TOWN OF CRESTED BUTTE, COLORADO

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2018

C O N T E N T S

Chadwick, Steinkirchner, Davis & Co., P.C. Consultants and Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

September 30, 2019

Town Council
Town of Crested Butte, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Crested Butte, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Crested Butte, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Affordable Housing Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Town of Crested Butte, Colorado
September 30, 2019
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Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2018

Our discussion and analysis of the Town of Crested Butte's financial performance provides an overview of the Town of Crested Butte's financial activities for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town of Crested Butte.

A. FINANCIAL HIGHLIGHTS

- The Town's assets exceed liabilities and deferred inflows by $48,909,131 (i.e. net position) at the end of the year, an increase of $2,610,857 from the prior year.
- Governmental funds reported combined ending fund balances of $14,732,901 an increase of $982,210 in comparison to prior year.
- The Town's unassigned fund balance for the general fund, which includes the sales tax fund under Governmental Accounting Standards Board (GASB) 54 reporting requirements, was $5,377,571 an increase of $1,053,011 in comparison to prior year.
    i. The Town of Crested Butte's total long-term liabilities decreased by $256,161 during 2018 due to debt payments associated with the Town's wastewater treatment plant upgrade and water treatment plant capital improvements.

B. PROJECT HIGHLIGHTS

- New affordable housing units were developed in Blocks 79 and 80.
- Trampe Ranch conservation project, in concert with other conservation organizations, completed.
- Center for the Arts in-kind work. This included removing old asphalt parking and playground, installing necessary sewer and irrigation lines, leveling the lot to prepare for build.
- Construction work largely completed on the wastewater treatment plant upgrade. There were several significant reasons for the upgrade. Those include, State of Colorado requirement for redundancy in treatment processes, equipment being at the end of their useful lives, and new State requirements for nutrient removal standards.

C. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Proprietary Funds. Proprietary funds are maintained as follows:

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

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

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

D. GOVERNMENT-WIDE FINANCIAL ANALYSIS

At December 31, 2018, total net position was $48,909,131, an increase of $2,610,857 from the prior year. This increase was largely due to increases in cash position and investment in joint venture along with capital asset purchases during the year.

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

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

The following table summarizes the Town's net position as of December 31, 2018

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Net Position

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	$22,161,942	$5,026,224	$27,188,166
Invested in joint venture	$2,323,750		$2,323,750
Restricted for:			$0
Open Space	$927,364		$927,364
Parking	$14,057		$14,057
Law enforcement	$394		$394
Emergencies	$290,000		$290,000
Unrestricted	$13,403,117	$4,762,283	$18,165,400
	$39,120,624	$9,788,507	$48,909,131

E. FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

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

As of December 31, 2018, the Town's governmental funds reported combined ending fund balance of $14,732,901, an increase of $982,210 over prior year. Of the combined ending fund balance for all governmental funds 36% of this amount or $5,516,367, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The Town has four major governmental funds. They are General, General Capital, Affordable Housing and Street and Alley. The Town has one other governmental fund, the Conservation Trust Fund which accounts for the funds received from the Colorado State Lottery Commission.

The General fund is the primary operating fund for the Town of Crested Butte. Under the fund reporting requirements of GASB 54, the sales tax fund is now combined into the General fund for reporting purposes. At the end of 2018, unassigned fund balance for the general fund was $5,377,571. This unassigned fund balance is approximately 105% of the total 2018 expenditures of the combined General fund. The unassigned fund balance increased by $1,053,011 during 2018.

The General Capital fund accounts for general capital acquisitions and maintenance expenditures. Real estate transfer taxes and use tax revenues are its major sources of revenue. At the end of 2018, the General Capital fund balance available for capital projects was $6,220,538, a decrease of $86,151.

The Affordable Housing fund accounts for development of affordable housing units, including acquisition and maintenance expenditures for Town owned units and infrastructure development for affordable housing area within Town. Its main source of revenue is an excise tax assessed on short term rentals in Town. Other sources of revenue include fee assessment on certain building permits within Town, and grants. Its total fund balance was $441,954 at the end of 2018, an increase of $224,702. The increase was largely due to the excise tax, which went into effect January 2018.

The Street and Alley fund accounts for construction and maintenance expenditures on the Town's streets, alleys, right of ways, sidewalks and parking lots. Its main source of revenue is a dedicated property tax. Its total fund balance was $2,201,475 at the end of 2018, an increase of $239,112. A significant portion of the increase was due to parking in lieu fees associated with new construction projects.

Proprietary funds. The Town has one enterprise fund which accounts for sewer, water, and trash operations. Year-end unrestricted net position of the sewer and water fund amounted to $4,762,383 in 2018, an increase of $608,122. Year-end total net position amounted to $9,298,314 in 2018, an increase of $751,098. The majority of this increase is in an increase in capital assets associated with the wastewater treatment plant upgrade.

F. BUDGETARY HIGHLIGHTS

There was a budget amendment made to the Affordable Housing Fund during 2018. The Affordable Housing Fund budget expense increase of approximately $134,818 was due to self-funding some construction projects in the Paradise Park subdivision. These increased costs were more than offset by higher than expected revenues, coming from excise tax and housing payments in liew. Revenues and expenditures in all funds were closely monitored throughout the year.

G. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town of Crested Butte invested $5,741,688 in capital assets for its governmental and business type activities in 2018. As required by GASB34, the investment in capital assets includes land, buildings, improvements other than buildings, equipment, water systems, sewer systems and infrastructure.

Long-term Debt. At the end of 2018, the total outstanding long-term debt of the Town was $3,457,946, a slight decrease from 2017. Of the outstanding debt, $3,447,237 is revenue backed debt and $10,709 is lease obligations. The amount attributable to governmental activities is $10,709 and the amount attributable to business-type activities is $3,447,237.

H. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The Town of Crested Butte continues to maintain strong reserve balances.
- Real estate transfer tax is the majority of revenue for the General Capital fund. The real estate market in 2018 was up compared to the 2017 market, with the majority of sales being residential. The 2019 budget anticipates real estate transfer tax to be consistent with 2018.

- We estimate sales tax collections for 2019 to be up 1.5% from 2018. The local economy, and associated sales tax collections, are trending positively, primarily due to expanded tourism during both peak and shoulder seasons.
- The construction market, which generates building fees, use and sales tax revenues, sewer/water tap-in fees and affordable housing fees, was up slightly in 2018. The total valuation of construction projects increased, largely due to the Center for the Arts project, Horseshoe commercial development, high priced new residential units and affordable housing. We anticipate construction activity to be consistent in 2019.
- The 2019 budget has appropriations for several large one-time projects:
    i. Long Lake conservation project
    ii. Pedestrian bridge stabilization
    iii. ADA lift in the Old Town Hall
    iv. Yelenick Park playground
    v. Rainbow Park resurfacing
    vi. Cypress annexation – land purchase for use as an affordable housing lot
    vii. Water Treatment Plant upgrade project
    viii. Building an additional affordable housing units
- The 2019 budget anticipates using $672,724 out of fund reserves, primarily for capital projects such as Long Lake conservation and Parks.

I. REQUEST FOR INFORMATION

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

Town of Crested Butte, Colorado

STATEMENT OF NET POSITION

December 31, 2018

		Governmental Activities		Business-type Activities		Total
ASSETS						
Cash and investments	$	14,344,786	$	6,781,455	$	21,126,241
Cash and investments, restricted		394		25,000		25,394
Property taxes receivable		1,003,253		-		1,003,253
Other receivables, net of allowance for uncollectible		12,961		222,004		234,965
Intergovernmental receivable		471,660		5,870		477,530
Internal balances		1,918,461		(1,918,461)		-
Inventory		-		8,363		8,363
Investment in joint venture		2,323,750		-		2,323,750
Capital assets						
Land		10,584,138		27,610		10,611,748
Construction in progress		855,016		3,632,981		4,487,997
Buildings, net		3,396,294		72,382		3,468,676
Improvements other than buildings, net		2,808,464		22,442		2,830,906
Equipment, net		1,389,995		333,729		1,723,724
Infrastructure, net		3,172,343		4,579,035		7,751,378
Total assets		42,281,515		13,792,410		56,073,925
LIABILITIES						
Accounts payable		231,320		310,761		542,081
Accrued liabilities		112,050		34,170		146,220
Compensated absences payable		97,971		17,017		114,988
Due to other governments		164,719		-		164,719
Funds held for others		1,486,079		-		1,486,079
Long-term liabilities						
Portion due or payable within one year						
Capital leases payable		33,599		-		33,599
Loans payable		-		198,632		198,632
Portion due or payable after one year						
Capital leases payable		10,709		-		10,709
Loans payable		-		3,443,323		3,443,323
Total liabilities		2,136,447		4,003,903		6,140,350
DEFERRED INFLOWS						
Property taxes		1,024,444		-		1,024,444
Total deferred inflows		1,024,444		-		1,024,444
NET POSITION						
Net investment in capital assets		22,161,942		5,026,224		27,188,166
Invested in joint venture		2,323,750		-		2,323,750
Restricted for:						
Open space		927,364		-		927,364
Parking		14,057		-		14,057
Law enforcement		394		-		394
Emergencies		290,000		-		290,000
Unrestricted		13,403,117		4,762,283		18,165,400
Total net position	$	39,120,624	$	9,788,507	$	48,909,131

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

STATEMENT OF ACTIVITIES

Year ended December 31, 2018

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Activities:							
Governmental:							
General government	$ 3,337,274	$ 715,545	$ 256,408	$ 23,088	$ (2,342,233)		$ (2,342,233)
Public safety	886,992	-	11,919	1,200	(873,873)		(873,873)
Highways and streets	970,384	9,094	-	10,000	(951,290)		(951,290)
Culture and recreation	2,250,077	123,901	61,767	147,813	(1,916,596)		(1,916,596)
Auxiliary services	1,218,867	53,556	-	-	(1,165,311)		(1,165,311)
Interest on long-term debt	2,659	-	-	-	(2,659)		(2,659)
Total governmental activities	8,666,253	902,096	330,094	182,101	(7,251,962)		(7,251,962)
Business-type							
Sewer and water	2,071,236	1,788,432	-	851,836		$ 569,032	569,032
Total business-type activities	2,071,236	1,788,432	-	851,836		569,032	569,032
Total	$ 10,737,489	$ 2,690,528	$ 330,094	$ 1,033,937			(6,682,930)
General revenues							
Property taxes					1,006,611	-	1,006,611
Specific ownership taxes					86,812	-	86,812
Sales and use taxes					5,219,782	-	5,219,782
Excise taxes					285,447	-	285,447
Franchise taxes					43,048	-	43,048
Real estate transfer taxes					1,503,886	-	1,503,886
Other taxes and miscellaneous revenue					112,022	-	112,022
Investment in joint venture					309,710	-	309,710
Gain on sale of capital assets					651,606	-	651,606
Investment earnings					35,773	39,090	74,863
Total general revenues					9,254,697	39,090	9,293,787
Change in net position					2,002,735	608,122	2,610,857
Net position, beginning					37,117,889	9,298,314	46,416,203
Prior period adjustment					-	(117,929)	(117,929)
					37,117,889	9,180,385	46,298,274
Net position, ending					$ 39,120,624	$ 9,788,507	$ 48,909,131

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2018

	General Fund	General Capital Fund	Affordable Housing Fund	Street and Alley Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	$ 5,228,027	$ 6,483,743	$ 354,336	$ 2,229,321	$ 49,359	$ 14,344,786
Cash and investments, restricted	394	-	-	-	-	394
Receivables						
Taxes	604,661	-	41,590	768,237	-	1,414,488
Intergovernmental	47,925	12,500	-	-	-	60,425
Other	11,426	-	1,535	-	-	12,961
Due from other funds	2,339,701	-	243,857	6,742	3,801	2,594,101
Total assets	8,232,134	6,496,243	641,318	3,004,300	53,160	18,427,155
LIABILITIES						
Accounts payable	175,523	29,806	6,335	19,656	-	231,320
Accrued liabilities	84,909	12,209	-	14,932	-	112,050
Due to other governments	164,719	-	-	-	-	164,719
Funds held for others	1,486,079	-	-	-	-	1,486,079
Due to other funds	248,922	233,690	193,029	-	-	675,641
Total liabilities	2,160,152	275,705	199,364	34,588	-	2,669,809
DEFERRED INFLOWS						
Property taxes	256,207	-	-	768,237	-	1,024,444
Total deferred inflows	256,207	-	-	768,237	-	1,024,444
FUND BALANCE						
Restricted						
TABOR emergency reserve	290,000	-	-	-	-	290,000
Marshal's seizure fund	394	-	-	-	-	394
Conservation	-	-	-	-	53,160	53,160
Committed						
Affordable housing	-	-	441,954	-	-	441,954
Open space	-	927,364	-	-	-	927,364
Parking	-	-	-	14,057	-	14,057
Streets	-	-	-	2,187,418	-	2,187,418
Transportation	90,174	-	-	-	-	90,174
Assigned						
Capital projects	-	3,866,845	-	-	-	3,866,845
Whatever USA Ice Rink/Warming House Improvements	-	201,848	-	-	-	201,848
Center for the arts project	57,635	-	-	-	-	57,635
Next year's expenditures	-	1,224,481	-	-	-	1,224,481
Unassigned	5,377,571	-	-	-	-	5,377,571
Total fund balance	$ 5,815,774	$ 6,220,538	$ 441,954	$ 2,201,475	$ 53,160	$ 14,732,901

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

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

December 31, 2018

Amounts reported for governmental activities on the statement of net position are different because:

Total fund balance - governmental funds	$	14,732,901
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		22,206,251
Investment in joint venture is reported in the statement of net position, not reported in the governmental funds.		2,323,750
Long-term liabilities such as capital leases and compensated absences payable are not due and payable in the current period, and therefore, are not reported in the funds.		(142,279)
Net position - governmental activities	$	39,120,623

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended December 31, 2018

	General Fund	General Capital Fund	Affordable Housing Fund	Street and Alley Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 5,403,719	$ 1,747,012	$ 285,447	$ 764,248	$ -	$ 8,200,426
Licenses and permits	587,686	-	-	-	-	587,686
Intergovernmental	16,559	1,200	23,088	61,767	11,919	114,533
Charges for services	129,296	-	53,556	-	-	182,852
Housing payments in lieu	-	-	256,407	-	-	256,407
Parking in lieu	-	-	-	147,813	-	147,813
Fines and forfeitures	57,696	-	-	-	-	57,696
Investment earnings	30,478	2,561	-	-	50	33,089
Miscellaneous	92,528	29,949	-	4,687	-	127,164
Total revenues	6,317,962	1,780,722	618,498	978,515	11,969	9,707,666
Expenditures						
Current						
General government	2,226,006	203,134	281,468	23,146	-	2,733,754
Public safety	850,867	-	-	-	-	850,867
Highways and streets	461,563	-	-	382,503	-	844,066
Culture and recreation	480,620	577,793	-	-	-	1,058,413
Auxiliary services	1,218,867	-	-	-	-	1,218,867
Capital outlay	-	1,510,912	762,328	333,754	-	2,606,994
Debt service						
Principal	-	61,442	-	-	-	61,442
Interest	-	2,659	-	-	-	2,659
Total expenditures	5,237,923	2,355,940	1,043,796	739,403	-	9,377,062
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,080,039	(575,218)	(425,298)	239,112	11,969	330,604
Other financing sources (uses)						
Transfer in (out)	(487,461)	487,461	-	-	-	-
Sale of capital assets	-	1,606	100,000	-	-	101,606
Debt proceeds	-	-	-	-	-	-
Total other financing sources (uses)	(487,461)	489,067	100,000	-	-	101,606
Special Item						
Deed restriction settlement	-	-	550,000	-	-	550,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES EXPENDITURES AND OTHER FINANCING SOURCES AND SPECIAL ITEMS	592,578	(86,151)	224,702	239,112	11,969	982,210
Fund balance at beginning of year	5,223,196	6,306,689	217,252	1,962,363	41,191	13,750,691
Fund balance at end of year	$ 5,815,774	$ 6,220,538	$ 441,954	$ 2,201,475	$ 53,160	$ 14,732,901

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ 982,210
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period ($1,567,380 - $896,087).	671,293
Change in investment in joint venture	309,710
Under the modified accrual basis of accounting used in the governmental funds, expenditures for accrued compensated absences are not recognized because they are not paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, these expenses and liabilities are reported regardless of when financial resources are available. This adjustment shows the change in the accrued compensated absences balance.	(21,920)
Governmental funds report the repayment of principal on long-term debt as expenditures. However, these repayments are not reported in the statement of activities, but as a reduction of debt in the statement of net position. This amount is the effect of the difference in the treatment of these repayments.	61,442
Change in net position of governmental activities	$ 2,002,735

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes				
General property taxes	$ 244,046	$ 244,046	$ 242,364	$ (1,682)
Specific ownership taxes	50,000	50,000	86,812	36,812
Use tax	110,000	110,000	166,684	56,684
Sales tax	4,308,970	4,308,970	4,864,163	555,193
Franchise tax	45,000	45,000	43,049	(1,951)
Interest on delinquent taxes	18,750	18,750	647	(18,103)
Total taxes	4,776,766	4,776,766	5,403,719	626,953
Licenses and permits				
Liquor licenses	8,000	8,000	13,008	5,008
Business licenses	31,100	31,100	37,821	6,721
Building permits	92,500	92,500	195,284	102,784
Occupation licenses	54,000	54,000	47,716	(6,284)
Non-business licenses/permits	25,850	25,850	25,257	(593)
Total licenses and permits	211,450	211,450	319,086	107,636
Intergovernmental				
Tobacco tax	9,000	9,000	10,115	1,115
Grants and fees	400,505	400,505	-	(400,505)
Motor vehicle fees	6,500	6,500	6,444	(56)
Total intergovernmental	416,005	416,005	16,559	(399,446)
Charges for services				
Management fees				
Sewer and Water fund	65,000	65,000	65,004	4
Energy mitigation fee	-	-	(52,724)	(52,724)
Vehicle maintenance	18,000	18,000	18,000	-
Recreation	96,000	96,000	99,016	3,016
Total charges for services	179,000	179,000	129,296	(49,704)
Fines and forfeitures	58,250	58,250	57,696	(554)
Miscellaneous				
Earnings on investments	6,200	6,200	30,478	24,278
Rents	40,000	40,000	66,199	26,199
Other	11,550	11,550	26,329	14,779
Contribution from reserves	-	-	-	-
Total miscellaneous	57,750	57,750	123,006	65,256
Total revenues	5,699,221	5,699,221	6,049,362	350,141

Town of Crested Butte, Colorado

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

Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Expenditures				
Current				
General government				
General	437,392	437,392	425,232	12,160
Court	7,360	7,360	6,802	558
Legislative	114,975	114,975	77,331	37,644
Legal	264,100	264,100	238,874	25,226
Clerk	168,624	168,624	169,584	(960)
Administration	173,645	173,645	185,079	(11,434)
Finance	407,273	407,273	372,762	34,511
Bozar	516,506	516,506	427,239	89,267
Facilities maintenance	211,112	211,112	190,739	20,373
Transportation - other	21,700	21,700	132,364	(110,664)
Total general government	2,322,687	2,322,687	2,226,006	96,681
Public safety				
Marshal	900,437	900,437	850,867	49,570
Culture and recreation	862,962	862,962	480,620	382,342
Highways and streets	538,384	538,384	461,563	76,821
Auxiliary services				
Community development	281,993	281,993	334,510	(52,517)
Transportation Mountain Express	813,829	813,829	884,357	(70,528)
Total auxiliary services	1,095,822	1,095,822	1,218,867	(123,045)
Debt service				
Principal	6,040	6,040	-	6,040
Interest	-	-	-	-
Total debt service	6,040	6,040	-	6,040
Total expense	5,726,332	5,726,332	5,237,923	488,409
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,111)	(27,111)	811,439	838,550
Other financing sources				
Transfers in (out)	(563,331)	(563,331)	(487,461)	75,870
	(563,331)	(563,331)	(487,461)	75,870
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(590,442)	(590,442)	323,978	914,420
Fund balance, beginning of year	5,223,196	5,223,196	5,223,196	-
Fund balance, end of year	$ 4,632,754	$ 4,632,754	$ 5,547,174	$ 914,420

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Housing payment in lieu	$ 45,000	$ 45,000	$ 256,407	$ 211,407
Excise tax	-	-	285,447	285,447
Duplex rent/sales	38,000	38,000	48,046	10,046
Red Lady Estate rent/sales	5,220	5,220	5,510	290
Grants	-	-	23,088	23,088
Earnings on investments	300	300	-	(300)
Contribution from reserves	135,000	135,000	-	(135,000)
Total revenues	223,520	223,520	618,498	394,978
Expenditures				
Administration	19,500	19,500	10,145	9,355
Affordable housing tap fees	132,000	132,000	192,444	(60,444)
Housing Authority fees	58,000	58,000	58,752	(752)
Capital outlay	310,000	444,820	762,328	(317,508)
Other	22,800	22,800	20,127	2,673
Total expenditures	542,300	677,120	1,043,796	(366,676)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(318,780)	(453,600)	(425,298)	28,302
Other financing sources				
Sale of assets	100,000	100,000	100,000	-
Special Item				
Deed restriction settlement	-	-	550,000	550,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES OTHER FINANCING SOURCES AND SPECIAL ITEMS	(218,780)	(353,600)	224,702	578,302
Fund balance, beginning of year	217,252	217,252	217,252	-
Fund balance, end of year	$ (1,528)	$ (136,348)	$ 441,954	$ 578,302

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

Town of Crested Butte, Colorado

STATEMENT OF NET POSITION
ENTERPRISE FUND

December 31, 2018

		Business-type Activities Sewer and Water Fund
ASSETS		
Current assets		
Cash		$ 6,781,455
Restricted cash		25,000
Accounts receivable		222,004
Due from other governments		5,870
Inventory		8,363
	Total current assets	7,042,692
Noncurrent assets		
Capital assets		
Land		27,610
Construction in Progress		3,632,982
Buildings		149,980
Improvements other than buildings		63,634
Water plant and system		4,434,404
Sewer plant and system		6,728,355
Equipment		1,108,329
Vehicles		195,516
Less accumulated depreciation		(7,672,631)
	Total noncurrent assets	8,668,179
	Total assets	15,710,871
LIABILITIES		
Current liabilities		
Accounts payable		310,761
Accrued liabilities		21,056
Accrued interest payable		13,114
Compensated absences payable		17,017
Due to other funds		1,918,461
Current portion of long-term debt		198,632
	Total current liabilities	2,479,041
Noncurrent liabilities		
Loans payable, net of current portion		3,443,323
	Total noncurrent liabilities	3,443,323
	Total liabilities	5,922,364
NET POSITION		
Net investment in capital assets		5,026,224
Unrestricted		4,762,283
	Total net position	$ 9,788,507

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	Business-type Activities
	Sewer and Water Fund
Charges for services	$ 1,788,432
Operating expenses	
Operations and maintenance	1,304,352
Management fee - General fund	65,004
Contractor payments	258,075
Depreciation	359,701
Total operating expenses	1,987,132
Operating income (loss)	(198,700)
Nonoperating revenues (expenses)	
Grants	193,254
Investment income	39,090
Gain on loss of capital asset	-
Interest expense	(84,104)
Total nonoperating revenues (expenses)	148,240
Income (loss) before capital contributions	(50,460)
Capital contributions - tap fees	658,582
Change in net position	608,122
Net position, beginning of year	9,298,314
Prior period adjustment	(117,929)
Net position, beginning of year, restated	9,180,385
Net position, end of year	$ 9,788,507

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado

STATEMENT OF CASH FLOWS
ENTERPRISE FUND

Year ended December 31, 2018

		Sewer and Water Fund
Cash flows from operating activities		
Cash received from customers	$	1,782,554
Cash paid to suppliers		(924,406)
Cash paid to and for employees		(623,185)
Cash payments for internal services		(65,004)
Net cash provided by operating activities		169,959
Cash flows from noncapital financing activities		
Change in due from/to other funds		1,889,961
Net cash provided by noncapital financing activities		1,889,961
Cash flows from capital and related financing activities		
Acquisition of capital assets		(1,932,818)
Grants		395,293
Proceeds from tap fees		658,582
Principal payments on long-term debt		(194,718)
Interest paid on long-term debt		(75,765)
Net cash provided by capital and related financing activities		(1,149,426)
Cash flows from investing activities		
Interest received		39,090
Net cash provided by investing activities		39,090
Net increase (decrease) in cash and cash equivalents		949,584
Cash and cash equivalents, beginning of year		5,856,871
Cash and cash equivalents, end of year	$	6,806,455

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

Operating income (loss)	$	(198,700)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation		359,701
(Increase) decrease in accounts receivable		(5,878)
(Increase) decrease in inventory		13,981
Increase (decrease) in accounts payable		-
Increase (decrease) in accrued liabilities		855
Total adjustments		368,659
Net cash provided by operating activities	$	169,959

The accompanying notes are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation

Governmental Fund Types

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

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

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

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

Proprietary Fund Types

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

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

Government-wide Financial Statements

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements

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

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

Governmental Fund Financial Statements

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

Budget

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

Property Tax Calendar

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

Recognition of Grant Revenue

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capitalized Tap Fees

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of more than one year, and for which the initial, individual value equals or exceeds $5,000. Infrastructure assets with a value that equals or exceeds $25,000 are capitalized.

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

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Long-Term Liabilities

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

Accrued Liabilities for Compensated Absences

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

Net Position

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

Capitalization of Enterprise Fund Interest Expense

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

Sales Tax Revenues

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

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

If the General Fund does not need its share of the 4% sales tax, the remainder is distributed to other funds as needed. The amount needed for the General Fund is determined during the budget process. During 2018, the General Fund received 71% of sales tax revenue and the General Capital fund received 10%

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Joint Venture

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

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

Seizure Funds

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

Inventories and Prepaid Items

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

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

Cash and Cash Equivalent

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance

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

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expense and inventory), or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the Town's highest level of decision making authority, the Board of Trustees, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Trustees.

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

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

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

Use of Estimates

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

NOTE B – INTERFUND TRANSACTIONS

Interfund receivable and payable balances at December 31, 2018, which represent collections not yet distributed, are as follows:

	Interfund Receivables	Interfund Payable
General Fund	$ 2,339,702	$ 248,922
General Capital Fund	–	233,690
Conservation Trust Fund	3,801	
Affordable Housing Fund	243,857	193,029
Street and Alley Fund	6,742	–
Sewer and Water Fund	–	1,918,461
	$ 2,594,102	$ 2,594,102

Interfund administrative fees of $65,004 were charged by the General Fund to the Sewer and Water Fund for the year ended December 31, 2018.

NOTE C – CAPITAL ASSETS

	Balance December 31, 2017	Additions	Disposals	Balance December 31, 2018
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 10,503,269	$ 80,868	$ -	$ 10,584,137
Construction in progress	-	855,016	-	855,016
Total capital assets not being depreciated	10,503,269	935,884	-	11,439,153
Capital assets being depreciated				
Buildings	4,918,297	55,370	-	4,973,667
Improvements other than buildings	4,453,074	128,737		4,581,811
Infrastructure	5,632,583	-		5,632,583
Equipment	3,719,601	447,389	(106,937)	4,060,053
	18,723,555	631,496	(106,937)	19,248,114
Less accumulated depreciation:				
Buildings	(1,452,652)	(124,722)		(1,577,374)
Improvement other than buildings	(1,623,999)	(149,346)		(1,773,345)
Infrastructure	(2,150,262)	(309,980)		(2,460,242)
Equipment	(2,464,950)	(312,044)	106,937	(2,670,057)
	(7,691,863)	(896,092)	106,937	(8,481,018)
Capital assets being depreciated, net	11,031,692	(264,596)	-	10,767,096
Total Governmental Activities Capital Assets	$ 21,534,961	$ 671,288	$ -	$ 22,206,249

NOTE C – CAPITAL ASSETS – CONTINUED

	Restated Balance December 31, 2017	Additions	Disposals	Balance December 31, 2018
Business-type Activities				
Capital assets not being depreciated:				
Land	27,610	$ -	$ -	$ 27,610
Construction in progress	2,543,304	1,089,678	-	3,632,982
Total capital assets not being depreciated	2,570,914	1,089,678	-	3,660,592
Capital assets being depreciated				
Buildings	149,980	-	-	149,980
Improvements other than buildings	40,714	22,920	-	63,634
Water plant and distribution system	4,434,404	-	-	4,434,404
Sewer plant and collection system	6,728,355	-	-	6,728,355
Equipment	903,341	204,988	-	1,108,329
Vehicles	192,266	38,250	(35,000)	195,516
	12,449,060	266,158	(35,000)	12,680,218
Less accumulated depreciation:	.			
Buildings	(74,288)	(3,254)	-	(77,542)
Improvement other than buildings	(40,714)	(478)	-	(41,192)
Water plant and distribution system	(2,681,438)	(137,139)	-	(2,818,577)
Sewer plant and distribution system	(3,595,416)	(169,731)	-	(3,765,147)
Equipment	(837,405)	(24,818)	-	(862,223)
Vehicles	(118,669)	(24,280)	35,000	(107,949)
	(7,347,930)	(359,700)	35,000	(7,672,630)
Capital assets being depreciated, net	5,101,130	(93,542)	-	5,007,588
Total Governmental Activities				
Capital Assets	$ 7,672,044	$ 996,136	$ -	$ 8,668,180

Depreciation was charged to governmental functions as follows:

General Government	$ 581,599
Public Safety	36,125
Culture and Recreation	152,050
Streets and Highways	126,318

NOTE D – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended December 31, 2018 were as follows:

	Balance 12/31/17	Additions	Reduction	Balance 12/31/18	Due Within One Year
Governmental Activities:					
Capitalized lease agreements	$ 105,750	$ –	$ (61,442)	$ 44,308	$ 33,599
Compensated absences	76,051	21,920	–	97,971	97,971
	$ 181,801	$ 21,920	$ (90,180)	$ 142,279	$ 131,570
Business-type Activities					
Revolving Fund Sewer Plant Loan	$1,034,526	$ –	$ (70,427)	$ 964,099	$ 71,842
CWRPDA WWTP Upgrade Loan	2,491,477	–	(105,624)	2,385,853	107,747
CWRPDA Water Tank Loan	310,670	–	(18,668)	292,002	19,043
Compensated absences	16,758	259	–	17,017	17,017
	$3,853,431	$ 259	$ (95,862)	$ 3,658,971	$ 215,649

Capitalized Leases:

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

	Year	Amount
	2019	$ 33,599
	2020	10,709
Present value of net minimum lease payments		$ 44,308

NOTE D – LONG-TERM LIABILITIES – CONTINUED

Water Pollution Control Revolving Fund – Direct Loan

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

	Principal	Interest	Total
2019	$ 71,842	$ 18,923	$ 90,765
2020	73,288	17,481	90,769
2021	74,759	16,008	90,767
2022	76,262	14,505	90,767
2023	77,795	12,972	90,767
2024-2028	413,068	40,767	453,835
2029-2030	177,085	4,449	181,534
	$ 964,099	$ 125,105	$ 1,089,204

Drinking Water Revolving Fund – Direct Loan

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

	Principal	Interest	Total
2019	$ 19,043	$ 5,745	$ 24,788
2020	19,425	5,363	24,788
2021	19,816	4,972	24,788
2022	20,215	4,573	24,788
2023	20,621	4,167	24,788
2024-2028	109,491	14,449	123,940
2029-2032	83,391	2,367	85,758
	$ 292,002	$ 41,636	$ 334,638

Water Pollution Control Revolving Fund – Direct Loan

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

	Principal	Interest	Total
2019	$ 107,747	$ 47,181	$ 154,928
2020	109,913	45,015	154,928
2021	112,122	42,806	154,928
2022	114,376	40,552	154,928

NOTE D – LONG-TERM LIABILITIES – CONTINUED

2023	116,674	38,254	154,928
2024-2028	619,507	155,133	774,640
2029-2033	684,321	90,319	774,640
2034-2037	521,193	21,054	542,247
	$ 2,385,853	$ 480,314	$ 2,866,167

At December 31, 2018, the WWTP Project which is being financed by the CWRPDA loan was not complete. The balance of the loan proceeds that have not been expended and received from CWRPDA are included in restricted cash in the amount of $24,999.

NOTE E – RETIREMENT PLAN

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

The medium of funding is by means of the accumulation of contributions in a trust fund. Each participant’s contribution to the plan varies from 6% to 12% of their monthly compensation depending on longevity. The Town matches the participant’s contribution each month on a dollar for dollar basis. Benefits payable upon retirement, resignation, death or disability were equal to the amounts accumulated for that participant. The Town’s contributions to the retirement plan in 2018 were $177,688. The Town’s total payroll for 2018 was $2,868,371 and contributions were calculated using the covered payroll amount of $2,248,860.

The liability for prior service benefits is fully funded.

NOTE F – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town's Enterprise Fund provides sewer, water and sanitation services. Segment information for the year ended December 31, 2018, is as follows:

	Sewer	Water	Sanitation	Total
Operating revenue	$ 834,429	$ 671,130	$ 282,873	$ 1,788,432
Operating expenses				
Depreciation	222,562	137,139	–	359,701
Other	913,572	455,784	258,075	1,627,431
Total operating expenses	1,136,134	592,923	258,075	1,987,132
Operating income (loss)	(301,705)	78,207	24,798	(198,700)
Non-operating income (expenses)				
Interest income	19,545	19,545	–	39,090
Grant	193,254	–	–	193,254
Interest expense	(77,984)	(6,120)	–	(84,104)
Total non-operating income (expenses)	134,815	13,425	–	148,240
Income (loss) before capital contribution	(166,890)	91,632	24,798	(50,460)
Capital contributions tap fees	375,326	283,256	–	658,582
Change in net position	$ 208,436	$ 374,888	$ 24,798	$ 608,122
Property and equipment				
Additions	$ 1,320,836	$ –	$ –	$ 1,320,836
Loans payable from operations	$ 3,349,952	$ 292,002	$ –	$ 3,641,954

NOTE G – JOINT VENTURE

Mountain Express

A condensed statement of net position of Mountain Express as of December 31, 2018, is as follows:

Assets	$ 5,281,567
Liabilities	528,286
Net position	$ 4,753,281

A condensed summary of revenues and expenses for the year ended December 31, 2018, is as follows:

Revenues	$ 2,715,329
Expenses	1,869,439
Net increase (decrease) in net position	$ 845,890

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

NOTE H – BUDGETS

There was one supplemental budget appropriations during 2018:

	Original Budget	Additional Appropriations	Final Budget
General Fund	$ 4,406,211	$ –	$ 4,406,211
General Capital Fund	3,135,604	–	3,135,604
Sewer and Water Fund	3,530,066	–	3,530,066
Conservation Trust Fund	–	–	–
Sales Tax Fund	4,857,427	–	4,857,427
Affordable Housing Fund	542,300	134,820	677,120
Street and Alley Fund	1,193,002	–	1,193,002
	$ 17,664,610	$ 134,820	$ 17,799,430

NOTE I – CASH AND INVESTMENTS

Cash

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Cash deposits are reported at carrying amount which reasonably estimates fair value. At December 31, 2018, 415,144 of the Town's deposits were covered by FDIC insurance and the $15,030,340 was covered under PDPA.

Investments

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

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

NOTE I – CASH AND INVESTMENT – CONTINUED

Local Government Investment Pool – At December 31, 2018, the Town had $5,788,760 invested in the Colorado Local Government Liquid Asset Trust (“Colotrust”), an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pool. The Pool operates similarly to a money market fund and each share is equal in value to $1.00. The Pool is rated AAAm by Standard and Poor’s. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the participating governments. These investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Cash and investment balances at December 31, 2018, consisted of the following:

Cash on hand and deposits	$ 15,338,739
Cash held be CWRPDA	24,999
Colotrust	5,787,897
	21,151,635
Less cash and investments, restricted	(25,394)
Cash and investments, unrestricted	$ 21,126,241

Cash and investments are restricted for the unspent Marshal’s seizure funds of $395 and the debt proceeds that are still held by CWRPDA for $24,999.

NOTE J – PUBLIC ENTITY RISK POOL

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

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

The Town’s 2018 contribution was $158,718 and its share of surplus at December 31, 2018 amounted to approximately $146,368 for the property and casualty pool and $114,407 for the workers compensation pool.

NOTE K – TAX, SPENDING AND DEBT LIMITATIONS

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

NOTE L – CONTINGENCIES

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

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

NOTE M – BUDGET COMPLIANCE

The Town exceeded budgeted appropriations in the Affordable Housing fund by $366,676 which may be a violation of State budget law.

NOTE N – PRIOR PERIOD ADJUSTMENT

The prior period adjustment is for $117,929 in retainage payable liabilities that were erroneously recognized twice in the December 31, 2017 financial statements. The effect of this adjustment is to decrease net position and construction in progress for capital assets that were overstated in the prior year.

SUPPLEMENTARY INFORMATION

Town of Crested Butte, Colorado

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2018

	Special Revenue	Total
	Conservation Trust	Nonmajor Governmental Funds
ASSETS		
Cash	$ 49,359	$ 49,359
Due from other funds	3,801	3,801
Total assets	53,160	53,160
FUND BALANCE		
Restricted to conservation	53,160	53,160
Total fund balance	$ 53,160	$ 53,160

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	Special Revenue	
	Conservation Trust	Total Nonmajor Governmental Funds
Revenues		
Intergovernmental	$ 11,919	$ 11,919
Earnings on investments	50	50
Total revenues	11,969	11,969
Expenditures		
Current		
Culture and recreation	-	-
Total expenditures	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,969	11,969
Fund balance at beginning of year	41,191	41,191
Fund balance at end of year	$ 53,160	$ 53,160

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Lottery proceeds	$ 8,100	$ 8,100	$ 8,131	$ 31
Earnings on investments	20	20	50	30
Miscellaneous	3,700	3,700	3,788	88
Total revenues	11,820	11,820	11,969	149
Expenditures				
Culture and recreation	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,820	11,820	11,969	149
Fund balance, beginning of year	41,191	41,191	41,191	-
Fund balance, end of year	$ 53,011	$ 53,011	$ 53,160	$ 149

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
General property taxes	$ 769,467	$ 769,467	$ 764,248	$ (5,219)
Highway users tax	51,274	51,274	61,767	10,493
Parking in lieu	-	-	147,813	147,813
Earnings on investments	3,500	3,500	-	(3,500)
Miscellaneous	5,500	5,500	4,687	(813)
Total revenues	829,741	829,741	978,515	148,774
Expenditures				
Administration	30,932	30,932	23,146	7,786
Highways and streets	389,570	389,570	382,503	7,067
Capital outlay	772,500	772,500	333,754	438,746
	1,193,002	1,193,002	739,403	453,599
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(363,261)	(363,261)	239,112	602,373
Fund balance, beginning of year	1,962,363	1,962,363	1,962,363	-
Fund balance, end of year	$ 1,599,102	$ 1,599,102	$ 2,201,475	$ 602,373

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Use tax	$ 170,000	$ 170,000	$ 243,126	$ 73,126
Transfer tax	1,100,000	1,100,000	1,503,886	403,886
Grants	47,000	47,000	1,200	(45,800)
Earnings on investments	6,500	6,500	2,561	(3,939)
Miscellaneous	11,000	11,000	29,949	18,949
Total revenues	1,334,500	1,334,500	1,780,722	446,222
Expenditures				
Current				
Administration	87,982	87,982	51,503	36,479
Contribution	22,400	22,400	14,488	7,912
Repairs, maintenance, supplies	174,000	174,000	139,951	34,049
Capital outlay				
Park improvement and maintenance	652,131	652,131	575,367	76,764
Cemetery improvements	10,000	10,000	11,680	(1,680)
Other	2,136,030	2,136,030	1,498,850	637,180
Debt service				
Principal	51,378	51,378	61,442	(10,064)
Interest	1,683	1,683	2,659	(976)
Total expenditures	3,135,604	3,135,604	2,355,940	779,664
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,801,104)	(1,801,104)	(575,218)	1,225,886
Other financing sources				
Transfers in	428,331	428,331	487,461	59,130
Sale of capital assets	3,000	3,000	1,606	(1,394)
Total other financing sources	431,331	431,331	489,067	57,736
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,369,773)	(1,369,773)	(86,151)	1,283,622
Fund balance, beginning of year	6,306,689	6,306,689	6,306,689	-
Fund balance, end of year	$ 4,936,916	$ 4,936,916	$ 6,220,538	$ 1,283,622

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Charges for services	$ 1,736,911	$ 1,736,911	$ 1,788,432	$ 51,521
Tap fees	270,000	270,000	658,582	388,582
Grants	358,000	358,000	193,254	(164,746)
Earnings on investments	10,000	10,000	39,090	29,090
Proceeds from debt issuance	200,000	200,000	-	(200,000)
Total revenues	2,574,911	2,574,911	2,679,358	104,447
Expenses				
Operations and maintenance	1,625,419	1,625,419	1,562,427	62,992
Management fees	65,000	65,000	65,004	(4)
Debt service principal	194,719	194,719	194,719	-
Debt service interest	69,937	69,937	84,104	(14,167)
Capital outlay	1,574,991	1,574,991	1,355,836	219,155
Total expenses	3,530,066	3,530,066	3,262,090	267,976
EXCESS OF REVENUES OVER (UNDER) EXPENSES	$ (955,155)	$ (955,155)	(582,732)	$ 372,423
Adjustments to bugetary basis				
Add debt service principal			194,719	
Add capital outlay			1,355,836	
Less depreciation			(359,701)	
Change in net position			$ 608,122	

Town of Crested Butte, Colorado

COMBINING BALANCE SHEET
GENERAL FUND AND RELATED SUB-FUND

December 31, 2018

	General Fund	Sales Tax Fund	Total General Fund
ASSETS			
Cash and investments	$ 1,024,796	$ 4,203,231	$ 5,228,027
Cash and investments, restricted	394	-	394
Receivables			
Taxes	256,207	348,454	604,661
Intergovernmental	-	47,925	47,925
Other	11,426	-	11,426
Due from other funds	5,955,861	-	5,955,861
Total assets	7,248,684	4,599,610	11,848,294
LIABILITIES			
Accounts payable	162,041	13,482	175,523
Accrued liabilities	84,909	-	84,909
Due to other governments	-	164,719	164,719
Funds held for others	1,486,079	-	1,486,079
Due to other funds	-	3,865,082	3,865,082
Total liabilities	1,733,029	4,043,283	5,776,312
DEFERRED INFLOWS			
Property taxes	256,207	-	256,207
Total deferred inflows	256,207	-	256,207
FUND BALANCE			
Restricted			
TABOR Emergency Reserve	-	290,000	290,000
Marshal's seizure fund	394	-	394
Committed			
Transportation	-	90,174	90,174
Assigned			
Center for the Arts project	-	57,635	57,635
Unassigned	5,259,054	118,517	5,377,571
Total fund balance	$ 5,259,448	$ 556,326	$ 5,815,774

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	General Fund				Sales Tax Fund				Total of Funds
	Budgeted Amounts			Variance with Final Budget Favorable	Budgeted Amounts			Variance with Final Budget Favorable	Total
	Original	Final	Actual	(Unfavorable)	Original	Final	Actual	(Unfavorable)	Actual
Revenues									
Taxes									
General property taxes	$ 244,046	$ 244,046	$ 242,364	$ (1,682)	$ -	$ -	$ -	$ -	$ 242,364
Specific ownership taxes	50,000	50,000	86,812	36,812	-	-	-	-	86,812
Use tax	110,000	110,000	166,684	56,684	-	-	-	-	166,684
Sales tax	50,000	50,000	77,243	27,243	4,258,970	4,258,970	4,786,920	527,950	4,864,163
Franchise tax	45,000	45,000	43,049	(1,951)	-	-	-	-	43,049
Interest on delinquent taxes	750	750	647	(103)	18,000	18,000	-	(18,000)	647
Total taxes	499,796	499,796	616,799	117,003	4,276,970	4,276,970	4,786,920	509,950	5,403,719
Licenses and permits									
Vacation rental licenses	165,000	165,000	268,600	103,600	-	-	-	-	268,600
Liquor licenses	8,000	8,000	13,008	5,008	-	-	-	-	13,008
Business licenses	31,100	31,100	37,821	6,721	-	-	-	-	37,821
Building permits	92,500	92,500	195,284	102,784	-	-	-	-	195,284
Occupation licenses	54,000	54,000	47,716	(6,284)	-	-	-	-	47,716
Non-business licenses/permits	19,850	19,850	18,982	(868)	-	-	-	-	18,982
Special event fees	6,000	6,000	6,275	275	-	-	-	-	6,275
Total licenses and permits	376,450	376,450	587,686	211,236	-	-	-	-	587,686
Intergovernmental									
Tobacco tax	9,000	9,000	10,115	1,115	-	-	-	-	10,115
Grants and fees	3,000	3,000	-	(3,000)	397,505	397,505	-	(397,505)	-
Motor vehicle fees	6,500	6,500	6,444	(56)	-	-	-	-	6,444
Total intergovernmental	18,500	18,500	16,559	(1,941)	397,505	397,505	-	(397,505)	16,559
Charges for services									
Management fees									
Sewer and Water fund	65,000	65,000	65,004	4	-	-	-	-	65,004
Energy mitigation fee	-	-	(52,724)	(52,724)	-	-	-	-	(52,724)
Vehicle maintenance	18,000	18,000	18,000	-	-	-	-	-	18,000
Recreation	96,000	96,000	99,016	3,016	-	-	-	-	99,016
Total charges for services	179,000	179,000	129,296	(49,704)	-	-	-	-	129,296
Fines and forfeitures	58,250	58,250	57,696	(554)	-	-	-	-	57,696
Miscellaneous									
Earnings on investments	5,000	5,000	12,808	7,808	1,200	1,200	17,670	16,470	30,478
Rents	40,000	40,000	66,199	26,199	-	-	-	-	66,199
Other	11,550	11,550	26,329	14,779	-	-	-	-	26,329
Contribution from reserves	-	-	-	-	-	-	-	-	-
Total miscellaneous	56,550	56,550	105,336	48,786	1,200	1,200	17,670	16,470	123,006
Total revenues	1,188,546	1,188,546	1,513,372	324,826	4,675,675	4,675,675	4,804,590	128,915	6,317,962

Town of Crested Butte, Colorado

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

Year ended December 31, 2018

	General Fund				Sales Tax Fund				Total of Funds
	Budgeted Amounts			Variance with Final Budget Favorable	Budgeted Amounts			Variance with Final Budget Favorable	Total
	Original	Final	Actual	(Unfavorable)	Original	Final	Actual	(Unfavorable)	Actual
Expenditures									
Current									
General government									
General	436,392	436,392	425,232	11,160	1,000	1,000	-	1,000	425,232
Court	7,360	7,360	6,802	558	-	-	-	-	6,802
Legislative	114,975	114,975	77,331	37,644	-	-	-	-	77,331
Legal	264,100	264,100	238,874	25,226	-	-	-	-	238,874
Clerk	168,624	168,624	169,584	(960)	-	-	-	-	169,584
Administration	173,645	173,645	185,079	(11,434)	-	-	-	-	185,079
Finance	407,273	407,273	372,762	34,511	-	-	-	-	372,762
Bozar	516,506	516,506	427,239	89,267	-	-	-	-	427,239
Facilities Maintenance	211,112	211,112	190,739	20,373	-	-	-	-	190,739
Transportation - other	-	-	-	-	21,700	21,700	132,364	(110,664)	132,364
Total general government	2,299,987	2,299,987	2,093,642	206,345	22,700	22,700	132,364	(109,664)	2,226,006
Public safety									
Marshal	900,437	900,437	850,867	49,570	-	-	-	-	850,867
Culture and recreation	409,370	409,370	376,419	32,951	453,592	453,592	104,201	349,391	480,620
Highways and streets	508,384	508,384	380,287	128,097	30,000	30,000	81,276	(51,276)	461,563
Auxiliary services									
Community development	281,993	281,993	334,510	(52,517)	-	-	-	-	334,510
Transportation - Mountain Express	-	-	-	-	813,829	813,829	884,357	(70,528)	884,357
Total auxiliary services	281,993	281,993	334,510	(52,517)	813,829	813,829	884,357	(70,528)	1,218,867
Debt service									
Principal	6,040	6,040	-	6,040	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total debt service	6,040	6,040	-	6,040	-	-	-	-	-
Total expenses	4,406,211	4,406,211	4,035,725	370,486	1,320,121	1,320,121	1,202,198	117,923	5,237,923
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,217,665)	(3,217,665)	(2,522,353)	695,312	3,355,554	3,355,554	3,602,392	246,838	1,080,039
Other financing sources and (uses)									
Transfers in (out)	2,973,976	2,973,976	3,415,103	441,127	(3,537,307)	(3,537,307)	(3,902,564)	(365,257)	(487,461)
	2,973,976	2,973,976	3,415,103	441,127	(3,537,307)	(3,537,307)	(3,902,564)	(365,257)	(487,461)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(243,689)	(243,689)	892,750	1,136,439	(181,753)	(181,753)	(300,172)	(118,419)	592,578
Fund balance, beginning of year	4,366,698	4,366,698	4,366,698	-	856,498	856,498	856,498	856,498	5,223,196
Fund balance, end of year	$ 4,123,009	$ 4,123,009	$ 5,259,448	$ 1,136,439	$ 674,745	$ 674,745	$ 556,326	$ 738,079	$ 5,815,774

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Crested Butte YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of _) Town of Crested Butte	Prepared By: Rob Zillioux Phone: 970-349-5338

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	0
3. Other local imposts (from page 2)	851,060.68 0
4. Miscellaneous local receipts (from page 2)	152,499.60 0
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	0
B. Private Contributions	0
C. Receipts from State government (from page 2)	68,211.16 0
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,071,771.44

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	302,866.68
2. Maintenance:	183,194.40
3. Road and street services:	
a. Traffic control operations	25,685.56
b. Snow and ice removal	123,084.41
c. Other	
d. Total (a. through c.)	0
4. General administration & miscellaneous	104,031.88
5. Highway law enforcement and safety	~~25,685.56~~
6. Total (1 through 5)	0
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
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)	739,402.93

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
1,962,363	1,071,771.44 0	739,402.93 0	2,294,731.51	0

Notes and Comments:

All pre-audited numbers.

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