TOWN OF TELLURIDE, COLORADO

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2018

CONTENTS

INDEPENDENT AUDITOR'S REPORT

July 2, 2019

Honorable Mayor and Town Council
Town of Telluride, 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 Telluride, Colorado (the Town), 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 from material misstatement.

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

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

Opinions

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

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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 and budgetary comparison information on pages 3–13 and 47–50 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's basic financial statements. The non-major governmental fund budget to actual schedules, the proprietary fund budgetary schedules, the combining statements for the general fund and THA, 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 supplementary information listed above and in the table of contents 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. 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 above identified supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole.

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

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

Grand Junction, Colorado

TOWN OF TELLURIDE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Required Supplementary Information

December 31, 2018

As management of the Town of Telluride, we offer readers the Town of Telluride's Financial Statements. This narrative overview and analysis of the financial activities of the Town is 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 Telluride.

A. FINANCIAL HIGHLIGHTS

- Telluride's assets exceeded its liabilities by $124,277,431 (i.e., net position) at the close of 2018 fiscal year, an increase of $5,348,890 compared to 2017.

- Governmental funds reported combined ending fund balances of $16,362,368 a decrease of $1,195,520 compared to 2017.

- Telluride's fund balance for the General Fund was $5,612,507, an increase of $13,994 compared to 2017.

- Telluride's fund balance includes a restricted three percent emergency reserve of $653,000, as required by Colorado state statute (TABOR), assigned $107,966 and the unassigned fund balance of $4,851,541.

- The Town's General Fund policy, as stated in the 2018 budget, is to have a minimum fund balance equal to at least 35 percent of the General Fund appropriations net of transfers, with a goal of a 20 percent balance. The 35 percent includes the required three percent state mandated emergency reserve.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Telluride'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 the Town's finances in a manner similar to a private sector business.

The government-wide financial statements use the accrual basis of accounting. Certain interfund activities including balances and transfers are eliminated in the government-wide financial statements.

The statement of net position presents information on all assets and liabilities, 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 only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, culture and recreation, economic development, and debt service interest. The business-type activities include water, sewer, parking and affordable housing activities.

The government-wide financial statements include only the Town itself (known as the primary government).

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The Town funds 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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds are separated into the following major funds: General Fund; Capital Improvement Fund; Open Space Fund and Affordable Housing Fund. All non-major funds are combined as other governmental funds.

An annual appropriated budget is adopted for all governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

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 enterprise funds are used to account for water and sewer operations and parking infrastructure. The proprietary fund financial statements provide separate information for water, sewer, parking, and housing operations, which are considered to be major funds.

An annual appropriated budget is adopted for all enterprise funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board.*

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the close of 2018, total net position was $124,277,431, an increase of $5,348,890 from prior year. The largest portion of net position is the net investment in capital assets (net of related debt) of $106,264,254. This amount reflects the investment in all capital assets (e.g., infrastructure, land, buildings, and equipment); less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business type net position for 2018 and 2017.

Tow n of Telluride, Colorado
December 31, 2018
Statement of Net Position

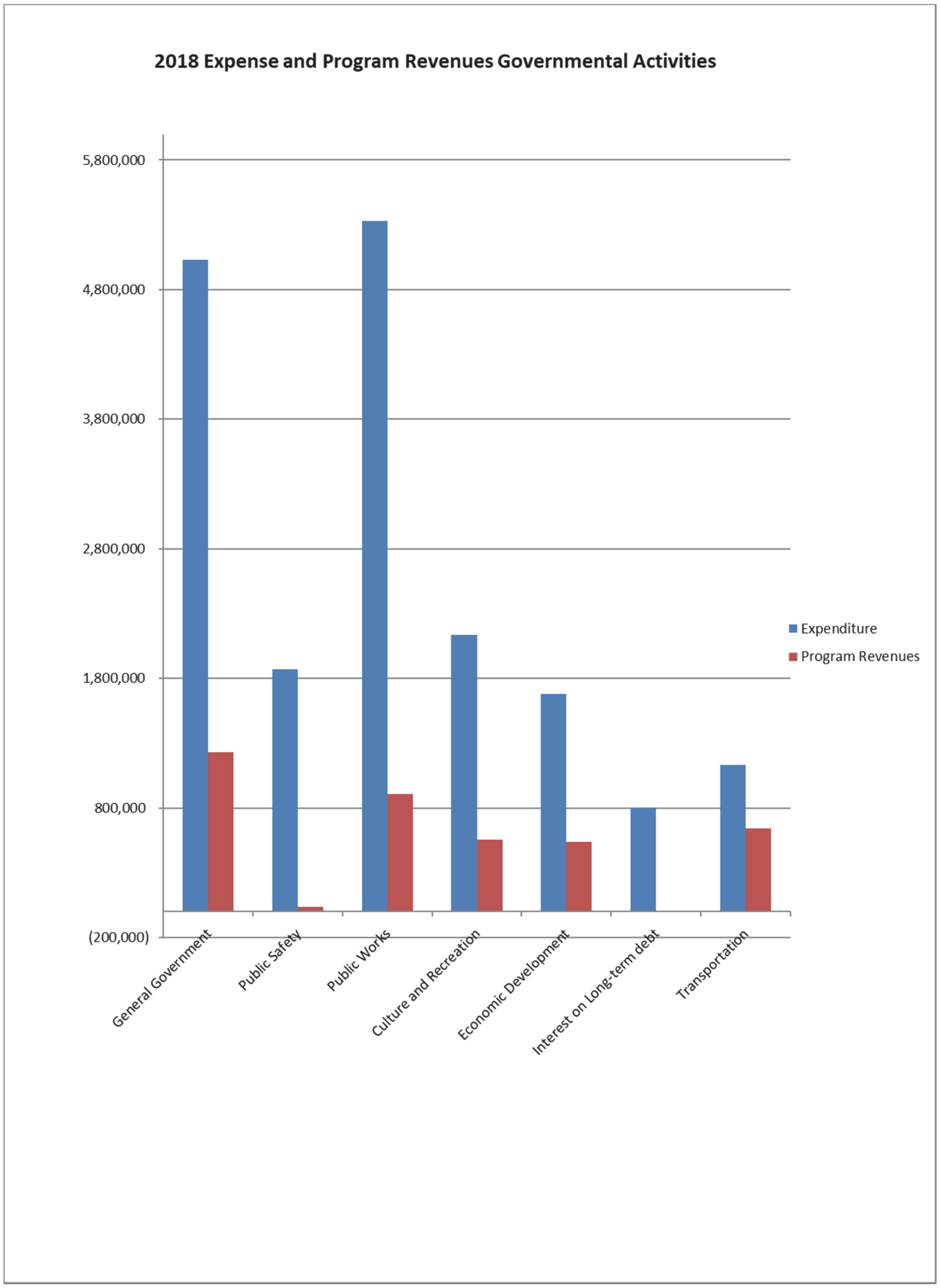
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	$ 19,152,533	$ 18,433,354	$ 1,508,428	$ (881,416)	$ 20,660,961	$ 17,551,938
Capital assets	103,246,178	99,474,877	51,023,402	42,174,321	154,269,580	141,649,198
Other Assets	116,981	2,144,732	5,004,679	9,350,460	5,121,660	11,495,192
Total assets	122,515,692	120,052,963	57,536,509	50,643,365	180,052,201	170,696,328
Liabilities						
Current liabilities	2,569,003	2,534,680	4,005,607	2,109,257	6,574,610	4,643,937
Non-currrent Liabilities:						
Due w ithin one year	266,374	701,269	44,229	1,091,140	310,603	1,792,409
Due in more than one year	17,581,233	17,638,297	29,322,578	26,401,902	46,903,811	44,040,199
Total liabilities	20,416,610	20,874,246	33,372,414	29,602,299	53,789,024	50,476,545
Deferred Inflows						
Property taxes	772,133	684,435	1,213,613	606,807	1,985,746	1,291,242
Total Deferred Inflows	772,133	684,435	1,213,613	606,807	1,985,746	1,291,242
Net Position:						
Net Investment in capital assets, net of						
related debt	84,928,694	81,135,311	21,335,560	14,681,279	106,264,254	95,816,590
Restricted	8,483,904	12,707,642	5,004,679	9,350,460	13,488,583	22,058,102
Unrestricted	7,914,351	4,651,329	(3,389,757)	(3,597,480)	4,524,594	1,053,849
Total net position	101,326,949	98,494,282	22,950,482	20,434,259	124,277,431	118,928,541

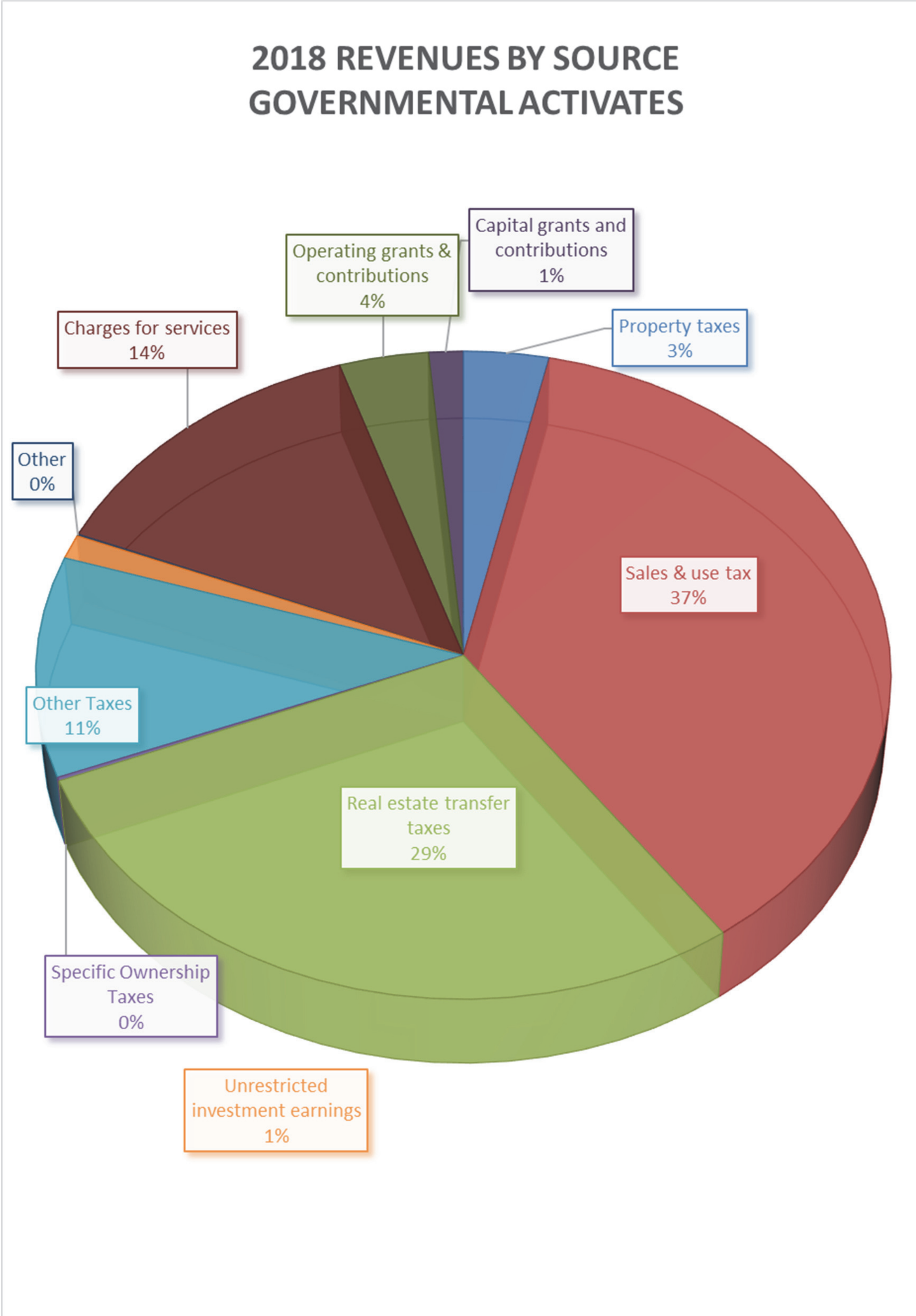
Changes in net position. Governmental and business-type activities increased the Town's net position by $5,348,890 in 2018.

The Telluride Housing Authority (THA) provides housing for employees who work within the boundaries of the Telluride R-1 School District. This includes the Shandoka Apartments and Virginia Placer units. THA is presented as a blended component unit because the members of the Town Council sit as the THA Board of Directors and the Town manages the property on behalf of THA. In recognizing the THA as a blended component unit.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program revenues						
Charges for services	$ 2,875,427	$ 4,080,851	$ 5,004,785	$ 5,308,943	$ 7,880,212	$ 9,389,794
Operating grants and contributions	750,001	1,059,838	600,091	449,815	1,350,092	1,509,653
Capital grants and contributions	288,899	-	217,147	-	506,046	-
General Revenues						
Property taxes	713,134	640,207	589,517	606,052	1,302,651	1,246,259
Other taxes	16,247,222	15,804,652	-	26,131	16,247,222	15,830,783
Grants and contributions not restricted to specific programs					-	-
Grants restricted to specific programs					-	-
Other	360,556	(400,026)	1,055,586	1,294,194	1,416,142	894,168
Debt					-	-
Transfers	(847,955)	795,060	847,955	(795,060)	-	-
Total revenues	20,387,284	21,980,582	8,315,081	6,890,075	28,702,365	28,870,657
EXPENSES						
General Government	5,032,735	5,531,865	177,430	-	5,210,165	5,531,865
Public Safety	1,870,006	1,810,668	-	-	1,870,006	1,810,668
Public Works	6,019,642	3,458,077	3,936,123	3,840,746	9,955,765	7,298,823
Culture and Recreation	2,135,665	2,859,144			2,135,665	2,859,144
Economic Development	987,524	2,343,988			987,524	2,343,988
Transportation	1,130,552	870,467			1,130,552	870,467
Housing			2,108,537	1,842,136	2,108,537	1,842,136
Interest on Long-term debt	800,893	916,838	-	-	800,893	916,838
Total Expenses	17,977,017	17,791,047	6,222,090	5,682,882	24,199,107	23,473,929
Increase in net position	2,410,267	4,189,535	2,092,991	1,207,193	4,503,258	5,396,728
Beginning net position-previous reported	98,494,282	94,304,747	20,434,259	19,227,066	118,928,541	113,531,813
Prior Period Adjustments	422,401		423,232		845,633	-
Classifaction Adjustments					-	-
Net Position - beginning as restated	98,916,683	91,031,109	20,857,491	18,104,726	119,774,174	109,135,835
Ending net position	$ 101,326,950	$ 98,494,282	$ 22,950,482	$ 20,434,259	$ 124,277,432	$ 118,928,541

Governmental activities. Governmental activities increased Telluride's net position by $2,832,667 thereby accounting for an increase in assets.

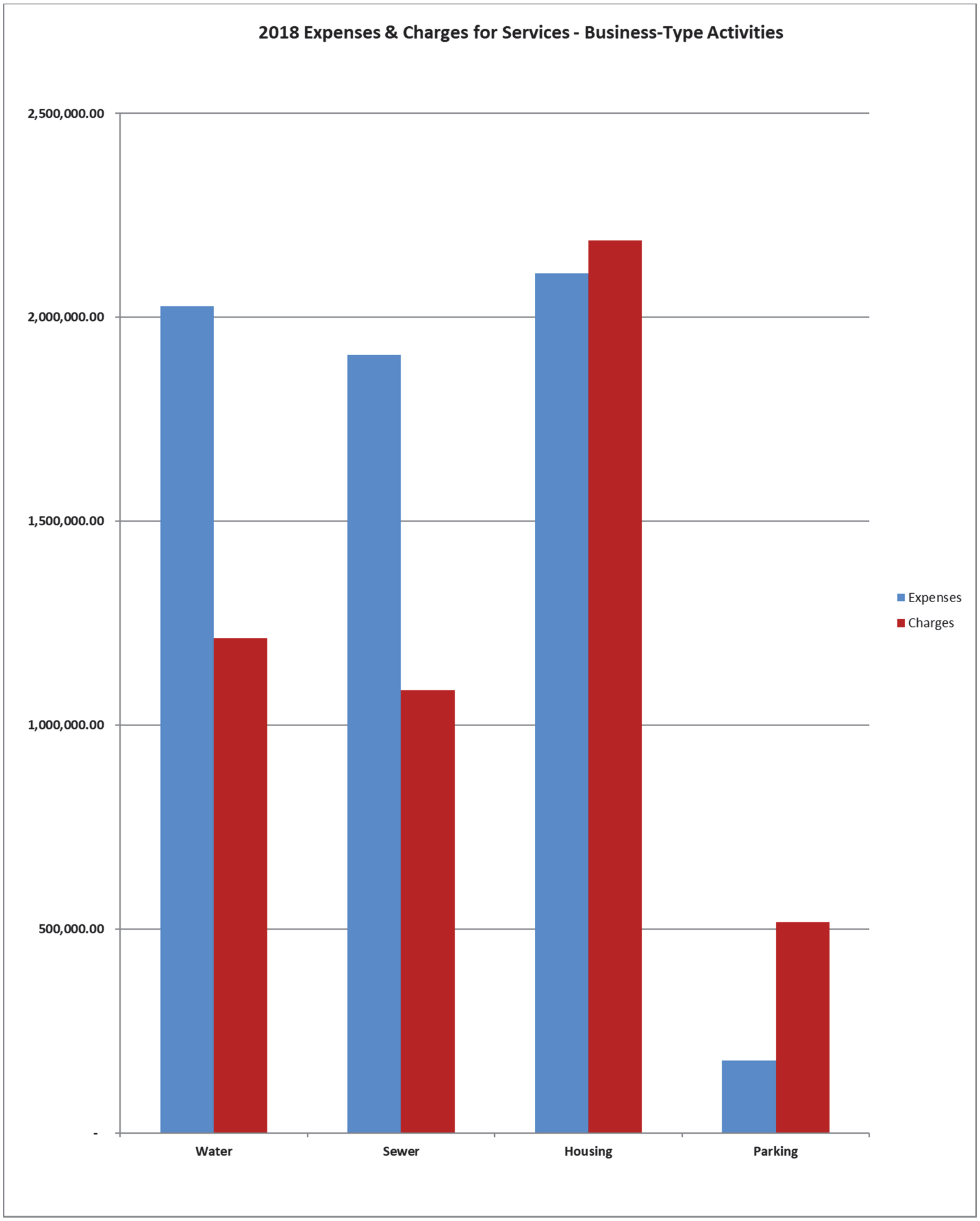




Real estate transfer tax decreased in 2018 by 1.04 percent from 2017.
Sales and use taxes decreased by 3.17 percent in 2018 from 2017.

Business activities. Business-type activities for the year resulted in an increase in net position of $2,516,223 compared to 2017.

Charges for services accounted for 86 percent of total business-type activities revenues.



D. FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

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 the end of 2018, the Town's governmental funds reported combined ending fund balances of $16,362,368, a decrease of $1,195,520 in comparison with the prior year.

The Town has four major governmental funds. They are General, Capital Improvement, Affordable Housing, and Open Space. Also included in the governmental funds, as a major fund is one component unit, Block 23 Housing Corporation.

The General Fund is the primary operating fund for the Town of Telluride. At the end of 2018, unassigned fund balance of the General Fund was $4,851,541. The required Colorado TABOR emergency reserve balance was $653,000 and an assigned balance of $107,966 for a total fund balance of $5,612,507. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund increased by $13,994 during 2018.

The Capital Improvement Fund accounts for general capital expenditures (other than proprietary fund expenditures). The fund is primarily funded by real estate transfer taxes. At the end of 2018, the Capital Improvement Fund balance was the same as the assigned balance of $2,512,351. The Capital Improvement Fund balance decreased by $334,481 during 2018.

The Debt Service Fund had a total fund balance of $20,816 at the end of 2018, all of which is restricted for debt service.

The Open Space Fund had a total restricted fund balance of $5,648,561 at the end of 2018. The fund balance is to be used for the acquisition and maintenance of open spaces. The fund is financed by 20 percent of unencumbered revenues generated from property taxes, sales and use taxes, real estate transfer taxes and business licenses. The fund balance increased by $854,688.

The Affordable Housing Fund had a total restricted fund balance of $1,165,160 at the end of 2018. The fund balance decreased by $1,898,675 from the prior year. The fund revenue derived primarily from a one-half (½) percent sales and use tax and is for the development and preservation of affordable housing.

The Component Unit Block 23 Housing Corporation is funded by government grants and bank loans for the purpose of constructing affordable housing condominiums for resale.

Proprietary funds. The Town of Telluride's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has three enterprise funds, the Water Fund, Sewer Fund and Parking Fund. In 2015 and 2016, the Shandoka Fund was treated as an enterprise fund of the Town. After careful consideration and direction from the Town's auditors, a determination was made in 2017 to report the Shandoka Fund as a blended component unit. In addition, new debt was taken out in 2017 for the construction of the Virginia Placer affordable housing project. Both Shandoka and Virginia Placer are considered part of the Telluride Housing Authority (THA). The balances for both Shandoka and Virginia Placer are combined under the new THA Fund blended component unit.

Total net position of the proprietary funds at the end of 2018 amounted to $22,950,482 (Water Fund is $10,948,275, Sewer Fund is $5,447,871, THA Fund is $4,740,277 and Parking Fund is $1,814,059). Total net position increased by $2,516,223 (Water Fund increased by 1,878,454, Sewer Fund increased by $235,003, THA decreased by $46,430, Parking Fund increased by $449,196).

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between original budget and the final amended budget for General Fund activities resulted in an overall increase in appropriations of $197,965. The increase in appropriations is a result of the increase in available fund balance at the end of 2017 which was more than the amount projected during the 2018 budget approval process.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town's total capital assets for governmental activities in 2018 was $103,246,178. This represents an increase of $3,771,301. The Town's total capital assets for business-type activities in 2018 was $51,023,402, an increase of $8,849,081.

Long-term debt. At the end of 2018, long-term liabilities totaled $47,214,414.

G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The Town of Telluride continues to maintain reserves at levels higher than required in the Town's budget policy.

- Dollar value of real estate sales decreased in 2018 resulting in a decrease of 1.04 percent in real estate transfer tax revenues from 2017.

- Sales tax revenues are projected to increase from the 2018 projected year-end actual.

- General Fund appropriations increased in 2018. Capital Improvement Fund appropriations decreased in 2018

- In 2019, the town will continue construction of an underground parking structure as part of a mixed used project that will include public restrooms, affordable housing units and a commercial space for the Ah Haa School for the Arts.

REQUESTS FOR INFORMATION

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

Finance Director
Town of Telluride
P.O. Box 397
Telluride, Colorado 81435

Town of Telluride, Colorado

STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 1,843,320	$ 822,980	$ 2,666,300
Investments	14,127,440	-	14,127,440
Receivables			
Taxes	772,133	1,213,613	1,985,746
Accounts	184,068	1,257,493	1,441,561
Intergovernmental	251,311	188,603	439,914
Inventory held for resale	-	-	-
Internal balances	1,974,261	(1,974,261)	-
TOTAL CURRENT ASSETS	19,152,533	1,508,428	20,660,961
CAPITAL ASSETS			
Land	66,851,645	4,721,011	71,572,656
Construction in progress	3,015,392	9,238,027	12,253,419
Buildings and systems	12,009,206	20,101,618	32,110,824
Treatment plants and systems - Improvements	11,864,360	37,458,826	49,323,186
Equipment	5,050,500	901,629	5,952,129
Infrastructure	33,962,045	-	33,962,045
Accumulated depreciaton	(29,506,970)	(21,397,709)	(50,904,679)
NET CAPITAL ASSETS	103,246,178	51,023,402	154,269,580
NON-CURRENT ASSETS			
Notes receivable	116,981	-	116,981
Restricted cash and investments	-	5,004,679	5,004,679
TOTAL NON-CURRENT ASSETS	116,981	5,004,679	5,121,660
TOTAL ASSETS	122,515,692	57,536,509	180,052,201
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other liabilities	888,959	2,576,282	3,465,241
Accrued interest payable	81,469	108,283	189,752
Deposits	537,429	-	537,429
Unearned revenue	324,895	44,552	369,447
Current portion of long-term debt	736,251	1,276,490	2,012,741
TOTAL CURRENT LIABILITIES	2,569,003	4,005,607	6,574,610
LONG-TERM LIABILITIES			
Compensated absences	266,374	44,229	310,603
Long-term debt	17,581,233	29,322,578	46,903,811
TOTAL LONG-TERM LIABILITIES	17,847,607	29,366,807	47,214,414
TOTAL LIABILITIES	20,416,610	33,372,414	53,789,024
DEFERRED INFLOWS			
Property taxes	772,133	1,213,613	1,985,746
TOTAL DEFERRED INFLOWS	772,133	1,213,613	1,985,746
NET POSITION			
Net investment in capital assets	84,928,694	21,335,560	106,264,254
Restricted for:			
Parks and open space	5,724,940	-	5,724,940
Affordable Housing	1,165,160	-	1,165,160
Energy mitigation	919,988	-	919,988
Debt service	20,816	5,004,679	5,025,495
Emergency reserve	653,000	-	653,000
Unrestricted	7,914,351	(3,389,757)	4,524,594
TOTAL NET POSITION	$ 101,326,949	$ 22,950,482	$ 124,277,431

See notes to the basic financial statements.

Town of Telluride, Colorado

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Function/Programs							
Government Activities							
General government	$ 5,032,735	$ 1,121,686	$ 103,909	$ 3,011	$ (3,804,129)	$ -	$ (3,804,129)
Public safety	1,870,006	37,113	996	-	(1,831,897)	-	(1,831,897)
Public works	6,019,642	619,253	33,767	257,157	(5,109,465)	-	(5,109,465)
Culture and recreation	2,135,665	527,689	310	28,731	(1,578,935)	-	(1,578,935)
Economic development	987,524	536,737	-	-	(450,787)	-	(450,787)
Transportation	1,130,552	32,949	611,019	-	(486,584)	-	(486,584)
Interest on long-term debt	800,893	-	-	-	(800,893)	-	(800,893)
Total government activities	17,977,018	2,875,427	750,001	288,899	(14,062,691)	-	(14,062,691)
Business-type Activities							
Water operations	2,027,425	1,213,611	-	217,147	-	(596,667)	(596,667)
Sewer operations	1,908,698	1,085,741	600,091	-	-	(222,866)	(222,866)
Housing	2,108,537	2,189,287	-	-	-	80,750	80,750
Parking	177,430	516,146	-	-	-	338,716	338,716
Total business-type activities	6,222,090	5,004,785	600,091	217,147	-	(400,067)	(400,067)
Total primary government	$ 24,199,108	$ 7,880,212	$ 1,350,092	$ 506,046	(14,062,691)	(400,067)	(14,462,758)

General Revenues:	Governmental Activities	Business-type Activities	Total
Property taxes	713,134	589,517	1,302,651
Specific ownership taxes	37,305	-	37,305
Sales and use tax	7,685,480	-	7,685,480
Franchise taxes	229,373	-	229,373
Real estate transfer taxes	5,975,332	-	5,975,332
Excise tax	1,472,019	-	1,472,019
Road and Bridge tax	249,957	-	249,957
Other taxes	597,756	-	597,756
Tap fees	-	887,870	887,870
Build America Bonds Rebate	-	115,228	115,228
Investment earnings	251,065	52,488	303,553
Transfers	(847,955)	847,955	-
Gain on asset disposal	90,370	-	90,370
Miscellaneous revenues	19,121	-	19,121
Total general revenues	16,472,957	2,493,058	18,856,524
Change in net position	2,410,266	2,092,991	4,503,257
Net position, beginning	98,494,282	20,434,259	118,928,541
Prior period adjustmnet	422,401	423,232	845,633
Net position, beginning, restated	98,916,683	20,857,491	119,774,174
Net position, ending	$ 101,326,949	$ 22,950,482	$ 124,277,431

See notes to the basic financial statements.

Town of Telluride, Colorado

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2018

	General	Capital Improvement	Open Space	Affordable Housing	Block 23 Housing Corp.	Other Governmental Funds	Total
ASSETS							
Cash	$ 1,824,243	$ -	$ 1,194	$ -	$ 17,883	$ -	$ 1,843,320
Investments	8,256,909	1,345,958	3,063,035	1,461,541	-	-	14,127,443
Receivables							
Taxes	772,133	-	-	-	-	-	772,133
Accounts	169,675	-	-	13,555	323,196	838	507,264
Notes	-	116,981	-	-	-	-	116,981
Intergovernmental	203,311	48,000	-	-	-	-	251,311
Due from other funds	28,904	1,279,245	2,630,856	-	-	1,565,054	5,504,059
Total assets	11,255,175	2,790,184	5,695,085	1,475,096	341,079	1,565,892	23,122,511
LIABILITIES							
Accounts payable	493,305	160,852	46,524	28,292	323,196	159,986	1,212,155
Due to other funds	3,526,440	-	-	3,358	-	-	3,529,798
Deposits	525,895	-	-	11,534	-	-	537,429
Unearned revenue	324,895	-	-	-	-	-	324,895
Total liabilities	4,870,535	160,852	46,524	43,184	323,196	159,986	5,604,277
DEFERRED INFLOWS OF RESOURCES							
Deferred for long-term receivables	-	116,981	-	266,752	-	-	383,733
Deferred property taxes	772,133	-	-	-	-	-	772,133
Total deferred inflows	772,133	116,981	-	266,752	-	-	1,155,866
FUND BALANCE							
Restricted							
Emergency reserve	653,000	-	-	-	-	-	653,000
Open space	-	-	5,648,561	-	-	76,379	5,724,940
Affordable housing	-	-	-	1,165,160	-	-	1,165,160
Energy mitigation	-	-	-	-	-	919,988	919,988
Debt service	-	-	-	-	-	20,816	20,816
Culture and recreation						191,594	191,594
Assigned							
Affordable housing	-	-	-	-	17,883	-	17,883
Transportation	107,966	-	-	-	-	-	107,966
Capital projects	-	2,512,351	-	-	-	197,129	2,709,480
Unassigned	4,851,541	-	-	-	-	-	4,851,541
Total fund balance	$ 5,612,507	$ 2,512,351	$ 5,648,561	$ 1,165,160	$ 17,883	$ 1,405,906	$ 16,362,368

See notes to the basic financial statements.

Town of Telluride, Colorado

Reconciliation of the Governmental Funds Balance Sheet
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		$ 16,362,368
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds		
Cost	$ 132,753,145	
Accumulated depreciation	(29,506,970)	
		103,246,175
Deferred inflows of resources related to long-term receivables are not available to pay for current-period expenditures, and therefore, are not recorded in the funds.		383,734
Long term liabilities including bonds and notes payable, capital leases, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.		
2010 Excise tax refunding bonds	(7,485,000)	
2010 Certificates of participation	(7,560,000)	
2009 Sales and Use tax bonds	(2,100,020)	
2013 Certificates of participation	(295,933)	
Block 23 Note Payable	(690,121)	
Unamortized premium on 2010 excise tax refunding bonds	(173,601)	
Unamortized premium on 2010 certificates of participation	(12,810)	
Accrued interest payable	(81,469)	
Compensated absences	(266,374)	
		(18,665,328)
Total governmental activities net position		$ 101,326,949

See notes to the basic financial statements.

Town of Telluride, Colorado

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended December 31, 2018

	General	Capital Improvement	Open Space	Affordable Housing	Block 23 Housing Corp.	Other Governmental Funds	Total
REVENUES							
Taxes	$ 6,722,763	$ 4,780,266	$ 2,697,502	$ 832,695	$ -	$ 1,472,019	$ 16,505,245
Licenses and permits	897,778	-	95,669	-	-	-	993,447
Intergovernmental	996,194	257,157	-	-	-	25,687	1,279,038
Charges for services	1,086,208	-	-	517,053	561	153,444	1,757,266
Fines and forfeitures	172,047	-	-	-	-	-	172,047
Donations	-	-	231	-	-	6,054	6,285
Investment earnings	195,242	-	31,234	24,558	31	-	251,065
Miscellaneous	57,093	33,767	79	15,600	303	68,426	175,268
Total revenues	10,127,325	5,071,190	2,824,715	1,389,906	895	1,725,630	21,139,661
EXPENDITURES							
Current							
General government	4,848,096	-	-	-	-	18,213	4,866,309
Public safety	1,908,829	-	-	-	-	-	1,908,829
Public works	1,737,447	-	-	-	-	1,143,123	2,880,570
Culture and recreation	1,865,621	-	676,846	-	-	56,266	2,598,733
Economic development	-	-	-	3,259,087	1,548	1,442,579	4,703,214
Transportation	968,144	-	-	-	-	-	968,144
Capital projects	-	2,340,323	-	-	690,121	-	3,030,444
Debt service							
Principal	-	-	560,000	127,439	-	13,750	701,189
Interest	-	-	703,181	142,747	-	13,593	859,521
Fees/issuance costs	-	-	-	500	-	-	500
Total expenditures	11,328,137	2,340,323	1,940,027	3,529,773	691,669	2,687,524	22,517,453
Revenues in excess (deficiency) of expenditures	(1,200,812)	2,730,867	884,688	(2,139,867)	(690,774)	(961,894)	(1,377,792)
OTHER FINANCING SOURCES (USES)							
Proceeds from debt issuance	-	-	-	-	690,121	-	690,121
Proceeds from sale of assets	-	83,713	-	256,393	-	-	340,106
Transfers in	1,214,806	59,000	-	22,799	-	1,219,941	2,516,546
Transfers out	-	(3,208,061)	(30,000)	(38,000)	-	(88,440)	(3,364,501)
Total other financing sources (uses)	1,214,806	(3,065,348)	(30,000)	241,192	690,121	1,131,501	182,272
Revenues and other sources in excess (deficiency) of expenditures and other sources (uses)	13,994	(334,481)	854,688	(1,898,675)	(653)	169,607	(1,195,520)
Fund balance, beginning	5,598,513	2,846,832	4,793,873	3,063,835	18,536	1,236,299	17,557,888
Fund balance, ending	$ 5,612,507	$ 2,512,351	$ 5,648,561	$ 1,165,160	$ 17,883	$ 1,405,906	$ 16,362,368

Town of Telluride, Colorado

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances 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		$ (1,195,520)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current year:		
Capital outlays	$ 6,578,295	
Depreciation expense	(2,749,955)	3,828,340
The sale of an affordable housing unit in the funds is recognized as another financing source, however in the government-wide statements is it recognized net of the asset's cost as a gain.		
Cost of housing inventory sold		(208,120)
The net effect of disposals of capital assets is to decrease net position		(57,039)
Revenues recognized in the funds related to long-term receivables were recognized at the time those revenues were earned in the government wide statements.		(38,669)
Issuance of long-term debt is recognized as a financing source in the funds but as additional long-term debt in the govnernment wide statements.		(690,121)
The repayment of the principal of long-term debt consumes the current financial resources of of governmental funds, however, this transaction has no effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Amortization of premiums on long-term debt	10,905	
Debt principal payments	701,299	
Decrease in accrued interest	48,224	
Decrease in compensated absences	10,967	
		771,395
Change in net position of governmental activities		$ 2,410,266

Town of Telluride, Colorado

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2018

	Water	Sewer	THA	Parking	Total
ASSETS					
CURRENT ASSETS					
Cash	$ -	$ -	$ 282,087	$ 540,893	$ 822,980
Receivables					
Taxes	1,213,613	-	-	-	1,213,613
Accounts	564,932	323,327	13,122	356,112	1,257,493
Intergovernmental	-	188,603	-	-	188,603
Due from other funds	-	1,789,806	-	281,425	2,071,231
Total current assets	1,778,545	2,301,736	295,209	1,178,430	5,553,920
NON-CURRENT ASSETS					
Restricted cash and investments	911,226	-	3,888,222	205,231	5,004,679
Total noncurrent assets	911,226	-	3,888,222	205,231	5,004,679
CAPITAL ASSETS					
Land	-	308,011	4,413,000	-	4,721,011
Construction in progress	2,928,477	39,900	-	6,269,650	9,238,027
Buildings and building improvements	-	35,475	20,066,143	-	20,101,618
Treatment plants and systems	26,353,133	10,898,424	207,269	-	37,458,826
Equipment	299,534	381,816	220,279	-	901,629
Less accumulated depreciation	(7,384,250)	(8,296,999)	(5,716,460)	-	(21,397,709)
Net capital assets	22,196,894	3,366,627	19,190,231	6,269,650	51,023,402
Total assets	24,886,665	5,668,363	23,373,662	7,653,311	61,582,001
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	441,770	193,310	43,193	1,639,252	2,317,525
Due to other funds	1,169,004	-	2,876,488	-	4,045,492
Security deposits	-	-	258,757	-	258,757
Accrued interest payable	46,167	-	62,116	-	108,283
Unearned revenue	-	-	44,552	-	44,552
Current portion of long-term debt	479,490	-	572,000	225,000	1,276,490
Total current liabilities	2,136,431	193,310	3,857,106	1,864,252	8,051,099
LONG TERM LIABILITIES					
Compensated absences	8,768	27,182	8,279		44,229
Bonds payable	10,579,578	-	14,768,000	3,975,000	29,322,578
Total long-term liabilities	10,588,346	27,182	14,776,279	3,975,000	29,366,807
Total liabilities	12,724,777	220,492	18,633,385	5,839,252	37,417,906
DEFERRED INFLOWS OF RESOURCES					
Property taxes	1,213,613	-	-	-	1,213,613
Total deferred inflows of resources	1,213,613	-	-	-	1,213,613
NET POSITION					
Net investment in capital assets	12,049,052	3,366,627	3,850,231	2,069,650	21,335,560
Restricted for debt service	911,226	-	3,888,222	205,231	5,004,679
Unrestricted	(2,012,003)	2,081,244	(2,998,176)	(460,822)	(3,389,757)
Total net position	$ 10,948,275	$ 5,447,871	$ 4,740,277	$ 1,814,059	$ 22,950,482

See notes to the basic financial statements.

Town of Telluride, Colorado

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Water	Sewer	THA	Parking	Total
OPERATING REVENUES					
Charges for sales and services	$ 1,134,377	$ 1,041,475	$ 2,111,327	$ 516,146	$ 4,803,325
Miscellaneous	2,862	44,266	77,960	-	125,088
Charges for services	59,338	-	-	-	59,338
Meter sales	17,034	-	-	-	17,034
Total operating revenues	1,213,611	1,085,741	2,189,287	516,146	5,004,785
OPERATING EXPENSES					
Costs of sales and service	462,989	1,558,600	948,236	68,360	3,038,185
Depreciation	887,173	350,098	491,761	-	1,729,032
Total operating expenses	1,350,162	1,908,698	1,439,997	68,360	4,767,217
Net income (loss) from operations	(136,551)	(822,957)	749,290	447,786	237,568
NONOPERATING REVENUES (EXPENSES)					
Taxes	589,517	-	-		589,517
Investment earnings	23,013	-	24,095	5,380	52,488
Interest rebate, Build America Bonds	115,228	-	-	-	115,228
Capital reimbursement	217,147	-	-	-	217,147
Capital repairs and maintenance	(112,042)	-	-	-	(112,042)
Intergovernmental	-	600,091	-	-	600,091
Treasurer's fees	(11,209)	-	-	-	(11,209)
Interest expense	(554,012)	-	(668,540)	(109,070)	(1,331,622)
Loss on disposal of capital assets	-	-	-	-	-
Total non-operating revenues (expenses)	267,642	600,091	(644,445)	(103,690)	119,598
Net income (loss)before capital contributions and transfers	131,091	(222,866)	104,845	344,096	357,166
Capital contributions - tap fees	388,682	499,188	-	-	887,870
Transfers in	1,400,000	-	-	105,100	1,505,100
Transfers(out)	(252,935)	(252,935)	(151,275)	-	(657,145)
Change in net position	1,666,838	23,387	(46,430)	449,196	2,092,991
Net position, beginning	9,069,821	5,212,868	4,786,707	1,364,863	20,434,259
Prior period adjustment	211,616	211,616	-	-	423,232
Net position, beginning, restated	9,281,437	5,424,484	4,786,707	1,364,863	20,857,491
Net position, ending	$ 10,948,275	$ 5,447,871	$ 4,740,277	$ 1,814,059	$ 22,950,482

Town of Telluride, Colorado

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Water	Sewer	THA	Parking	Total
Cash flows from operating activities:					
Charges for sales and services	$ 1,031,468	$ 1,087,176	$ 2,210,280	$ 516,146	$ 4,845,070
Other receipts	-	44,266	77,960	-	122,226
Payments to employees	(141,684)	(431,983)	(375,415)	-	(949,082)
Payments to suppliers	(54,155)	(1,025,832)	(571,555)	(68,360)	(1,719,902)
Net cash provided by operating activities	835,629	(326,373)	1,341,270	447,786	2,298,312
Cash flows from non-capital financing activities:					
Interfund activity	(463,789)	(200,137)	(1,096,886)	416,821	(1,343,991)
Transfers from (to) other funds	1,147,065	(252,935)	(151,275)	105,100	847,955
Net cash provided (used) by non-capital financing activities	683,276	(453,072)	(1,248,161)	521,921	(496,036)
Cash flows from capital and related financing activities					
Taxes	589,517	-	-	-	589,517
Treasurer's fees	(11,209)	-	-	-	(11,209)
Tap fees	388,682	499,188	-	-	887,870
(Acquisition) and disposition of capital assets	(1,691,071)	-	(3,829,169)	(4,319,637)	(9,839,877)
Capital reimbursement	217,148	-	-	-	
Capital maintenance and repair	(112,044)	(263,531)	-	-	(375,575)
Intergovernmental	-	543,788	-	-	543,788
Bond issuance costs	-	-	-	(187,444)	(187,444)
Proceeds from debt issuance	-	-	-	4,200,000	4,200,000
Principal payments on debt	(661,140)	-	(432,834)	-	(1,093,974)
Interest payments on debt	(554,012)	-	(668,540)	(109,070)	(1,331,622)
Interest rebate - Build America Bonds	115,228	-	-	-	115,228
Net cash provided (used) by capital and related financing activities	(1,718,901)	779,445	(4,930,543)	(416,151)	(6,503,298)
Cash flows from investing activities					
Investment income	23,013	-	24,095	5,380	52,488
Purchase of investments	-	-	-	(205,231)	(205,231)
Sale of investments	176,983	-	4,374,029	-	4,551,012
Net cash provided (used) by investing activities	199,996	-	4,398,124	(199,851)	4,398,269
Net increase (decrease) in cash and cash equivalents	-	-	(439,310)	353,705	(302,753)
Cash at beginning of year	-	-	721,397	187,188	908,585
Cash at end of year	$ -	$ -	$ 282,087	$ 540,893	$ 605,832

Town of Telluride, Colorado

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended December 31, 2018

	Water	Sewer	THA	Parking	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ (136,551)	$ (822,658)	$ 749,290	$ 447,786	$ 237,867
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	887,173	350,098	491,761	-	1,729,032
(Increase) decrease in accounts receivable	(176,644)	51,201	13,206	-	(112,237)
Increase (decrease) in accounts payable	266,399	99,157	-	-	365,556
Increase (decrease) in unearned revenue	(5,499)	(5,500)	24,698	-	13,699
Increase (decrease) in security deposits	-	-	61,049	-	61,049
Increase (decrease) in accrued liabilities	751	1,329	1,266	-	3,346
Total adjustments	972,180	496,285	591,980	-	2,060,445
Net cash provided by operating activities	$ 835,629	$ (326,373)	$ 1,341,270	$ 447,786	$ 2,298,312
Reconcliation of cash flow statement to statement of net position					
Cash	$ -	$ -	$ 282,087	$ 540,893	$ 822,980
Restricted cash and investments	911,226	-	3,888,222	205,231	5,004,679
	$ 911,226	$ -	$ 4,170,309	$ 746,124	$ 5,827,659

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Telluride, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The Town operates under a Home Rule Charter and a Council-Manager form of government with seven elected Council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Telluride (the primary government) and its component units. The Town's major operations include public safety, street construction and maintenance, community development, parks, recreation programs, water and sewer services, and general administration.

Blended Component Unit

Block 23 Housing Corporation is a not-for-profit organization and is presented as a blended component unit of the Town because the Town exercises effective operational and financial control over the organization. Separate financial statements are not prepared for Block 23 Housing Corporation.

The Telluride Housing Authority (THA) provides housing for employees who work within the boundaries of the Telluride R-1 School District. This includes the Shandoka Apartments and Virginia Placer units. THA is presented as a blended component unit because the members of the Town Council sit as the THA Board of Directors and the Town manages the property on behalf of THA.

Related Organizations

The Town and the Town of Mountain Village entered into an agreement for the joint construction and operation of a regional sewage treatment facility. Each entity obtains its own financing for construction and improvements to the joint facility. The reserved capacity rights are 65% for the Town and 35% for the Town of Mountain Village. The Town owns and operates the joint facility. The Town reports its percentage interest in the joint facility as a capital asset and the entire joint facilities operating costs as an operating expense.

The Town entered into an agreement with San Miguel County, Colorado to jointly fund the costs of transit services in the Telluride region.

The Marketing Telluride, Inc. (a Colorado nonprofit corporation) was formed primarily to provide the community of Telluride with services necessary to maintain, promote and manage tourism. The Corporation receives funding from the Town, the Telluride Ski and Golf Company, the Town of Mountain Village, and San Miguel County. The total Town's contribution consists of 80% of the Town's business license revenues, net of an administrative charge.

The San Miguel Community Facilities, Inc. is a Colorado nonprofit corporation that was formed to develop and construct community facilities such as early education and childcare facilities for the benefit of the Town of Telluride and San Miguel County. The board is comprised of two members from the Town of

Telluride including the Town Manager and the Mayor and two members from San Miguel County including the County Manager and a member of the Board of County Commissioners.

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 and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

Basis of Presentation – Government-wide Financial Statements
While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, if any, while business-type activities incorporate data from the government's enterprise funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – 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, deferred inflows, 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, current liabilities, and appropriate deferred inflows and deferred outflows. 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 major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- *General Fund* - accounts for all financial resources of the Town, except those required to be accounted for in another fund. It is the Town's primary operating fund. Accounts of the Transportation sub-fund are included with the General Fund.

- *Capital Improvement Fund* - accounts for general government capital projects and outlays, economic and cultural development, public works and government facility maintenance, and transportation subsidies. It is financed primarily by real estate transfer taxes.

- *Open Space Fund* - accounts for the acquisition and maintenance of open space financed by twenty percent of unencumbered revenues generated from property taxes, sales and use taxes, real estate transfer taxes and business licenses. Reserves are developed over time and are then utilized to acquire real properties to be dedicated as open spaces.

- *Affordable Housing Fund* – accounts for a one-half (1/2) percent sales and use tax to finance the development and preservation of affordable housing.

- *Block 23 Housing Corporation (a blended component unit)* - accounts for the intergovernmental receipts and construction of affordable housing.

The remaining governmental funds are aggregated and presented as non-major funds.
Those funds include:

- *Debt Service Fund* - accounts for special assessment debt service requirements, special assessment levies, general obligation debt service and lease purchase agreements.

- *Street and Alley Fund* - accounts for resources to be used for the acquisition and construction of major capital assets.

- *Conservation Trust Fund* - accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

- *Airline Guarantee Fund* - accounts for excise taxes used to provide financial guarantees to airlines serving the Town.

- *Energy Mitigation Fund* - accounts for green energy fees charged by the Town to be used for energy conservation projects.

- *Restricted Fund* – accounts for miscellaneous restricted fees and donations.

The Town reports the following major proprietary funds:

- *Telluride Housing Authority (THA) (a blended component unit)* - accounts for the activity in the Shandoka and Virginia Placer affordable housing units including the long-term debt on the units, the rental income from the units and the costs to manage and maintain the affordable housing units.

- *Sewer Fund* - accounts for the revenues from providing sewer services to Town residents as well as residents of several nearby communities and the expenses to provide those services.

- *Water Fund* - accounts for the revenues charged to constituents for water provided by the Town and the expenses to provide those services.

- *Parking Fund* – accounts for all Town parking meter fees and parking permit fees and related activity.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Further certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transaction or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 measureable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales tax, use tax, franchise fees, grant revenues, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for these revenue sources. All other revenue items are considered to be measurable and available only when cash is received by the government.

Cash and Cash Equivalents
For the purpose of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less from date of acquisition.

Investments
Investments are stated at fair value based on quoted market prices. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State. The investment pools are similar to money market funds, with each share valued at $1.

Colorado State Statutes authorize the Town to invest in obligations of the United States or obligations unconditionally guaranteed by the United States, bonds of the State of Colorado and its political subdivisions, certain obligations secured by mortgages, bankers acceptances, commercial paper, state investment pools, repurchase agreements, money market funds, and guaranteed investment contracts.

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

Due to and Due from Other Funds
Interfund receivables and payable arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Restricted Cash and Investments
Certain proceeds of general obligation and revenue bonds, as well as other resources, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants, laws, ordinances or contracts. Restricted investments consist of bond contingency reserves set aside to subsidize potential deficiencies from operations that could adversely affect debt service payment.

Housing Held for Resale
The housing inventory held for resale reported in the governmental activities column in the government-wide financial statements consists of a residential unit held for sale and is valued at cost which approximates market.

Capital Assets
Capital 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 one or more years, and for which the initial, individual value equals or exceeds the following dollar amounts:

Asset Class	Minimum Dollar Value
Land	No Minimum
Buildings	No Minimum
Building and Other Improvements	$ 20,000
Furniture and Equipment	$ 5,000
Infrastructure	$ 25,000

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 does not add to the value of an asset or materially extend asset life is not capitalized. Gains or losses on disposition of property and equipment are included in income.

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

Asset Class	Useful Life
Buildings	40 years
Building and Other Improvements	15 years
Water and Sewer Systems	25 – 35 years
Furniture and Equipment	5 – 10 years
Infrastructure	15 – 40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets because their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Accrued Compensated Absences Payable
It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the government-wide financial statements, vacation and sick pay are reported as expenses when incurred. In the governmental funds, vacation and sick pay that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and 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 in the governmental funds.

Noncurrent Liabilities
In the government-wide financial statements and in the enterprise fund financial statements, noncurrent liabilities, such as bonds payable, and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities columns in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the term of the related debt using the straight-line method of amortization.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

Certain of the Town's general obligation bonds, revenue bonds, refunding bonds, certificates of participation, and capital leases are serviced from taxes and other revenues of various governmental funds. Other general obligation bonds are serviced from the enterprise funds.

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

Fund Balance
Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

In addition to committed and assigned fund balances, there is a nonspendable fund balance which represents amounts that are not in spendable form (such as prepaid expenses or inventory) or are required to be maintained intact.

Restricted fund balance represents amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council. The Town Council is the highest level of decision-making authority for the Town that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Council has, by resolution, authorized the Town Manager to assign fund balance. The Town Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Town Council or Town Manager has adopted financial policies to:

- assign funds for affordable housing needs.
- assign funds for transportation needs.
- assign funds for future capital projects.

Unassigned fund balance represents 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 in the General Fund.

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.

Minimum Fund Balance

The Town of Telluride has implemented a policy to maintain a general fund balance of 20% of general fund appropriations excluding appropriations for grant expenditures. The 20% minimum includes the 3% reserve required by TABOR.

Revenues and Expenditures/Expenses

Program revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

Property taxes as set by the Town Council are collected by the County Treasurer. Property taxes may be paid in installments with one-half of the total amount due payable on February 28 and the second half payable on June 15, or they may be paid in full by April 30. The County Treasurer remits property taxes collected to the Town by the 10th day of the month following collection. Property taxes receivable represent 2018 taxes collectible in 2019 and are shown as deferred inflows of resources.

Enterprise funds operating and non-operating revenues and expenses

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the water fund, sewer fund, THA fund, and parking fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE B – BUDGETS

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

- By August 1st of each year, the manager shall give public notice of budget preparation for the next fiscal year. The manager asks that all Town departments, boards, commissions or citizens submit within thirty days from the notice, any request for funds under the budget being prepared. The manager, with assistance from the finance director, then prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.

- The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year, indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.

- The manager and staff also prepare and submit to the Council each year an updated five-year financial plan for the Capital Improvement Fund. The update includes a five-year cash flow projection for the fund and highlights the restricted reserves established by law or budget policy.

- A public hearing on the proposed budget and proposed capital program is held by the Council in late October or early November.

- The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

- If during the fiscal year the manager determines that there are revenues in excess of those estimated in the budget, the Council by ordinance may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the manager that the revenues available will be insufficient to meet the amount appropriated, the manager reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the manager may transfer part or all of any unencumbered appropriation balance within a department, office, agency or fund. Expenditures may not exceed appropriations at the fund level.

- Budget appropriations lapse at the end of each year.

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing, which are budgeted when liquidated rather than when the receivable/liability is incurred.

Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds. A reconciliation of the budgetary basis of reporting under generally accepted accounting principles is included in the Statement of Revenues, Expenses and Changes in Net Position – Enterprise Funds.

Block 23 Affordable Housing does not require a budget.

The Parking Fund expenses exceeded budgeted appropriations by $200,978. This may be a violation of State budget law.

NOTE C – CASH DEPOSITS AND INVESTMENTS

Cash deposits with financial institutions

Custodial credit risk for deposits. The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town's deposits are either covered by depository insurance or are collateralized under the Colorado Public Deposit Protection Act (PDPA) and are therefore not deemed to be exposed to custodial credit risk. The Town's deposits are governed by Colorado Statute. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is 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 aggregate uninsured deposits. All deposits of the Town are insured or collateralized with securities held by or for the entity. The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2018, $1,009,585 of the Town's deposits were covered under FDIC insurance and $14,412,427 were collateralized under PDPA.

Investments

Custodial credit risk for investments. The custodial credit risk for investments is the risk that, in the event of the failure of the investment pool or counterparty to a transaction, a government will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The Town's investments are not deemed to be exposed to custodial credit risk because they are held by the Town or the Town's custody agent in the Town's name. Colorado statutes specify investments meeting defined rating and risk criteria in which local governments may invest, which include the following investment with terms of five year or less:

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

As of December 31, 2018, the Town had $10,925,777 in governmental and business-type funds in several local government investment pools established for local governments in Colorado to pool surplus funds (Colotrust). These pools are regulated by the Colorado Securities Commissioners. These pools operate similar to a money market fund and each share is equal in value to $1.00. Investments of these pools consist of U.S. treasury and Agency securities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investment owned by the specific pool. Each pool is rated AAAm by Standard and Poor's. Colotrust's financial statements are available on their website at www.colotrust.com.

The above investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The composition of investments held by the Town at December 31, 2018 is as follows:

Cash on hand	$	1,330
Deposits:		
Cash in checking account(s)		1,365,163
Money market funds		14,397,683
Cash with county treasurer		9,585
Total deposits		15,772,431
Investment pools		6,024,658
Total cash, deposits, and investments	$	21,798,419

The descriptions on the statement of net position related to cash and investments are as follows:

Cash and cash equivalents	$	2,666,300
Investments		12,665,899
Restricted cash and investments		6,466,220
	$	21,798,419

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town manages its exposure to fair value losses arising from increasing interest rates by adhering to Colorado statutes which do not allow investment maturities to exceed five years unless specifically authorized by the governing body. The Town Council has not authorized longer maturities.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer or institution. The Town places no limit on the amount the Town may invest in any one issuer. More than five percent of the Town's investment are in public entity investment pools. These investments represent 29% of the Town's total cash, deposits, and investments at December 31, 2018.

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance December 31, 2017	Additions	Deletions	Transfers	Balance December 31, 2018
Governmental Activities					
Capital Assets not being depreciated:					
Land	$ 66,851,645	$ –	$ –	$ –	$ 66,851,645
Construction in Progress	434,560	2,580,832	–	–	3,015,392
	67,286,205	2,580,832	–	–	69,867,037
Capital Assets Being Depreciated					
Buildings	12,009,206	–	–	–	12,009,206
Infrastructure	32,315,239	1,646,917	–	–	33,962,045
Equipment & Vehicles	5,814,535	576,825	(1,340,860)	–	5,050,500
Improvements	10,090,639	1,773,721	–	–	11,864,360
	47,614,400	3,997,463	(1,340,860)	–	62,886,111
Less Accumulated Depreciation:					
Buildings	(6,300,118)	(317,976)	–	–	(6,618,094)
Infrastructure	(16,081,475)	(1,277,251)	–	–	(17,358,726)
Equipment & Vehicles	(4,399,134)	(472,855)	1,283,821	–	(3,588,168)
Improvements	(1,260,109)	(681,873)	–	–	(1,941,982)
	(28,040,836)	(2,749,955)	1,283,821	–	(29,506,970)
Capital Assets being depreciated net:	32,188,672	1,247,508	(57,039)	–	33,379,141
Total Governmental Activities Capital Assets	$ 99,474,877	$ 3,828,340	$ (57,039)	$ –	$103,246,178

	Balance December 31, 2017	Additions	Deletions	Transfers	Balance December 31, 2018
Business Type Activities					
Capital Assets not being depreciated:					
Land	$ 4,721,011	$ –	$ –	$ –	$ 4,721,011
Construction in Progress	7,767,449	10,117,483	–	(8,646,905)	9,238,027
	12,488,460	10,117,483	–	(8,646,905)	13,959,038
Capital Assets Being Depreciated					
Treatment Plants & Systems	37,167,096	291,730	–	–	37,458,826
Building & Improvements	11,454,713	–	–	8,646,905	20,101,618
Equipment	784,635	168,900	(51,906)	–	901,629
	49,406,444	460,630	(51,906)	8,6,46,905	58,462,073
Less Accumulated Depreciation:					
Treatment Plants & Systems	(14,048,908)	(793,232)	–	–	(14,842,140)
Building and Improvements	(5,161,557)	(839,813)	–	–	(6,001,070)
Equipment	(510,118)	(95,987)	51,906	–	(554,199)
	(19,720,583)	(1,729,032)	51,906	–	(21,397,709)
Capital Assets being depreciated net:	29,685,861	(1,268,402)	–	8,646,905	37,064,364
Total Business-type Activities Capital Assets	$ 42,174,321	$ 8,849,081	$ –	$ –	$ 51,023,402

Depreciation expense was charged to functions as follows:

Governmental Activities			**Business-type Activities**	
General Government	$	143,367	Water	$ 887,173
Public Safety		65,363	Sewer	350,098
Public Works		1,430,796	THA	491,760
Parks and Recreation		948,021		$ 1,729,031
Transportation		162,408		
	$	2,749,955		

NOTE E – UNEARNED REVENUES AND DEFERRED INFLOWS

Governmental funds and enterprise funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds and enterprise funds were as follows:

THA			
Unearned rent			41,743
	Total THA	$	41,743
General Fund			
Business licenses		$	324,895
	Total General Fund	$	324,895

Deferred inflows are recognized in the funds for long term-receivables that will be collected outside of the period availability. These are as follows:

Capital Improvements Fund			
San Miguel Community Facilities		$	116,981
	Total Capital Improvements Fund	$	116,981
Affordable Housing Fund			
Lot E Sale		$	266,752
	Total Affordable Housing Fund	$	266,752

NOTE F – LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the Town for the year ended December 31, 2018:

	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018	Due Within One Year
Governmental Activities					
Excise Tax Revenue Bonds					
Series 2010	$ 7,770,000	$ -	$ (285,000)	$ 7,485,000	$ 290,000
Series 2010 Premium	183,790	-	(10,189)	173,601	10,189
Taxable Sales Tax Revenue Bonds:					
Series 2009	2,227,459	-	(127,439)	2,100,020	135,857
Certificates of Participation Series 2010	7,835,000	-	(275,000)	7,560,000	285,000
Certificates of Participation Series 2013	309,792	-	(13,860)	295,932	14,490
Premiums on certificates of participation	13,525	-	(715)	12,810	715
Block 23 Construction Note	-	690,121	-	690,121	-
Liabilities for Compensated Absences	277,341	-	(10,967)	266,374	-
Total	$ 18,616,907	$ 690,121	$ (723,170)	$ 18,583,858	$ 736,251

	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018	Due Within One Year
Business-type Activities					
General Obligation Bonds:					
Taxable GO Bonds Series 2010 B	$ 7,070,000	$ -	$ (455,000)	$ 6,615,000	$ 465,000
Multifamily Housing Revenue Bonds, Series 2002	5,590,000		(250,000)	5,340,000	265,000
Multifamily Housing Revenue Bonds, Series 2003	1,578,000		(61,000)	1,517,000	63,000
Certificates of Participation Series 2013	4,653,042		(208,974)	4,444,068	14,490
Series 2017 THA Virginia Placer Revenue Bond	8,602,000		(119,000)	8,483,000	244,000
Parking Revenue Bond Series 2018	-	4,200,000	-	4,200,000	225,000
Liabilities for Compensated Absences	40,883	3,345	-	44,228	-
Total	$ 27,533,925	$ 4,203,345	$(1,093,974)	$ 30,643,296	$ 1,276,490

Long-term Governmental Activities
Excise Tax Revenue Bonds

The Town issued $9,655,000 in Excise Tax Refunding Bonds, Series 2010 in August 2010 bearing interest from 2.00% to 5.00%. Principal and interest are payable semiannually on June 1 and December 1 and the final maturity date is December 2036. The bonds were issued to refund the Adjustable Rate Excise Tax Revenue Bonds, Series 2007.

Taxable Sales Tax Revenue Bonds

The Town issued Taxable Sales Tax Revenue Bonds on November 2, 2009 for the development and preservation of affordable housing within Telluride and the Telluride region. $3,000,000 of the authorized $5,000,000 was issued in this first series. The bonds mature on November 1, 2029 and are subject to mandatory sinking fund redemption, payable semi-annually on May 1 and November 1. Annual payments are $269,435 in 2010 and $270,186 thereafter with interest at 6.5%. The bonds maturing on November 1, 2019 and thereafter are subject to optional redemption at the option of the Town at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium.

Debt service requirements for governmental activities bonded debt are as follows:

	Principal	Interest	Total
2019	$ 425,857	$ 464,623	$ 890,480
2020	444,831	446,949	891,780
2021	464,398	428,382	892,780
2022	484,597	405,783	890,380
2023	510,470	382,110	892,580
2024 - 2028	2,967,304	1,495,725	4,463,029
2029 - 2033	2,592,563	785,661	3,378,224
2034 - 2036	1,695,000	172,500	1,867,500
	$ 9,585,020	$ 4,581,733	$ 14,166,753

Certificates of Participation

The Town issued $5,755,000 in Certificates of Participation, Series 2013 on October 1, 2013 bearing an effective interest rate not to exceed 5.25%. Principal and interest are payable semiannually on June 1 and December 1 and are scheduled to mature in December 2033. $360,000 of the proceeds from the issuance was used to pay off a 2001 lease reported in the government wide statement of net position. $5,395,000 of the proceeds was used for infrastructure improvements in the Water Fund.

The Town issued $9,785,000 in Certificates of Participation, Series 2010 on August 10, 2010 bearing interest from 2.00% to 5.00% and is scheduled to mature in December 2036. Principal and interest are

payable semiannually on June 1 and December 1. The COPs were issued to refund the Adjustable Rate Excise Tax Revenue Bonds, Series 2007.
Minimum future payments under the certificates of participation obligations for governmental activities are as follows:

	Principal	Interest	Total
2019	$ 299,490	$ 365,690	$ 665,180
2020	310,120	355,797	665,917
2021	320,750	344,077	664,827
2022	336,380	331,192	667,572
2023	347,325	317,679	665,004
2024 - 2028	1,992,965	1,336,676	3,329,641
2029 - 2033	2,511,590	817,693	3,329,283
2034 - 2036	1,737,312	177,000	1,914,312
	$ 7,855,932	$ 4,045,804	$ 11,901,736

Notes Payable

During the year ended December 31, 2018, Block 23 took out a construction loan to fund an affordable housing project and art space with a total available line of credit of $10,200,000. Interest payments are due monthly as they accrue and are assessed at a variable interest rate. The principal balance of the note and any accrued interest are due in full on November 15, 2020. The note is secured by deed of trust on the units being constructed.

Business-Type Activities

General Obligation Bonds
During 2010, the Town issued the Tax-Exempt General Obligation Bonds Series 2010A for $2,485,000 and Taxable General Obligation Bonds (Direct Pay Build America Bonds) Series 2010B for $7,515,000.

Series 2010 bonds were issued to finance the construction of water facilities for the Town including a new water treatment plant, hydroelectric facilities, a booster pump station, and a chemical storage and transfer facility. The Series 2010A bonds include a net premium of $51,343 that will be amortized over the life of the 2010A bonds.

Series 2010 Bonds require annual debt service payments from $698,610 to $824,398 including interest rates ranging from 2.00% to 4.70%. The Series 2010B (Build America Bonds) average coupon rate of 4.06% is established at a higher rate than those prevalent in the tax-exempt market because the interest paid is taxable to the investor. The US Treasury, in turn, will rebate 35% of the interest paid over the life of the bonds to the Town which are scheduled to mature in December 2030.

Revenue Bonds

The Town, when establishing the Shandoka fund, a sub fund of the THA fund, recorded the establishment of the Multifamily Housing Revenue Bonds, Series 2002 with an unpaid balance of $7,640,000 with monthly payments of $45,707 at a rate of 5.34% and a final payment $4,301,873 to be paid on October 15, 2022. The Town also recorded the establishment of the Multifamily Housing Revenue Bonds, Series 2003 with an unpaid balance of $2,081,000 and monthly payment of $11,637 at a rate of 4.96% with a final payment of $1,085,000 on October 15, 2024. Pledged revenue represents the rent revenues on the apartment complex. Annual principal and interest payments on the bonds are expected to require approximately 38% of pledged revenues.

The Town, when establishing the Virginia Placer fund, a sub fund of the THA fund, recorded the establishment of the Series 2017 Housing Revenue Bonds with an unpaid principal balance of $8,602,000 with semi-annual payments of approximately $258,000 at a rate of 3.24% and a final payment of $2,875,846 to be paid on November 1, 2036. Pledged revenue represents the rent revenue on the housing units. Annual principal and interest payments on the bonds are expected to require approximately 100% of pledged revenues.

During 2018, the Town issued the Series 2018 Parking Revenue Bonds as two term bonds with an aggregate amount of $4,200,000. The Series 2018 bonds were issued to finance the construction of a parking garage and related facilities in Telluride.

Series 2018 Revenue Bonds require annual debt service payments of about $410,000 including interest with interest rates of 4.21% on $1,718,000 of bonds maturing on December 1, 2025 and 4.53% on bonds maturing on December 1, 2032. Pledged revenue represents the parking fees collected by the Town of Telluride. Annual principal and interest payments on the bonds are expected to require approximately 100% of pledged revenues.

Debt service requirements to maturity for business-type activities bonded debt are as follows:

	Principal	Interest	Total
2019	$ 1,262,000	$ 1,148,709	$ 2,410,709
2020	1,313,000	1,095,506	2,408,506
2021	1,361,000	1,039,256	2,400,256
2022	5,601,000	980,028	6,581,028
2023	1,141,000	697,949	1,838,949
2024 - 2028	7,069,000	2,737,706	9,806,706
2029 - 2033	4,562,000	1,071,533	5,633,533
2034 - 2036	3,846,000	324,972	4,170,972
	$26,155,000	$ 9,095,659	$35,250,659

Certificates of Participation

The Town issued $5,755,000 in Certificates of Participation, Series 2013 on October 1, 2013 bearing an effective interest rate not to exceed 5.25% with a scheduled maturity of December 2033. Principal and interest are payable semiannually on June 1 and December 1. $360,000 of the proceeds from the issuance was used to pay off a 2001 lease reported in the government wide statement of net position. $5,395,000 of the proceeds was used for infrastructure improvements in the Water Fund.

The following are the debt service requirements to maturity for the Certificate of Participation in the Water Fund:

	Principal	Interest	Total
2019	$ 215,510	$ 193,200	$ 408,710
2020	224,880	183,825	408,705
2021	234,250	174,043	408,293
2022	243,620	163,853	407,473
2023	257,675	153,256	410,931
2024 - 2028	1,457,035	589,179	2,046,214
2029 - 2033	1,813,932	242,519	2,056,451
	$ 4,446,902	$ 1,699,875	$ 6,146,777

NOTE G – RETIREMENT PLANS

The Town’s full-time marshals are required to participate in the Town of Telluride Marshal’s Plan, created in accordance with Internal Revenue Code Section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investments earnings.

Both the employees and the Town contribute 11% upon hire and 12.5% after five years of the employee’s compensation. In 2018, the Town contributed $80,840 to the plan.

For employees other than marshals, the Town has adopted the Town of Telluride Retirement Plan, created in accordance with the Internal Revenue Code Section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All full-time employees, excluding elected officials, are required to participate in the plan. The Town and employees contribute 3% of employee compensation upon hire, 5% after the 5-year anniversary and 6% after the 10-year anniversary. In 2018, the Town contributed $176,717 to the plan.

The Town has adopted the Town of Telluride Executive Plan for the manager and attorney, in accordance with Internal Revenue Code Section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Town contributes 3% of compensation for the manager and the manager contributes 3%. The Town contributes 8% of compensation for the town attorney and the town attorney contributes 6%. During 2018, the Town contributed $22,867 to the plan.

The Town offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of the participants or their beneficiaries. The Town has no ownership interest in the plan; nor is the Town liable for any losses under the plan.

NOTE H – PUBLIC ENTITY RISK POOL

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) property and casualty pool, a public entity risk pool. CIRSA provides property, casualty and cyber 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 Board of Directors is elected by the membership for four year terms. 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. CIRSA's 2018 Self-Insured Retentions for coverage are as follows:

- Liability - $1,000,000 each and every loss and/or occurrence
- Public Officials liability - $1,000,000 each and every claim
- Property - $500,000 for each and every loss and/or occurrence
- Public Relations and Security Breach - $100,000 each claim/annual aggregate
- Security and Privacy liability - $500,000 each claim/annual aggregate

The Town Council approves the Town's continued membership in CIRSA via their annual review of the Town's budget.

NOTE I – 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.

Effective November 15, 1997, the Town adopted the Town of Telluride Employee Medical Benefit Plan to provide medical benefits to its employees. The plan self-insures the first $40,000 per individual per year of covered medical claims. The maximum liability per individual is $2,000,000 per employee on an annual basis. All funds of the Town participate in the program. The claims liability of $210,362, reported in the General Fund at December 31, 2018 is based on the requirements of *Governmental Accounting Standards Board Statement No. 10*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

As discussed in Note H, the Town is a member of CIRSA. CIRSA has a legal obligation for claims against its members to the extent that funds 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. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contribution in the year such excess occurs, although it is not legally required to do so. The ultimate liability to the Town from claims not covered by CIRSA is not presently determinable. Management and the Town's attorney are 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.

NOTE J – CONTINGENCIES AND COMMITMENTS

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town. The Town has also received notices of claims for damages. Since no suits have been filed, no determination of any potential liabilities can be made at this time.

The Town receives a significant portion of its revenues from taxes, charges for services, and other income that is generated within the Town limits. This represents a geographic concentration of risk.

NOTE K – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2018, is as follows:

Interfund transfers:

	General	Affordable Housing	Street and Alley	Capital Imrovement	Fund 22	Parking	Water	Total Transfers Out
General	$ 112,686	$ -	$ -	$ -	$ 53,159	$ -	$ -	$ 165,845
Capital Improvement	536,179	-	1,166,782	-	-	105,100	1,400,000	3,208,061
Open Space	30,000	-	-	-	-	-	-	30,000
Affordable Housing	38,000	-	-	-	-	-	-	38,000
Airline Guarantee	29,440	-	-	-	-	-	-	29,440
Fund 22	-	-	-	59,000	-	-	-	59,000
Water	252,935	-	-	-	-	-	-	252,935
Sewer	252,935	-	-	-	-	-	-	252,935
THA	128,476	22,799	-	-	-	-	-	151,275
Total Transfers In	$ 1,380,651	$ 22,799	$ 1,166,782	$ 59,000	$ 53,159	$ 105,100	$ 1,400,000	$ 4,187,491

	Due from Other Funds	Due to Other Funds
General fund	$ 28,904	$ -
Capital improvement fund	1,279,245	-
Open space fund	2,630,856	-
Conservation trust fund	81,449	-
Airline guarantee fund	38,754	-
Energy mitigation fund	919,691	-
Street and Alley fund	311,255	-
Debt service fund	20,816	-
Fund 22	193,089	-
Sewer fund	1,789,806	-
Parking fund	281,425	-
General fund	-	3,526,374
Affordable housing fund	-	3,424
Water fund	-	1,169,004
THA fund	-	2,876,488
Total	$ 7,575,290	$ 7,575,290

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE L – TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as TABOR, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises”. On November 8, 1994, the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning with the year ended December 31, 1994, without limitations imposed by TABOR. TABOR requires that an emergency reserve be maintained in the amount of three percent of the fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required. TABOR is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of TABOR.

NOTE M – RELATED PARTY TRANSACTIONS

On September 19, 2012 the Town of Telluride made a loan to the San Miguel Community Facilities, Inc. (SMCF) in the amount of $140,000 for the construction of a childcare facility. Until October 1, 2017, SMCF will pay interest on the principal balance of the loan at an annual rate of 2.5%. Beginning October

1, 2017, SMCF pays interest to the Town at an annual rate to be determined by adding .25% to the most recent Prime Rate published in the Wall Street Journal on the date that is 45 days before the Adjustment Date. Principal and interest payments on the loan are paid monthly commencing on November 1, 2012 and continuing until October 1, 2022 at which time the entire remaining principal balance shall become due and payable to the Town. No payments were received on this balance during 2018. The principal balance on the note receivable was $116,981 at December 31, 2018.

NOTE N – PRIOR PERIOD ADJUSTMENTS

Long-term receivables that fall out of the period of availability are recognized as receivables and deferred inflows in the governmental fund financial statements under the modified accrual basis of accounting because the associated revenues are not available until future periods. In the government-wide statements which are presented on the accrual basis of accounting, revenues associated with long-term receivables should be recognized at the time that the revenue is earned. This adjustment has the effect of increasing net position by $422,401 on January 1, 2018 for long-term notes receivable in the government wide financial statements which were previously being deferred in the government-wide statements.

The proprietary fund financial statements are presented on the accrual basis of accounting which recognizes revenue at the time it is earned. A prior period adjustment has been made to recognize that $423,232 of tap fee revenues that should have been recognized at the time that the taps were sold.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND AND RELATED SUB-FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Taxes				
Sales taxes	$ 6,241,365	$ 6,241,365	$ 5,085,165	$(1,156,200)
Use taxes	578,500	578,500	318,182	(260,318)
Motor vehicle use taxes	190,000	190,000	229,620	39,620
Property taxes	682,950	682,950	587,492	(95,458)
Specific ownership tax	23,000	23,000	37,305	14,305
Penalties and interest on property tax	1,000	1,000	1,364	364
Franchise tax	210,000	210,000	229,373	19,373
Festival attendance tax	230,000	230,000	231,381	1,381
Occupation tax	5,000	5,000	2,881	(2,119)
	8,161,815	8,161,815	6,722,763	(1,439,052)
Licenses and permits				
Business licenses	448,600	503,580	423,493	(80,087)
Building licenses and permits	256,996	265,496	222,898	(42,598)
Other	115,410	115,410	251,387	135,977
	821,006	884,486	897,778	13,292
Intergovernmental				
State				
Mineral leasing	30,000	30,000	23,862	(6,138)
Highway users	69,000	69,000	86,985	17,985
Tobacco tax	14,000	14,000	13,808	(192)
Motor vehicle licenses	8,000	8,000	9,220	1,220
County				
Highway and streets	281,480	281,480	249,957	(31,523)
Other	635,805	635,805	612,362	(23,443)
	1,038,285	1,038,285	996,194	(42,091)
Charges for services				
General government	579,600	579,600	607,275	27,675
Public works	13,600	13,600	13,964	364
Parks and recreation fees	369,250	369,250	432,020	62,770
Transportation	34,500	34,500	32,949	(1,551)
	996,950	996,950	1,086,208	89,258
Fines and forfeitures	92,300	92,300	172,047	79,747
Investment earnings	75,000	75,000	195,242	120,242
Miscellaneous	26,391	26,391	57,093	30,702
Total revenues	11,211,747	11,275,227	10,127,325	(1,147,902)

(continued)

Town of Telluride, Colorado

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Expenditures				
General government				
Council	217,730	217,730	217,330	400
Court	47,650	47,650	42,572	5,078
Manager	357,090	361,065	360,923	142
Finance	441,990	480,699	464,645	16,054
Town attorney	351,320	381,120	380,641	479
Clerk	327,700	338,294	324,865	13,429
Planning	598,200	578,200	362,598	215,602
Building division	325,520	330,061	307,490	22,571
General services	974,750	974,750	956,678	18,072
Administrative services	439,130	369,611	351,614	17,997
Building maintenance	139,000	139,000	111,897	27,103
Community support	150,000	150,000	150,000	-
Contract services	764,508	832,243	816,843	15,400
	5,134,588	5,200,423	4,848,096	352,327
Public safety				
Law enforcement	1,898,790	1,930,787	1,908,829	21,958
Public works				
Roads and utility	1,078,320	1,078,320	984,320	94,000
Administration and engineering	737,720	754,123	753,127	996
	1,816,040	1,832,443	1,737,447	94,996
Culture and recreation				
Parks	794,300	809,498	760,863	48,635
Recreation	973,170	991,672	964,758	26,914
CASE	140,000	140,000	140,000	-
	1,907,470	1,941,170	1,865,621	75,549
Transportation	949,180	999,180	968,144	31,036
Total expenditures	11,706,068	11,904,003	11,328,137	575,866
Excess of revenue over (under) expenditures	(494,321)	(628,776)	(1,200,812)	(572,036)
Other Financing sources (uses)				
Transfers in (out), net	(426,839)	(437,907)	1,214,806	1,652,713
Total other financing sources (uses)	(426,839)	(437,907)	1,214,806	1,652,713
Net change in fund balance	(921,160)	(1,066,683)	13,994	1,080,677
Fund balance beginning	5,598,513	5,598,513	5,598,513	-
Fund balance, ending	$ 4,677,353	$ 4,531,830	$ 5,612,507	$ 1,080,677

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPEN SPACE FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Taxes and licenses				
Real estate transfer tax	$ 978,182	$ 1,195,066	$ 1,195,067	$ 1
Sales tax	1,405,473	1,405,473	1,378,157	(27,316)
Property taxes	117,020	117,020	124,278	7,258
Business building license	83,735	95,668	95,669	1
Grants	-	-	-	-
Miscellaneous	-	-	310	310
	2,584,410	2,813,227	2,793,481	(19,746)
Investment earnings	16,000	16,000	31,234	15,234
Total revenues	2,600,410	2,829,227	2,824,715	(4,512)
Expenditures				
Administrative expense	187,610	187,610	123,267	64,343
Stewardship expense	3,191,704	3,191,704	553,579	2,638,125
Principal payments on debt	560,000	560,000	560,000	-
Interest payments on debt	699,932	699,932	703,181	(3,249)
Total expenditures	4,639,246	4,639,246	1,940,027	2,699,219
Revenues in excess (deficiency) of expenditures	(2,038,836)	(1,810,019)	884,688	2,694,707
Other financing sources (uses)				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	(30,000)	(30,000)	(30,000)	-
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	(2,068,836)	(1,840,019)	854,688	2,694,707
Fund balance, beginning	4,793,873	4,793,873	4,793,873	-
Fund balance, ending	$ 2,725,037	$ 2,953,854	$ 5,648,561	$ 2,694,707

Town of Telluride, Colorado

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Taxes				
Sales taxes	$ 775,415	$ 775,415	$ 783,538	$ 8,123
Use taxes	71,500	71,500	49,157	(22,343)
	846,915	846,915	832,695	(14,220)
Housing mitigation and THA fees	80,000	510,000	517,053	7,053
Investment earnings	5,000	5,000	24,558	19,558
Rent income	26,400	26,400	15,600	(10,800)
Total revenues	958,315	1,388,315	1,389,906	1,591
Expenditures				
Housing set aside	2,731,304	3,161,304	3,157,056	4,248
Administration	94,888	94,888	94,888	-
Operating support	5,000	5,000	7,143	(2,143)
Principal payments on debt	127,439	127,439	127,439	-
Interest payments on debt	142,747	142,747	142,747	-
Fiscal agent fees	500	500	500	-
Total expenditures	3,101,878	3,531,878	3,529,773	2,105
Revenues in excess (deficiency) of expenditures	(2,143,563)	(2,143,563)	(2,139,867)	3,696
Other financing sources (uses)				
Proceeds from sale of property	50,886	50,886	50,886	-
Proceeds from sale of housing unit	208,000	208,000	205,507	(2,493)
Transfers in	5,162,363	22,799	22,799	-
Transfers out	(8,160,271)	(38,000)	(38,000)	-
Total other financing sources (uses)	(2,739,022)	243,685	241,192	(2,493)
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	(4,882,585)	(1,899,878)	(1,898,675)	1,203
Fund balance, beginning	3,063,835	3,063,835	3,063,835	-
Fund balance, ending	$(1,818,750)	$ 1,163,957	$ 1,165,160	$ 1,203

SUPPLEMENTARY INFORMATION

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Taxes				
Real estate transfer tax	$ 4,890,908	$ 5,975,332	$ 4,780,266	$ (1,195,066)
	4,890,908	5,975,332	4,780,266	(1,195,066)
Intergovernmental	176,488	386,488	257,157	(129,331)
Other revenues	75,000	75,000	33,767	(41,233)
Total revenues	5,142,396	6,436,820	5,071,190	(1,365,630)
Expenditures				
Equipment and other	733,587	1,028,587	735,704	292,883
Capital construction	2,287,000	2,287,000	1,604,619	682,381
Total expenditures	3,020,587	3,315,587	2,340,323	975,264
Revenues in excess (deficiency) of expenditures	2,121,809	3,121,233	2,730,867	(390,366)
Other financing sources (uses)				
Proceeds from sale of assets	-	-	83,713	83,713
Transfers in	260,000	260,000	59,000	(201,000)
Transfers out	(3,001,843)	(4,403,127)	(3,208,061)	1,195,066
Total other financing sources (uses)	(2,741,843)	(4,143,127)	(3,065,348)	1,077,779
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	(620,034)	(1,021,894)	(334,481)	687,413
Fund balance, beginning	2,846,832	2,846,832	2,846,832	-
Fund balance, ending	$ 2,226,798	$ 1,824,938	$ 2,512,351	$ 687,413

Town of Telluride, Colorado

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
State of Colorado Lottery	$ 25,000	$ 25,000	$ 25,687	$ 687
Other	38	38	-	(38)
Total Revenues	25,038	25,038	25,687	649
Expenditures				
Parks improvements	25,038	25,038	24,447	591
Total Expenditures	25,038	25,038	24,447	591
Revenues in excess (deficiency) of expenditures	-	-	1,240	1,240
Fund balance, beginning	75,139	75,139	75,139	-
Fund balance, ending	$ 75,139	$ 75,139	$ 76,379	$ 1,240

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - AIRLINE GUARANTEE FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Excise taxes	$ 1,424,130	$ 1,472,020	$ 1,472,019	$ (1)
Expenditures				
Economic development	1,395,650	1,442,580	1,442,579	1
Revenues in excess (deficiency) of expenditures	28,480	29,440	29,440	-
Other financing (uses)				
Transfers out	(28,480)	(29,440)	(29,440)	-
Revenues in excess (deficiency) of expenditures and other financing (uses)	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	$ -	$ -	$ -	$ -

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ENERGY MITIGATION FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Fees	$ 195,500	$ 195,500	$ 143,388	$ (52,112)
Credits	5,000	5,000	3,480	(1,520)
Total revenues	200,500	200,500	146,868	(53,632)
Expenditures				
Energy projects	29,750	29,750	18,213	11,537
Total expenditures	29,750	29,750	18,213	11,537
Revenues in excess (deficiency) of expenditures	170,750	170,750	128,655	(42,095)
Other financing sources (uses)				
Transfers out	(160,000)	(160,000)	-	160,000
Total other financing sources (uses)	(160,000)	(160,000)	-	160,000
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	10,750	10,750	128,655	117,905
Fund balance, beginning	791,333	791,333	791,333	-
Fund balance, ending	$ 802,083	$ 802,083	$ 919,988	$ 117,905

Town of Telluride, Colorado

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Miscellaneous revenue	$ 13,860	$ 13,860	$ 64,946	$ 51,086
	13,860	13,860	64,946	51,086
Expenditures				
Public works expenditures	1,289,000	1,289,000	1,143,123	145,877
Revenues in excess (deficiency) of expenditures	(1,275,140)	(1,275,140)	(1,078,177)	196,963
Other financing sources (uses)				
Transfers in	1,166,782	1,166,782	1,166,782	-
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	(108,358)	(108,358)	88,605	196,963
Fund balance, beginning	108,524	108,524	108,524	-
Fund balance, ending	$ 166	$ 166	$ 197,129	$ 196,963

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Charges for services	$ 2,000	$ 2,000	$ 1,723	$ (277)
Total revenues	2,000	2,000	1,723	(277)
Expenditures				
Debt service				
Principal	13,485	13,485	13,750	(265)
Interest	13,860	13,860	13,593	267
Total expenditures	27,345	27,345	27,343	2
Revenues in excess (deficiency) of expenditures	(25,345)	(25,345)	(25,620)	(275)
Fund balance, beginning	46,436	46,436	46,436	-
Fund balance, ending	$ 21,091	$ 21,091	$ 20,816	$ (275)

Town of Telluride

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL - FUND 22

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Charges	$ 10,161	$ 10,161	$ 8,333	$ (1,828)
Donations	2,500	2,500	6,054	3,554
Total revenues	12,661	12,661	14,387	1,726
Expenditures				
Culture and recreation	49,161	246,058	31,819	214,239
Revenues in excess (deficiency) of expenditures	(36,500)	(233,397)	(17,432)	215,965
Other financing sources (uses)				
Transfers in	37,614	86,749	53,159	(33,590)
Transfers out	(100,000)	(100,000)	(59,000)	41,000
Total other financing sources (uses)	(62,386)	(13,251)	(5,841)	7,410
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	(98,886)	(246,648)	(23,273)	223,375
Fund balance, beginning	214,867	214,867	214,867	-
Fund balance, ending	$ 115,981	$ (31,781)	$ 191,594	$ 223,375

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL - WATER FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Charges for services	$ 1,116,200	$ 1,116,200	$ 1,134,377	$ 18,177
Tap fees	400,000	400,000	388,682	(11,318)
Meter sales	22,000	22,000	17,034	(4,966)
Property taxes	606,733	606,733	560,395	(46,338)
Specific Ownership taxes	20,000	20,000	27,952	7,952
Penalties and interest on property taxes	5,000	5,000	1,170	(3,830)
Interest income	13,000	13,000	23,013	10,013
Other charges for services	38,824	38,824	59,338	20,514
Capital reimbursement	-	213,000	217,147	4,147
Other revenues	871,824	121,824	118,090	(3,734)
Transfers in	265,600	1,400,000	1,400,000	-
Total revenues	3,359,181	3,956,581	3,947,198	(9,383)
Expenditures				
Personal services	166,240	166,240	142,435	23,805
Purchased services	350,135	350,135	320,554	29,581
Principal	206,140	206,140	206,250	(110)
Interest	554,008	554,008	554,012	(4)
Fiscal agent fees	14,000	14,000	11,209	2,791
Capital repairs and maintenance	25,000	25,000	112,042	(87,042)
Capital outlay	1,593,600	2,093,600	1,681,040	412,560
Transfers out	252,935	252,935	252,935	-
Total expenditures	3,162,058	3,662,058	3,280,477	381,581
Net Income - Budgetary Basis	$ 197,123	$ 294,523	666,721	$ 372,198
Adjustments to GAAP basis				
Principal payments on debt			206,250	
Capital outlay			1,681,040	
Depreciation expense			(887,173)	
Net income - GAAP Basis			1,666,838	
Net position, beginning			9,069,821	
Prior period adjustment			211,616	
Net position, beginning, restated			9,281,437	
Net position, ending			$ 10,948,275	

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL- SEWER FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Charges for services	$ 1,023,400	$ 1,023,400	$ 1,041,475	$ 18,075
Tap fees	400,000	400,000	499,188	99,188
Mountain Village Metropolitan District	1,166,044	1,166,044	600,091	(565,953)
Other revenues	40,000	40,000	44,266	4,266
Total revenues	2,629,444	2,629,444	2,185,020	(444,424)
Expenses				
Personal services	461,690	461,690	433,312	28,378
Purchased services	960,945	960,945	1,125,288	(164,343)
Capital outlay	2,175,000	2,175,000	263,231	1,911,769
Transfers out	252,935	252,935	252,935	-
Total expenses	3,850,570	3,850,570	2,074,766	1,775,804
Net income - Budgetary Basis	$ (1,221,126)	$ (1,221,126)	110,254	$ 1,331,380
Adjustments to GAAP basis				
Capital outlay			263,231	
Depreciation expense			(350,098)	
Net income (loss) - GAAP Basis			23,387	
Net position, beginning			5,212,868	
Prior period adjustment			211,616	
Net position, beginning, restated			5,424,484	
Net position, ending			$ 5,447,871	

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL - PARKING FUND

For the year ended December 31, 2018

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Operating Revenues				
Charges for services	$ 414,972	$ 414,972	$ 516,146	$ 101,174
Total revenues	414,972	414,972	516,146	101,174
Operating Expenses				
Costs of sales and service	42,500	42,500	68,360	(25,860)
Capital outlay	541,600	5,531,600	5,706,718	(175,118)
Debt service				
Interest	-	109,070	109,070	-
Total expenses	584,100	5,683,170	5,884,148	(200,978)
Operating income (loss)	(169,128)	(5,268,198)	(5,368,002)	(99,804)
Non-operating Revenues and Expenses				
Investment earnings	-	-	5,380	5,380
Proceeds from issuance of long-term debt	-	4,200,000	4,200,000	-
Transfers in	-	105,100	105,100	-
Total non-operating revenues (expenses)	-	4,305,100	4,310,480	5,380
Change in net position -budgetary basis	$ (169,128)	$ (963,098)	(1,057,522)	$ (94,424)
Adjustments to GAAP basis				
Debt proceeds			(4,200,000)	
Capital outlay			5,706,718	
Net income - GAAP basis			449,196	
Net position, beginning			1,364,863	
Net position, ending			$ 1,814,059	

Town of Telluride, Colorado

GENERAL FUND AND RELATED SUB-FUNDS
COMBINING BALANCE SHEET

December 31, 2018

	General	Transportation	Total
ASSETS			
Cash	$ 1,824,243	$ -	$ 1,824,243
Investments	8,256,909	-	8,256,909
Receivables			
Taxes	772,133	-	772,133
Accounts	105,235	64,440	169,675
Intergovernmental	132,749	70,562	203,311
Due from other funds	-	28,904	28,904
Total assets	11,091,269	163,906	11,255,175
LIABILITIES			
Accounts payable	437,365	55,940	493,305
Deposits	525,895	-	525,895
Unearned revenue	324,895	-	324,895
Due to other funds	3,526,440	-	3,526,440
Total liabilities	4,814,595	55,940	4,870,535
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - property taxes	772,133	-	772,133
Total deferred inflows of resources	772,133	-	772,133
FUND BALANCE			
Restricted			
Emergency	542,746	-	542,746
Assigned			
Transportation	-	107,966	107,966
Unassigned	4,961,795	-	4,961,795
Total fund balance	$ 5,504,541	$ 107,966	$ 5,612,507

Town of Telluride, Colorado

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND AND RELATED SUB-FUNDS

For the Year Ended December 31, 2018

	General Fund				Transportation Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Actual
Revenues									
Taxes									
Sales taxes	$ 6,241,365	$ 6,241,365	$ 5,085,165	$ (1,156,200)	$ -	$ -	$ -	$ -	$ 5,085,165
Use taxes	578,500	578,500	318,182	(260,318)	-	-	-	-	318,182
Motor vehicle use taxes	190,000	190,000	229,620	39,620	-	-	-	-	229,620
Property taxes	682,950	682,950	587,492	(95,458)	-	-	-	-	587,492
Specific ownership tax	23,000	23,000	37,305	14,305	-	-	-	-	37,305
Penalties and interest on property tax	1,000	1,000	1,364	364	-	-	-	-	1,364
Franchise tax	210,000	210,000	229,373	19,373	-	-	-	-	229,373
Festival attendance tax	230,000	230,000	231,381	1,381	-	-	-	-	231,381
Occupation tax	5,000	5,000	2,881	(2,119)	-	-	-	-	2,881
	8,161,815	8,161,815	6,722,763	(1,439,052)	-	-	-	-	6,722,763
Licenses and permits									
Business licenses	448,600	503,580	423,493	(80,087)	-	-	-	-	423,493
Building licenses and permits	256,996	265,496	222,898	(42,598)	-	-	-	-	222,898
Other	115,410	115,410	251,387	135,977	-	-	-	-	251,387
	821,006	884,486	897,778	13,292	-	-	-	-	897,778
Intergovernmental									
State and federal									
Mineral leasing	30,000	30,000	23,862	(6,138)	-	-	-	-	23,862
Highway users	69,000	69,000	86,985	17,985	-	-	-	-	86,985
Tobacco tax	14,000	14,000	13,808	(192)	-	-	-	-	13,808
Motor vehicle licenses	8,000	8,000	9,220	1,220	-	-	-	-	9,220
County									-
Highway and streets	281,480	281,480	249,957	(31,523)	-	-	-	-	249,957
Other	4,000	4,000	1,343	(2,657)	631,805	631,805	611,019	(20,786)	612,362
	406,480	406,480	385,175	(21,305)	631,805	631,805	611,019	(20,786)	996,194
Charges for services									
General government	579,600	579,600	607,275	27,675	-	-	-	-	607,275
Public works	13,600	13,600	13,964	364	-	-	-	-	13,964
Parks and recreation fees	369,250	369,250	432,020	62,770	-	-	-	-	432,020
Transportation	-	-	-	-	34,500	34,500	32,949	(1,551)	32,949
	962,450	962,450	1,053,259	90,809	34,500	34,500	32,949	(1,551)	1,086,208
Fines and forfeitures	92,300	92,300	172,047	79,747	-	-	-	-	172,047
Investment earnings	75,000	75,000	195,242	120,242	-	-	-	-	195,242
Miscellaneous	26,391	26,391	53,093	26,702	-	-	4,000	4,000	57,093
Total Revenues	10,545,442	10,608,922	9,479,357	(1,129,565)	666,305	666,305	647,968	(18,337)	10,127,325

(continued)

Town of Telluride, Colorado

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND RELATED SUB-FUNDS

For the Year Ended December 31, 2018

	General Fund				Transportation Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Actual
Expenditures									
General government									
Council	217,730	217,730	217,330	400	-	-	-	-	217,330
Court	47,650	47,650	42,572	5,078	-	-	-	-	42,572
Manager	357,090	361,065	360,923	142	-	-	-	-	360,923
Finance	441,990	480,699	464,645	16,054	-	-	-	-	464,645
Town attorney	351,320	381,120	380,641	479	-	-	-	-	380,641
Clerk	327,700	338,294	324,865	13,429	-	-	-	-	324,865
Planning	598,200	578,200	362,598	215,602	-	-	-	-	362,598
Building division	325,520	330,061	307,490	22,571	-	-	-	-	307,490
General services	974,750	974,750	956,678	18,072	-	-	-	-	956,678
Administrative services	439,130	369,611	351,614	17,997	-	-	-	-	351,614
Building maintenance	139,000	139,000	111,897	27,103	-	-	-	-	111,897
Community support	150,000	150,000	150,000	-	-	-	-	-	150,000
Contract services	764,508	832,243	816,843	15,400	-	-	-	-	816,843
	5,134,588	5,200,423	4,848,096	352,327	-	-	-	-	4,848,096
Public safety									
Law enforcement	1,898,790	1,930,787	1,908,829	21,958	-	-	-	-	1,908,829
Public works									
Roads and utility	1,078,320	1,078,320	984,320	94,000	-	-	-	-	984,320
Administration and engineering	737,720	754,123	753,127	996	-	-	-	-	753,127
	1,816,040	1,832,443	1,737,447	94,996	-	-	-	-	1,737,447
Culture and recreation									
Parks	794,300	809,498	760,863	48,635	-	-	-	-	760,863
Recreation	973,170	991,672	964,758	26,914	-	-	-	-	964,758
CASE	140,000	140,000	140,000	-	-	-	-	-	140,000
	1,907,470	1,941,170	1,865,621	75,549	-	-	-	-	1,865,621
Transportation	-	-	-	-	949,180	999,180	968,144	31,036	968,144
Total expenditures	10,756,888	10,904,823	10,359,993	544,830	949,180	999,180	968,144	31,036	11,328,137
Excess of revenue over (under) expenditures	(211,446)	(295,901)	(880,636)	(584,735)	(282,875)	(332,875)	(320,176)	12,699	(1,200,812)

(continued)

Town of Telluride, Colorado

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND AND RELATED SUB-FUNDS

For the Year Ended December 31, 2018

	General Fund				Transportation Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Actual
Other Financing sources (uses)									
Transfers in	934,130	934,130	935,090	960	395,561	445,561	445,561	-	1,380,651
Transfers out	(1,643,844)	(1,704,912)	(53,159)	1,651,753	(112,686)	(112,686)	(112,686)	-	(165,845)
Total other financing sources (uses)	(709,714)	(770,782)	881,931	1,652,713	282,875	332,875	332,875	-	1,214,806
Net change in fund balance	(921,160)	(1,066,683)	1,295	1,067,978	-	-	12,699	12,699	13,994
Fund balance beginning	5,503,246	5,503,246	5,503,246	-	95,267	95,267	95,267	-	5,598,513
Fund balance, ending	$ 4,582,086	$ 4,436,563	$ 5,504,541	$ 1,067,978	$ 95,267	$ 95,267	$ 107,966	$ 12,699	$ 5,612,507

Town of Telluride

THA FUND
COMBINING BALANCE SHEET

December 31, 2018

	Shandoka	Virginia Placer	Total
ASSETS			
Cash and cash equivalents	$ 20,434	$ 261,653	$ 282,087
Receivables			
Trade	11,607	1,515	13,122
Restricted cash and investments	3,268,142	620,080	3,888,222
Capital assets:			
Non-depreciable			
Land	4,413,000	-	4,413,000
Depreciable, net of accumulated depreciation			
Buildings	11,439,142	8,627,001	20,066,143
Equipment	220,279	-	220,279
Infrastructure	207,269	-	207,269
Accumulated depreciation	(5,545,131)	(171,329)	(5,716,460)
Net capital assets	10,734,559	8,455,672	19,190,231
Total assets	14,034,742	9,338,920	23,373,662
LIABILITIES			
Accounts payable	23,150	20,043	43,193
Due to other funds	2,780,781	95,707	2,876,488
Security deposits	221,000	37,757	258,757
Unearned revenue	42,542	2,010	44,552
Accrued interest payable	62,116	-	62,116
Accrued compensated absences	7,296	983	8,279
Noncurrent liabilities			
Due within one year	328,000	244,000	572,000
Due after one year	6,529,000	8,239,000	14,768,000
Total liabilities	9,993,885	8,639,500	18,633,385
NET POSITION			
Net investment in capital assets	3,877,559	(27,328)	3,850,231
Restricted for debt service	3,268,142	620,080	3,888,222
Unrestricted (deficit)	(3,104,844)	106,668	(2,998,176)
	$ 4,040,857	$ 699,420	$ 4,740,277

Town of Telluride

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET TO ACTUAL - THA FUND

For the year ended December 31, 2018

	Shandoka Fund				Virginia Placer Fund				
	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Total Actual
Operating Revenues									
Charges for sales and services	$ 1,793,979	$ 1,793,979	$ 1,793,422	$ (557)	$ 437,622	$ 437,622	$ 317,905	$ (119,717)	$ 2,111,327
Miscellaneous	83,400	83,400	74,172	(9,228)	4,916	4,916	3,788	(1,128)	77,960
Total operating revenue	1,877,379	1,877,379	1,867,594	(9,785)	442,538	442,538	321,693	(120,845)	2,189,287
Operating Expenses									
Costs of sales and service	1,175,905	1,175,905	886,982	288,923	30,527	30,527	61,254	(30,727)	948,236
Capital outlay	190,000	190,000	207,269	(17,269)	2,981,437	2,981,437	2,709,822	271,615	2,917,091
Debt service:				-					
Principal	349,669	349,669	349,669	-	119,000	119,000	119,000	-	468,669
Interest	389,409	389,409	389,310	99	278,704	278,704	279,230	(526)	668,540
Total operating expenses	2,104,983	2,104,983	1,833,230	271,753	3,409,668	3,409,668	3,169,306	240,362	5,002,536
Operating income (loss)	(227,604)	(227,604)	34,364	261,968	(2,967,130)	(2,967,130)	(2,847,613)	119,517	(2,813,249)
Non-operating Revenues (Expenses)									
Investment earnings	2,600	2,600	16,603	14,003	-	-	7,492	(7,492)	24,095
Transfers in	-	-	-	-	8,122,271	125,000	125,000	-	125,000
Transfers out	(151,275)	(276,275)	(276,275)	-	(5,139,564)	-	-	-	(276,275)
Total non-operating revenues (expenses)	(148,675)	(273,675)	(259,672)	14,003	2,982,707	125,000	132,492	(7,492)	(127,180)
Change in net position - budgetary basis	$ (376,279)	$ (501,279)	(225,308)	$ 275,971	$ 15,577	$(2,842,130)	(2,715,121)	$ 112,025	(2,940,429)
Capital outlay			207,269				2,709,822		2,917,091
Depreciation expense			(320,432)				(171,329)		(491,761)
Debt service principal			349,669				119,000		468,669
Change in Net Position - GAAP Basis			11,198				(57,628)		(46,430)
Net Position, beginning of year			4,029,659				757,048		4,786,707
Net Position, end of year			$ 4,040,857				$ 699,420		$ 4,740,277

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Telleride
		YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	Kailey Ranta (970) 728-2163

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	1,589,578
3. Other local imposts (from page 2)	677,492
4. Miscellaneous local receipts (from page 2)	3,515
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	2,270,586
B. Private Contributions	
C. Receipts from State government (from page 2)	96,206
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	2,366,792

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	557,462
2. Maintenance:	957,992
3. Road and street services:	
a. Traffic control operations	164,541
b. Snow and ice removal	246,080
c. Other	
d. Total (a. through c.)	410,621
4. General administration & miscellaneous	278,657
5. Highway law enforcement and safety	162,060
6. Total (1 through 5)	2,366,792
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	2,366,792

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0		0	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	2,366,792	2,366,792	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2018

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	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	3,515
1. Sales Taxes	390,230	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	249,957	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	37,305	g. Other Misc. Receipts	
6. Total (1. through 5.)	677,492	h. Other	
c. Total (a. + b.)	677,492	i. Total (a. through h.)	3,515
	(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	86,985	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	9,220	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	9,220	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	96,205	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		557,462	557,462
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	557,462	557,462
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	557,462	557,462
			(Carry forward to page 1)

Notes and Comments: