense	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Profit/Loss Before Capital Contributions and Transfers	(92,567)	221,793	129,226
Transfers			
Transfers In	59,902	-	59,902
Transfers Out	<u>-</u>	<u>(221,793)</u>	<u>(221,793)</u>
Total Operating Transfers	<u>59,902</u>	<u>(221,793)</u>	<u>(161,891)</u>
Changes in Net Position	(32,665)	-	(32,665)
Net Position, Beginning of Year	105,002	-	105,002
Prior Period Adjustment - Change in Accounting Principle	<u>(391,146)</u>	<u>-</u>	<u>(391,146)</u>
Net Position, Beginning of Year as Re-stated	<u>(286,144)</u>	<u>-</u>	<u>(286,144)</u>
Net Position, End of Year	<u><u>\$ (318,809)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (318,809)</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, 2015

	Child Development	Parking Services	Total
Cash Flows From Operating Activities:			
Operating Contributions	\$ 38,499	\$ 7,732	\$ 46,231
Cash Receipts	441,017	482,960	923,977
Payments to Suppliers	(231,587)	(191,808)	(423,395)
Payments to Employees	(312,826)	(77,290)	(390,116)
Net Cash Used in Operating Activities	<u>(64,897)</u>	<u>221,593</u>	<u>156,696</u>
Cash Flows from Non-capital Financing Activities:			
Transfers (to)/from Other Funds	<u>59,902</u>	<u>(221,793)</u>	<u>(161,891)</u>
Net Cash Provided by Noncapital Financing Activities	<u>59,902</u>	<u>(221,793)</u>	<u>(161,891)</u>
Cash Flows from Capital and Related Activities			
Purchase of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Used in Capital and Related Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,995)	(200)	(5,195)
Cash and Cash Equivalents, Beginning of Year	<u>5,095</u>	<u>301</u>	<u>5,396</u>
End of Year	<u><u>\$ 100</u></u>	<u><u>\$ 101</u></u>	<u><u>\$ 201</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating Gain (Loss)	(92,567)	221,793	129,226
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities			
Depreciation	19,473	-	19,473
(Increase) Decrease in Accounts Receivable	(3,821)	(11,896)	(15,717)
(Increase) Decrease in Prepaid Items	-	-	-
Increase (Decrease) in Unearned Revenues	3,416	-	3,416
Increase (Decrease) in Net Pension Liability	13,192	-	13,192
Increase (Decrease) in Accrued Revenues	-	497	497
Increase (Decrease) in Accounts Payable and Accrued Expenses	(4,590)	11,199	6,609
Net Cash Used in Operating Activities	<u><u>\$ (64,897)</u></u>	<u><u>\$ 221,593</u></u>	<u><u>\$ 156,696</u></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) -**

Parking Services Fund

For the Fiscal Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions:				
Contributions/Shared Expense from Other Entities	\$ 18,500	\$ 18,500	\$ 7,732	\$ (10,768)
Other Revenues:				
Parking Permits	12,000	12,000	16,995	4,995
Parking Fines	13,000	13,000	52,769	39,769
Parking Revenues	<u>273,950</u>	<u>273,950</u>	<u>424,595</u>	<u>150,645</u>
Total Revenues	<u>317,450</u>	<u>317,450</u>	<u>502,091</u>	<u>184,641</u>
Expenditures				
Parking Services	159,472	150,673	118,521	(32,152)
Gondola Parking Garage	64,405	57,225	37,424	(19,801)
Surface Lots	29,260	31,260	21,344	(9,916)
Heritage Parking Garage	93,325	101,325	102,009	684
Meadows Parking	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total Expenditures	<u>346,462</u>	<u>340,483</u>	<u>280,298</u>	<u>(60,185)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(29,012)</u>	<u>(23,033)</u>	<u>221,793</u>	<u>244,826</u>
Nonoperating (Expenditures) Revenues				
Capital Outlay	(22,800)	(22,800)	-	22,800
Transfers from Other Funds	80,783	76,118	-	(76,118)
Transfers to Other Funds	<u>(28,971)</u>	<u>(30,285)</u>	<u>(221,793)</u>	<u>(191,508)</u>
Other Financing Sources (Uses), Net	<u>29,012</u>	<u>23,033</u>	<u>(221,793)</u>	<u>(244,826)</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for Services	\$ 443,543	\$ 433,456	\$ 441,422	\$ 7,966
Grant Proceeds	40,000	42,000	38,499	(3,501)
Total Revenues	<u>483,543</u>	<u>475,456</u>	<u>479,921</u>	<u>4,465</u>
Operating Expenditures				
Operating Costs	<u>604,750</u>	<u>590,306</u>	<u>553,015</u>	<u>(37,291)</u>
Deficiency of Operating Revenues Under Operating Expenditures	(121,208)	(114,850)	(73,094)	41,756
Nonoperating (Expenditures) Revenues				
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating (Expenditures) Revenues, Net	-	-	-	-
Transfers In	<u>121,208</u>	<u>114,850</u>	<u>59,902</u>	<u>(54,948)</u>
Net Change in Working Capital	-	-	(13,192)	(13,192)
Working Capital, Beginning of Year	<u>4,692</u>	<u>4,692</u>	<u>4,692</u>	<u>-</u>
Working Capital, End of Year	<u>\$ 4,692</u>	<u>\$ 4,692</u>	(8,500)	<u>\$ -</u>
Add (Deduct):				
Prior Period Adjustment - Change in Accounting Principle			(391,146)	
Depreciation			(19,473)	
Carryover from Prior Years			<u>100,310</u>	
Net Position, End of Year, GAAP Basis			<u>\$ (318,810)</u>	

See the accompanying independent auditor's report.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Mountain Village
		YEAR ENDING : December 2015
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
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	460,110
3. Other local imposts (from page 2)	318,755
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)	778,865
B. Private Contributions	-
C. Receipts from State government (from page 2)	64,724
D. Receipts from Federal Government (from page 2)	-
E. Total receipts (A.7 + B + C + D)	843,589

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	-
2. Maintenance:	692,256
3. Road and street services:	
a. Traffic control operations	-
b. Snow and ice removal	151,334
c. Other	-
d. Total (a. through c.)	151,334
4. General administration & miscellaneous	-
5. Highway law enforcement and safety	-
6. Total (1 through 5)	843,589
B. Debt service on local obligations:	
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)	-
C. Payments to State for highways	-
D. Payments to toll facilities	-
E. Total disbursements (A.6 + B.3 + C + D)	843,589

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	843,589	843,589	-	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2015	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	252,776	a. Interest on investments	-
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	65,979	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.)	65,979	h. Other	-
c. Total (a. + b.)	318,755	i. Total (a. through h.)	-
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	59,105	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	5,619	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.)	5,619	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	64,724	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	-	-	-
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)

Notes and Comments:

TOWN OF MOUNTAIN VILLAGE

Statistical Section

December 31, 2015

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.

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TOWN OF MOUNTAIN VILLAGE
Net Position by Component
Last Ten Years

TABLE A-1

	<u>2015</u>	<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>
Governmental Activities:										
Net Investment in Capital Assets	\$ 30,763,276	\$ 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
Restricted for:										
Debt Service	743,941	750,647	734,651	1,033,003	1,056,461	1,023,210	1,293,186	1,097,281	1,107,026	-
Emergencies	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800
Unrestricted	2,878,480	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
Total Net Position	<u>34,936,921</u>	<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>
Business-type Activities:										
Net Investment in Capital Assets	12,230,261	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
Restricted for:										
Capital Projects	-	-	-	-	-	-	295,466	974,936	-	-
Debt Service	850,160	850,023	450,000	450,077	450,062	453,806	449,231	-	450,958	449,057
Unrestricted	2,250,944	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
Total Net Position	<u>15,331,365</u>	<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>
Primary Government:										
Net Investment in Capital Assets	42,993,537	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
Restricted for:										
Debt Service	1,594,102	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
Capital Projects	-	-	-	-	-	-	295,466	974,936	-	-
Emergencies	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800
Unrestricted	5,129,424	11,361,392	9,424,239	6,767,176	5,498,443	3,223,652	1,504,658	19,208,476	21,218,966	3,673,559
Total Net Position	<u>50,268,285</u>	<u>54,247,697</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>

TOWN OF MOUNTAIN VILLAGE
Changes in Net Position
Last Ten Years

TABLE A-2

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Primary Government:										
Program Expenses:										
Governmental Activities:										
General Government	\$ 12,733,573	\$ 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
Public Safety	899,441	926,589	1,211,029	930,812	941,734	956,624	1,002,641	991,345	859,608	1,020,769
Culture and Recreation	485,452	487,552	430,976	623,271	673,324	685,898	491,755	349,280	800,525	94,912
Economic Development	2,681,472	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
Intergovernmental	-	-	-	-	-	-	-	441,801	-	2,576,666
Total Governmental Activities Expenses	16,799,937	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
Business-type Activities:										
Housing Authority	2,309,596	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
Water & Sewer	2,041,858	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	495,140	416,111	416,067	449,473	442,267	539,740	1,042,216	1,149,843	1,277,256	-
Daycare Program	572,489	567,180	563,955	574,001	569,756	582,369	433,154	371,074	312,071	261,337
Parking Services	280,298	328,928	288,821	259,665	354,796	307,891	-	-	-	-
Cable TV	1,541,273	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
Total Business-type Activities Expenses	7,240,654	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
Total Primary Government Expenses	24,040,591	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
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	463,438	332,853	598,790	686,119	820,898	756,085	679,083	1,353,068	1,321,481	2,154,506
Public Safety	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580	80,714
Transportation	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473	-	-
Economic Development	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396	174,225
Total Charges for Services	1,314,128	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
Operating Grants and Contributions	3,677,500	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
Capital Grants and Contributions	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081	7,035,980	53,160
Total Governmental Activities Program Revenues	5,955,896	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
Business-type Activities:										
Housing Authority:										
Charges for Services	2,277,184	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
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	291,807
Capital Grants and Contributions	-	-	-	147,708	732,292	-	-	-	1,100,000	872,200
Water & Sewer										
Charges for Services	2,439,540	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	173,002	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	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145	142,242	129,478
Operating Grants and Contributions	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252	400	131,859
Capital Grants and Contributions	-	9,240	-	-	-	32,050	159,724	-	-	-
Broadband										
Charges for Services	1,717,541	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	494,359	376,729	311,311	272,803	251,935	170,877	-	-	-	-
Operating Grants and Contributions	7,732	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
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	7,589,279	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
Total Primary Government Program Revenues	13,545,174	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

Table A-2 (Continued)

Net (Expense)/Revenues:										
Governmental Activities	(10,844,042)	(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)
Business-type Activities	<u>348,624</u>	<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>
Total Primary Government Net Expense	<u>(10,495,417)</u>	<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>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	7,070,688	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
Specific Ownership	303,008	287,077	258,341	219,426	211,892	211,838	227,304	261,106	283,270	35,559
Sales and Use	4,394,807	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
Lodging	1,502,265	1,203,169	1,082,424	872,113	871,063	782,576	661,853	767,514	718,457	765,480
Restaurant	367,006	314,825	274,993	246,473	243,948	224,278	205,006	207,566	200,032	205,520
Miscellaneous	114,614	144,401	126,629	116,976	152,874	107,955	471,785	175,243	121,898	13,672
Grants and Contributions Not Restricted to Specific Programs	40,534	43,990	-	-	-	-	2,575,862	-	99,616	98,458
Interest Earnings	62,211	94,542	9,122	65,634	56,860	87,025	55,183	924,678	1,215,081	120,589
Gain on Sale of Capital Assets	-	-	-	-	7,807	-	95,000	81,459	165,913	8,400
Transfers	<u>495,157</u>	<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>
Total Governmental Activities General Revenues	<u>14,350,289</u>	<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>
Business-type Activities:										
Miscellaneous	72,856	389,133	384,538	352,202	308,442	246,270	210,632	-	50,721	-
Investment Earnings	72	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	-
Contributions	-	-	-	-	-	-	-	-	-	-
Transfers	<u>(495,157)</u>	<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>
Total Business-type Activities General Revenues	<u>(422,228)</u>	<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>
Total Primary Government General Revenues and Transfers	<u>13,928,061</u>	<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>12,480,514</u>	<u>12,993,674</u>	<u>12,480,514</u>	<u>5,689,887</u>
Change in Net Position:										
Governmental Activities	3,506,247	2,543,555	3,450,126	859,307	1,323,876	1,032,794	(709,721)	116,296	5,017,622	(215,755)
Business-type Activities	<u>(73,604)</u>	<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>
Total Primary Government	<u>\$ 3,432,644</u>	<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>

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

TABLE A-3

Function/Program:	<u>2015</u>	<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>
Governmental Activities:										
General Government	\$ 463,438	\$ 332,853	\$ 598,790	\$ 686,119	\$ 820,898	\$ 756,085	\$ 679,083	\$ 1,353,068	\$ 1,321,481	\$ 2,154,506
Public Safety	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580	80,714
Parking & Transportation	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473	-	-
Economic Development	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396	174,225
Operating Grants and Contributions	3,677,500	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
Capital Grants and Contributions	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081	7,035,980	53,160
Total Governmental Activities	<u>5,955,896</u>	<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>
Business-type Activities:										
Housing Authority:										
Charges for Services	2,277,184	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
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	291,807
Capital Grants and Contributions	-	-	-	147,708	732,292	-	-	-	1,100,000	872,200
Water & Sewer										
Charges for Services	2,439,540	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	173,002	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	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145	142,242	129,478
Operating Grants and Contributions	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252	400	131,859
Capital Grants and Contributions	-	9,240	-	-	-	32,050	159,724	-	-	-
Broadband										
Charges for Services	1,717,541	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	494,359	376,729	311,311	272,803	251,935	170,877	-	-	-	-
Operating Grants and Contributions	7,732	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
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	<u>7,589,279</u>	<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>
Total Primary Government	<u>\$ 13,545,174</u>	<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>

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

TABLE A-4

	<u>2015</u>	<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>
General Fund:										
Restricted for:										
Long-term Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,837	\$ -
Emergencies	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800
Non-spendable	287,930	322,325	395,397	34,385	251,876	325,498	-	-	-	-
Unassigned	8,146,194	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
Total Fund Balance	<u>8,985,348</u>	<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>
All Other Governmental Funds:										
Restricted for:										
Debt Service	743,941	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	157,316	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>901,257</u>	<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>
Total Governmental Funds										
Restricted for:										
Long-term Receivables	-	-	-	-	-	-	-	-	165,837	-
Debt Service	743,941	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	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800
Non-spendable	287,930	322,325	395,397	34,385	251,876	325,498	-	-	-	-
Assigned	157,316	91,938	20,346	102,710	48,623	11,424	-	-	-	-
Unassigned, Reported in:										
General Fund	8,146,194	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
Other Funds	-	-	-	-	-	-	-	15,428,143	-	-
Total Fund Balances	<u>\$ 9,886,605</u>	<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>
Percent change from previous year	<u>24.3%</u>	<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>

(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>2015</u>	<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>
Revenues:										
Taxes	\$ 13,637,774	\$ 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
Licenses and Permits	631,681	545,126	762,552	417,710	432,166	464,527	549,088	961,058	1,190,759	1,341,110
Intergovernmental	375,754	363,555	440,285	415,315	455,538	445,252	401,778	441,801	413,890	450,317
Charges for Services	357,801	284,648	736,705	441,139	494,218	554,579	509,067	1,036,903	1,029,581	1,037,114
Fines and Forfeitures	7,146	4,093	2,725	(558)	5,156	25,578	121,117	54,896	79,975	17,370
Investment Earnings	62,211	94,543	41,151	65,634	56,860	87,025	55,183	919,904	144,589	120,589
Grants and Contributions	4,583,515	4,346,616	3,968,785	3,769,206	3,875,430	3,861,383	6,125,502	7,121,147	-	-
Miscellaneous	114,614	97,266	108,789	142,742	152,874	115,770	471,785	179,243	461,723	13,851
Total Revenue	<u>19,770,495</u>	<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>
Expenditures:										
Current:										
General Government	9,362,252	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
Public Safety	811,016	714,239	765,603	838,821	850,149	870,536	1,002,641	954,082	768,222	1,014,081
Culture and Recreation	485,452	487,552	434,215	574,777	673,324	685,898	491,755	347,373	604,961	94,912
Economic Development	2,681,472	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
Intergovernmental	-	-	-	-	-	-	-	-	-	2,576,666
Capital Outlay	1,343,475	954,735	952,990	163,233	425,183	376,793	3,558,299	3,317,780	620,862	1,045,196
Debt service:										
Administrative Charges	119,254	113,844	114,780	114,912	140,822	90,412	-	-	-	-
Bond Issuance Costs	-	120,673	-	-	-	-	-	-	-	-
Principal	2,815,000	3,185,000	2,495,000	2,400,000	2,140,000	1,840,000	14,200,000	2,000,000	298,250	-
Interest	756,186	941,225	1,033,300	1,122,098	1,190,754	1,306,384	1,079,230	2,055,093	-	-
Total Expenditures	<u>18,374,106</u>	<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>
Excess of Revenues Over (Under) Expenditures	<u>1,396,389</u>	<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>
Other Financing Sources (Uses):										
Transfers In	1,710,628	1,579,663	1,787,359	856,571	890,208	611,163	1,677,264	2,340,072	2,670,177	76,564
Transfers Out	(1,215,471)	(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)
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	40,534	43,990	1,685	5,563	7,807	-	95,000	81,459	157,913	8,400
Total Other Financing Sources (Uses)	<u>535,690</u>	<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>
Net Change in Fund Balances	<u>\$ 1,932,079</u>	<u>\$ 562,332</u>	<u>\$ 2,395,698</u>	<u>\$ 524,945</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>
Debt Service as a Percent of Non-capital Expenditures	<u>21.0%</u>	<u>24.4%</u>	<u>21.0%</u>	<u>21.3%</u>	<u>20.4%</u>	<u>19.1%</u>	<u>52.9%</u>	<u>18.9%</u>	<u>3.0%</u>	<u>0.0%</u>

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

TABLE A-6

Year	Property	Specific Ownership	Sales	Use and Cigarette	Lodging	Restaurant	Penalties and Interest	Total
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
2015	7,055,375	303,008	3,812,811	570,271	1,502,265	367,006	27,037	13,637,774
Change								
2006-2015	724.5%	752.1%	66.9%	-55.2%	96.3%	78.6%	649.2%	151.5%
2006-2013	799.2%	626.5%	29.4%	-3.4%	41.4%	33.8%	649.0%	149.4%
2011-2015	-15.2%	43.0%	54.1%	112.6%	72.5%	50.4%	-38.6%	9.7%

(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

Year	Water and Sewer Fund User Fees	Water System Development User (Tap) Fees	Broadband Fund User Fees	Child Development Fund User Fees	Parking Services Fund User Fees	Telluride Conference Center Fund User Fees	Total User Fees
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
2015	2,439,540	173,002	1,717,541	441,422	494,359	-	5,265,864

Town of Mountain Village
Enterprise Fund Expenses
Last Ten Years

TABLE A-8

	Operations					Capital Outlay					Total Expenses
	Water and Sewer Fund	Broadband Fund	Child Development Fund	Parking Services Fund	Telluride Conference Center Fund	Water and Sewer Fund	Broadband Fund	Child Development Fund	Telluride Conference Center Fund		
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	9,240	33,648	4,061,940	
2015	1,414,788	1,384,582	553,015	280,298	193,103	1,756,814	125,976	-	-	5,708,576	

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

TABLE B-1

Collection Year	Assessment Year		Vacant Property		Residential Property		Commercial Property		Personal Property		State Assessed	Less: Tax-Exempt Property	Total Taxable Actual Value	Total Direct Tax Rate	Estimated Assessed Taxable Value	Taxable Estimated Assessed Value as a % of Actual Total Taxable Value
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	13.460	266,407,970	9.4%
2016	2015		228,599,611		2,466,526,089		89,150,287		20,755,650		674,965	41,832,526	2,763,874,076	13.447	294,538,840	10.7%

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						
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						
2016	13.114	-	0.333	13.447	13.052	2.855	10.120	3.661	11.332	0.049	0.340	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:

2007	25.401	2012	24.441
2008	22.605	2013	24.302
2009	21.493	2014	26.810
2010	20.926	2015	26.512
2011	22.398	2016	26.499

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

TABLE B-3

Taxpayer	Type of Business	2015			2006		
		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	\$ 16,614,050	1	5.6%	\$ 15,372,285	1	6.2%
MV Colorado Development	Real Estate Developer	6,525,000	2	2.2%	-		0.0%
Madeline Property Owner LLC (1)	Hotel/Condominium Units	6,114,630	3	2.1%	1,704,930	9	0.7%
Butler, Alice L as Trustee	Private Property Owner	3,159,420	4	1.1%	2,290,540	8	0.9%
AMMV Investments, LLC / Club Telluride LLC	Residential Ownership Club	2,500,360	5	0.8%	4,779,990	3	1.9%
Yellow Brick Road Company LLC	Private Property Owner	2,320,000	6	0.8%	-		0.0%
CO Lot 161C R Mountain	Real Estate Developer	1,827,000	7	0.6%	-		0.0%
Northern Trust NA AS TRTEE ET AL	Financial Institution	1,726,640	8	0.6%	-		0.0%
Telluride LLC	Private Property Owner	1,476,880	9	0.5%	-		0.0%
Telluride Holdings LLC	Real Estate Investment Group	1,160,000	10	0.4%			
Exclusive Resorts	Residential Ownership Club	-		0.0%	2,333,540	7	0.9%
Stonegate Sundance Partners, LLC	Real Estate Developer	-		0.0%	4,387,430	4	1.8%
Peaks Resort and Spa (Telluride Resort and Spa LLC)	Hotel and Spa	-		0.0%	5,579,420	2	2.3%
Barnett, Hoyt and Carol	Private Property Owner	-		0.0%	1,723,530	9	0.7%
St. Sophia Partners, LLLP	Real Estate Developer	-		0.0%	2,561,880	6	1.0%
Honig Aviation	Real Estate Developer	-		0.0%	2,954,180	5	1.2%
Subtotal Principal Taxpayers		43,423,980		14.6%	43,687,725		17.7%
All Other Taxpayers		254,001,500		85.4%	202,457,996		82.3%
Total Taxpayers		\$ 297,425,480		100.0%	\$ 246,145,721		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>
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%
2015	2014		7,063,008	7,060,595	99.97%	-	7,060,595	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

Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Actual Property Value (1)	Per Capita (2)	Per Personal Income
	General Obligation Bonds, Net (1)		Revenue Bonds	Note Payable				
2006	\$ 48,485,000	\$	13,265,000	\$ 1,200,000	\$ 62,950,000	3.1%	\$ 54,644	\$ 1,185
2007	46,145,000		13,265,000	1,171,056	60,581,056	2.9%	50,908	1,098
2008	44,145,000		13,265,000	1,152,591	58,562,591	2.4%	45,645	1,102
2009	29,945,000		13,020,000	1,132,898	44,097,898	1.7%	33,637	874
2010	28,105,000		13,020,000	1,110,691	42,235,691	1.3%	32,167	904
2011	26,090,000		12,840,000	1,088,946	40,018,946	1.2%	30,089	802
2012	23,565,000		12,650,000	1,066,251	37,281,251	1.3%	27,698	724
2013	21,070,000		12,450,000	1,042,247	34,562,247	1.4%	25,470	602
2014	18,190,000		12,340,000	1,017,055	31,547,055	1.3%	22,893	522
2015	15,375,000		12,340,000	660,221	28,375,221	1.2%	20,347	465

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, 2015

TABLE C-2

Governmental Unit	2015 Valuation	Bond Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Library District R-1	\$ 743,809,750	\$ 1,365,000	39.6%	\$ 540,522
Telluride Fire District	743,809,750	2,967,359	39.6%	1,175,035
Subtotal		4,332,359		1,715,557
Mountain Village Metropolitan District, a unit of the Town of Mountain Village	294,538,840	15,375,000 (1)	100.0%	15,375,000
Total Direct and Overlapping Debt		\$ <u>19,707,359</u>		\$ <u>17,090,557</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 (1) For the purposes of debt service, Mountain Village Metropolitan District has been kept in existence until all debt service is retired.

Last Ten Years

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

	<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>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)	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>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>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	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	47,267	332,996,015	901	4.3%
2006	1,190	-	-	8,027	7,059	53,114	374,931,726	929	3.5%
2007	1,283	-	-	8,027	7,276	55,174	401,446,024	1,011	3.1%
2008	1,311	-	-	8,027	7,304	53,120	387,988,480	1,010	3.9%
2009	1,274	-	-	8,027	7,267	50,432	347,558,809	973	6.6%
2010	1,313	45,520	59,767,117	8,027	7,356	46,709	358,998,071	954	7.6%
2011	1,330	-	-	8,027	7,487	49,889	288,524,311	1,032	7.8%
2012	1,346	-	-	8,027	7,601	51,476	391,269,076	738	7.3%
2013	1,357	-	-	8,027	7,683	57,405	321,051,257	863	6.4%
2014	1,378	-	-	8,027	7,823	60,426	391,266,354	835	6.0%
2015	1,395	-	-	8,027	7,948	61,030	485,078,760	907	2.5%

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 Ten Years

TABLE D-2

2015				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,058	78.21%	1
Town of Mountain Village	Government	132	9.74%	2
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	163	12.05%	3
Total		1,353		
2014				
Employer	Type of Business	Employees	% of Total Employment	Rank
Telluride Ski and Golf Company (1)	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 (1)	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		

(1) In 2013, TSG purchased the Inn at Lost Creek and in 2015, The Peaks Resort and Spa.

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>Planning and Development</u>	<u>Housing Authority</u>	<u>Daycare Program</u>	<u>Administration</u>	<u>Road & Bridge</u>	<u>Parking & Transit</u>	<u>Plaza Services Parks & Recreation</u>	<u>Gondola</u>	<u>Water & Sewer</u>	<u>Broadband Fund</u>	<u>Conference Center</u>	<u>Total</u>
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
2015	3.50	9.00	6.10	6.15	8.50	9.50	12.00	4.80	16.30	45.40	6.50	4.00	0.00	131.75

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:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General:										
Business Licenses Issued (5)	1,101	1,043	1,038	1,035	944	778	640	648	670	636
Business Licenses Revenue	\$ 281,898	\$ 270,572	\$ 268,235	\$ 245,933	\$ 228,506	201,719	\$ 187,160	\$ 185,476	196,126	\$ 171,930
Skier Days (1)	505,592	478,211	454,259	424,822	423,927	420,621	454,257	450,730	426,244	390,346
Real Estate Transfer Assessments (RETA)	\$ 5,416,271	\$ 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
Community Development:										
Construction Permits Issued	341	93	128	127	303	87	75	192	209	190
Building Permits Valuation	\$ 34,723,371	\$ 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
Housing Authority										
Occupancy Rate	99.36%	95.53%	87.16%	81.56%	81.36%	85.92%	81.82%	90.68%	N/A	N/A
Public Works:										
Street Resurfacing (miles)	1.00	1.06	3.30	1.50	0.00	5.00	1.80	1.90	1.73	2.40
Water:										
Average Daily Consumption (gallons)	619,452	530,348	644,682	686,717	695,070	545,099	479,431	439,688	427,441	504,638
Wastewater:										
Average Daily Sewage Treatment (gallons)	232,521	240,565	223,572	212,085	218,071	212,312	222,784	232,342	236,534	232,921
Transit:										
Gondola Passengers	2,617,642	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
Dial A Ride Passengers	74,008	48,172	26,887	59,280	66,973	61,411	52,439	63,935	63,097	55,163
Broadband Services:										
Cable TV Subscribers	1,685	1,560	1,423	1,412	1,448	1,501	1,489	1,542	1,401	1,356
Phone Subscribers	98	96	88	84	77	37	N/A	N/A	N/A	N/A
Internet Subscribers	1,815	1,012	952	955	954	910	823	621	718	624
Daycare Services: (3)										
Average # of Resident Infants Tended Per Day	5.04	4.39	3.92	4.57	2.57	2.02	3.16	5.10	5.08	4.13
Average # of Resident Toddlers Tended Per Day	11.15	12.14	12.45	9.10	8.52	9.95	10.43	12.95	12.72	12.29
Average # of Non-resident Infants Tended Per Day	0.65	0.77	0.73	0.92	1.19	1.15	1.84	0.65	N/A	N/A
Average # of Non-resident Toddlers Tended Per Day	2.27	1.10	1.83	2.18	3.57	5	3.36	3.74	N/A	N/A
Preschool Services: (4)										
Average # of Resident Students Tended Per Day	11.02	9.81	8.55	9.80	9.11	8.67	7.72	N/A	N/A	N/A
Average # of Non-resident Students Tended Per Day	3.71	4.06	4.98	4.30	3.60	2.81	1.44	N/A	N/A	N/A
Conference Center: (2)										
Attendance at Events	36,937	28,943	13,321	11,839	11,530	24,309	19,792	27,694	N/A	N/A
Number of Event Days	150	81	129	87	103	131	90	131	187	147
Percentage of Possible Event Days	41.10%	22.19%	35.34%	23.84%	28.22%	35.89%	24.66%	35.84%	51.23%	40.27%

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>2015</u>	<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>
Function/Program:										
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	20	20	18	18	18	18	18	18	18	18
Water Mains (miles)	35	35	30	30	30	30	30	30	30	30
Sewer Lines (miles)	29	29	19	19	19	19	19	19	19	19
Fleet:										
Vehicles (1)	82	81	79	78	79	80	77	76	78	75
Broadband Services:										
Cable TV Line (miles)	33	33	33	33	33	33	33	28	20	20
Parks and Recreation:										
Acreage of Parks and Open Space	1169	1169	1169	1169	1169	1169	1169	1169	1129	1129
Miles of Maintained Trails (Winter)	15	15	15	13	13	13	13	13	13	13
Miles of Maintained Trails (Summer)	16	16	16	10	8	8	8	8	8	8
Ponds	3	3	3	3	3	4	4	4	4	4
Outdoor Ice Skating Rink	1	1	1	1	1	1	1	0	0	0
Outdoor Ice Skating Pond	0	0	0	0	0	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.