

Town of Minturn, Colorado
Financial Statements
with Independent Auditors' Report
December 31, 2017



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Office of the State Auditor

June 8, 2018



Town of Minturn, Colorado

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December 31, 2017

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**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditors' Report

Honorable Mayor and Members of the Town Council
Town of Minturn
Minturn, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Town of Minturn as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Minturn, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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 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 discretely presented component unit and remaining fund information of the Town of Minturn as of December 31, 2017, and the respective changes in financial position and the cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 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 Minturn's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the 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.

Hill & Company, PC

Greenwood Village, Colorado
April 16, 2018



Town of Minturn

Management's Discussion and Analysis Fiscal Year Ending December 31, 2017

As management for The Town of Minturn, we offer readers this narrative of the Town's basic financial statements and analysis of the financial activities of the Town of Minturn for the year ended December 31, 2017. The following discussion is intended to assist in understanding the results of operations and our current financial condition. Our financial statements and the accompanying notes included elsewhere in this document contain additional information that should be referred to when reviewing this material.

Overview

The Town was incorporated in 1904, became a home rule municipality in 1982, and is a duly organized and existing political subdivision under the Constitution and laws of the State of Colorado. The Town is located in the central portion of Colorado approximately one hundred miles west of Denver, two miles south of Interstate 70 on State Highway 24 and four miles west of the Town of Vail and the Vail Ski Resort and four miles east of the Town of Avon and the Beaver Creek Ski Resort.

Financial Highlights

In 2017, we continue to see the positive although tentative economic strides. The economy is showing signs of economic growth in revenues in both the real estate markets and retail sales. This growth is representative of improving growth in local sectors and on overall economic conditions and customer and consumer confidence. The Town's 2017 assessed valuation (for collection of taxes in 2018) was \$27,731,500 up from the prior years \$26,609,440 representing a slight increase of 4.2%. It is noted that 2017 was an assessment year and as such it should be anticipated that we would have little change from the prior year, which was not an assessment year. By state law passed in 1982, residential assessments are restricted to 45% of the total state wide assessed value. Consequently, as residential property values increase, periodically they are adjusted to remain compliant. The last adjustment was in 2003 and the value was reduced from 9.15% to 7.96%. With this current assessment the assessed value decreased and the calculation was reduced from 7.96% to 7.2%. The 2017 original assessed value was \$29,655,040 down \$1,956,540 to \$27,698,500. Property values are reassessed statewide in each county during odd years. As such, it is during that assessment year that we would see larger fluctuations in the assessed value as the property values increase and decrease mirroring the economic growth or regression. It is anticipated that property values will increase slightly in 2018 due to completed construction and again increase during the 2019 reassessment as a reflection of increased growth in values.

In light of various and differentiating economic programs, the Town has seen relatively stable and even increasing sales tax revenues in the General Fund. During 2017 sales tax receipts totaled \$637,035 and in 2016 totaled \$584,941; an 8.9% year over previous year increase. The increase in sales tax is attributable to strong growth in retail and lodging sales.

The Town has been able to complete several projects and move others along resulting in fund equity changes as indicated in the table below. We acted to address the continuing

uncertain economic environment by implementing several strategic initiatives aimed at permitting us to take advantage of even slightly improved economic conditions and be able to emerge stronger in the future. These strategic initiatives included:

- Maintained a reasonable and conservative budget again in 2017. Efforts in this initiative include a focus on cash flows and the maintenance of our reserves, and associated cost controls by the utilization of specific consulting contracts. Through these measures, the Town was able to utilize strong cash flow measures to best achieve our determined goals.
- Continued consistent and ongoing monitoring of the budget and our monthly and year to date review of expenses on a department level. This monitoring allowed the Town's management team the opportunity to forecast and adjust for the economy in real-time. Because we have avoided the point of spending our restricted cash, we are able to maintain a strict and consistent conservative budget and financial picture without the need for drastic measures that would adversely affect our residents or our cash flow while still allowing the Town the ability to complete deferred maintenance and budgeted projects.
- Worked diligently through the invigorated Events Department to enlarge our community marketing options through Town wide events and county wide involvement in regional events. These events included expanded family friendly programming, a strong association with the Minturn Concert Series, and increased community involvement with the annual Minturn Summer Market. This increased engagement was developed to strengthen our financial position through a more rigorous tourist marketing campaign. Indicators, such as sales tax collections, have been very positive.
- Worked closely with the Minturn businesses through the Economic Development Committee on how the economy was affecting our business community and how the Town could improve our involvement and participation. This action allowed the Town to better understand the needs of our commercial businesses and help them to be successful during difficult times. As a result, it allowed us a finger on the pulse of what the Town could anticipate in revenue collections.
- The Town has made significant strides in the way we monitor short term rentals through programs such as AirBnB and similar home rentals. This effort is reflected in the increased revenue seen in our Lodging Tax collections.
- Strived to maintain or improve our customer service levels for the community to include snow removal, water treatment and water delivery service, trash removal, roads, and administrative services.

Throughout the recent years, Minturn has endeavored to support our residents and to maintain our community service levels predominantly without increasing costs to the Town. We are happy to report that, to a large extent, our efforts toward fiscal responsibility were well founded and successful.

FUND	BEGINNING EQUITY	ENDING EQUITY	VARIANCE
General Fund	\$1,293,744	1,456,603	162,859
Enterprise Fund	\$2,934,825	2,974,162	39,337
Conservation Trust	\$28,532	33,879	5,347
Debt Service Fund*	\$203,807	204,066	259
Market Fund	\$11,303	3,328	(7,975)
Capital Projects Fund	\$236,640	239,446	2,806
General Improvement Dist	\$3,069	2,959	(110)
Battle Mtn Resort Fund	\$471,166	281,195	(189,971)

In 2017, the Town was able to begin a major street project which will extend through 2018 and into 2019 involving several matching grant proceeds and coordinated work with the Colorado Dept. of Transportation. This project will culminate with Hwy 24/Main St being completely rebuilt and will include bike lanes, sidewalks and gutters between the 500 block and approximately the 1000 block. In preparation of this project the Town's General Fund increased by \$162,859 as some expenses were not completed in 2017 and others require additional savings for expenditure in 2018 and 2019. The Enterprise Fund balance increased by \$39,337 as a result of adjustments to water and in anticipation of a water needs study being performed in 2017 extending in to 2018. The Conservation Trust Fund accumulates funds year to year which will be used to fund larger improvement projects as allowed by State law. The Minturn Market is designed to match its costs with its income; however, it should be anticipated that the Town will contribute financially to this program annually if and as needed.

In 2016, the Enterprise Fund secured a grant to assist efforts to secure engineered plans to install a water line from the main section of town to the Dowd Jct area of the Town. The intent is to use this line to provide water to the area thereby spurring commercial growth. This grant originally extended in to 2017 and was modified to extend into 2018.

In July of 2014 the Town signed an Intergovernmental Agreement with the Eagle County Sheriff's Office for police services. The IGA was originally contracted at four years. Preparations were begun in 2017 to extend this service forward from 2018. This agreement disbanded the vacant and unstaffed Minturn Police Department shifting all police responsibilities to the Sheriff. Minturn retained the Municipal Court function and the Court Clerk position. Although this agreement does not specifically save money for the Town it does provide a more sustainable police presence on a daily basis in Town. This contract has proven to be a success for the Town and its citizens. At this point the Municipal Court continues to struggle as for the most part it only sees traffic related concerns. Any major concern is designated to the County Courts. Additionally, the Planning Department does not have the expertise or staffing for conventional code enforcement. Although the building inspections are professionally overseen by an outside contract, the conditional uses of the Municipal Code are not easily enforced. In light of this ongoing concern, the Town now contracted for a part time Code Enforcement Officer. This position was enhanced to a full-time staff position in late 2017 and has made significant strides to manage the daily enforcement needs.

In 2017 the Town Manager position saw the departure of our Town Manger and the hiring of a new manager. The position was originally contracted to Willy Powell in 2014

as an interim position, was later modified to a permanent. Upon being informed in early 2017 that Mr. Powell would be retiring, the Council opted to move the current Economic Development Coordinator, Michelle Metteer, to the full-time position of Town Manager effective January 1, 2018. Mr. Powell was retained on an as need basis to ensure a seamless transition.

The Town continued its conservative budget practices, efficient and moderate spending and upkeep, and monitoring of the budget on a monthly basis. Town management has reviewed our labor needs and currently feels the existing nine employees, although limiting, is sufficient to maintain our service needs for the near term. In an effort to improve our customer service levels, Town management has utilized contract services for certain engineering needs, water system management, Code Enforcement, police and animal control, and some limited part time snow removal. The Battle Mountain Resort development has settled into a sustainable long-term process and began actively working with the Town to formulate development options on their site. This agreement allowed for the use of \$250,000 for Little Beach Park, \$350,000 endowment for community student scholarships, and \$3,162,000 remaining for: legal and consulting services, administrative costs, land purchases, improvements to Main St, and recreation center uses. This agreement has extended essentially unchanged since 2012. In 2017 several development advancements were made to enable the project to sell and develop for at least the next few years and at this point will include the \$180,000 administrative fee to the Town.

The Enterprise Fund continues to hold its own and make some forward gains on an annual basis. Although the Enterprise Fund is able to maintain a solid reserve balance, it is not financially prepared for any significant system breach or upgrade. During 2017 and extending in to 2018, the existing System Improvement Fees (Taps) and water rates were examined by a subcommittee. It is anticipated that during 2018 fees will be adopted to memorialize these changes. The fee structure adopted will be a tiered structure similar to the existing Eagle River Water and Sanitation District fees. The intent is to set the rate structure to allow appropriate funding for future needs in an effort to allow development to pay its way. The Enterprise Fund is comprised of three basic revenue streams: water fees, which pay for the day to day water purification and distribution; debt service fees, which are assessed only to the extent of the annual debt service due during the current year; and trash fees, which pay for the Town wide citizen trash pickup service. Although a number of multi-home applications have been presented using the redevelopment of existing real estate lots, without the inclusion of the Battle Mountain Annexation, the Town is substantially at build out at this time within our current Town boundaries. Therefore, System Improvement revenue needs to consider new construction in addition to development and demand based on improvements to existing structures. Consideration of this and other funding sources for the ongoing infrastructure repair and maintenance was considered during the 2018 annual budget process.

The Market Fund revenues and expenses have been significantly strengthened over the past several years. Much of this has been due to a more concerted effort by the Town. This program continues to be a success and improve its guest appeal. The Market has reinvested money back in to the program again in 2017 in an attempt to maintain a quality experience. It is anticipated that the Town will need to fund transfers through the General Fund based on budgetary need in some years.

The operations of the Town are funded primarily by tax revenue generated by a 17.934 mill levy on the assessed value of property and a 4% sales tax generated by sales within the Town. The revenues produced by the mill levy and sales taxes are not affected by the TABOR law, therefore the Town is allowed to collect, save, and spend all tax revenues annually generated. As previously stated, the Town's property tax revenues are continuing to recover after seeing a significant decline as a result of an assessed valuation decrease over several years perpetrated by failing economic conditions. It is important to note that, by all outward appearances, the property tax assessed valuation is anticipated to continue to recover over the next few years. It is equally important to note that, however promising this recovery is, the Town should endeavor to husband our resources for budget purposes in light of the fact that our property and sales tax revenues combined constitute over 66% of our General Fund Revenues, not including administrative Fees charged to Battle Mountain Resort or grants. This percentage is a continuing reminder of the need for true diversification in our revenue stream.

The Town collects a lodging tax of 1.5% which is in addition to a 4% sales tax on all short-term rental nights. Short-term lodging is defined as a single stay less than 30 days. The Treasurer has endeavored compliance on all short-term rentals and has made noticeable strides on registration, compliance, and collections. The lodging tax is collected and allocated in the General Fund and continues to grow annually.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

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

The **statement of net position** presents information on all the Town's assets and liabilities, and deferred inflows and outflows, with the difference being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. A review of this statement over several years indicates the Town's net position is improving.

The **statement of activities** presents information showing how the Town of Minturn'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 related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused employee paid time off).

The government-wide financial statements distinguish functions of the Town of Minturn that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of

their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town of Minturn include General Government, Planning and Zoning, Municipal Court, Police, Public Works, Parks and Recreation, Economic Development, and Interest on Long Term Debt. The Business-type Activities of the Town of Minturn include Water, Trash, and Recreation, which are reported in an Enterprise Fund.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants; however, the Town Council establishes other funds to help control and manage money for particular purposes. All of the Town's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

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

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

The Town of Minturn maintains seven individual governmental funds: General, Conservation Trust, Debt Service, Minturn Market, Battle Mountain Capital Projects, Battle Mountain Resort, and a General Improvement District. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds. The nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – The Town of Minturn maintains one type of proprietary fund: the Enterprise Fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its Water, Trash, and Recreation activities. This fund is considered to be a major fund of the Town of Minturn.

Notes to Financial Statements

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

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2017, the Town's combined assets and deferred outflows exceeded liabilities and deferred inflows by \$12,819,918. This represents an increase in net position of \$319,641. Of this amount \$3,195,998 is unrestricted and is available to meet the Town's ongoing financial obligations.

NET POSITION

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL 2017	TOTAL 2016
ASSETS				
Cash and Investments	1,901,353	1,254,238	3,155,591	3,044,131
Restricted Cash	201,500		201,500	201,500
Accounts Receivable	181,858	69,139	250,997	174,230
Grants Receivable				112,859
Property Taxes Receivable	497,336		497,336	476,922
Capital Assets, Not Being Depreciated	4,077,738	47,675	4,125,413	3,891,046
Capital Assets, Net of Accumulated Depreciation	4,241,525	1,808,904	6,050,469	6,272,474
TOTAL ASSETS	11,101,310	3,179,996	14,281,306	14,173,162
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding, Net of Accumulated Amortization	7,101		7,101	9,468
LIABILITIES				
Accounts Payable	59,155	15,192	74,347	97,358
Deposits	4,080		4,080	4,680
Noncurrent Liabilities				
Due Within One Year	220,400	7,685	228,085	216,808
Due in More Than One Year	481,684	182,957	664,641	886,585
TOTAL LIABILITIES	765,319	205,834	971,153	1,205,431
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	497,336		497,336	476,922
NET POSITION				
Invested in Capital Assets	7,645,789	1,673,186	9,318,975	9,094,612
Restricted for Parks	33,879		33,879	28,532
Restricted for Debt Service	204,086		204,086	203,807
Restricted for Emergencies	67,000		67,000	64,000
Unrestricted	1,895,022	1,300,976	3,195,998	3,109,326
Total Net Position	9,845,756	2,974,162	12,819,918	12,500,277

Change in Net Position

FUNCTIONS/PROGRAMS	GOVERNMENTAL	BUSINESS-TYPE	TOTALS	
	ACTIVITIES	ACTIVITIES	2017	2016
PRIMARY GOVERNMENT				
PROGRAM REVENUES				
Charges for Services	600,104	878,263	1,478,367	1,360,973
Operating Grants and Contributions	101,456		101,456	103,115
Capital Grants and Contributions	54,331	6,820	61,151	569,093
GENERAL REVENUES				
Property Taxes	475,159		475,159	480,761
Specific Ownership Taxes	24,543		24,543	21,634
Sales and Use Taxes	637,035		637,035	584,941
Franchise Taxes	61,654		61,654	64,485
Other Taxes	194,811		194,811	132,497
Intergovernmental Revenues not Restricted	2,239		2,239	2,399
Investment Income	34,112		34,112	19,908
Other Revenues	50,469		54,469	34,349
TOTAL REVENUES	2,235,913	885,083	3,120,996	3,374,155
EXPENSES				
General Government	858,548		858,548	770,516
Planning and Zoning	133,333		133,333	145,084
Municipal Court	12,958		12,958	10,600
Police	406,120		406,120	370,601
Public Works	387,522		387,522	271,950
Parks and Recreation	66,950		6,950	47,347
Economic Development	77,965		77,965	90,480
Interest on Long-Term Debt	34,992		34,992	41,492
Water, Sanitation and Recreation		822,967	822,967	871,596
TOTAL EXPENSES	1,978,388	822,967	2,801,355	2,619,666
Transfers	22,779	(22,779)	0	0
CHANGE IN NET POSITION				
	280,304	39,337	319,641	754,489
NET POSITION, Beginning	9,565,452	2,934,825	12,500,277	11,745,788
NET POSITION, Ending	9,845,756	2,974,162	12,819,918	12,500,277

During the fiscal year 2012 the Town of Minturn confirmed an agreement for services rendered in the annexation request for Battle Mountain thereby freeing up some of the original escrow funds. This agreement included \$250,000 for Little Beach Park improvements, \$350,000 to be used as a scholarship endowment for the community, and \$3,162,000 to be used for specific expenses sustained as a result of land purchases,

recreational amenities, and expenses that will be incurred as a result of the annexation process still in progress. The agreement covered 36 months starting March 2012 and freed up \$4.3 million dollars in escrow funds to the Town of Minturn. The agreement was extended with the funds in place until such time as a new agreement is proposed.

In 2017, the Town realized \$185,079 in Real Estate Transfer Taxes (RETT) revenues. This amount far exceeded the original budget expectation of \$85,000 and, although a little over \$40,000 is attributed to one sale, is yet another reflection of the recovering soft real estate market experienced despite the overall economic downturn. It should be noted this revenue stream is extremely fickle and very driven by the economy. The Town continues to watch all revenue streams and budget conservatively.

The Town was awarded two additional grants in 2015 where work and grant funds will affect future years. Although the grants were awarded in 2015 the funds will be spent in 2016 and 2017. First the Town received a grant to engineer a multi-use path from Dowd Junction to the Minturn core. Second the Town received a Transportation Alternative Program (TAP) grant which will require a share of Town matching funds to engineer sidewalks and pedestrian paths from the entrance to the town 100 block through to Maloit Park Rd.

Eagle County (in accordance with State Statute) assesses property bi-annually in odd years. By way of example, 2017 is an assessment year based on values as of June 2016. Property assessments and the corresponding property tax collections were up in 2017 over 2016. Property Tax revenues are expected to increase again in 2018 with the 2017 reassessment.

The Town currently carries two debt instruments; one on a long-term water system debt which retires in 2037, and one on the Minturn Town Hall which retires in 2020.

Financial Analysis of the Town's Funds

Governmental Funds The focus of the Town of Minturn governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available at the end of the fiscal year.

It is the direction of the Town Council for the Town to hold an amount equal to 50% of our annual non-developer expenses in a cash reserve. This optimistic reserve target has been met annually for the past eleven years and is designed to better allow the Town to operate during uncertain economic conditions and to begin to address deferred maintenance projects. This ending fund balance and strong reserve policy makes Minturn a leader in fiscal responsibility and the current reserve practice is recommended to be continued.

General Fund Budgetary Highlights

It should be a goal of the Town to make every effort to anticipate projects in advance to allow for budgeting and budget controls in order to maintain our financial stability.

Although attempts have been made to adjust for market growth variances and building cycles in order to smooth out the annual budget, the resort and real estate market in the valley are very changeable and adjustments need to be made as change occurs.

There were budget amendments during the year which reflected additional realized revenues and corresponding expenses. Our General Fund fund balance will continue to ebb and flow as our long list of projects turn into accomplishments. The Town completed the major improvements to the 100 block of Main Street, and we are in the engineering stages of sidewalk work the entire length of Main St.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets as of December 31, 2017, amounts to \$10,175,882. The detail of capital assets is in Note 3 to the financial statements.

Long-term Debt. As of December 31, 2017, the Town had long-term debt that was being paid by the Water, Sanitation, and Recreation Fund and the Debt Service Fund as follows:

	FY2017 Beginning Balance	FY2017 Principal Additions	FY2017 Principal Reduction	FY2017 Ending Balance
Water Fund	194,916	11,999	16,273	190,642
Debt Service Fund	875,000	-	205,000	670,000

The detail of long-term debt is presented in Note 4 to the financial statements.

Economic Factors and Next Year's Budget

- The largest single event since Minturn's inception, the Battle Mountain Resort Annexation was completed in May of 2008. It was anticipated Battle Mountain Resort would submit a petition for the annexation of the remaining 1,000 acres and a development agreement and then proceed with approvals and development in the future. This project is still in the legal stages rather than the construction stages however some discussion with the Town in 2016 and 2017 appear to place this project in motion and could begin construction in the foreseeable future.
- Sales tax revenues are a major source of revenue to the Town and are an important source for providing funds for the general operations and maintenance of the Town of Minturn. With the improvements in the local economy our community has seen an increase in tourist traffic and store front occupancy which has greatly enhanced our sales tax growth. Currently, the Minturn Market taken as a whole continues to rank as one of the largest sales tax contributors. This market, run by the Town, continues to provide foot traffic for the retail shops and restaurants in Town during the summer weekends.
- Although annually the Town's commercial and residential sectors continue to grow, the budget history and philosophy remains to budget revenues based on the prior year and factor in current patterns. This conservative approach has allowed the Town to accurately estimate our budget to actual revenues and expenditures

while keeping a close watch on expenses. This conservative demeanor also has allowed us to recognize positive growth in our cash reserves making funds available for current projects. It was projected that because property tax values were assessed weak and low in 2013, taxes collected in 2014 would fall again by over 15% and that they would then stabilize in 2015 and rise in 2016. This was recognized with our 2016 property tax increase of 22% over 2015 receipts. Since the high-water mark of assessed values in 2011, property tax revenues had fallen over 34% by the 2014 property assessment. These fluxions are considered closely as the budget process proceeds.

- Minturn's economy is primarily based on tourism. National and international markets continue to see improvements as well as the local and state economies show a positive recovery. With the volatility in property values and in the resort industry it is difficult to predict the full implication of the current resort economy on the local economy. Property taxes are anticipated to increase only marginally in 2018 and Sales tax revenue projections are flat in the first quarter of 2018. The 2018 budget is once again conservatively reflective of that trend.
- The Town is optimistic that it will see development in the Dowd Junction area and redevelopment in the 100 Block of Main St. Additional expenses are reflected in the 2018 budget to accommodate costs that may be associated with such efforts to include a water line from the town core to Dowd Junction, the Main Street work with CDOT to rebuild and pave, and potential water plant expansion efforts in 2018 and the near term growth necessary in future years beyond 2018 and 2019.
- As stated in this document the Town of Minturn currently awaits further submittals including a development plan from Battle Mountain. With the downturn in the economy Battle Mountain Resort has understandably taken a "wait and see" stance on immediate development. In view of this slowdown of the development, the Town of Minturn has also taken a "wait and see" approach to future staffing needs and revenue expectations. As of the end of 2017, the Town employed 9 full time employees. Interestingly, although we have had minor short-term fluctuations, this staffing level is below the norm of about ten employees. Again, this is representative of management's stringent efforts to control our municipal costs while still allowing us to meet our historical customer service levels throughout the town.
- Our primary sources of liquidity are: cash generated from property and sales tax, leases of Town owned land, and water fees. Our underlying goal has been to control our expenditures and maintain our fund balances while at the same time not reducing our established service levels to our residents. Given the uncertain economic environment, the Town Council and Town management have undertaken additional internal actions which include:
 - Insurance Review: Annually, the Town management reviews and modifies our employee medical insurance program. In 2017, the Town recognized a flat increase in our medical insurance plan and our insurance expenses were flat in 2016 as well.
 - The Town management has maintained a conservative workforce allowance and no change in this practice is anticipated for 2018.
 - Existing staff positions have been filled as they become vacant but no new positions have been created. Further, the Town has contracted for services outside of Staff expertise such as engineering, water system management,

public safety, and code enforcement needs. This practice allows us to budget conservatively, maintain or even improve service levels, and recognize savings from contracted services over the expense of hiring a full-time employee.

The Town of Minturn is in a relatively good financial position because of our ongoing conservative budgeting, our stable cash reserves, and our realistic spending practices. Our General and Enterprise Fund reserves are at a sufficient level to cover the Town's financial policy set by Town Council (General Fund: equal to six months of operations expenditures and Enterprise Fund: \$1,000,000). Although we continue to watch all revenue and expense numbers very closely, it is comforting to recognize the diverse service industry tax base we have as well as the growth in our store front businesses. With these factors in mind it remains a guiding touchstone that annual operational expenditures are paid from revenues earned during this same period and generally not paid from reserves. The recent yet infrequent exception to this practice has been made for long term infrastructure and special project needs, such as road maintenance, using our reserves sparingly and determined on a case by case basis.

All these factors were considered in preparing the Town of Minturn's budget for the 2018 fiscal year and as we look beyond 2018 to future years.

Requests for Information

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

Town of Minturn
Attn.: Jay Brunvand, Town Treasurer
P.O. Box 309
Minturn, CO 81645

Basic Financial Statements

Town of Minturn, Colorado

Statement of Net Position

December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Education Fund
Assets				
Cash and Investments	\$ 1,901,353	\$ 1,254,238	\$ 3,155,591	\$ 320,707
Restricted Cash and Investments	201,500	-	201,500	-
Accounts Receivable	181,858	69,139	250,997	-
Property Taxes Receivable	497,336	-	497,336	-
Capital Assets, Not being depreciated	4,077,738	47,675	4,125,413	-
Capital Assets, Net of accumulated depreciation	4,241,525	1,808,944	6,050,469	-
Total Assets	11,101,310	3,179,996	14,281,306	320,707
Deferred Outflows of Resources				
Loss on Debt Refunding, Net of accumulated amortization	7,101	-	7,101	-
Liabilities				
Accounts Payable	59,155	15,192	74,347	-
Deposits	4,080	-	4,080	-
Noncurrent Liabilities				
Due Within One Year	220,400	7,685	228,085	-
Due in More Than One Year	481,684	182,957	664,641	-
Total Liabilities	765,319	205,834	971,153	-
Deferred Inflows of Resources				
Property Taxes	497,336	-	497,336	-
Net Position				
Net Investment in Capital Assets	7,645,789	1,673,186	9,318,975	-
Restricted for:				
Parks	33,879	-	33,879	-
Debt Service	204,066	-	204,066	-
Emergencies	67,000	-	67,000	-
Scholarships	-	-	-	320,707
Unrestricted	1,895,022	1,300,976	3,195,998	-
Total Net Position	\$ 9,845,756	\$ 2,974,162	\$ 12,819,918	\$ 320,707

Town of Minturn, Colorado

Statement of Activities

Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 858,548	\$ 497,133	\$ -	\$ -
Planning and Zoning	133,333	35,602	-	-
Municipal Court	12,958	-	-	-
Police	406,120	13,869	-	-
Public Works	387,522	-	91,031	54,331
Parks and Recreation	66,950	53,500	10,425	-
Economic Development	77,965	-	-	-
Interest on Long-Term Debt	34,992	-	-	-
Total Governmental Activities	<u>1,978,388</u>	<u>600,104</u>	<u>101,456</u>	<u>54,331</u>
Business-Type Activities				
Water, Sanitation and Recreation	<u>822,967</u>	<u>878,263</u>	<u>-</u>	<u>6,820</u>
Total Business-Type Activities	<u>822,967</u>	<u>878,263</u>	<u>-</u>	<u>6,820</u>
Total Primary Government	<u>\$ 2,801,355</u>	<u>\$ 1,478,367</u>	<u>\$ 101,456</u>	<u>\$ 61,151</u>
Component Unit				
Education Fund	<u>\$ 7,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Property Taxes
 Specific Ownership Taxes
 Sales and Use Taxes
 Franchise Taxes
 Other Taxes
 Intergovernmental Revenues not Restricted to Specific Programs
 Investment Income
 Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION, Beginning of year

NET POSITION, End of year

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Education Fund
\$ (361,415)	\$ -	\$ (361,415)	\$ -
(97,731)	-	(97,731)	-
(12,958)	-	(12,958)	-
(392,251)	-	(392,251)	-
(242,160)	-	(242,160)	-
(3,025)	-	(3,025)	-
(77,965)	-	(77,965)	-
(34,992)	-	(34,992)	-
<u>(1,222,497)</u>	<u>-</u>	<u>(1,222,497)</u>	<u>-</u>
<u>-</u>	<u>62,116</u>	<u>62,116</u>	<u>-</u>
<u>-</u>	<u>62,116</u>	<u>62,116</u>	<u>-</u>
<u>(1,222,497)</u>	<u>62,116</u>	<u>(1,160,381)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,450)</u>
475,159	-	475,159	-
24,543	-	24,543	-
637,035	-	637,035	-
61,654	-	61,654	-
194,811	-	194,811	-
2,239	-	2,239	-
34,112	-	34,112	28,902
50,469	-	50,469	-
22,779	(22,779)	-	-
<u>1,502,801</u>	<u>(22,779)</u>	<u>1,480,022</u>	<u>28,902</u>
280,304	39,337	319,641	21,452
<u>9,565,452</u>	<u>2,934,825</u>	<u>12,500,277</u>	<u>299,255</u>
<u>\$ 9,845,756</u>	<u>\$ 2,974,162</u>	<u>\$ 12,819,918</u>	<u>\$ 320,707</u>

Town of Minturn, Colorado

Balance Sheet Governmental Funds December 31, 2017

	General	Battle Mountain Resort	Debt Service	Nonmajor Governmental Funds	Total
Assets					
Cash and Investments	\$ 1,330,880	\$ 285,959	\$ 2,566	\$ 281,948	\$ 1,901,353
Restricted Cash and Investments	-	-	201,500	-	201,500
Accounts Receivable	181,858	-	-	-	181,858
Property Taxes Receivable	497,336	-	-	-	497,336
Total Assets	<u>\$ 2,010,074</u>	<u>\$ 285,959</u>	<u>\$ 204,066</u>	<u>\$ 281,948</u>	<u>\$ 2,782,047</u>
Liabilities					
Accounts Payable	\$ 52,055	\$ 4,764	\$ -	\$ 2,336	\$ 59,155
Deposits	4,080	-	-	-	4,080
Total Liabilities	<u>56,135</u>	<u>4,764</u>	<u>-</u>	<u>2,336</u>	<u>63,235</u>
Deferred Inflows of Resources					
Property Taxes	497,336	-	-	-	497,336
Fund Balance					
Restricted for:					
Parks	-	-	-	33,879	33,879
Debt Service	-	-	204,066	-	204,066
Emergencies	67,000	-	-	-	67,000
Committed to:					
Battle Mountain Resort	-	281,195	-	-	281,195
Capital Projects	-	-	-	239,446	239,446
Assigned to:					
Minturn Market	-	-	-	3,328	3,328
GID Activities	-	-	-	2,959	2,959
Unrestricted, Unassigned	1,389,603	-	-	-	1,389,603
Total Fund Balance	<u>1,456,603</u>	<u>281,195</u>	<u>204,066</u>	<u>279,612</u>	<u>2,221,476</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,010,074</u>	<u>\$ 285,959</u>	<u>\$ 204,066</u>	<u>\$ 281,948</u>	<u>\$ 2,782,047</u>

Town of Minturn, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2017

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

Total Fund Balance of Governmental Funds	\$ 2,221,476
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	8,319,263
Long-term liabilities and related items, including the loss on debt refunding \$7,101, are not due and payable in the current year and, therefore, are not reported in governmental funds.	<u>(694,983)</u>
Total Net Position of Governmental Activities	\$ <u>9,845,756</u>

Town of Minturn, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2017

	General	Battle Mountain Resort	Debt Service	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 1,393,202	\$ -	\$ -	\$ -	\$ 1,393,202
Licenses and Permits	56,569	-	-	-	56,569
Fines and Forfeitures	13,869	-	-	-	13,869
Intergovernmental	147,601	-	-	10,425	158,026
Investment Income	26,004	4,426	479	3,203	34,112
Developer Fees	180,000	-	-	-	180,000
Miscellaneous	181,635	-	165,000	53,500	400,135
Total Revenues	<u>1,998,880</u>	<u>4,426</u>	<u>165,479</u>	<u>67,128</u>	<u>2,235,913</u>
Expenditures					
Current					
General Government	592,912	194,397	-	110	787,419
Planning and Zoning	133,333	-	-	-	133,333
Municipal Court	12,958	-	-	-	12,958
Police	406,120	-	-	-	406,120
Public Works	282,906	-	-	-	282,906
Parks and Recreation	-	-	-	66,950	66,950
Economic Development	77,965	-	-	-	77,965
Capital Outlay	276,676	-	-	-	276,676
Debt Service					
Principal	-	-	205,000	-	205,000
Interest and Fiscal Charges	-	-	36,150	-	36,150
Total Expenditures	<u>1,782,870</u>	<u>194,397</u>	<u>241,150</u>	<u>67,060</u>	<u>2,285,477</u>
Excess Revenues Over (Under) Expenditures	<u>216,010</u>	<u>(189,971)</u>	<u>(75,671)</u>	<u>68</u>	<u>(49,564)</u>
Other Financing Sources (Uses)					
Transfers In	-	-	75,930	-	75,930
Transfers Out	(53,151)	-	-	-	(53,151)
Other Financing Sources (Uses)	<u>(53,151)</u>	<u>-</u>	<u>75,930</u>	<u>-</u>	<u>22,779</u>
Net Change in Fund Balance	162,859	(189,971)	259	68	(26,785)
Fund Balance, Beginning of year	<u>1,293,744</u>	<u>471,166</u>	<u>203,807</u>	<u>279,544</u>	<u>2,248,261</u>
Fund Balance, End of year	<u>\$ 1,456,603</u>	<u>\$ 281,195</u>	<u>\$ 204,066</u>	<u>\$ 279,612</u>	<u>\$ 2,221,476</u>

See Notes to Financial Statements.

Town of Minturn, Colorado
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance 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 Balance of Governmental Funds	\$ (26,785)
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Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital Outlays	233,757
Depreciation Expense	(130,694)

Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	205,000
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Debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Amortization of Debt Premium	3,525
Amortization of Loss on Refunding	(2,367)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in accrued paid time off.	(2,132)
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Change in Net Position of Governmental Activities	\$ <u>280,304</u>
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Town of Minturn, Colorado

Statement of Net Position

Proprietary Fund

December 31, 2017

	Water, Sanitation and Recreation
Assets	
<i>Current Assets</i>	
Cash and Investments	\$ 1,254,238
Accounts Receivable	69,139
Total Current Assets	<u>1,323,377</u>
<i>Noncurrent Assets</i>	
Capital Assets, <i>Not being depreciated</i>	47,675
Capital Assets, <i>Net of accumulated depreciation</i>	<u>1,808,944</u>
Total Noncurrent Assets	<u>1,856,619</u>
Total Assets	<u>3,179,996</u>
Liabilities	
<i>Current Liabilities</i>	
Accounts Payable	15,192
Accrued Paid Time Off, Current Portion	1,800
Notes Payable, Current Portion	<u>5,885</u>
Total Current Liabilities	<u>22,877</u>
<i>Noncurrent Liabilities</i>	
Accrued Paid Time Off	5,409
Notes Payable	<u>177,548</u>
Total Noncurrent Liabilities	<u>182,957</u>
Total Liabilities	<u>205,834</u>
Net Position	
Net Investment in Capital Assets	1,673,186
Unrestricted	<u>1,300,976</u>
Total Net Position	<u>\$ 2,974,162</u>

Town of Minturn, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended December 31, 2017

	Water, Sanitation and Recreation
Operating Revenues	
Charges for Services	\$ 867,548
Miscellaneous	<u>10,715</u>
Total Operating Revenues	<u>878,263</u>
Operating Expenses	
Operations	638,720
Maintenance	67,059
Depreciation	<u>108,189</u>
Total Operating Expenses	<u>813,968</u>
Net Operating Income	64,295
Nonoperating Expenses	
Interest Expense	<u>(8,999)</u>
Net Income Before Capital Contributions and Transfers	55,296
Grants	6,820
Transfers Out	<u>(22,779)</u>
Change in Net Position	39,337
Net Position, Beginning of year	<u>2,934,825</u>
Net Position, End of year	<u><u>\$ 2,974,162</u></u>

Town of Minturn, Colorado
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2017

	Water, Sanitation and Recreation
Cash Flows From Operating Activities	
Cash Received from Customers	\$ 873,578
Cash Received from Others	10,715
Cash Paid to Suppliers	(527,830)
Cash Paid to Employees	(185,093)
	<u>171,370</u>
Net Cash Provided by Operating Activities	<u>171,370</u>
Cash Flows From Capital and Related Financing Activities	
Grants Received	6,820
Acquisition and Construction of Capital Assets	(17,488)
Debt Principal Payments	(5,843)
Debt Interest Payments	(8,999)
Transfers to Other Funds	(22,779)
	<u>(48,289)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(48,289)</u>
Net Change in Cash and Cash Equivalents	123,081
Cash and Cash Equivalents, <i>Beginning of year</i>	<u>1,131,157</u>
Cash and Cash Equivalents, <i>End of year</i>	<u><u>\$ 1,254,238</u></u>
Reconciliation of Net Operating Income to	
Net Cash Provided by Operating Activities	
Net Operating Income	\$ 64,295
Adjustments to Reconcile Net Operating Income to	
Net Cash Provided by Operating Activities	
Depreciation Expense	108,189
Changes in Assets and Liabilities Related to Operations	
Accounts Receivable	6,030
Accounts Payable	(8,713)
Accrued Paid Time Off	1,569
	<u>171,370</u>
Net Cash Provided by Operating Activities	<u><u>\$ 171,370</u></u>

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Town of Minturn (the Town) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the Town.

Based on the application of these criteria, the Town includes the Minturn General Improvement District (the District) within its reporting entity. The District was formed to finance the construction of infrastructure in the Battle Mountain development using a dedicated property tax on property within the development. The Town Council serves as the governing board of the District and the Town's management has operational responsibility for the District. The District is blended into the Town's financial statements as a special revenue fund. The District does not issue separate financial statements.

The Minturn Education Fund (the Education Fund), a non-profit organization, was formed in November, 2012, to create a scholarship program for qualified Minturn students who meet merit and financial need criteria. The Education Fund has a separate governing board with members appointed by the Town Council. The Education Fund does not issue separate financial statements and is discretely presented in the Town's financial statements.

Jointly Governed Organization

In March, 2013, the Town entered into a memorandum of understanding with the Ski and Snowboard Club Vail, a non-profit organization, to construct the Minturn Fitness Center, a jointly owned and operated facility. The parties formed a separate non-profit entity to own and operate the facility. This entity is governed by a board of directors that jointly and equally represents the parties. Each party contributed \$1.25 million for initial construction of the facility.

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Town and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from the legally separate *component unit* for which the Town is financially accountable.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the Town.

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

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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 accounted for in another fund.

The *Battle Mountain Resort Fund* accounts for revenues received under an agreement between the Town and the developer of the Battle Mountain Resort. The agreement requires the Town to use the revenues for legal and consulting costs directly related to the development of the Battle Mountain Resort and for general administrative costs of the Town.

The *Debt Service Fund* accounts for Town Hall rental income collected for payment of the Certificates of Participation.

Additionally, the Town reports the following major proprietary fund:

The *Water, Sanitation and Recreation Fund* is an enterprise fund that accounts for the financial activities associated with the provision of water and garbage services.

Assets, Liabilities and Net Position/Fund Balance

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance (Continued)

Capital Assets - Capital assets, which include land, buildings, plant, infrastructure, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Infrastructure assets, including streets, sidewalks and curbs and gutters, purchased or donated prior to January 1, 2004, are not reported in the financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Water and Sanitation Systems	20 - 50 years
Recreation Systems	35 years
Streets	50 years
Buildings and Improvements	10 - 50 years
Machinery and Equipment	5 - 10 years

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Compensated Absences - Employees of the Town are allowed to accumulate unused paid time off (PTO) for up to two years. Upon termination of employment from the Town, an employee will be compensated for all accrued PTO at 30% to 50% of their pay rate, depending on years of service. Accumulated, unpaid PTO is accrued when earned in the government-wide and proprietary fund financial statements. A liability is reported in the governmental fund financial statements only when payment is due.

Long-Term Obligations - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and refunding losses are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financial uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance (Continued)

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed.

In the fund financial statements, governmental funds report committed fund balances when the Town Council formally commits resources for a specific purpose through passage of a resolution or approval of contractual agreements with third parties

The Town Council is authorized to informally assign amounts to a specific purpose, and has assigned this authority to the Town Manager or his designee. Such fund balance assignments are reported in the governmental fund financial statements.

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Town uses restricted fund balance first, followed by committed, assigned and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis.

Note 2: Cash and Investments

At December 31, 2017, cash and investments consisted of the following:

Deposits	\$ 137,754
Investments	<u>3,219,337</u>
Total	<u>\$ 3,357,091</u>

Cash and investments were reported in the financial statements as follows:

Cash and Investments	\$ 3,155,591
Restricted Cash and Investments	<u>201,500</u>
Total	<u>\$ 3,357,091</u>

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Investments

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Fair Value Measurements - At December 31, 2017, the Town's investments in the local government investment pools and a money market were reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations. At December 31, 2017, the Town's investment of \$201,979 in the Morgan Stanley Institutional Liquidity Funds Treasury Portfolio was rated AAAm by Standard and Poor's.

Concentration of Credit Risk - State statutes do not limit the amount the Town may invest in a single issuer of investment securities, except for corporate securities.

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pools - At December 31, 2017, the Town had \$2,993,023 and \$24,335 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools 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. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

In accordance with the agreement related to the Certificates of Participation (See Note 4), cash and investments of \$201,500 reported in the Debt Service Fund are restricted to meet future debt service requirements.

Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2017, is summarized below.

	Balances 12/31/16	Additions	Deletions	Balances 12/31/17
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 3,579,470	\$ —	\$ —	\$ 3,579,470
Construction in Progress	<u>281,389</u>	<u>216,879</u>	<u>—</u>	<u>498,268</u>
Total Capital Assets, not being depreciated	<u>3,860,859</u>	<u>216,879</u>	<u>—</u>	<u>4,077,738</u>
Capital Assets, being depreciated				
Streets	1,812,149	16,878	—	1,829,027
Buildings and Improvements	3,926,324	—	—	3,926,324
Machinery and Equipment	<u>536,729</u>	<u>—</u>	<u>—</u>	<u>536,729</u>
Total Capital Assets, being depreciated	<u>6,275,202</u>	<u>16,878</u>	<u>—</u>	<u>6,292,080</u>
Less Accumulated Depreciation				
Streets	(60,258)	(36,587)	—	(96,845)
Buildings and Improvements	(1,375,028)	(75,251)	—	(1,450,279)
Machinery and Equipment	<u>(484,575)</u>	<u>(18,856)</u>	<u>—</u>	<u>(503,431)</u>
Total Accumulated Depreciation	<u>(1,919,861)</u>	<u>(130,694)</u>	<u>—</u>	<u>(2,050,555)</u>
Capital Assets, being depreciated, net	<u>4,355,341</u>	<u>(113,816)</u>	<u>—</u>	<u>4,241,525</u>
Governmental Activities Capital Assets, net	<u>\$ 8,216,200</u>	<u>\$ 103,063</u>	<u>\$ —</u>	<u>\$ 8,319,263</u>

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 3: Capital Assets (Continued)

	Balances 12/31/16	Additions	Deletions	Balances 12/31/17
Business-Type Activities				
Capital Assets, not being depreciated				
Construction in Progress	\$ 30,187	\$ 17,488	\$ —	\$ 47,675
Capital Assets, being depreciated				
Water and Sanitation Systems	3,523,330	—	—	3,523,330
Recreation Systems	203,520	—	—	203,520
Equipment	223,275	—	—	223,275
Total Capital Assets, being depreciated	3,950,125	—	—	3,950,125
Less Accumulated Depreciation				
Water and Sanitation Systems	(1,813,253)	(86,326)	—	(1,899,579)
Recreation Systems	(50,130)	(4,757)	—	(54,887)
Equipment	(169,609)	(17,106)	—	(186,715)
Total Accumulated Depreciation	(2,032,992)	(108,189)	—	(2,141,181)
Capital Assets, being depreciated, net	1,917,133	(108,189)	—	1,808,944
Business-Type Activities Capital Assets, net	\$ 1,947,320	\$ (90,701)	\$ —	\$ 1,856,619

Depreciation expense was charged to programs of the Town as follows:

Governmental Activities	
General Government	\$ 68,997
Public Works	61,697
Total	\$ 130,694

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2017:

	Balance 12/31/16	Additions	Payments	Balance 12/31/17	Due Within One Year
Governmental Activities					
Accrued Paid Time Off	\$ 19,377	\$ 39,957	\$ 37,825	\$ 21,509	\$ 5,400
2010 Certificates of Participation	875,000	—	205,000	670,000	215,000
Debt Premium	14,100	—	3,525	10,575	—
Total	\$ 908,477	\$ 39,957	\$ 246,350	\$ 702,084	\$ 220,400

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

Certificates of Participation - Certificates of Participation (COPs), Series 2010A, in the original amount of \$1,860,000, and Series 2010B, in the amount of \$155,000, were issued to refund the Certificates of Participation, Series 2000A and Series 2000B, which were originally issued to construct a building for use as a town hall, employee housing, and a post office. The Town subleases the employee housing portion of the building to individuals and another portion of the building to the U.S. Postal Service.

The Series 2010A COPs accrue interest at rates ranging from 2% to 4% per annum, with payments due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, from 2011 through 2020. The Series 2010B COPs were paid in full during the year ended December 31, 2012.

Future debt service requirements are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 215,000	\$ 25,950	\$ 240,950
2019	225,000	17,350	242,350
2020	<u>230,000</u>	<u>8,912</u>	<u>238,912</u>
Total	<u>\$ 670,000</u>	<u>\$ 52,212</u>	<u>\$ 722,212</u>

Business-Type Activities

Following are the changes to long-term debt of the business-type activities for the year ended December 31, 2017:

	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/17</u>	<u>Due Within One Year</u>
Business-Type Activities					
Accrued Paid Time Off	\$ 5,640	\$ 11,999	\$ 10,430	\$ 7,209	\$ 1,800
1997B Rural Development Note	<u>189,276</u>	<u>-</u>	<u>5,843</u>	<u>183,433</u>	<u>5,885</u>
Total	<u>\$ 194,916</u>	<u>\$ 11,999</u>	<u>\$ 16,273</u>	<u>\$ 190,642</u>	<u>\$ 7,685</u>

Rural Development Notes - 1997B Water Revenue Notes were issued to finance improvements to the Town's water system. Principal and interest payments are due semi-annually, through April 1, 2037. Interest accrues at 4.875% per annum.

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Future debt service requirements are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,885	\$ 8,956	\$ 14,841
2019	6,174	8,667	14,841
2020	6,480	8,361	14,841
2021	6,799	8,042	14,841
2022	7,134	7,707	14,841
2023 – 2027	41,312	32,889	74,201
2028 – 2032	52,563	21,638	74,201
2033 – 2037	<u>57,086</u>	<u>8,412</u>	<u>65,498</u>
Total	\$ <u>183,433</u>	\$ <u>104,672</u>	\$ <u>288,105</u>

Note 5: Interfund Transactions

Interfund transfers during the year ended December 31, 2017, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Debt Service	General	\$ 53,151
Debt Service	Water, Sanitation and Recreation	<u>22,779</u>
Total		\$ <u>75,930</u>

The General and Water, Sanitation and Recreation Funds make annual payments to the Debt Service Fund for debt service on the COPs (See Note 4).

Note 6: Retirement Commitments

All employees are eligible to participate in an Internal Revenue Code Section 401(a) pension plan beginning six months from date of hire. The contribution requirements of Plan participants and the Town are established and may be amended by the Town Council. Employees may contribute up to 4% of base salary to the Plan. The Town is required to match each employee's contributions up to 4% of base salary. In addition, employees may make voluntary contributions to the Plan within certain limits. The Town's contributions vest immediately, except for employees hired after February 1, 2009, for which contributions vest at 25% each year. During the year ended December 31, 2017, the Town and employee contributions to the Plan were \$16,081 and \$24,551, respectively, equal to the required contributions.

Town of Minturn, Colorado

Notes to Financial Statements

December 31, 2017

Note 7: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for its workers compensation claims.

Public Entity Risk Pool

For other risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.

Note 8: Commitments and Contingencies

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 5, 1994, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2017, the emergency reserve of \$67,000 was reported as restricted fund balance in the General Fund.

Required Supplementary Information

Town of Minturn, Colorado
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 1,242,621	\$ 1,310,721	\$ 1,393,202	\$ 82,481
Licenses and Permits	49,100	56,300	56,569	269
Fines and Forfeitures	8,500	14,250	13,869	(381)
Intergovernmental	107,846	155,209	147,601	(7,608)
Investment Income	10,000	24,000	26,004	2,004
Developer Fees	180,000	180,000	180,000	-
Miscellaneous	160,190	191,104	181,635	(9,469)
Total Revenues	<u>1,758,257</u>	<u>1,931,584</u>	<u>1,998,880</u>	<u>67,296</u>
Expenditures				
Current				
General Government	708,721	714,088	592,912	121,176
Planning and Zoning	125,277	135,780	133,333	2,447
Municipal Court	22,095	22,095	12,958	9,137
Police	398,955	405,565	406,120	(555)
Public Works	279,998	308,598	282,906	25,692
Economic Development	78,398	78,398	77,965	433
Capital Outlay	218,650	306,878	276,676	30,202
Total Expenditures	<u>1,832,094</u>	<u>1,971,402</u>	<u>1,782,870</u>	<u>188,532</u>
Excess Revenues Over (Under) Expenditures	(73,837)	(39,818)	216,010	255,828
Other Financing Sources (Uses)				
Transfers Out	(53,813)	(53,813)	(53,151)	662
Net Change in Fund Balance	(127,650)	(93,631)	162,859	256,490
Fund Balance, Beginning of year	<u>1,214,579</u>	<u>1,214,579</u>	<u>1,293,744</u>	<u>79,165</u>
Fund Balance, End of year	<u>\$ 1,086,929</u>	<u>\$ 1,120,948</u>	<u>\$ 1,456,603</u>	<u>\$ 335,655</u>

Town of Minturn, Colorado
 Budget Comparison Schedule
 Battle Mountain Resort Fund
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Investment Income	\$ 2,500	\$ 4,350	\$ 4,426	\$ 76
Total Revenues	<u>2,500</u>	<u>4,350</u>	<u>4,426</u>	<u>76</u>
Expenditures				
General Government	<u>450,000</u>	<u>450,000</u>	<u>194,397</u>	<u>255,603</u>
Total Expenditures	<u>450,000</u>	<u>450,000</u>	<u>194,397</u>	<u>255,603</u>
Net Change in Fund Balance	(447,500)	(445,650)	(189,971)	255,679
Fund Balance, Beginning of year	<u>449,086</u>	<u>449,086</u>	<u>471,166</u>	<u>22,080</u>
Fund Balance, End of year	<u>\$ 1,586</u>	<u>\$ 3,436</u>	<u>\$ 281,195</u>	<u>\$ 277,759</u>

Town of Minturn, Colorado
Notes to Required Supplementary Information
December 31, 2017

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Town Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- All appropriations lapse at year end.

Legal Compliance

For the year ended December 31, 2017, the budget adopted for the Battle Mountain Capital Projects Fund allowed for expenditures in excess of the resources available. This may be a violation of State statutes.

Supplementary Information

Town of Minturn, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Conservation Trust	Minturn Market	Minturn GID	Battle Mountain Capital Projects	Total
Assets					
Cash and Investments	\$ 33,879	\$ 5,664	\$ 2,959	\$ 239,446	\$ 281,948
Restricted Cash and Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 33,879</u></u>	<u><u>\$ 5,664</u></u>	<u><u>\$ 2,959</u></u>	<u><u>\$ 239,446</u></u>	<u><u>\$ 281,948</u></u>
Liabilities					
Accounts Payable	\$ <u>-</u>	\$ <u>2,336</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,336</u>
Fund Balance					
Restricted for Parks	33,879	-	-	-	33,879
Committed to Capital Projects	-	-	-	239,446	239,446
Assigned to:					
Minturn Market	-	3,328	-	-	3,328
GID Activities	<u>-</u>	<u>-</u>	<u>2,959</u>	<u>-</u>	<u>2,959</u>
Total Fund Balance	<u>33,879</u>	<u>3,328</u>	<u>2,959</u>	<u>239,446</u>	<u>279,612</u>
Total Liabilities and Fund Balance	<u><u>\$ 33,879</u></u>	<u><u>\$ 5,664</u></u>	<u><u>\$ 2,959</u></u>	<u><u>\$ 239,446</u></u>	<u><u>\$ 281,948</u></u>

Town of Minturn, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2017

	Conservation Trust	Minturn Market	Minturn GID	Battle Mountain Capital Projects	Total
Revenues					
Intergovernmental	\$ 10,425	\$ -	\$ -	\$ -	\$ 10,425
Investment Income	397	-	-	2,806	3,203
Miscellaneous	-	53,500	-	-	53,500
Total Revenues	<u>10,822</u>	<u>53,500</u>	<u>-</u>	<u>2,806</u>	<u>67,128</u>
Expenditures					
Current					
General Government	-	-	110	-	110
Parks and Recreation	5,475	61,475	-	-	66,950
Total Expenditures	<u>5,475</u>	<u>61,475</u>	<u>110</u>	<u>-</u>	<u>67,060</u>
Net Change in Fund Balance	5,347	(7,975)	(110)	2,806	68
Fund Balance, Beginning of year	<u>28,532</u>	<u>11,303</u>	<u>3,069</u>	<u>236,640</u>	<u>279,544</u>
Fund Balance, End of year	<u>\$ 33,879</u>	<u>\$ 3,328</u>	<u>\$ 2,959</u>	<u>\$ 239,446</u>	<u>\$ 279,612</u>

Town of Minturn, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,425	\$ 425
Investment Income	100	385	397	12
Total Revenues	<u>10,100</u>	<u>10,385</u>	<u>10,822</u>	<u>437</u>
Expenditures				
Parks and Recreation	<u>10,000</u>	<u>10,000</u>	<u>5,475</u>	<u>4,525</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>5,475</u>	<u>4,525</u>
Net Change in Fund Balance	100	385	5,347	4,962
Fund Balance, Beginning of year	<u>28,157</u>	<u>28,157</u>	<u>28,532</u>	<u>375</u>
Fund Balance, End of year	<u>\$ 28,257</u>	<u>\$ 28,542</u>	<u>\$ 33,879</u>	<u>\$ 5,337</u>

Town of Minturn, Colorado
 Budgetary Comparison Schedule
 Minturn Market Fund
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Minturn Market	\$ 64,500	\$ 53,500	\$ (11,000)
Total Revenues	<u>64,500</u>	<u>53,500</u>	<u>(11,000)</u>
Expenditures			
Minturn Market	64,500	61,475	3,025
Total Expenditures	<u>64,500</u>	<u>61,475</u>	<u>3,025</u>
Net Change in Fund Balance	-	(7,975)	(7,975)
Fund Balance, Beginning of year	<u>10,787</u>	<u>11,303</u>	<u>516</u>
Fund Balance, End of year	<u><u>\$ 10,787</u></u>	<u><u>\$ 3,328</u></u>	<u><u>\$ (7,459)</u></u>

Town of Minturn, Colorado
 Budget Comparison Schedule
 Minturn GID
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Expenditures			
General Government	\$ 250	\$ 110	\$ 140
Total Expenditures	<u>250</u>	<u>110</u>	<u>140</u>
Net Change in Fund Balance	(250)	(110)	140
Fund Balance, <i>Beginning of year</i>	<u>3,015</u>	<u>3,069</u>	<u>54</u>
Fund Balance, <i>End of year</i>	<u>\$ 2,765</u>	<u>\$ 2,959</u>	<u>\$ 194</u>

Town of Minturn, Colorado
 Budgetary Comparison Schedule
 Battle Mountain Capital Projects Fund
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Investment Income	\$ 1,000	\$ 3,050	\$ 2,806	\$ (244)
Total Revenues	<u>1,000</u>	<u>3,050</u>	<u>2,806</u>	<u>(244)</u>
Expenditures				
Parks and Recreation	<u>260,000</u>	<u>260,000</u>	<u>-</u>	<u>260,000</u>
Total Expenditures	<u>260,000</u>	<u>260,000</u>	<u>-</u>	<u>260,000</u>
Net Change in Fund Balance	(259,000)	(256,950)	2,806	259,756
Fund Balance, Beginning of year	<u>249,202</u>	<u>249,202</u>	<u>236,640</u>	<u>(12,562)</u>
Fund Balance, End of year	<u>\$ (9,798)</u>	<u>\$ (7,748)</u>	<u>\$ 239,446</u>	<u>\$ 247,194</u>

Town of Minturn, Colorado
 Budgetary Comparison Schedule
 Debt Service Fund
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Income	\$ 25	\$ 479	\$ 454
Rental Income	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Total Revenues	<u>165,025</u>	<u>165,479</u>	<u>454</u>
Expenditures			
Debt Service			
Principal	205,000	205,000	-
Interest and Fiscal Charges	<u>36,900</u>	<u>36,150</u>	<u>750</u>
Total Expenditures	<u>241,900</u>	<u>241,150</u>	<u>750</u>
Excess Revenues Over (Under) Expenditures	(76,875)	(75,671)	1,204
Other Financing Sources			
Transfers In	<u>76,875</u>	<u>75,930</u>	<u>(945)</u>
Net Change in Fund Balance	-	259	259
Fund Balance, Beginning of year	<u>203,852</u>	<u>203,807</u>	<u>(45)</u>
Fund Balance, End of year	<u><u>\$ 203,852</u></u>	<u><u>\$ 204,066</u></u>	<u><u>\$ 214</u></u>

Town of Minturn, Colorado
Budgetary Comparison Schedule
Water, Sanitation and Recreation Fund
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water Charges	\$ 773,121	\$ 774,406	\$ 759,022	\$ (15,384)
Water Tap Fees	9,500	9,500	-	(9,500)
Garbage Charges	109,000	109,000	108,526	(474)
Grants	25,000	25,000	6,820	(18,180)
Miscellaneous	19,000	19,000	10,715	(8,285)
Total Revenues	<u>935,621</u>	<u>936,906</u>	<u>885,083</u>	<u>(51,823)</u>
Expenses				
Operations	724,062	724,062	638,720	85,342
Maintenance	13,500	53,000	67,059	(14,059)
Depreciation	90,000	90,000	108,189	(18,189)
Capital Outlay	69,610	69,610	17,488	52,122
Debt Service				
Principal	5,665	5,665	5,843	(178)
Interest	9,721	9,721	8,999	722
Transfers Out	23,063	23,063	22,779	284
Total Expenses	<u>935,621</u>	<u>975,121</u>	<u>869,077</u>	<u>106,044</u>
Change in Net Position, Budgetary Basis	\$ <u>-</u>	\$ <u>(38,215)</u>	16,006	\$ <u>54,221</u>
Reconciliation to GAAP Basis				
Capital Outlay			17,488	
Debt Service Principal			<u>5,843</u>	
Change in Net Position, GAAP Basis			\$ <u>39,337</u>	

Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT				City or County:	
				YEAR ENDING : December 2017	
This Information From The Records Of (example - City of _ or County of Town of Minturn County of Eagle				Prepared By: Jay Brunvand Phone: 970/827-5645	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway- User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES			III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	0		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	55,358		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations	290,984	b. Snow and ice removal	193,416		
3. Other local imposts (from page 2)	42,559	c. Other			
4. Miscellaneous local receipts (from page 2)	11,359	d. Total (a. through c.)	193,416		
5. Transfers from toll facilities		4. General administration & miscellaneous			
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	142,142		
a. Bonds - Original Issues		6. Total (1 through 5)	390,916		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest			
7. Total (1 through 6)	344,902	b. Redemption			
B. Private Contributions		c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	46,014	2. Notes:			
D. Receipts from Federal Government (from page 2)	0	a. Interest			
E. Total receipts (A.7 + B + C + D)	390,916	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)	390,916		
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
	0	390,916	390,916	0	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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	11,359
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 & Road/Bridge	42,559	g. Other Misc. Receipts	
6. Total (1. through 5.)	42,559	h. Other	
c. Total (a. + b.)	42,559	i. Total (a. through h.)	11,359
	(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	39,314	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	6,700	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Road and Bridge)		f. Other Federal	
f. Total (a. through e.)	6,700	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	46,014	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)
Notes and Comments:			