TOWN OF CRESTED BUTTE, COLORADO

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2017

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Office of the State Auditor
July 13, 2018

CONTENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

July 3, 2018

Town Council
Town of Crested Butte, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Crested Butte, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Crested Butte, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Affordable Housing Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Town of Crested Butte, Colorado
July 3, 2018
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Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Crested Butte, Colorado's basic financial statements. The combining and individual non-major governmental fund schedules, the general capital fund budget to actual schedule, the street and alley fund budget to actual schedule, the enterprise fund budget to actual schedule, the general and sub-fund combining balance sheet and combining schedule of revenues, expenditures and changes in fund balance - budget and actual, and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major governmental fund schedules, the general capital fund budget to actual schedule, the street and alley fund budget to actual schedule, the enterprise fund budget to actual schedule, the general and sub-fund combining balance sheet and combining schedule of revenues, expenditures and changes in fund balance - budget and actual, and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2017

Our discussion and analysis of the Town of Crested Butte's financial performance provides an overview of the Town of Crested Butte's financial activities for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town of Crested Butte.

A. FINANCIAL HIGHLIGHTS

- The Town's assets exceed liabilities and deferred inflows by $46,416,202 (i.e. net position) at the end of the year, an increase of $2,455,537 from the prior year.
- Governmental funds reported combined ending fund balances of $13,750,690 an increase of $616,480 in comparison to prior year.
- The Town's unassigned fund balance for the general fund, which includes the sales tax fund under Governmental Accounting Standards Board (GASB) 54 reporting requirements, was $4,324,560 an increase of $441,140 in comparison to prior year.
- The Town of Crested Butte's total long-term liabilities increased by $2,406,169 during 2017 due to debt associated with the Town's wastewater treatment plant upgrade.

B. PROJECT HIGHLIGHTS

- Six new affordable housing units were developed in Blocks 79 and 80.
- Implementation of short-term rental license and excise tax as a method to support affordable housing initiatives.
- 4-Way Bus Stop and restroom facility construction.
- Baxter Gulch Trail development, in concert with CBMBA, U.S. Forest Service and adjacent property owners.
- Depot renovations.
- Center for the Arts in-kind work. This included removing old asphalt parking and playground, removing railroad ties, leveling the lot to prepare for build.
- Managing historic snow levels
- Beginning construction work on the wastewater treatment plant upgrade. There were several significant reasons for the upgrade. Those include, State of Colorado requirement for redundancy in treatment processes, equipment being at the end of their useful lives, and new State requirements for nutrient removal standards.
- Development of the new Crested Butte Creative District website.

C. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, streets and highways, culture and recreation and community development. The business type activities include sewer and water.

Fund financial statements. A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that is available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in a reconciliation statement.

Proprietary Funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements, only in more detail. The Town reports its water and sewer operations as an enterprise fund.

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

Capital assets. The Town of Crested Butte complies with capital assets reporting requirements as specified in Governmental Accounting Standards Board Statement 34 (GASB34). One of the requirements is to report capital assets in the government-wide financial statements.

D. GOVERNMENT-WIDE FINANCIAL ANALYSIS

At December 31, 2017, total net position was $46,416,202, an increase of $2,455,512 from the prior year. This increase was largely due to increases in cash position and investment in joint venture along with capital asset purchases during the year.

The largest portion of net position is the investment in capital assets (net of related debt) which accounts for 55% of total net position. This amount reflects the investment in all capital assets less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens and are not available for future spending.

Unrestricted net position is the part of net position that can be used to finance day to day operations without constraints, represents 36% of total net position.

The following table summarizes the Town's governmental and business type net position for 2017 and 2016.

Town of Crested Butte, Colorado

December 31, 2017

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	**2017**	**2016**	**2017**	**2016**	**2017**
Current and other assets	$ 16,250,939	**$ 18,913,898**	$ 4,672,445	**$6,274,750**	$ 20,923,384	**$ 25,188,648**
Capital assets	20,758,449	**21,534,960**	5,404,700	**7,789,971**	26,163,149	**29,324,931**
Total Assets	37,009,388	**40,448,858**	10,077,145	**14,064,721**	47,086,533	**54,513,579**
Current liabilities	740,246	**2,215,500**	97,394	**929,734**	837,640	**3,145,234**
Non-current liabilities						
Due within one yar	90,180	**53,061**	87,339	**194,718**	177,519	**247,779**
Due in more than one year	105,750	**52,689**	1,345,197	**3,641,955**	1,450,947	**3,694,644**
Total Liabilities	936,176	**2,321,250**	1,529,930	**4,766,407**	2,466,106	**7,087,657**
Deferred Inflows: Property Tax	929,762	**1,009,719**	-	**-**	929,762	**1,009,719**
Net Position:						
Net investment in capital assets	20,562,519	**21,429,210**	3,972,163	**3,953,298**	24,534,682	**25,382,508**
Investment in joint venture	1,779,605	**2,014,040**	-	**-**	1,779,605	**2,014,040**
Restricted	1,379,054	**2,212,336**	-	**-**	1,379,054	**2,212,336**
Unrestricted	11,692,272	**11,462,303**	4,575,052	**5,345,016**	16,267,324	**16,807,319**
Total Net Position	$ 35,413,450	**$ 37,117,889**	$ 8,547,215	**$9,298,314**	$ 43,960,665	**$ 46,416,203**

Town of Crested Butte

Year ended December 31

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	**2017**	2016	**2017**	2016	**2017**
REVENUES						
Program Revenues						
Charges for services	$ 539,762	**$ 591,462**	$ 1,619,608	**$ 1,775,530**	$ 2,159,370	**$ 2,366,992**
Operating grants and contribution	128,452	**133,218**	-	**-**	128,452	**133,218**
Capital grants and contributions	68,413	**39,321**	321,138	**523,673**	389,551	**562,994**
General Revenues						
Property taxes	923,928	**916,074**	-	**-**	923,928	**916,074**
Real estate transfer tax	1,400,257	**1,644,860**	-	**-**	1,400,257	**1,644,860**
Sales and use tax	4,495,773	**4,930,322**	-	**-**	4,495,773	**4,930,322**
Other taxes	169,945	**166,121**	-	**-**	169,945	**166,121**
Other	319,540	**462,825**	11,857	**14,999**	331,397	**477,824**
Total Revenues	7,726,530	**8,884,203**	1,952,603	**2,314,202**	9,667,276	**11,198,405**
EXPENSES						
General Government	2,921,755	**2,931,062**	-	**-**	2,921,755	**2,931,062**
Public Safety	861,647	**832,090**	-	**-**	861,647	**832,090**
Highways and Streets	872,509	**1,021,964**	-	**-**	872,509	**1,021,964**
Culture and Recreation	957,705	**1,340,070**	-	**-**	957,705	**1,340,070**
Auxiliary Services	939,019	**1,050,609**	-	**-**	939,019	**1,050,609**
Interest on long-term debt	5,602	**3,969**	-	**-**	5,602	**3,969**
Sewer and Water	-	**-**	1,579,550	**1,563,103**	1,579,550	**1,563,103**
Total Expenses	6,558,237	**7,179,764**	1,579,550	**1,563,103**	6,558,237	**8,742,867**
Increase in net position	**1,168,293**	**1,704,439**	**373,053**	**751,099**	1,860,886	**2,455,538**
Beginning net position	33,925,617	**35,413,450**	8,174,162	**8,547,215**	42,099,779	**43,960,665**
Ending net position	$ 35,093,910	**$37,117,889**	$ 8,547,215	**$ 9,298,314**	$ 43,960,665	**$46,416,203**

E. FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

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

As of December 31, 2017, the Town's governmental funds reported combined ending fund balance of $13,750,690, an increase of $616,480 over prior year. Of the combined ending fund balance for all governmental funds 31% of this amount or $4,324,560, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The Town has four major governmental funds. They are General, General Capital, Affordable Housing and Street and Alley. The Town has one other governmental fund, the Conservation Trust Fund which accounts for the funds received from the Colorado State Lottery Commission.

The General fund is the primary operating fund for the Town of Crested Butte. Under the fund reporting requirements of GASB 54, the sales tax fund is now combined into the General fund for reporting purposes. At the end of 2017, unassigned fund balance for the general fund was $4,324,560. This unassigned fund balance is approximately 87% of the total 2017 expenditures of the combined General fund. The unassigned fund balance increased by $441,140 during 2017.

The General Capital fund accounts for general capital acquisitions and maintenance expenditures. Real estate transfer taxes and use tax revenues are its major sources of revenue. At the end of 2017, the General Capital fund balance available for capital projects was $6,306,689, an increase of $1,108,763. The majority of this increase was due to a planned Open Space project disbursement of $1,000,000 which did not happen in 2017. The project will carry forward into 2018.

The Affordable Housing fund accounts for development of affordable housing units, including acquisition and maintenance expenditures for Town owned units and infrastructure development for affordable housing area within Town. Its main source of revenue is a fee assessment on both residential and commercial building permits within Town and grants. Its total fund balance was $217,252 at the end of 2017, a decrease of $252,236. The decrease is due to planned expenditures of the fund.

The Street and Alley fund accounts for construction and maintenance expenditures on the Town's streets, alleys, right of ways, sidewalks and parking lots. Its main source of revenue is a dedicated property tax. Its total fund balance was $1,962,363 at the end of 2017, a decrease of $358,528. A significant portion of the decrease was due to snow removal expenses associated with the historic snowfall.

Proprietary funds. The Town has one enterprise fund which accounts for sewer, water, and trash operations. Year-end unrestricted net position of the sewer and water fund amounted to $5,345,016 in 2017, an increase of $769,964. Year-end total net position amounted to $9,298,314 in 2017, an increase of $751,098. The majority of this increase is in an increase in capital assets associated with the wastewater treatment plant upgrade.

F. BUDGETARY HIGHLIGHTS

There were budget amendments made to the Sales Tax fund and the Affordable Housing Fund during 2017. Sales Tax fund increase was due to the increase in sales tax collections of approximately $240,000. This increase was distributed to General Capital Fund, Parks and Transportation. The Affordable Housing Fund net expense increase of approximately $115,000 was due to the purchase and subsequent sale of a deed restricted unit purchase in Poverty Gulch, and a few other projects. All funds had sufficient revenues or fund equity to cover the additional costs. Revenues and expenditures in all funds were closely monitored throughout the year.

G. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town of Crested Butte invested $1,525,238 in capital assets for its governmental and business type activities in 2017. As required by GASB34, the investment in capital assets includes land, buildings, improvements other than buildings, equipment, water systems, sewer systems and infrastructure.

Long-term Debt. At the end of 2017, the total outstanding long-term debt of the Town was $3,942,423, a net increase of $2,313,957 from 2016. The increase was due to the wastewater treatment plant upgrade, and associated loans. Of the outstanding debt, $3,836,673 is revenue backed debt and $105,750 is lease obligations. The amount attributable to governmental activities is $105,750 and the amount attributable to business-type activities is $3,836,673.

H. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The Town of Crested Butte continues to maintain strong reserve balances.
- Real estate transfer tax is the majority of revenue for the General Capital fund. The real estate market in 2017 was relatively flat to the 2016 market, with the majority of sales being residential. The 2018 budget anticipates real estate transfer tax to be consistent with 2017.
- We estimate sales tax collections for 2018 to be up 1% from 2017. The local economy, and associated sales tax collections, are trending positively, primarily due to expanded tourism during both peak and shoulder seasons. However, in light of the epic 2017 snow season, we have tempered year over year growth expectations for 2018.
- On November 7, 2017, the voters of the Town passed Ballot Initiative 2A. This initiative institutes a 5% Excise Tax on all Vacation Rental / Short Term Rentals beginning January 1, 2018. The 5% Excise Tax is specifically for use with Affordable Housing initiatives and may not be used for general operations of the Town. It is anticipated this Excise tax will contribute roughly $220,000 to the Affordable Housing Fund.
- The construction market, which generates building fees, use and sales tax revenues, sewer/water tap-in fees and affordable housing fees, was up slightly from 2016, but not as high as 2015. The total valuation of construction projects increased by 248%, largely due to the start of the Center for the Arts project, with the number of permits increasing from 74 in 2016 to 82 in 2017. Most other projects in 2017 were residential or smaller commercial remodels/additions. We anticipate construction activity to trend higher in 2018 from 2017.
- The 2018 budget has appropriations for several large one-time projects:

    i. Trampe Ranch conservation

    ii. 4-Way Stop paving

    iii. ADA lift in the Old Town Hall

    iv. Town Park playground renovation

    v. Public Works Building retailing wall and fencing

    vi. Wastewater Treatment Plant upgrade project continuation

    vii. Cypress Annexation / land purchase for use as an affordable housing lot

    viii. Building an additional eight affordable housing units

I. REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Crested Butte's finances. If you have questions about this report or need additional financial information, contact the Town of Crested Butte, Finance Department, PO Box 39, Crested Butte, Colorado 81224.

Town of Crested Butte, Colorado

STATEMENT OF NET POSITION

December 31, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 15,355,252	$ 4,922,164	$ 20,277,416
Cash and investments, restricted	513	934,707	935,220
Property taxes receivable	1,042,432	-	1,042,432
Other receivables, net of allowance for uncollectible	22,224	216,126	238,350
Intergovernmental receivable	433,314	207,909	641,223
Internal balances	28,500	(28,500)	-
Inventory	17,623	22,344	39,967
Investment in joint venture	2,014,040	-	2,014,040
Capital assets			
Land	10,503,270	27,610	10,530,880
Construction in progress	-	2,661,231	2,661,231
Buildings, net	3,465,646	75,692	3,541,338
Improvements other than buildings, net	2,829,073	-	2,829,073
Equipment, net	1,254,649	139,533	1,394,182
Infrastructure, net	3,482,322	4,885,905	8,368,227
Total assets	40,448,858	14,064,721	54,513,579
LIABILITIES			
Accounts payable	237,676	887,741	1,125,417
Accrued liabilities	134,501	25,235	159,736
Compensated absences payable	76,051	16,758	92,809
Due to other governments	120,688	-	120,688
Funds held for others	1,646,584	-	1,646,584
Long-term liabilities			
Portion due or payable within one year			
Capital leases payable	53,061	-	53,061
Loans payable	-	194,718	194,718
Portion due or payable after one year			
Capital leases payable	52,689	-	52,689
Loans payable	-	3,641,955	3,641,955
Total liabilities	2,321,250	4,766,407	7,087,657
DEFERRED INFLOWS			
Property taxes	1,009,719	-	1,009,719
Total deferred inflows	1,009,719	-	1,009,719
NET POSITION			
Net investment in capital assets	21,429,210	3,953,298	25,382,508
Invested in joint venture	2,014,040	-	2,014,040
Restricted for:			
Open space	1,927,364	-	1,927,364
Parking	14,057	-	14,057
Law enforcement	513	-	513
Emergencies	270,402	-	270,402
Unrestricted	11,462,303	5,345,016	16,807,319
Total net position	$ 37,117,889	$ 9,298,314	$ 46,416,203

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

STATEMENT OF ACTIVITIES

Year ended December 31, 2017

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Activities:							
Governmental:							
General government	$ 2,931,062	$ 445,694	$ 34,410	$ -	$ (2,450,958)		$ (2,450,958)
Public safety	832,090	-	27,131	34,321	(770,638)		(770,638)
Highways and streets	1,021,964	21,215	-	5,000	(995,749)		(995,749)
Culture and recreation	1,340,070	85,648	51,681	-	(1,202,741)		(1,202,741)
Auxiliary services	1,050,609	38,905	19,996	-	(991,708)		(991,708)
Interest on long-term debt	3,969	-	-	-	(3,969)		(3,969)
Total governmental activities	7,179,764	591,462	133,218	39,321	(6,415,763)		(6,415,763)
Business-type							
Sewer and water	1,563,103	1,775,530	-	523,673		$ 736,100	736,100
Total business-type activities	1,563,103	1,775,530	-	523,673		736,100	736,100
Total	$ 8,742,867	$ 2,366,992	$ 133,218	$ 562,994			(5,679,663)
General revenues							
Property taxes					916,074	-	916,074
Specific ownership taxes					62,593	-	62,593
Sales and use taxes					4,930,322	-	4,930,322
Franchise taxes					23,255	-	23,255
Real estate transfer taxes					1,644,860	-	1,644,860
Other taxes and miscellaneous revenue					80,273	-	80,273
Investment in joint venture					234,435	-	234,435
Gain on sale of capital assets					183,810	5,814	189,624
Investment earnings					44,580	9,185	53,765
Total general revenues					8,120,202	14,999	8,135,201
Change in net position					1,704,439	751,099	2,455,538
Net position, beginning					35,413,450	8,547,215	43,960,665
Net position, ending					$ 37,117,889	$ 9,298,314	$ 46,416,203

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2017

	General Fund	General Capital Fund	Affordable Housing Fund	Street and Alley Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	$ 15,020,922	$ 293,139	$ -	$ -	$ 41,191	$ 15,355,252
Cash and investments, restricted	513	-	-	-	-	513
Receivables						
Taxes	657,132	29,927	-	766,608	-	1,453,667
Intergovernmental	22,079	-	-	-	-	22,079
Other	17,450	-	745	4,029	-	22,224
Due from other funds	23,607	6,026,198	243,578	1,979,839	-	8,273,222
Inventory	17,623	-	-	-	-	17,623
Total assets	15,759,326	6,349,264	244,323	2,750,476	41,191	25,144,580
LIABILITIES						
Accounts payable	170,745	28,664	26,486	11,781	-	237,676
Accrued liabilities	110,866	13,911	-	9,724	-	134,501
Due to other governments	120,688	-	-	-	-	120,688
Funds held for others	1,646,584	-	-	-	-	1,646,584
Due to other funds	8,244,137	-	585	-	-	8,244,722
Total liabilities	10,293,020	42,575	27,071	21,505	-	10,384,171
DEFERRED INFLOWS						
Property taxes	243,111	-	-	766,608	-	1,009,719
Total deferred inflows	243,111	-	-	766,608	-	1,009,719
FUND BALANCE						
Nonspendable						
Prepaid expenses and inventory	17,623	-	-	-	-	17,623
Restricted						
TABOR emergency reserve	270,402	-	-	-	-	270,402
Marshal's seizure fund	513	-	-	-	-	513
Conservation	-	-	-	-	41,191	41,191
Committed						
Affordable housing	-	-	217,252	-	-	217,252
Open space	-	1,927,364	-	-	-	1,927,364
Parking	-	-	-	14,057	-	14,057
Streets	-	-	-	1,948,306	-	1,948,306
Transportation	90,174	-	-	-	-	90,174
Assigned						
Capital projects	-	4,177,477	-	-	-	4,177,477
Whatever USA Ice Rink/Warming House Improvements	-	201,848	-	-	-	201,848
Center for the arts project	161,386	-	-	-	-	161,386
Next year's expenditures	358,537	-	-	-	-	358,537
Unassigned	4,324,560	-	-	-	-	4,324,560
Total fund balance	$ 5,223,195	$ 6,306,689	$ 217,252	$ 1,962,363	$ 41,191	$ 13,750,690

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

December 31, 2017

Amounts reported for governmental activities on the statement of net position are different because:		
Total fund balance - governmental funds	$	13,750,690
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		21,534,959
Investment in joint venture is reported in the statement of net position, not reported in the governmental funds.		2,014,040
Long-term liabilities such as capital leases and compensated absences payable are not due and payable in the current period, and therefore, are not reported in the funds.		(181,801)
Net position - governmental activities	$	37,117,888

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended December 31, 2017

	General Fund	General Capital Fund	Affordable Housing Fund	Street and Alley Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 5,020,352	$ 1,899,191	$ -	$ 682,329	$ -	$ 7,601,872
Licenses and permits	239,333	-	-	-	-	239,333
Intergovernmental	52,731	48,506	-	51,681	12,130	165,048
Charges for services	228,671	-	38,855	-	-	267,526
Housing payments in lieu	-	-	34,408	-	-	34,408
Parking in lieu	-	-	-	-	-	-
Fines and forfeitures	69,082	-	-	-	-	69,082
Investment earnings	9,324	5,561	339	2,111	32	17,367
Miscellaneous	44,144	10,620	-	16,506	-	71,270
Total revenues	5,663,637	1,963,878	73,602	752,627	12,162	8,465,906
Expenditures						
Current						
General government	2,036,606	221,451	311,687	21,116	-	2,590,860
Public safety	795,965	-	-	-	-	795,965
Highways and streets	407,503	-	-	488,143	-	895,646
Culture and recreation	681,372	506,648	-	-	-	1,188,020
Auxiliary services	1,050,609	-	-	-	-	1,050,609
Capital outlay	-	624,184	213,539	601,896	-	1,439,619
Debt service						
Principal	14,042	76,138	-	-	-	90,180
Interest	356	3,613	-	-	-	3,969
Total expenditures	4,986,453	1,432,034	525,226	1,111,155	-	8,054,868
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	677,184	531,844	(451,624)	(358,528)	12,162	411,038
Other financing sources (uses)						
Transfer in (out)	(570,865)	570,865	-	-	-	-
Sale of capital assets	-	6,054	199,388	-	-	205,442
Debt proceeds	-	-	-	-	-	-
Total other financing sources (uses)	(570,865)	576,919	199,388	-	-	205,442
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	106,319	1,108,763	(252,236)	(358,528)	12,162	616,480
Fund balance at beginning of year	5,116,876	5,197,926	469,488	2,320,891	29,029	13,134,210
Fund balance at end of year	$ 5,223,195	$ 6,306,689	$ 217,252	$ 1,962,363	$ 41,191	$ 13,750,690

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended December 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ 616,480
Governmental funds report capital outlays 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 in the current period ($1,565,274 - $767,182).	798,092
In the governmental funds proceeds from the sale of capital assets are reported as other revenues but in the government wide statements these are shown net of the book value of those assets. This is the book value of those disposed capital assets.	(21,582)
Change in investment in joint venture	234,435
Under the modified accrual basis of accounting used in the governmental funds, expenditures for accrued compensated absences are not recognized because they are not paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, these expenses and liabilities are reported regardless of when financial resources are available. This adjustment shows the change in the accrued compensated absences balance.	(13,167)
Governmental funds report the repayment of principal on long-term debt as expenditures. However, these repayments are not reported in the statement of activities, but as a reduction of debt in the statement of net position. This amount is the effect of the difference in the treatment of these repayments.	90,180
Change in net position of governmental activities	$ 1,704,438

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Taxes				
General property taxes	$ 237,279	$ 237,279	$ 233,746	$ (3,533)
Specific ownership taxes	45,000	45,000	62,593	17,593
Use tax	110,000	110,000	164,813	54,813
Sales tax	4,077,375	4,317,000	4,511,180	194,180
Franchise tax	44,000	44,000	23,255	(20,745)
Interest on delinquent taxes	15,600	15,600	24,765	9,165
Total taxes	4,529,254	4,768,879	5,020,352	251,473
Licenses and permits				
Liquor licenses	8,000	8,000	10,043	2,043
Business licenses	27,800	27,800	29,036	1,236
Building permits	92,500	92,500	116,138	23,638
Occupation licenses	48,000	48,000	55,509	7,509
Non-business licenses/permits	25,850	25,850	28,607	2,757
Total licenses and permits	202,150	202,150	239,333	37,183
Intergovernmental				
Tobacco tax	8,000	8,000	10,578	2,578
Grants and fees	37,000	37,000	34,996	(2,004)
Motor vehicle fees	6,000	6,000	7,157	1,157
Total intergovernmental	51,000	51,000	52,731	1,731
Charges for services				
Management fees				
Sewer and Water fund	65,000	65,000	59,583	(5,417)
Energy mitigation fee	-	-	68,967	68,967
Vehicle maintenance	18,000	18,000	16,500	(1,500)
Recreation	89,000	89,000	83,621	(5,379)
Total charges for services	172,000	172,000	228,671	56,671
Fines and forfeitures	52,050	52,050	69,082	17,032
Miscellaneous				
Earnings on investments	4,200	4,200	9,324	5,124
Rents	40,000	40,000	40,264	264
Other	10,500	10,500	3,880	(6,620)
Contribution from reserves	950,341	950,341	-	(950,341)
Total miscellaneous	1,005,041	1,005,041	53,468	(951,573)
Total revenues	6,011,495	6,251,120	5,663,637	(587,483)

Town of Crested Butte, Colorado

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Expenditures				
Current				
General government				
General	406,129	406,129	340,141	65,988
Court	15,392	15,392	8,582	6,810
Legislative	92,628	92,628	109,586	(16,958)
Legal	422,100	422,100	292,455	129,645
Clerk	191,393	191,393	163,271	28,122
Administration	219,144	219,144	171,251	47,893
Finance	397,726	397,726	406,242	(8,516)
Bozar	424,378	424,378	399,208	25,170
Facilities maintenance	147,751	147,751	131,845	15,906
Transportation - other	119,001	119,001	14,025	104,976
Total general government	2,435,642	2,435,642	2,036,606	399,036
Public safety				
Marshal	859,352	859,352	795,965	63,387
Culture and recreation	783,315	783,315	681,372	101,943
Highways and streets	483,608	483,608	407,503	76,105
Auxiliary services				
Community development	218,782	218,782	205,377	13,405
Transportation Mountain Express	775,813	855,000	845,232	9,768
Total auxiliary services	994,595	1,073,782	1,050,609	23,173
Debt service				
Principal	17,919	17,919	14,042	3,877
Interest	1,278	1,278	356	922
Total debt service	19,197	19,197	14,398	4,799
Total expense	5,575,709	5,654,896	4,986,453	668,443
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	435,786	596,224	677,184	80,960
Other financing sources				
Transfers in (out)	(393,322)	(461,005)	(570,865)	(109,860)
	(393,322)	(461,005)	(570,865)	(109,860)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	42,464	135,219	106,319	(28,900)
Fund balance, beginning of year	5,116,876	5,116,876	5,116,876	-
Fund balance, end of year	$ 5,159,340	$ 5,252,095	$ 5,223,195	$ (28,900)

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

AFFORDABLE HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Housing payment in lieu	$ 60,000	$ 34,000	$ 34,408	$ 408
Duplex rent/sales	35,280	35,280	33,055	(2,225)
Red Lady Estate rent/sales	5,220	5,220	5,800	580
Grants	-	-	-	-
Earnings on investments	100	100	339	239
Contribution from reserves	-	-	-	-
Total revenues	100,600	74,600	73,602	(998)
Expenditures				
Administration	20,300	24,300	20,665	3,635
Affordable housing tap fees	233,340	116,670	81,887	34,783
Housing Authority fees	55,000	61,000	61,000	-
Capital outlay	170,000	255,000	213,539	41,461
Other	15,000	152,000	148,135	3,865
Total expenditures	493,640	608,970	525,226	83,744
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(393,040)	(534,370)	(451,624)	82,746
Other financing sources				
Sale of capital assets	190,000	90,000	199,388	109,388
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(203,040)	(444,370)	(252,236)	192,134
Fund balance, beginning of year	469,488	469,488	469,488	-
Fund balance, end of year	$ 266,448	$ 25,118	$ 217,252	$ 192,134

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

STATEMENT OF NET POSITION
ENTERPRISE FUND

December 31, 2017

	Business-type Activities
	Sewer and Water Fund
ASSETS	
Current assets	
Cash	$ 4,922,164
Restricted cash	934,707
Accounts receivable	216,126
Due from other governments	207,909
Inventory	22,344
Total current assets	6,303,250
Noncurrent assets	
Capital assets	
Land	27,610
Construction in Progress	2,661,231
Buildings	149,980
Improvements other than buildings	40,714
Water plant and system	4,434,404
Sewer plant and system	6,728,355
Equipment	903,341
Vehicles	192,266
Less accumulated depreciation	(7,347,930)
Total noncurrent assets	7,789,971
Total assets	14,093,221
LIABILITIES	
Current liabilities	
Accounts payable	887,741
Accrued liabilities	20,460
Accrued interest payable	4,775
Compensated absences payable	16,758
Due to other funds	28,500
Current portion of long-term debt	194,718
Total current liabilities	1,152,952
Noncurrent liabilities	
Loans payable, net of current portion	3,641,955
Total noncurrent liabilities	3,641,955
Total liabilities	4,794,907
NET POSITION	
Net investment in capital assets	3,953,298
Unrestricted	5,345,016
Total net position	$ 9,298,314

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND

Year ended December 31, 2017

	Business-type Activities Sewer and Water Fund
Charges for services	$ 1,775,530
Operating expenses	
Operations and maintenance	874,868
Management fee - General fund	59,583
Contractor payments	250,500
Depreciation	345,769
Total operating expenses	1,530,720
Operating income (loss)	244,810
Nonoperating revenues (expenses)	
Grants	240,006
Investment income	9,185
Gain on loss of capital asset	5,814
Interest expense	(32,383)
Total nonoperating revenues (expenses)	222,622
Income (loss) before capital contributions	467,432
Capital contributions - tap fees	283,667
Change in net position	751,099
Net position, beginning of year	8,547,215
Net position, end of year	$ 9,298,314

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

STATEMENT OF CASH FLOWS
ENTERPRISE FUND

Year ended December 31, 2017

	Sewer and Water Fund
Cash flows from operating activities	
Cash received from customers	$ 1,704,782
Cash paid to suppliers	(466,769)
Cash paid to and for employees	(621,061)
Cash payments for internal services	(59,583)
Net cash provided by operating activities	557,369
Cash flows from noncapital financing activities	
Change in due from/to other funds	22,035
Net cash provided by noncapital financing activities	22,035
Cash flows from capital and related financing activities	
Acquisition of capital assets	(1,937,830)
Grants	120,854
Proceeds from tap fees	283,667
Proceeds from issuance of long-term debt	2,500,000
Insurance proceeds for capital assets	5,814
Principal payments on long-term debt	(95,863)
Interest paid on long-term debt	(32,383)
Net cash provided by capital and related financing activities	844,259
Cash flows from investing activities	
Interest received	9,185
Net cash provided by investing activities	9,185
Net increase (decrease) in cash and cash equivalents	1,432,848
Cash and cash equivalents, beginning of year	4,424,022
Cash and cash equivalents, end of year	$ 5,856,870

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	$ 244,810
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	345,769
(Increase) decrease in accounts receivable	(70,748)
(Increase) decrease in inventory	(1,554)
Increase (decrease) in accounts payable	30,151
Increase (decrease) in accrued liabilities	8,941
Total adjustments	312,559
Net cash provided by operating activities	$ 557,369

The accompanying notes are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Crested Butte (the "Town") provides a full range of services contemplated by statute or charter. These include general government functions, public safety (Marshal), highways and streets, culture and recreation, planning and zoning, community development, public improvements, water and sanitation and general administrative service.

The financial statements of the Town of Crested Butte include the organizations that are controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, scope of public service, ability to influence operation, designation of management and appointment of respective governing board.

Based upon the foregoing criteria, the financial statements of the following organizations are excluded from the accompanying financial statements.

Crested Butte Fire Protection District – The District's board has total autonomy to incur debt, establish budgets and levy property taxes to support the District's operations.

Mt. Crested Butte Water and Sanitation District – The District, located in Mt. Crested Butte, Colorado, has total autonomy to incur debt and funds its operations from user fees.

The accounting and reporting policies of the Town of Crested Butte conform to generally accepted accounting principles as set forth by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board (GASB). Some of the primary functions of the Town's financial statements are as follows:

- Government-wide financial reporting, which provides a picture of the Town as a single, unified entity.
- Narrative overview and analysis, which provides financial statement users with a narrative introduction, overview and analysis of the basic financial statements in the form of management's discussion and analysis (MD&A).
- Emphasis on the Town's major funds.
- Expanded budgetary reporting to show budgetary comparisons based on the Town's original and final amended budget.

The following summary of significant accounting policies is presented to assist the reader in evaluating the Town's financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the Town's Governmental Fund Types:

General Fund – The General fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds – The Capital Projects Funds are used to account for capital improvements (except those financed by proprietary funds) which are financed from bond issues, certain federal grants and other specific receipts.

Proprietary Fund Types

Proprietary funds are used to account for the Town's ongoing activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The Town's Enterprise Fund provides sewer, water, and sanitation services and is described as follows:

Enterprise Funds – Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), federal grants and other Town funds.

Government-wide Financial Statements

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

- The General Fund is the Town’s primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The General Capital Fund accounts for general government capital projects, outlays and maintenance as well as open space acquisitions. It is financed primarily by real estate transfer taxes and sales and use tax revenues.
- The Street and Alley Fund accounts for all expenditures for streets, alleys and sidewalks. Its revenue stream is mostly property taxes.
- The Affordable Housing Fund is used to finance the development and preservation of affordable housing.

The Sales Tax Fund is reported as a sub-fund of the General Fund to comply with GASB 54.

The remaining governmental funds are aggregated and presented as non-major funds in the Other column. Currently this column only includes the Conservation Trust Fund which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations. The Town has one enterprise fund, its Sewer and Water Fund.

Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements

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

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Governmental Fund Financial Statements

The modified accrual basis of accounting is followed by the Governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when they become available and measurable. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include sales and use taxes, real estate transfer taxes, property taxes, and charges for services.

Intergovernmental revenues received as reimbursements for specific purposes or projects are recognized based upon the expenditures recorded.

Expenditures are recorded when the liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

As a rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments to the General Fund by the enterprise fund for providing administrative and billing services for the fund, and charges between the Town’s enterprise fund and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Interfund activity has not been eliminated in the fund financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Amounts reported as program revenues include charges to customers for goods and services, operating grants and contributions, and capital grants and contributions. General revenues include all taxes and interest earnings.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. Operating expenses include the costs of sales and services, personal services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Budget

An annual budget and appropriation ordinance is adopted by the Town Council in accordance with the Local Government Budget Law of Colorado. The budget is prepared on a basis consistent with generally accepted accounting principles for all governmental fund types, except for federal pass-through grants, which are not budgeted. The budget of the enterprise fund is adopted on a basis not consistent with GAAP but uses the spending measurement focus method. All annual appropriations lapse at year end. Any revisions that alter the total for each fund must be approved by the Town Council through a supplemental appropriation ordinance.

Property Tax Calendar

Property taxes levied become due January 1 following the year of assessment. They are payable in full by April 30, or in two equal installments due the last day of February and June 15. The property taxes, in which an enforceable claim attaches to the properties that are measurable but not available at the end of the Town's accounting period, are recorded as deferred revenue and recognized as revenue in the subsequent accounting period when collected. Gunnison County bills and collects the Town's property taxes. Property taxes become a lien on the property as of January 1 of the year assessed.

Recognition of Grant Revenue

Where the expenditure of funds is the prime factor for determining eligibility for grant funds, revenue is recognized at the time the expenditure is incurred.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capitalized Tap Fees

Sewer and water tap fees substantially represent a contribution from developers or individuals for existing or contemplated new facilities to serve new customers, therefore such amounts are treated as systems development fees and are recorded as capital contributions in the Statement of Revenues, Expenses and Changes in Net Position.

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. Capitalized assets are defined by the Town as assets that have a useful life of more than one year, and for which the initial, individual value equals or exceeds $5,000. Infrastructure assets with a value that equals or exceeds $25,000 are capitalized.

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

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

Asset Class	Useful Life
Buildings	50 years
Other Improvements	20-30 years
Furniture & Equipment	5-15 years
Water and Sewer Systems	25-40 years
Infrastructure	15-40 years

Public domain assets consisting of roads, bridges, curbs and gutters, street and sidewalks, drainage systems and lighting systems are examples of infrastructure assets.

General infrastructure assets acquired prior to January 1, 2004, are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to January 1, 2004.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Long-Term Liabilities

In the government-wide and enterprise fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government or business-type activities. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Accrued Liabilities for Compensated Absences

The Town allows employees to accumulate earned but unused vacation pay benefits. In the government-wide statements, vacation pay is accrued when incurred and reported as a liability of the governmental and business-type activities. In the governmental funds, vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are not reported as expenditures.

Net Position

Net position represents the difference of assets, liabilities, and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town of Crested Butte or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Capitalization of Enterprise Fund Interest Expense

Interest incurred during the period of construction of assets constructed in the Enterprise Fund was capitalized as part of those assets.

Sales Tax Revenues

In accordance with the Town's Ordinance, the Town's four and one-half (4.5) percent sales tax revenue is allocated as follows:

	4% sales tax	Additional .5%
General Fund – maximum	75%	–
Transportation	25%	–
Parks and Recreation	–	100%

If the General Fund does not need its share of the 4% sales tax, the remainder is distributed to other funds as needed. The amount needed for the General Fund is determined during the budget process. During 2017, the General Fund received 72% of sales tax revenue and the General Capital fund received 3%

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Joint Venture

Mountain Express (the "joint venture") is a joint venture of the towns of Crested Butte and Mt. Crested Butte. The joint venture provides bus service to the Crested Butte ski area and throughout the towns. The towns of Crested Butte and Mt. Crested Butte contribute ninety-five percent (95%) of their respective town's one percent (1%) sales tax adopted for transportation services. The Town of Mt. Crested Butte also contributes twenty-five percent (25%) of the proceeds of the four percent (4%) admissions tax adopted by the Town of Mt. Crested Butte and designated for transportation. Due to the nature of funding from federal grants and contributions by the partners, the operations are reported as a Governmental Fund in the joint venture's separately issued financial statements.

Investment in the joint venture is recorded as an expenditure at the time the investment is made. The Town's equity interest (50%) has been recorded in the governmental activities column of the Statement of Net Position.

Seizure Funds

In accordance with the Colorado Contraband Forfeiture Act the proceeds from the seizure of contraband must be used for the specific purpose of law enforcement activities. These funds have been included in the Town's General Fund.

Inventories and Prepaid Items

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Cash and Cash Equivalent

For purposes of reporting cash flows, all certificates of deposit, regardless of maturity, are considered to be cash equivalents.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance

In the fund financial statements the following classifications describe the relative strength of the spending constraint.

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expense and inventory), or 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 for specific purposes according to limitations imposed by the Town's highest level of decision making authority, the Board of Trustees, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Trustees.

Assigned fund balance – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Trustees or other individuals authorized to assign funds to be used for a specific purpose.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is Town policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

Use of Estimates

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

NOTE B – INTERFUND TRANSACTIONS

Interfund receivable and payable balances at December 31, 2017, which represent collections not yet distributed, are as follows:

	Interfund Receivables	Interfund Payable
General Fund	$ 23,607	$ 8,244,137
General Capital Fund	6,026,198	–
Affordable Housing Fund	243,578	585
Street and Alley Fund	1,979,839	–
Sewer and Water Fund	–	28,500
	$ 8,273,222	$ 8,273,222

Interfund administrative fees of $59,583 were charged by the General Fund to the Sewer and Water Fund for the year ended December 31, 2017.

NOTE C – CAPITAL ASSETS

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 10,524,852	$ –	$ (21,582)	$ 10,503,270
Total capital assets not being depreciated	10,524,852	–	(21,582)	10,503,270
Capital assets being depreciated:				
Buildings	4,129,352	788,946	–	4,918,298
Improvements other than buildings	4,453,076	–	–	4,453,076
Infrastructure	5,043,257	589,327	–	5,632,584
Equipment	3,532,598	187,002	–	3,719,600
	17,158,283	1,565,275	–	18,723,558
Less accumulated depreciation:				
Buildings	(1,352,123)	(100,529)	–	(1,452,652)
Improvements other than buildings	(1,466,454)	(157,549)	–	(1,624,003)
Infrastructure	(1,900,504)	(249,758)	–	(2,150,262)
Equipment	(2,205,605)	(259,346)	–	(2,464,951)
	(6,924,686)	(767,182)	–	(7,691,868)
Capital assets being depreciated, net	10,233,597	798,093	–	11,031,690
Total Governmental Activities Capital assets	$ 20,758,449	$ 798,093	$ (21,582)	$ 21,534,960

NOTE C – CAPITAL ASSETS – CONTINUED

Business-type Activities

Capital assets not being depreciated:				
Land	$ 27,610	$ –	$ –	$ 27,610
Construction in progress	–	2,661,231	–	2,661,231
Total capital assets not being depreciated	27,610	2,661,231	–	2,688,841
Capital assets being depreciated:				
Buildings	149,980	–	–	149,980
Improvements other than buildings	40,714	–	–	40,714
Water plant and distribution system	4,400,026	34,378	–	4,434,404
Sewer plant and collection system	6,728,356	–	–	6,728,356
Equipment	903,341	–	–	903,341
Vehicles	177,863	35,432	(21,030)	192,265
	12,400,280	69,810	(21,030)	12,449,060
Less accumulated depreciation:				
Buildings	(71,034)	(3,254)	–	(74,288)
Improvements other than buildings	(40,714)	–	–	(40,714)
Water plant and distribution system	(2,544,861)	(136,577)	–	(2,681,438)
Sewer plant and distribution system	(3,427,476)	(167,940)	–	(3,595,416)
Equipment	(815,494)	(21,911)	–	(837,405)
Vehicles	(123,612)	(16,087)	21,030	(118,669)
	(7,023,191)	(345,769)	21,030	(7,347,930)
Capital assets being depreciated, net	5,377,089	(275,959)	–	5,101,130
Total Business-type Activities				
Capital assets	$ 5,404,699	$ 2,385,272	$ –	$ 7,789,971

Depreciation was charged to governmental functions as follows:

General Government	$ 452,689
Public Safety	36,125
Culture and Recreation	152,050
Streets and Highways	126,318

NOTE D – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended December 31, 2017 were as follows:

	Balance 12/31/16	Additions	Reduction	Balance 12/31/17	Due Within One Year
Governmental Activities:					
Capitalized lease agreements	$ 195,930	$ –	$ (90,180)	$ 105,750	$ 53,061
Compensated absences	62,884	13,167	–	76,051	76,051
	$ 258,814	$ 13,167	$ (90,180)	$ 181,801	$ 129,112
Business-type Activities					
Revolving Fund Sewer Plant Loan	$1,103,565	$ –	$ (69,039)	$ 1,034,526	$ 70,427
CWRPDA WWTP Upgrade Loan	–	2,500,000	(8,523)	2,491,477	105,624
CWRPDA Water Tank Loan	328,970	–	(18,300)	310,670	18,668
Compensated absences	14,727	2,031	–	16,758	16,758
	$1,447,262	$ 2,502,031	$ (95,862)	$ 3,853,431	$ 211,477

Capitalized Leases:

The Town has entered into capital lease agreements for equipment, vehicles and real estate with a cost of $301,200. Future minimum payments for the leases are as follows:

	Year	Amount
	2018	$ 53,061
	2019	44,164
	2020	11,041
		108,266
Less amounts representing interest:		(2,516)
Present value of net minimum lease payments		$ 105,750

NOTE D – LONG-TERM LIABILITIES – CONTINUED

Water Pollution Control Revolving Fund – Direct Loan

Colorado Water Resources & Power Development Authority (CWRPDA) direct loan, amount of original issue $1,900,000 with interest thereon at the average rate of 2.00%, dated May 25, 2010. Principal and interest payable May 1 and November 1 are as follows:

	Principal	Interest	Total
2018	$ 70,427	$ 20,340	$ 90,767
2019	71,842	18,925	90,767
2020	73,286	17,481	90,767
2021	74,759	16,008	90,767
2022	76,262	14,505	90,767
2023-2027	404,929	48,906	453,835
2028-2030	263,021	9,280	272,301
	$ 1,034,526	$ 145,445	$ 1,179,971

Drinking Water Revolving Fund – Direct Loan

Colorado Water Resources & Power Development Authority (CWRPDA) direct loan, amount of original issue $400,000 with interest thereon at the average rate of 2.00%, dated February 29, 2012. Principal and interest payable May 1 and November 1 are as follows:

	Principal	Interest	Total
2018	$ 18,668	$ 6,120	$ 24,788
2019	19,043	5,745	24,788
2020	19,425	5,363	24,788
2021	19,816	4,972	24,788
2022	20,215	4,573	24,788
2023-2027	107,334	16,606	123,940
2028-2032	106,169	5,377	111,546
	$ 310,670	$ 48,756	$ 359,426

Water Pollution Control Revolving Fund – Direct Loan

Colorado Water Resource & Power Development Authority (CWRPDA) direct loan, amount of original issue $2,500,000 with interest thereon at 2.00%, dated March 1, 2017. Principal and interest payable May 1 and November 1 are as follows:

	Principal	Interest	Total
2018	$ 105,624	$ 49,304	$ 154,928
2019	107,747	47,181	154,928
2020	109,913	45,015	154,928
2021	112,122	42,806	154,928

NOTE D – LONG-TERM LIABILITIES – CONTINUED

2022	114,376	40,552	154,928
2023-2027	607,300	167,340	774,640
2028-2032	670,837	103,803	774,640
2033-2037	663,558	33,617	697,175
	$ 2,491,477	$ 529,618	$ 3,021,095

At December 31, 2017, the WWTP Project which is being financed by the CWRPDA loan was not complete. The balance of the loan proceeds that have not been expended and received from CWRPDA are included in restricted cash in the amount of $934,707.

NOTE E – RETIREMENT PLAN

The Town maintains a defined contribution retirement plan for all qualified employees, after one year of service, as participants in the “Colorado County Officials and Employees Retirement Association.” The plan provides for regular monthly income in addition to benefits from other retirement programs.

The medium of funding is by means of the accumulation of contributions in a trust fund. Each participant’s contribution to the plan varies from 6% to 12% of their monthly compensation depending on longevity. The Town matches the participant’s contribution each month on a dollar for dollar basis. Benefits payable upon retirement, resignation, death or disability were equal to the amounts accumulated for that participant. The Town’s contributions to the retirement plan in 2017 were $177,213. The Town’s total payroll for 2017 was $2,763,204 and contributions were calculated using the covered payroll amount of $2,511,846.

The liability for prior service benefits is fully funded.

NOTE F – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town's Enterprise Fund provides sewer, water and sanitation services. Segment information for the year ended December 31, 2017, is as follows:

	Sewer	Water	Sanitation	Total
Operating revenue	$ 867,617	$ 650,547	$ 257,366	$ 1,775,530
Operating expenses				
Depreciation	209,192	136,577	–	345,769
Other	513,576	420,875	250,500	1,184,951
Total operating expenses	722,768	557,452	250,500	1,530,720
Operating income (loss)	144,849	93,095	6,866	244,810
Non-operating income (expenses)				
Interest income	4,593	4,592	–	9,185
Grant	240,006	–	–	240,006
Gain on capital asset disposal	5,814	–	–	5,814
Interest expense	(25,895)	(6,488)	–	(32,383)
Total non-operating income (expenses)	224,518	(1,896)	–	222,622
Income (loss) before capital contribution	369,367	91,199	6,866	467,432
Capital contributions tap fees	157,394	126,273	–	283,667
Change in net position	$ 526,761	$ 217,472	$ 6,866	$ 751,099
Property and equipment				
Additions	$ 2,661,231	$ 69,810	$ –	$ 2,731,041
Loans payable from operations	$ 3,526,003	$ 310,670	$ –	$ 3,836,673

NOTE G – JOINT VENTURE

Mountain Express

A condensed statement of net position of Mountain Express as of December 31, 2017, is as follows:

Assets	$ 4,005,794
Liabilities	98,403
Net position	$ 3,907,391

A condensed summary of revenues and expenses for the year ended December 31, 2017, is as follows:

Revenues	$ 2,227,091
Expenses	1,765,874
Net increase (decrease) in net position	$ 461,217

Mountain Express issues separate financial statements, which are available from the Town.

NOTE H – BUDGETS

There were two supplemental budget appropriations during 2017:

	Original Budget	Additional Appropriations	Final Budget
General Fund	$ 4,243,964	$ –	$ 4,243,964
General Capital Fund	5,503,915	–	5,503,915
Sewer and Water Fund	4,905,929	–	4,905,929
Conservation Trust Fund	–	–	–
Sales Tax Fund	4,572,474	146,870	4,719,344
Affordable Housing Fund	493,640	115,330	608,970
Street and Alley Fund	1,273,297	–	1,273,297
	$ 20,993,219	$ 262,200	$ 21,255,419

NOTE I – CASH AND INVESTMENTS

Cash

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Cash deposits are reported at carrying amount which reasonably estimates fair value. Deposits at December 31, 2017, consisted of the following:

Cash on hand	$ 475
Cash held by CWRPDA	934,707
Insured by FDIC	415,038
Collateralized as noted above	19,934,794
	21,285,014
Less reconciling items	(72,378)
Cash, money markets, and certificates of deposit	$ 21,212,636

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities

NOTE I – CASH AND INVESTMENT – CONTINUED

- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Local Government Investment Pool – At December 31, 2017, the Town had $737,490 invested in the Colorado Local Government Liquid Asset Trust ("Colotrust"), an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pool. The Pool operates similarly to a money market fund and each share is equal in value to $1.00. The Pool is rated AAAm by Standard and Poor's. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments. These investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Cash and investment balances at December 31, 2017, consisted of the following:

Cash on hand and deposits	$ 19,540,439
Cash held be CWRPDA	934,707
Colotrust	737,490
	21,212,636
Less cash and investments, restricted	(935,220)
Cash and investments, unrestricted	$ 20,277,416

Cash and investments are restricted for the unspent Marshal's seizure funds of $513 and the debt proceeds that are still held by CWRPDA for $934,707.

NOTE J – PUBLIC ENTITY RISK POOL

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"). CIRSA provides liability and property insurance coverage to the Town. The coverage is provided through joint self-insurance, insurance and reinsurance, or any combination thereof. CIRSA's rate setting policies are established by the Board of Directors, in consultation with independent actuaries. The Town is subject to a supplemental assessment in the event of deficiencies and may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2017 limit CIRSA's per occurrence exposure to $500,000 for property coverage, $1,000,000 for casualty coverage and provide coverage to specified upper limits.

NOTE J – PUBLIC ENTITY RISK POOL - CONTINUED

The Town's 2017 contribution was $143,093 and its share of surplus at December 31, 2017 amounted to approximately $85,856 for the property and casualty pool and $57,237 for the workers compensation pool.

NOTE K – TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the Amendment's language in order to determine its compliance. The Town includes its share of Mountain Express when calculating the above requirements.

NOTE L – CONTINGENCIES

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The ultimate liability to the Town resulting from claims not covered by CIRSA is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town's financial statements.

The Town participates in federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any to be immaterial.

SUPPLEMENTARY INFORMATION

Town of Crested Butte, Colorado

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017

	Special Revenue	
	Conservation Trust	Total Nonmajor Governmental Funds
ASSETS		
Cash	$ 41,191	$ 41,191
Total assets	41,191	41,191
FUND BALANCE		
Restricted to conservation	41,191	41,191
Total fund balance	$ 41,191	$ 41,191

Town of Crested Butte, Colorado

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

Year ended December 31, 2017

	Special Revenue	
	Conservation Trust	Total Nonmajor Governmental Funds
Revenues		
Intergovernmental	$ 12,130	$ 12,130
Earnings on investments	32	32
Total revenues	12,162	12,162
Expenditures		
Current		
Culture and recreation	-	-
Total expenditures	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,162	12,162
Fund balance at beginning of year	29,029	29,029
Fund balance at end of year	$ 41,191	$ 41,191

Town of Crested Butte, Colorado

CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Lottery proceeds	$ 8,100	$ 8,100	$ 7,828	$ (272)
Earnings on investments	20	20	32	12
Miscellaneous	3,700	3,700	4,302	602
Total revenues	11,820	11,820	12,162	342
Expenditures				
Culture and recreation	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,820	11,820	12,162	342
Fund balance, beginning of year	29,029	29,029	29,029	-
Fund balance, end of year	$ 40,849	$ 40,849	$ 41,191	$ 342

Town of Crested Butte, Colorado

STREET AND ALLEY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
General property taxes	$ 692,798	$ 692,798	$ 682,329	$ (10,469)
Highway users tax	52,865	52,865	51,681	(1,184)
Parking in lieu	-	-	-	-
Earnings on investments	2,500	2,500	2,111	(389)
Miscellaneous	3,500	3,500	16,506	13,006
Total revenues	751,663	751,663	752,627	964
Expenditures				
Administration	28,248	28,248	21,116	7,132
Highways and streets	409,049	409,049	488,143	(79,094)
Capital outlay	836,000	836,000	601,896	234,104
	1,273,297	1,273,297	1,111,155	162,142
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(521,634)	(521,634)	(358,528)	163,106
Fund balance, beginning of year	2,320,891	2,320,891	2,320,891	-
Fund balance, end of year	$ 1,799,257	$ 1,799,257	$ 1,962,363	$ 163,106

Town of Crested Butte, Colorado

GENERAL CAPITAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Use tax	$ 158,000	$ 158,000	$ 254,331	$ 96,331
Transfer tax	1,100,000	1,100,000	1,644,860	544,860
Grants	57,200	57,200	48,506	(8,694)
Earnings on investments	3,500	3,500	5,561	2,061
Miscellaneous	660,914	660,914	10,620	(650,294)
Total revenues	1,979,614	1,979,614	1,963,878	(15,736)
Expenditures				
Current				
Administration	86,103	86,103	43,191	42,912
Contribution	21,614	21,614	11,514	10,100
Repairs, maintenance, supplies	403,800	403,800	142,902	260,898
Capital outlay				
Park improvement and maintenance	572,844	572,844	508,822	64,022
Cemetery improvements	25,000	25,000	35,358	(10,358)
Other	4,314,800	4,314,800	610,496	3,704,304
Debt service				
Principal	76,140	76,140	76,138	2
Interest	3,614	3,614	3,613	1
Total expenditures	5,503,915	5,503,915	1,432,034	4,071,881
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,524,301)	(3,524,301)	531,844	4,056,145
Other financing sources				
Transfers in	408,322	408,322	570,865	162,543
Lease proceeds	2,110,000	2,110,000	-	(2,110,000)
Sale of capital assets	-	-	6,054	6,054
Total other financing sources	2,518,322	2,518,322	576,919	(1,941,403)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,005,979)	(1,005,979)	1,108,763	2,114,742
Fund balance, beginning of year	5,197,926	5,197,926	5,197,926	-
Fund balance, end of year	$ 4,191,947	$ 4,191,947	$ 6,306,689	$ 2,114,742

Town of Crested Butte, Colorado

SEWER AND WATER FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (NON-GAAP BASIS)

Year ended December 31, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	$ 1,644,485	$ 1,644,485	$ 1,775,531	$ 131,046
Tap fees	262,500	262,500	283,667	21,167
Grants	1,000,000	1,000,000	240,006	(759,994)
Earnings on investments	8,000	8,000	9,185	1,185
Proceeds from debt issuance	2,300,000	2,300,000	2,500,000	200,000
Total revenues	5,214,985	5,214,985	4,808,389	(406,596)
Expenses				
Operations and maintenance	1,242,323	1,242,323	1,125,395	116,928
Management fees	65,000	65,000	59,583	5,417
Debt service principal	145,889	145,889	95,862	50,027
Debt service interest	39,717	39,717	32,383	7,334
Capital outlay	3,413,000	3,413,000	2,542,645	870,355
Total expenses	4,905,929	4,905,929	3,855,868	1,050,061
EXCESS OF REVENUES OVER (UNDER) EXPENSES	$ 309,056	$ 309,056	952,521	$ 643,465
Adjustments to bugetary basis				
Add debt service principal			95,862	
Add capital outlay			2,542,645	
Add gain on asset disposal			5,814	
Less proceeds from debt issuance			(2,500,000)	
Less depreciation			(345,769)	
Change in net position			$ 751,073	

Town of Crested Butte, Colorado

COMBINING BALANCE SHEET
GENERAL FUND AND RELATED SUB-FUND

December 31, 2017

	General Fund	Sales Tax Fund	Total General Fund
ASSETS			
Cash and investments	$ 13,571,441	$ 1,449,481	$ 15,020,922
Cash and investments, restricted	513	-	513
Receivables			
Taxes	243,111	414,021	657,132
Intergovernmental	-	22,079	22,079
Other	17,450	-	17,450
Due from other funds	656,051	-	656,051
Inventory	17,623	-	17,623
Total assets	14,506,189	1,885,581	16,391,770
LIABILITIES			
Accounts payable	164,907	5,838	170,745
Accrued liabilities	110,866	-	110,866
Due to other governments	-	120,688	120,688
Funds held for others	1,646,584	-	1,646,584
Due to other funds	7,974,024	902,557	8,876,581
Total liabilities	9,896,381	1,029,083	10,925,464
DEFERRED INFLOWS			
Property taxes	243,111	-	243,111
Total deferred inflows	243,111	-	243,111
FUND BALANCE			
Nonspendable			
Prepaid expenses and inventory	17,623	-	17,623
Restricted			
TABOR Emergency Reserve	-	270,402	270,402
Marshal's seizure fund	513	-	513
Committed			
Transportation	-	90,174	90,174
Assigned			
Reserved for next year's expenses	243,689	114,848	358,537
Center for the Arts project	-	161,386	161,386
Unassigned	4,104,872	219,688	4,324,560
Total fund balance	$ 4,366,697	$ 856,498	$ 5,223,195

Town of Crested Butte, Colorado

GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2017

	General Fund				Sales Tax Fund				Total of Funds
	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)	Total Actual
	Original	Final	Actual		Original	Final	Actual		
Revenues									
Taxes									
General property taxes	$ 237,279	$ 237,279	$ 233,746	$ (3,533)	$ -	$ -	$ -	$ -	$ 233,746
Specific ownership taxes	45,000	45,000	62,593	17,593	-	-	-	-	62,593
Use tax	110,000	110,000	164,813	54,813	-	-	-	-	164,813
Sales tax	20,000	20,000	75,211	55,211	4,057,375	4,297,000	4,435,969	138,969	4,511,180
Franchise tax	44,000	44,000	23,255	(20,745)	-	-	-	-	23,255
Interest on delinquent taxes	600	600	822	222	15,000	15,000	23,943	8,943	24,765
Total taxes	456,879	456,879	560,440	103,561	4,072,375	4,312,000	4,459,912	147,912	5,020,352
Licenses and permits									
Liquor licenses	8,000	8,000	10,043	2,043	-	-	-	-	10,043
Business licenses	27,800	27,800	29,036	1,236	-	-	-	-	29,036
Building permits	92,500	92,500	116,138	23,638	-	-	-	-	116,138
Occupation licenses	48,000	48,000	55,509	7,509	-	-	-	-	55,509
Non-business licenses/permits	19,850	19,850	24,132	4,282	-	-	-	-	24,132
Special event fees	6,000	6,000	4,475	(1,525)	-	-	-	-	4,475
Total licenses and permits	202,150	202,150	239,333	37,183	-	-	-	-	239,333
Intergovernmental									
Tobacco tax	8,000	8,000	10,578	2,578	-	-	-	-	10,578
Grants and fees	37,000	37,000	34,996	(2,004)	-	-	-	-	34,996
Motor vehicle fees	6,000	6,000	7,157	1,157	-	-	-	-	7,157
Total intergovernmental	51,000	51,000	52,731	1,731	-	-	-	-	52,731
Charges for services									
Management fees									
Sewer and Water fund	65,000	65,000	59,583	(5,417)	-	-	-	-	59,583
Energy mitigation fee	-	-	68,967	68,967	-	-	-	-	68,967
Vehicle maintenance	18,000	18,000	16,500	(1,500)	-	-	-	-	16,500
Recreation	89,000	89,000	83,621	(5,379)	-	-	-	-	83,621
Total charges for services	172,000	172,000	228,671	56,671	-	-	-	-	228,671
Fines and forfeitures	52,050	52,050	69,082	17,032	-	-	-	-	69,082
Miscellaneous									
Earnings on investments	3,000	3,000	5,093	2,093	1,200	1,200	4,231	3,031	9,324
Rents	40,000	40,000	40,264	264	-	-	-	-	40,264
Other	10,500	10,500	3,880	(6,620)	-	-	-	-	3,880
Contribution from reserves	414,410	414,410	-	(414,410)	535,931	535,931	-	(535,931)	-
Total miscellaneous	467,910	467,910	49,237	(418,673)	537,131	537,131	4,231	(532,900)	53,468
Total revenues	1,401,989	1,401,989	1,199,494	(202,495)	4,609,506	4,849,131	4,464,143	(384,988)	5,663,637

Town of Crested Butte, Colorado

GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2017

	General Fund				Sales Tax Fund				Total of Funds
	Budgeted Amounts			Variance with Final Budget Favorable	Budgeted Amounts			Variance with Final Budget Favorable	Total
	Original	Final	Actual	(Unfavorable)	Original	Final	Actual	(Unfavorable)	Actual
Expenditures									
Current									
General government									
General	405,129	405,129	339,943	65,186	1,000	1,000	198	802	340,141
Court	15,392	15,392	8,582	6,810	-	-	-	-	8,582
Legislative	92,628	92,628	109,586	(16,958)	-	-	-	-	109,586
Legal	422,100	422,100	292,455	129,645	-	-	-	-	292,455
Clerk	191,393	191,393	163,271	28,122	-	-	-	-	163,271
Administration	219,144	219,144	171,251	47,893	-	-	-	-	171,251
Finance	397,726	397,726	406,242	(8,516)	-	-	-	-	406,242
Bozar	424,378	424,378	399,208	25,170	-	-	-	-	399,208
Facilities Maintenance	147,751	147,751	131,845	15,906	-	-	-	-	131,845
Transportation - other	-	-	-	-	119,001	119,001	14,025	104,976	14,025
Total general government	2,315,641	2,315,641	2,022,383	293,258	120,001	120,001	14,223	105,778	2,036,606
Public safety									
Marshal	859,352	859,352	795,965	63,387	-	-	-	-	795,965
Culture and recreation	347,384	347,384	365,372	(17,988)	435,931	435,931	316,000	119,931	681,372
Highways and streets	483,608	483,608	402,503	81,105	-	-	5,000	(5,000)	407,503
Auxiliary services									
Community development	218,782	218,782	205,377	13,405	-	-	-	-	205,377
Transportation - Mountain Express	-	-	-	-	775,813	855,000	845,232	9,768	845,232
Total auxiliary services	218,782	218,782	205,377	13,405	775,813	855,000	845,232	9,768	1,050,609
Debt service									
Principal	17,919	17,919	14,042	3,877	-	-	-	-	14,042
Interest	1,278	1,278	356	922	-	-	-	-	356
Total debt service	19,197	19,197	14,398	4,799	-	-	-	-	14,398
Total expenses	4,243,964	4,243,964	3,805,998	437,966	1,331,745	1,410,932	1,180,455	230,477	4,986,453
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,841,975)	(2,841,975)	(2,606,504)	235,471	3,277,761	3,438,199	3,283,688	(154,511)	677,184
Other financing sources and (uses)									
Transfers in (out)	2,847,407	2,847,407	3,089,713	242,306	(3,240,729)	(3,308,412)	(3,660,578)	(352,166)	(570,865)
	2,847,407	2,847,407	3,089,713	242,306	(3,240,729)	(3,308,412)	(3,660,578)	(352,166)	(570,865)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	5,432	5,432	483,209	477,777	37,032	129,787	(376,890)	(506,677)	106,319
Fund balance, beginning of year	3,883,488	3,883,488	3,883,488	-	1,233,388	1,233,388	1,233,388	-	5,116,876
Fund balance, end of year	$ 3,888,920	$ 3,888,920	$ 4,366,697	$ 477,777	$ 1,270,420	$ 1,363,175	$ 856,498	$ (506,677)	$ 5,223,195

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Crested Butte
		YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	Rob Zillioux 970-349-5338

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	0
3. Other local imposts (from page 2)	684,777
4. Miscellaneous local receipts (from page 2)	14,571
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)	699,348
B. Private Contributions	
C. Receipts from State government (from page 2)	51,681
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	751,029

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	601,708
2. Maintenance:	128,501
3. Road and street services:	
a. Traffic control operations	1,890
b. Snow and ice removal	249,160
c. Other	0
d. Total (a. through c.)	251,050
4. General administration & miscellaneous	130,196
5. Highway law enforcement and safety	
6. Total (1 through 5)	1,111,454
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)	1,111,454

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
2,308,731	751,029	1,111,454	1,948,305	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2017

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	676,966	a. Interest on investments	2,776
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	2,320
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	676,966	i. Total (a. through h.)	5,096
	(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	50,797	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	50,797	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		920	920
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		122,974	122,974
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	122,974	122,974
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	123,894	123,894
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE