



Comprehensive Annual Financial Report

For the year ended
December 31, 2016



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CITY OF STEAMBOAT SPRINGS, COLORADO

**Comprehensive
Annual
Financial Report**

Year Ended December 31, 2016

**Prepared by
Department of Financial Services**

**Kim Weber
Finance Director**

**Greg Neppi
City Controller**

CITY OF STEAMBOAT SPRINGS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2016

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INTRODUCTORY SECTION



June 29, 2017

To the City Council and Citizens of the City of Steamboat Springs:

State Law requires that all general-purpose local governments publish within 240 days of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Steamboat Springs for the fiscal year ended December 31, 2016.

This report consists of management's representations concerning the finances of the City of Steamboat Springs. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Steamboat Springs has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Steamboat Springs' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Steamboat Springs' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Steamboat Springs' financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Steamboat Springs for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Steamboat Springs' financial statements for the fiscal year ended December 31, 2016 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Steamboat Springs was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal granting agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in a separately issued Single Audit Report.

GAAP requires 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). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Steamboat Springs' MD&A can be found immediately following the report of the independent auditors.

General

The City of Steamboat Springs was incorporated in 1900 as a municipal corporation and a statutory town under the constitution and laws of the State of Colorado until 1973, when the electors of the town, pursuant to the home rule provisions of Article XX of the State Constitution, adopted the original Charter of the City. The City is a "home rule" city and its Charter governs all local and municipal matters.

The Constitution of the State reserves to the City certain powers, including the power to issue, refund and liquidate municipal obligations and the power to assess property in the City for municipal taxation, and the power to levy and collect taxes on such property for municipal purposes. The City, however, does not levy a property tax.

The City encompasses over 6,500 acres and is located in the northwestern portion of the State at an altitude of 6,700 feet above sea level, on the western slope of the Rocky Mountains, 160 miles northwest of Denver. The City is the population center and county seat of Routt County, Colorado (the "County") with 12,000 residents. The City serves as the headquarters for Routt National Forest. Approximately half of the land in the County is public land, with approximately 40% in the Routt National Forest.

City Council and Administration

The City operates under a council-manager form of government, whereby the City Council constitutes the City's legislative and governing body. The City Council consists of seven members, with two council members elected from each of the City's three districts and one member elected from the City at large. Each district council member is elected for a four-year term and the council member elected at large is elected for a two-year term. The City Council elects a chairperson who acts as the President of the City Council and serves at the pleasure of City Council for a two-year term. The President is the official head of the City for the purpose of presiding at all meetings of the City Council and executing legal instruments. The Council President is recognized as the head of the City government for all ceremonial and legal purposes.

The City Council appoints all boards and commissions and it appoints the City Manager and the City Attorney. The City Manager is the administrative head of the government of the City and is responsible for the administration and execution of all affairs of the City. The City Manager's duties include: enforcing the laws and ordinances of the City; hiring, suspension, and removal of City employees; preparing a proposed budget annually and submitting it to the City Council and administering the budget after its adoption; preparing and submitting to the City Council as of the end of the fiscal year a complete report on finances and administrative activities of the City for the preceding year; keeping the City Council advised of the financial condition of the City; establishing a system of accounting and auditing for the City which shall reflect, in accordance with generally accepted accounting principles, exercising supervision and control over all departments, and performing such duties as may be prescribed by the Charter, by ordinance or required by the City Council.

The City provides its citizens with fire and police protection, emergency medical services, a general aviation airport, parks and recreation, golf course, rodeo arena, ski area, tennis facility, ice arena, parking and traffic management, judicial and legislative services, streets and highways, public works and improvements, planning and zoning, free transit system, cultural events and general administrative services. The City also provides for wastewater treatment and water filtration and distribution services.

The City operates on a calendar year basis. The City Manager is required to prepare and submit to the City Council not less than 75 days prior to the beginning of the fiscal year a budget and accompanying explanation. The budget must provide a complete financial plan of all City funds and activities for the ensuing fiscal year, contain a general summary of its contents, and show comparative figures for income and expenditures of the preceding fiscal year.

A public hearing on the proposed budget and proposed capital program is required to be held by the City Council before the final adoption. After the public hearing, the City Council may adopt the budget with or without amendment. The City Council must adopt the budget by ordinance on or before the first day of the new fiscal year. Adoption of the budget by the City Council constitutes appropriation of the amounts specified therein as expenditures from the funds indicated.

Local economy

The City of Steamboat Springs is a major tourist destination resort known across the country and world as a great place for skiing, biking and outdoor recreation. Tourism is a major revenue driver of many local businesses; however the City continues to develop a diverse, year-round economy with a variety of strong industry sectors such as energy production and exploration, location-neutral businesses, outdoor recreation equipment and clothing, construction, and regional health care. As the population has grown in the past two decades, the economy continues to expand as residents enjoy a wonderful place to live, work and play. The City serves as the regional economic center for Northwest Colorado as its largest city.

Relevant Financial Policies

In 2016 the City Council reviewed and acknowledged a comprehensive set of financial policies. These policies require a Stabilization Reserve equal to 25% of the prior year's General Fund expenditures be held in unassigned fund balance. The Stabilization Reserve is designed for budget stabilization during revenue downturns. The financial policies also include budget policies, revenue policies, investment policies, and a section pertaining to arbitrage compliance.

Long Term Financial Planning and major initiatives

The City prepares a six-year capital improvement plan each year that serves as its planning document to ensure that its facilities, equipment and infrastructure are well maintained and in safe operating condition. It is funded from a combination of dedicated taxes, grants, contributions and transfers from the General Fund and reserves. Taxes that are earmarked for capital improvements are the building use and excise taxes and a 1% franchise fee for under-grounding of utilities. The current City Council has set one of its 2 year goals to provide a long-term fiscal sustainability plan for the City of Steamboat Springs.

A Downtown Improvement Plan is currently taking place funded by reserves, COP debt, property owner sidewalk assessments, and grant funding. The City has completed the new riverfront public park at 603 Yampa St., this was done using funds from the Accommodations Tax Capital Fund that was established in 2013 for building new trails and improving Yampa Street. The City is also moving forward with a plan to build a new shared law enforcement facility with the Routt County Sheriff on the west side of town adjacent to the County Jail and Justice Facility this will be funded with approximately \$6.0 million of new debt, reserves and grant funding.

The City has a total of approximately 215 permanent employees and 80 Part-time/Seasonal employees. As a result of a recent in-depth study by the Human Resource department, the City maintains a market rate competitive salary and benefit package for its employees. The package includes:

- Medical and dental insurance
- Defined contribution plan for all full time employees (except sworn police officers and fire department) and a deferred compensation 457 plan.
- Defined contribution plan for full-time Police Officers
- Defined contribution and defined benefit plans for paid Firefighters.
- Defined benefit pension plan covering volunteer Firefighters.
- Paid time off
- Short and long term disability coverage
- Life insurance
- Voluntary life and accident insurance
- Wellness incentives

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Steamboat Springs for its comprehensive annual report (CAFR) for the fiscal year ended December 31, 2015. This was the twenty sixth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes the current report continues to conform to the Certificate of Achievement Program requirements, and will submit this CAFR to the GFOA to determine eligibility for another certificate.

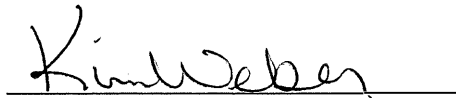
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City's finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

A special thanks to you, the reader, for taking an interest in the City of Steamboat Springs.

Respectfully submitted,



Gary Suiter
City Manager



Kim Weber
Finance Director



Government Finance Officers Association

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

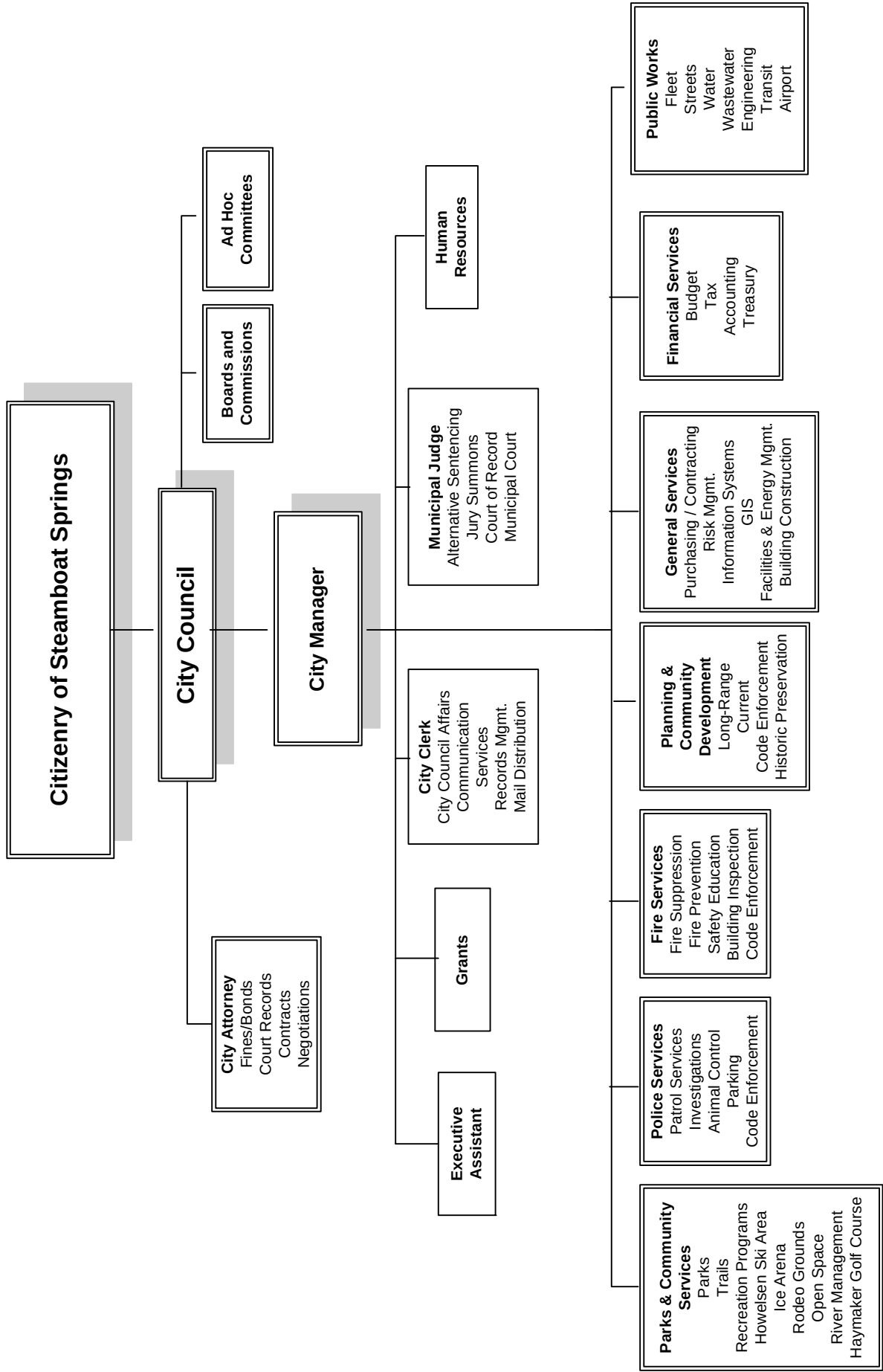
Presented to

**City of Steamboat Springs
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



**CITY OF STEAMBOAT SPRINGS
ELECTED AND APPOINTED OFFICIALS**

CITY COUNCIL

WALTER MAGILL
Council President
District III

JASON LACY
President Pro-Tem
District II

TONY CONNELL
Council Member
District I

KATHI MEYER
Council Member
At Large

HEATHER SLOOP
Council Member
District III

ROBIN CROSSAN
Council Member
District I

SCOTT FORD
Council Member
District II

CITY ADMINISTRATION

GARY SUITER
City Manager

KIM WEBER
Director of Financial Services

TYLER GIBBS
Director of Planning Services &
Community Development

MEL STEWART
Fire Chief

CORY CHRISTENSEN
Police Chief

JOHN OVERSTREET
Director of Parks & Community
Services

ALAN LIND
Director of General Services

CHUCK ANDERSON
Director of Public Works

JULIE FRANKLIN
City Clerk

LEGAL AND COURT

DAN FOOTE
City Attorney

PAUL SACHS
Municipal Court Judge

FINANCIAL SECTION



Independent Auditor's Report

To the Members of City Council
City of Steamboat Springs, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Steamboat Springs, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Steamboat Springs, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages 3 through 13, the budgetary comparison information and the pension information on pages 72 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Steamboat Springs, Colorado's financial statements. The introductory section, individual fund financial statements and schedules as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund financial statements and schedules as listed in the table of contents 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 individual fund financial statements and schedules as listed in the table of contents, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017 on our consideration of the City of Steamboat Springs, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Steamboat Springs's internal control over financial reporting and compliance.



Fort Collins, Colorado
June 28, 2017

Management's Discussion and Analysis

As the financial management team of the City of Steamboat Springs, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here as well as the information in the letter of transmittal found earlier in this document.

Financial Highlights

- The assets and deferred outflows of resources of the City of Steamboat Springs exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$188,224,880 (*net position*). Of this amount, \$48,141,164 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Steamboat Springs' total net position increased by \$8,471,710. The majority of this increase 75% is attributable to an increase in the City's investment in capital assets.
- At the close of the current fiscal year, the City of Steamboat Springs' governmental funds reported combined ending fund balances of \$40,410,019 an increase of \$231,518 in comparison with the prior year. Approximately 30% of this amount (12,253,718) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year the unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$12,543,109 or 35% percent of total general fund expenditures including transfers to other funds. It is 43% of General fund operating expenditures.
- The City of Steamboat Springs' total outstanding long-term debt and unamortized premium decreased by \$702,087 during the current fiscal year. This includes the advanced refunding of the 2007 COP that lowered the City's average interest rate on the COP by 3%.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Steamboat Springs' basic financial statements. The City of Steamboat Springs' 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 includes required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* (pages 14-15 of this report) are designed to provide readers with a broad overview of the City of Steamboat Springs' finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Steamboat Springs' assets, liabilities, deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Steamboat Springs is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Steamboat Springs 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 of the City of Steamboat Springs include general government, public safety, public works, transportation services, legal and municipal court, parks and community services, planning and interest on long-term debt. The major business-type activities of the City of Steamboat Springs include water and wastewater utilities, an airport and a golf course.

The government-wide financial statements include not only the City of Steamboat Springs itself (known as the *primary government*), but also the Local Marketing District, a legally separate entity, for which the City of Steamboat Springs is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Steamboat Springs Redevelopment Authority, although also legally separate, functions for all practical purposes as a department of the City of Steamboat Springs and therefore is included as an integral part of the primary government.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Steamboat Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Steamboat Springs can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Steamboat Springs maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, Accommodations Tax Capital Projects Fund, the Steamboat Springs Redevelopment Authority, and the Community Housing Fund, all of which are considered to be major funds.

The City of Steamboat Springs adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for each of the governmental funds to demonstrate compliance with these budgets. The City of Steamboat Springs also adopts annual appropriated budgets for all its proprietary funds. Budgetary comparison statements have been provided for these funds in the Other Supplementary Information section to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary Funds. The City of Steamboat Springs maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Steamboat Springs uses enterprise funds to account for its utility activities, its airport operation, and a golf course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Steamboat Springs' various functions. The City of Steamboat Springs uses an internal service fund to account for its fleet of vehicles, because fleet services predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Steamboat Springs' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City collects a half-cent sales tax on behalf of local school districts and forwards these funds to the Steamboat Springs Education Fund, a private non-profit organization.

The basic fiduciary fund financial statements can be found on page 103 of the Other Supplementary Information section of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-71 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Steamboat Springs. Required supplementary information can be found on page 72-78 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$188,224,880 at the close of the most recent fiscal year.

City of Steamboat Springs Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 49,712,192	\$ 48,962,175	\$ 19,575,846	\$ 18,999,585	\$ 69,288,038	\$ 67,961,760
Capital assets	103,743,056	97,876,583	58,236,850	57,724,115	161,979,906	155,600,698
Total assets	153,455,248	146,838,758	77,812,696	76,723,700	231,267,944	223,562,458
Total deferred outflows of resources	1,272,436	353,071	-	-	1,272,436	353,071
Long-term liabilities outstanding	23,373,980	23,052,807	12,048,059	13,112,990	35,422,039	36,165,797
Other liabilities	5,394,266	4,261,363	1,626,772	2,010,348	7,021,038	6,271,711
Total liabilities	28,768,246	27,314,170	13,674,831	15,123,338	42,443,077	42,437,508
Total deferred inflows of resources	1,872,423	1,724,851	-	-	1,872,423	1,724,851
Net Position:						
Net investment in capital assets	80,003,611	73,968,832	47,363,413	47,013,307	127,367,024	120,982,139
Restricted	8,077,073	8,145,293	4,639,619	3,742,592	12,716,692	11,887,885
Unrestricted	36,006,331	36,038,683	12,134,833	10,844,463	48,141,164	46,883,146
Total net position	\$ 124,087,015	\$ 118,152,808	\$ 64,137,865	\$ 61,600,362	\$ 188,224,880	\$ 179,753,170

By far the largest portion of the City of Steamboat Springs' net position (68%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Steamboat Springs uses these tangible capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Steamboat Springs' investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves are not expected be used to liquidate these liabilities.

A portion of the City of Steamboat Springs' net position (7%) represents resources that are subject to external restrictions on how they may be used. *Unrestricted net position* (\$48,141,436) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of Steamboat Springs' Changes in Net Position

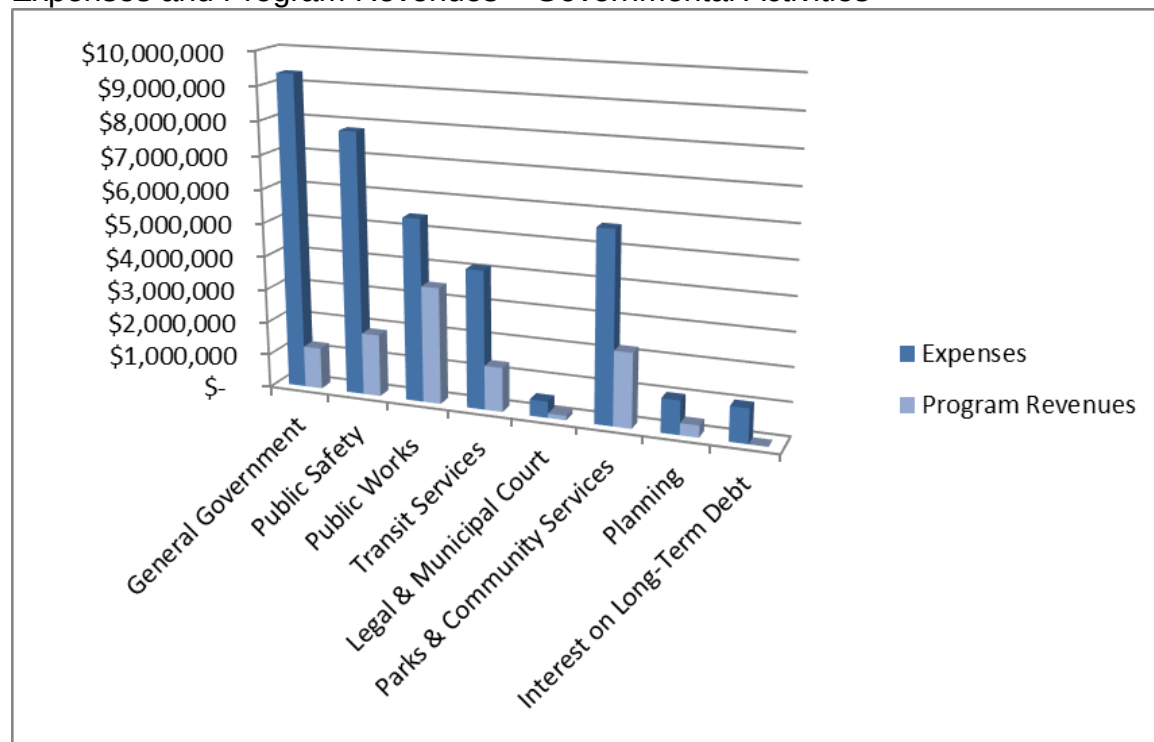
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 4,198,735	\$ 3,706,037	\$ 8,240,628	\$ 8,151,502	\$ 12,439,363	\$ 11,857,539
Operating grants and contributions	2,252,146	1,986,102	-	301,328	2,252,146	2,287,430
Capital grants and contributions	1,931,089	5,942,330	1,906,929	1,570,333	3,838,018	7,512,663
General revenues:						
Sales and use taxes	26,857,348	24,285,258	-	-	26,857,348	24,285,258
Other taxes	4,360,527	2,731,189	-	-	4,360,527	2,731,189
Grants and contributions not restricted to specific programs	366,254	344,857	-	-	366,254	344,857
Other	507,204	376,905	174,555	129,419	681,759	506,325
Total revenues	<u>40,473,303</u>	<u>39,372,678</u>	<u>10,322,112</u>	<u>10,152,582</u>	<u>50,795,415</u>	<u>49,525,260</u>
Expenses:						
General government	8,854,749	7,740,814	-	-	8,854,749	7,740,814
Public safety services	7,806,809	7,652,612	-	-	7,806,809	7,652,612
Public works	5,442,567	4,897,788	-	-	5,442,567	4,897,788
Transportation services	4,116,645	3,877,058	-	-	4,116,645	3,877,058
Legal and municipal court	486,825	544,549	-	-	486,825	544,549
Parks, open space and recreation	5,657,258	5,576,665	-	-	5,657,258	5,576,665
Planning	1,006,449	1,066,106	-	-	1,006,449	1,066,106
Interest on long-term debt	1,001,406	1,083,104	-	-	1,001,406	1,083,104
Water and wastewater	-	-	5,196,884	5,140,727	5,196,884	5,140,727
Airport	-	-	1,378,016	1,725,225	1,378,016	1,725,225
Golf course	-	-	1,376,097	1,363,255	1,376,097	1,363,255
Iron Horse	-	-	-	678,954	-	678,954
Total expenses	<u>34,372,708</u>	<u>32,438,696</u>	<u>7,950,997</u>	<u>8,908,161</u>	<u>42,323,705</u>	<u>41,346,857</u>
Increase in net position before transfers	6,100,595	6,933,982	2,371,115	1,244,421	8,471,710	8,178,403
Transfers - Net	<u>(166,388)</u>	<u>2,718,837</u>	<u>166,388</u>	<u>(2,718,837)</u>	<u>-</u>	<u>-</u>
Increase(Decrease) in net position	5,934,207	9,652,819	2,537,503	(1,474,416)	8,471,710	8,178,403
Net position - Beginning of year	<u>118,152,808</u>	<u>108,499,989</u>	<u>61,600,362</u>	<u>63,074,778</u>	<u>179,753,170</u>	<u>171,574,767</u>
Net position - End of year	<u>\$124,087,015</u>	<u>\$118,152,808</u>	<u>\$64,137,865</u>	<u>\$61,600,362</u>	<u>\$188,224,880</u>	<u>\$179,753,170</u>

Governmental activities

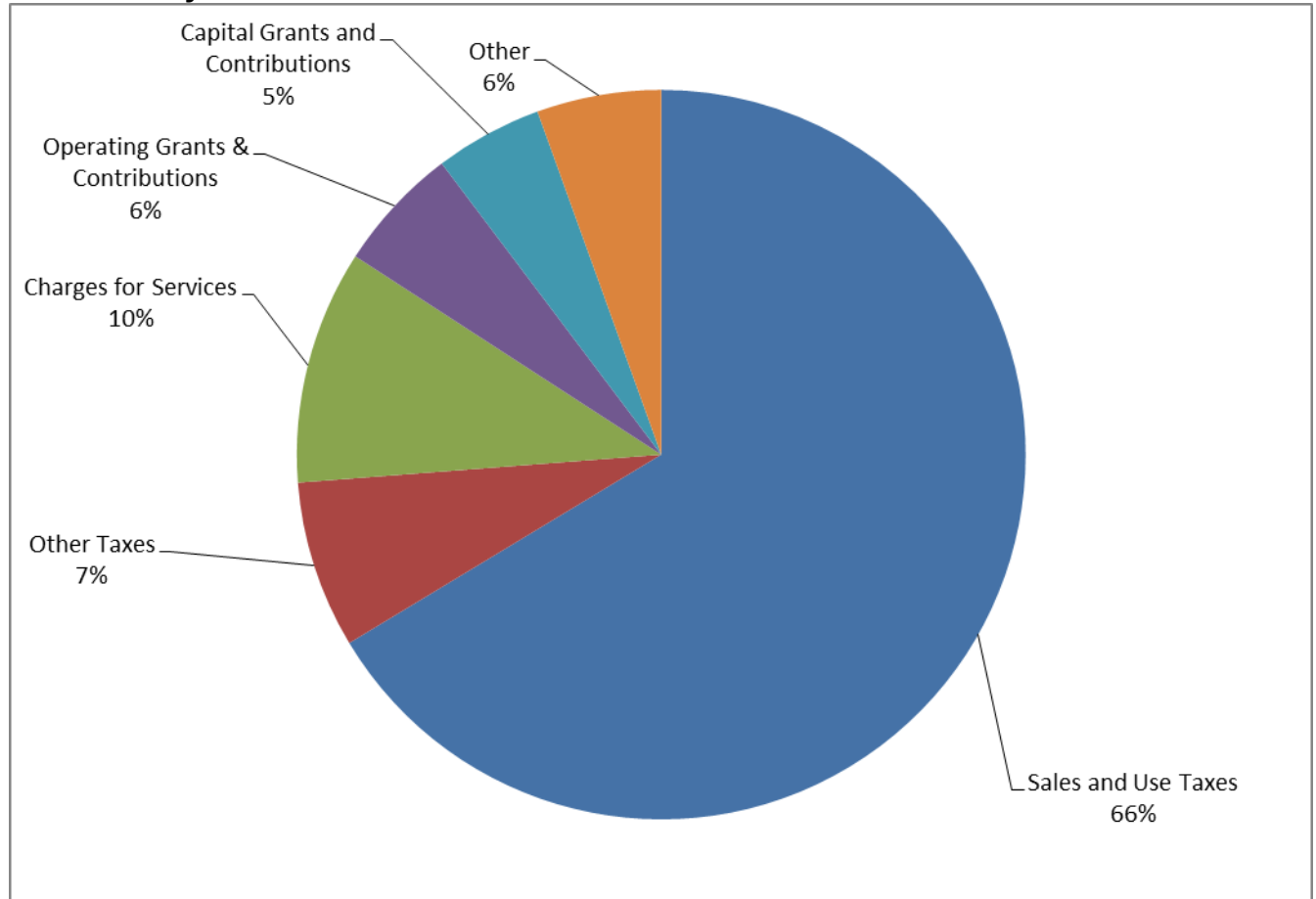
During the current fiscal year, net position for governmental activities increased \$5,934,207 from the prior fiscal year for an ending balance of \$124,087,015. Some key highlights from the statement of activities during 2016 include the following items:

- In 2016 charges for services increased by \$492,698 from the previous year, due to a 10% increase in ambulance trips and 7 wild fire deployment billings.
- Sales and use taxes increased 7.3% from 2015 to 2016 as a result of strengthening sales in retail, lodging, restaurants, marijuana, and liquor stores.
- Building Use Tax and Development Excise tax are up 8.3% due to an overall significant increase in construction, development, and project valuation over the last year.
- General government expenses increased by \$1,113,935 from 2015 to 2016 primarily due to debt service related costs on the new COP debt issuance, increase to support of community housing and personnel increases.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities

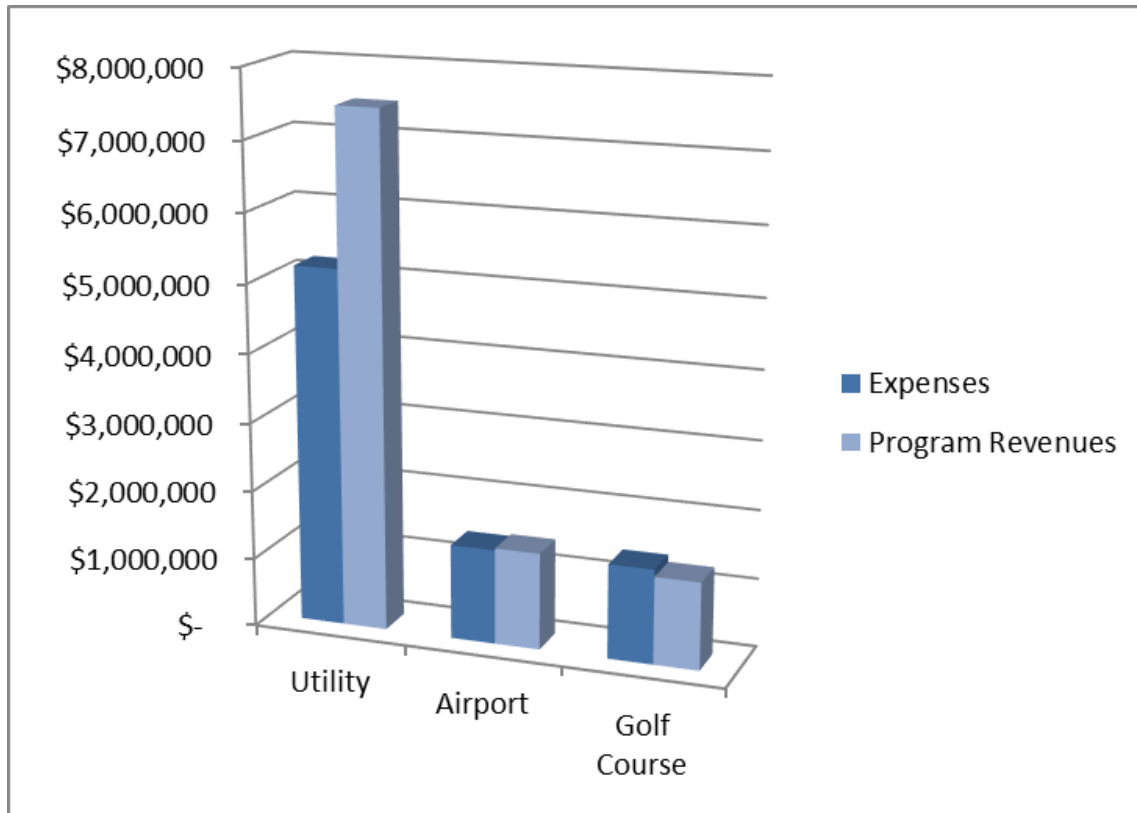


Business-Type Activities

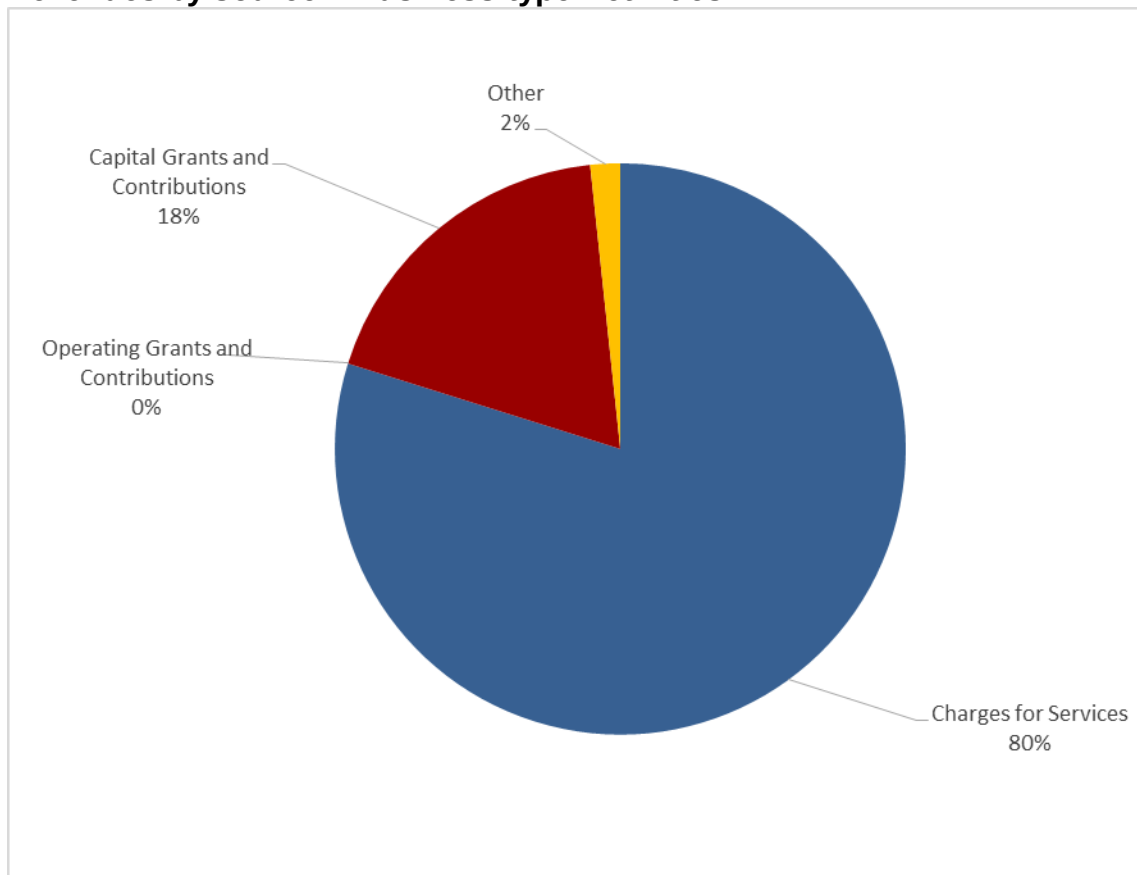
During the fiscal year business-type activities increased in net position \$2,537,503 from the prior fiscal year for an ending balance of \$64,137,865. Some key elements of this increase are as follows:

- 2016 charges for services for business-type activities increased 13.3% from the previous year. The increase was consistent in revenue from services provided in Utility, Airport and the Golf fund.
- During 2016 Capital Grants and Contributions increased overall by 21.4% from the prior year. This increase came from a 45% increase in Water tap fees from more construction and development activity. A total of \$363,935 was received in Developer Contributions for water infrastructure and Airport land improvements.
- Investment earnings for business-type activities increased \$87,793 due to an increase in investment rates of return.
- Business-type activities expenses decreased by \$678,954 from the prior year due to the sale of the Iron Horse Inn and closing of the Iron Horse Fund during the year ended December 31, 2015.

Expenses and program revenues – Business-type Activities



Revenues by source – Business-type Activities



Financial Analysis of the Governmental Funds

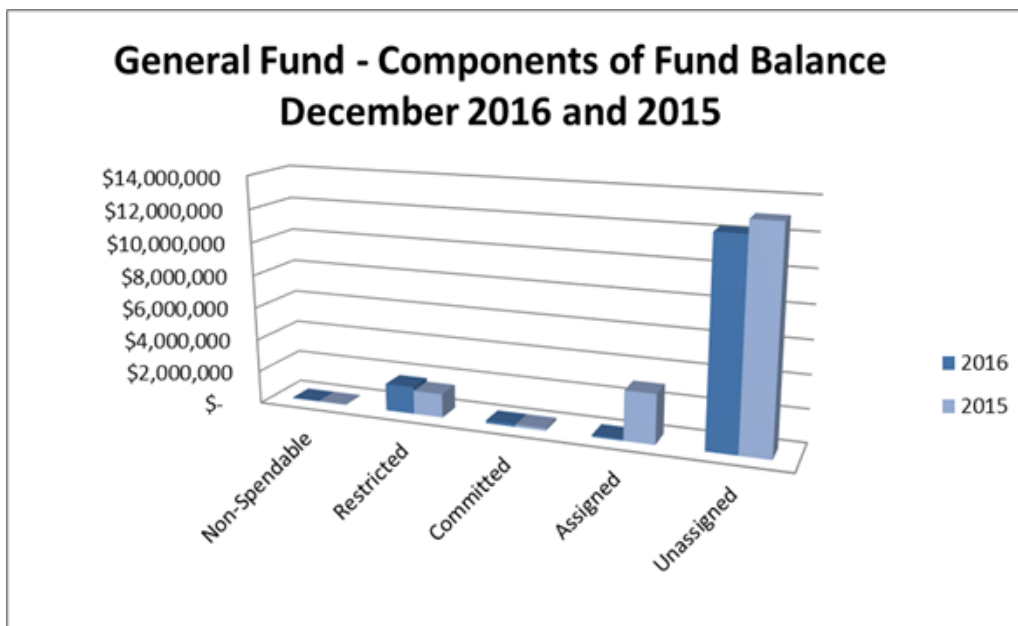
The City of Steamboat Springs uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to budget resources.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, assigned and 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.

As of the end of the current fiscal year, the City's governmental funds reported ending fund balances of \$40,410,019. Of this amount, 80.64% of this total amount \$32,587,521 represents assigned or unassigned fund balance, which is available for spending at the City's discretion.

The City Council has assigned \$7,243,069 as a fiscal policy stabilization reserve and \$7,097,245 encumbered for 2017 spending. In 2016 the City transferred \$3,500,000 of unassigned fund balance in the General fund to assigned fund balance in the Capital Projects Fund. The remainder of fund balance is non-spendable, restricted, committed, or assigned and is not available for new spending. Some of these include: 1) TABOR emergency reserve as required by state law \$1,227,000, 2) a reserve fund for the benefit of holders of the City's and Redevelopment Authority's debt instruments \$2,232,731, 3) inventory and restricted revenues \$2,585,322.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$12,375,968 and total fund balance was \$14,256,420. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures including transfers made to other funds. Assigned and unassigned fund balance, represents 34% of total General Fund expenditures and transfers, while total fund balance represents 40% of total General Fund expenditures and transfers.



The fund balance of the City's General Fund decreased by \$3,442,032 during the fiscal year. The key factors contributing to the decrease in fund balance were a \$2,700,000 cash payment to the refunding escrow for the COP 2016B debt refunding, approximately \$147,000 in debt issuance and service costs, and transfers to other funds.

The City's Capital Projects Fund had a total fund balance of \$20,731,895 at the end of the current fiscal year, primarily due to transfers of \$3,500,000 from the General Fund. A number of large projects including a new police facility, park entrance infrastructure project, road reconstruction projects, downtown infrastructure projects, and several trails projects were moved into 2017 for completion.

Proprietary Funds. The City of Steamboat Springs' proprietary funds resemble the government-wide financial statements by listing all assets and liabilities and fully accruing revenues and expenses.

Unrestricted net position of the City's enterprise funds at the end of the current fiscal year was \$12,134,833 and total net position was \$64,137,865 an increase of \$2,537,503 compared to 2015. The Utility Fund was the only proprietary fund to have a positive operating income in 2016.

General Fund Budgetary Highlights

Original budget compared to final budget. The City's budgeted revenues and expenditures increased through the year in order to recognize the receipt and spending of various grants. The total net change during the current fiscal year was \$3,126,522 below are the notable items:

- Additional expenditures approved by Council for the 2016 taxable Certificates of Participation debt issuance.

Final budget compared to actual results. General Fund Total Revenues were \$1,090,533 over final budget for the current fiscal year. The significant reasons for the variance were:

- Taxes and assessments were over budget by \$733,580 due to a healthy tourism season and continued increases in retail and lodging sales.
- Charges for Services had significant positive variances related to Emergency Medical Services including billings for Wildland Fire services and Planning and Building permit fees also came in higher due to increasing construction and development.

General Fund total operating expenses were under budget by \$1,063,823 for the current fiscal year and there were savings in all departments. The significant reasons for the variance were:

- Personnel savings, operating supplies and fuel.

Capital Asset and Debt Administration

Capital Assets. The City's governmental and business-type activities had \$161,979,906 invested in capital assets including construction in progress, net of depreciation as of December 31, 2016. The investment in capital assets includes land improvements, parks, buildings and system improvements, machinery and equipment purchases, and trails, in 2016.

Major capital asset events during the year included the following:

- Completed upgrades to Old Town, Strawberry Park, and Emerald Trail water lines \$1,213,872.
- Completed improvements to Central Park Drive, Snapdragon Way, and Après Ski Way \$2,162,612.
- Currently in process downtown street improvements at Yampa & Oak Street \$3,804,204.
- Refurbished 3 buses at a cost of \$732,426 with help of grant funds.
- Purchased Hitchens/Snake Island property \$80,918 for riverbank public access.
- Purchased two Graders and a Plow truck for snow removal operations \$625,133.
- Constructed Pickleball courts at Tennis Center \$243,747.

City of Steamboat Springs' Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land and improvements	\$ 34,466,878	\$ 34,590,307	\$ 15,160,438	\$ 15,115,983	\$ 49,627,316	\$ 49,706,290
Buildings and improvements	25,043,125	26,009,954	18,712,816	19,620,637	43,755,941	45,630,591
Infrastructure	29,138,653	28,069,279	-	-	29,138,653	28,069,279
Utility transmission lines	-	-	20,779,172	20,262,213	20,779,172	20,262,213
Machinery and equipment	8,847,452	8,182,006	1,327,752	1,476,936	10,175,204	9,658,942
Intangible assets	187,104	269,278	-	-	187,104	269,278
Construction in progress	6,059,844	755,759	2,256,672	1,248,346	8,316,516	2,004,105
Total	<u>\$ 103,743,056</u>	<u>\$ 97,876,583</u>	<u>\$ 58,236,850</u>	<u>\$ 57,724,115</u>	<u>\$ 161,979,906</u>	<u>\$ 155,600,698</u>

Additional information on the City of Steamboat Springs capital assets can be found in the notes to the financial statements on pages 41-42 of this report.

Long-term debt. At the end of the current fiscal year the City had total bonded debt outstanding of \$15,440,000, secured solely by specific revenue sources. In addition, the City has \$8,165,000 in certificates of participation and \$387,145 in capital leases outstanding. The City also has \$12,586,428 in loans outstanding with the Colorado Water Resources and Power Development Authority that are secured by specific revenue sources.

City of Steamboat Springs' Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Tax Increment Revenue Bonds	\$ 15,440,000	\$ 16,365,000	\$ -	\$ -	\$ 15,440,000	\$ 16,365,000
Certificates of Participation	8,165,000	7,085,000	-	-	8,165,000	7,085,000
Unamortized premium	467,486	161,554	301,363	349,132	768,849	510,686
Capitalized Leases	281,609	367,385	105,536	163,458	387,145	530,843
CWRPDA Loans	-	-	12,586,428	13,557,980	12,586,428	13,557,980
Total	<u>\$ 24,354,095</u>	<u>\$ 23,978,939</u>	<u>\$ 12,993,327</u>	<u>\$ 14,070,570</u>	<u>\$ 37,347,422</u>	<u>\$ 38,049,509</u>

During 2016, the City reduced total debt by \$702,087 or 2%.

On December 21, 2016 the City refinanced an outstanding Certificate of Participation transaction and received a rating from Moody's Investors Service of "Aa3" on the refunding. On October 14, 2016 Moody's Investors service rating for the City of Steamboat Springs' was Aa2 that is very strong and slightly exceeds the US city median of Aa3. On September 29, 2010, the Steamboat Springs Redevelopment Authority, which is a component of the City's general governmental activities, issued fixed rate bonds with a Moody's Investors Service rating of "A1."

The City's Charter does not impose a legal restriction on debt issuance; however, the Taxpayer's Bill of Rights (TABOR) imposes certain restrictions on issuing debt depending upon whether the issuance is backed by the full faith and credit of the City, taxes or backed by enterprise revenues.

Additional information on the City of Steamboat Springs' long-term debt can be found in the notes to the financial statements on pages 46-50 of this report.

Economic Factors, Conditions, and 2017 Budgets and Rates. The following economic factors currently affect the City of Steamboat Springs and were considered in developing the 2016 fiscal year budget:

- The economic outlook for the City continues to move in a positive direction. In 2016 as projected the City's Sales tax came in 3% above the budgeted amount. Through the first quarter of 2017 there has been a 3% improvement over the prior year.
- For 2016, accommodation tax has been increased 10% Year-over-year, and is 4% higher through March of 2017 compared to the prior year.
- The local growth percentage used in our TABOR reserve calculation based on property valuation and construction increased from .98% in 2015 to 1.33% in 2016.
- The local real estate market is continuing to trend up with median home values increasing 14% from March 2016 to March 2017.
- In March of 2017, Routt County unemployment was at or near record lows at 1.8%, and Colorado overall is at 2.5% these represent a favorable factor for Colorado job stability in 2017.
- The theme of the 2017 budget was "Make it Real" and a budget was proposed that recognized the true cost to provide the current City services at the level that has been established. Therefore a balanced budget was proposed as well as some additional items that were not included in order for the budget to balance. These are all items identified as needs in order to provide an adequate level of service but the City was not able to fund with projected revenues.
- The 2017 Sales tax revenue was budgeted at 3% higher than 2016 projected sales tax. The General Fund budget as approved will result in revenues exceeding expenditures by more than \$200,000 by the end of fiscal year 2017.
- In the 2017 budget, personnel cost including any additions equates to 53% of revenue. This is right in-line with the historical personnel costs as a percentage of revenue over the last 15 years.

Requests for Information

This financial report is designed to provide a general overview of the City of Steamboat Springs' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Steamboat Springs Finance Department, 137 10th Street, Steamboat Springs, CO 80487.

CITY OF STEAMBOAT SPRINGS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	LOCAL MARKETING DISTRICT
ASSETS				
Pooled cash and investments	\$ 38,086,164	\$ 12,309,442	\$ 50,395,606	\$ 6,404,341
Cash and demand deposits	346,124	-	346,124	-
Cash equivalents	815,201	-	815,201	499,433
Receivables				
Sales taxes	3,025,953	-	3,025,953	488,857
Property taxes	1,865,700	-	1,865,700	-
Accounts	1,693,202	482,219	2,175,421	-
Loans	786,131	-	786,131	-
Inventory	58,387	24,676	83,063	-
Due from other governments	579,068	-	579,068	-
Temporarily restricted				
Cash equivalents	15,839	3,678,823	3,694,662	-
Pooled cash and investments	2,434,729	3,080,686	5,515,415	-
Net pension asset	5,694	-	5,694	-
Capital Assets not being depreciated	24,520,150	11,146,449	35,666,599	-
Capital Assets being depreciated - Net	79,222,906	47,090,401	126,313,307	-
Total assets	153,455,248	77,812,696	231,267,944	7,392,631
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	614,649	-	614,649	-
Pension related amounts	657,787	-	657,787	-
Total deferred outflow of resources	1,272,436	-	1,272,436	-
LIABILITIES				
Accounts payable	2,248,068	255,897	2,503,965	1,368
Health insurance payable	320,280	-	320,280	-
Accrued interest payable	64,178	246,050	310,228	-
Deposits held in escrow	519,161	-	519,161	-
Unearned revenue	143,042	-	143,042	-
Noncurrent liabilities				
Debt Due within one year	1,897,689	1,124,825	3,022,514	-
Debt Due in more than one year	23,373,980	12,048,059	35,422,039	-
Net pension liability due in more than one year	201,848	-	201,848	-
Total liabilities	28,768,246	13,674,831	42,443,077	1,368
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	6,723	-	6,723	-
Property Taxes	1,865,700	-	1,865,700	-
Total deferred inflows of resources	1,872,423	-	1,872,423	-
NET POSITION				
Net investment in capital assets	80,003,611	47,363,413	127,367,024	-
Net Position Restricted				
Defined Benefit Pension	529,527	-	529,527	-
Emergency reserves	1,227,000	-	1,227,000	-
Debt service	378,500	960,794	1,339,294	-
Capital Projects	520,342	3,678,825	4,199,167	-
Accommodations Tax Capital Projects	1,025,305	-	1,025,305	-
Community Housing	526,104	-	526,104	-
Steamboat Springs Redevelopment Authority	3,870,295	-	3,870,295	-
Unrestricted	36,006,331	12,134,833	48,141,164	7,391,263
Total Net Position	\$ 124,087,015	\$ 64,137,865	\$ 188,224,880	\$ 7,391,263

CITY OF STEAMBOAT SPRINGS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		COMPONENT UNIT LOCAL MARKETING DISTRICT
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General government	\$ 8,854,749	\$ 1,143,819	\$ 370,736	\$ -	\$ (7,340,194)	\$ -	\$ (7,340,194)
Public safety services	7,806,809	996,955	808,976	50,002	(5,950,876)	-	(5,950,876)
Public works	5,442,567	-	2,500	988,357	(4,451,710)	-	(4,451,710)
Transportation services	4,116,645	148,660	674,372	496,217	(2,797,396)	-	(2,797,396)
Legal and municipal court	486,825	-	132,244	-	(354,581)	-	(354,581)
Parks and community services	5,657,258	1,563,879	255,011	396,513	(3,441,855)	-	(3,441,855)
Planning	1,006,449	345,422	8,307	-	(652,720)	-	(652,720)
Interest on long-term debt	1,001,406	-	-	-	(1,001,406)	-	(1,001,406)
Total governmental activities	34,372,708	4,198,735	2,252,146	1,931,089	(25,990,738)	-	(25,990,738)
BUSINESS-TYPE ACTIVITIES							
Water and wastewater	5,196,884	5,859,213	-	1,609,156	-	2,271,485	2,271,485
Airport	1,378,016	1,108,537	-	297,773	-	28,294	28,294
Golf course	1,376,097	1,272,878	-	-	-	(103,219)	(103,219)
Total business-type activities	7,950,997	8,240,628	-	1,906,929	-	2,196,560	2,196,560
Total Primary government	\$ 42,323,705	\$ 12,439,363	\$ 2,252,146	\$ 3,838,018	(25,990,738)	2,196,560	(23,794,178)
COMPONENT UNIT							
Local Marketing District	\$ 1,887,171	\$ -	\$ -	\$ -			(1,887,171)
General revenues:							
Sales taxes					24,439,818	-	24,439,818
Use taxes					2,417,530	-	2,417,530
Property taxes					1,680,361	-	1,680,361
Development excise tax					1,066,349	-	1,066,349
Franchises					1,358,964	-	1,358,964
Other taxes					254,853	-	254,853
Voluntary assessment					366,254	-	366,254
Investment earnings and other					452,897	174,555	627,452
Gain on sale of capital assets					54,307	-	54,307
Transfers					(166,388)	166,388	-
Total general revenues and transfers					31,924,945	340,943	32,265,888
Change in net position					5,934,207	2,537,503	8,471,710
Net position - beginning					118,152,808	61,600,362	179,753,170
Net position - ending					\$ 124,087,015	\$ 64,137,865	\$ 188,224,880

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

CITY OF STEAMBOAT SPRINGS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General Fund	Capital Projects Fund	Accommodations Tax Capital Fund	Steamboat Springs Redevelopment Authority	Community Housing Fund	Total Governmental Funds
ASSETS						
Cash and demand deposits	\$ 340,305	\$ -	\$ -	\$ 5,819	\$ -	\$ 346,124
Pooled cash and investments	11,400,965	20,726,657	825,442	1,409,436	347,736	34,710,236
Cash equivalents	-	-	-	636,833	178,368	815,201
Receivable						
Sales taxes	3,025,953	-	-	-	-	3,025,953
Property taxes	-	-	-	1,865,700	-	1,865,700
Accounts	1,148,342	378,540	166,320	-	-	1,693,202
Notes	56,907	-	-	-	729,224	786,131
Inventory	43,154	-	-	-	-	43,154
Due from other governments	124,253	409,945	44,870	-	-	579,068
Restricted cash and investments	15,081	758	-	-	-	15,839
Restricted pooled cash and investments	443,397	137,101	-	1,854,231	-	2,434,729
Total assets	\$ 16,598,357	\$ 21,653,001	\$ 1,036,632	\$ 5,772,019	\$ 1,255,328	\$ 46,315,337
LIABILITIES						
Accounts payable	\$ 1,199,754	\$ 921,106	\$ 11,327	\$ 35,369	\$ -	\$ 2,167,556
Health insurance payable	320,280	-	-	-	-	320,280
Deposits held in escrow	519,161	-	-	-	-	519,161
Unearned revenue	142,387	-	-	655	-	143,042
Total liabilities	2,181,582	921,106	11,327	36,024	-	3,150,039
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	-	-	1,865,700	-	1,865,700
Unavailable revenue - long-term receivables	160,355	-	-	-	729,224	889,579
Total deferred inflows of resources	160,355	-	-	1,865,700	729,224	2,755,279
FUND BALANCES						
Non-Spendable	43,154	-	-	-	-	43,154
Restricted	1,670,157	520,342	1,025,305	3,870,295	526,104	7,612,203
Committed	167,141	-	-	-	-	167,141
Assigned	122,250	20,211,553	-	-	-	20,333,803
Unassigned	12,253,718	-	-	-	-	12,253,718
Total fund balances	14,256,420	20,731,895	1,025,305	3,870,295	526,104	40,410,019
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,598,357	\$ 21,653,001	\$ 1,036,632	\$ 5,772,019	\$ 1,255,328	\$ 46,315,337

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

CITY OF STEAMBOAT SPRINGS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Total Governmental Funds
Amounts reported for governmental activities in the statement of net position (page 14) are different because:	
Total fund balances governmental funds (page 16)	\$ 40,410,019
Long-term notes receivable are not an available resource to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	786,131
Restricted net pension assets are not an available resource to pay for current period expenditures and, therefore, are not reported in the funds.	5,694
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	103,448
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds(excludes internal service funds) .	101,512,029
Internal service funds are used by management to charge the costs of central services and fleet management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	5,521,242
The portion of expense related to pensions not shown in current expenditures are deferred outflows of resources and, therefore are not reported in the funds.	657,787
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.(excludes internal service funds)	(24,902,612)
The portion of income related to pensions not shown in current income are deferred inflows of resources and are not reported in the funds.	(6,723)
Net position of governmental activities	<u>\$ 124,087,015</u>

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

CITY OF STEAMBOAT SPRINGS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Capital Projects Fund	Accommodations Tax Capital Fund	Steamboat Springs Redevelopment Authority	Community Housing Fund	Total Governmental Funds
REVENUES						
Taxes and assessments	\$ 24,875,395	\$ 2,865,738	\$ 996,432	\$ 2,480,310	\$ -	\$ 31,217,875
Licenses and permits	96,538	-	-	-	-	96,538
Intergovernmental	2,600,918	835,127	44,870	-	-	3,480,915
Charges for services	3,089,120	-	-	-	-	3,089,120
Fines and forfeits	218,027	-	-	-	-	218,027
Investment Income	144,157	120,206	5,182	22,649	3,643	295,837
Contributions	208,231	228,336	-	-	-	436,567
Voluntary assessment	366,254	-	-	-	-	366,254
Loan Repayment	-	-	-	-	30,777	30,777
Miscellaneous	948,956	20,274	-	-	18,651	987,881
Total revenues	<u>32,547,596</u>	<u>4,069,681</u>	<u>1,046,484</u>	<u>2,502,959</u>	<u>53,071</u>	<u>40,219,791</u>
EXPENDITURES						
Current						
General government	7,421,273	-	-	-	475,000	7,896,273
Transportation Services	3,427,775	-	-	-	-	3,427,775
Public Works	3,351,134	-	-	179,944	-	3,531,078
Public Safety Services	7,188,058	-	-	-	-	7,188,058
Legal and municipal court	474,879	-	-	-	-	474,879
Parks and community services	4,840,806	-	-	-	-	4,840,806
Planning	895,088	-	-	-	1,330	896,418
Debt service						
Administrative Fees	6,750	-	-	2,000	-	8,750
Debt issuance costs	140,175	-	-	-	-	140,175
Principal	600,777	-	-	925,000	-	1,525,777
Interest	395,443	-	-	624,043	-	1,019,486
Capital outlay						
Machinery and equipment	152,219	961,338	-	-	-	1,113,557
Land	-	80,918	23,129	-	-	104,047
Land Improvements	-	2,014,066	291,981	-	-	2,306,047
Buildings and improvements	-	419,802	-	-	-	419,802
Other	14,367	215,302	-	-	-	229,669
Infrastructure	-	5,574,687	104,819	655,090	-	6,334,596
Total expenditures	<u>28,908,744</u>	<u>9,266,113</u>	<u>419,929</u>	<u>2,386,077</u>	<u>476,330</u>	<u>41,457,193</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,638,852</u>	<u>(5,196,432)</u>	<u>626,555</u>	<u>116,882</u>	<u>(423,259)</u>	<u>(1,237,402)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	22,600	-	-	-	-	22,600
Insurance proceeds	187,978	-	-	-	-	187,978
COP issuance proceeds	2,470,000	3,750,000	-	-	-	6,220,000
Debt issuance premium	80,539	250,000	-	-	-	330,539
Payment to refunded bond escrow agent	(5,110,809)	-	-	-	-	(5,110,809)
Transfers out	(4,843,512)	-	(90,000)	-	-	(4,933,512)
Transfers in	112,320	4,639,804	-	-	-	4,752,124
Total other financing sources and uses	<u>(7,080,884)</u>	<u>8,639,804</u>	<u>(90,000)</u>	<u>-</u>	<u>-</u>	<u>1,468,920</u>
Net change in fund balances	<u>(3,442,032)</u>	<u>3,443,372</u>	<u>536,555</u>	<u>116,882</u>	<u>(423,259)</u>	<u>231,518</u>
Fund balances - beginning	<u>17,698,452</u>	<u>17,288,523</u>	<u>488,750</u>	<u>3,753,413</u>	<u>949,363</u>	<u>40,178,501</u>
Fund balances - ending	<u>\$ 14,256,420</u>	<u>\$ 20,731,895</u>	<u>\$ 1,025,305</u>	<u>\$ 3,870,295</u>	<u>\$ 526,104</u>	<u>\$ 40,410,019</u>

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

**CITY OF STEAMBOAT SPRINGS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net changes in fund balances - total governmental funds (page 18)	\$ 231,518
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period	5,150,115
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	41,114
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.	(188,556)
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities these expenses do not require the use of current financial resources and are deferred and amortized.	63,708
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of premiums, discount and similar items when debt is first 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.	82,004
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(70,601)
The net revenue of internal service fund-fleet is reported with governmental activities	<u>624,905</u>
Change in net position of governmental activities	<u>\$ 5,934,207</u>

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

CITY OF STEAMBOAT SPRINGS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Utility Fund	Airport Fund	Golf Fund	Totals	Internal Service Fund - Fleet
ASSETS					
Current assets					
Pooled cash and investments	\$ 10,586,875	\$ 180,037	\$ 1,542,530	\$ 12,309,442	\$ 3,375,928
Receivables					
Accounts	466,547	10,678	4,994	482,219	-
Fuel Inventory	-	24,676	-	24,676	15,233
	<u>11,053,422</u>	<u>215,391</u>	<u>1,547,524</u>	<u>12,816,337</u>	<u>3,391,161</u>
Restricted assets					
Cash equivalents	3,678,823	-	-	3,678,823	-
Pooled cash and investments	3,080,686	-	-	3,080,686	-
	<u>6,759,509</u>	<u>-</u>	<u>-</u>	<u>6,759,509</u>	<u>-</u>
Total restricted assets					
	<u>6,759,509</u>	<u>-</u>	<u>-</u>	<u>6,759,509</u>	<u>-</u>
Total current assets	<u>17,812,931</u>	<u>215,391</u>	<u>1,547,524</u>	<u>19,575,846</u>	<u>3,391,161</u>
Noncurrent assets					
Capital assets					
Land and site improvements	36,597,803	13,689,220	5,532,211	55,819,234	-
Buildings	30,026,068	4,749,800	4,360,342	39,136,210	-
Furniture and equipment	2,082,630	628,554	1,259,873	3,971,057	6,927,683
Construction in progress	2,251,672	-	5,000	2,256,672	-
Less accumulated depreciation	(30,151,126)	(9,989,772)	(2,805,425)	(42,946,323)	(4,696,656)
Total capital assets - Net of accumulated depreciation	<u>40,807,047</u>	<u>9,077,802</u>	<u>8,352,001</u>	<u>58,236,850</u>	<u>2,231,027</u>
Total noncurrent assets	<u>40,807,047</u>	<u>9,077,802</u>	<u>8,352,001</u>	<u>58,236,850</u>	<u>2,231,027</u>
Total assets	<u>58,619,978</u>	<u>9,293,193</u>	<u>9,899,525</u>	<u>77,812,696</u>	<u>5,622,188</u>
LIABILITIES					
Current liabilities					
Accounts payable	222,206	11,131	22,560	255,897	80,512
Accrued interest payable	246,050	-	-	246,050	-
Current portion of long-term debt	1,086,155	19,367	19,303	1,124,825	5,109
	<u>1,554,411</u>	<u>30,498</u>	<u>41,863</u>	<u>1,626,772</u>	<u>85,621</u>
Total current liabilities					
	<u>1,554,411</u>	<u>30,498</u>	<u>41,863</u>	<u>1,626,772</u>	<u>85,621</u>
Noncurrent liabilities					
Capitalized lease obligations	7,257	67,670	1,548	76,475	-
Loans Payable	11,836,918	-	-	11,836,918	-
Accrued compensated absences	95,667	13,330	25,669	134,666	15,325
	<u>11,939,842</u>	<u>81,000</u>	<u>27,217</u>	<u>12,048,059</u>	<u>15,325</u>
Total noncurrent liabilities					
	<u>11,939,842</u>	<u>81,000</u>	<u>27,217</u>	<u>12,048,059</u>	<u>15,325</u>
Total liabilities	<u>13,494,253</u>	<u>111,498</u>	<u>69,080</u>	<u>13,674,831</u>	<u>100,946</u>
NET POSITION					
Net Investment in Capital Assets	30,028,498	8,995,209	8,339,706	47,363,413	2,231,027
Restricted for capital projects	3,678,825	-	-	3,678,825	-
Restricted for debt service	960,794	-	-	960,794	-
Unrestricted	10,457,608	186,486	1,490,739	12,134,833	3,290,215
	<u>45,125,725</u>	<u>9,181,695</u>	<u>9,830,445</u>	<u>64,137,865</u>	<u>5,521,242</u>
Total net position					
	<u>\$ 45,125,725</u>	<u>\$ 9,181,695</u>	<u>\$ 9,830,445</u>	<u>\$ 64,137,865</u>	<u>\$ 5,521,242</u>

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

CITY OF STEAMBOAT SPRINGS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Utility Fund	Airport Fund	Golf Fund	Totals	Internal Service Fund - Fleet
Operating revenues					
Charges for services	\$ 5,859,213	\$ 1,108,537	\$ 1,272,878	\$ 8,240,628	\$ 1,673,549
Miscellaneous revenues	99,091	-	2,514	101,605	-
Total operating revenues	5,958,304	1,108,537	1,275,392	8,342,233	1,673,549
Operating expenses					
Personnel services	1,345,907	324,896	471,378	2,142,181	283,880
Contractual services	841,723	224,195	410,165	1,476,083	39,729
Materials and supplies	86,408	318,866	77,987	483,261	400,691
Repairs and maintenance	442,395	104,115	92,077	638,587	89,968
Telephone and utilities	271,620	37,693	99,506	408,819	30,703
Depreciation	1,645,774	367,296	223,918	2,236,988	409,049
Total operating expense	4,633,827	1,377,061	1,375,031	7,385,919	1,254,020
Operating income (loss)	1,324,477	(268,524)	(99,639)	956,314	419,529
Nonoperating revenues (expenses)					
Investment Income	109,490	1,107	10,399	120,996	29,907
Intergovernmental	-	(48,046)	-	(48,046)	-
Gain (Loss) on disposition of assets	-	-	-	-	65,756
Interest expense	(563,057)	(955)	(1,066)	(565,078)	-
Total nonoperating revenues (expenses)	(453,567)	(47,894)	9,333	(492,128)	95,663
Income (loss) before capital contributions and transfers	870,910	(316,418)	(90,306)	464,186	515,192
Contributions - Tap fees	1,542,994	-	-	1,542,994	-
Contributions - Developers	66,162	297,773	-	363,935	-
Contributions - Capital Assets	-	-	-	-	94,713
Transfers in other funds	-	188,708	90,000	278,708	15,000
Transfers out other funds	-	(112,320)	-	(112,320)	-
Change in net position	2,480,066	57,743	(306)	2,537,503	624,905
Total net position-beginning	42,645,659	9,123,952	9,830,751	61,600,362	4,896,337
Total net position-ending	\$ 45,125,725	\$ 9,181,695	\$ 9,830,445	\$ 64,137,865	\$ 5,521,242

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

**CITY OF STEAMBOAT SPRINGS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Utility Fund	Airport Fund	Golf Fund	Totals	Internal Service Fund -Fleet
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 6,062,974	\$ 1,011,707	\$ 1,275,234	\$ 8,349,915	\$ 1,673,549
Cash paid suppliers	(1,904,030)	(815,850)	(667,494)	(3,387,374)	(555,913)
Cash paid to employees	(1,314,421)	(319,636)	(478,515)	(2,112,572)	(280,314)
Net cash provided (used) by operating activities	<u>2,844,523</u>	<u>(123,779)</u>	<u>129,225</u>	<u>2,849,969</u>	<u>837,322</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	188,708	90,000	278,708	15,000
Transfers out	-	(112,320)	-	(112,320)	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>76,388</u>	<u>90,000</u>	<u>166,388</u>	<u>15,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(2,300,790)	(8,504)	(76,492)	(2,385,786)	(1,378,327)
Capital grants received	-	250,454	-	250,454	94,713
Proceeds from sale of equipment	-	-	-	-	130,121
Tap Fees	1,542,994	-	-	1,542,994	-
Interest paid on bonds and loans	(624,929)	(955)	(1,066)	(626,950)	-
Principal paid on bonds and loans	(974,796)	(14,674)	(40,004)	(1,029,474)	-
Net cash provided (used) by capital and related financing activities	<u>(2,357,521)</u>	<u>226,321</u>	<u>(117,562)</u>	<u>(2,248,762)</u>	<u>(1,153,493)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	<u>109,490</u>	<u>1,107</u>	<u>10,399</u>	<u>120,996</u>	<u>29,907</u>
Net cash provided by investing activities	<u>109,490</u>	<u>1,107</u>	<u>10,399</u>	<u>120,996</u>	<u>29,907</u>
Net increase (decrease) in cash and cash equivalents	596,492	180,037	112,062	888,591	(271,264)
Cash and cash equivalents at the beginning of year	<u>16,749,892</u>	<u>-</u>	<u>1,430,468</u>	<u>18,180,360</u>	<u>3,647,192</u>
Cash and cash equivalents at the end of year	<u>\$ 17,346,384</u>	<u>\$ 180,037</u>	<u>\$ 1,542,530</u>	<u>\$ 19,068,951</u>	<u>\$ 3,375,928</u>
CASH AND CASH EQUIVALENTS CONSISTS OF THE FOLLOWING					
Pooled cash and investments	\$ 10,586,875	\$ 180,037	\$ 1,542,530	\$ 12,309,442	\$ 3,375,928
Restricted pooled cash and equivalents	3,080,686	-	-	3,080,686	-
Restricted cash equivalents	<u>3,678,823</u>	<u>-</u>	<u>-</u>	<u>3,678,823</u>	<u>-</u>
Total cash and equivalents	<u>\$ 17,346,384</u>	<u>\$ 180,037</u>	<u>\$ 1,542,530</u>	<u>\$ 19,068,951</u>	<u>\$ 3,375,928</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	<u>\$ 1,324,477</u>	<u>\$ (268,524)</u>	<u>\$ (99,639)</u>	<u>\$ 956,314</u>	<u>\$ 419,529</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	1,645,774	367,296	223,918	2,236,988	409,049
Change in assets and liabilities					
(Increase) decrease in accounts receivable	104,670	(1,325)	(158)	103,187	-
(Increase) decrease in fuel inventory	-	6,149	-	6,149	(6,883)
Increase (decrease) in accounts payable	(261,884)	(137,130)	12,241	(386,773)	12,061
Increase (decrease) in accrued payroll	6,685	2,401	518	9,604	2,060
Increase (decrease) in due to other funds	-	(95,505)	-	(95,505)	-
Increase (decrease) in unearned revenue	-	-	-	-	-
Increase (decrease) in compensated absences	<u>24,801</u>	<u>2,859</u>	<u>(7,655)</u>	<u>20,005</u>	<u>1,506</u>
Total Adjustments	<u>1,520,046</u>	<u>144,745</u>	<u>228,864</u>	<u>1,893,655</u>	<u>417,793</u>
Net cash provided (used) by operating activities	<u>\$ 2,844,523</u>	<u>\$ (123,779)</u>	<u>\$ 129,225</u>	<u>\$ 2,849,969</u>	<u>\$ 837,322</u>
NON-CASH FINANCING ACTIVITIES					
Capital assets contributed	<u>\$ 66,162</u>	<u>\$ 297,773</u>	<u>\$ -</u>	<u>\$ 363,935</u>	<u>\$ -</u>

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

NOTES SECTION

The notes to the financial statements are essential to present fairly the financial position and results of operations of the City of Steamboat Springs. The notes are intended to communicate information necessary for a fair presentation at the basic financial statement level that is not readily apparent from, or cannot be included in, the basic financial statements themselves. The notes are an integral part of these financial statements and are intended to be read with them.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE 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 nonfiduciary activities of the City. Governmental activities, normally supported by taxes, intergovernmental revenues, and nonexchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. REPORTING ENTITY

The City of Steamboat Springs was incorporated in 1900 as a municipal corporation and a statutory town under the constitution and laws of the State of Colorado until 1973 when it became a home rule municipality under authority of the Constitution of the State of Colorado and the Municipal Home Rule Act of 1971. The Home Rule Charter was adopted by the voters of Steamboat Springs on November 6, 1973 and provides for a City Council-Manager form of government with seven elected council members. The accompanying financial statements present the City and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Blended component unit. The Steamboat Springs Redevelopment Authority (Authority) serves the ski area base of the City and is governed by a board comprised of the City's elected City Council, therefore the component unit's governing body is substantively the same as the governing body of the primary government. The primary government also has an operational responsibility for the common base area maintenance. The Authority was formed to provide infrastructure improvements within its boundaries. The Authority is presented as a governmental fund and does not issue separate financial statements.

Discretely presented component unit. The Steamboat Springs Local Marketing District is responsible for providing assistance in funding airline revenue guarantees and marketing for the City of Steamboat Springs' merchants and ski area. The members of the District's governing board are appointed by the Steamboat Springs City Council. The Council has the ability to remove board members as well. The Steamboat Springs Local Marketing District does not issue separate financial statements.

C. BASIS OF PRESENTATION – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from government-wide financial statements.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed earlier, the City reports one discretely presented component unit. The Steamboat Springs Local Marketing District is shown as a separate column in the government-wide financial statements.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's utility, functions, and other departments of the City. Elimination of these charges would distort the direct costs and program revenues reported.

D. BASIS OF PRESENTATION – fund financial statements

The fund financial statements provide information about the City's funds and blended component unit. Separate statements for each fund category-governmental and proprietary-are presented. The emphasis of the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column in the fund financial statements.

The City reports the following major governmental funds:

1. **General Fund** - The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
2. **Capital Projects Fund** – The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital projects. It is not required that all capitalized assets are accounted for in this fund.
3. **Accommodations Tax Capital Projects Fund** – This Fund is used to account for accommodations tax collections and corresponding expenditures for major capital projects primarily to construct hiking and biking trails, as well as, develop a downtown Yampa Street Promenade.
4. **Steamboat Springs Redevelopment Authority Fund** – This fund is used to account for all operations of the Steamboat Springs Redevelopment Authority, a blended component unit of the City of Steamboat Springs. The Authority was formed to provide infrastructure improvements at the City's ski area base. Tax incremental financing defined in the urban renewal plan adopted by the Authority is made up of municipal sales tax and property tax from all taxing entities is the revenue source for the fund.
5. **Community Housing Fund** – The Community Housing Fund accounts for collecting and spending inclusionary zoning fees in lieu of construction, and the residential and commercial linkage fees for affordable housing.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City reports the following major proprietary funds:

1. **Utility Fund** – The Utility Fund is responsible for water treatment and distribution, and wastewater collection and treatment. This fund is considered an “enterprise” for purposes of the state’s Taxpayer Bill of Rights (TABOR).
2. **Airport Fund** – The Airport Fund is responsible for the Steamboat Springs Airport, a general aviation facility.
3. **Golf Fund** - The Golf Fund is responsible for the operation and maintenance of the Haymaker Golf Course.

In addition, the City reports the following fund types:

1. **Internal Service Fund** – The City’s Internal Service Fund accounts for fleet management services provided to other departments of the City on a cost reimbursement basis.
2. **Agency Fund** –The school sales tax agency fund accounts for the collection and payment of the City’s ½ cent sales tax passed through to a private non-profit organization.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the “economic resources measurement focus” and the accrual basis of accounting, as are the proprietary fund and pension trust fund statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the “current financial resources measurement focus” and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Earned investment interest will be recognized as revenue only as it becomes available.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

F. BUDGETARY INFORMATION

Prior to January 1, the City's budget is legally adopted through enactment of a budget ordinance. This ordinance appropriates expenditure levels by fund. This then becomes the level of control upon which expenditures may not legally exceed appropriations. The City Council may, if revenues are in excess of estimates, amend the adopted budget through enactment of a supplemental budget appropriation ordinance. Management may transfer funds between departments as long as the fund appropriation is not exceeded. Transfers between funds would require enactment of a supplemental budget ordinance. Appropriations lapse at year end.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets for the General Fund, Special Revenue Funds and the Capital Projects Fund are adopted on a basis consistent with USGAAP. Budgets for the Enterprise and Internal Service Funds are adopted on a basis consistent with USGAAP except that bond principal payments and capital outlay are budgeted as expenditures and depreciation is not budgeted.

The City does not report encumbrances as a reservation of fund balance. Any outstanding commitment to receive goods or services at year end is authorized by a re-appropriation in the succeeding year's budget ordinance. At December 31, 2016, this amount is not considered material to these financial statements.

G. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

1. Cash and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, investment pools and short-term investments with an original maturity of three months or less from the date of acquisition.

The City's investments are reported at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The fair value measurements of investments is based on the fair value hierarchy established by generally accepted accounting principles is based upon the valuation inputs used to measure an asset's fair value.

2. Receivables

All trade and tax receivables are shown net of an allowance for uncollectible items as deemed necessary. Sales tax and utility receivables are considered to be fully collectible and therefore no allowance is reported. Allowances for other trade receivables are determined based upon the age of the account and the type of service rendered.

Property taxes comprised of tax increment funds from Routt County are not due and payable until after the assessment year has ended. Thus, they are not included in the revenues or net position of the assessment year. They are recorded in the relevant funds as taxes receivable and deferred inflow of resources at December 31, 2016, as the amounts are measurable but not levied until 2017. An allowance for uncollectible property taxes is not provided, as the amount is not considered material.

In 2007 the City made a loan to the Yampa Valley Housing Authority for the Fish Creek Mobile Home Park. The original amount of the loan was \$954,000. In 2014 the City authorized Resolution No. 2014-15 to amend the loan, commencing in 2019 the interest is 1.5%. The balance of the receivable recorded in the Community Housing Fund at December 31, 2016 was \$729,224. Principal reduction payments are to be paid annually beginning January 2015 until January 2044.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In 2016 the City signed a promissory note receivable with former City Manager Alan Lanning for repayment of housing expenses to the City. The principal amount of the note is \$59,307. The balance of the receivable recorded in the General Fund at December 31, 2016 was \$56,907. Principal reduction payments are to be paid monthly beginning August 2016 until October 2024.

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of Ice Rink supplies for resale and fuel for various departments. The cost of the Ice Rink supplies and fuel are expensed when purchased rather than when consumed or sold and are reported on the balance sheet if significant. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments in both the government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for equipment and more than \$25,000 for property, plant and infrastructure and an estimated life in excess of two years. Such assets are recorded at cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at acquisition value at the date of donation.

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

Property, plant and equipment is depreciated using the straight-line method over the estimated useful lives as follows:

Land improvements	30-40 years
Buildings and improvements	30-40 years
Public domain infrastructure	30-40 years
Sewer and water transmission and distribution lines	40 years
Furniture and equipment	3-15 years

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second represents deferred charges related to defined benefit pension plans; these charges will be amortized according to the benefit terms of the plans.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items in this category, the first which arises only under the current financial resources measurement focus and modified accrual basis of accounting.

Accordingly, the first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: Accounts Receivable, Property taxes comprised of tax increment funds from Routt County, and Promissory Notes Receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The second item, which arises only under the economic resources measurement focus and accrual basis of accounting represents deferred inflows of resources related to defined benefit pension plans. This income will be recognized according to the benefit terms of the plans.

6. Accrued benefits

It is the City's policy to permit employees to accumulate earned but unused paid time off benefits. This amount is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Pension Association Plans (FPPA) and additions to/deductions from FPPA's fiduciary net position have been determined on the same basis as they are reported by FPPA. 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.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

9. Net Position definition

The difference between all other elements in a statement of financial position is net position. Net position is displayed in three components: Net investment in capital assets, restricted component of net position consists of restricted assets reduced by liabilities related to those assets, and unrestricted component of net position is the net amount of the assets and liabilities that are not included in the prior two components.

10. Net Position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted net position is applied.

11. Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund balance policies

In the fund financial statements, governmental funds report categories of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Certain categories of fund balance represent tentative management plans that are subject to change. Fund balance classifications in order of hierarchy are:

- *Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or it is legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* – The portion of fund balance constrained by formal action of the government's highest level of decision making authority. The City Council is the government's highest level of decision making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the constraint may be removed or changed only through similar action of the City Council.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- *Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the City Council or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The City will only report a positive unassigned fund balance in the General Fund.

The City Council by resolution authorized the City Manager, or the City Manager's Designee, authority to designate the assigned fund balance for each fund based on the intended use of such resources. Any fund balance not restricted will be used in the following order: committed, assigned, and then unassigned.

H. REVENUES AND EXPENDITURES/EXPENSES

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers 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.

2. Property Taxes

The City of Steamboat Springs does not levy property taxes. The Steamboat Springs Redevelopment Authority (Authority), a blended component unit of the City, receives property tax increment funds (TIF) given to the Authority to offset costs incurred for the base area redevelopment. There is no mill levy by the Authority. The Authority receives the property TIF through Routt County and the amount to be collected in 2017 is recorded as a receivable and a deferred inflow of resources at December 31, 2016, as the amounts are measurable but not levied until 2017. Property taxes to be collected by Routt County are levied on or before December 22 and attached as an enforceable lien on the property the following January 1st. Taxes are payable either in full on April 30 or in two installments due on February 2 and June 15.

3. Compensated Absence

It is the City's policy to permit employees to accumulate earned but unused paid time off benefits. This amount is accrued in the government-wide and proprietary fund financial statements.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Utility Fund, Airport Fund and Golf Fund are charges to customers for sales and services. The principal operating revenues of the City's internal service fund are charges to other City departments for services. Operating expenses for these same 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.

I. IMPLEMENTATION OF NEW GASB STATEMENTS

The City has implemented GASB Statement 72, "Fair Value Measurement and Application." The statement provides guidance for determining a fair value measurement for financial reporting purposes, and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Fair value measurement is currently applied to investments, therefore there is no impact to the beginning net position by implementing this statement. The Note III disclosure has been updated to include the fair value hierarchy based on the valuation inputs used to measure the fair value of an asset.

The City has implemented GASB Statement 76, "The Hierarchy of Generally Accepted Accounting Principles (GAAP) for State and Local Governments." The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of GAAP. The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement supersedes GASB Statement No. 55. The implementation of this statement does not impact the City's financial statements.

The City has implemented GASB Statement 77, "Tax Abatement Disclosures." For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of this statement does not impact the City's financial statements or disclosure.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE II: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND
BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

The governmental fund balance sheet includes the reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$24,902,612 difference are as follows:

Bonds payable	\$ 15,440,000
Less: Deferred charge on refunding	(614,649)
Add: Issuance premium	467,486
Capital lease payable	281,609
Certificates of participation	8,165,000
Accrued Interest Payable	64,178
Compensated Absences	897,140
Net Pension Liability	<u>201,848</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position of governmental activities	 <u><u>\$ 24,902,612</u></u>

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE II: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$5,150,115 difference are as follows:

Capital outlay	\$ 9,368,892
Depreciation expense, excluding Internal Service Funds	<u>(4,218,777)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 5,150,115</u></u>

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The details of this \$41,114 difference are as follows:

Repayment of loan	\$ (30,777)
Long-term Note Revenue	56,907
Ambulance Fee Revenue	<u>14,984</u>
Net adjustment to increase total governmental funds to arrive at changes net position of governmental activities	<u><u>\$ 41,114</u></u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.” The details of this \$188,556 difference are as follows:

Gain on the sale of capital assets	\$ (11,449)
Insurance Proceeds from disposal of an asset	(154,507)
Proceeds from the sale of assets	<u>(22,600)</u>
Net adjustment to increase total governmental funds to arrive at changes net position of governmental activities	<u><u>\$ (188,556)</u></u>

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE II: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Another element of that reconciliation states that the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$82,004 difference are as follows:

Certificates of Participation (COP) issued	\$ (6,220,000)
COP Issue Premium	(330,539)
Debt Issuance premium amortization	24,607
Deferred refunding loss	485,809
Deferred refunding loss recognition	(28,650)
Repayment of long-term debt principal	<u>6,150,777</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	 <u><u>\$ 82,004</u></u>

Another element of that reconciliation states that some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. In addition, collections of amounts due under loan agreements provide current financial resources in government funds, but are not revenue in the statement of activities. The details of this \$70,601 difference are as follows:

Compensated absences	\$ (83,734)
Accrued Interest	22,123
Allowance for doubtful accounts	<u>(8,990)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	 <u><u>\$ (70,601)</u></u>

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS
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A. CASH & INVESTMENTS

Deposits

Colorado Statutes require the City to make deposits only in eligible public depositories as defined by the Colorado Public Deposit Protection Act of 1989. The Act requires the eligible depository with public deposits in excess of federal insurance levels to create single institution collateral pools of defined eligible assets. Eligible collateral includes obligations of the United States, the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the pool must be at least equal to 102% of the uninsured deposits. Because of controls in place as part of the Colorado Public Deposit Protection Act of 1989, deposits are adequately secured as if they were collateralized with securities held by the entity or by its agent in the entity's name. Additionally, because deposits covered by PDPA are collateralized by investment pools, the City's deposits are not subject to custodial risk.

The City's deposits are considered to be entirely insured or collateralized with securities held by the City or its agent in the City's name as follows:

	Bank Balance at 12/31/2016
FDIC insured deposits (\$250,000 per bank)	\$ 991,675
Amounts PDPA collateralized as described above	<u>1,869,623</u>
Deposits at December 31, 2016	<u><u>\$ 2,861,298</u></u>

The carrying amount of the City's cash deposits, cash on hand, and cash equivalents at December 31, 2016 was \$7,896,987. The carrying amount of the Local Marketing District's deposits and cash on hand at December 31, 2016 was \$283,868.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS
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Investments

The City manages its interest rate risk, credit risk, and concentration of credit risk for different investment instruments as described below in the summary of its investment policy.

The City has adopted a formal investment policy by adoption of Resolution #2000-10. The policy authorizes the following investment instruments:

1. Treasury Obligations (U.S. Treasury Bills, Notes and Bonds).
2. Treasury Strips (book-entry U.S. Treasury securities whose coupons have been removed) with maturities not exceeding three (3) years from date of purchase.
3. Federal Instrumentality securities: Debentures, discount notes, callable securities and stripped principal or coupons with maturities not exceeding three years from the date of purchase that are rated AAA by either Moody's or Standard & Poors issued by the following: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), and Student Loan Marketing Association (SLMA).
4. Repurchase Agreements with a defined termination date of 180 days or less collateralized by U.S. Treasury securities listed in item 1 above with a maturity not exceeding 10 years. Repurchase agreements shall be entered into only with dealers who have executed a Master Repurchase Agreement with the City and who are recognized as Primary Dealers with the Market Reports Division of the Federal Reserve Bank of New York.
5. Flexible Repurchase Agreements with a final maturity of one year or less entered into by the City with approved counterparties and meeting certain criteria.
6. Time and negotiable certificates of deposit or savings accounts in state or national banks or in state or federally chartered savings and loans which are state approved depositories (as evidenced by a certificate issued by the State Banking Board) and are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with the Colorado Public Deposit Protection Act.
7. Local Government Investment Pools authorized under CRS 24-75-701, 702 which: 1) are "no-load" (i.e. no commission fee shall be charged on purchases or sales of shares); 2) have a constant daily net asset value per share (usually \$1.00 per share); 3) limits assets of the fund to U.S. securities listed previously in items one through three of this section; 4) have a maximum stated maturity in accordance with Federal Securities Law Regulation 270-2A-7 paragraph 59073; and 5) are approved for use by resolution of the City Council.
8. Eligible Bankers Acceptances with an original maturity not exceeding 90 days, issued on domestic banks or branches of foreign banks domiciled in the U.S. and meeting certain other requirements. The aggregate amount of securities purchased from any one Bankers Acceptance issuer shall not exceed 20% of the City's portfolio.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS

9. Prime Commercial Paper issued on U.S. companies with a maturity not exceeding 180 days from the date of purchase which is rated in its highest category at the time of purchase by one or more nationally recognized organizations which regularly rate such obligations.

10. Money Market Mutual Funds which: 1) are "no-load" (i.e. no commission fee shall be charged on purchases or sales of shares); 2) have a constant daily net asset value per share (usually \$1.00 per share); 3) limit assets of the fund to U.S. securities listed above in items one through three of this section; 4) have a maximum stated maturity in accordance with Federal Securities Law Regulation 270-2A-7 paragraph 59073; 5) are rated AAAm by Standard and Poor's or Aaa by Moody's or Fitch Investors Service.

The City's investments at December 31, 2016 are as follows:

Investment	Fund	Maturity Date	S&P/Moody's Rating	Fair Value
Negotiable Certificate of Deposit	General Fund	9/4/2018	N/A	251,800
Negotiable Certificate of Deposit	SSRA Fund	10/9/2018	N/A	251,768
Negotiable Certificate of Deposit	General Fund	9/6/2019	N/A	247,270
FHLB Agency	Utility Fund	10/5/2018	AA/AAA	994,570
FNMA Agency	Golf Fund	10/29/2018	AA/AAA	248,642
FFCB Agency	SSRA Fund	11/2/2018	AA/AAA	247,970
FFCB Agency	General Fund	12/3/2018	AA/AAA	1,500,435
FHLMC	Fleet Fund	3/14/2019	AA/AAA	998,150
FNMA Agency	General Fund	8/28/2017	AA/AAA	246,515
Total				4,987,120

In addition to the above the City and its component unit maintain accounts in The Colorado Government Liquid Asset Trust (COLOTRUST). The City's balance at December 31, 2016 is \$54,003,374. The Local Marketing District's balance at December 31, 2016 is \$499,433.

COLOTRUST is a State approved and regulated investment vehicle established by statute for local governments. Similar to a money market fund each share is valued at \$1.00. The fair value of the position in this external investment pool is the same as the value of the pool shares. COLOTRUST has a daily redemption frequency period, and a 1 day redemption notice period. The custodial banks provide safekeeping and depository services. The Federal Reserve Bank holds all securities owned by the trust in accounts maintained for the custodial banks, and the custodian's internal records identify the investments as owned by the trust. COLOTRUST is rated AAAm by Standard & Poor's.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS
--

The City has adopted Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures. This standard defines requirements regarding disclosure of custodial risk and establishes requirements for disclosures regarding credit risk, concentrations of credit risk, interest rate risk and foreign currency risk.

Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Inputs are quoted prices for identical investments in active markets.
- Level 2: Observable inputs other than quoted market prices.
- Level 3: Unobservable inputs.

The City's recurring fair value measurements for the year ended December 31, 2016 are as follows:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
Investments by fair value level				
Certificates of Deposit	\$ 750,838	\$ -	\$ 750,838	\$ -
Federal Agency Bond/Note	<u>4,236,282</u>	<u>-</u>	<u>4,236,282</u>	<u>-</u>
Total investments by fair value level	<u>4,987,120</u>	<u>\$ -</u>	<u>\$ 4,987,120</u>	<u>\$ -</u>
 Investments measured at the net asset value (NAV)				
COLOTRUST (external investment pool)	<u>54,502,807</u>			
Total investments measured at the NAV	<u>54,502,807</u>			
Total investments	<u>\$59,489,927</u>			

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS
--

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment portfolio is managed in accordance with investment guidelines as stated in the City's investment policy which limits exposure to interest rate risk by limiting the maturity date of investment securities to 5 years.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no formal policy for custodial credit risk.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the City. Credit risk exposure is managed in accordance with investment guidelines as stated in the formal investment policy adopted by the City. As per Section 24-54-112 of the Colorado Revised Statutes (C.R.S.), the City's assets will be invested using the "Colorado Uniform Prudent Investor Act" found in the provisions of Part 3 of Article 1 of Title 15, C.R.S. The City's assets shall be invested and managed as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances. In satisfying this standard, all fiduciaries shall exercise reasonable care, skill and caution. Investment decisions should be evaluated within the context of the entire portfolio, rather than on an individual investment basis, and as part of an overall investment strategy having risk and return objectives reasonably suited to the City's purpose.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have a policy that addresses limitations on the amount that can be invested in any one issuer.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS

B. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance Jan 1, 2016	Additions	Deletions	Transfers and Adjustments	Balance Dec 31, 2016
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 18,379,388	\$ 80,918	\$ -	\$ -	\$ 18,460,306
Construction in progress	755,759	5,569,498	-	(265,413)	6,059,844
Total capital assets, not being depreciated:	19,135,147	5,650,416	-	(265,413)	24,520,150
Capital assets, being depreciated:					
Intangible Assets	741,980	14,367	-	19,703	776,050
Land Improvements	18,899,646	338,939	-	93,710	19,332,295
Parks & Fields	14,188,911	243,748	-	-	14,432,659
Roads & Bridges	21,221,585	2,065,567	-	97,045	23,384,197
Trails	7,284,031	6,487	-	-	7,290,518
Buildings and improvements	37,986,650	35,426	-	-	38,022,076
Machinery and equipment	22,826,032	2,447,225	(2,757,676)	-	22,515,581
Total capital assets, being depreciated:	123,148,835	5,151,759	(2,757,676)	210,458	125,753,376
Less accumulated depreciation for:					
Intangible Assets	(472,702)	(116,244)	-	-	(588,946)
Land Improvements	(2,688,727)	(636,996)	-	-	(3,325,723)
Parks & Fields	(5,474,008)	(439,872)	-	-	(5,913,880)
Roads & Bridges	(6,371,538)	(685,599)	-	-	(7,057,137)
Trails	(2,779,702)	(218,002)	-	-	(2,997,704)
Buildings and improvements	(11,976,696)	(1,002,255)	-	-	(12,978,951)
Machinery and equipment	(14,644,026)	(1,528,858)	2,504,755	-	(13,668,129)
Total accumulated depreciation	(44,407,399)	(4,627,826)	2,504,755	-	(46,530,470)
Total capital assets, being depreciated - Net	78,741,436	523,933	(252,921)	210,458	79,222,906
Governmental Activities capital assets - Net	\$97,876,583	\$ 6,174,349	\$ (252,921)	\$ (54,955)	\$ 103,743,056

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS

	Balance Jan 1, 2016	Additions	Deletions	Transfers and Adjustments	Balance Dec 31, 2016
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 8,889,777	\$ -	\$ -	\$ -	\$ 8,889,777
Construction in progress	1,248,346	1,120,507	-	(112,181)	2,256,672
Total capital assets, not being depreciated:	10,138,123	1,120,507	-	(112,181)	11,146,449
Capital assets, being depreciated:					
Land Improvements	13,575,478	306,276	-	-	13,881,754
Buildings and improvements	39,052,615	83,595	-	-	39,136,210
Utility transmission lines	31,767,669	1,280,034	-	-	33,047,703
Machinery and equipment	3,942,555	71,492	(42,990)	-	3,971,057
Total capital assets, being depreciated:	88,338,317	1,741,397	(42,990)	-	90,036,724
Less accumulated depreciation for:					
Land Improvements	(7,349,272)	(261,821)	-	-	(7,611,093)
Buildings and improvements	(19,431,978)	(991,416)	-	-	(20,423,394)
Utility transmission lines	(11,505,456)	(763,075)	-	-	(12,268,531)
Machinery and equipment	(2,465,619)	(220,676)	42,990	-	(2,643,305)
Total accumulated depreciation	(40,752,325)	(2,236,988)	42,990	-	(42,946,323)
Total capital assets, being depreciated - Net	47,585,992	(495,591)	-	-	47,090,401
Business-type Activities capital assets - Net	\$ 57,724,115	\$ 624,916	\$ -	\$ (112,181)	\$ 58,236,850

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

Governmental activities:

General government	\$ 710,697
Public safety	749,773
Public works - Including depreciation of general infrastructure assets	727,792
Transportation services	671,621
Parks and community services	727,792
Steamboat Springs Redevelopment Authority	631,102
Capital assets held by the City's internal service funds are charged to the various departments based on their usage of the assets	409,049

Total depreciation expense - governmental activities \$ 4,627,826

Business-type activities:

Utility (Water & Sewer)	\$ 1,645,774
Airport	367,296
Golf	223,918

Total depreciation expense - business-type activities \$ 2,236,988

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS
--

C. INTERFUND TRANSACTIONS

Transfers

Inter-fund transfers for the year ended December 31, 2016 are as follows:

Transfers Out:					
	Governmental Funds		Proprietary Funds		Total
	General Fund	Accommodations Tax Capital Fund	Airport Fund	Fleet Services Fund	
<u>Transfers In:</u>					
Governmental Funds:					
General Fund	\$ -	\$ -	\$ 112,320	\$ -	\$ 112,320
Capital Projects Fund	4,639,804	-	-	-	4,639,804
	<u>4,639,804</u>	<u>-</u>	<u>112,320</u>	<u>-</u>	<u>4,752,124</u>
Proprietary Funds:					
Airport Fund	188,708	-	-	-	188,708
Golf Fund	-	90,000	-	-	90,000
Fleet Services Fund	15,000	-	-	-	15,000
	<u>203,708</u>	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>293,708</u>
	<u>\$ 4,843,512</u>	<u>\$ 90,000</u>	<u>\$ 112,320</u>	<u>\$ -</u>	<u>\$ 5,045,832</u>

During the year, transfers are used to: 1) Move unrestricted general revenues to finance various programs accounted for in other funds in accordance with budgetary authorization. This includes amounts provided as subsidies or matching funds for various grant programs. 2) Transfers from proprietary funds are to help defray the cost of administrative services provided by the general fund.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS
--

D. RESTRICTED ASSETS

Certain assets of the City are classified as restricted assets because their use is completely restricted by the terms of various loan and grant agreements and legal requirements, the more significant restricted assets are as follows:

General Fund:

Restricted for Debt Service	\$ 443,397
Restricted for Capital Projects	<u>15,081</u>
	<u><u>\$ 458,478</u></u>

Capital Projects Fund:

Restricted for Capital Projects	<u>\$ 137,859</u>
	<u><u>\$ 137,859</u></u>

Steamboat Springs Redevelopment Authority Fund:

Restricted for Debt Service	<u>\$ 1,854,231</u>
	<u><u>\$ 1,854,231</u></u>

Utility Fund:

Restricted for Capital Projects	\$ 5,798,715
Restricted for Debt Service	<u>960,794</u>
	<u><u>\$ 6,759,509</u></u>

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS
--

E. CAPITAL LEASE OBLIGATIONS

2012 Capital Lease – Haymaker Golf Carts

In 2012 the City entered into a Lease/Purchase agreement with Wells Fargo Financial Leasing to obtain sixty 2012 EZGO Electric Golf Carts. The original debt amount was \$187,095 and the interest rate is 3%. The unpaid balance recorded in the Golf Fund at December 31, 2016 is \$10,010. Payments are made monthly through March, 2017. The capital asset is recorded at a cost of \$187,095 with accumulated depreciation of \$177,791.

Airport Hangar Lease

In 1993 the City entered into an agreement with a group of aircraft owners to construct a hangar building at the City's airport. The City is leasing the building from the owners under a lease/purchase agreement with no interest. The unpaid balance recorded in the Airport Fund at December 31, 2016 is \$64,757. Payments are made annually through 2023. The amount recorded in the asset account is \$277,556. Accumulated depreciation is \$165,217.

2009 Energy Efficiency Project

In November 2009 the City entered into a lease purchase agreement with Wells Fargo Brokerage Services to finance completion of certain energy efficiency measures in various City facilities. The lease obligation is recorded in the funds where the energy cost savings will be realized. The original amount of the debt was \$887,400 with interest at 4.5%. Payments are made in quarterly installments of \$27,974 through November 2019 by the individual funds that realize the cost savings. The unpaid balance at December 31, 2016 was \$312,378 of which \$30,769 is payable by the City's proprietary funds and \$281,609 is payable by the general fund. The amount recorded in the asset account is \$814,224. Accumulated depreciation is \$417,984.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS

The following is a schedule by years of future minimum lease payments under the capital leases, together with the present value of the net minimum future lease payments as of December 31, 2016:

	Governmental Activities		Business-type Activities			
	Energy Efficiency Project	Total	Golf Carts	Airport Hangar Lease	Energy Efficiency Project	Total
Year ending December 31,						
2017	\$ 100,875	\$ 100,875	\$ 10,060	\$ 9,251	\$ 11,022	\$ 30,333
2018	100,875	100,875	-	9,251	11,022	20,273
2019	100,875	100,875	-	9,251	11,022	20,273
2020	-	-	-	9,251	-	9,251
2021	-	-	-	9,251	-	9,251
2022-2023	-	-	-	18,502	-	18,502
Minimum Lease Payments	302,625	302,625	10,060	64,757	33,066	107,883
Less amounts representing interest	21,016	21,016	50	-	2,297	2,347
Present Value of Future Minimum Lease Payments	<u>\$ 281,609</u>	<u>\$ 281,609</u>	<u>\$ 10,010</u>	<u>\$ 64,757</u>	<u>\$ 30,769</u>	<u>\$ 105,536</u>

F. LONG-TERM DEBT

REVENUE BONDS

October 5, 2010 - Tax Increment Adjustable Rate Revenue Bonds - \$20,565,000

The Series 2010 Bonds were issued for the purpose of financing public improvements within the Steamboat Springs Redevelopment Authority boundaries and the costs of issuance. The Bonds mature annually December 1, in amounts from \$775,000 to \$1,490,000. Interest is paid semi-annually in amounts ranging from 2.75% to 4.5%. Total annual requirements are \$1,525,043 to \$1,553,055 and are serviced by the Steamboat Springs Redevelopment Authority. During 2016 pledged revenues for property and sales taxes totaling \$2,480,310 were available to pay debt service of \$1,549,043. The outstanding principal balance at December 31, 2016 was \$15,440,000.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS
--

CERTIFICATES OF PARTICIPATION (COPS)

December 15, 2010 – Certificates of Participation Series 2010 - \$3,785,000

The Series 2010 Certificates were issued for the purpose of refunding the City's Series 2001 Certificates in order to reduce total debt service payments. Interest rates vary from 2.50% to 4.00% and mature annually through December 1, 2021 in amounts ranging from \$265,000 to \$415,000. Total annual payments vary from \$379,525 to \$439,875 and are serviced by the General Fund. The outstanding principal balance at December 31, 2016 was \$1,945,000.

December 21, 2016 – Certificates of Participation Series 2016A - \$3,750,000

The Series 2016A Certificates were issued for the purpose of improving downtown infrastructure along Yampa Street and Oak Street. The Interest rates vary from 4.0% to 5.0% and mature annually beginning December 1, 2026 through December 1, 2036 in amounts ranging from \$80,000 to \$440,000. Total annual payments vary from \$153,567 to \$467,200 and are serviced by the General Fund. The outstanding principal balance at December 31, 2016 was \$3,750,000.

December 21, 2016 – Certificates of Participation Series 2016B - \$2,470,000

The Series 2016B Certificates were issued for the purpose of refunding the City's Series 2007 Certificates in order to reduce total debt service payments by \$1,978,342. The economic gain on the refunding was \$684,761 in net present value savings. Interest rates vary from 1.7% to 3.75% and mature annually through December 1, 2026 in amounts ranging from \$215,000 to \$285,000. Total annual payments vary from \$223,063 to \$304,803 and are serviced by the General Fund. The outstanding principal balance at December 31, 2016 was \$2,470,000.

LOANS

Loans payable at December 31, 2016 are comprised of the following:

July 1, 1999 – Colorado Water Resources and Power Development Authority Loan - \$2,935,636

The 1999 loan was entered into for the purpose of expanding the regional wastewater treatment plant. The Authority issued bonds to fund the loan and the City assumed the issue costs. Interest rates vary from 5.0% to 5.25%. Principal payments are from \$74,998 to \$101,783 semi-annually through August 1, 2019. Total annual payments vary from \$212,373 to \$217,792 and are serviced by the Utility Fund. The outstanding principal balance at December 31, 2016 was \$573,199.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS

May 1, 2001 – Colorado Water Resources and Power Development Authority Loan - \$5,895,665

The 2001 loan was entered into for the purpose of expanding the regional wastewater treatment plant. The Authority issued bonds to fund the loan and the City assumed the issue costs. Interest rate is 4.01%. Principal payments are from \$140,889 to \$205,914 semi-annually through August 1, 2021. Total annual payments vary from \$426,422 to \$434,395 and are serviced by the Utility Fund. The outstanding principal balance at December 31, 2016 was \$1,853,229.

June 21, 2011 – Colorado Water Resources and Power Development Authority Loan - \$12,350,000

The 2011 loan was entered into for various drinking water and wastewater projects including water line additions, water main replacement and additions, reservoir enlargement, water meter upgrades, and wastewater collection main replacements. The Authority issued bonds to fund the loan and the City assumed the issue costs. Interest rates vary from 3% to 5%. Principal payments are from \$365,000 to \$915,000 semi-annually through August 1, 2031. Total annual payments vary from \$955,913 to \$986,484 and are serviced by the Utility Fund. The outstanding principal balance at December 31, 2016 was \$10,160,000.

CHANGES IN LONG-TERM DEBT

Summary of changes in Long-Term Debt of the City for the year ended December 31, 2016:

GOVERNMENTAL ACTIVITIES

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016	Amounts due within one year
Capital leases	\$ 367,385	\$ -	\$ (85,776)	\$ 281,609	\$ 89,702
Tax Increment Revenue Bonds	16,365,000	-	(925,000)	15,440,000	955,000
Certificates of participation	7,085,000	6,220,000	(5,140,000)	8,165,000	580,000
Unamortized premium	161,554	330,539	(24,607)	467,486	43,593
Compensated absences	832,334	1,166,875	(1,081,635)	917,574	229,394
	<u>\$ 24,811,273</u>	<u>\$ 7,717,414</u>	<u>\$ (7,257,018)</u>	<u>\$ 25,271,669</u>	<u>\$ 1,897,689</u>

BUSINESS-TYPE ACTIVITIES

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016	Amounts due within one year
Capital leases	\$ 163,458	\$ -	\$ (57,922)	\$ 105,536	\$ 29,061
Loans	13,557,980	-	(971,552)	12,586,428	1,008,165
Unamortized loan premium	349,132	-	(47,769)	301,363	42,708
Compensated absences	159,552	134,340	(114,335)	179,557	44,891
	<u>\$ 14,230,122</u>	<u>\$ 134,340</u>	<u>\$ (1,191,578)</u>	<u>\$ 13,172,884</u>	<u>\$ 1,124,825</u>

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS

DEBT SERVICE REQUIREMENTS TO MATURITY

YEAR	BONDS & COPS		LOANS		LEASES	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,535,000	\$ 890,633	\$ 1,008,165	\$ 590,530	\$ 118,764	\$ 12,444
2018	1,595,000	860,043	1,055,074	545,108	113,307	7,840
2019	1,635,000	813,980	1,096,625	502,772	118,070	3,077
2020	1,690,000	762,608	944,735	444,950	9,251	-
2021	1,740,000	705,158	996,829	390,481	9,251	-
2022-2026	7,445,000	2,631,646	3,330,000	1,459,195	18,502	-
2027-2031	5,950,000	1,026,963	4,155,000	643,750	-	-
2032-2036	2,015,000	299,600	-	-	-	-
Total	<u>\$ 23,605,000</u>	<u>\$ 7,990,630</u>	<u>\$ 12,586,428</u>	<u>\$ 4,576,786</u>	<u>\$ 387,145</u>	<u>\$ 23,361</u>

BUSINESS-TYPE ACTIVITIES

YEAR	Utility		Airport		Golf	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,011,558	\$ 590,953	\$ 14,923	\$ 706	\$ 10,718	\$ 142
2018	1,058,622	545,375	15,182	447	770	58
2019	1,100,336	502,877	15,484	175	805	22
2020	944,734	444,950	9,251	-	-	-
2021	996,828	390,480	9,251	-	-	-
2022-2026	3,330,000	1,459,195	18,502	-	-	-
2027-2031	4,155,000	643,750	-	-	-	-
Total	<u>\$ 12,597,078</u>	<u>\$ 4,577,580</u>	<u>\$ 82,593</u>	<u>\$ 1,327</u>	<u>\$ 12,293</u>	<u>\$ 222</u>

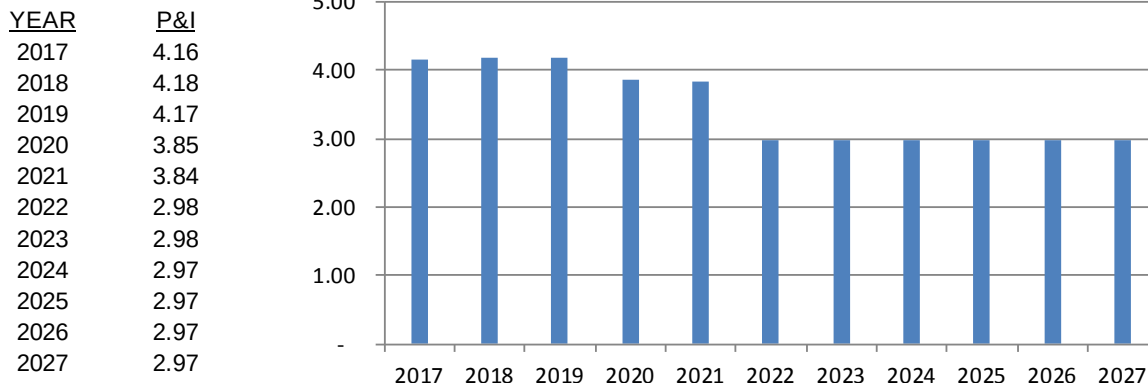
CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS

GOVERNMENTAL ACTIVITIES

YEAR	General Fund		Redevelopment Authority Fund	
	Principal	Interest	Principal	Interest
2017	\$ 669,702	\$ 305,513	\$ 955,000	\$ 596,293
2018	703,807	299,468	985,000	567,643
2019	718,100	278,700	1,015,000	538,055
2020	645,000	255,003	1,045,000	507,605
2021	665,000	232,265	1,075,000	472,893
2022-2026	1,375,000	951,805	6,070,000	1,679,841
2027-2031	1,655,000	669,600	4,295,000	357,363
2032-2036	2,015,000	299,600	-	-
Total	<u>\$ 8,446,609</u>	<u>\$ 3,291,953</u>	<u>\$ 15,440,000</u>	<u>\$ 4,719,693</u>

CITY OF STEAMBOAT SPRINGS
Debt Service Payments - All Funds, Principal and Interest
For the Year 2017 through 2027 (in millions)



COMPENSATED ABSENCES BY FUND

General Fund	\$ 897,140
Utility Fund	127,557
Airport Fund	17,774
Golf Fund	34,226
Fleet Fund	20,434
	<u>\$1,097,131</u>

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE III: DETAILED NOTES ON ALL FUNDS
--

G. FUND BALANCES

Fund balances in Governmental Funds at December 31, 2016, are comprised of the following:

	General Fund	Capital Projects Fund	Accommodations Tax Capital Fund	Steamboat Springs Redevelopment Authority	Community Housing Fund
<u>Non-spendable Fund Balances</u>					
Inventory	\$ 43,154				
<u>Restricted Fund Balances</u>					
Restricted for Emergency:					
TABOR Emergency Reserve	\$ 1,227,000	\$ -	\$ -	\$ -	\$ -
Restricted for Debt Service:					
Series 2010 Certificates of Participation Reserve Fund	378,500	-	-	-	-
Series 2010 Tax Increment Bonds Reserve Fund	-	-	-	1,553,055	-
Series 2010 Tax Increment Bonds Bond Fund	-	-	-	301,176	-
Series 2016 A&B Certificates of Participation Issue Funds	64,657	-	-	-	-
Restricted for Capital Projects:					
Conservation Trust Fund	-	137,101	-	-	-
Specific capital projects	-	383,241	1,025,305	-	-
Restricted per voter approval:					
Steamboat Springs Redevelopment Authority	-	-	-	2,016,064	-
Restricted for Affordable Housing:					
Housing Reserve	-	-	-	-	178,368
Community Housing Plan	-	-	-	-	347,736
	<u>\$ 1,670,157</u>	<u>\$ 520,342</u>	<u>\$ 1,025,305</u>	<u>\$ 3,870,295</u>	<u>\$ 526,104</u>
<u>Committed Fund Balances</u>					
Committed for Road Maintenance:					
Longthong Road Maintenance	\$ 128,147	\$ -			
Other	38,994	-			
	<u>\$ 167,141</u>	<u>\$ -</u>			
<u>Assigned Fund Balances</u>					
Assigned for Management Policies:					
Other	\$ 59,356	\$ 758			
Assigned for Subsequent Year Items:					
Budget Appropriation	62,894	7,034,351			
Assigned for future Capital Projects	-	13,176,444			
	<u>\$ 122,250</u>	<u>\$ 20,211,553</u>			

H. RELATED PARTIES

The City may from time to time enter into contracts for services with companies whose ownership includes members of City Council. All such contractual arrangements are subject to the City's competitive bidding process.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE IV: OTHER INFORMATION

A. EMPLOYEE BENEFIT PLANS

POLICE RETIREMENT DEFINED CONTRIBUTION PLAN

The City provides retirement benefits for all of its full-time police officers through a defined contribution plan administered by Wells Fargo Bank, N.A. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by Resolution #82-30 of the City Council, all employees of the City's Police Department not covered by another plan must participate in this plan from the date of hire. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after seven (7) years of continuous service. A portion of City contributions for, and interest forfeited by, employees who leave employment before becoming fully vested are used to reduce the City's current period contribution requirement and to pay expenses of the plan. The City Council has the authority to approve amendments to the plan.

The City's total payroll for the year ended December 31, 2016 was \$14,997,112. The City's contribution was calculated using the covered payroll of \$1,588,943. The City contributed the required amount, net of forfeitures, of \$193,851 (12.2% of covered payroll) and the covered employees contributed the required amount of \$145,936 (9.2% of covered payroll), for a total of \$339,787 (21.4% of covered payroll).

A financial statement for the Police Pension Trust Fund as of and for the year ended December 31, 2016 is as follows:

ASSETS

Loans receivable	\$ 188,610
Mutual funds	<u>2,959,848</u>
 Total Assets	 <u>3,148,458</u>

LIABILITIES

Accounts payable	<u>-</u>
Total Liabilities	<u>-</u>
 Net position held in trust for pension benefits	 <u><u>\$ 3,148,458</u></u>

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
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NOTE IV: OTHER INFORMATION

ADDITIONS

Contributions	
City	\$ 193,851
Employees	145,936
Forfeitures	<u>(144,537)</u>
Total contributions	195,250
Investment income	<u>207,056</u>
Total Additions	<u>402,306</u>

DEDUCTIONS

Benefit payments	527,628
Administrative services	<u>8,817</u>
Total Deductions	<u>536,445</u>
Net decrease in Net Position	(134,139)
Net position - Beginning of year	<u>3,282,597</u>
Net position - End of year	<u><u>\$ 3,148,458</u></u>

CITY OF STEAMBOAT SPRINGS
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NOTE IV: OTHER INFORMATION

PAID FIREFIGHTER DEFINED CONTRIBUTION PLAN

The City provides pension benefits for all of its full-time firefighters through a non-contributory defined contribution plan administered by ICMA Retirement Corporation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

As established by Ordinance #469 of the City Council, all full time paid firefighters, participate in this plan from the date of hire. The City's contribution for each employee (and interest allocated to the employee's account) is fully vested after 5 years continuous service. City contributions for, and interest forfeited by, employees who leave employment before becoming fully vested are used to reduce the City's current period contribution requirement and pay expenses of the plan.

The City's total payroll for the year ended December 31, 2016 was \$14,997,112. The City's contribution was calculated using the covered payroll of \$1,928,210 and the City made the required contribution of 3% amounting to \$57,846.

A financial statement for the City Paid Firefighter Pension Trust Fund as of and for the year ended December 31, 2016 is as follows:

ASSETS

Mutual funds	\$ 553,738
Total Assets	<u>553,738</u>

LIABILITIES

Accounts payable	<u>-</u>
Total Liabilities	<u>-</u>
Net position held in trust for pension benefits	<u><u>\$ 553,738</u></u>

CITY OF STEAMBOAT SPRINGS
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ADDITIONS

Contributions		
City	\$	57,846
Other		<u>-</u>
Total contributions		<u>57,846</u>
Investment income/(loss)		<u>32,272</u>
Total Additions		<u>90,118</u>

DEDUCTIONS

Benefit payments		-
Administrative services		<u>114</u>
Other		<u>-</u>
Total Deductions		<u>114</u>
Net increase in Net Position		90,004
Net position - Beginning of year		<u>463,734</u>
Net position - End of year	\$	<u><u>553,738</u></u>

CITY OF STEAMBOAT SPRINGS
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NOTE IV: OTHER INFORMATION

CITY EMPLOYEE DEFINED CONTRIBUTION PLAN

The City provides pension benefits for all of its full-time employees, except police officers and paid firefighters, through a non-contributory defined contribution plan administered by ICMA Retirement Corporation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

As established by Ordinance #469 of the City Council, all full time and continuous part-time employees of the City, except full-time police officers and paid firefighters, participate in this plan from the date of hire. The City's contribution for each employee (and interest allocated to the employee's account) is fully vested after 5 years continuous service. City contributions for, and interest forfeited by, employees who leave employment before becoming fully vested are used to reduce the City's current period contribution requirement and pay expenses of the plan. The City Council has the authority to approve amendments to the plan.

The City's total payroll for the year ended December 31, 2016 was \$14,997,112. The City's contribution was calculated using the covered payroll of \$9,245,233 and the City made the required contribution of 6% amounting to \$554,714.

A financial statement for the City Employee Pension Trust Fund as of and for the year ended December 31, 2016 is as follows:

ASSETS

Mutual funds	\$ 11,077,208
Total Assets	<u>11,077,208</u>

LIABILITIES

Accounts payable	<u>-</u>
Total Liabilities	<u>-</u>
Net position held in trust for pension benefits	<u><u>\$ 11,077,208</u></u>

CITY OF STEAMBOAT SPRINGS
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NOTE IV: OTHER INFORMATION

ADDITIONS

Contributions		
City	\$	662,839
Total contributions		<u>662,839</u>
Investment income(loss)		<u>654,349</u>
Total Additions		<u>1,317,188</u>

DEDUCTIONS

Benefit payments		524,163
Administrative services		<u>5,029</u>
Total Deductions		<u>529,192</u>
Net increase in Net Position		787,996
Net position - Beginning of year		<u>10,289,212</u>
Net position - End of year	\$	<u><u>11,077,208</u></u>

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NOTE IV: OTHER INFORMATION

VOLUNTEER FIREFIGHTER'S DEFINED BENEFIT PENSION PLAN

PLAN DESCRIPTION

The City maintains a defined benefit pension plan covering its volunteer firefighters. The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link

BENEFITS PROVIDED

The plan provides retirement, disability and death benefits to plan members and beneficiaries. Benefits for normal retirement, a volunteer member having (20) years of active service may retire on the first day of the month immediately following his fiftieth (50th) birthday and receive a pension not to exceed \$650 per month unless state law requires a minimum amount greater than this amount or an actuarial review indicates that a greater amount can be paid. A Member who meets the requirements for a normal retirement pension shall receive a monthly annuity for the remainder of his life. The pension board may pension any volunteer member early retirement based on having ten (10) years of active service or more and being above the age of fifty (50) years. Such pension being pro-rated in accordance with the number of years of service and the amount of pension being paid for normal retirement explained above. Any member having at least ten (10) years of active service and not having reached the age of fifty (50), may be granted a leave of absence and retain all rights to pension annuity, and on attaining the age of fifty (50), shall be entitled to pension benefits as described herein. No firefighter transferring from another Volunteer Fire Department in Colorado shall receive retirement benefits from the Pension Fund for service after June 2, 1977 unless they shall have served at least five years for the Department. In the event of the death of a retired Member who, regardless of age, has served the requisite number of years for retirement, and who leaves a surviving spouse, the Board may grant a monthly annuity to such spouse in accordance with applicable Colorado statutes (C.R.S., 31-30-1127), in the amount of fifty percent (50%) of the current pension payment for a retired member if the fund is actuarially sound. If the Member has less than twenty years of active service, the annuity to the surviving spouse shall be prorated based upon the number of years of service. These payments shall remain in effect until the death or remarriage of such spouse.

Disability benefits shall pay a monthly annuity to said firefighter in an amount that is proper and equitable, the financial condition of the funds considered, but not to exceed \$325 per month, for a period of up to but not to exceed, one (1) year.

CITY OF STEAMBOAT SPRINGS
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NOTE IV: OTHER INFORMATION

Death benefits shall pay a monthly annuity to their survivor(s) not to exceed \$325 per month for a period of up to, but not to exceed, one (1) year. A one-time death benefit of \$1,300 shall be paid to the surviving spouse or family upon the death of any active or retired firefighter. Upon the death of a pensioned firefighter, a monthly annuity of up to fifty (50%) of the current retirement benefit may be paid to the surviving spouse if the Pension Fund is actuarially sound.

MEMBERS COVERED BY BENEFIT TERMS

Membership covered by benefit terms at December 31, 2016:

Retirees and Beneficiaries	23
Inactive, Nonretired Members	4
Active Members	<u>1</u>
Total	28

Per resolution of the City Council 2011-29, the plan is closed to new members. A volunteer firefighter who was not a member of the plan as of September 20, 2011, is not be entitled to become a member of the Plan or receive benefits from the plan.

CONTRIBUTIONS

Contributions into the pension fund can come from two sources: contributions directly from the department and contributions from the State based on assessed property values and other formulas. The volunteers serve without receiving any compensation for their services and therefore there is no covered payroll. The volunteers make no contribution to the plan. The contribution by the State of Colorado toward volunteer fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State. The State will provide matching contributions at 90% of City contributions up to a maximum of ½ mill on the assessed valuation of the City. The State contribution for 2016 was \$21,600. The annual contribution from the City for 2016 was \$29,000 and was authorized by adoption of the City's annual budget.

For 2016, the City's annual required contribution of \$16,017 for FPPA was less than the actual contribution of \$50,600. The required contribution was determined as part of the January 1, 2015 actuarial valuation using the entry age actuarial cost method. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017.

NET PENSION LIABILITY (NPL)

The City's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2013.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
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NOTE IV: OTHER INFORMATION

NPL ACTUARIAL METHODS & ASSUMPTIONS

The total pension liability in the January 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	7.5%
Inflation	3.0%
Actuarial cost method	Entry age normal
Amortization method	Level dollar – open*
Remaining amortization period	20 years*
Asset valuation method	5-year smoothed fair value
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-Retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.
Projected salary increases	N/A
Cost-of-living adjustments	None

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2013 and the associated Actuarially Determined Contribution for the year ending December 31, 2015. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2016 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations.

Changes in Actuarial assumptions which can be observed in the January 1, 2017 valuation as compared to the assumptions shown are as follows:

Inflation	3.0%
Mortality	Pre-Retirement: RP-2014 Mortality Tables with Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience.

CITY OF STEAMBOAT SPRINGS
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Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

Changes in Actuarial Methods None

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2015, are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Global Equity	37%	6.5%
Equity Long/Short	10%	4.7%
Illiquid Alternatives	20%	8.0%
Fixed Income	16%	1.5%
Absolute Return	11%	4.1%
Managed Futures	4%	3.0%
Cash	2%	0.0%
Total	<u>100%</u>	

SINGLE DISCOUNT RATE

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

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NOTES TO FINANCIAL STATEMENTS
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For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H. 15)); and the resulting Single Discount Rate is 7.50%.

Projected cash flows used in determining the Single Discount Rate are available upon request.

CHANGES IN THE NET PENSION LIABILITY

STEAMBOAT SPRINGS VOLUNTEER FIRE DEPARTMENT PENSION FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
AND RELATED RATIOS CURRENT PERIOD
DECEMBER 31, 2016
(MEASUREMENT PERIOD ENDED DECEMBER 31, 2015)

Total pension liability	
Service Cost	\$ 1,744
Interest on the Total Pension Liability	108,954
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumptions	-
Benefit payments	<u>(136,626)</u>
Net change in total pension liability(asset)	\$ (25,928)
Total pension liability - beginning	<u>1,518,938</u>
Total pension liability - ending	<u><u>\$ 1,493,010</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 29,000
Net investment income	24,648
Benefit payments	(136,626)
Pension Plan Administrative Expense	(3,017)
State of Colorado supplemental discretionary payment	<u>21,600</u>
Net change in plan fiduciary net position	\$ (64,395)
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>1,355,557</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 1,291,162</u></u>
Net pension liability/(asset)	<u><u>\$ 201,848</u></u>
Plan fiduciary net position as a percentage of the total pension liability	86.48%
Covered-employee payroll	N/A
Net pension liability/(asset) as a percentage of covered employee payroll	N/A

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Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.50%	7.50%	8.50%
Net Pension Liability	\$343,321	\$201,848	\$81,423

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2016, the City recognized pension expense of \$10,547. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the volunteer pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net Difference between projected and actual earnings on pension plan investments	65,206	-
Contributions subsequent to the measurement date	29,000	-
Total	<u>\$ 94,206</u>	<u>\$ -</u>

\$29,000 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 ending December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

2017	\$ 16,820
2018	16,820
2019	16,818
2020	14,748
2021	-
Thereafter	-

CITY OF STEAMBOAT SPRINGS
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PAID FIREFIGHTER'S DEFINED BENEFIT PENSION PLAN

PLAN DESCRIPTION

The City of Steamboat Springs contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The plan was established under Colorado State Statute and authority to amend benefit provisions rests with the State of Colorado. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at: <http://www.fppaco.org>.

BENEFITS PROVIDED

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

CONTRIBUTIONS

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 16.5 percent in 2015. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022. The City's contributions were \$132,945 for the year ended December 31, 2016.

CITY OF STEAMBOAT SPRINGS
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Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5 percent of base salary in 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.25 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.25 percent in 2015. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

PENSION ASSET, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2016, the City reported an asset of \$5,694 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016. The proportionate share is defined as the proportionate relationship of one employer to all employers of the plan. The basis for the employer's proportion should be determined consistent with the manner in which contributions to the pension plan are determined. Only employer contributions are used to calculate the proportion (member contributions are not considered). The proportionate share is used to calculate the City's share of collective net pension asset, collective pension expense and collective deferrals. These proportionate share amounts will then be used combined with the City's specific deferrals and amortization of deferrals to report NPL, pension expense and other required disclosure items. At December 31, 2015, the City's proportion was 0.3230 percent, which was a decrease of 0.0018 from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City recognized pension expense (income) of \$(45,255). At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Difference Between Actual and Expected Experience	\$ 46,053	\$ 6,723
Changes in Assumptions	89,440	-
Net Difference between Actual and Projected Earnings	289,809	-
Changes in proportion and differences between City contributions and proportionate share of contributions	5,334	-
City contributions subsequent to the measurement date	132,945	-
	<u>\$ 563,581</u>	<u>\$ 6,723</u>

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
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\$132,945 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2017	\$	113,132
2018		113,132
2019		103,912
2020		17,869
2021		17,869
Thereafter		57,999

ACTUARIAL ASSUMPTIONS

The January 1, 2015 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2015. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5% (Total Pension Liability), 3.0% (Actuarially Determined Contributions)

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

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At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37%	6.5%
Equity Long/Short	10%	4.7%
Illiquid Alternatives	20%	8.0%
Fixed Income	16%	1.5%
Absolute Return	11%	4.1%
Managed Futures	4%	3.0%
Cash	2%	0.0%
Total	100%	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DISCOUNT RATE & SENSITIVITY ANALYSIS

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit

CITY OF STEAMBOAT SPRINGS
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rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension asset/(liability) to changes in the Single Discount Rate, the following presents the plan's net pension asset, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension asset (liability) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	Single Discount Rate		
	1 % Decrease	Assumption	1% Increase
	6.50%	7.50%	8.50%
Proportionate share of the net pension asset (liability)	\$ (797,678)	\$ 5,694	\$ 672,064

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

FPPA issues a publicly available comprehensive annual financial report that includes financial statements and the required supplementary information for FPPA. That report may be obtained on the FPPA website at: <http://www.fppaco.org>.

DEFERRED COMPENSATION PLAN

The City offers a deferred compensation plan in accordance with Internal Revenue Code, Section 457. The plan permits employees to defer a portion of their salary to future years. During 1997 the plan was amended to provide that assets of the Plan are held in trust, with the City serving as trustee, for the exclusive benefit of the Plan participants (employees) and their beneficiaries. Due to this change in the trustee relationship, the City no longer records the activity of the Plan, or records the Plan assets or liabilities.

B. RISK MANAGEMENT

The City is subject to various risks of loss, including theft of, or damage to assets; errors and omissions; and natural disasters for which the City carries insurance. A liability is reported when a loss has been incurred and the amount of the loss can be reasonably estimated.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE IV: OTHER INFORMATION

COVERAGE

The Colorado Intergovernmental Risk Sharing Agency (CIRSA) was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, 29-1-201 et seq., 29-13-102, 8-44-101(1)(c) and (3), and 8-44-204, C.R.S., as amended, and Colorado Constitution, Article XIV, Section 18(2). As of December 31, 2016, there were 267 members in the casualty and property pool, and 135 members in the workman's compensation pool including the City of Steamboat Springs, each having one vote.

The purposes of CIRSA are to provide members the coverage authorized by law, through joint self-insurance, insurance, reinsurance, or any combination thereof, to provide claims services related to such coverage, and to provide risk management and loss control services to assist members in preventing and reducing losses and injuries. A Colorado statute provides municipalities with immunity from liability in excess of \$990,000 per occurrence and \$350,000 per person. The deductible amounts paid by the City for each incident in 2016 are: \$50,000 Liability, \$50,000 Auto Liability, \$50,000 Property and \$50,000 Auto Physical Damage.

Maximum coverage per occurrence for each risk area is listed below:

Property	500,500,000
General Liability	10,000,000
General Automobile Liability	5,000,000
Public Officials Errors and Omissions	10,000,000
Law Enforcement Liability	10,000,000
Federal Acts and out-of-state Claims	10,000,000
Crime Coverage	2,000,000
Workers Compensation	Statutory Limits

It is the intent of the members of CIRSA to create an entity in perpetuity, which will administer and use funds contributed by the members to defend and indemnify, in accordance with the by-laws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA available to pay such liability or loss. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The City has not been informed of any excess losses that may have been incurred by the pools. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage's at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

A seven-member board of directors, elected by the members of CIRSA, is responsible for budgeting and financing under the existing policies and by-laws of CIRSA. Amendments to the by-laws require a 2/3 vote of the members present at a meeting. The City does not have the ability to significantly influence operations. Settlements have not exceeded coverage's provided for any of the last three years. CIRSA issues separate financial statement information.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE IV: OTHER INFORMATION

MEDICAL AND DENTAL COVERAGE

Medical and dental coverage for employees is provided by UMR and Delta Dental. The City has a partially self-insured plan with the maximum liability of the City per employee per year at \$125,000 for medical and \$1,500 for dental. The City's total maximum liability per year is based on the number of employees participating in the plan. Liability surplus (cumulative maximum liability less cumulative claims) was \$320,280 at December 31, 2016.

Claims liability December 31, 2013	<u>\$ 156,791</u>
Claims incurred	2,819,488
Claims paid	<u>(2,618,076)</u>
Claims liability December 31, 2014	<u>\$ 358,203</u>
Claims incurred	3,486,365
Claims paid	<u>(3,475,182)</u>
Claims liability December 31, 2015	<u>\$ 351,386</u>
Claims incurred	3,353,539
Claims paid	<u>(3,384,645)</u>
Claims liability December 31, 2016	<u>\$ 320,280</u>

C. COMMITMENTS AND CONTINGENCIES

The City receives funding from the federal government for various programs and projects. These funds are subject to review and audit by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. City management estimates that such amounts, if any, will be immaterial.

The City is committed under the terms of various purchase, engineering and construction contracts in the amount of \$3,114,551 at December 31, 2016. These contracts are anticipated to be completed in 2017.

CITY OF STEAMBOAT SPRINGS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE IV: OTHER INFORMATION

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not determinable, it is the opinion of the City's legal counsel that the costs to the City will not be substantial.

D. TAXPAYER BILL OF RIGHTS (TABOR)

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including increasing revenues, spending abilities, and other specific requirements of state and local governments. On November 4, 1997, in the General Municipal Election, voters approved a measure to permit the City of Steamboat Springs to "collect, retain and expend the full proceeds of the City's sales and use tax, accommodations tax, non-federal grants and all other revenues, notwithstanding any state restriction on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, from the 1997 fiscal year and thereafter".

EMERGENCY RESERVE

On November 3, 1992 Amendment 1, the Taxpayer Bill of rights (TABOR) was approved by Colorado taxpayers. As part of the requirements of this amendment, the City has calculated its December 31, 2016 emergency reserve to be \$1,227,000.

***REQUIRED SUPPLEMENTARY
INFORMATION***

CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes and assessments	\$ 24,139,957	\$ 24,139,957	\$ 24,875,395	\$ 735,438
Licenses and permits	73,060	73,060	96,538	23,478
Intergovernmental	2,807,296	3,036,052	2,600,918	(435,134)
Charges for services	2,509,997	2,578,365	3,089,120	510,755
Fines and forfeits	216,400	216,400	218,027	1,627
Other Income				
Investment Income	58,500	58,500	144,157	85,657
Contributions	175,679	187,219	208,231	21,012
Voluntary assessment	337,432	337,432	366,254	28,822
Miscellaneous	830,078	830,078	948,956	118,878
Total revenues	<u>31,148,399</u>	<u>31,457,063</u>	<u>32,547,596</u>	<u>1,090,533</u>
EXPENDITURES				
Current				
General government	7,525,595	7,906,133	7,421,273	484,860
Transportation Services	3,449,362	3,449,362	3,427,775	21,587
Public Works	3,536,251	3,521,251	3,351,134	170,117
Public Safety Services	7,208,513	7,283,349	7,188,058	95,291
Legal and municipal court	522,716	522,716	474,879	47,837
Parks and community services	4,696,616	4,949,076	4,840,806	108,270
Planning Services	862,436	995,530	895,088	100,442
Debt service				
Debt Service Fees	2,000	2,000	6,750	(4,750)
Debt Issuance Costs	-	-	140,175	(140,175)
Principal	600,777	600,777	600,777	-
Interest and fiscal charges	407,575	407,575	395,443	12,132
Capital outlay				
Machinery and equipment	20,000	54,448	152,219	(97,771)
Other	-	-	14,367	(14,367)
Total expenditures	<u>28,831,841</u>	<u>29,692,217</u>	<u>28,908,744</u>	<u>783,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,316,558</u>	<u>1,764,846</u>	<u>3,638,852</u>	<u>1,874,006</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of assets	-	-	22,600	22,600
Insurance proceeds	-	159,994	187,978	27,984
COP Issuance proceeds	-	2,470,000	2,470,000	-
COP Issuance premium	-	80,538	80,539	1
Transfers from other funds	112,320	112,320	112,320	-
Payment to refunded bond escrow agent	-	(5,250,538)	(5,110,809)	139,729
Transfers to other funds	(4,808,708)	(4,843,512)	(4,843,512)	-
Total other financing sources and uses	<u>(4,696,388)</u>	<u>(7,271,198)</u>	<u>(7,080,884)</u>	<u>190,314</u>
Net change in fund balances	(2,379,830)	(5,506,352)	(3,442,032)	2,064,320
Fund balances - Beginning of year	<u>17,698,452</u>	<u>17,698,452</u>	<u>17,698,452</u>	-
Fund balances - End of year	<u>\$ 15,318,622</u>	<u>\$ 12,192,100</u>	<u>\$ 14,256,420</u>	<u>\$ 2,064,320</u>

CITY OF STEAMBOAT SPRINGS
STEAMBOAT SPRINGS REDEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes and assessments	\$ 2,345,696	\$ 2,345,696	\$ 2,480,310	\$ 134,614
Investment income	<u>4,000</u>	<u>4,000</u>	<u>22,649</u>	<u>18,649</u>
Total revenues	<u>2,349,696</u>	<u>2,349,696</u>	<u>2,502,959</u>	<u>153,263</u>
EXPENDITURES				
Current				
Personnel services	20,000	20,000	32,992	(12,992)
Materials and services	<u>157,174</u>	<u>162,174</u>	<u>146,952</u>	<u>15,222</u>
	<u>177,174</u>	<u>182,174</u>	<u>179,944</u>	<u>2,230</u>
Capital outlay				
Road & Bridge	-	163,090	162,141	949
Construction	<u>667,000</u>	<u>498,910</u>	<u>492,949</u>	<u>5,961</u>
	<u>667,000</u>	<u>662,000</u>	<u>655,090</u>	<u>6,910</u>
Debt service				
Administrative Fees	2,000	2,000	2,000	-
Bond Principal	925,000	925,000	925,000	-
Bond Interest	<u>624,043</u>	<u>624,043</u>	<u>624,043</u>	-
	<u>1,551,043</u>	<u>1,551,043</u>	<u>1,551,043</u>	-
Total expenditures	<u>2,395,217</u>	<u>2,395,217</u>	<u>2,386,077</u>	<u>8,191</u>
Net change in fund balances	(45,521)	(45,521)	116,882	161,454
Fund balances - Beginning of year	<u>3,753,413</u>	<u>3,753,413</u>	<u>3,753,413</u>	-
Fund balances - End of year	<u>\$ 3,707,892</u>	<u>\$ 3,707,892</u>	<u>\$ 3,870,295</u>	<u>\$ 161,454</u>

**CITY OF STEAMBOAT SPRINGS
COMMUNITY HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Loan Repayment	\$ -	\$ -	\$ 30,777	\$ 30,777
Investment income	1,300	1,300	3,643	2,343
Other Income	<u>30,777</u>	<u>30,777</u>	<u>18,651</u>	<u>(12,126)</u>
Total revenues	<u>32,077</u>	<u>32,077</u>	<u>53,071</u>	<u>20,994</u>
EXPENDITURES				
Community Support	75,000	554,260	475,000	79,260
Materials and Supplies	<u>1,500</u>	<u>1,500</u>	<u>1,330</u>	<u>170</u>
Total expenditures	<u>76,500</u>	<u>555,760</u>	<u>476,330</u>	<u>79,430</u>
Net change in fund balances	(44,423)	(523,683)	(423,259)	100,424
Fund balances - Beginning of year	<u>949,363</u>	<u>949,363</u>	<u>949,363</u>	-
Fund balances - End of year	<u>\$ 904,940</u>	<u>\$ 425,680</u>	<u>\$ 526,104</u>	<u>\$ 100,424</u>

CITY OF STEAMBOAT SPRINGS
STEAMBOAT SPRINGS VOLUNTEER FIRE DEPARTMENT PENSION FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS MULTIYEAR
LAST 10 FISCAL YEARS*

MEASUREMENT PERIOD ENDING DECEMBER 31,	2015	2014
TOTAL PENSION LIABILITY		
Service Cost	\$ 1,744	\$ 1,696
Interest on the Total Pension Liability	108,954	110,422
Benefit changes	-	-
Difference between expected and actual experience	-	3,844
Assumption changes	-	-
Benefit Payments	(136,626)	(134,550)
Net Change in Total Pension Liability	(25,928)	(18,588)
Total Pension Liability - beginning	1,518,938	1,537,526
Total Pension Liability - ending (a)	<u>\$ 1,493,010</u>	<u>\$ 1,518,938</u>
PLAN FIDUCIARY NET POSITION		
Employer Contributions	\$ 29,000	\$ 29,000
Pension Plan Net Investment Income	24,648	88,005
Benefit Payments	(136,626)	(134,550)
Pension Plan Administrative expenses	(3,017)	(2,409)
State of Colorado supplemental discretionary payment	21,600	21,600
Net change in Plan Fiduciary Net Position	(64,395)	1,646
Plan Fiduciary Net Position - beginning	1,355,557	1,353,911
Plan Fiduciary Net Position - ending (b)	<u>\$ 1,291,162</u>	<u>\$ 1,355,557</u>
Net Pension Liability/(Asset) - ending (a) - (b)	<u>\$ 201,848</u>	<u>\$ 163,381</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.48%	89.24%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is compiled, the City will present information for those years for which information is available.

CITY OF STEAMBOAT SPRINGS
STEAMBOAT SPRINGS VOLUNTEER FIRE DEPARTMENT PENSION FUND
SCHEDULE OF CONTRIBUTIONS MULTIYEAR
LAST 10 FISCAL YEARS*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially Determined Employer Contribution	\$ 16,017	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 24,000	\$ 24,000	\$ 24,000
Actual Employer Contribution	29,000	29,000	29,000	200,000	212,000	29,000	29,000	29,000	24,000	24,000
Contribution Deficiency (Excess)	<u>\$ (12,983)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (171,000)</u>	<u>\$ (183,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The accompanying Required Supplemental Information notes include significant methods and assumptions.

CITY OF STEAMBOAT SPRINGS
STEAMBOAT SPRINGS PAID FIRE DEPARTMENT PENSION FUND
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
LAST 10 FISCAL YEARS*

	2015	2014	2013
Employer's proportion of the Net Pension Liability (Asset)	0.3230%	0.3248%	0.3298%
Employer's proportionate share of the Net Pension Liability/(Asset)	\$ (5,694)	\$ (366,553)	\$ (294,904)
Employer's covered-employee payroll	\$ 1,565,875	\$ 1,460,600	\$ 1,432,466
Employer's proportion of the Net Pension Liability (Asset)	-0.4%	-25.1%	-20.6%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.1%	106.8%	105.8%

*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of December 31, 2015 (measurement date)

CITY OF STEAMBOAT SPRINGS
STEAMBOAT SPRINGS PAID FIRE DEPARTMENT PENSION FUND
SCHEDULE OF CONTRIBUTIONS MULTIYEAR
LAST 10 FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Statutorily Required Contribution	\$ 132,945	\$ 125,270	\$ 116,848	\$ 114,597	\$ 92,710	\$ 92,707	\$ 87,118	\$ 88,875	\$ 89,949	\$ 75,026
Contributions in relation to the Statutorily Required Contribution	132,945	125,270	116,848	114,597	92,710	92,707	87,118	88,875	89,949	75,026
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered-Employee Payroll Contributions as a percentage of Covered-Employee Payroll	\$ 1,661,813	\$ 1,565,875	\$ 1,460,600	\$ 1,432,466	\$ 1,158,872	\$ 1,158,835	\$ 1,088,975	\$ 1,159,339	\$ 1,151,833	\$ 937,825
	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%

CITY OF STEAMBOAT SPRINGS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUDGETARY INFORMATION

Prior to January 1, the City's budget is legally adopted through enactment of a budget ordinance. This ordinance appropriates expenditure levels by fund. This then becomes the level of control upon which expenditures may not legally exceed appropriations. The City Council may, if revenues are in excess of estimates, amend the adopted budget through enactment of a supplemental budget appropriation ordinance. Management may transfer funds between line items within a department as long as the total fund appropriation is not exceeded. Transfers between funds would require enactment of a supplemental budget ordinance. Appropriations lapse at year end.

Budgets for the General Fund, Special Revenue Funds and the Capital Projects Fund are adopted on a basis consistent with USGAAP. Budgets for the Enterprise and Internal Service Funds are adopted on a basis consistent with USGAAP except that bond principal payments and capital outlay are budgeted as expenditures and depreciation is not budgeted.

The City does not report encumbrances as a reservation of fund balance. Any outstanding commitment to receive goods or services at year end is authorized by a re-appropriation in the succeeding year's budget ordinance. At December 31, 2016, this amount is not considered material to these financial statements.

NOTE II: OTHER INFORMATION

PENSION CONTRIBUTION INFORMATION

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2013, determines the contribution amounts for 2014 and 2015. The actuarial valuation as of January 1, 2015 determines the contribution amounts for 2016 and 2017.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year ending December 31, 2015:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	3.00%
Salary Increases	N/A

CITY OF STEAMBOAT SPRINGS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016

NOTE II: OTHER INFORMATION

Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2013 and the associated Actuarially Determined Contribution for the year ending December 31, 2015. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2016 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations.

Changes in Actuarial assumptions which can be observed in the January 1, 2017 valuation as compared to the assumptions shown are as follows:

Inflation	3.0%
Mortality	Pre-Retirement: RP-2014 Mortality Tables with Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females

***INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES***

**CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes and assessments				
Sales	\$ 22,286,157	\$ 22,286,157	\$ 22,643,437	\$ 357,280
Vehicle use	575,000	575,000	834,070	259,070
Franchises	1,155,000	1,155,000	1,143,035	(11,965)
Sidewalk and special assessments	10,000	10,000	9,920	(80)
Additional motor vehicle	55,000	55,000	56,858	1,858
Retail Marijuana State Tax	-	-	121,695	121,695
Other - Cigarette Tax	58,800	58,800	66,380	7,580
Total taxes and assessments	<u>24,139,957</u>	<u>24,139,957</u>	<u>24,875,395</u>	<u>735,438</u>
Licenses and permits	<u>73,060</u>	<u>73,060</u>	<u>96,538</u>	<u>23,478</u>
Intergovernmental				
County road and bridge	262,500	262,500	253,729	(8,771)
Mineral lease	175,000	175,000	164,502	(10,498)
Mineral severance	400,000	400,000	114,197	(285,803)
Highway users	422,528	422,528	462,800	40,272
Grants	589,676	818,432	836,935	18,503
Fire Protection Services	892,642	892,642	731,980	(160,662)
Other	64,950	64,950	36,775	(28,175)
Total Intergovernmental	<u>2,807,296</u>	<u>3,036,052</u>	<u>2,600,918</u>	<u>(435,134)</u>
Charges for services				
Emergency Medical Services	534,925	552,925	877,191	324,266
Botanic Park fees	15,000	15,000	9,917	(5,083)
Parks user fees & concessions	46,610	46,610	70,816	24,206
Recreation program fees	435,062	485,430	472,023	(13,407)
Recreation facility user fees	939,300	939,300	1,011,123	71,823
Community center fees	24,000	24,000	17,840	(6,160)
Police Department fees	41,000	41,000	51,742	10,742
Transit fees	166,550	166,550	148,660	(17,890)
Planning fees	115,200	115,200	149,762	34,562
Fire plan check fees	35,000	35,000	42,826	7,826
Building permit fees	95,250	95,250	172,164	76,914
Other	62,100	62,100	65,056	2,956
Total Charges for Services	<u>2,509,997</u>	<u>2,578,365</u>	<u>3,089,120</u>	<u>510,755</u>
Fines and forfeits	<u>216,400</u>	<u>216,400</u>	<u>218,027</u>	<u>1,627</u>
Other Income				
Investment Income	58,500	58,500	144,157	85,657
Contributions	175,679	187,219	208,231	21,012
Voluntary assessment	337,432	337,432	366,254	28,822
Miscellaneous	830,078	830,078	948,956	118,878
Total other income	<u>1,401,689</u>	<u>1,413,229</u>	<u>1,667,598</u>	<u>254,369</u>
Total revenues	<u>\$ 31,148,399</u>	<u>\$ 31,457,063</u>	<u>\$ 32,547,596</u>	<u>\$ 1,090,533</u>

**CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
GENERAL GOVERNMENT				
City Council				
Personnel services	\$ 171,569	\$ 171,569	\$ 153,735	\$ 17,834
Operating expenses	88,969	88,969	91,606	(2,637)
Contingency	10,000	10,000	-	10,000
Total City Council	270,538	270,538	245,341	25,197
Community Support				
Marketing	766,000	779,795	779,795	-
Special events	135,000	135,000	135,000	-
Other	431,807	431,807	431,807	-
Total Community Support	1,332,807	1,346,602	1,346,602	-
Office of the City Manager				
City Manager				
Personnel services	258,389	258,389	303,830	(45,441)
Operating expenses	60,396	99,156	55,178	43,978
Contingency	190,000	21,922	-	21,922
Economic sustainability	125,000	125,000	100,000	25,000
Total City Manager	633,785	504,467	459,008	45,459
Deputy City Manager				
Personnel services	149,091	149,091	2,714	146,377
Operating expenses	48,265	48,265	33,961	14,304
Total Deputy City Manager	197,356	197,356	36,675	160,681
Human Resources				
Personnel services	357,062	358,929	347,075	11,854
Operating Expenses	85,580	114,970	121,286	(6,316)
Total Human Resources	442,642	473,899	468,361	5,538
City Clerk's Office				
Personnel services	297,560	297,560	310,137	(12,577)
Operating expenses	68,984	68,984	60,384	8,600
Total City Clerk's Office	366,544	366,544	370,521	(3,977)
Intergovernmental Services				
Personnel services	175,479	175,479	176,698	(1,219)
Operating expenses	41,320	168,927	104,925	64,002
Total Intergovernmental Services	216,799	344,406	281,623	62,783
Total Office of City Manager	1,857,126	1,886,672	1,616,188	270,484

CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
GENERAL GOVERNMENT - Continued				
Financial Services				
Finance Administration				
Personnel services	\$ 211,807	\$ 211,807	\$ 198,437	\$ 13,370
Operating expenses	5,260	5,260	3,180	2,080
Total Finance Administration	217,067	217,067	201,617	15,450
Accounting				
Personnel services	390,661	390,661	395,159	(4,498)
Operating expenses	195,775	245,775	232,655	13,120
Total Accounting	586,436	636,436	627,814	8,622
Revenue Collections				
Personnel services	310,499	310,499	314,580	(4,081)
Operating expenses	13,120	13,120	8,960	4,160
Community support	16,000	16,000	11,800	4,200
Total Revenue Collections	339,619	339,619	335,340	4,279
Total Financial Services	1,143,122	1,193,122	1,164,771	28,351
General Services				
Risk Management				
Personnel services	41,766	41,766	46,860	(5,094)
Operating expenses	478,754	634,899	613,931	20,968
Total Risk Management	520,520	676,665	660,791	15,874
Procurement/Contracting				
Personnel services	97,215	95,348	101,680	(6,332)
Operating expenses	136,078	136,078	128,180	7,898
Total Procurement/Contracting	233,293	231,426	229,860	1,566

CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

GENERAL GOVERNMENT - Continued

General Services (Continued)

Information Services

Personnel services	531,228	531,228	534,940	(3,712)
Operating expenses	<u>411,899</u>	<u>502,266</u>	<u>504,246</u>	<u>(1,980)</u>
Total Information Services	<u>943,127</u>	<u>1,033,494</u>	<u>1,039,186</u>	<u>(5,692)</u>

GIS Services

Personnel services	86,458	86,458	85,688	770
Operating expenses	<u>9,420</u>	<u>23,811</u>	<u>7,651</u>	<u>16,160</u>
Total GIS Services	<u>95,878</u>	<u>110,269</u>	<u>93,339</u>	<u>16,930</u>

Facilities Maintenance

Personnel services	344,302	344,302	339,824	4,478
Operating expenses	<u>784,882</u>	<u>813,043</u>	<u>685,371</u>	<u>127,672</u>
Total Facilities Maintenance	<u>1,129,184</u>	<u>1,157,345</u>	<u>1,025,195</u>	<u>132,150</u>

Total General Services	<u>2,922,002</u>	<u>3,209,199</u>	<u>3,048,371</u>	<u>160,828</u>
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TOTAL GENERAL GOVERNMENT	<u>\$ 7,525,595</u>	<u>\$ 7,906,133</u>	<u>\$ 7,421,273</u>	<u>\$ 484,860</u>
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CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
TRANSPORTATION SERVICES				
Transit Administration				
Personnel services	\$ 190,055	\$ 190,055	\$ 221,469	\$ (31,414)
Operating expenses	22,653	22,653	20,306	2,347
Total Transit Administration	<u>212,708</u>	<u>212,708</u>	<u>241,775</u>	<u>(29,067)</u>
Regional Bus Service				
Personnel services	189,108	189,108	170,335	18,773
Operating expenses	89,444	89,444	142,624	(53,180)
Total Regional Bus Service	<u>278,552</u>	<u>278,552</u>	<u>312,959</u>	<u>(34,407)</u>
Local Bus Service				
Personnel services	2,247,950	2,247,950	2,305,266	(57,316)
Operating expenses	710,152	710,152	567,775	142,377
Total Local Bus Service	<u>2,958,102</u>	<u>2,958,102</u>	<u>2,873,041</u>	<u>85,061</u>
TOTAL TRANSPORTATION SERVICES	<u>\$ 3,449,362</u>	<u>\$ 3,449,362</u>	<u>\$ 3,427,775</u>	<u>\$ 21,587</u>

CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
PUBLIC WORKS				
Engineering				
Personnel services	\$ 553,088	\$ 553,088	\$ 530,938	\$ 22,150
Operating expenses	52,288	52,288	43,774	8,514
Contractual services	10,000	10,000	4,450	5,550
Total Engineering	<u>615,376</u>	<u>615,376</u>	<u>579,162</u>	<u>36,214</u>
Streets Admin				
Personnel services	253,375	253,375	177,900	75,475
Operating expenses	854,067	854,067	850,530	3,537
Total Streets	<u>1,107,442</u>	<u>1,107,442</u>	<u>1,028,430</u>	<u>79,012</u>
Snow Removal				
Personnel services	481,704	481,704	423,826	57,878
Operating expenses	156,000	153,000	193,341	(40,341)
Total Snow Removal	<u>637,704</u>	<u>634,704</u>	<u>617,167</u>	<u>17,537</u>
Pavement Maintenance				
Personnel services	101,932	101,932	250,157	(148,225)
Operating expenses	100,000	100,000	96,129	3,871
Total Pavement Maintenance	<u>201,932</u>	<u>201,932</u>	<u>346,286</u>	<u>(144,354)</u>
Traffic Control				
Personnel services	91,516	91,516	93,450	(1,934)
Operating expenses	119,500	119,500	82,037	37,463
Total Traffic Control	<u>211,016</u>	<u>211,016</u>	<u>175,487</u>	<u>35,529</u>
Storm Water Management				
Personnel services	84,006	84,006	93,918	(9,912)
Operating expenses	103,000	103,000	53,658	49,342
Total Storm Water Management	<u>187,006</u>	<u>187,006</u>	<u>147,576</u>	<u>39,430</u>
General Street Services				
Personnel services	273,475	273,475	235,596	37,879
Operating expenses	302,300	290,300	221,430	68,870
Total General Street Services	<u>575,775</u>	<u>563,775</u>	<u>457,026</u>	<u>106,749</u>
TOTAL PUBLIC WORKS	<u>\$ 3,536,251</u>	<u>\$ 3,521,251</u>	<u>\$ 3,351,134</u>	<u>\$ 170,117</u>

CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
PUBLIC SAFETY				
Police Services				
Administration				
Personnel services	\$ 539,110	\$ 522,660	\$ 474,708	\$ 47,952
Operating expenses	100,264	100,280	114,816	(14,536)
Community support	32,161	32,161	32,161	-
Total Administration	671,535	655,101	621,685	33,416
Records Management				
Personnel services	331,159	331,159	307,913	23,246
Operating expenses	7,800	7,800	7,521	279
Total Records Management	338,959	338,959	315,434	23,525
Patrol Services				
Personnel services	1,804,856	1,818,674	1,780,051	38,623
Operating expenses	264,628	287,300	283,488	3,812
Total Patrol Services	2,069,484	2,108,494	2,066,059	42,435
Investigations				
Personnel services	366,915	366,915	282,483	84,432
Operating expenses	34,363	36,863	30,125	6,738
Total Investigations	401,278	403,778	312,608	91,170
Animal Control				
Personnel services	128,531	128,531	131,831	(3,300)
Contractual services	80,000	80,000	80,000	-
Operating expenses	19,530	18,204	19,548	(1,344)
Total Animal Control	228,061	226,735	231,379	(4,644)
Code Enforcement				
Personnel services	235,861	265,861	312,117	(46,256)
Operating expenses	17,460	23,263	20,102	3,161
Total Code Enforcement	253,321	289,124	332,219	(43,095)
Municipal Surcharge				
Operating expenses	15,000	16,283	15,998	285
Total Code Enforcement	15,000	16,283	15,998	285
Total Police Services	3,977,638	4,038,474	3,895,382	143,092

**CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
PUBLIC SAFETY - Continued				
Fire Services				
Administration				
Personnel services	\$ 257,615	\$ 257,615	\$ 263,425	\$ (5,810)
Operating expenses	18,750	18,750	17,239	1,511
Total Administration	<u>276,365</u>	<u>276,365</u>	<u>280,664</u>	<u>(4,299)</u>
Fire Prevention				
Personnel services	95,542	95,542	96,989	(1,447)
Operating expenses	13,306	11,806	10,907	899
Total Fire Prevention	<u>108,848</u>	<u>107,348</u>	<u>107,896</u>	<u>(548)</u>
Fire Emergency Medical Services				
Personnel services	1,331,729	1,331,729	1,459,972	(128,243)
Operating Expenses	134,998	123,498	117,995	5,503
Total Fire Emergency Medical Services	<u>1,466,727</u>	<u>1,455,227</u>	<u>1,577,967</u>	<u>(122,740)</u>
Fire Suppression				
Personnel services	1,130,405	1,148,405	1,079,254	69,151
Operating expenses	248,530	257,530	246,895	10,635
Total Fire Suppression/ Emergency Medical Services	<u>1,378,935</u>	<u>1,405,935</u>	<u>1,326,149</u>	<u>79,786</u>
Total Fire Services	<u>3,230,875</u>	<u>3,244,875</u>	<u>3,292,676</u>	<u>(47,801)</u>
TOTAL PUBLIC SAFETY	<u>\$ 7,208,513</u>	<u>\$ 7,283,349</u>	<u>\$ 7,188,058</u>	<u>\$ 95,291</u>
LEGAL AND MUNICIPAL COURT				
Legal				
Personnel services	\$ 349,404	\$ 349,404	\$ 327,533	\$ 21,871
Operating expenses	41,200	41,200	13,587	27,613
Total Legal	<u>390,604</u>	<u>390,604</u>	<u>341,120</u>	<u>49,484</u>
Municipal Court				
Personnel services	59,857	59,857	61,720	(1,863)
Operating expenses	72,255	72,255	72,039	216
Total Municipal Court	<u>132,112</u>	<u>132,112</u>	<u>133,759</u>	<u>(1,647)</u>
TOTAL LEGAL AND MUNICIPAL COURT	<u>\$ 522,716</u>	<u>\$ 522,716</u>	<u>\$ 474,879</u>	<u>\$ 47,837</u>

CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
PARKS AND COMMUNITY SERVICES				
Administration, Marketing & Events				
Personnel services	\$ 583,254	\$ 583,254	\$ 583,235	\$ 19
Operating expenses	95,730	95,730	90,850	4,880
Total Administration	678,984	678,984	674,085	4,899
Recreation Programs				
Personnel services	410,139	436,708	471,957	(35,249)
Operating expenses	166,728	190,527	159,391	31,136
Total Recreation Programs	576,867	627,235	631,348	(4,113)
Parks				
Personnel services	693,369	693,369	719,023	(25,654)
Operating expenses	545,825	555,025	509,406	45,619
Total Parks	1,239,194	1,248,394	1,228,429	19,965
Botanic Park				
Personnel services	107,449	107,449	122,248	(14,799)
Operating expenses	61,730	61,730	65,632	(3,902)
Total Botanic Park	169,179	169,179	187,880	(18,701)
Trails				
Personnel services	37,676	37,676	56,623	(18,947)
Operating expenses	145,776	141,316	86,893	54,423
Total Trails	183,452	178,992	143,516	35,476
Open Space				
Personnel services	14,790	14,790	11,300	3,490
Operating expenses	102,846	159,346	126,056	33,290
Total Open Space	117,636	174,136	137,356	36,780

**CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgeted amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
PARKS AND COMMUNITY SERVICES - Continued				
Ski area				
Personnel services	\$ 385,419	\$ 385,419	\$ 417,427	\$ (32,008)
Contractual services	240,894	218,894	232,684	(13,790)
Operating expenses	36,100	54,100	38,027	16,073
Repairs and maintenance	92,342	163,242	158,410	4,832
Telephone and utilities	52,200	52,200	48,451	3,749
Total Ski Area	<u>806,955</u>	<u>873,855</u>	<u>894,999</u>	<u>(21,144)</u>
Rodeo				
Personnel services	84,233	84,233	56,933	27,300
Contractual services	46,099	46,099	42,934	3,165
Operating expenses	4,110	4,110	4,413	(303)
Repairs and maintenance	3,200	13,040	24,015	(10,975)
Telephone and utilities	10,500	10,500	11,094	(594)
Total Rodeo	<u>148,142</u>	<u>157,982</u>	<u>139,389</u>	<u>18,593</u>
Ice Arena				
Personnel services	290,743	290,743	265,059	25,684
Contractual services	39,665	51,205	38,077	13,128
Operating expenses	78,600	78,600	121,636	(43,036)
Repairs and maintenance	76,418	119,808	119,544	264
Telephone and utilities	147,247	137,247	109,199	28,048
Total Ice Arena	<u>632,673</u>	<u>677,603</u>	<u>653,515</u>	<u>24,088</u>
Tennis Center				
Personnel services	41,865	41,865	41,837	28
Contractual services	13,844	13,844	13,844	-
Repairs and maintenance	87,825	107,007	94,344	12,663
Total Tennis Center	<u>143,534</u>	<u>162,716</u>	<u>150,289</u>	<u>12,427</u>
TOTAL PARKS AND COMMUNITY SERVICES	<u>\$ 4,696,616</u>	<u>\$ 4,949,076</u>	<u>\$ 4,840,806</u>	<u>\$ 108,270</u>

**CITY OF STEAMBOAT SPRINGS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PLANNING SERVICES				
Planning Administration				
Personnel services	\$ 236,457	\$ 236,457	\$ 342,586	\$ (106,129)
Operating expenses	23,507	23,507	23,154	353
Total Administration	<u>259,964</u>	<u>259,964</u>	<u>365,740</u>	<u>(105,776)</u>
Development Review/Current & Future Planning				
Personnel services	424,887	491,958	360,082	131,876
Operating expenses	<u>50,800</u>	<u>90,522</u>	<u>24,733</u>	<u>65,789</u>
Total Development Review/ Current & Future Planning	<u>475,687</u>	<u>582,480</u>	<u>384,815</u>	<u>197,665</u>
Code Enforcement				
Personnel services	71,728	71,728	74,068	(2,340)
Operating expenses	<u>3,602</u>	<u>3,602</u>	<u>2,066</u>	<u>1,536</u>
Total Code Enforcement	<u>75,330</u>	<u>75,330</u>	<u>76,134</u>	<u>(804)</u>
Historic Preservation				
Personnel services	8,050	8,050	8,119	(69)
Operating expenses	<u>43,405</u>	<u>69,706</u>	<u>60,280</u>	<u>9,426</u>
Total Historic Preservation	<u>51,455</u>	<u>77,756</u>	<u>68,399</u>	<u>9,357</u>
TOTAL PLANNING SERVICES	<u>\$ 862,436</u>	<u>\$ 995,530</u>	<u>\$ 895,088</u>	<u>\$ 100,442</u>

CITY OF STEAMBOAT SPRINGS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes and assessments	\$ 1,883,580	\$ 1,883,580	\$ 2,865,738	\$ 982,158
Intergovernmental	1,975,021	3,716,747	835,127	(2,881,620)
Investment Income	-	-	120,206	120,206
Contributions	222,500	690,064	228,336	(461,728)
Miscellaneous	20,272	20,272	20,274	2
Total revenues	4,101,373	6,310,663	4,069,681	(2,240,982)
EXPENDITURES				
Capital Projects:				
5309 Refurbish 6 Busses	101,614	732,426	732,425	1
Howelsen Hill Electrical Improvements	-	30,952	1,727	29,225
Accounting Finance Software	-	17,519	802	16,717
Paving Program	700,000	700,000	696,222	3,778
Ice Rink Improvements	200,000	200,000	4,009	195,991
Police Facility	500,000	963,957	108,777	855,180
Transit Coach Replacement	-	-	1,338	(1,338)
Electric Undergrounding	1,100,000	1,396,840	921,590	475,250
Apres Ski/Village Dr Intersection	543,000	272,835	272,870	(35)
Document Management System	-	34,500	1,710	32,790
Tennis Court Resurfacing	187,000	236,500	243,747	(7,247)
Raw Water Irrigation Systems-Parks	20,000	20,000	-	20,000
Pedestrian/Bicycle Base Area Connections	-	96,044	96,044	-
Pedestrian, Bicycle & Transit Facilities	316,000	189,557	70,420	119,137
City Parking Lot Pavement Maint.	75,000	175,000	57,264	117,736
Stormwater System Improvements	445,000	453,367	333,597	119,770
Central Park Drive Reconstruction	-	1,448,904	1,424,243	24,661
Radio GPS System-Busses	152,903	249,540	-	249,540
Yampa River Restoration	215,000	179,074	-	179,074
Northwest Colorado Broadband Project	-	2,773	-	2,773
Computer equipment replace & upgrade	208,000	152,723	152,723	-
Facility Fiber Connectivity	63,000	116,001	9,035	106,966
Emerald Park Access	-	2,033,164	23,812	-
Fish Creek Trail	127,500	340,000	40,961	299,039
Core Trail (Legacy)	-	2,544	1,744	800
Depot Rehabilitation Project	-	-	186	(186)
Old Chamber Building Renovations	-	79,043	420	78,623
Building Department Software	-	33,769	17,419	16,350
Snapdragon Way Reconstruction	-	299,405	272,409	26,996
Snake Island	-	81,000	80,918	82
Casey's Pond Drainage Improvements	-	13,250	13,250	-
US 40 Downhill Drive Intersection	-	62,514	-	62,514
US 40/Elk River Road Intersection	412,039	533,033	12,407	520,626
Igloo Modular	300,000	740,370	35,611	704,759

CITY OF STEAMBOAT SPRINGS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Rehder Building / Sam Renovation	275,000	277,200	137,500	139,700
Phone System Upgrade	40,000	265,904	203,360	62,544
US 40 South Corridor Access Control Plan	-	32,773	27,489	5,284
Ball Field Improvements	90,000	120,278	12,120	108,158
Core Trail Bridge Decking	-	109,804	-	109,804
Downtown Investment Projects	3,755,000	3,308,994	2,335,515	973,479
Rodeo Ground Infrastructure Phase II	50,000	277,362	253,220	24,142
Raw Water Irrigation West Lincoln Park	-	85,324	87,447	(2,123)
Howelsen Ice Arena 2nd Sheet Of Ice	-	-	17,765	(17,765)
PW Wash Out Containment - Grit Dump	100,000	100,000	-	100,000
Digital Truck Radio System Replacement	50,000	50,000	24,800	25,200
US 40 Median Irrigation System	98,000	98,000	85,846	12,154
Howelsen Hill Stabilization	350,000	400,000	364,297	35,703
US 40 West Pedestrian Connection Tap Grant	459,500	459,500	17,945	441,555
Spring Creek Dam Restoration	30,000	30,000	20,682	9,318
Fire Equipment Extractor 2016	-	14,576	14,626	(50)
Fire Equipment Exhaust Removal	-	37,350	35,426	1,924
5339 Bus #86	-	638,682	-	638,682
Stockbridge River Access	-	87,500	-	87,500
Bus Shelter at Steamboat Hotel	-	97,625	-	97,625
Stream Management Plan	-	72,875	-	72,875
Yampa Street Phase II	-	681,495	-	681,495
Discontinued Projects	-	296,178	395	295,783
Total expenditures	10,963,556	19,428,024	9,266,113	10,161,911
Excess (deficiency) of revenues over (under) expenditures	(6,862,183)	(13,117,361)	(5,196,432)	7,920,929
OTHER FINANCING SOURCES (USES)				
COP Issuance proceeds	4,000,000	4,000,000	3,750,000	250,000
COP Issuance premium	-	-	250,000	(250,000)
Operating transfers from other funds	4,620,000	4,639,804	4,639,804	-
Total other financing sources and uses	8,620,000	8,639,804	8,639,804	-
Net change in fund balances	1,757,817	(4,477,557)	3,443,372	7,920,929
Fund balances - Beginning of year	17,288,523	17,288,523	17,288,523	-
Fund balances - End of year	\$ 19,046,340	\$ 12,810,966	\$ 20,731,895	\$ 7,920,929

CITY OF STEAMBOAT SPRINGS
ACCOMMODATIONS TAX CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 908,551	\$ 908,551	\$ 996,432	\$ 87,881
Intergovernmental	-	44,870	44,870	-
Investment Income	1,000	1,000	5,182	4,182
Total revenues	909,551	954,421	1,046,484	92,063
EXPENDITURES				
Capital Projects:				
Emerald Directional Trail #1	11,000	17,000	6,848	10,152
Howelsen Directional Trail	76,000	88,000	77,362	10,638
USFS Trail Planning	125,000	160,000	73,589	86,411
Howelsen Directional Phase II	5,000	6,000	1,230	4,770
Hwy 40 Lodging To Walton Creek Trail	30,000	35,000	23,129	11,871
Workman Property Land Improvements	17,000	32,000	29,637	2,363
2A Trails Buff Pass Trails	250,000	280,000	171,493	108,507
Strawberry Park Loop Trail	10,613	15,307	6,641	8,666
Yampa Street Contributions	115,000	115,000	-	115,000
Miscellaneous Projects	30,000	30,000	30,000	-
Total expenditures	669,613	778,307	419,929	358,378
Excess (deficiency) of revenues over (under) expenditures	239,938	176,114	626,555	450,441
OTHER FINANCING SOURCES (USES)				
Operating transfers to other funds	(90,000)	(90,000)	(90,000)	-
Total other financing sources and uses	(90,000)	(90,000)	(90,000)	-
Net change in fund balances	149,938	86,114	536,555	450,441
Fund balances - Beginning of year	488,750	488,750	488,750	-
Fund balances - End of year	\$ 638,688	\$ 574,864	\$ 1,025,305	\$ 450,441

CITY OF STEAMBOAT SPRINGS
UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES				
Charges for services	\$ 5,621,000	\$ 5,621,000	\$ 5,859,213	\$ 238,213
Investment Income	24,000	24,000	109,490	85,490
Other Income	65,200	65,200	99,091	33,891
Total revenues	5,710,200	5,710,200	6,067,794	357,594
EXPENDITURES				
Wastewater Treatment				
Personnel services	481,051	481,051	541,574	(60,523)
Contractual services	248,603	248,603	192,430	56,173
Materials and supplies	50,800	50,800	55,188	(4,388)
Repairs and maintenance	69,000	69,000	19,352	49,648
Telephone and utilities	250,000	250,000	245,038	4,962
Total Wastewater Treatment	1,099,454	1,099,454	1,053,582	45,872
Wastewater Collection				
Personnel services	162,282	162,282	160,160	2,122
Contractual services	46,562	46,562	46,312	250
Materials and supplies	1,300	1,300	1,417	(117)
Repairs and maintenance	8,700	8,700	2,638	6,062
Telephone and utilities	4,500	4,500	4,060	440
Total Wastewater Collection	223,344	223,344	214,587	8,757
Water Rights Management				
Personnel services	54,668	54,668	110,896	(56,228)
Contractual services	88,935	96,266	93,816	2,450
Total Water Rights Management	143,603	150,934	204,712	(53,778)
Water Distribution				
Personnel services	159,332	159,332	133,303	26,029
Materials and supplies	23,634	23,634	23,777	(143)
Repairs and maintenance	100,320	85,630	49,164	36,466
Telephone and utilities	17,500	17,500	16,367	1,133
Total Water Distribution	300,786	286,096	222,611	63,485

CITY OF STEAMBOAT SPRINGS
UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES - Continued				
Meter Reading/Billing				
Personnel services	116,061	116,061	120,188	(4,127)
Contractual services	29,192	29,192	26,078	3,114
Materials and supplies	1,750	1,750	1,077	673
Repairs and maintenance	31,500	31,500	30,321	1,179
Telephone and utilities	600	600	274	326
Total Meter Reading/Billing	179,103	179,103	177,938	1,165
Administration				
Personnel services	365,298	365,298	279,786	85,512
Contractual services	506,092	506,092	483,087	23,005
Materials and supplies	7,006	7,006	4,949	2,057
Repairs and maintenance	265,000	276,178	287,430	(11,252)
Telephone and utilities	9,930	9,930	5,881	4,049
Total Administration	1,153,326	1,164,504	1,061,133	103,371
Debt service				
Principal	974,796	974,796	974,796	-
Interest	624,926	624,926	610,826	14,100
Total Debt Service	1,599,722	1,599,722	1,585,622	14,100
Capital outlay				
Lands and Improvements	3,013,576	8,043,349	2,354,280	5,689,069
Buildings and improvements	-	-	-	-
Total Capital Outlay	3,013,576	8,043,349	2,354,280	5,689,069
Total expenditures	7,712,914	12,746,506	6,874,465	5,872,041

CITY OF STEAMBOAT SPRINGS
UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over (under) expenditures	\$ (2,002,714)	\$ (7,036,306)	\$ (806,671)	\$ 6,229,635
OTHER FINANCING SOURCES (USES)				
Tap fees	720,250	720,250	1,542,994	822,744
Contributions - Developers	-	-	66,162	66,162
Total other financing sources and uses	720,250	720,250	1,609,156	888,906
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,282,464)	\$ (6,316,056)	\$ 802,485	\$ 7,118,541
ADD (DEDUCT) RECONCILING ITEMS FOR CHANGE IN NET POSITION				
Depreciation and amortization			(1,598,005)	
Principal payments			974,796	
Capital expenditures			2,300,790	
Change in net position			2,480,066	
Net position - beginning of year			42,645,659	
Net position - end of year			\$ 45,125,725	

CITY OF STEAMBOAT SPRINGS
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes and assessments				
Charges for services	\$ 1,134,791	\$ 1,134,791	\$ 1,108,537	\$ (26,254)
Investment Income	400	400	1,107	707
Total revenues	1,135,191	1,135,191	1,109,644	15,191
EXPENDITURES				
Airport Operations				
Personnel services	149,721	149,721	55,909	93,812
Contractual services	119,699	119,699	109,404	10,295
Materials and supplies	22,600	26,600	16,709	9,891
Repairs and maintenance	105,049	105,049	95,888	9,161
Telephone and utilities	32,800	32,800	27,238	5,562
Total Airport Operations	429,869	433,869	305,148	128,721
Fixed Base Operations				
Personnel services	177,822	177,822	268,987	(91,165)
Contractual services	90,808	90,808	114,791	(23,983)
Materials and supplies	484,950	480,950	302,157	178,793
Repairs and maintenance	4,600	4,600	4,401	199
Telephone and utilities	10,700	10,700	10,455	245
Total Fixed Base Operations	768,880	764,880	700,791	64,089
Debt service				
Principal	14,674	14,674	14,674	-
Interest	955	955	955	-
Total Debt Service	15,629	15,629	15,629	-
Capital outlay				
Land and Improvements	-	-	-	-
Buildings and improvements	-	12,330	12,330	-
Total Capital Outlay	-	12,330	12,330	-
Total expenditures	1,214,378	1,226,708	1,033,898	192,810
Excess (deficiency) of revenues over (under) expenditures	(79,187)	(91,517)	75,746	208,001

**CITY OF STEAMBOAT SPRINGS
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Contributions - Developers	-	-	297,773	297,773
Intergovernmental	-	-	(48,046)	(48,046)
Transfers in	188,708	188,708	188,708	-
Transfers out	<u>(112,320)</u>	<u>(112,320)</u>	<u>(112,320)</u>	<u>-</u>
Total other financing sources and uses	<u>76,388</u>	<u>76,388</u>	<u>326,115</u>	<u>249,727</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>\$ (2,799)</u>	<u>\$ (15,129)</u>	<u>\$ 401,861</u>	<u>\$ (41,726)</u>
ADD (DEDUCT) RECONCILING ITEMS FOR CHANGE IN NET POSITION				
Depreciation and amortization			(367,296)	
Principal payments			14,674	
Capital expenditures			<u>8,504</u>	
Change in net position			57,743	
Net position - beginning of year			<u>9,123,952</u>	
Net position - end of year			<u>\$ 9,181,695</u>	

CITY OF STEAMBOAT SPRINGS
GOLF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES				
Charges for services	\$ 1,188,500	\$ 1,188,500	\$ 1,272,878	\$ 84,378
Investment Income	6,424	6,424	10,399	3,975
Contributions	1,625	1,625	1,625	-
Other Income	-	-	889	889
Total revenues	1,196,549	1,196,549	1,285,791	89,564
EXPENDITURES				
Course Operations				
Contractual services	273,669	273,669	283,067	(9,398)
Materials and supplies	23,000	23,000	18,601	4,399
Repairs and maintenance	37,420	43,735	32,776	10,959
Telephone and utilities	61,000	61,000	74,913	(13,913)
Total Course Operations	395,089	401,404	409,357	(7,953)
Course Marketing				
Contractual services	30,000	30,000	26,204	3,796
Total Course Marketing	30,000	30,000	26,204	3,796
Course Maintenance				
Personnel services	385,504	385,504	237,389	148,115
Contractual services	99,565	99,565	99,736	(171)
Materials and supplies	72,276	72,276	51,832	20,444
Repairs and maintenance	26,600	26,600	39,087	(12,487)
Telephone and utilities	22,200	22,200	24,593	(2,393)
Total Course Maintenance	606,145	606,145	452,637	153,508
Equipment Maintenance				
Personnel services	125,509	125,509	233,989	(108,480)
Contractual services	1,950	1,950	1,158	792
Materials and supplies	7,550	7,550	7,554	(4)
Repairs and maintenance	18,000	18,000	20,214	(2,214)
Total Equipment Maintenance	153,009	153,009	262,915	(109,906)
Debt service				
Principal	40,004	40,004	40,004	-
Interest	1,066	1,066	1,066	-
Total Debt Service	41,070	41,070	41,070	-

CITY OF STEAMBOAT SPRINGS
GOLF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay				
Machinery and equipment	75,000	75,000	71,492	3,508
Buildings and improvements	-	200,190	5,000	195,190
Total Capital Outlay	<u>75,000</u>	<u>275,190</u>	<u>76,492</u>	<u>198,698</u>
 Total expenditures	<u>1,300,313</u>	<u>1,506,818</u>	<u>1,268,675</u>	<u>238,143</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>\$ (103,764)</u>	<u>\$ (310,269)</u>	<u>\$ 17,116</u>	<u>\$ 327,707</u>
 OTHER FINANCING SOURCES (USES)				
Transfer in	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
 Total other financing sources and uses	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (13,764)</u>	<u>\$ (220,269)</u>	<u>\$ 107,116</u>	<u>\$ 327,707</u>
 ADD (DEDUCT) RECONCILING ITEMS FOR CHANGE IN NET POSITION				
Depreciation and amortization			(223,918)	
Principal payments			40,004	
Capital expenditures			<u>76,492</u>	
 Change in net position			(306)	
 Net position - beginning of year			<u>9,830,751</u>	
 Net position - end of year			<u>\$ 9,830,445</u>	

**CITY OF STEAMBOAT SPRINGS
FLEET SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgeted amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ 1,667,454	\$ 1,667,454	\$ 1,673,549	\$ 6,095
Investment income	<u>15,500</u>	<u>15,500</u>	<u>29,907</u>	<u>14,407</u>
Total revenues	<u>1,682,954</u>	<u>1,682,954</u>	<u>1,703,456</u>	<u>20,502</u>
EXPENDITURES				
Current				
Personnel services	288,347	288,347	283,880	4,467
Contractual services	82,700	82,700	39,729	42,971
Materials and supplies	527,566	549,566	400,691	148,875
Repairs and maintenance	28,500	28,500	85,099	(56,599)
Telephone and utilities	34,955	34,955	30,703	4,252
Capital outlay				
Machinery and equipment	<u>627,795</u>	<u>1,457,233</u>	<u>1,383,196</u>	<u>74,037</u>
Total expenditures	<u>1,589,863</u>	<u>2,441,301</u>	<u>2,223,298</u>	<u>218,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 93,091</u>	<u>\$ (758,347)</u>	<u>\$ (519,842)</u>	<u>\$ 238,505</u>
OTHER FINANCING SOURCES (USES)				
Sales of assets	66,000	66,000	65,756	(244)
Contributions - Capital Assets	-	145,710	94,713	(50,997)
Transfers in	-	-	15,000	15,000
Total other financing sources and uses	<u>66,000</u>	<u>211,710</u>	<u>175,469</u>	<u>(36,241)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>\$ 159,091</u>	<u>\$ (546,637)</u>	<u>\$ (344,373)</u>	<u>\$ 202,264</u>
ADD (DEDUCT) RECONCILING ITEMS FOR CHANGE IN NET POSITION				
Depreciation and amortization			(409,049)	
Capital expenditures			<u>1,378,327</u>	
Change in net position			624,905	
Net position - beginning of year			<u>4,896,337</u>	
Net position - end of year			<u>\$ 5,521,242</u>	

CITY OF STEAMBOAT SPRINGS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
SCHOOL SALES TAX FUND				
Assets				
Cash and deposits	\$ -	\$ 3,233,933	\$ 3,233,933	\$ -
Liabilities				
Accounts payable	\$ -	\$ 3,233,933	\$ 3,233,933	\$ -

CITY OF STEAMBOAT SPRINGS
COMPARATIVE SCHEDULE OF CAPITAL ASSETS
USED IN THE OPERATION OF GOVERNMENTAL FUNDS - BY SOURCE
DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Governmental funds capital assets:		
Intangible Assets	\$ 776,050	\$ 741,980
Land and improvements	37,792,601	37,279,034
Parks and fields	14,432,659	14,188,911
Roads and bridges	23,384,197	21,221,585
Trails	7,290,518	7,284,031
Buildings and improvements	38,022,076	37,986,650
Machinery and equipment	15,587,898	16,579,330
Construction in progress	<u>6,059,844</u>	<u>755,759</u>
 Total governmental funds capital assets	 <u>\$ 143,345,843</u>	 <u>\$ 136,037,280</u>
 Investments in governmental funds capital assets by source:		
General Fund	\$ 47,725,962	\$ 48,967,094
Capital Projects Fund	74,469,281	66,964,604
Accommodations Tax Capital Fund	1,590,446	1,200,518
Steamboat Springs Redevelopment Authority Fund	<u>19,560,154</u>	<u>18,905,064</u>
	 <u>\$ 143,345,843</u>	 <u>\$ 136,037,280</u>

Note: Excludes Internal Service Fund

**STEAMBOAT SPRINGS LOCAL MARKETING DISTRICT
BALANCE SHEET
DECEMBER 31, 2016**

ASSETS

Cash equivalents	\$ 499,433
Pooled cash & investments	6,404,341
Sales taxes receivable	<u>488,857</u>
Total assets	<u>\$ 7,392,631</u>

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	<u>\$ 1,368</u>
Total liabilities	<u>1,368</u>

Fund Balances

Assigned	<u>7,391,263</u>
Total fund balances	<u>7,391,263</u>
Total liabilities and fund balances	<u>\$ 7,392,631</u>

**STEAMBOAT SPRINGS LOCAL MARKETING DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

REVENUES

Taxes and assessments	\$ 3,326,191
Investment income	<u>41,979</u>
 Total revenues	 <u>3,368,170</u>

EXPENDITURES

Current	
Air service payments	1,427,036
Operating expenses	<u>460,135</u>
 Total expenditures	 <u>1,887,171</u>
 Net change in fund balances	 1,480,999
 Fund balances - Beginning of year	 <u>5,910,264</u>
 Fund balances - End of year	 <u>\$ 7,391,263</u>

STEAMBOAT SPRINGS LOCAL MARKETING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 3,000,000	\$ 3,000,000	\$ 3,326,191	\$ 326,191
Investment income	<u>3,500</u>	<u>3,500</u>	<u>41,979</u>	<u>38,479</u>
Total revenues	<u>3,003,500</u>	<u>3,003,500</u>	<u>3,368,170</u>	<u>364,670</u>
EXPENDITURES				
Current				
Air service payments	3,972,870	4,176,595	1,427,036	2,749,559
Operating expenses	<u>510,000</u>	<u>510,000</u>	<u>460,135</u>	<u>49,865</u>
Total expenditures	<u>4,482,870</u>	<u>4,686,595</u>	<u>1,887,171</u>	<u>2,799,424</u>
Net change in fund balances	(1,479,370)	(1,683,095)	1,480,999	3,164,094
Fund balances - Beginning of year	<u>5,910,264</u>	<u>5,910,264</u>	<u>5,910,264</u>	<u>2,012,963</u>
Fund balances - End of year	<u>\$ 4,430,894</u>	<u>\$ 4,227,169</u>	<u>\$ 7,391,263</u>	<u>\$ 5,177,057</u>

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Steamboat Springs
		YEAR ENDING : December 2016
This Information From The Records Of (example - City of _ or County of _): City of Steamboat Springs	Prepared By: Phone:	Elizabeth Neidel 970-871-8238

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	
3. Other local imposts (from page 2)	7,573,388
4. Miscellaneous local receipts (from page 2)	9,920
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.)	0
7. Total (1 through 6)	7,583,308
B. Private Contributions	
C. Receipts from State government (from page 2)	519,658
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	8,102,966

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	4,582,494
2. Maintenance:	566,800
3. Road and street services:	
a. Traffic control operations	175,488
b. Snow and ice removal	617,167
c. Other	287,574
d. Total (a. through c.)	1,080,229
4. General administration & miscellaneous	1,051,067
5. Highway law enforcement and safety	822,376
6. Total (1 through 5)	8,102,966
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	8,102,966

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		8,102,966	8,102,966		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2016	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Road Maintenance Fee	9,920
1. Sales Taxes	6,485,589	c. (Specify)	
2. Vehicle Use Tax	834,070	d. (Specify)	
3. Roads & Bridges	253,729	e. (Specify)	
4. (Specify)		f. (Specify)	
5. (Specify)		g. (Specify)	
6. Total (1. through 5.)	7,573,388	h. (Specify)	
c. Total (a. + b.)	7,573,388	i. Total (a. through h.)	9,920
(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 (from Item I.C.5.)	462,800	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. (Specify)	
a. Motor Vehicle	56,858	b. (Specify)	
b. (Specify)		c. (Specify)	
c. (Specify)		d. (Specify)	
d. (Specify)		e. (Specify)	
e. (Specify)		f. (Specify)	
f. Total (a. through e.)	56,858	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	519,658	3. Total (1. + 2.g)	
(Carry forward to page 1)		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs	39,896	310,855	350,751
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,578,772	2,578,772
(4). System Enhancement & Operation		1,652,971	1,652,971
(5). Total Construction (1) + (2) + (3) + (4)	0	4,231,743	4,231,743
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	39,896	4,542,598	4,582,494
	(Carry forward to page 1)		

Notes and Comments:

STATISTICAL SECTION

STATISTICAL SECTION

(unaudited)

This part of the City of Steamboat Springs Comprehensive Annual Financial Report presents detailed information to facilitate the understanding of this year's financial statements, note disclosures, and supplementary information. The independent auditor has not audited this information.

Contents

Page

Financial Trends:

110-115

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.

Revenue Capacity:

116-122

These tables contain information that may assist the reader in assessing the viability of the City's most significant "own-source" revenue source, which is sales tax. The City does not have a property tax levy; but, Routt County property taxpayer information is provided for the reader. Information on accommodation tax is also available in this section.

Debt Capacity:

123-127

These tables present information that may assist the reader in analyzing the affordability of the City's current level of outstanding debt, and the City's ability to issue additional debt in the future.

Demographics and Economic Information:

128-129

These tables offer economic and demographic indicators that are commonly used for financial analysis, and may assist the reader in understanding the City's present and ongoing financial status.

Operating Information:

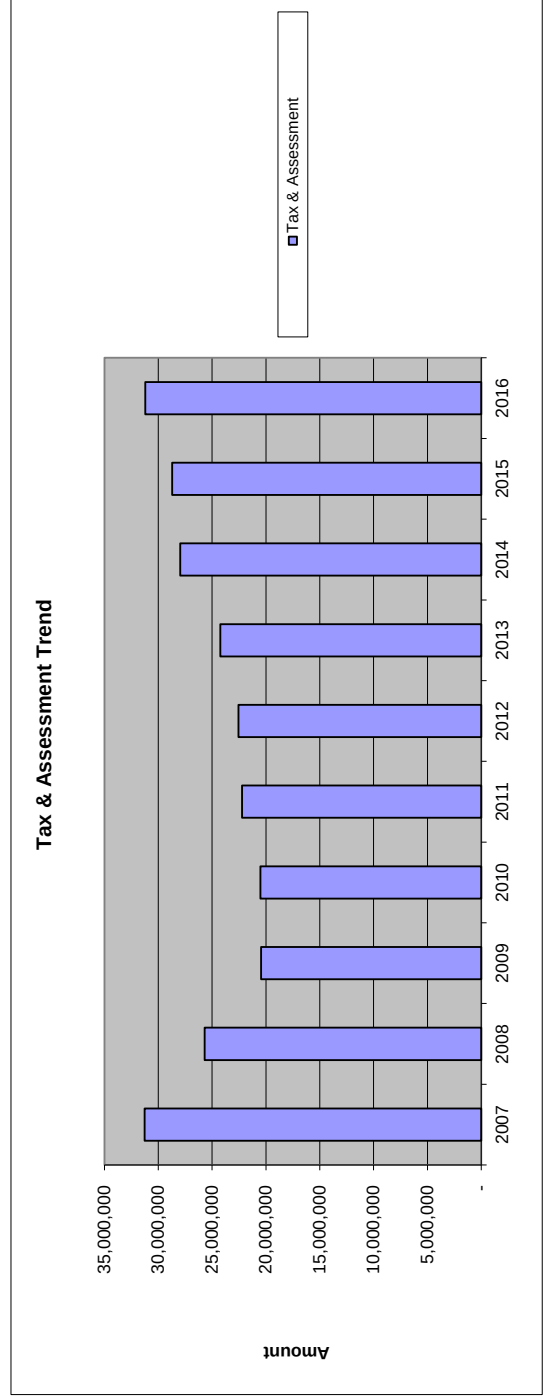
130-132

These tables contain service and infrastructure indicators that may assist the reader in understanding how the information in these financial statements relates to the City's services and activities performed.

Sources: Unless otherwise noted, the information in these tables is derived from the CAFR's for the relevant years.

CITY OF STEAMBOAT SPRINGS
TAX AND ASSESSMENT REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(unaudited)

	Sales Tax	Building Use Tax	Vehicle Use Tax	Excise Tax	Franchise Fees	Sidewalk & Special Assessments	Accommodations Tax	Steamboat Spgs Redevelopmt Authority				Other	Total
								Sales Tax	Property Tax	Funding	Tax Increment		
2007	19,117,400	5,737,261	648,514	3,654,415	1,069,942	28,358	-	643,976	274,330	-	-	103,863	31,278,059
2008	19,607,176	2,074,033	567,484	1,225,160	1,199,869	19,989	-	320,351	578,840	-	-	104,437	25,697,339
2009	16,833,849	820,646	427,485	387,095	1,169,112	12,321	-	-	704,664	-	-	95,069	20,450,241
2010	16,669,912	575,624	397,920	279,101	1,234,282	9,678	-	-	1,274,645	-	-	83,341	20,524,503
2011	17,414,688	518,280	516,222	343,397	1,279,225	13,084	-	-	2,058,066	-	-	69,809	22,212,771
2012	17,606,100	556,177	585,318	606,336	1,248,949	10,570	-	-	1,875,185	-	-	68,316	22,556,951
2013	18,900,737	772,352	602,673	473,180	1,337,782	10,897	207,369	-	1,871,840	-	-	64,850	24,241,679
2014	20,397,976	1,541,629	742,348	877,419	1,384,116	9,994	832,006	338,003	1,772,955	-	-	61,877	27,958,323
2015	21,450,628	1,146,851	784,015	637,506	1,364,163	9,590	903,764	562,022	1,802,043	-	-	62,434	28,723,015
2016	22,643,437	1,583,460	834,070	1,066,349	1,358,964	9,920	996,433	799,949	1,680,361	-	-	244,933	31,217,875
Change from 2007 to 2016	18.4%	-72.4%	28.6%	-70.8%	27.0%	-65.0%	n/a	n/a	n/a	n/a	n/a	135.8%	-0.2%
Change from 2015 to 2016	5.6%	38.1%	6.4%	67.3%	-0.4%	3.4%	10.3%	42.3%	-6.8%	-	-	292.3%	8.7%



CITY OF STEAMBOAT SPRINGS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue:										
Taxes & assessments	\$ 31,278,059	\$ 25,697,339	\$ 20,450,241	\$ 20,892,155	\$ 22,212,771	\$ 22,556,952	\$ 24,241,679	\$ 27,958,323	\$ 28,723,016	\$ 31,217,875
Licenses, fees, and permits	32,756	42,121	45,654	44,561	45,927	47,990	77,541	77,358	83,630	96,538
Intergovernmental	3,109,679	6,341,323	3,850,507	5,909,222	4,321,868	4,398,927	4,992,408	3,897,987	4,450,680	3,480,915
Charges for services	2,253,786	2,311,107	1,416,695	1,598,722	1,404,414	1,519,310	2,617,445	2,740,601	2,790,239	3,089,120
Fines and forfeits	278,506	283,119	321,847	264,616	226,567	216,767	212,458	224,704	239,504	218,027
Other income	114,512	584,789	50,037	-	-	-	-	-	-	-
Investment income	1,456,532	1,010,465	217,467	201,120	151,857	103,427	58,460	68,405	102,252	295,837
Loan Repayment	83,333	8,190	-	7,500	193,856	-	-	-	30,777	436,567
Contributions	655,341	1,160,183	2,743,381	494,762	221,018	452,449	248,372	361,787	314,450	366,254
Voluntary assessment	233,849	254,157	213,979	214,881	217,600	225,797	257,061	312,005	344,857	30,777
Miscellaneous	253,036	162,937	82,023	192,503	1,157,628	1,153,873	1,207,051	988,974	781,082	987,881
Total revenue	39,749,389	37,855,730	29,391,831	29,820,042	30,153,506	30,675,492	33,912,475	36,630,144	37,860,487	40,219,791
Expenditures:										
General government	3,427,950	3,453,114	3,561,837	4,856,726	4,792,518	4,861,455	4,930,707	5,023,229	5,476,944	6,449,671
Community Support	2,502,618	1,751,676	1,273,305	1,161,077	1,117,402	1,356,079	1,185,718	1,206,382	1,406,043	1,446,602
Transportation Services	2,735,447	3,010,789	2,664,925	2,730,334	2,631,571	2,831,821	2,943,710	3,061,878	3,189,508	3,427,775
Public Works	2,534,688	3,212,368	3,004,681	3,093,294	2,811,543	2,689,910	2,710,752	3,028,303	3,136,039	3,531,078
Public Safety Services	5,622,203	6,563,531	6,210,964	6,319,509	5,784,941	6,138,944	6,510,150	6,568,826	6,933,107	7,188,058
Legal and municipal court	567,744	681,228	702,461	491,960	501,843	548,550	509,193	527,547	545,430	474,879
Parks and Community Services	4,949,516	5,477,031	2,676,575	2,337,308	2,227,887	2,178,776	4,395,130	4,536,633	4,809,358	4,840,806
Planning	1,014,164	1,732,174	2,208,427	802,006	584,074	549,871	530,626	583,543	760,982	896,418
Capital projects	13,421,510	16,200,348	7,647,760	8,795,523	9,904,499	4,339,637	5,760,751	4,014,225	5,445,310	10,507,718
Debt service:										
Administrative Fees	41,468	64,181	225,179	257,890	4,000	-	4,000	48,252	6,750	8,750
Bond issuance costs	164,458	-	-	595,057	-	-	-	-	-	140,175
Principal	764,399	1,035,347	9,064,074	17,816,756	1,122,483	1,148,286	1,244,014	1,288,433	1,482,023	1,525,777
Interest	482,062	460,693	251,958	378,672	890,343	864,878	839,486	802,511	1,081,868	1,019,486
Total expenditures	38,228,227	43,642,480	39,492,146	49,636,112	32,373,104	27,508,207	31,564,237	30,689,762	34,273,362	41,457,193
Excess of revenues over (under) expenditures	1,521,162	(5,786,750)	(10,100,315)	(19,816,070)	(2,219,598)	3,167,285	2,348,238	5,940,382	3,587,125	(1,237,402)
Other Financing Sources (uses):										
Sales of assets	496,117	350	-	2,000	6,510	300	-	13,635	7,750	22,600
Insurance proceeds	-	-	-	36,836	5,905	43,565	14,705	17,177	193,014	187,978
Debt proceeds	9,000,000	-	17,795,577	24,350,000	-	-	-	-	-	6,220,000
Debt issuance costs	-	-	(134,014)	-	-	-	-	-	-	-
Bond discount	-	-	(105,000)	-	-	-	-	-	-	-
Bond issuance premium	-	-	-	346,653	-	-	-	-	-	330,539
Payments to escrow agent	-	-	-	(3,789,817)	-	-	-	-	-	(5,110,809)
Transfers out	(4,423,316)	(1,552,757)	(6,676,429)	(2,904,828)	(1,871,682)	(2,634,401)	(1,237,489)	(12,382,436)	(2,724,870)	(4,933,512)
Transfers in	3,687,315	1,121,462	5,445,024	2,065,727	490,485	110,850	403,264	11,850,635	5,372,892	4,752,124
Total other financing sources (uses)	8,760,116	(430,945)	16,325,158	20,106,571	(1,368,782)	(2,479,686)	(819,520) 0	(500,989)	2,848,786	1,468,920
Net change in fund balances	\$10,281,278	(\$6,217,695)	\$6,224,843	\$290,501	(\$3,588,380)	\$687,599	\$1,528,718	5,439,393	6,435,911	231,518
Debt service - Net of refundings as a percentage of non-capital expenditures	5.5%	5.2%	3.0%	1.6%	8.3%	8.2%	7.7%	7.5%	8.5%	7.9%

CITY OF STEAMBOAT SPRINGS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 2,242,061	\$ 2,156,196	\$ 2,219,640	\$ 1,953,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,619,798	10,901,261	12,585,912	12,025,733	-	-	-	-	-	-
Subtotal, General Fund	11,861,859	13,057,457	14,805,552	13,979,451	-	-	-	-	-	-
All Other Governmental Funds:										
Reserved	-	-	6,744,280	6,854,072	-	-	-	-	-	-
Special revenue funds	456,409	271,161	744,320	826,959	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,202,773	1,049,797	869,120	1,954,422	-	-	-	-	-	-
Capital projects funds	13,855,909	8,780,840	6,221,486	6,060,355	-	-	-	-	-	-
Subtotal, All Other Gov't'l Funds	17,515,091	10,101,798	14,579,206	15,695,808	-	-	-	-	-	-
Total Governmental Funds	\$ 29,376,950	\$ 23,159,255	\$ 29,384,758	\$ 29,675,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Governmental Funds:										
Reserved	\$ 2,698,470	\$ 2,427,357	\$ 9,708,240	\$ 9,634,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	26,678,480	20,731,898	19,676,518	20,040,510	-	-	-	-	-	-
Total Governmental Funds	\$ 29,376,950	\$ 23,159,255	\$ 29,384,758	\$ 29,675,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund Balances										
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ 24,796	\$ 120,396	\$ 78,300	\$ 59,119	\$ 45,738	\$ 43,154
Restricted	-	-	-	-	1,346,456	1,395,975	1,398,500	1,507,500	1,453,500	1,670,157
Committed	-	-	-	-	99,352	108,227	116,501	141,540	159,302	167,141
Assigned	-	-	-	-	5,467,514	6,316,975	6,626,033	6,762,366	10,107,015	122,250
Unassigned	-	-	-	-	9,704,666	10,644,952	13,153,927	5,226,737	5,932,897	12,253,718
Subtotal General Fund	\$ -	\$ -	\$ -	\$ -	\$ 16,642,783	\$ 18,586,525	\$ 21,373,261	\$ 13,697,262	\$ 17,698,452	\$ 14,256,420
All Other Governmental Funds:										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 1,877,730	\$ 4,179,462	\$ 3,933,550	\$ 4,173,356	\$ 4,223,516	\$ 4,396,399
Special revenue funds	-	-	-	-	872,895	1,092,690	889,465	1,495,027	1,471,720	1,545,647
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	362,665	568,535	-
Assigned	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	2,504,911	-	-	-	479,260	-
Capital projects funds	-	-	-	-	4,188,561	2,915,802	2,106,921	14,014,280	15,737,018	20,211,553
Subtotal-Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ 9,444,097	\$ 8,187,954	\$ 6,929,936	\$ 20,045,328	\$ 22,480,049	\$ 26,153,599
Total Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ 26,086,879	\$ 26,774,479	\$ 28,303,197	\$ 33,742,590	\$ 40,178,501	\$ 40,410,019
Governmental Funds										
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ 24,796	\$ 120,396	\$ 78,300	\$ 59,119	\$ 45,738	\$ 43,154
Restricted	-	-	-	-	4,097,081	6,668,127	6,221,515	7,175,883	7,148,736	7,612,203
Committed	-	-	-	-	99,352	108,227	116,501	504,205	727,837	167,141
Assigned	-	-	-	-	12,160,986	9,232,777	8,732,954	20,776,646	26,323,293	20,333,803
Unassigned	-	-	-	-	9,704,666	10,644,952	13,153,927	5,226,737	5,932,897	12,253,718
Total Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ 26,086,879	\$ 26,774,479	\$ 28,303,197	\$ 33,742,590	\$ 40,178,501	\$ 40,410,019

Note: In 2011 the City implemented compliance with GASB issuance #54, therefore this report has been formatted for new fund categories.

CITY OF STEAMBOAT SPRINGS
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$5,254,582	\$5,279,732	\$4,307,386	\$5,855,088	\$6,554,680	\$7,230,605	\$7,099,597	\$7,088,597	\$7,740,814	\$8,854,749
Public safety services	5,871,703	7,822,875	7,266,063	7,588,695	6,055,636	6,473,324	7,374,531	7,178,756	7,652,612	7,806,809
Public works	4,562,460	5,336,830	6,896,972	4,990,256	4,696,594	4,490,608	4,288,849	4,774,370	4,897,788	5,442,567
Transportation services	3,220,442	3,487,158	3,193,132	3,271,689	3,278,116	3,481,060	3,561,947	3,648,024	3,877,058	4,116,645
Legal and municipal court	570,286	680,878	703,552	492,963	504,211	549,455	512,953	526,848	544,549	486,825
Parks and Community Services	6,970,902	6,438,774	3,461,164	2,866,300	3,072,962	2,762,774	5,003,805	5,290,925	5,576,665	5,657,298
Planning	1,186,599	1,772,057	2,205,619	832,677	582,380	548,054	490,350	459,212	1,066,106	1,006,449
Interest on long-term debt	685,673	466,880	476,701	683,644	897,399	862,326	846,520	832,507	1,083,104	1,001,406
Total governmental activities expenses	28,322,647	31,285,184	28,510,589	26,581,312	25,641,977	26,398,206	29,178,552	29,799,239	32,438,696	34,372,708
Business-type activities:										
Water and wastewater	3,374,319	3,682,522	4,024,967	3,754,809	5,065,341	4,738,991	4,652,799	5,303,650	5,140,727	5,196,884
Airport	1,444,596	1,250,181	1,123,978	1,141,446	1,245,362	1,286,053	1,261,271	1,396,825	1,725,225	1,378,016
Golf course	1,568,194	1,513,027	1,312,546	1,339,007	1,392,942	1,373,210	1,359,679	1,324,970	1,363,255	1,376,097
Iron Horse	196,303	1,129,705	660,794	495,841	919,939	1,004,473	673,481	703,176	678,954	-
Rehder Building	-	-	-	-	-	-	90,527	-	-	-
Non-major proprietary funds	57,383	89,246	2,282,341	2,245,779	2,472,860	2,420,183	-	-	-	-
Total business-type activities expenses	6,040,795	7,664,681	9,404,626	8,976,882	11,095,445	10,822,910	8,037,757	8,728,621	8,908,161	7,950,997
Total primary government expenses	\$34,963,442	\$38,949,865	\$37,915,215	\$35,558,194	\$36,737,422	\$37,221,116	\$37,216,309	\$38,527,860	\$41,346,857	\$42,323,705
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$34,247	\$28,855	\$23,316	\$20,887	\$1,235,785	\$1,255,093	\$1,365,833	\$1,175,910	\$945,963	\$1,143,819
Public safety services	1,316,296	521,148	619,684	705,537	587,665	662,364	694,528	689,934	778,162	996,955
Public works	-	-	-	-	-	-	-	-	-	-
Transportation services	33,839	129,772	100,108	94,431	81,354	93,497	100,520	172,553	156,435	148,660
Parks and community services	1,299,912	1,379,212	446,749	430,584	446,271	503,756	1,447,215	1,562,148	1,534,547	1,563,879
Planning	222,247	262,482	262,230	180,474	256,894	206,462	287,526	225,159	290,930	345,422
Operating grants and contributions	1,149,700	2,353,031	3,845,052	4,832,684	3,901,959	3,901,245	4,317,769	1,877,464	1,986,102	2,252,146
Capital grants and contributions	2,217,627	5,558,265	2,946,829	3,541,809	2,453,722	2,662,671	2,602,920	4,451,072	4,140,287	1,931,089
Total governmental activities program revenues	6,267,868	10,232,765	8,243,968	9,806,406	8,963,650	9,285,088	10,816,311	10,154,240	9,832,426	8,381,970
Business-type activities:										
Charges for services:										
Water and wastewater	3,081,106	3,160,104	4,304,072	4,264,426	4,555,029	5,104,136	5,595,664	5,645,774	5,608,311	5,859,213
Airport	823,378	895,120	754,600	828,895	510,471	941,657	1,055,239	1,074,310	1,051,792	1,108,537
Golf course	1,246,180	1,230,872	1,115,111	1,003,968	1,008,278	1,106,671	1,157,857	1,164,657	1,222,036	1,272,878
Iron Horse	134,306	741,631	122,929	41,146	339,893	304,766	174,603	206,544	269,363	-
Rehder Building	-	-	-	-	-	-	1,371	-	-	-
Non-major proprietary funds	-	-	811,263	841,991	833,281	886,495	-	-	-	-
Operating grants and contributions	1,700	1,700	1,625	5,975	2,125	-	22,149	48,711	301,328	-
Capital grants and contributions	3,115,343	2,445,952	1,956,506	1,007,539	1,891,310	4,196,070	596,779	1,144,101	1,570,333	1,906,929
Total business-type activities program revenues	8,402,013	8,435,379	9,066,106	7,993,940	9,140,387	12,509,795	8,603,662	9,284,087	10,023,163	10,147,557
Total primary government program revenues	\$14,669,881	\$18,668,144	\$17,310,074	\$17,800,346	\$18,104,037	\$21,794,883	\$19,419,973	\$19,438,337	\$19,855,589	\$18,529,527
Net (Expense)/Revenue:										
Governmental activities	(\$22,054,779)	(\$21,052,419)	(\$20,266,621)	(16,774,906)	(16,678,328)	(17,113,118)	(18,362,241)	(19,644,999)	(22,606,270)	(25,990,738)
Business-type activities	1,761,218	770,698	(338,520)	(982,942)	(1,955,058)	1,686,885	565,905	555,476	1,115,002	2,196,560
Total primary government net expense	(\$20,293,561)	(\$20,281,721)	(\$20,605,141)	(\$17,757,848)	(\$18,633,385)	(\$15,426,233)	(\$17,796,336)	(\$19,089,523)	(\$21,491,266)	(\$23,794,178)

General Revenues and Other Changes in Net Position:										
Governmental activities:										
Taxes:										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sales taxes	\$19,761,376	\$19,927,527	\$16,833,849	16,669,912	17,414,888	17,606,100	19,108,106	21,229,982	22,354,392	24,439,818
Use taxes	6,385,775	2,641,517	1,248,130	973,544	1,034,953	1,141,495	1,375,025	2,283,977	1,930,866	2,417,530
Property taxes	-	-	-	-	-	-	-	-	1,802,043	1,680,361
Development excise tax	3,654,415	1,225,160	387,095	279,101	343,628	606,336	473,180	877,419	637,506	1,066,349
Other taxes	463,945	770,629	1,320,642	363,914	456,291	458,844	399,708	566,081	729,520	254,853
Franchise Fees	1,069,942	1,199,869	1,169,112	1,234,282	1,279,225	1,248,949	1,337,781	1,384,115	1,364,163	1,358,964
Voluntary assessment	233,849	254,157	213,979	214,881	217,600	225,797	257,061	312,005	344,857	366,254
Grants & contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	1,486,005	1,012,058	190,771	156,315	153,704	116,569	85,057	68,405	122,406	325,744
Gain(loss) on sale of capital assets	-	-	-	43,267	276,714	2,661	(59,886)	118,692	24,651	54,307
Miscellaneous revenue	361,372	680,194	167,940	237,235	74,709	264,878	21,757	54,251	229,848	127,153
Transfers	(313,896)	(314,034)	(14,203,233)	(1,104,137)	(1,316,197)	10,958,938	1,391,295	(5,471,801)	2,718,837	(166,388)
Total governmental activities	33,102,783	27,397,077	7,328,285	19,068,314	19,935,315	32,630,567	24,389,284	21,423,126	32,259,089	31,924,945
Business-type activities:										
Taxes:										
Sales taxes	846,097	855,303	651,251	604,673	657,846	646,765	513,311	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	483,310	340,628	54,488	26,843	13,616	49,350	26,387	-	33,203	72,950
Gain(loss) on sale of capital assets	(124,119)	-	5,936	-	-	1,000	-	50	-	-
Miscellaneous revenue	164,498	243,472	113,116	114,500	577,712	146,836	96,952	101,582	96,216	101,605
Transfers	313,896	314,034	14,203,233	1,104,137	1,316,197	(10,958,938)	(1,391,295)	5,471,801	(2,718,837)	166,388
Total business-type activities	1,683,682	1,753,437	15,028,024	1,850,153	2,565,371	(10,114,987)	(754,645)	5,573,433	(2,589,418)	340,943
Total primary government	\$34,786,465	\$29,150,514	\$22,356,309	\$20,918,467	\$22,500,686	\$22,515,580	\$23,634,639	\$26,996,559	\$29,669,671	\$32,265,888
Change in Net Position:										
Governmental activities	\$11,048,004	\$6,344,658	(\$12,938,336)	\$2,293,408	\$3,256,987	\$15,517,449	\$6,027,043	\$1,778,127	\$9,652,819	\$5,934,207
Business-type activities	3,444,900	2,524,135	14,689,504	867,211	610,313	(8,428,102)	(188,740)	6,128,909	(1,474,416)	2,537,503
Total primary government	\$14,492,904	\$8,868,793	\$1,751,168	\$3,160,619	\$3,867,300	\$7,089,347	\$5,838,303	\$7,907,036	\$8,178,403	\$8,471,710

A Includes the net book value of assets transferred to three new enterprise funds formed in 2009 from the governmental funds of \$12,971,828

Note: The City began reporting accrual information with the implementation of GASB Statement 34 in 2003.

Note: The City began breaking out TIF Property Tax in 2016

CITY OF STEAMBOAT SPRINGS
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net investment in capital assets	\$ 65,594,422	\$ 68,092,283	\$ 48,214,303	\$ 49,517,440	\$ 56,012,840	\$ 70,959,007	\$ 75,688,068	\$ 71,416,354	\$ 73,968,832	\$ 80,003,611
Restricted	5,771,120	2,863,242	10,199,872	10,094,790	10,815,349	6,799,255	6,113,672	7,433,020	8,145,293	8,077,073
Unrestricted	15,700,625	21,352,646	20,955,660	21,443,549	17,564,939	22,679,420	24,662,985	29,650,615	36,038,683	36,006,331
Total Government Activities Net Position	87,066,167	92,308,171	79,369,835	81,055,779	84,393,127	100,437,682	106,464,725	108,499,989	118,152,808	124,087,015
Business-type Activities:										
Net investment in capital assets	36,204,174	38,961,055	54,544,664	55,104,930	57,063,091	49,172,766	45,547,638	49,699,491	47,013,307	47,363,413
Restricted	1,402,723	2,309,422	2,322,839	2,269,177	3,448,096	3,499,755	2,529,271	3,170,267	3,742,592	4,639,619
Unrestricted	7,901,402	7,888,197	7,002,888	7,384,404	4,877,283	4,462,088	8,868,960	10,205,020	10,844,463	12,134,833
Total Business-type Activities Net Position	45,508,299	49,158,674	63,870,391	64,758,511	65,388,470	57,134,609	56,945,869	63,074,778	61,600,362	64,137,865
Primary Government:										
Net investment in capital assets	101,798,596	107,053,338	102,758,967	104,622,370	113,075,931	120,131,773	121,235,706	121,115,845	120,982,139	127,367,024
Restricted	7,173,843	5,172,664	12,522,711	12,363,967	14,263,445	10,299,010	8,642,943	10,603,287	11,887,885	12,716,692
Unrestricted	23,602,027	29,240,843	27,958,548	28,827,953	22,442,222	27,141,508	33,531,945	39,855,635	46,883,146	48,141,164
Total Primary Government Net Position	\$ 132,574,466	\$ 141,466,845	\$ 143,240,226	\$ 145,814,290	\$ 149,781,597	\$ 157,572,291	\$ 163,410,594	\$ 171,574,767	\$ 179,753,170	\$ 188,224,880

Note: The City began reporting accrual information with the implementation of GASB Statement 34 in 2003.
With the implementation of GASB 63 the City also began reporting "Net Position" rather than "Net Assets" in 2012 .

CITY OF STEAMBOAT SPRINGS
DIRECT AND OVERLAPPING SALES TAX RATE
LAST TEN YEARS
(unaudited)

	City Direct Rate			Accommodation Tax	Local Marketing District	Routt County	State of Colorado
	City Sales Tax	School Tax	Air Service Tax				
2007	4.0%	0.5%	-	1.0%	2.0%	1.0%	2.9%
2008	4.0%	0.5%	-	1.0%	2.0%	1.0%	2.9%
2009	4.0%	0.5%	-	1.0%	2.0%	1.0%	2.9%
2010	4.0%	0.5%	-	1.0%	2.0%	1.0%	2.9%
2011	4.0%	0.5%	-	1.0%	2.0%	1.0%	2.9%
2012	4.0%	0.5%	0.25%	1.0%	2.0%	1.0%	2.9%
2013	4.0%	0.5%	0.25%	1.0%	2.0%	1.0%	2.9%
2014	4.0%	0.5%	0.25%	1.0%	2.0%	1.0%	2.9%
2015	4.0%	0.5%	0.25%	1.0%	2.0%	1.0%	2.9%
2016	4.0%	0.5%	0.25%	1.0%	2.0%	1.0%	2.9%

CITY OF STEAMBOAT SPRINGS
TAXABLE RETAIL SALES BY INDUSTRY
LAST TEN YEARS
(unaudited)

	Lodging	Restaurants	Utilities	Sporting Goods	Liquor Stores	Miscellaneous	Total Taxable Retail Sales	City direct sales tax rate
2007	93,434,689	70,485,600	42,930,356	31,839,822	15,830,822	238,371,400	492,892,689	4.50%
2008	92,844,022	73,037,067	46,798,733	32,797,778	18,196,378	242,621,978	506,295,956	4.50%
2009	69,889,044	66,306,400	45,397,022	26,416,133	16,237,956	205,756,156	430,002,711	4.50%
2010	63,942,870	64,352,556	44,337,778	27,820,680	15,602,372	200,309,271	416,365,527	4.50%
2011	69,759,465	68,362,271	44,766,510	29,690,471	16,345,986	206,320,512	435,245,215	4.50%
2012	67,603,236	71,217,207	43,103,766	30,039,039	16,866,238	210,849,506	439,678,992	4.75%
2013	75,850,105	75,925,490	43,754,748	34,033,123	17,801,144	225,703,377	473,067,987	4.75%
2014	87,070,323	84,764,191	44,303,829	36,390,565	18,815,752	244,549,241	515,893,901	4.75%
2015	94,709,645	90,156,185	45,338,859	37,679,421	20,144,795	258,823,267	546,852,172	4.75%
2016	104,724,948	97,452,816	44,816,125	37,288,840	21,294,496	279,618,720	585,195,945	4.75%
Average % increase each year	2.1%	3.8%	0.5%	2.2%	3.6%	2.0%	2.2%	

CITY OF STEAMBOAT SPRINGS
SALES TAX BY INDUSTRY, FOR TAX RETURNS FILED FOR THE GIVEN YEAR
FOR YEARS 2016 AND 2007
(unaudited)

Industry	2016			2007		
	Number of Filers	Percent of Total Filers	Percent of Total Sales Tax	Number of Filers	Percent of Total Filers	Percent of Total Sales Tax
Lodging	406	15.7%	\$4,974,435 17.9%	217	10.7%	\$3,976,615 17.9%
Restaurants	162	6.3%	4,629,009 16.7%	141	7.0%	3,146,504 14.2%
Utilities	130	5.0%	2,128,766 7.7%	119	5.9%	1,921,516 8.7%
Sporting Goods	80	3.1%	1,771,220 6.4%	52	2.6%	1,569,236 7.1%
Liquor Stores	13	0.5%	1,011,489 3.6%	15	0.7%	717,622 3.2%
Miscellaneous	1,790	69.4%	13,281,889 47.8%	1,477	73.1%	10,867,932 49.0%
Total	2,581	100.0%	\$27,796,807 100.0%	2,021	100.0%	\$22,199,425 100.0%

Notes: 1) Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

2) .5% of the City's 4.75% sales tax is restricted for use by the Steamboat Springs School District RE-2.

3) .25% of the City's 4.75% sales tax is restricted for use by LMD Air Service.

CITY OF STEAMBOAT SPRINGS
SALES TAX, BY THE MONTH FOR WHICH THE TAX RETURNS WERE FILED
LAST TEN YEARS
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
January	\$2,325,382	\$2,444,997	\$2,148,703	\$2,028,412	\$1,981,309	\$2,070,614	\$2,279,709	\$2,462,813	\$2,618,334	\$2,737,943
February	2,298,418	2,483,940	2,067,032	1,947,191	1,931,618	2,086,651	2,275,134	2,360,912	2,598,789	2,841,654
March	2,788,751	2,999,087	2,283,343	2,184,854	2,419,063	2,510,225	2,661,859	2,875,975	2,966,465	3,172,268
April	1,160,542	1,128,226	1,076,920	1,048,003	1,021,380	1,129,618	1,134,430	1,229,244	1,347,241	1,354,278
May	1,169,339	1,210,645	1,035,126	959,500	981,270	1,118,426	1,203,945	1,285,365	1,319,775	1,451,385
June	1,706,788	1,689,014	1,354,370	1,354,142	1,467,075	1,641,757	1,726,778	1,894,081	2,019,377	2,221,465
July	1,895,594	1,945,082	1,596,703	1,645,082	1,719,534	1,851,423	1,973,774	2,252,634	2,422,540	2,615,357
August	1,785,144	1,844,978	1,466,962	1,463,609	1,587,810	1,734,499	1,881,069	2,072,920	2,129,393	2,278,384
September	1,707,889	1,607,425	1,331,302	1,389,481	1,501,182	1,577,483	1,672,509	1,823,202	1,958,459	2,203,713
October	1,460,836	1,405,964	1,087,912	1,088,626	1,134,161	1,245,246	1,326,778	1,484,646	1,553,353	1,638,843
November	1,248,997	1,163,256	1,078,827	1,107,213	1,184,414	1,247,826	1,330,288	1,484,322	1,489,156	1,628,003
December	2,936,588	2,688,756	2,500,531	2,520,337	2,657,218	2,670,984	3,004,454	3,278,846	3,552,595	3,653,514
Total	<u>\$22,484,270</u>	<u>\$22,611,369</u>	<u>\$19,027,732</u>	<u>\$18,736,449</u>	<u>\$19,586,035</u>	<u>\$20,884,752</u>	<u>\$22,470,729</u>	<u>\$24,504,960</u>	<u>\$25,975,478</u>	<u>\$27,796,807</u>
January	10%	11%	11%	11%	10%	10%	10%	10%	10%	10%
February	10%	11%	11%	10%	10%	10%	10%	10%	10%	10%
March	12%	13%	12%	12%	12%	12%	12%	12%	11%	11%
April	5%	5%	6%	6%	5%	5%	5%	5%	5%	5%
May	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
June	8%	7%	7%	7%	7%	8%	8%	8%	8%	8%
July	8%	9%	8%	9%	9%	9%	9%	9%	9%	9%
August	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
September	8%	7%	7%	7%	8%	8%	7%	7%	8%	8%
October	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
November	6%	5%	6%	6%	6%	6%	6%	6%	6%	6%
December	13%	12%	13%	13%	14%	13%	13%	13%	14%	13%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Note: .5% of the City's 4.75% sales tax is restricted for use by the Steamboat Springs School District RE-2. .25% is restricted for the LMD Air Service, but they are included in this report. Also, collections received in the current year for prior year tax liabilities are posted to the prior year in this report.

CITY OF STEAMBOAT SPRINGS
ACCOMMODATION TAX, BY THE MONTH FOR WHICH THE TAX RETURNS WERE FILED
LAST TEN YEARS
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
January	\$132,412	\$140,838	\$113,274	\$93,779	\$95,571	\$97,776	\$100,183	\$122,940	\$129,558	\$135,869
February	148,239	156,551	111,882	96,298	99,016	96,480	113,563	120,616	143,237	155,462
March	195,023	224,578	135,401	119,929	147,395	137,300	149,399	166,931	166,342	185,433
April	23,374	14,287	19,929	20,509	15,380	15,500	13,418	14,170	19,889	20,706
May	11,592	12,044	10,169	8,278	10,257	10,124	12,120	13,814	14,135	16,272
June	41,257	40,070	28,804	28,739	33,388	37,832	42,566	50,287	54,324	59,644
July	67,407	61,405	47,851	50,040	50,543	54,962	59,191	75,267	88,231	97,250
August	49,227	49,371	35,426	36,388	39,723	41,708	46,927	57,076	55,880	59,412
September	43,494	32,007	26,698	30,234	30,921	33,762	38,839	38,056	45,784	55,696
October	24,865	18,093	13,421	11,470	11,920	12,447	13,014	17,938	18,251	21,564
November	12,717	12,541	9,302	9,673	10,284	8,851	12,012	13,862	14,258	21,286
December	123,592	112,974	110,127	103,875	110,842	99,331	118,009	139,458	154,148	166,147
Total	<u>\$873,199</u>	<u>\$874,759</u>	<u>\$662,284</u>	<u>\$609,212</u>	<u>\$655,240</u>	<u>\$646,073</u>	<u>\$719,241</u>	<u>\$830,415</u>	<u>\$904,037</u>	<u>\$994,742</u>
January	15%	16%	17%	15%	14.6%	15%	14%	15%	14%	14%
February	17%	18%	17%	16%	15.1%	15%	16%	15%	16%	16%
March	22%	26%	20%	20%	22.5%	21%	21%	20%	18%	19%
April	3%	2%	3%	3%	2.3%	2%	2%	2%	2%	2%
May	1%	1%	2%	1%	1.6%	2%	2%	2%	2%	2%
June	5%	5%	4%	5%	5.1%	6%	6%	6%	6%	6%
July	8%	7%	7%	8%	7.7%	9%	8%	9%	10%	10%
August	6%	6%	5%	6%	6.1%	6%	7%	7%	6%	6%
September	5%	4%	4%	5%	4.7%	5%	5%	5%	5%	6%
October	3%	2%	2%	2%	1.8%	2%	2%	2%	2%	2%
November	1%	1%	1%	2%	1.6%	1%	2%	2%	2%	2%
December	14%	13%	17%	17%	16.9%	15%	16%	17%	17%	17%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Note: Collections received in the current year for prior year tax liabilities are posted to the prior year in this report.

CITY OF STEAMBOAT SPRINGS
PROPERTY TAX LEVIES, DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(PROPERTY TAX RATES PER ONE DOLLAR ASSESSED VALUATION)
(unaudited)

Levy Year	City of Steamboat Springs	Routt County	Steamboat Springs School District	East Routt County Library	Colorado Mountain College	Steamboat Springs Cemetery	Water Conser- vation	Total
2007	0.000000	0.012657	0.022040	0.003556	0.003997	0.000097	0.002011	0.044358
2008	0.000000	0.013163	0.021922	0.003483	0.003997	0.000097	0.002019	0.044681
2009	0.000000	0.011330	0.011555	0.002668	0.003997	0.000080	0.001986	0.031616
2010	0.000000	0.011685	0.015734	0.002687	0.003997	0.000084	0.002008	0.036195
2011	0.000000	0.014955	0.017502	0.003485	0.003997	0.000084	0.002048	0.042071
2012	0.000000	0.014842	0.017217	0.003425	0.003997	0.000084	0.002062	0.041627
2013	0.000000	0.017003	0.018467	0.003929	0.003997	0.000097	0.002074	0.045567
2014	0.000000	0.017654	0.018729	0.003962	0.003997	0.000097	0.002073	0.046512
2015	0.000000	0.017149	0.017451	0.003729	0.003997	0.000095	0.002063	0.044484
2016	0.000000	0.017567	0.018030	0.003716	0.003997	0.000095	0.002073	0.045478

Source: Routt County Assessor's Office

**CITY OF STEAMBOAT SPRINGS
PRINCIPAL PROPERTY TAXPAYERS
YEARS ENDED DECEMBER 31, 2016 AND 2007
(unaudited)**

Taxpayer	2016			2007		
	Assessed Valuation	Rank	Percentage of Total City Assessed Valuation	Assessed Valuation	Rank	Percentage of Total City Assessed Valuation
Steamboat Ski & Resort Corporation	\$16,480,820	1	2.7%	\$20,601,030	1	3.10%
Starwood Steamboat, LLC (Sheraton)	10,903,650	2	1.8%	8,835,580	2	1.33%
Yampa Valley Electric Association	5,783,760	3	1.0%	6,701,000	3	1.01%
DB Ski Fee, LLC and DB Ski Thunder Fee, LLC	4,605,710	4	0.8%			0.00%
THF Steamboat Springs Development, LLC	4,246,850	5	0.8%			0.00%
Steamboat Grand Resort Hotel Condo Assoc, Inc	4,148,730	6	0.7%	4,953,200	8	0.75%
SV Timbers Steamboat, LLC	4,046,720	7	0.7%	5,508,260	6	0.83%
Qwest Corporation	3,665,260	8	0.7%	4,383,800	9	0.66%
Marr 106 Family LTD (dba Holiday Inn)	2,774,420	9	0.6%	4,768,420	10	0.72%
Alpen Glow Ventures, LLC	2,337,950	10	0.3%			0.00%
Christie Owners Association Inc (HOA)	2,253,300	11	0.4%			0.00%
Liman, Les A. (Industrial Units, Airport Hanger, etc.)	2,175,750	12	0.5%			0.00%
Wildhorse Steamboat LLC	2,109,240	13	0.4%			0.00%
Mesa Lodging, LLC	1,917,030	14	0.4%			0.00%
KEW Gardens, LLC	1,916,210	15	0.4%			0.00%
Total Principal Taxpayers	\$69,365,400		11.9%	\$55,751,290		8.39%

Source: Routt County Assessor's Office. Current amounts are based on assessed values for City of Steamboat Springs.
Historical amounts are based on assessed values for Steamboat Springs School RE-2

CITY OF STEAMBOAT SPRINGS
OUTSTANDING DEBT BY TYPE AND DEBT RATIOS
LAST TEN YEARS
(unaudited)

Governmental Activities Outstanding Debt

	General Obligation Bonds	Sales Tax Revenue Bonds ¹	Loans	Certificates of Participation	Capital Leases	Tax Increment Revenue Bonds	Unamortized Premium	Total
2007	385,000	49,275	-	4,460,000	255,001	9,000,000	-	14,149,276
2008	45,000	-	-	4,105,000	217,955	8,745,000	-	13,112,955
2009	-	-	-	3,870,000	594,048	17,500,000	-	21,964,048
2010	-	-	-	3,785,000	522,292	20,565,000	346,653	25,218,945
2011	-	-	-	3,515,000	444,808	19,790,000	302,479	24,052,287
2012	-	-	-	3,250,000	651,693	18,990,000	258,305	23,149,998
2013	-	-	-	2,980,000	527,840	18,140,000	221,433	21,869,273
2014	-	-	-	7,585,000	449,407	17,265,000	189,531	25,488,938
2015	-	-	-	7,085,000	367,385	16,365,000	161,554	23,978,939
2016	-	-	-	8,165,000	281,609	15,440,000	467,486	24,354,095

Business-type Activities Outstanding Debt

	General Obligation Bonds	Sales Tax Revenue Bonds ¹	Loans	Certificates of Participation	Capital Leases	Accommodation Tax Refunding Bonds	Unamortized Premium	Total
2007	-	85,725	7,532,925	5,285,000	2,425,181	2,165,000	41,857	17,535,688
2008	-	-	6,973,853	5,285,000	2,232,649	1,840,000	35,648	16,367,150
2009	-	-	6,393,667	5,285,000	2,518,747	1,505,000	30,094	15,732,508
2010	-	-	5,802,707	5,285,000	2,323,885	1,150,000	25,128	14,586,720
2011	-	-	17,535,216	5,235,000	2,118,824	785,000	628,884	26,302,924
2012	-	-	16,636,948	5,185,000	1,773,576	400,000	537,591	24,533,115
2013	-	-	15,647,150	5,085,000	274,646	-	464,738	21,471,534
2014	-	-	14,620,820	-	219,811	-	403,030	15,243,661
2015	-	-	13,557,980	-	163,458	-	349,132	14,070,570
2016	-	-	12,586,429	-	105,536	-	301,364	12,993,329

In Relation to Total Primary Government Debt

	Total Primary Government Outstanding Debt	Percent of Personal Income ^{2,4}	Per Capita ³	Percent of Actual Property Value
2007	31,684,964	2.7%	2,755	0.6%
2008	29,480,105	2.5%	2,469	0.5%
2009	37,696,556	3.3%	3,104	0.7%
2010	39,805,665	3.5%	3,293	0.5%
2011	50,355,211	4.2%	4,224	0.8%
2012	47,683,113	3.8%	3,964	0.8%
2013	43,340,807	3.1%	3,620	0.9%
2014	40,732,599	2.7%	3,370	0.8%
2015	38,049,509	2.4%	3,069	0.7%
2016	37,347,424	Unavailable	Unavailable	0.7%

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

¹ Bonds issued for general aviation purposes moved to General Fund in 1999, and then split proportionally with Airport Fund in 2003.

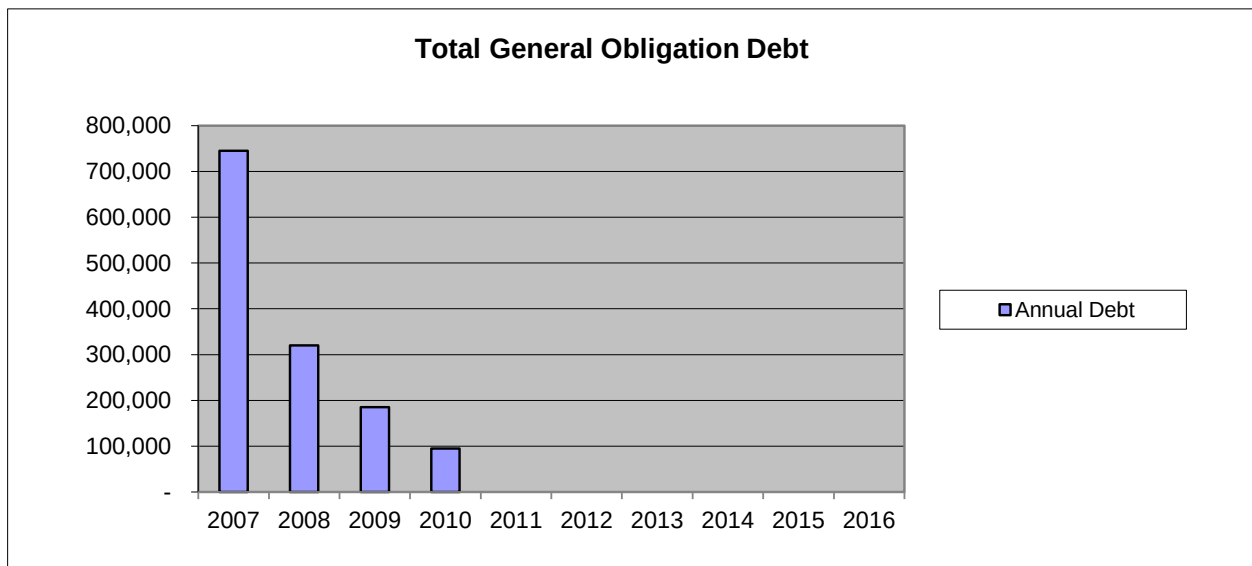
² Personal income is for Routt County, as this information is not readily available for the City of Steamboat Springs. See the Demographic and Economic Statistics schedule for personal income data.

³ Per capita amounts are for the City of Steamboat Springs. See the Demographics and Economic Statistics schedule for population data.

⁴ 2016 Percent of Personal Income and Per Capita are not yet available.

CITY OF STEAMBOAT SPRINGS
OUTSTANDING GENERAL OBLIGATION DEBT AND DEBT RATIO
LAST TEN YEARS
(unaudited)

	<u>General Obligation Bonds</u>	<u>General Obligation Loans</u>	<u>Total General Obligation Debt</u>	<u>Percent of Total Taxable Retail Sales</u>
2007	385,000	360,000	745,000	0.15%
2008	45,000	275,000	320,000	0.06%
2009	-	185,000	185,000	0.04%
2010	-	95,000	95,000	0.02%
2011	-	-	-	0.0%
2012	-	-	-	0.0%
2013	-	-	-	0.0%
2014	-	-	-	0.0%
2015	-	-	-	0.0%
2016	-	-	-	0.0%



CITY OF STEAMBOAT SPRINGS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2016
(unaudited)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable to City of Steamboat ¹</u>	<u>Estimated Amount Applicable to City of Steamboat ¹</u>
Steamboat Springs School District RE-2	\$ 29,605,000	74.7%	\$ 22,114,935
Mt. Werner Water	-	0.0%	-
East Routt Library District	7,777,550	80.6%	6,268,705
Routt County	9,766,853	60.0%	<u>5,860,112</u>
Subtotal, overlapping debt			34,243,752
City governmental activities direct debt			<u>24,354,095</u>
Total direct and overlapping debt			<u><u>\$ 58,597,847</u></u>

¹ Assessed values used to estimate applicable percents.

Sources: Steamboat Springs School District RE-2, East Routt Library District, Mount Werner Water District, and Routt County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments in Steamboat Springs. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden should be taken into account.

CITY OF STEAMBOAT SPRINGS
LEGAL DEBT MARGIN
LAST TEN YEARS
(*unaudited*)

Governmental Funds Debt

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Funds operating revenue										
	\$39,749,389	\$37,855,730	\$29,391,831	\$ 29,820,042	\$ 30,153,506	\$ 30,675,491	\$ 33,912,475	\$ 36,630,144	\$ 37,860,487	\$ 40,219,791
Governmental Funds debt payments net of refundings										
	1,246,461	1,496,040	571,032	695,428	1,122,483	1,148,286	1,243,853	1,288,433	2,563,891	2,545,263
Policy debt margin										
<i>(must be less than 10%)</i>	3.1%	4.0%	1.9%	2.3%	3.7%	3.7%	3.7%	3.5%	6.8%	6.3%

Total City Debt

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actual value of taxable property										
	\$5,296,416,471	\$5,603,629,983	\$7,546,889,453	\$7,757,874,000	\$5,990,185,446	\$5,935,314,322	\$ 4,955,918,438	\$4,975,240,298	\$5,501,939,878	\$5,585,536,038
Policy debt margin:										
Total City debt obligation	31,684,964	29,480,105	37,696,556	39,805,665	50,355,211	47,683,113	43,340,807	40,732,599	38,049,509	37,347,424
Less: Amount reserved for repayment of debt	(1,264,535)	(1,264,535)	(1,264,535)	(1,931,926)	(1,931,555)	(1,931,555)	(1,931,555)	(1,931,555)	(1,931,555)	(2,297,388)
Total net debt applicable to limit	\$30,420,429	\$28,215,570	\$36,432,021	\$37,873,739	\$48,423,656	\$45,751,558	\$41,409,252	\$38,801,044	\$36,117,954	\$35,050,036
Policy debt margin										
<i>(must be less than 3%)</i>	0.6%	0.5%	0.5%	0.5%	0.8%	0.8%	0.8%	0.8%	0.7%	0.6%

CITY OF STEAMBOAT SPRINGS
PLEDGED REVENUE COVERAGE
LAST TEN YEARS
(unaudited)

Colorado Water Resources & Power Development Authority Loans

	Utility Revenues	Less: Operating Expense	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2007	3,435,649	(1,164,812)	2,270,837	468,654	275,051	743,705	3.1
2008	3,179,481	(1,337,756)	1,841,725	474,073	266,550	740,623	2.5
2009	3,131,934	(1,266,847)	1,865,087	490,185	261,194	751,379	2.5
2010	2,916,630	(1,329,758)	1,586,872	502,334	241,601	743,935	2.1
2011	3,280,287	(1,606,546)	1,673,741	524,020	314,272	838,292	2.0
2012	5,104,136	(2,485,563)	2,618,573	898,267	740,132	1,638,399	1.6
2013	5,595,664	(2,435,050)	3,160,614	989,798	709,257	1,699,055	1.9
2014	5,645,774	(3,056,378)	2,589,396	1,026,330	677,422	1,703,752	1.5
2015	5,608,311	(2,915,353)	2,692,958	1,062,840	644,396	1,707,236	1.6
2016	5,859,213	(2,988,053)	2,871,160	971,552	624,355	1,595,907	1.8

Sales Tax Revenue Bonds

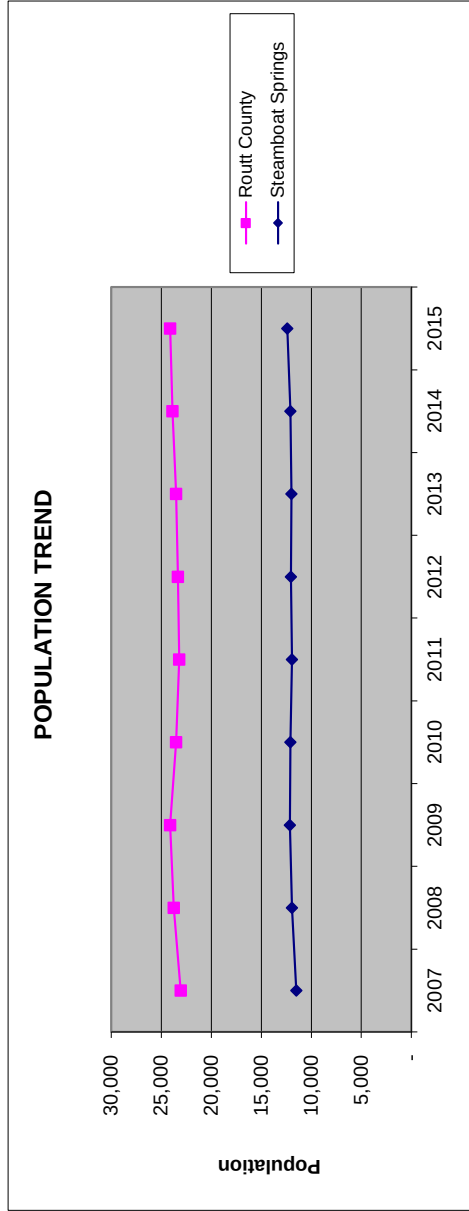
	Sales Tax	Debt Service		Total	Coverage
		Principal	Interest		
2007	19,117,400	135,000	10,173	145,173	131.7
2008	19,607,176	135,000	5,115	140,115	139.9
2009	16,833,849	-	-	-	-
2010	16,669,912	-	-	-	-
2011	17,414,688	-	-	-	-
2012	17,606,100	-	-	-	-
2013	18,900,737	-	-	-	-
2014	20,397,976	-	-	-	-
2015	21,450,628	-	-	-	-
2016	22,643,437	-	-	-	-

Accommodation Tax Refunding Revenue Bonds

	Accommodation Tax	Debt Service		Total	Coverage
		Principal	Interest		
2007	846,097	310,000	95,885	405,885	2.1
2008	855,303	325,000	82,564	407,564	2.1
2009	651,251	335,000	73,201	408,201	1.6
2010	604,674	355,000	58,450	413,450	1.5
2011	657,846	365,000	42,879	407,879	1.6
2012	646,765	385,000	26,470	411,470	1.6
2013	592,023	400,000	9,001	409,001	1.4
2014	832,006	-	-	-	-
2015	903,764	-	-	-	-
2016	996,432	-	-	-	-

CITY OF STEAMBOAT SPRINGS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(unaudited)

Year	Steamboat Springs Population ¹	Routt County Population ¹	Routt County Personal Income ² (thousands)	Routt County Per Capita Personal Income ²	Routt County Unemployment Rate ³	Stmbt. Spgs. School Enrollment ⁴	Number of Skier Season Visits CSCUSA ⁵	Yampa Valley Regional Airport Enplanements ⁶	Haymaker Golf Course
									Rounds of Golf Played ⁷ Percent of Local Rounds vs. Non-Local ⁷
2007	11,502	23,060	1,169,628	52,356	2.7%	2,077	7,247,252	140,806	27,839 81%
2008	11,939	23,738	1,196,616	52,106	3.4%	2,088	7,293,238	140,099	26,202 79%
2009	12,143	24,115	1,153,252	49,139	6.9%	2,118	6,709,303	125,689	24,346 82%
2010	12,088	23,509	1,142,484	48,718	8.7%	2,108	6,740,478	111,714	22,932 80%
2011	11,922	23,216	1,199,787	51,628	8.2%	2,218	6,946,826	106,534	22,338 69%
2012	12,029	23,334	1,256,171	53,834	7.1%	2,320	6,163,278	99,969	24,832 70%
2013	11,974	23,513	1,396,303	59,384	5.8%	2,401	6,397,910	92,184	23,559 80%
2014	12,088	23,865	1,518,114	63,613	3.4%	2,462	7,100,000	92,245	22,284 83%
2015	12,399	24,103	1,586,151	65,734	3.2%	2,587	7,100,000	93,896	22,854 91%
2016	unavailable	unavailable	unavailable	unavailable	2.7%	2,481	7,400,000	110,545	23,842 90%



Sources: ¹ Colorado Division of Local Affairs, State Demography Office (2016 data is unavailable)

² U.S. Department of Commerce, Bureau of Economic Analysis

³ Colorado Department of Labor and Employment, not seasonally adjusted

⁴ Steamboat Springs School District RE-2

⁵ Colorado Ski Country USA Aggregate (These numbers are based on the total for all Colorado Ski Country members ski season ending in the year listed.)

⁶ Federal Aviation Administration (2006-2014) & Yampa Valley Regional Airport (2016 data is preliminary)

⁷ Haymaker Golf Committee

CITY OF STEAMBOAT SPRINGS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(unaudited)

	2016			2007		
	Employees ²	Rank	Percentage of Routt County Labor Force ¹	Employees ²	Rank	Percentage of Routt County Labor Force ¹
Principal Steamboat Springs Employers						
Steamboat Ski & Resort Corp.	2,012	1	13.6%	1,800	1	11.4%
Yampa Valley Medical Center	560	2	3.8%	522	2	3.3%
Routt County	369	3	2.5%	295	7	1.9%
Steamboat Spgs. School Dist. RE-2	359	4	2.0%	337	4	2.1%
City of Steamboat Springs	301	5	2.4%	304	6	1.9%
Twentymile Mine/Peabody Energy	300	6	2.0%			0.0%
Resort Group	224	7	1.5%	385	3	2.4%
City Market	132	8	0.9%	208	8	1.3%
Sheraton Steamboat Resort	128	9	0.9%	127	11	0.8%
Wal-Mart	119	10	0.8%	114	12	0.7%
Wyndham Vacation Ownership only (Villages &	89	11	0.6%			
Hayden Powerplant/Xcel Energy	88	12	0.6%			
Total	4,681		31.6%	4,092		25.9%

Notes:

¹ Total labor force for Steamboat Springs is unavailable. Since most of the largest employers in Routt County are in Steamboat Springs, Routt County's labor force is used to calculate this percentage.

² Most employers have seasonal variation in their number of employees; therefore, the annual average, including seasonal employees, is reported. Historical data may be unavailable due business changes.

Sources: Respective employers and Colorado Department of Labor & Employment, Office of Labor Market Information.

CITY OF STEAMBOAT SPRINGS
FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(unaudited)

<u>Function/Program</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>	<u>2015</u>	<u>2016</u>
General government:										
City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
City Manager's Office	2.00	4.00	4.00	4.00	3.05	1.90	1.90	1.90	1.90	2.90
Deputy City Manager's Office	10.34	14.34	13.35	13.00	14.50	1.00	0.90	0.90	1.00	-
General Services						16.98	14.75	13.75	15.75	16.05
City Clerk's Office	4.50	4.75	4.00	4.00	3.70	3.68	3.73	3.93	3.73	3.73
Intergovernmental Services	3.50	-	-	3.10	1.60	1.60	1.60	1.60	1.90	1.90
Financial Services	12.50	14.75	12.07	11.00	9.30	10.30	10.30	10.40	10.40	10.40
Subtotal, General Government	<u>39.84</u>	<u>44.84</u>	<u>40.42</u>	<u>42.10</u>	<u>39.15</u>	<u>42.46</u>	<u>40.18</u>	<u>39.48</u>	<u>41.68</u>	<u>41.98</u>
Transportation Services	43.79	42.29	37.56	41.29	40.59	40.33	40.33	35.78	40.73	39.65
Public Works	37.39	45.64	43.64	42.89	37.75	36.83	37.15	41.44	40.63	46.42
Public Safety Services	71.77	77.02	71.02	75.02	70.31	68.97	70.07	71.50	71.75	70.00
Legal and Municipal Court	3.25	3.25	3.25	3.25	3.05	3.05	3.05	3.05	2.95	3.95
Parks and Community Services	79.30	78.80	68.47	62.64	59.32	54.70	54.35	44.44	55.53	55.68
Planning Services	11.15	14.90	12.33	11.17	7.58	7.05	6.15	6.05	7.90	8.90
Total FTE's	<u>286.49</u>	<u>306.74</u>	<u>276.69</u>	<u>278.36</u>	<u>257.75</u>	<u>253.39</u>	<u>251.28</u>	<u>241.74</u>	<u>261.17</u>	<u>266.58</u>

CITY OF STEAMBOAT SPRINGS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
(unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Physical arrests	1,023	968	1,147	904	795	834	688	660	587	536
Parking violations	2,987	4,226	4,221	1,839	2,434	1,304	1,749	2,550	2,638	2,952
Citations issued (excluding parking)	2,652	2,774	2,768	2,208	1,773	1,820	1,669	1,585	1,111	1,352
Fire:										
Emergency responses (Fire & EMS)	2,007	2,037	1,852	1,765	1,802	1,920	1,904	1,987	2,179	2,247
New construction inspections	291	376	426	304	250	248	312	280	238	205
Building safety inspections	996	942	265	345	357	393	129	173	163	152
Plan reviews	1,253	1,239	960	1,092	844	851	732	616	783	858
Other public works:										
Streets and alleys maintained (miles)	73.6	76.83	76.83	76.83	76.83	76.83	79.38	79.38	79.38	79.00
Resurfacing streets/parking lots (sq. yd.)	71,021	69,021	11,695	47,407	54,908	52,193	70,286	65,105	43,922	89,724
Parks & Community Services:										
Number of athletic tournaments	16	20	20	20	20	24	16	19	20	20
Number of athletic games played	2,090	2,090	2,090	1,850	1,850	1,893	2,665	2,850	3,100	3,100
Water:										
Number of customers	3,249	3,265	3,238	3,240	3,224	3,240	3,211	3,228	3,265	3,621
Water main breaks	9	10	6	8	12	8	3	4	2	5
Average daily consumption (gallons)	1,317,415	1,298,959	1,158,438	1,086,803	1,082,718	1,216,616	1,131,830	1,146,321	1,129,419	1,232,877
Wastewater:										
Average daily sewage treatment (gallons)	2,412,000	2,733,000	2,507,000	2,414,000	2,926,000	2,014,000	2,631,000	2,843,000	2,619,000	2,824,000
Transit:										
Total route miles	571,956	572,751	564,879	609,692	605,054	607,938	634,071	621,401	618,021	638,477
Passengers	1,178,764	1,330,962	1,202,219	1,072,548	1,076,686	1,045,469	1,125,007	1,152,581	1,069,606	1,154,762
Hours of service	36,901	38,605	36,736	40,426	40,323	40,335	42,983	41,896	44,227	48,376

CITY OF STEAMBOAT SPRINGS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(unaudited)

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	13	13	13	13	13	13	12	12	14	14
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other public works:										
Streets & alleys (miles)	73.6	78.86	78.86	78.86	78.86	78.86	78.86	79.38	79.38	79.00
Streetlights ¹	545	531	532	532	532	532	532	532	517	542
Traffic signals ²	3	3	3	3	3	3	3	3	3	3
Parks & Community Services										
Ice rinks	1	1	1	1	1	1	1	1	1	1
Ski areas	1	1	1	1	1	1	1	1	1	1
Pickleball courts										8
Tennis courts	18	18	18	18	18	18	18	18	18	16
Softball/baseball fields	11	11	11	11	11	11	11	11	11	11
Soccer fields	11	11	11	11	11	11	11	11	11	11
Parks	26	26	26	27	27	27	27	28	28	29
Rodeo grounds	1	1	1	1	1	1	1	1	1	1
Miles of trails	34.00	42.82	42.82	43.32	56.00	56.00	56.00	59.00	63.00	67.00
Water:										
Water mains (miles)	58.59	59.39	59.53	60.31	60.58	61.85	61.85	61.85	62.13	62.63
Fire hydrants	551	563	563	565	567	570	572	572	572	573
Treated water storage capacity (gallons)	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000	3,875,000
Wastewater:										
Sanitary sewers (miles)	57.24	57.91	57.91	58.10	58.36	58.46	58.46	58.46	59.66	59.66
Treatment capacity (gallons)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Stormwater:										
Storm sewers (miles)	6.0	6.0	6.2	23.1	23.1	23.2	23.2	34.1	34.1	34.1
Inlets (in service)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	567	569	575
Manholes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	145	145	149
Transportation:										
Buses & Vans	23	24	24	26	24	22	27	23	25	19
Airports	1	1	1	1	1	1	1	1	1	1

Notes:

¹ Source: Yampa Valley Electric Association

² This indicates only the number of traffic signals owned by the City of Steamboat Springs. There are numerous other signals within the city limits; but, they are owned by the State Highway department.



Federal Awards Reports in Accordance
with the Uniform Guidance

December 31, 2016

**City of Steamboat Springs,
Colorado**

City of Steamboat Springs, Colorado
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Members of City Council
City of Steamboat Springs, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Steamboat Springs, Colorado (the "City") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Steamboat Springs's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and on compliance and other matters, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control on compliance and other matters. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and on compliance and other matters. Accordingly, this report is not suitable for any other purpose.

Handwritten signature of Erik Bailly LLP in cursive script.

Fort Collins, Colorado
June 28, 2017



Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Members of City Council
City of Steamboat Springs, Colorado

Report on Compliance for the Major Federal Program

We have audited the City of Steamboat Springs, Colorado's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Steamboat Springs' major federal program for the year ended December 31, 2016. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Steamboat Springs, Colorado complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of the City of Steamboat Springs, Colorado is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Steamboat Springs, Colorado as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 28, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Collins, Colorado
June 28, 2017

City of Steamboat Springs, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

Federal Grant/Program	CFDA Number	Pass-through Grant Number	Award Amount	Federal Expenditures
Department of Interior:				
National Park Service				
Passed through Colorado Historical Society:				
Historic Preservation Fund Grants-In-Aid	15.904	*	250	228
			<u>250</u>	<u>228</u>
Department of Justice:				
Bureau of Justice Assistance:				
Bulletproof Vest Partnership Program (2015)	16.607		2,926	2,021
			<u>2,926</u>	<u>2,021</u>
Department of Transportation:				
Federal Transit Administration				
Passed through Colorado Dept. of Transportation:				
Formula Grants for Rural Areas (Section 5311, Transit Operations)	20.509	491001055	537,290	537,290
Formula Grants for Rural Areas (Section 5311, Bus Refurb)	20.509	491001016	59,050	59,050
Total Formal Grants for Rural Areas			<u>596,340</u>	<u>596,340</u>
Job Access and Reverse Commute				
Program (Section 5316, Transit Operations JARC)	20.516	491000844	151,698	21,900
Federal Transit Capital Investment Grants (Section 5309, Bus Refurb)	20.500	491000143	1,765,910	420,000
Federal Highway Administration				
Passed through Department of Natural Resources				
Resources Division of Parks and Wildlife				
Regional Trails Program (Howelsen Hill Directional Biking Trails)	20.219	16-TRLG-81700	31,488	31,488
Passed through Colorado Dept. of Transportation:				
Highway Planning and Construction (CMAQ, Street Sweeper)	20.205	471000860	145,710	94,713
Highway Planning and Construction (Fishcreek Underpass)	20.205	471000847	80,580	32,769
Total Highway Planning and Construction			<u>226,290</u>	<u>127,482</u>
Total Highway Planning and Construction Cluster			<u>257,778</u>	<u>158,970</u>
National Highway Traffic Safety Administration:				
Passed through Colorado Dept. of Transportation:				
National Priority Safety Programs				
(Click It or Ticket, Seat Belt Enforcement)	20.616	411008628	3,528	3,167
			<u>2,778,430</u>	<u>1,202,626</u>
Total Federal Grants/Programs			<u>\$ 2,778,430</u>	<u>\$ 1,202,626</u>

* Pass-through number not available

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Steamboat Springs, Colorado. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a sub-recipient is treated as an expenditure when it is paid to the sub-recipient. For the year ended December 31, 2016, the City did not pass through funding to subrecipients.

Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Governmental fund-types account for all of the City's federal grant activity except for grants received from the Federal Aviation Administration (FAA). Expenditures in the schedule of expenditures of federal awards for those grants accounted for in the governmental fund-types are recognized on the modified accrual basis – when they become a demand on current available financial resources. FAA grants are accounted for under the accrual basis of accounting. The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements.

The City does not draw for indirect administrative expenses.

CFDA Numbers

Federal CFDA numbers are from the Catalog of Federal Domestic Assistance published by the Office of Management and Budget and the General Services Administration.

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major program:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Federal Transit Capital Investment Grants - Section 5309	20.500
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

No current year findings reported.

Section III – Federal Award Findings and Questioned Costs

No current year findings reported.