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# **TOWN OF MOUNTAIN VILLAGE COLORADO**

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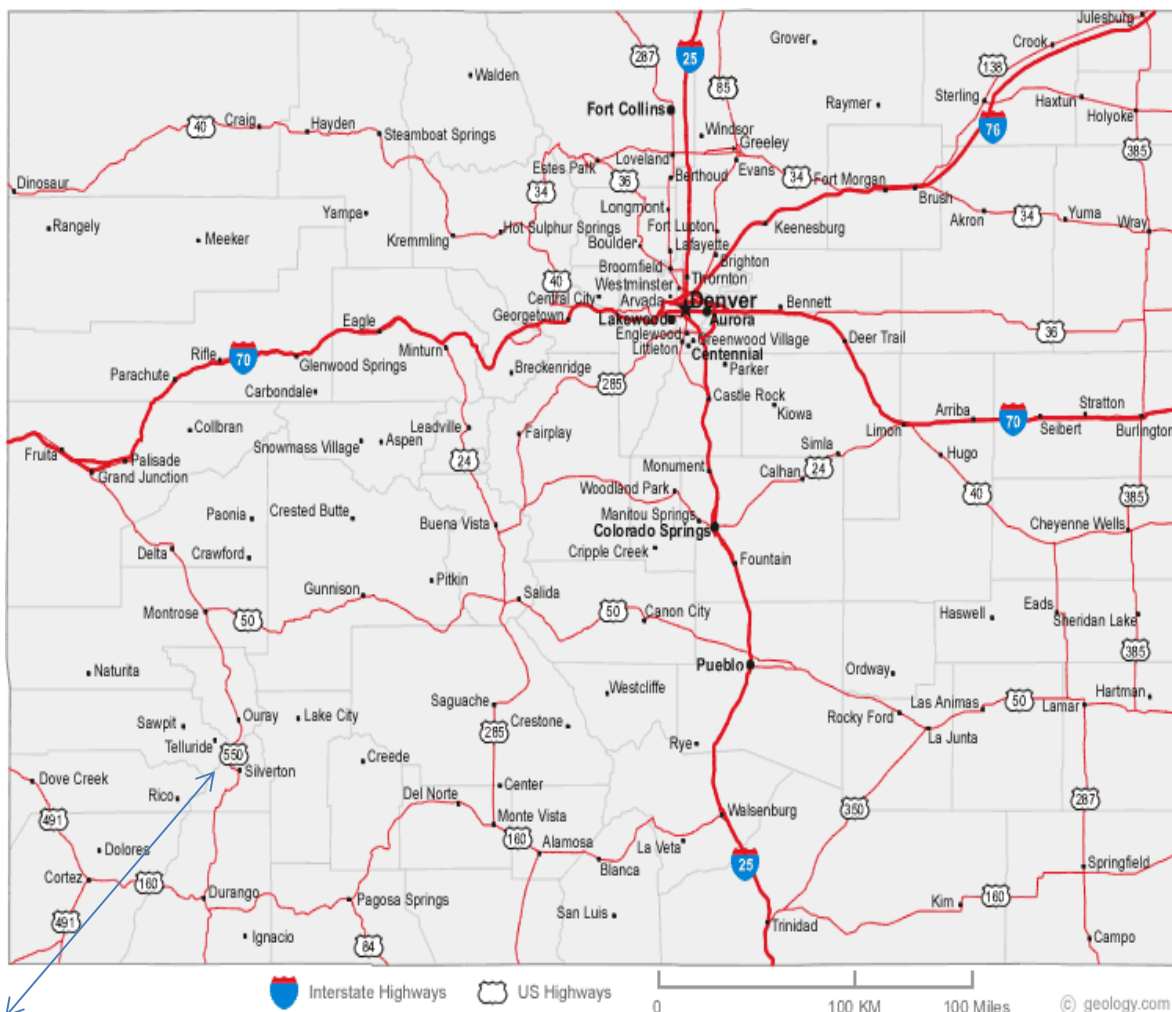
In 2016, The Town of Mountain Village celebrated the 20<sup>th</sup> anniversary of the Gondola System

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2016**

## ABOUT MOUNTAIN VILLAGE

Situated in the heart of the breathtaking San Juan Mountains, Mountain Village was incorporated in 1995 as a home rule municipality. Its founders envisioned a European-style ski-in/ski-out, pedestrian-friendly destination resort that would complement the historic mining town of Telluride. A three-stage gondola transportation system connects the Town of Mountain Village with the Town of Telluride. Situated at 9,500 feet, Mountain Village is comparably a world apart from other resorts: it is innately spectacular, beautifully orchestrated and planned, and overflowing with style, charm and sophistication. For more information, please visit us on the Web at [www.townofmountainvillage.com](http://www.townofmountainvillage.com).



Mountain Village

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**Mayor, Dan Jansen**  
**Mayor Pro Tem, Martin McKinley**  
**Council Members: Dan Caton, Bruce Macintire,**  
**Laila Benitez, Michelle Sherry, Cath Jett**  
**Town Manager, Kim Montgomery**

**Prepared by:**  
**The Finance Department of the Town of Mountain Village**  
**Kevin Swain, Treasurer and Finance Director**  
**Kate Burns, Controller**  
**Julie Vergari, Chief Accountant**  
**Kathy Smith, Accounts Payable Technician**  
**Susan Ray, Billing Service Specialist**  
**Sheri Mahoney, Payroll Technician**



June 30, 2017

To the Honorable Mayor, Members of the Governing Town Council and Citizens of the Town of Mountain Village:

The Comprehensive Annual Financial Report of the Town of Mountain Village (the "Town") for the year ended December 31, 2016, is hereby submitted as mandated by the Town's home rule charter and state statutes. The charter and statutes require that the Town of Mountain Village issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures, rests with the Town's management. We believe the information as presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

### **Governmental Structure, Local Economic Condition and Outlook**

The Town, incorporated under a Home Rule Charter in 1995, is located in the San Juan Range of the Rocky Mountains, in southwest Colorado, in San Miguel County, and consists of approximately 2,100 acres of land. The Town is an upscale European styled resort-oriented community situated in the mountains above and adjacent to, the Town of Telluride and includes a large part of the Telluride Ski Area. The Town also has the power, by state statute, to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the governing town council.

The Town has operated under a council-mayor form of government since its inception. Policy-making and legislative authority are vested in the governing council; certain executive authority rests with the Mayor. The governing council ("Town Council" or the "Council") is responsible, among other things, for passing ordinances, adopting the budget and appointing committees. The Mayor is selected from within the Town Council and his or her tenure in office is subject to termination at any time by the Town Council. The Mayor is responsible, among other things, for appointing the various officials of the Town and is empowered to carry out the policies and ordinances of the Town Council.

The Council is elected on a non-partisan basis. Council members are elected at large to four year staggered terms.

It was determined by the District and the Town that it was in the best interests of the residents of the Town and the District that the District be dissolved and that the Town assume the governmental services and functions currently performed by the District. On December 13, 2006, the District Court, San Miguel County, Colorado approved the dissolution of the District effective January 1, 2007, which was approved by the District's electors on November 7, 2006. The District stays in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding General Obligation Bonds. The Town Council of the Town of Mountain Village, Colorado (the Town) is responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements. The Town assumed the assets and all other obligations of the District effective January 1, 2007.

The Town is a body corporate and politic with all of the powers of a public or quasi-municipal corporation and is a political subdivision of the State of Colorado. The Town was organized for the purpose of providing for its residents various governmental services including, but not limited to, general governmental services, (affordable housing, building code enforcement, planning, zoning and design review) and law enforcement. The Town is empowered to levy taxes subject to voter authorization and may issue bonds. The Town imposes certain fees and charges upon its residents and users for design review, plan review, inspection, planning and zoning. Mountain Village has a zoned "person equivalent density" of just over 8,000. Currently 38% of this density has been constructed. Approximately 65 person equivalent density is under construction or in the design review process. The Town Planning and Development Services Department estimates the current permanent population is 1,465 people, and the 2016 assessed valuation of the Town is \$294,011,170.

The Town has recently enjoyed several years of favorable economic conditions which resulted in operating surpluses allowing investments in affordable housing and the growth of fund reserves. While the Town has grown and begun to mature as a stable resort destination, it is still very much reliant on real estate development. As the national economy entered into a global recession the pace of real estate development and property sales slowed dramatically and the result was a devalued property tax base. In recognition of these factors, the Town took budgetary measures for 2013 and 2014 that offset the decline in property tax in those years. Budget measures taken included a policy established for 2010 and 2011 whereby a set-aside of current property tax revenue was established as a backstop against falling revenue resulting from the reduced property tax base. The two year result ended up in additional reserves for the General Fund in the amount of \$450,828. Those reserves have been maintained and have been repurposed for utilization in 2015 and 2016.

As the Town has been able to grow its cash reserves the investment accounts have been increased and reflect the growth of those unrestricted reserves. However continued low interest rates and the conservative investment policy of the town have served to restrain the income earned off investments of idle funds.

The continued strong financial condition of the Town is creating both opportunities and challenges for the organization and its constituents. Although the Town's finances have stabilized recently, the Town is faced with new challenges to meet increased demand for

services, facilities and amenities triggered by the local growth. As the Village grows, demand for more affordable housing and childcare services and facilities are of primary concern. It will require significant financial resources to address these deficiencies in the upcoming years.

## **Financial Information**

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the organization are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Town maintains extensive budgetary controls. The objective of these controls is to ensure compliance with the legal provisions embodied in the annually appropriated budget approved by the Town Council. Financial activities of the Town's governmental funds are included in the annual appropriated budget. The point of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. In order to address long range financial planning issues, a long-range financial plan is maintained and revised periodically by the Town Council. As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A") which can be found immediately following the independent auditor's report.

## **Long Term Financial Planning**

As part of the Town's annual budget process, a five year financial plan for all funds and operations of the Town is updated and included as part of the budget adoption process. Revenue projections are updated and all Town department and fund budgets are forecast for the upcoming five years.

## **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The firm of Chadwick, Steinkirchner, Davis, & Co. has been retained to audit the Town. The auditors used Generally Accepted Auditing Standards in conducting the engagement. The auditor's report in the general-purpose financial statements, and combining and individual fund statements and schedules, is included in the financial section of this report.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the year ended December 31, 2015. This was the seventeenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgements**

I would like to express my appreciation to all members of the Town's staff who assisted and contributed to the preparation of this report. I would also like to thank the Mayor and the Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

Kevin Swain  
Town Finance Director

<p style="text-align: center;"><b>Town of Mountain Village Organizational Chart</b></p> <p style="text-align: center;"><b>Voters/Electorate</b></p> <p style="text-align: center;"><b>Town Council (Legislative)</b></p> <p style="text-align: center;"><b>Mayor (Executive)</b></p>		
<p><b><u>Town Offices</u></b> Town Manager Town Attorney Town Clerk Town Treasurer</p>	<p><b><u>Departments</u></b> Planning &amp; Development Services, Public Safety, Road &amp; Bridge, Transportation, Recreation, Public Works, Vehicle Maintenance, Plaza &amp; Environmental Services, Marketing &amp; Business Development, Human Relations</p>	<p><b><u>(Judicial)</u></b> Municipal Court</p>
	<p><b><u>Enterprise Operations</u></b> Broadband Services Water &amp; Sanitary Sewer Conference Center Child Development Housing Authority Parking Services</p>	

**List of Elected and Appointed Officials  
December 31, 2016**

Elected Officials

Council Member-At large	Dan Jansen (Mayor)
Council Member-At large	Cath Jett
Council Member-At large	Bruce MacIntire
Council Member-At large	Dan Caton
Council Member-At large	Martin McKinley (Mayor Pro Tem)
Council Member-At large	Michelle Sherry
Council Member-At large	Laila Benitez

Appointed Officials

Town Manager	Kim Montgomery
Town Attorney (Contracted)	J. David Reed esq.
Town Clerk	Jackie Kennefick
Town Treasurer	Kevin Swain
Director of Community Development	Glen Van Nimwegen
Police Chief	Chris Broady

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Government Finance Officers Association

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

Presented to

**Town of Mountain Village  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

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## **Independent Auditors Report**

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**INDEPENDENT AUDITOR'S REPORT**

June 30, 2017

To the Town Council  
Town of Mountain Village, 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 Mountain Village, Colorado as of and for the year ended December 31, 2016, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

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



Town of Mountain Village, Colorado  
June 30, 2017  
Page Two

**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 7–15 and 71–73 and the pension schedules on pages 74–75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mountain Village's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget to actual fund schedules, the Local Highway Finance Report and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget to actual fund schedules for the debt services fund, proprietary funds and non-major funds, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budget to actual fund schedules for the debt service fund, proprietary funds and the nonmajor funds, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our reported dated June 30, 2017, on our consideration of the Town of Mountain Village's internal control over financial reporting and on our test of its compliance with certain provisions of laws regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Mountain Village's internal control over financial reporting and compliance.

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

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## **Management's Discussion and Analysis**

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# TOWN OF MOUNTAIN VILLAGE, COLORADO

## Management's Discussion and Analysis

### For the Year Ended December 31, 2016

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As management of the Town of Mountain Village (the Town), we offer readers of these financial statements this summary overview and analysis of the financial activities and position through and as of December 31, 2016. We encourage readers to consider the information presented in conjunction with the additional information furnished in our basic financial statements to more thoroughly understand the financial activities and position of the Town.

#### **A. Financial Highlights**

- Net Position (excess assets/deferred outflows over liabilities/deferred inflows) increased \$2.3 million from \$50.3 to \$52.6 million
- Sales taxes collections continue to establish new record levels and exceeded \$4 million for the first time in Town history contributing to surpluses building the Town's General Fund reserves to almost \$9.5 million.

Transfer of assets and assumption of services of the Mountain Village Metropolitan District. The Mountain Village Metropolitan District (the District) was established on September 12, 1983 for the purpose of providing certain services including: domestic water, wastewater treatment, drainage, roads, television relay and translator facilities, public parks and recreation facilities, and transportation. It was determined by the District and the Town that it is in the best interests of the residents of the Town and the District that the District be dissolved and that the Town assume the governmental services and functions currently performed by the District. On December 13, 2006, the District Court, San Miguel County, Colorado approved the dissolution of the District effective January 1, 2007, which was approved by the District's electors on November 7, 2006. **The District will stay in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding General Obligation Bonds.** The Town Council will be responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements. The Town assumed the assets and all other obligations of the District effective January 1, 2007.

#### **B. Overview of Financial Statements**

This discussion and analysis is intended to serve as the introduction to the Town'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.

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

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

The statement of activities presents information showing how the Town'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 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, economic development, debt service, capital projects, culture and recreation, and transportation. The business-type activities include affordable housing rental and development, cable television, water and sewer, conference center, child development, parking services, and regional communications.

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 are separated into two classifications: governmental funds and enterprise (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 expendable resources, as well as on balances of expendable 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 more thoroughly understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balance 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, Gondola Special Revenue Fund, and as a unit of The Town, Debt Service Fund. All non-major funds (Capital Projects Fund, Vehicle and Equipment Acquisition, Historical Museum and Tourism 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 the budgets.

Enterprise Funds- Enterprise funds (proprietary) 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 child development, regional communications and affordable housing programs. The Town's major enterprise funds are the Housing Authority Fund, Cable, Telluride Conference Center, and the Water and Sewer Fund. All non-major funds (Child Development, Parking Services, and Communication System Funds) are combined as other enterprise funds.

Notes to Financial Statements The notes provide additional information that are essential to full understanding of the data provided in the various financial reports.

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*.

Capital Assets- Beginning with the 2004 financial statements, the Town must comply with the capital assets reporting requirements as specified in Governmental Accounting Standards Board Statement 34 (GASB 34). One of the requirements is to report capital assets in the government-wide financial statements. The Town has complied with these requirements.

In addition, beginning with the 2007 financial statements, the Town must report on its capital assets. In anticipation of this requirement, the Town decided to report its capital assets beginning with the 2004 financial statements. Accordingly, the government-wide financial statements include information about capital assets and the related expenses.

Fund Balance- Effective with financial reporting periods beginning after June 15, 2010, Governmental Accounting Standards Board Statement 54 (GASB 54) requires the classification of fund balance in governmental funds. The objective is to enhance the usefulness of fund balance information. The Town has complied with GASB 54 requirements starting with its 2009 financial statements.

### C. Government-wide Financial Analysis

At the close of 2016, the total Net Position was \$52.6 million, an increase of \$2.3 million from prior year which is primarily a result of record breaking sales tax collections and controlled spending.

For a full summary of the Town's Net Position, please see page 21 of this report.

#### Statements of Net Position December 31, 2016 and 2015

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$22,274,573	\$21,521,692	\$ 6,821,935	\$ 5,444,833	\$ 29,096,508	\$ 26,966,525
Capital Assets	45,899,223	47,006,132	23,838,307	25,165,880	69,737,530	72,172,012
<b>Total Assets</b>	<b>68,173,796</b>	<b>68,527,824</b>	<b>30,660,242</b>	<b>30,610,713</b>	<b>98,834,038</b>	<b>99,138,537</b>
<b>Deferred Outflow of Resources</b>	<b>3,052,619</b>	<b>1,639,767</b>	<b>560,301</b>	<b>240,083</b>	<b>3,612,920</b>	<b>1,879,850</b>
Current Liabilities	16,771,146	14,981,779	2,751,124	2,514,198	19,522,270	17,495,977
Non - Current Liabilities						
Due Within One Year	3,447,024	3,066,696	357,073	367,621	3,804,097	3,434,317
Due In More Than One Year	10,241,522	13,399,196	12,275,527	12,632,600	22,517,049	26,031,796
<b>Total Liabilities</b>	<b>30,459,692</b>	<b>31,447,672</b>	<b>15,383,724</b>	<b>15,514,419</b>	<b>45,843,417</b>	<b>46,962,091</b>
<b>Deferred Inflow of Resources</b>	<b>3,955,579</b>	<b>3,782,998</b>	<b>93,307</b>	<b>5,013</b>	<b>4,048,886</b>	<b>3,788,011</b>
<b>Net Position</b>						
Net Investment in Capital Assets	32,372,113	30,763,276	11,205,709	12,230,261	43,577,822	42,993,537
Restricted for Debt Service	947,096	743,941	850,109	850,160	1,797,205	1,594,101
Restricted for Emergencies	619,295	551,223	-	-	619,295	551,223
Unrestricted	2,872,639	2,878,480	3,687,696	2,250,944	6,560,335	5,129,424
<b>Total Net Position</b>	<b>\$36,811,143</b>	<b>\$34,936,921</b>	<b>\$ 15,743,514</b>	<b>\$ 15,331,365</b>	<b>\$ 52,554,657</b>	<b>\$ 50,268,286</b>

For a full summary of the Town's changes in Net Position, see page 22 of this report.

**Statements of Changes in Net Position**  
**For the Years Ended December 31, 2016 and 2015**

	<b>Governmental Activities</b>		<b>Business - Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,263,120	\$ 1,314,128	\$ 7,419,858	\$ 7,370,045	\$ 8,682,978	\$ 8,684,173
Operating Grants and Contributions	5,104,263	3,677,500	56,475	46,231	5,160,738	3,723,731
Capital Grants and Contributions	986,478	964,267	42,960	173,003	1,029,438	1,137,270
Total Program Revenues	7,353,861	5,955,896	7,519,293	7,589,279	14,873,154	13,545,175
<b>General Revenues</b>						
Property and Specific Ownership Taxes	7,659,902	7,373,696	-	-	7,659,902	7,373,696
Sales and Use Taxes	4,497,202	4,394,807	-	-	4,497,202	4,394,807
Lodging and Restaurant Taxes	2,050,963	1,869,271	-	-	2,050,963	1,869,271
Miscellaneous	90,656	114,614	59,251	72,856	149,907	187,470
Investment Earnings	49,223	62,211	52	72	49,275	62,283
Gain on Sale of Assets	8,172	40,534	-	-	8,172	40,534
Total General Revenues	14,356,118	13,855,132	59,302	72,929	14,415,420	13,928,061
<b>Total Revenues</b>	<b>21,709,979</b>	<b>19,811,028</b>	<b>7,578,595</b>	<b>7,662,207</b>	<b>29,288,574</b>	<b>27,473,235</b>
<b>Expenses</b>						
General Government	4,265,811	3,812,618	-	-	4,265,811	3,812,618
Gondola Operations and Capital Expenditures	5,655,506	4,155,706	-	-	5,655,506	4,155,706
Public Safety	947,987	899,441	-	-	947,987	899,441
Roads and Bridges	1,780,946	1,561,233	-	-	1,780,946	1,561,233
Culture and Recreation	538,001	485,452	-	-	538,001	485,452
Equipment & Property Maintenance	2,249,671	2,093,442	-	-	2,249,671	2,093,442
Transportation	966,645	1,110,573	-	-	966,645	1,110,573
Water & Sewer	-	-	2,083,245	2,041,858	2,083,245	2,041,858
Broadband	-	-	1,783,156	1,541,273	1,783,156	1,541,273
Telluride Conference Center	-	-	498,242	495,140	498,242	495,140
Economic Development	3,110,718	2,681,472	-	-	3,110,718	2,681,472
Housing Authority	-	-	2,229,997	2,309,596	2,229,997	2,309,596
Parking Services	-	-	286,610	280,298	286,610	280,298
Daycare Program	-	-	605,668	572,489	605,668	572,489
Regional Communications System	-	-	-	-	-	-
Total Expenses	19,515,286	16,799,937	7,486,917	7,240,654	27,002,203	24,040,591
<b>Change in Net Position before Transfers</b>	<b>2,194,693</b>	<b>3,011,091</b>	<b>91,678</b>	<b>421,553</b>	<b>2,286,371</b>	<b>3,432,644</b>
<b>Transfers</b>	<b>(320,470)</b>	<b>495,157</b>	<b>320,470</b>	<b>(495,157)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>1,874,223</b>	<b>3,506,247</b>	<b>412,148</b>	<b>(73,604)</b>	<b>2,286,371</b>	<b>3,432,644</b>
<b>Beginning Net Position</b>	<b>34,936,921</b>	<b>31,430,674</b>	<b>15,331,365</b>	<b>15,404,969</b>	<b>50,268,287</b>	<b>46,835,643</b>
<b>Ending Net Position</b>	<b>\$ 36,811,144</b>	<b>\$34,936,921</b>	<b>\$ 15,743,513</b>	<b>\$15,331,365</b>	<b>\$ 52,554,657</b>	<b>\$50,268,287</b>

## D. Financial Analysis of the Town's Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Town's Governmental Funds are comprised of the following:

- General Fund
- Gondola Fund (special revenue)
- Tourism Fund (special revenue)
- Historical Museum Fund (special revenue)
- Debt Service Fund (acting for the Mountain Village Metropolitan District)
- Vehicle and Equipment Acquisition Fund
- Capital Projects Fund

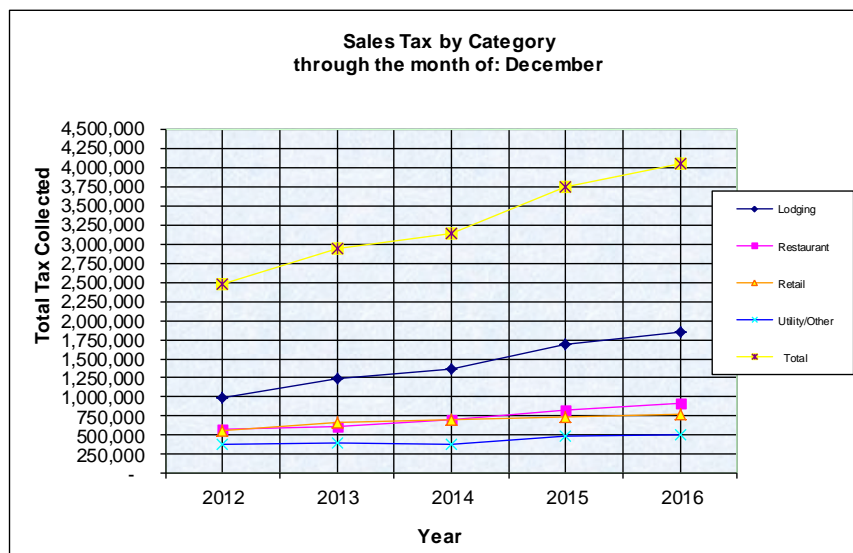
### General Fund

Revenues of \$9.6 million were under budgeted expectations by \$236,000. Expenditures came in under budget by \$1.2 million leaving the general fund a surplus of \$1 million after inter-fund transfers. Budget savings were due to the continued conscientiousness of staff in controlling expenditures, savings in utilities because of ongoing energy efficiencies, and capital expenditures for a project that did not happen. Total fund balance remains healthy at \$9.5 million.

### Sales Tax

Sales tax revenues of \$4 million increased from prior year by \$297,000 or 7.9% with record breaking tax collections including the highest collection month on record, December 2016. Sales tax increases were noticed most heavily in the lodging and restaurant categories. Please see detailed analysis that follows.

Actual Sales Tax Base By Class, Through December 2016										
Category	Actual 2012	Actual 2013	PY % Increase	Actual 2014	PY % Increase	Actual 2015	PY % Increase	Actual 2016	PY \$ Variance	PY % Increase
	4.5%	4.5%	2012 to 2013	4.5%	2013 to 2014	4.5%	2014 to 2015	4.5%	2015 to 2016	2015 to 2016
Lodging	21,813,629	27,745,883	27%	30,473,814	10%	37,548,478	23%	40,919,990	3,371,512	8.98%
Restaurant	12,717,690	13,631,180	7%	15,497,118	14%	18,425,565	19%	20,589,021	2,163,456	11.74%
Retail	12,293,787	14,864,000	21%	15,593,895	5%	16,511,742	6%	17,404,997	893,256	5.41%
Utility/Other	8,323,303	9,049,664	9%	8,349,222	-8%	10,926,152	31%	11,088,059	161,907	1.48%
Total	55,148,409	65,290,728	18%	69,914,050	7%	83,411,936	19%	90,002,068	6,590,131	7.90%



### **Tourism Fund**

Lodging taxes, restaurant taxes and business license fees flow through this fund to fund various Mountain Village marketing, promotion and economic development programs. Those programs include general regional marketing, promotion and group sales activity through Marketing Telluride Inc. (MTI) and various airline guaranty programs through the Telluride and Montrose Regional Air Organization (TMRAO).

Lodging tax receipts of \$1.6 million were up 9.4% from prior year, and restaurant tax receipts of \$412,000 show an increase of 12.3% from prior year. 2016 receipts include prior year taxes which are shown in the proper periods in the tables below. Business license fees of \$297,000 increased over prior year activity by 5%. Tourism activity generated approximately \$1.2 million for the airline guaranty program and \$1.1 million for regional marketing programs and group sales efforts. Overall, the town's tourism fund reinvested over \$2.3 million back into the region to support the various businesses operating in the community which includes additional funding of \$13,000 to MTI for a guest services agent and a \$25,000 contribution for a special event. Please see the lodging and restaurant tax revenue summary below for further information.

Town of Mountain Village Colorado Lodging Tax Summary								
	2012 Activity (4%)	2013 Activity (4%)	2014 Activity (4%)	2015 Activity (4%)	2016 Activity (4%)	2015 Var %	2016 Budget	Budget Var %
Total	865,780	1,081,555	1,207,325	1,497,381	1,638,086	9.40%	1,443,529	11.88%
Tax Base	21,644,491	27,038,867	30,183,132	37,434,529	40,952,139		36,088,225	

Town of Mountain Village Colorado Restaurant Tax Summary								
	2012 Activity (2%)	2013 Activity (2%)	2014 Activity (2%)	2015 Activity (2%)	2016 Activity (2%)	2015 Var %	2016 Budget	Budget Var %
Total	245,593	274,828	315,303	366,759	411,969	12.33%	350,508	14.92%
Tax Base	12,279,634	13,741,420	15,765,152	18,337,941	20,598,437		17,525,400	

### **Vehicle and Equipment Acquisition Fund**

A snowmobile for the recreation department, a four wheeler and new sweeper for Road & Bridge, a lawn mower and utility vehicle for Plaza services, shop equipment were purchased. A new Bobcat was purchased and the leases were paid. Grant monies were received totaling \$177,500 and \$353,671 was transferred from the General Fund which is the deficit plus 30% for reserves.

### **Capital Projects Fund**

Activity in the Capital Projects Fund was for ongoing planning funds for the project known as the Meadows Improvement Plan.

### **Historical Museum Fund**

The Town instituted a voter approved mill levy January 1, 2005 for the purpose of providing funding to the Telluride Historical Museum for operating costs. The property taxes generated for this purpose in 2016 were approximately \$96,138.

### **Gondola Fund**

The Gondola Fund is used to account for the activity of financing, improving and operating the Gondola and Chondola transit system. The costs for this program are funded through contributions from TMVOA, Telluride Ski and Golf Company (Telski), as well as contributions and charges for extended operating hours. Current year funding of \$5.7 million was mainly comprised of contributions from TMVOA (\$4.5 million or 78%), Telski (\$195,800 or 3%), charges for extended operating hours and miscellaneous revenues (\$10,686 or less than 1%), grant funding of \$960,000 or 16% and other regional government contributions (\$36,000 or less than 1%). Fund expenditures of \$5.7 million increased over prior year by \$1.5 million. Increases from prior year are primarily the result of capital and major repair expenses, some of which were partially grant funded.

### **Debt Service Fund**

Current year debt service activity reflected \$2,695,000 in debt reduction (or 17.5%) from the prior year's outstanding bond level. The total general obligation bond debt outstanding at 12/31/2016 was \$12,680,000.

	2013	2014	2015	2016
Assessed Valuation	265,515,290	266,407,970	294,538,840	294,011,170
Tax Supported Bonds Outstanding	18,370,000	15,595,000	12,890,000	10,310,000
% of Tax Supported Bonds Outstanding vs. AV	7%	7%	7%	4%
Mill Levy	10.823	13.325	11.82	11.84
Self Supported Bonds Outstanding	2,700,000	2,595,000	2,485,000	2,370,000

The Town's enterprise funds are comprised of the following:

- Housing Authority
  - Village Court Apartments (Affordable Housing)
  - Affordable Housing Development Fund
  - Mortgage Assistance Pool Fund
- Child Development Fund
- Broadband Fund
- Water and Sewer Fund
- Telluride Conference Center Fund
- Parking Services Fund

### **Village Court Apartments**

VCA net operating income of \$1.35 million (before capital and debt service obligations) increased over prior year by \$39,770. Operating revenues of \$2.3 million decreased over prior year primarily as a result of "other" revenues. Operating costs of \$987,000 decreased from prior mainly due to a changeover in personnel. Long term bonds and other debt were refinanced in 2014 to take advantage of continued low interest rates and longer term financing availability. That debt was reduced by \$367,600 in 2016.

### **Affordable Housing Development Fund**

Since 2007, The Town pledged 11.11% of sales taxes to the affordable housing development fund, 2016 contributions were \$445,360. Expenses of \$107,360 were for HOA dues and other small repair items for Town owned units as well as support to the Regional Housing Authority.

### **Mortgage Assistance Pool Fund**

There was no activity in this fund for the year.

### **Child Development Fund**

The Town has operated daycare services since 2004. In September of 2009, the director launched a preschool, in addition to the daycare and the fund is now called the Child Development Fund with daycare and preschool activities as individual departments. The daycare program provides services for approximately 21 children (6 infants and 15 toddlers) and the preschool accommodates up to 15 children. The preschool showed a surplus of \$4,819 which offset the 2016 General Fund subsidy requirement of \$72,279 for daycare operations, which was up \$7,558 from 2015.

### **Parking Services Fund**

Operating costs in 2016 of \$286,609 include personnel, utilities, and maintenance, was offset by parking fees of \$349,104, receipts from other entities for shared expenses of \$9,953 and fines of \$48,374. Any deficit is funded by transfer from the general fund. In 2016, expenses were under budget \$36,000 due mainly to minimizing personnel. The gondola intercept parking bonds are not accounted for in this fund; rather it is in the Debt Service Fund.

### **Water and Sewer Fund**

The fund added to reserves in the amount of \$607,300. Expenditures of \$1.58 million were \$1.4 million less than prior year due mainly to capital expenditures. Capital investment of \$326,000 was for regional sewer system improvements, a power generator, water rights, and the “Arizona” water line. Remaining available reserves remain adequate.

### **Broadband Fund**

Revenues of \$1.8 million surpassed prior year performance by \$102,000 due mainly to growth in internet subscribers and a rate increase for TV services. Expenses totaling \$1.6 million were \$213,135 more than prior year due to the increasing programming costs for TV services and increased costs for internet services due to the expansion of that service. The cable fund was able to return to the General Fund a transfer of \$127,762 which is the overhead administrative allocation.

### **Telluride Conference Center**

In October 2009, the conference center operations were turned over to an outside local contractor. The required transfer from the general fund of \$196,206 was for HOA dues, marketing, and some equipment. Under the agreement, the town continues to fund these costs, and upon certain thresholds, will share in a portion of the revenues earned.

## **E. General Fund Budgetary Results**

The General Fund finished the fiscal year with a surplus of \$461,000. The budgeted deficit was \$607,000. The budgetary variance was the result of total expenditures coming in under budget by 1.2 million, although revenues fell short of budget by \$236,000 and other sources and uses under budget by \$97,000.

## **F. Capital Asset and Debt Administration**

### **Capital Assets**

The Town’s investment in capital assets for its governmental activities decreased by \$1,106,909, from \$47,006,132 to \$45,899,233, due mainly to depreciation expense and deletions. The Town’s investment in capital assets for its business-type activities, which include Village Court Apartments, other affordable housing endeavors, the water and sewer system, and the regional communication system decreased \$1,327,573 from \$25,165,881 to \$23,838,307 primarily as a result of depreciation expense and deletions.

Additional information on the Town's capital assets can be found in Note 9.

### **Long-Term Debt**

Total outstanding debt at the beginning of the fiscal year amounted to \$15,375,000. Throughout the year, \$2,695,000 was retired bringing the outstanding bond debt down to \$12,680,000 at year end.

On June 2, 2005, the Town entered into an interest rate swap agreement, effective January 2, 2007, which fixed the interest rate at 3.485%. That agreement terminated on September 1, 2010. A new agreement was entered into beginning on December 31, 2010. That agreement was terminated on September 30, 2014 as part of the refinancing of the Series 2000 Housing Facility Revenue Bonds.

Additional information on the Town's long-term debt can be found in Note 10.

### **Economic**

Prior to 2008 the Town enjoyed several years of favorable economic conditions which resulted in operating surpluses allowing investments in affordable housing and the growth of fund reserves. While the Town has grown and begun to mature as a stable resort destination, it is still very much reliant on real estate development. As the national economy exited from a global recession in 2011 the pace of real estate development and property sales accelerated and the result has been a bottoming and now a property tax base beginning to recover its value lost during the recession. In recognition of these factors, the Town has taken budgetary measures for 2017 that will provide for compensation increases for employees and modest but necessary capital outlays and improvements.

### **Request for Information**

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

Finance Director  
Town of Mountain Village  
455 Mountain Village Blvd-Suite A  
Mountain Village, CO 81435  
970.728.8000 kswain@mtnvillage.org

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## **Basic Financial Statements**

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## **Government-Wide Financial Statements**

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**Town of Mountain Village**  
**Statement of Net Position**  
**December 31, 2016**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash (See Note 5)	\$ 5,627,539	\$ 5,172,590	\$10,800,129
Investments (See Note 5)	4,267,046	102,875	4,369,921
Receivables			
Taxes	8,241,141	-	8,241,141
Accounts	1,443,950	340,586	1,784,536
Interest	7,138	-	7,138
Notes (See Note 6)	753,636	164,000	917,636
Internal Balances	95,599	(95,599)	-
Accrued Revenues	-	6,574	6,574
Prepaid Items	288,447	1,260	289,707
Deposits (See Note 5)	726,991	1,272	728,262
Restricted Investments (See Note 5)			
Housing Authority	-	850,109	850,109
Bond Reserve Fund	823,088	-	823,088
Development Property Held for Sale (See Note 8)	-	278,268	278,268
<b>Capital Assets</b>			
Non-depreciable Capital Assets (See Note 9)	2,608,715	191,711	2,800,426
Depreciable Capital Assets (See Note 9)	43,290,508	23,646,596	66,937,104
Total assets	<u>68,173,796</u>	<u>30,660,242</u>	<u>98,834,038</u>
Deferred Outflow of Resources Related to Pensions (See Note 14)	2,427,218	560,301	2,987,519
Deferred Outflow of Resources Deferred Loss on Refunding	625,401	-	625,401
Deferred Outflow of Resources	<u>3,052,619</u>	<u>560,301</u>	<u>3,612,920</u>
<b>Liabilities</b>			
Accounts Payable	1,249,383	307,064	1,556,447
Accrued Expenses	126,870	175,799	302,669
Deposits	223,291	271,981	495,272
Due to Pooled Cash (See Note 5)	1,957,425	7,844	1,965,269
Accrued Interest Payable	52,890	-	52,890
Unearned Revenue	4,288,985	21,150	4,310,135
Noncurrent Liabilities (See Note 10)			
Net Pension Liability	8,872,303	1,967,286	10,839,589
Due within one year	3,447,024	357,073	3,804,097
Due in more than one year	10,241,522	12,275,527	22,517,049
Total liabilities	<u>30,459,692</u>	<u>15,383,724</u>	<u>45,843,417</u>
Deferred Inflow of Resources Related to Pensions (See Note 14)	159,916	93,307	253,223
Deferred Inflow of Resources Property Tax	3,795,663	-	3,795,663
Deferred Inflow of Resources	<u>3,955,579</u>	<u>93,307</u>	<u>4,048,886</u>
<b>Net Position</b>			
Net Investment in Capital Assets	32,372,113	11,330,752	43,702,864
Restricted For			
Debt Service	947,096	850,109	1,797,205
Emergencies	619,295	-	619,295
Unrestricted	2,872,639	3,562,653	6,435,292
Total Net Position	<u>\$36,811,143</u>	<u>\$15,743,514</u>	<u>\$52,554,657</u>

**Town of Mountain Village**  
**Statement of Activities**  
**For the Fiscal Year Ended December 31, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,971,488	\$ -	\$ 207,975	\$ -	\$ (2,763,513)	\$ -	\$ (2,763,513)
Administration	697,085	2,863	-	-	(694,222)	-	(694,222)
Public Safety	947,987	2,765	2,448	-	(942,774)	-	(942,774)
Roads & Bridges	1,780,946	387,662	-	177,501	(1,215,783)	-	(1,215,783)
Equipment & Property Maintenance	2,249,671	-	7,500	-	(2,242,171)	-	(2,242,171)
Culture & Recreation	538,001	15,364	39	-	(522,598)	-	(522,598)
Parking & Transportation	6,622,151	7,029	4,846,529	808,977	(959,616)	-	(959,616)
Economic Development	3,110,718	847,437	39,772	-	(2,223,509)	-	(2,223,509)
Interest on Long Term Debt	597,238	-	-	-	(597,238)	-	(597,238)
Total Governmental Activities	19,515,286	1,263,120	5,104,263	986,478	(12,161,425)	-	(12,161,425)
Business-type Activities:							
Housing Authority	2,229,997	2,287,713	-	-	-	57,716	57,716
Broadband	1,783,156	1,818,604	-	-	-	35,448	35,448
Child Development	605,668	478,042	46,522	-	-	(81,104)	(81,104)
Parking Services	286,610	397,478	9,953	-	-	120,822	120,822
Telluride Conference Center	498,242	-	-	-	-	(498,242)	(498,242)
Water and Sewer	2,083,243	2,438,021	-	42,960	-	397,738	397,738
Total Business-type Activities	7,486,915	7,419,858	56,475	42,960	-	32,377	32,377
Total	\$ 27,002,201	\$ 8,682,978	\$ 5,160,738	\$ 1,029,438			

General Revenues:			
Taxes:			
Property	7,368,209	-	7,368,209
Specific Ownership	291,693	-	291,693
Sales & Use	4,497,202	-	4,497,202
Lodging	1,638,909	-	1,638,909
Restaurant	412,054	-	412,054
Miscellaneous	90,656	59,251	149,907
Investment Earnings	49,223	52	49,275
Gain or (loss) on Sale of Assets	8,172	-	8,172
Transfers	(320,470)	320,470	-
Total General Revenues and Transfers	14,035,648	379,773	14,415,420
Change in Net Position	1,874,223	412,150	2,286,373
Net Position - Beginning	34,936,920	15,331,365	50,268,285
Net Position - Ending	\$ 36,811,143	\$ 15,743,515	\$ 52,554,658

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

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**Fund Financial Statements**

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**Town of Mountain Village**  
**Balance Sheet - Governmental Funds**  
**December 31, 2016**

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Tourism</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Assets						
Cash	\$ 3,873,165	\$ 340,145	\$ 1,111,842	\$ 238,078	\$ 64,308	\$ 5,627,539
Investments	4,267,026	-	20	-	-	4,267,046
Receivables						
Taxes	4,458,074	-	3,318,914	370,806	93,346	8,241,141
Accounts	1,213,153	53,295	-	-	177,502	1,443,950
Notes	-	-	-	-	753,636	753,636
Interest	-	-	7,138	-	-	7,138
Due from Other Funds	1,101,813	-	-	-	-	1,101,813
Prepaid Items	288,447	-	-	-	-	288,447
Deposits	726,991	-	-	-	-	726,991
Restricted Bond Reserve	-	-	823,088	-	-	823,088
Total Assets	<u>\$ 15,928,669</u>	<u>\$ 393,440</u>	<u>\$ 5,261,002</u>	<u>\$ 608,885</u>	<u>\$ 1,088,792</u>	<u>\$ 23,280,787</u>
Liabilities:						
Accounts Payable	\$ 465,130	\$ 347,009	\$ -	\$ 434,979	\$ 2,265	\$ 1,249,383
Accrued Payables	79,786	46,431	653	-	-	126,870
Due to Other Funds	-	-	1,006,214	-	-	1,006,214
Deposits	223,291	-	-	-	-	223,291
Due to Pooled Cash	1,957,089	-	-	-	336	1,957,425
Unearned Revenue	54,406	-	3,307,037	173,906	753,636	4,288,985
Total Liabilities	<u>2,779,701</u>	<u>393,440</u>	<u>4,313,905</u>	<u>608,885</u>	<u>756,237</u>	<u>8,852,168</u>
Deferred Inflows, Property Tax	<u>3,702,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,011</u>	<u>3,795,663</u>
Fund Balances:						
Nonspendable	288,447	-	-	-	-	288,447
Restricted for:						
Debt Service	-	-	947,096	-	-	947,096
Emergencies	619,295	-	-	-	-	619,295
Assigned	-	-	-	-	239,544	239,544
Unassigned	8,538,573	-	-	-	-	8,538,573
Total Fund Balances	<u>9,446,315</u>	<u>-</u>	<u>947,096</u>	<u>-</u>	<u>239,544</u>	<u>10,632,956</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 15,928,670</u>	<u>\$ 393,440</u>	<u>\$ 5,261,001</u>	<u>\$ 608,885</u>	<u>\$ 1,088,792</u>	<u>\$ 23,280,787</u>

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

**Town of Mountain Village**

**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**December 31, 2016**

Total Fund Balance - Governmental Funds		\$ 10,632,956
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Amounts reported for governmental activities in the statement of Net Position are difference because:

Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in the governmental funds:

Cost of Capital Assets	\$ 67,691,220	
Less Accumulated Depreciation	<u>(21,791,997)</u>	45,899,223

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

General Obligation Bonds	(12,680,000)	
Compensated Absences	<u>(463,965)</u>	(13,143,965)

Items related to pensions are considered to be long term items and are therefore not reported in the governmental funds.

Net Pension liability	(8,872,303)	
Deferred Pension Outflows	2,427,218	
Deferred Pension Inflows	<u>(159,916)</u>	(6,605,001)

Long-term debt premiums and discounts are reported in the governmental funds when first incurred, but deferred and amortized in the statement of Net Position.

(544,581)

Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.

(52,890)

The difference between the net proceeds from the issuance of the refunding bonds and the carrying amount of refunded bonds is not reported in the governmental funds, but is deferred and amortized in the statement of Net Position.

625,401

Total Net Position - Governmental Activities

\$ 36,811,143

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

**Town of Mountain Village**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended December 31, 2016**

	<b>General</b>	<b>Gondola</b>	<b>Debt Service</b>	<b>Tourism</b>	<b>Non-Major Governmental</b>	<b>Total</b>
<b>Revenues</b>						
Taxes	\$ 8,485,683	\$ -	\$ 3,575,283	\$ 2,050,963	\$ 96,138	\$ 14,208,068
Licenses & Permits	302,975	-	-	296,585	-	599,560
Intergovernmental	377,290	-	-	-	-	377,290
Contributions from Other Entities	25,000	4,686,030	207,975	-	-	4,919,005
Charges for Services	268,083	7,029	-	-	-	275,112
Fines & Forfeitures	11,157	-	-	-	-	11,157
Miscellaneous	71,364	3,658	-	15,635	-	90,656
Interest Income	47,908	-	1,314	-	-	49,223
Grants & Contributions	35,158	959,077	-	-	177,501	1,171,736
<b>Total Revenues</b>	<b>9,624,618</b>	<b>5,655,794</b>	<b>3,784,572</b>	<b>2,363,183</b>	<b>273,639</b>	<b>21,701,806</b>
<b>Expenditures</b>						
<b>Current:</b>						
General Government	2,942,377	-	-	-	-	2,942,377
Public Safety	828,338	-	-	-	-	828,338
Roads & Bridges	1,061,715	-	-	-	-	1,061,715
Equipment & Property Maintenance	1,960,778	-	-	-	-	1,960,778
Culture & Recreation	443,790	-	-	-	94,211	538,001
Parking & Transportation	230,268	4,570,680	-	-	-	4,800,948
Economic Development	775,790	-	-	2,334,929	-	3,110,718
<b>Debt Service:</b>						
Administrative Charges	-	-	115,206	2,500	1,927	119,633
Principal	-	-	2,695,000	-	-	2,695,000
Interest	-	-	634,675	-	-	634,675
<b>Capital Outlay:</b>						
General Government	-	-	-	-	804,602	804,602
Culture & Recreation	65,985	-	-	-	-	65,985
Public Safety	6,339	-	-	-	-	6,339
Equipment & Property Maintenance	28,680	-	-	-	-	28,680
Parking & Transportation	-	1,045,367	-	-	-	1,045,367
<b>Total Expenditures</b>	<b>8,344,060</b>	<b>5,616,047</b>	<b>3,444,881</b>	<b>2,337,429</b>	<b>900,740</b>	<b>20,643,157</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,280,558</b>	<b>39,747</b>	<b>339,691</b>	<b>25,755</b>	<b>(627,101)</b>	<b>1,058,650</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Assets	4,822	3,350	-	-	-	8,172
Issuance of Refunding Bonds	-	-	-	-	-	-
Payment to Refunding Bonds Escrow	-	-	-	-	-	-
Transfers In	593,944	-	-	-	709,329	1,303,273
Transfers Out	(1,418,356)	(43,097)	(136,536)	(25,755)	-	(1,623,743)
<b>Total Other Financing Sources (Uses)</b>	<b>(819,590)</b>	<b>(39,747)</b>	<b>(136,536)</b>	<b>(25,755)</b>	<b>709,329</b>	<b>(312,298)</b>
<b>Net Change in Fund Balances</b>	<b>460,968</b>	<b>-</b>	<b>203,155</b>	<b>-</b>	<b>82,228</b>	<b>746,351</b>
<b>Fund balance - Beginning of Year</b>	<b>8,985,348</b>	<b>-</b>	<b>743,941</b>	<b>-</b>	<b>157,315</b>	<b>9,886,604</b>
<b>Fund balance - End of Year</b>	<b>\$ 9,446,315</b>	<b>\$ -</b>	<b>\$ 947,096</b>	<b>\$ -</b>	<b>\$ 239,543</b>	<b>\$ 10,632,955</b>

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

**Town of Mountain Village**

**Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures, and Changes in Fund Balance to the Statement of Activities  
For the Fiscal Year Ended December 31, 2016**

Net Change in Fund Balance - Governmental Funds	\$	746,351
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Amounts reported for governmental activities in the statement  
of activities are different because:

Capital outlays are reported as expenditures in the governmental funds; however, in the statement of activities, the cost is allocated over the estimated useful lives of the assets as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	\$ 1,950,973		
Capital Assets Deletions, Net	(756,904)		
Depreciation	<u>(2,300,979)</u>		(1,106,909)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension Expense	(494,374)		
Compensated Absences	(3,282)		
Accrued Interest Payable	<u>10,126</u>		(487,530)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction has any effect on Net Position in the government-wide statements. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is 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.

Principal Payment	2,695,000		
Amortization of Deferred Loss on Refunding	(58,317)		
Premium on Bonds Payable	<u>85,628</u>		2,722,311

Change in Net Position of Governmental Funds	\$	<u>1,874,223</u>
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The accompanying notes are an integral part of the financial statements.

**Town of Mountain Village**  
**Statement of Net Position - Enterprise Funds**  
**December 31, 2016**

	<b>Housing Authority</b>	<b>Water and Sewer</b>	<b>Telluride Conference Center</b>	<b>Broadband</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 2,258,394	\$ 2,541,632	\$ 16,119	\$ 287,158	\$ 69,288	\$ 5,172,590
Investments	102,875	-	-	-	-	102,875
Accounts Receivable	(12,289)	281,309	-	212	71,353	340,586
Prepaid Expenses	1,260	-	-	-	-	1,260
Accrued Revenues	-	-	-	-	6,574	6,574
Deposits	-	636	-	636	-	1,272
Due From Other Funds	-	-	-	-	-	-
Total Current Assets	<u>2,350,240</u>	<u>2,823,577</u>	<u>16,119</u>	<u>288,006</u>	<u>147,215</u>	<u>5,625,157</u>
<b>Noncurrent Assets:</b>						
Restricted Investments	850,109	-	-	-	-	850,109
Notes Receivable	164,000	-	-	-	-	164,000
<b>Development Property Held for Sale:</b>						
Buildings	278,268	-	-	-	-	278,268
<b>Capital Assets:</b>						
Land and Land Improvements	418,271	-	-	-	-	418,271
Buildings and Improvements	17,552,852	16,014,297	6,211,007	-	199,368	39,977,524
Construction in Progress	-	-	31,212	-	-	31,212
Furniture and Fixtures	-	-	231,399	-	-	231,399
Communications System	-	-	-	2,099,867	-	2,099,867
Vehicles & Equipment	204,971	145,921	186,293	276,819	27,650	841,654
Less: Accumulated Depreciation	(8,476,235)	(6,141,417)	(3,108,474)	(1,875,012)	(160,480)	(19,761,618)
Total Noncurrent Assets	<u>10,992,235</u>	<u>10,018,801</u>	<u>3,551,437</u>	<u>501,673</u>	<u>66,539</u>	<u>25,130,686</u>
Total Assets	<u>13,342,475</u>	<u>12,842,378</u>	<u>3,567,557</u>	<u>789,679</u>	<u>213,754</u>	<u>30,755,843</u>
Deferred Outflow of Resources - Related to Pensions	125,043	165,301	-	119,711	150,246	560,301
Deferred Outflow of Resources - Deferred Loss on Refunding	-	-	-	-	-	-
Deferred Outflow of Resources	<u>125,043</u>	<u>165,301</u>	<u>-</u>	<u>119,711</u>	<u>150,246</u>	<u>560,301</u>
<b>Liabilities</b>						
<b>Current Liabilities:</b>						
Accounts Payable	57,096	120,174	-	112,605	17,188	307,064
Accrued Expenses	4,990	142,777	-	6,009	22,024	175,799
Due to Pooled Cash	-	-	-	-	7,844	7,844
Deposits	261,306	-	-	10,675	-	271,981
Unearned Revenue	13,978	-	-	798	6,375	21,150
Due to Other Funds	95,599	-	-	-	-	95,599
Current Portion of Notes and Bonds Payable	292,600	-	-	-	-	292,600
Total Current Liabilities	<u>725,568</u>	<u>262,951</u>	<u>-</u>	<u>130,087</u>	<u>53,431</u>	<u>1,172,037</u>
<b>Noncurrent Liabilities:</b>						
Notes Payable	-	-	-	-	-	-
Revenue Bond Payable	12,340,000	-	-	-	-	12,340,000
Net Pension Liability	414,959	597,477	-	435,166	519,684	1,967,286
Total Noncurrent Liabilities	<u>12,754,959</u>	<u>597,477</u>	<u>-</u>	<u>435,166</u>	<u>519,684</u>	<u>14,307,286</u>
Total Liabilities	<u>13,480,527</u>	<u>860,427</u>	<u>-</u>	<u>565,253</u>	<u>573,115</u>	<u>15,479,323</u>
Deferred Inflow of Resources Related to Pensions	<u>36,931</u>	<u>18,668</u>	<u>-</u>	<u>8,153</u>	<u>29,555</u>	<u>93,307</u>
<b>Net Position</b>						
Net Investment in Capital Assets	(2,932,742)	10,018,801	3,551,437	501,673	66,539	11,205,709
Restricted for Debt Service	850,109	-	-	-	-	850,109
Unrestricted	2,032,692	2,109,782	16,119	(165,689)	(305,209)	3,687,696
Total Net Position	<u>\$ (49,941)</u>	<u>\$ 12,128,584</u>	<u>\$ 3,567,557</u>	<u>\$ 335,985</u>	<u>\$ (238,670)</u>	<u>\$ 15,743,514</u>

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

**Town of Mountain Village**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Enterprise Funds**  
**For the Fiscal Year Ended December 31, 2016**

	<b>Housing Authority</b>	<b>Water and Sewer</b>	<b>Telluride Conference Center</b>	<b>Broadband</b>	<b>Non-major Enterprise Funds</b>	<b>Total</b>
Operating Revenues:						
Charges for Sales & Services	\$ 2,287,713	\$ 2,438,021	\$ -	\$ 1,818,604	\$ 857,784	\$ 7,402,121
Operating Grants and Contributions	-	-	-	-	56,475	56,475
Other	59,251	-	-	-	17,737	76,987
Total Operating Revenues	2,346,963	2,438,021	-	1,818,604	931,996	7,535,583
Operating Expenses:						
Cost of Sales & Services	1,094,375	1,416,328	196,206	1,620,961	873,289	5,201,158
Depreciation and Amortization	603,011	666,914	302,037	162,195	18,989	1,753,146
Total Operating Expenses	1,697,386	2,083,243	498,242	1,783,156	892,278	6,954,304
Operating Income (Loss)	649,577	354,778	(498,242)	35,448	39,718	581,279
Nonoperating Revenues (Expenses):						
Interest Income	52	-	-	-	-	52
Major Repairs and Replacements	(98,601)	-	-	-	-	(98,601)
Interest Expense	(432,260)	-	-	-	-	(432,260)
Loan Fees	(1,750)	-	-	-	-	(1,750)
Total Nonoperating Revenue (Expenses)	(532,559)	-	-	-	-	(532,559)
Income (Loss) Before Transfers	117,018	354,778	(498,242)	35,448	39,718	48,720
Transfers In	445,361	-	196,206	-	67,460	709,027
Transfers Out	(102,446)	(131,311)	-	(127,762)	(27,038)	(388,557)
Net Transfers From (To) Other Funds	342,915	(131,311)	196,206	(127,762)	40,422	320,470
Capital Grants & Contributions	-	42,960	-	-	-	42,960
Change in Net Position	459,933	266,427	(302,037)	(92,314)	80,140	412,149
Total Net Position - Beginning of Year	(509,875)	11,862,156	3,869,593	428,298	(318,808)	15,331,364
Total Net Position - End of Year	\$ (49,942)	\$12,128,583	\$ 3,567,557	\$ 335,984	\$ (238,668)	\$ 15,743,514

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

**Town of Mountain Village**  
**Statement of Cash Flows - Enterprise Funds**  
**For the Fiscal Year Ended December 31, 2016**

	<b>Housing Authority</b>	<b>Water and Sewer</b>	<b>Telluride Conference Center</b>	<b>Broadband</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>
Cash Flows from Operating Activities						
Receipts from Customers	\$ 2,449,697	\$ 2,477,136	\$ -	\$ 1,847,859	\$ 858,020	\$ 7,632,712
Operating Contributions	-	-	-	-	56,475	56,475
Payments to Suppliers	(787,623)	(1,129,210)	(196,206)	(1,346,541)	(808,419)	(4,267,998)
Payments to Employees	(259,709)	(327,170)	-	(238,713)	(77,410)	(903,002)
Other Receipts	59,251	-	-	-	-	59,251
Net Cash Provided by (Used in) Operating Activities	1,461,616	1,020,756	(196,206)	262,605	28,666	2,577,438
Cash Flows from Non-capital Financing Activities						
Transfers to Other Funds	(102,446)	(131,311)	-	(127,762)	(27,038)	(388,557)
Transfers from Other Funds	445,361	-	196,206	-	67,460	709,027
Net Cash Provided by (Used in) Noncapital Financing Activities	342,915	(131,311)	196,206	(127,762)	40,422	320,470
Cash Flows from Capital and Related Financing Activities						
Principal Payments - Notes and Bonds	(367,621)	-	-	-	-	(367,621)
Interest Expense	(432,237)	-	-	-	-	(432,237)
Loan Fees	(1,750)	-	-	-	-	(1,750)
Purchase of Major Repairs and Replacements	(98,601)	-	-	-	-	(98,601)
Purchase of Capital Assets	(71,444)	(326,024)	-	(51,774)	-	(449,242)
Capital Grants	-	-	-	-	-	-
Capital Grants and Contributions	-	42,960	-	-	-	42,960
Net Cash Used in Capital and Related Financing Activities	(971,653)	(283,064)	-	(51,774)	-	(1,306,491)
Cash Flows from Investing Activities						
Purchase of Investments	-	-	-	-	-	-
Interest Received	52	-	-	-	-	52
Net Cash Used in Investing Activities	52	-	-	-	-	52
Net Increase in Cash and Cash Equivalents	832,930	606,382	-	83,069	69,088	1,591,468
Cash and Cash Equivalents, Beginning of Year	1,425,463	1,935,250	16,119	204,089	200	3,581,121
Cash and Cash Equivalents, End of Year	\$ 2,258,393	\$ 2,541,632	\$ 16,119	\$ 287,158	\$ 69,288	\$ 5,172,590

Note: Totals may not foot due to rounding.

(Continued)

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

**Town of Mountain Village**

**Statement of Cash Flows - Enterprise Funds**  
**For the Fiscal Year Ended December 31, 2016**

	<b>Housing Authority</b>	<b>Water and Sewer</b>	<b>Telluride Conference Center</b>	<b>Broadband</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 649,577	\$ 354,778	\$ (498,242)	\$ 35,448	\$ 39,718	\$ 581,279
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Depreciation and Amortization	603,011	666,914	302,037	162,195	18,989	1,753,146
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	164,020	39,115	-	30,406	(9,526)	224,015
(Increase) Decrease in Deferred Revenue	(3,074)	-	-	-	(3,245)	(6,319)
Increase (Decrease) in Net Pension Liability	37,536	(16,746)	-	23,244	(5,345)	38,689
(Increase) Decrease in Prepaid Items	(1,260)	-	-	(4,719)	-	(5,979)
Increase (Decrease) in Accounts Payable	8,693	(158,918)	-	15,294	(7,196)	(142,127)
Increase (Decrease) in Accrued Expenses	814	135,613	-	1,888	-	138,315
Increase (Decrease) in Accrued Revenues	-	-	-	797	(4,729)	(3,932)
Increase (Decrease) in Deposits	2,299	-	-	(1,948)	-	351
Total	\$ 812,039	\$ 665,978	\$ 302,037	\$ 227,157	\$ (11,052)	\$ 1,996,159
Net Cash Provided by (Used in) Operating Activities	\$ 1,461,616	\$ 1,020,756	\$ (196,206)	\$ 262,605	\$ 28,666	\$ 2,577,438

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

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## **Notes to Basic Financial Statements**

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# TOWN OF MOUNTAIN VILLAGE, COLORADO

## Notes to Basic Financial Statements

December 31, 2016

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### Note 1 - Summary of Significant Accounting Policies

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The financial statements of the Town of Mountain Village, 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 Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's accounting policies are described below:

#### A. Financial Reporting Entity

The Town of Mountain Village, Colorado (the Town) was incorporated March 10, 1995 and operates under a Home Rule Charter and a council/mayor form of government with seven elected council members. As required by accounting principles generally accepted in the United States of America, after consideration of any potential component units for which the Town is financially accountable, there are no component units required to be presented in these financial statements.

On December 13, 2006, the District Court, San Miguel County, Colorado, approved the dissolution of the Mountain Village Metropolitan District (the District) effective January 1, 2007, which was approved by the District's electors on November 7, 2006. **The District will stay in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding general obligation bonds.** The Town Council, acting as the Board of Directors of the District, will be responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements.

All other assets and obligations of the District have been transferred to the Town for providing the following services:

- Domestic water system
- Wastewater treatment system
- Road and bridge system
- Transportation (Gondola, Chondola, Employee Shuttle Program and Municipal Bus)
- Public parks and recreational facilities
- Telluride Conference Center
- Television relay and translator facilities
- Water rights

At a special Town election on November 7, 2006, the electorate approved an increase in taxes by \$2.75 million in 2007, and by such amounts annually thereafter that may be generated by the imposition of an additional mill levy not to exceed 10 mills for the purpose of funding the continued administration, operation, maintenance and capital replacement of the facilities and operations being assumed by the Town upon the dissolution of the District, without limitations contained in Article X, Section 20, of the Colorado Constitution.

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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**B. 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. For the most part, the effect of inter-fund 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 that are 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*.

**C. Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds and enterprise 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:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The *Gondola Fund* is used to account for revenues restricted for the purpose of financing, improving and operating a gondola and "Chondola" transit system for the benefit of the Telluride Mountain Village Resort Company dba Telluride Mountain Village Owners Association (TMVOA), TSG Ski & Golf Company (TSGC), the Town of Telluride, the Town of Mountain Village and San Miguel County, Colorado. The cost of operations and maintenance of the transit system is funded mainly through contributions from TMVOA and TSGC.

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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- The *Debt Service Fund* is used to account for the accumulation of resources and payment of general obligation bond principal and interest.
- The *Tourism Fund*, which accounts for lodging taxes, restaurant taxes, and business license revenues remitted to Marketing Telluride, Inc. (MTI) to promote tourism in the Telluride and Mountain Village Communities, and the Telluride/Montrose Regional Air Organization to fund the Airline Guaranty Program.

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

- The *Capital Projects Fund*, which accounts for the acquisition and construction of major capital facilities other than those financed by enterprise funds.
- The *Historical Museum Fund*, which accounts for the proceeds of a .333 property tax mill levy as authorized by the Town's electorate for remittance to the Telluride Historical Museum, a nonprofit entity.
- The *Vehicle and Equipment Acquisition Fund*, which accounts for the acquisition of vehicles and other capital equipment for the general government.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to external users on a continuing basis be financed or recovered primarily through user charges.

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 Town are charges for apartment rental, charges to users for water and sewer, Broadband Services, conference center sales and services, and preschool and daycare fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town's major enterprise funds consist of:

- The Town of Mountain Village *Housing Authority*, which accounts for the Village Court apartments, as well as the Affordable Housing Development Fund and the Mortgage Assistance Pool Fund.
- The *Water and Sewer Fund* which accounts for water service to Mountain Village, the "Ski Ranches", and West Meadows or "Skyfield" housing communities and maintaining sewer service for Mountain Village.
- The *Broadband Fund* which accounts for cable television, digital phone service, and high speed internet services to Mountain Village residents.
- The *Telluride Conference Center (TCC) Fund* which accounts for the operations of the Telluride Conference Center, primarily funded by charges for sales and services, providing

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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the area with 11,000 square feet of meeting space, video conferencing services, and food and beverage services. In October 2009, the conference center operations were turned over to an outside local party under an agreement that was terminated in October 2012. A new 5-year agreement was executed with another party at that time.

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

- The *Child Development Fund*, which accounts for a daycare and preschool program in the Town.
- The *Parking Services Fund*, which accounts for all parking related expenses and revenues.

**D. Measurement Focus and Basis of Accounting**

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

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Those revenues susceptible to accrual are taxes, interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

**E. Cash and Cash Equivalents**

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating cash and highly liquid securities with an initial maturity of three months or less.

**F. Investments**

Money market funds and external investment pools are stated at cost, which is equal to fair value. All other investments are stated at fair value based on quoted market values.

**G. Use of Estimates**

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

**H. Property Taxes**

The Town of Mountain Village property taxes for the current year are levied and attach as a lien on property the following January 1. Property taxes in Mountain Village are payable in full by April 30 or in two equal installments due February 28 and June 15. Town property taxes are reported as receivable and deferred inflows of resources at December 31. The deferred property taxes are reported as revenue in the year they are available and collected.

**I. Restricted Assets**

Certain proceeds of the enterprise fund's revenue bonds, as well as other resources, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The debt service fund is used to segregate resources accumulated for debt service payments. The debt service reserve fund is set aside to provide funds for potential deficiencies that could adversely affect debt service payments. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**J. Capital Assets**

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of more than one year and a value of \$5,000 or greater.

All 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 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.

Interest costs are capitalized when incurred by enterprise funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax exempt borrowing arrangements restricted for the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

Asset Class	Useful Life
Buildings and Improvements	30 - 31.5 years
Vehicles and Equipment	5 years
Gondola	50 years
Water System	40 years
Sewer System	50 years
Broadband Services System	20 years
Regional Communications System	10 years
Other Infrastructure	50 years

**K. Deferred Outflows/Inflows of Resources**

Deferred outflow of resources - a consumption of net assets by the government that is applicable to a future reporting period.

Deferred inflow of resources - an acquisition of net assets by the government that is applicable to a future reporting period.

**L. Accrued Liabilities for Compensated Absences**

It is the Town's policy to permit employees to accumulate earned but unused paid time off (PTO). In the government-wide statements, PTO is accrued when incurred and reported as a liability of the governmental and business-type activities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

**M. Net Position**

Net Position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net Position invested in capital assets, net of related debt 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.

The Town's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**N. Inter-fund Transactions**

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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## **Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**

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The governmental funds balance sheet includes a reconciliation between *total fund balances - governmental funds* and *total net position - governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances - governmental funds* and *changes in net position - governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

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## **Note 3 - Tax, Spending and Debt Limitations**

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Colorado voters passed an amendment to the State Constitution, Article X, Section 20. The amendment has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

On June 25, 1996 the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning in 1996, without limitations imposed by the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment.

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## **Note 4 - Budgets**

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Approximately five months prior to the beginning of each year, the Mayor prepares a proposed budget and an accompanying message for the ensuing year and submits it to the Town Council.

The budget represents a complete financial plan of all Town funds and activities for the ensuing year indicating anticipated revenues, proposed operating, debt and capital expenditures, including a provision for contingencies. In addition, a long-range capital expenditure program is submitted and incorporated into the current year budget as applicable. The total proposed expenditures and provisions for contingencies shall not exceed the total of estimated revenues plus fund balance.

A public hearing on the proposed budget and proposed capital program is held by the Town Council prior to its final adoption. After the public hearing, the Council may adopt the budget with or without amendment.

The Council shall adopt the budget by ordinance 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 Town 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.

## Note 4 – Budgets (Continued)

If during the year the Mayor 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 year it appears probable to the Mayor that the revenues available will be insufficient to meet the amount appropriated, he or she shall report to the Council without delay, indicating the estimated amount of deficit, any remedial action already taken, and his or her recommendation as to any further steps to be taken. Any time during the year the Mayor may transfer part or all of any unencumbered appropriation balance among programs within a department, within an office or within a fund. The Council may also, by ordinance, transfer part or all of any unencumbered appropriated balance from one department, office, or fund to another. The Town amended its original 2015 budget by decreasing budgeted expenditures for the various funds by \$1,211,316. Budget appropriations lapse at the end of each year.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditure of funds in future periods) is not used by the Town for budget or financial reporting purposes.

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgets for the enterprise funds are adopted on a basis consistent with the governmental funds. Following are the adjustments to convert GAAP basis expenditures to budgetary basis expenditures:

	VCA	Child Development	Telluride Conference Center	Broadband	Water and Sewer	Parking Services
GAAP Basis	\$ 2,122,636	\$ 605,668	\$ 498,242	\$ 1,783,156	\$ 2,083,243	\$ 286,610
Add (Deduct)						
Depreciation	(603,011)	(18,989)	(302,037)	(162,195)	(666,914)	-
Capital Outlay	71,444	-	-	51,774	326,024	-
Debt Principal Payments	367,621	-	-	-	-	-
Budgetary Basis	1,958,690	586,679	196,206	1,672,735	1,742,352	286,610
Final Budget	1,978,958	567,560	184,168	1,608,558	2,032,818	322,615
Variance	\$ 20,267	\$ (19,119)	\$ (12,038)	\$ (64,177)	\$ 290,466	\$ 36,005

### Budgeted Expenditures in Excess of Appropriations

Expenditures for the Tourism Fund exceeded budget by \$270,662, which may be a violation of the Town's Charter. The budget overage resulted from substantial increases in lodging and restaurant tax collections, which is remitted to MTI and the Airline Guaranty by contractual agreement.

Expenditures for the Broadband Fund exceeded budget by \$37,628, which may be a violation of the Town's Charter. The budget overage resulted from additional costs incurred for increased and prior year programming costs.

Expenditures for the Child Development Fund exceeded budget by \$19,119, which may be a violation of the Town's Charter. The overage results from additional personnel costs due to an increase in required hours of care.

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## Note 5 - Deposits and Investments

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### A. Deposits

The Colorado Public Deposit Protection Act (PDPA) governs the Town's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2016, the carrying amount of the Town's deposits was \$7,723,838 and the bank balances were \$7,726,799. Of this amount, \$500,000 is covered by federal depository insurance and \$7,226,799 is collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of a number of government accounts of which the Town is a part.

### B. Investments

#### Credit Risk

The Town's Charter specifies that the Town's investments conform to State statutes. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including: obligations of the United States and certain United States government agency securities; certain international agency securities; general obligation and revenue bonds of local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; guaranteed investment contracts; and corporate or bank debt subject to certain limitations. The Town has no investment policy that would further limit its investment choices.

#### Interest Rate Risk

The maximum maturity date for all securities shall be no more than five years from the date of purchase unless otherwise authorized by the governing body.

### C. A reconciliation of cash and investments to the amount shown on the statement of net position follows:

<b>Cash and Investments:</b>	
Cash on hand	\$ 2,000
Carrying amount of deposits	8,835,680
Carrying amount of investments	<u>6,768,560</u>
	<u>\$ 15,606,240</u>
<b>Statement of Net Position:</b>	
Cash	\$ 10,800,129
Due to pooled cash	(1,965,269)
Deposits	728,262
Investments	4,369,921
Debt service reserve fund	850,109
Bond reserve fund	<u>823,088</u>
	<u>\$ 15,606,240</u>

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**Note 5 - Deposits and Investments (continued)**

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**GASB Pronouncements**

For the year ended December 31, 2016, the Town adopted the provisions of GASB Statement No. 72, Fair Value Measurements and Application, which is effective for financial statement periods beginning after June 30, 2015. GASB Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

**Fair Value of Investments**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

**Level 1:** Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3:** Unobservable inputs for an asset or liability.

The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016.

Investments by Fair Value Levels	Balance 12/31/2016	Fair Value Measurement		
		Level 1	Level 2	Level 3
<b>Governmental Activities</b>				
US Agency Securities	\$ -	\$ -	\$ -	\$ -
US Government Securities	4,335,788	-	4,335,788	-
Money Market Mutual Funds	2,422,925	-	2,422,925	-
Total	<u>\$ 6,758,714</u>	<u>\$ -</u>	<u>\$ 6,758,714</u>	<u>\$ -</u>

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**Note 5 - Deposits and Investments (continued)**

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The following summarizes the Town's investments and maturities as of December 31, 2016:

Investment Type	Fair Value	Maturity Date
FED Home Loan Banks Bnd (Rated AAA)	250,304	2017
Freddie Mac UNNT (Rated AAA)	250,154	2017
FED Home Loan Bank (Rated AAA)	250,001	2017
Freddie Mac (Rated AAA)	250,389	2017
Federal Farm Credit Bank (Rated AAA)	250,395	2017
Federal Farm Credit Bank (Rated AAA)	249,597	2017
Federal Farm Credit Bank (Rated AAA)	250,000	2017
FED Home Loan Bank (Rated AAA)	249,249	2018
Fannie Mae Note (Rated AAA)	249,915	2018
FED Home Loan Banks Bnd (Rated AAA)	248,870	2018
Federal Farm Credit Bank (Rated AAA)	248,558	2018
FED Home Loan Bank (Rated AAA)	252,406	2018
Freddie Mac (Rated AAA)	248,215	2018
Fannie Mae Note (Rated AAA)	249,085	2019
FED Home Loan Bank (Rated AAA)	248,590	2019
Freddie Mac (Rated AAA)	246,392	2020
Federal Farm Credit Bank (Rated AAA)	244,877	2021
Fannie Mae (Rated AAA)	49,817	2019
Federal Farm Credit Bank (Rated AAA)	48,975	2021
Total	4,335,788	
First American Prime Obligations Rated AAA/A+1	400,051	2025
First American Prime Obligations Rated AAA/A+1	1	2025
First American Prime Obligations Rated AAA/A+1	450,058	2025
COLOTRUST	9,847	n/a
Money Market Funds (Unrated)	1,572,816	n/a
Total	<u>\$ 6,768,560</u>	

COLOTRUST and CSAFE are investment vehicles established for local government entities in Colorado to pool surplus funds for investment purposes. They are routinely monitored by the Colorado Division of Securities with regard to their operations and investments, which is also subject to provisions of C.R.S. Title 24, Article 75, Section 6. The fair value of the investments in COLOTRUST and CSAFE are the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book entry form. COLOTRUST is rated AAAM by Standard and Poor's. Financial statements for COLOTRUST may be obtained from [www.colotrust.com](http://www.colotrust.com).

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**Note 6 - Note Receivable**

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The notes receivable in the amount of \$164,000 consists of notes from employees participating in the *Town of Mountain Village Housing Authority Employer Assisted Housing Program with Shared Appreciation*. The program is to assist employees who are unable to qualify for a conventional mortgage on various affordable for sale housing projects located in the Town or the community.

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**Note 6 - Note Receivable (continued)**

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The notes are payable upon the sale of the real property or 30 days following resignation or termination.

The Town has promissory notes receivable from a developer in the total amount of \$753,636. Principal and any accrued interest at The Wall Street Journal prime plus one percent are payable June 23, 2019 or earlier on the occurrence of certain events specified in the notes. The notes receivable are reported as unearned revenue and will be recognized as revenue in the years funds are available and collected. Interest due on the notes remains unpaid and the notes are now in default and the Town has notified the issuer and is considering its options regarding the default.

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**Note 7 – Inter-fund Receivables, Payables and Transfers**

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Inter-fund receivables and payables consist of the following as of December 31, 2016:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service	\$ 1,006,214
General Fund	Housing Authority	\$ 95,599

The outstanding balances between funds result mainly from the time lag between the dates the receivable is incurred and the dates payments between funds are made.

Transfers between funds for the year ended December 31, 2016, were as follows:

Transfer From	Transfer To						
	General	Debt Service	Non-Major Governmental Funds	Telluride Conference Center	Housing Authority	Non-Major Enterprise Funds	Total
General Fund	\$ -	\$ -	\$ 709,329	\$ 196,206	\$ 445,361	\$ 67,460	\$ 1,418,356
Gondola	43,097	-	-	-	-	-	43,097
Debt Service	136,536	-	-	-	-	-	136,536
Non-Major Enterprise Funds	27,038	-	-	-	-	-	27,038
Tourism Fund	25,755	-	-	-	-	-	25,755
Housing Authority	102,446	-	-	-	-	-	102,446
Broadband	127,762	-	-	-	-	-	127,762
Water and Sewer	131,311	-	-	-	-	-	131,311
Total	\$ 593,944	\$ -	\$ 709,329	\$ 196,206	\$ 445,361	\$ 67,460	\$ 2,012,300

Transfers are used to move unrestricted revenues of various funds to the General Fund, i.e. specific ownership taxes and administrative charges, and to move General Fund revenues to other funds to provide subsidies, such as Child Development, Affordable housing, the Conference Center, and vehicle acquisition, or matching funds for various projects.

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**Note 8 - Development Property Held for Sale**

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The Town owns 1 deed restricted condominium. Following is a summary of cumulative costs incurred as of December 31, 2016:

	Deed Restricted Town Properties	Total
Buildings	\$ 278,268	\$ 278,268
Total	\$ 278,268	\$ 278,268

## Note 9 - Capital Assets

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

	Balance 12/31/15	Additions	Deletions	Balance 12/31/16
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 2,253,578	\$ -	\$ -	\$ 2,253,578
Construction in Progress	488,519	367,972	(501,354)	355,137
Total Capital Assets Not Being Depreciated	2,742,097	367,972	(501,354)	2,608,715
Capital Assets Being Depreciated				
Buildings and Improvements	10,541,676	398,537	-	10,940,213
Gondola Transit System	20,708,678	48,574	(7,139)	20,750,113
Vehicles and Equipment	4,189,429	880,890	(77,140)	4,993,179
Infrastructure	28,399,000	-	-	28,399,000
Total	63,838,783	1,328,001	(84,279)	65,082,505
Less Accumulated Depreciation:				
Buildings and Improvements	(3,401,682)	(354,727)	-	(3,756,409)
Gondola Transit System	(4,666,771)	(496,208)	7,140	(5,155,838)
Infrastructure	(8,525,670)	(1,055,287)	-	(9,580,957)
Vehicles and Equipment	(2,980,625)	(394,758)	76,589	(3,298,793)
Total	(19,574,748)	(2,300,979)	83,729	(21,791,997)
Capital Assets Being Depreciated, Net	44,264,035	(972,978)	(550)	43,290,508
Total Governmental Activities Capital Assets	\$ 47,006,132	\$ (605,006)	\$ (501,904)	\$ 45,899,223

Depreciation was charged to governmental activity functions/programs as follows:

General Government	\$ 29,111
Administration	83,077
Public Safety	119,650
Roads & Bridges	719,231
Equipment & Property Maintenance	288,893
Parking & Transportation	1,061,016
Total	\$ 2,300,979

## Note 9 - Capital Assets (Continued)

		Balance 12/31/15	Additions	Deletions	Balance 12/31/16
Business-type Activities					
Capital Assets Not Being Depreciated:					
	Land	\$ 160,499	\$ -	\$ -	\$ 160,499
	Construction in Progress	1,669,686	-	(1,638,474)	31,212
	Total	1,830,185	-	(1,638,474)	191,711
Capital Assets Being Depreciated:					
	Buildings and Improvements	24,155,051	65,948		24,220,999
	Water Systems	6,516,085	1,699,091	-	8,215,175
	Sewer Systems	7,534,828	264,293		7,799,122
	Broadband Systems	2,052,655	47,211		2,099,866
	Vehicles and Equipment	1,085,548	72,985	(85,480)	1,073,053
	Total	41,344,167	2,149,527	(85,480)	43,408,215
Less Accumulated Depreciation:					
	Buildings and Improvements	(10,370,824)	(871,309)	-	(11,242,133)
	Water Systems	(3,091,867)	(363,180)	-	(3,455,048)
	Sewer Systems	(2,280,658)	(283,521)	-	(2,564,179)
	Cable TV Systems	(1,537,028)	(142,085)	-	(1,679,113)
	Vehicles and Equipment	(728,095)	(93,051)	-	(821,146)
	Total	(18,008,472)	(1,753,147)	-	(19,761,619)
	Capital Assets Being Depreciated, Net	23,335,695	396,380	(85,480)	23,646,596
	Total Business-type Activities Capital Assets	\$ 25,165,880	\$ 396,380	\$(1,723,954)	\$ 23,838,307

## Note 10 - Long-term Liabilities

### A. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2016 was as follows:

	Balance 12/31/15	Additions	Deletions	Balance 12/31/16	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Tax Supported:					
Series 2005	1,325,000	-	(645,000)	680,000	680,000
Series 2007	3,330,000	-	(1,625,000)	1,705,000	1,705,000
Series 2009	605,000	-	(295,000)	310,000	310,000
Series 2006A	490,000	-	-	490,000	490,000
Series 2014	7,140,000	-	(15,000)	7,125,000	15,000
Self Supported:					
Series 2011	2,485,000	-	(115,000)	2,370,000	115,000
Total General Obligation Bonds	15,375,000	-	(2,695,000)	12,680,000	3,315,000
Discount/Premiums, Net	630,209	-	(85,628)	544,581	85,628
Compensated Absences	460,683	632,861	(629,579)	463,965	46,396
Total Governmental	16,465,892	632,861	(3,410,207)	13,688,546	3,447,024
Business-type Activities					
Note Payable	660,221	-	(367,621)	292,600	292,600
Revenue Bonds	12,340,000	-	-	12,340,000	64,473
Total Business-type	13,000,221	-	(367,621)	12,632,600	357,073
Total Long-term Liabilities	\$ 29,466,114	\$ 632,861	\$ (3,777,828)	\$ 26,321,147	\$ 3,804,097

The compensated absences liabilities are liquidated by the General Fund.

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**Note 10 - Long-term Liabilities (Continued)**

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**General Obligation Bonds*****Series 2005***

On September 20, 2005, the District issued \$5,740,000 of General Obligation Refunding Bonds; Series 2005, to advance refund \$5,780,000 of outstanding General Obligation Bonds, Series 1998, with maturity dates of December 1, 2009 through December 1, 2017. On January 1, 2007, the Town assumed this debt. Principal on the bonds is payable December 1 with interest at 4.00% to 5.00%, payable semi-annually on June 1 and December 1. The Series 2005 bonds are not subject to redemption prior to maturity.

***Series 2006A***

On September 28, 2006, the District issued \$8,900,000 in General Obligation Bonds to finance construction of a public parking facility. Bonds maturing on or after December 1, 2017 are subject to optional redemption on December 1, 2016, and any date thereafter prior to maturity without a redemption premium. Principal on the bonds is payable annually on December 1 with interest at 4.00% to 5.00%, payable semi-annually on June 1 and December 1 through 2036. On January 1, 2007, the Town assumed this debt. A portion of the bonds outstanding were refunded on an advance refunding basis on December 1, 2014 from the proceeds of the General Obligation Refunding Bonds Series 2014. Bonds maturing in 2015, 2016 and 2017 remain outstanding and the total \$720,000 outstanding will be paid as scheduled.

The Town of Mountain Village pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order, is now responsible for the public parking facility project. Commencing in December of 2007, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Bonds from its available funds. If on or before December 15th of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A bond on the next succeeding June 1 and December 1 is not on deposit, The District is required to levy an ad valorem property tax sufficient to make such payments.

***Series 2007***

On October 23, 2007, the District issued \$9,375,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds were used to fund an escrow account with respect to the District's General Obligation Refunding Bonds, Series 1997.

The Bonds mature between 2009 and 2017 and are not subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 3.75% to 5.25%, payable semi-annually on June 1 and December 1.

***Series 2009***

On December 1, 2009 the District issued \$2,270,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds were used to fund an optional redemption at par of all outstanding 1998 Series bonds.

The Bonds mature between 2010 and 2017 and are not subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.0% to 4.0%, payable semi-annually on June 1 and December 1.

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**Note 10 - Long-term Liabilities (Continued)**

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***Series 2011***

On September 1, 2011 the District issued \$3,025,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds, together with other funds of the District, were used to fund an optional redemption at par of all outstanding 2001 Series bonds. TMVOA and TSGC agreed to fund all debt service costs related to the Series 2011 bonds.

The Bonds mature between 2011 and 2032 and are subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.5% to 4.0%, payable semi-annually on June 1 and December 1.

The bonds maturing December 1, 2023, December 1, 2026, and December 1, 2032 (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest to the redemption date. The bonds subject to mandatory sinking fund redemption shall be selected by lot in such manner as the Registrar shall determine (giving proportionate weight to Bonds in denominations larger than \$5,000).

***Series 2014***

On December 1, 2014 the District issued \$7,155,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds, together with other funds of the District, were used to fund an advance refunding of a portion of the 2006A Series bonds. The bonds maturing on or after December 1, 2018 in the aggregate principal amount of \$7,350,000 are the bonds defeased and paid from the refunding bond escrow.

The Bonds mature between 2015 and 2036 and are subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.0% to 4.0%, payable semi-annually on June 1 and December 1.

The bonds maturing on or after December 1, 2023 are subject to redemption prior to maturity at the option of the district, on December 1, 2022 or on any date thereafter in whole or in part from such maturities as are selected by the district at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

The bonds were issued at a total cost of \$125,085. Total debt service remaining on the old bonds was \$12,298,025, the total debt service on the new bonds is \$10,914,086. The savings resulting from the cash flow differential between the old issue and the new issue was \$1,383,939. The present value of the savings was \$1,028,432.

The Town of Mountain Village pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order, is now responsible for the public parking facility project. Commencing in December of 2007, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Bonds from its available funds. If on or before December 15<sup>th</sup> of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A bond on the next succeeding June 1 and December 1 is not on deposit, The District is required to levy an ad valorem property tax sufficient to make such payments.

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**Note 10 - Long-term Liabilities (Continued)**

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**Debt Service Requirements**

Annual debt service requirements to maturity for general obligation bonds, are as follows:

Debt Service Requirements			
Year	Total	Principal	Interest
2017	3,808,019	3,315,000	493,019
2018	732,875	390,000	342,875
2019	738,925	405,000	333,925
2020	729,625	405,000	324,625
2021	737,475	425,000	312,475
2022	733,425	435,000	298,425
2023	731,025	450,000	281,025
2024	738,025	475,000	263,025
2025	734,025	490,000	244,025
2026	726,150	500,000	226,150
2027	732,900	525,000	207,900
2028	733,725	545,000	188,725
2029	733,825	565,000	168,825
2030	733,175	585,000	148,175
2031	736,800	610,000	126,800
2032	727,400	625,000	102,400
2033	532,400	455,000	77,400
2034	534,200	475,000	59,200
2035	535,200	495,000	40,200
2036	530,400	510,000	20,400
	<u>\$ 16,939,594</u>	<u>\$ 12,680,000</u>	<u>\$ 4,259,594</u>

The 2006, 2009, 2011 and 2014 bond resolutions require the maintenance of a liquidity reserve of \$300,000. The liquidity reserve is available to pay debt service on all of the District's outstanding General Obligation bonds.

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**Note 10 - Long-term Liabilities (Continued)**

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**Authorized Unissued Debt**

The Town has no authorized or unissued debt.

**Taxable Loan**

On September 30, 2014 the Town of Mountain Village Housing Authority issued \$1,076,000 in taxable debt in the form of a loan secured by pledged revenues, a deed of trust, a sales tax revenue fund and a debt service reserve. The loan proceeds were used to refinance the construction loan agreement, dated June 12, 2006. The loan has a fixed rate of 3.3% with a maturity date December 1, 2017.

Following is the debt service requirements of the 2014 Series B Loan to maturity:

Debt Service Requirements Loan Series 2014B			
Year	Total	Principal	Interest
2017	\$ 302,390	\$ 292,600	\$ 9,790
	\$ 302,390	\$ 292,600	\$ 9,790

**Tax Exempt Loan**

On September 30, 2014 the Town of Mountain Village Housing Authority issued \$12,340,000 in tax exempt debt in the form of a loan secured by pledged revenues, a deed of trust, a sales tax revenue fund and a debt service reserve. The loan proceeds were used to refinance the Series 2000 revenue bonds. The loan has a fixed rate of 3.17% with a maturity date December 1, 2024.

Following is the debt service requirements of the 2014 Series A Loan to maturity:

Revenue Bonds Debt Service Requirements Loan Series 2014A			
Year	Total	Principal	Interest
2017	\$ 461,084	\$ 64,473	\$ 396,611
2018	\$ 788,277	\$ 393,738	\$ 394,539
2019	\$ 788,277	\$ 406,393	\$ 381,884
2020	\$ 788,274	\$ 418,441	\$ 369,833
2021	\$ 788,278	\$ 432,904	\$ 355,374
2022	\$ 788,277	\$ 446,817	\$ 341,460
2023	\$ 788,277	\$ 461,178	\$ 327,099
2024	\$ 10,029,188	\$ 9,716,056	\$ 313,132
	\$ 15,219,932	\$ 12,340,000	\$ 2,879,932

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**Note 10 - Long-term Liabilities (Continued)**

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**Pledged Revenues**

The Town has issued General Obligation and Housing Facility Revenue Bonds which are outstanding through year end. These bonds were issued to finance various projects within each of the issuing funds, with pledged revenues coming from property taxes levied (for GO Bonds) and rent revenues (for Housing Authority Debt).

	<b>Amount Pledged</b>	<b>Term of Commitment</b>
<b>Governmental Activities:</b>		
Series 05	\$ 680,000	2017
Series 06A	\$ 490,000	2017
Series 07	\$ 1,705,000	2017
Series 09	\$ 310,000	2017
Series 11	\$ 2,370,000	2032
Series 14	\$ 7,125,000	2036
<b>Business-type Activities:</b>		
Series 14A Loan	\$ 12,340,000	2024
Series 14B Loan	\$ 292,600	2017

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain to future amounts. However, the debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt. The debt service coverage or comparison of pledged revenues net of specific operating expenses, for each pledged debt is outlined in the Pledged-Revenue Coverage Table in the Statistical Section of this Comprehensive Annual Financial Report.

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**Note 11 - Relationship with Other Entities**

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TMVOA and the Town are members of the Mountain Village Condominium Owner's Association (MVCOA), which was created to manage the complex that includes a grocery store, postal and municipal office facilities.

The Telluride Fire Protection District (Fire District) and the Town have an intergovernmental agreement for the ownership of a joint service facility. The Fire District is responsible for administration of the joint service facility. The Town reports its percentage interest in the joint facility as a capital asset and its percentage of the joint service facility's operating costs as an operating expense. The Town's carrying value of its interest in the joint facility was \$485,689 as of December 31, 2016.

Marketing Telluride, Inc. (MTI) provides services to promote the communities of Telluride and Mountain Village. During 2012, the Town contributed 100% of the Town's business license revenues, net of a 6% administrative fee and ½ of a 4% lodging tax, net of a 2% administrative fee,

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**Note 11 - Relationship with Other Entities (Continued)**

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imposed on the rental of accommodations within the Town to assist in funding these services. The total amount expended related to the funding to MTI during 2016 was \$1.1 million, which includes an additional funding request of \$13,000 for a guest services agent.

Beginning in 2004, the Town imposed a 2% sales tax on bar and restaurant sales to fund the Airline Guaranty Program administered by the TMRAO. The objective of the Airline Guaranty Program is to increase air service into the Telluride and Montrose regional airports. In addition, in 2003, the lodging tax was increased to 4%, with 2% of the tax to fund services provided by MTI above. The additional 2% is to fund the Airline Guaranty Program. The amount remitted to TMRAO during 2016 was \$1.2 million.

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**Note 12 - Transfer of Assets and Assumption of Services**

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On September 28, 2006, the District issued \$8,900,000 in General Obligation Bonds, Series 2006A, to finance construction of a public parking facility. The Town, pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order (Order), became responsible for the project. Commencing in December of 2007, if the amount in the debt service fund is insufficient as provided in the approving resolution, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Series 2006A Bonds from its available funds. If on or before December 15<sup>th</sup> of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A Bonds on the next succeeding June 1 and December 1, is not on deposit, the District is required to levy an ad valorem property tax sufficient to make such payments.

In 1997, TMVOA entered into an agreement with TSGC to pay a certain portion of operational costs of the Chondola, which provides supplemental public transportation within the Town. The agreement is for a term of one year and automatically renews for one-year terms unless terminated by either party. The final capital lease payment was made June 1, 2007. TMVOA assigned its responsibilities under the agreement to the District effective January 1, 2004. Effective January 1, 2007, the responsibilities under the agreement were transferred to the Town pursuant to the Order.

TMVOA and TSGC have agreed to fund operations and maintenance costs of the gondola transit system operated by the District through December 31, 2027. The operation and maintenance costs of the gondola are paid by TMVOA except for a 1% surcharge on certain ski lift tickets, which is contributed by TSGC. Effective January 1, 2007, the responsibilities under the agreement were transferred to the Town pursuant to the Order.

TSGC leases a portion of a maintenance facility formerly from the District, now the Town. The original lease is now paid and the monthly rental for the balance of the ninety-nine year lease is \$1 with an option to purchase by each party for \$10. Effective January 1, 2007 the lease was transferred to the Town pursuant to the Order.

In exchange for contributing certain water and sewer systems to the District in 1984, TSGC was to be given free water and sewer services and taps so long as such credit does not exceed \$36,000 annually, increasing by 4% each year. The Town assumed the obligation effective January 1, 2007. The Town has determined that the water credit exceeded the \$36,000 annual increased by 4% each

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**Note 12 - Transfer of Assets and Assumption of Services (Continued)**

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year, therefore the agreement was terminated and the Town will no longer be refunding water and sewer fees to TSG.

Effective January 1, 2004 TMVOA transferred the following functions and assets to the District.

- Common area property maintenance - open space parcels and related management functions.
- Trash services - trash facilities and removal.
- Postal operations - postal operations within Mountain Village.

Effective January 1, 2007, the village activities functions were transferred to the Town in accordance with the Order with continued funding by TMVOA. The Town continued the village activities function through August of 2007, at which time, it was transferred to TMVOA. Property Maintenance, Trash Services, and Postal Operations were transferred to the Town in accordance with the Order. The agreement with TMVOA for funding common area maintenance, trash services and postal functions was terminated and these functions and services were transferred to the Town effective January 1, 2007.

Under the agreement to sell Lots 50 and 51, TMVOA and MVMD agreed to purchase certain improvements to be constructed by the purchaser of the properties. These improvements include subsurface facilities (122 parking spaces, a loading dock and a pro-rata share of the cost to construct a ramp and tunnel to the garage), an ice skating rink, a skate rental facility, a building to house the Zamboni used for ice maintenance, public restrooms and certain plaza improvements. The purchase price for the subsurface facilities is \$5,867,000, plus an allowance of 8% (\$470,000) for soft costs. MVMD agreed to fund the subsurface facility costs through a bond issue in the amount of \$8,900,000. TMVOA subsequently assigned all of their rights to purchase the other improvements to MVMD (now the Town) and agreed to fund the purchase of all of the improvements, with the exception of the subsurface facilities.

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**Note 13 - Risk Management**

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The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town belongs to the Colorado Intergovernmental Risk Sharing Agency (CIRSA) property and casualty pool, a public entity risk pool currently operating as a common risk management and insurance program for members. CIRSA is to be self-sustaining through member premiums and reinsures through commercial companies for claims in excess of certain limits for each insured event. CIRSA members are subject to a supplemental assessment in the event of a deficiency. Claims settlements have not exceeded coverage in the last three years.

Effective January 1, 2007, the Town changed its health insurance program from a self-insured program to a government pooled plan with the non-profit Colorado Employer Benefit Trust (CEBT). The Colorado Employer Benefit Trust (CEBT) is a multiple employer trust for public institutions providing employee benefits. Since 1980 CEBT has grown to approximately 30,000

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**Note 13 - Risk Management (continued)**

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members and about 320 participating groups. The Trust is governed by a Board of Trustees made up of representatives from participating groups. The Trust fund is approaching \$175 million in annual premium deposits with approximately \$45 million in reserves. The purpose of the CEBT is to spread risk of adverse claims over a larger base of members and to recognize reduced administrative costs through economies of scale. Under this program the Town takes on no additional risk beyond monthly premiums. If claim costs should exceed the Town's monthly plan premiums, CEBT will take on the additional cost associated with those claims. In 2016, claims from the Town employees and family members were 74.4% of premiums submitted.

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**Note 14 - Retirement Plans**

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**Defined Benefit Pension Plan****Summary of Significant Accounting Policies**

*Pensions* The Town of Mountain Village participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Pension Plan**

*Plan description* Eligible employees of The Town of Mountain Village are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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**Note 14 - Retirement Plans (Continued)**

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The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

## Note 14 - Retirement Plans (Continued)

**Contributions** Eligible employees and The Town of Mountain Village are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended 12/31/2016	For the Year Ended 12/31/2015
Employer Contribution Rate <sup>1</sup>	10.00%	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	-1.02%	-1.02%
Amount Apportioned to the LGDTF <sup>1</sup>	8.98%	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	1.50%	1.50%
<b>Total Employer Contribution Rate to the LGDTF<sup>1</sup></b>	<b>12.68%</b>	<b>12.68%</b>

<sup>1</sup>Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and The Town of Mountain Village is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from The Town of Mountain Village and enterprise funds were \$741,776 for the year ended December 31, 2016. The fund breakout is shown below:

<b>Employer Contributions</b>	
Governmental Funds	\$ 601,877
Broadband Fund	29,374
Water/Sewer Fund	41,688
Child Development Fund	37,682
VCA (Affordable Housing) Fund	31,155
<b>Total</b>	<b>\$ 741,776</b>

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, The Town of Mountain Village reported a liability of \$10,839,589 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Town of Mountain Village proportion of the net pension liability was based on The Town of Mountain Village contributions to the LGDTF for the calendar year 2014 relative to the total contributions of participating employers to the LGDTF. The fund breakout is shown below:

<b>Allocation of Net Pension Liability (NPL)</b>		
Governmental Funds	\$ 8,872,303	81.85%
Broadband Fund	435,166	4.01%
Water/Sewer Fund	597,477	5.51%
Child Development Fund	519,684	4.79%
VCA (Affordable Housing) Fund	414,959	3.83%
<b>Total</b>	<b>\$ 10,839,589</b>	<b>100.00%</b>

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**Note 14 - Retirement Plans (Continued)**

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At December 31, 2015, The Town of Mountain Village proportion was 0.9835017662%, which was an increase of 0.0052977568% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the recognized pension expenses for the Town and the enterprise funds were as follows:

<b>Pension Expense</b>	
Governmental Funds	\$ 1,096,251
Broadband Fund	52,618
Water/Sewer Fund	24,942
Child Development Fund	32,337
VCA (Affordable Housing) Fund	31,572
<b>Total</b>	<b>\$ 1,237,720</b>

For the year ended December 31, 2016, The Town of Mountain Village recognized pension expense of \$1,237,720. At December 31, 2016, The Town of Mountain Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u><b>Deferred Outflows of Resources</b></u>	<u><b>Deferred Inflows of Resources</b></u>
Difference between expected and actual experience	\$ 81,285	\$ 374
Changes of assumptions or other inputs	-	198,441
Net difference between projected and actual earnings on pension plan investments	2,083,707	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	80,751	54,408
Contributions subsequent to the measurement date	741,776	-
<b>Total</b>	<b>\$ 2,987,519</b>	<b>\$ 253,223</b>

\$741,776 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Amortization for the Year Ended  
12/31:**

2017	456,433
2018	528,622
2019	551,312
2020	456,123
2021	-
Thereafter	-

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**Note 14 - Retirement Plans (Continued)**

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*Actuarial assumptions* the total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic) Financed by the Annual Increase Reserve	

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

The following programming changes were made:

- ✓ Valuation of the full survivor benefit without any reduction for possible remarriage.
- ✓ Reflection of the employer match on separation benefits for all eligible years.
- ✓ Reflection of one year of service eligibility for survivor annuity benefit.
- ✓ Refinement of the 18 month annual increase timing.
- ✓ Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- ✓ Recognition of merit salary increases in the first projection year.
- ✓ Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- ✓ Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- ✓ Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

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**Note 14 - Retirement Plans (Continued)**

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The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 15, 2013 adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

## Note 14 - Retirement Plans (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

*Sensitivity of The Town of Mountain Village proportionate share of the net pension liability to changes in the discount rate* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Collective Net Pension Liability	\$ 1,688,836,000	\$ 1,101,581,000	\$ 614,511,000
Governmental Funds	13,521,945	8,872,303	4,920,184
Broadband Fund	663,220	435,166	241,324
Water/Sewer Fund	910,592	597,477	331,334
Child Development Fund	792,031	519,684	288,194
VCA (Affordable Housing) Fund	632,423	414,959	230,118
<b>Town of Mountain Village Total</b>	<b>\$ 16,520,211</b>	<b>\$ 10,839,589</b>	<b>\$ 6,011,153</b>

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**Note 14 - Retirement Plans (Continued)**

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*Pension plan fiduciary net position* Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Defined Contribution Pension Plans****Voluntary Investment Program**

*Plan Description* - Employees of The Town of Mountain Village that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, The Town of Mountain Village has agreed to match employee contributions up to 9 percent of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. The 401(k) Plan member contributions from the Town for the year ended December 31, 2016, were \$336,959. The employer contributions to the 401(k) Plan from the Town for the year ended December 31, 2016 were \$235,164.

**Other Post-Employment Benefits****Health Care Trust Fund**

*Plan Description* – The Town of Mountain Village contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Town of Mountain Village is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for The Town of Mountain Village are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2016, 2015, and 2014, The Town of Mountain Village contributions to

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**Note 14 - Retirement Plans (Continued)**

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the HCTF were \$59,651, \$56,792 and \$54,673, respectively, equal to their required contributions for each year.

**Law Enforcement Pension Plans**

Law enforcement employees participate in the statewide Fire and Police Pension Association (FPPA) money purchase plan, a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the money purchase plan plus investment earnings. The employees contribute at the rate of 8% and the Town contributes at the rate of 14% of employee salaries. Member contributions are 100% vested. Employer contributions vest over a period of five years. Contribution obligations and benefit provisions of the plan are established under the authority of state statute.

Following is a summary of 2016 FPPA money purchase plan contributions:		
Total payroll		\$ 6,296,928
Covered payroll		327,770
Contributions:		
Town		45,892
Employees		26,222
Total		<u>\$ 72,114</u>

The Town offers its law enforcement employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. 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 in the Deferred Compensation Plan Trusts for the exclusive benefit of participants and their beneficiaries. FPPA is trustee of the trusts. The Town has no ownership interest in the plan nor is the Town liable for losses under the deferred compensation plan. The Town matches the employee's contributions anywhere from 1% to 9%, depending on the employee's years of service. This is a discretionary match. For the year ended December 31, 2016, the Town contributed \$15,848 on \$27,059 of employee contributions.

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**Note 15 – Fund Balance Classifications**

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**General Fund**

The Town's policy is to apply committed resources first when an expense is incurred for purposes for which committed, restricted, assigned, and unassigned net position are available.

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**Note 15 – Fund Balance Classifications (Continued)**

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The non-spendable fund balance in the General Fund consists of deposits held for construction projects and prepaid expenses.

Colorado voters passed an amendment to the State Constitution, Article X, Section 20. The amendment has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. On June 25, 1996 the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning in 1996, without limitations imposed by the amendment. The amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the amendment.

The remaining fund balance in the General Fund is unassigned.

**Debt Service Fund**

The restricted fund balance in the Debt Service Fund is wholly restricted for debt service obligations.

**Vehicle & Equipment Acquisition Fund**

Town Council is authorized, by article VIII of The Town of Mountain Village Home Rule Charter to assign amounts to a specific purpose. The assigned fund balance in the Vehicle & Equipment Acquisition Fund is to be used for future vehicle or equipment acquisitions via a resolution as adopted by Town Council.

**Special Revenue Funds**

**Gondola Fund** – Used to account for revenues restricted for the purpose of financing, improving and operating a gondola and “Chondola” transit system for the benefit of the Telluride Mountain Village Resort Company dba Telluride Mountain Village Owners Association (TMVOA), TSG Ski & Golf Company (TSGC), the Town of Telluride, the Town of Mountain Village and San Miguel County, Colorado. The cost of operations and maintenance of the transit system is funded through contributions from TMVOA and TSGC.

**Historical Museum Fund** - Accounts for the proceeds of a .333 property tax mill levy as authorized by the Town’s electorate for remittance to the Telluride Historical Museum, a nonprofit entity.

**Tourism Fund** - Accounts for lodging taxes, restaurant taxes, and business license revenues remitted to Marketing Telluride, Inc. (MTI) to promote tourism in the Telluride and Mountain Village Communities, and the Telluride/Montrose Regional Air Organization to fund the Airline Guaranty Program.

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**Note 16 – Other Commitments**

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On January 23, 2015 the Town entered into the Land Acquisition and Conveyance Agreement with the Telluride Hospital District whereby the Town was to convey Lot 1003R-1 to the District for its use as a site for a new regional medical center. The Hospital District has withdrawn its application to re-locate to the Town. The project will not go forward.

On January 15, 2015 The Town entered into a Contract to Buy and Sell Real Estate with a private developer who would develop a rental housing project on the property. The closing date was June 10, 2015 and the parties did not complete the transaction which has now expired. In 2016, Telluride Ski and Golf Company purchased the property in order to develop private employee rental housing.

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### **Required Supplementary Information**

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**Town of Mountain Village**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended December 31, 2016**

	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget</u></b>
Revenues				
Taxes	\$ 8,699,766	\$ 8,697,016	\$ 8,485,683	\$ (211,333)
Licenses & Permits	261,655	261,655	302,975	41,320
Intergovernmental	379,030	384,199	377,290	(6,909)
Contributions from Other Entities	25,127	17,931	25,000	7,069
Charges for Services	251,440	251,440	268,083	16,643
Fines & Forfeitures	6,077	6,077	11,157	5,080
Earnings on Deposits & Investments	45,000	45,000	47,908	2,908
Miscellaneous	80,492	75,593	71,364	(4,229)
Grants & Contributions	64,786	121,676	35,158	(86,519)
Total Revenues	<u>9,813,373</u>	<u>9,860,587</u>	<u>9,624,618</u>	<u>(235,969)</u>
Expenditures				
General Government	3,203,626	3,140,681	2,942,377	(198,304)
Public Safety	879,961	860,807	828,338	(32,469)
Roads & Bridges	1,138,707	1,125,262	1,061,715	(63,547)
Equipment & Property Maintenance	2,136,557	2,111,078	1,960,778	(150,300)
Culture & Recreation	512,667	509,005	443,790	(65,215)
Parking & Transportation	261,315	262,087	230,268	(31,819)
Economic Development	762,005	842,946	775,790	(67,156)
Capital Outlay	105,000	699,400	101,004	(598,396)
Total Expenditures	<u>8,999,838</u>	<u>9,551,266</u>	<u>8,344,060</u>	<u>(1,207,206)</u>
Excess of Revenues Over Expenditures	<u>813,535</u>	<u>309,321</u>	<u>1,280,558</u>	<u>971,237</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	4,822	4,822
Transfers In	551,674	535,637	593,944	58,307
Transfers Out	<u>(1,570,177)</u>	<u>(1,452,034)</u>	<u>(1,418,356)</u>	<u>33,678</u>
Total Other Financing Sources (Uses)	<u>(1,018,503)</u>	<u>(916,397)</u>	<u>(819,590)</u>	<u>96,807</u>
Net Change in Fund Balance	(204,968)	(607,076)	460,968	1,068,043
Fund Balance - Beginning of Year	<u>7,218,864</u>	<u>8,759,934</u>	<u>8,985,348</u>	<u>225,414</u>
Fund Balance - End of Year	<u>\$ 7,013,896</u>	<u>\$ 8,152,859</u>	<u>\$ 9,446,315</u>	<u>\$ 1,293,457</u>

The basis of budgeting is the same as GAAP and this schedule is presented on that basis.

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual - Special Revenue Fund -  
Gondola Fund**

**For the Fiscal Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
Revenues				
Contributions:				
Mountain Village Owner's Association	\$ 6,417,712	\$ 5,003,766	\$ 4,454,222	\$ (549,544)
Telluride Ski and Golf Company	160,000	200,000	195,809	(4,191)
Other Revenues:				
Event Operating Hours Subsidies	-	-	7,029	7,029
Grant Funding	968,700	944,100	959,077	14,977
Miscellaneous	-	-	3,658	3,658
Operating Contributions	36,000	36,000	36,000	-
Total Revenues	7,582,412	6,183,866	5,655,794	(528,072)
Expenditures				
Gondola:				
Grant Success Fees	58,122	56,646	30,606	(26,040)
Operations	1,762,838	1,733,388	1,616,274	(117,114)
MARRS	74,049	74,072	68,273	(5,799)
Maintenance	1,239,631	1,200,367	1,117,757	(82,610)
Fixed Costs	483,042	443,041	404,450	(38,591)
Contingency	108,287	105,026	-	(105,026)
Major Repairs and Maintenance	1,100,000	1,003,546	1,061,212	57,666
Capital Outlay	2,234,500	1,168,000	1,045,367	(122,633)
Chondola:				
Operations	471,943	349,780	272,107	(77,673)
Capital Outlay	-	-	-	-
Total Expenditures	7,532,412	6,133,866	5,616,047	(517,819)
Excess of Revenues Over Expenditures	50,000	50,000	39,747	10,253
Other Financing Uses				
Proceeds from Sale of Assets	-	-	3,350	3,350
Transfers To Other Funds	(50,000)	(50,000)	(43,097)	6,903
Other Financing Uses	(50,000)	(50,000)	(39,747)	10,253
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

The basis of budgeting is the same as GAAP and this schedule is presented on that basis.

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual - Special Revenue Fund -**  
**Tourism Fund**

**For the Fiscal Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
Revenues				
Sales and Marketing:				
Lodging Taxes	\$ 1,443,530	\$ 1,443,530	\$ 1,638,909	\$ 195,380
Restaurant Taxes	350,508	350,508	412,054	61,547
Business License Fees	277,546	277,546	296,585	19,039
Penalties and Interest	10,000	10,000	15,635	5,635
Total Revenues	2,081,583	2,081,583	2,363,183	281,600
Expenditures				
Other Economic Development Contributions	25,000	25,000	25,000	-
Administrative Expense	2,500	2,500	2,500	-
Contract Sales and Marketing Services	988,440	988,440	1,103,050	114,610
Airline Guaranty	1,050,828	1,050,828	1,206,879	156,051
Total Expenditures	2,066,767	2,066,767	2,337,429	270,661
Revenues Over				
Expenditures Before Transfers	14,816	14,816	25,755	10,939
Transfers				
Transfer In (Out)	(14,816)	(14,816)	(25,755)	(10,939)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

**Town of Mountain Village**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability**

**Last Three Years - Pension Schedules will ultimately be shown for the last ten years, information will be added as it becomes available**

	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Town of Mountain Village proportion (share) of the collective net pension liability	0.9835017662%	0.9782010094%	0.9833245881%
Town of Mountain Village share of the collective pension liability	\$ 10,834,069	\$ 8,767,731	\$ 8,091,985
Covered employee payroll	\$ 5,586,319	\$ 5,362,058	\$ 5,241,993
Town of Mountain Village proportionate share of the net pension liability as a percentage of it's covered employee payroll	193.94%	163.51%	154.37%
Plan fiduciary net pension as a percentage of the total pension liability	76.87%	80.72%	81.00%

The amounts presented for each fiscal year were determined as of December 31

**Town of Mountain Village**

**Schedule of Activity - Employer Pension Contributions**

**Last Three Years - Pension Schedules will ultimately be shown for the last ten years, information will be added as it becomes available**

	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
	<hr/>	<hr/>	<hr/>
Statutorily Required Contributions	\$ 658,668	\$ 632,087	\$ 618,644
Contributions in Relation to the Statutorily Required Contribution	<hr/> 658,668	<hr/> 632,087	<hr/> 618,644
Contribution Deficiency (Excess)	\$ <hr/> -	\$ <hr/> -	\$ <hr/> -
Covered Employee Payroll	5,360,121	5,360,121	5,246,099
Contributions as a percentage of Employer Covered Payroll	12.3%	11.8%	11.8%

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### **Other Supplementary Information**

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**Town of Mountain Village**

**Combining Balance Sheet - Nonmajor Governmental Funds**

**December 31, 2016**

	<b><u>Special Revenue Fund</u></b>		<b>Vehicle and Equipment Acquisition Fund</b>	<b>Total</b>
	<b>Historical Museum</b>	<b>Capital Projects Fund</b>		
Assets				
Cash	\$ -	\$ 32,030	\$ 32,278	\$ 64,308
Receivables:				
Notes	-	753,636	-	753,636
Taxes	93,346	-	-	93,346
Grants	-	-	177,502	177,502
Total Assets	93,346	785,666	209,780	1,088,792
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	-	-	2,265	2,265
Due to Pooled Cash	336	-	-	336
Unearned Revenue	-	753,636	-	753,636
Total Liabilities	336	753,636	2,265	756,237
Deferred Inflows of Resources, Property Tax	93,011	-	-	93,011
Fund Balances:				
Assigned	-	32,030	207,514	239,544
Total Fund Balance	\$ -	\$ 32,030	\$ 207,514	\$ 239,544

See the accompanying independent auditors report.

**Town of Mountain Village**

**Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2016**

	<b><u>Special Revenue Fund</u></b>		<b>Vehicle and Equipment Acquisition Fund</b>	<b>Total</b>
	<b><u>Historical Museum</u></b>	<b><u>Capital Projects Fund</u></b>		
Revenues				
Taxes	\$ 96,138	\$ -	\$ -	\$ 96,138
Grant Revenues	-	-	177,501	177,501
Total Revenues	<u>96,138</u>	<u>-</u>	<u>177,501</u>	<u>273,639</u>
Expenditures				
Culture and Recreation	94,211	-	-	94,211
Vehicles and Equipment	-	-	448,944	448,944
Capital Outlay	-	355,658	-	355,658
Administrative Costs	1,927	-	-	1,927
Total Expenditures	<u>96,138</u>	<u>355,658</u>	<u>448,944</u>	<u>900,740</u>
Revenues Over (Under)				
Expenditures	<u>-</u>	<u>(355,658)</u>	<u>(271,443)</u>	<u>(627,101)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	355,658	353,671	709,329
Total Other Financing Sources (Uses)	<u>-</u>	<u>355,658</u>	<u>353,671</u>	<u>709,329</u>
Net Change in Fund Balance	-	-	82,228	82,228
Fund Balance, Beginning of Year	<u>-</u>	<u>32,030</u>	<u>125,286</u>	<u>157,316</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 207,514</u>	<u>\$ 239,544</u>

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual - Special Revenue Fund -  
Historical Museum Fund  
For the Fiscal Year Ended December 31, 2016**

	<b><u>Budgeted Amounts</u></b>			<b><u>Variance with</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Final Budget</u></b>
Revenues				
Property Taxes	\$ 98,081	\$ 98,081	\$ 96,138	\$ (1,943)
Expenditures				
Administrative Costs	1,961	1,961	1,927	(34)
Culture and Recreation	96,120	96,120	94,211	(1,909)
Total Expenditures	98,081	98,081	96,138	(1,943)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual -  
Vehicle and Equipment Acquisition Fund  
For the Fiscal Year Ended December 31, 2016**

	<b><u>Budgeted Amounts</u></b>			<b><u>Variance with</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Final Budget</u></b>
Revenues				
Grant Revenues	\$ 244,000	\$ 244,000	\$ 177,501	\$ (66,499)
Total Revenues	244,000	244,000	177,501	(66,499)
Expenditures				
Vehicles and Equipment	580,137	560,137	448,944	(111,193)
Total Expenditures	580,137	560,137	448,944	(111,193)
Revenue Under Expenditures Before Transfers and Other Financing Sources	(336,137)	(316,137)	(271,443)	44,694
Other Financing Sources				
Proceeds from Sale of Assets	-	-	-	-
Transfers In	422,338	396,338	353,671	(42,667)
Total Other Financing Sources (Uses)	422,338	396,338	353,671	(42,667)
Net Change in Fund Balance	86,201	80,201	82,228	2,027
Fund Balance, Beginning of Year	110,318	125,287	125,286	(1)
Fund Balance, End of Year	\$ 196,519	\$ 205,488	\$ 207,514	\$ 2,026

See the accompanying independent auditors report.

**Town of Mountain Village**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service Fund**  
**For the Fiscal Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$3,563,713	\$3,563,713	\$3,575,283	\$ 11,570
Contributions from Other Entities	207,940	207,940	207,975	35
Interest Income	666	980	1,314	334
Miscellaneous Income	-	-	-	-
Total Revenues	<u>3,772,319</u>	<u>3,772,633</u>	<u>3,784,572</u>	<u>11,939</u>
Expenditures				
Debt Service:				
Administrative Charges	119,355	119,355	115,206	(4,149)
Principal	2,935,000	2,695,000	2,695,000	-
Interest	<u>634,675</u>	<u>634,675</u>	<u>634,675</u>	<u>-</u>
Total Expenditures	<u>3,689,030</u>	<u>3,449,030</u>	<u>3,444,881</u>	<u>(4,149)</u>
Income (Loss) Before Transfers	<u>83,289</u>	<u>323,603</u>	<u>339,691</u>	<u>16,088</u>
Other Financing Uses				
Transfers In	-	-	-	-
Transfers Out	<u>(82,264)</u>	<u>(82,264)</u>	<u>(136,536)</u>	<u>(54,272)</u>
Total Other Financing Uses	<u>(82,264)</u>	<u>(82,264)</u>	<u>(136,536)</u>	<u>(54,272)</u>
Net Change in Fund Balances	1,025	241,339	203,155	(38,184)
Fund Balance - Beginning of Year	<u>734,613</u>	<u>728,457</u>	<u>743,941</u>	<u>15,484</u>
Fund Balance - End of Year	<u>\$ 735,638</u>	<u>\$ 969,796</u>	<u>\$ 947,096</u>	<u>\$ (22,700)</u>

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual -**  
**Capital Projects Fund**  
**For the Fiscal Year ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
Revenues				
Grant Revenues	\$ -	\$ -	\$ -	\$ -
Interest Income	9,950	9,950	-	(9,950)
Total Revenues	9,950	9,950		(9,950)
Expenditures				
Capital Outlay	300,000	360,000	355,658	(4,342)
Income (Loss) Before Other Financing Sources and Uses	(290,050)	(350,050)	(355,658)	(5,608)
Other Financing Sources and Uses				
Transfer In (Out)	300,000	360,000	355,658	(4,342)
Net Change in Fund Balance	9,950	9,950	-	(9,950)
Fund Balance, Beginning of Year	32,030	32,030	32,030	-
Fund Balance, End of Year	\$ 41,980	\$ 41,980	\$ 32,030	\$ (9,950)

See the accompanying independent auditors report.

**Town of Mountain Village**

**Combining Schedule of Net Position -**  
**Housing Authority Enterprise Fund**  
**December 31, 2016**

	<b>Village Court Apartments</b>	<b>Affordable Housing Development</b>	<b>Mortgage Assistance Pool</b>	<b>Total</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 1,734,173	\$ 471,290	\$ 52,930	\$ 2,258,394
Investments	102,875	-	-	102,875
Accounts Receivable	(12,289)	-	-	(12,289)
Due from Other Funds	-	-	-	-
Prepaid Expenses	1,260	-	-	1,260
<b>Total Current Assets</b>	<b>1,826,019</b>	<b>471,290</b>	<b>52,930</b>	<b>2,350,240</b>
<b>Non Current Assets</b>				
Restricted Investments	450,058	400,051	-	850,109
Notes Receivable	-	-	164,000	164,000
Development Property Held for Sale				
Buildings and Improvements	-	278,268	-	278,268
<b>Capital Assets</b>				
Land and Land Improvements	418,271	-	-	418,271
Buildings and Improvements	17,552,852	-	-	17,552,852
Vehicles and Equipment	204,971	-	-	204,971
Less Accumulated Depreciation	(8,476,235)	-	-	(8,476,235)
<b>Total Noncurrent Assets</b>	<b>10,149,916</b>	<b>678,319</b>	<b>164,000</b>	<b>10,992,235</b>
<b>Total Assets</b>	<b>11,975,935</b>	<b>1,149,609</b>	<b>216,930</b>	<b>13,342,475</b>
Deferred Outflow of Resources - Related to Pensions	125,043	-	-	125,043
Deferred Outflow of Resources - Deferred Loss on Refunding	-	-	-	-
Deferred Outflow of Resources	125,043	-	-	125,043
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	57,020	76	-	57,096
Accrued Expenses	4,990	-	-	4,990
Due to Other Funds	95,599	-	-	95,599
Deposits	261,306	-	-	261,306
Unearned Revenue	13,978	-	-	13,978
Current Portion of Notes and Bond Payable	292,600	-	-	292,600
<b>Total Current Liabilities</b>	<b>725,492</b>	<b>76</b>	<b>-</b>	<b>725,568</b>
<b>Noncurrent Liabilities</b>				
Net Pension Liability	414,959	-	-	414,959
Notes Payable	-	-	-	-
Revenue Bonds Payable	12,340,000	-	-	12,340,000
<b>Total Liabilities</b>	<b>13,480,451</b>	<b>76</b>	<b>-</b>	<b>13,480,527</b>
Deferred Inflow of Resources - Related to Pensions	36,931	-	-	36,931
<b>Net Position</b>				
Net Investment in Capital Assets	(2,932,742)	-	-	(2,932,742)
Restricted for Debt Service	450,058	400,051	-	850,109
Unrestricted	1,066,280	749,482	216,930	2,032,692
<b>Total Net Position</b>	<b>\$ (1,416,405)</b>	<b>\$ 1,149,533</b>	<b>\$ 216,930</b>	<b>\$ (49,941)</b>

See the accompanying independent auditors' report.

**Town of Mountain Village**

**Combining Schedule of Revenues, Expenses, and Changes in Net Position -  
Housing Authority Enterprise Fund**

**For the Fiscal Year ended December 31, 2016**

	<b>Village Court Apartments</b>	<b>Affordable Housing Development</b>	<b>Mortgage Assistance Pool</b>	<b>Total</b>
Operating Revenues				
Rental Income	\$ 2,274,578	\$ 13,135	\$ -	\$ 2,287,713
Other	59,251	-	-	59,251
Total Operating Revenues	2,333,828	13,135	-	2,346,963
Operating Expenses				
Office Operations	140,031	-	-	140,031
General and Administrative	116,113	-	-	116,113
Utilities	353,617	-	-	353,617
Repair and Maintenance	367,916	107,360	-	475,276
Contingency	9,338	-	-	9,338
Depreciation and Amortization	603,011	-	-	603,011
Total Operating Expenses	1,590,026	107,360	-	1,697,386
Operating Income (Loss)	743,803	(94,225)	-	649,577
Nonoperating Revenue (Expense)				
Interest Income	52	-	-	52
Major Repairs and Replacements	(98,601)	-	-	(98,601)
Interest Expense	(432,260)	-	-	(432,260)
Loan Fees	(1,750)	-	-	(1,750)
Total Nonoperating Revenues (Expenses)	(532,559)	-	-	(532,559)
Income (Loss) Before Transfers	211,243	(94,225)	-	117,018
Transfers In	-	445,361	-	445,361
Transfers Out	(102,446)	-	-	(102,446)
Total Transfers In (Out)	(102,446)	445,361	-	342,915
Capital Grant and Contributions	-	-	-	-
Changes in Net Position	108,797	351,136	-	459,933
Net Position, Beginning of Year	(1,525,202)	798,398	216,930	(509,874)
Net Position, End of Year	\$ (1,416,405)	\$ 1,149,533	\$ 216,930	\$ (49,941)

See the accompanying independent auditors' report.

**Town of Mountain Village**

**Combining Schedule of Cash Flows -**  
**Housing Authority Enterprise Fund**  
**For the Fiscal Year ended December 31, 2016**

	<b>Village Court Apartments</b>	<b>Affordable Housing Development</b>	<b>Mortgage Assistance Pool</b>	<b>Total</b>
Cash Flows from Operating Activities				
Receipts from Renters	\$ 2,436,562	\$ 13,135	\$ -	\$ 2,449,697
Payments to Suppliers	(680,260)	(107,363)	-	(787,623)
Payments to Employees	(259,709)	-	-	(259,709)
Other Receipts	59,251	-	-	59,251
Net Cash Provided by (Used in) Operating Activities	1,555,844	(94,228)	-	1,461,616
Cash Flows from Non-capital Financing Activities				
Transfers to Other Funds	(102,446)	-	-	(102,446)
Transfers from Other Funds	-	445,361	-	445,361
Net Cash Provided by Noncapital Financing Activities	(102,446)	445,361	-	342,915
Cash Flows from Capital and Related Financing Activities				
Principal Payments	(367,621)	-	-	(367,621)
Interest Expense	(432,260)	23	-	(432,237)
Major Repairs and Replacements	(98,601)	-	-	(98,601)
Purchase of Capital Assets	(71,444)	-	-	(71,444)
Loan Fees	(1,750)	-	-	(1,750)
Net Cash Used in Capital and Related Financing Activities	(971,676)	23	-	(971,653)
Cash Flows from Investing Activities				
Proceeds from Sale of Investments	-	-	-	-
Interest Received	52	-	-	52
Net Cash Used in Investing Activities	52	-	-	52
Net Increase (Decrease) in Cash and Cash Equivalents	481,774	351,156	-	832,930
Cash, Beginning of Year	1,252,399	120,134	52,930	1,425,463
Cash, End of Year	<u>\$ 1,734,173</u>	<u>\$ 471,290</u>	<u>\$ 52,930</u>	<u>\$ 2,258,393</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 743,803	\$ (94,225)	\$ -	\$ 649,577
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	603,011	-	-	603,011
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	164,020	-	-	164,020
Increase (Decrease) in Net Pension Liability	37,536	-	-	37,536
(Increase) Decrease in Prepaid Items	(1,260)	-	-	(1,260)
Increase (Decrease) in Accounts Payable	8,696	(3)	-	8,693
Increase (Decrease) in Accrued Expenses	814	-	-	814
Increase (Decrease) in Unearned Revenues	(3,074)	-	-	(3,074)
Increase (Decrease) in Deposits	2,299	-	-	2,299
Total Adjustments	812,042	(3)	-	812,039
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,555,844</u>	<u>\$ (94,228)</u>	<u>\$ -</u>	<u>\$ 1,461,616</u>

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in  
Working Capital - Budget and Actual (Budgetary Basis) -  
Village Court Apartments**

**For the Fiscal Year ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
Operating Revenues				
Rental Income	\$ 2,225,944	\$ 2,225,944	\$ 2,274,578	\$ 48,634
Other	94,225	89,225	59,251	(29,974)
Total Operating Income	2,320,169	2,315,169	2,333,828	18,659
Operating Expenditures				
Office Operations	199,229	196,547	140,031	(56,516)
General and Administrative	131,289	107,289	116,113	8,824
Utilities	407,695	381,026	353,617	(27,409)
Repairs and Maintenance	395,412	395,732	367,916	(27,816)
Contingency	12,929	12,294	9,338	(2,956)
Total Operating Expenditures	1,146,554	1,092,888	987,015	(105,873)
Excess of Operating Revenues Over Operating Expenditures	1,173,615	1,222,281	1,346,814	124,533
Nonoperating Revenues (Expenditures)				
Interest Revenue	1,500	1,500	52	(1,448)
Interest Expense	(419,848)	(419,848)	(432,260)	(12,412)
Loan Fees	-	-	(1,750)	(1,750)
Major Repairs and Replacements	(159,316)	(148,816)	(98,601)	50,216
Capital Outlay	(5,000)	-	(71,444)	(71,444)
Debt Principal Payments	(367,621)	(367,621)	(367,621)	-
Total Nonoperating Revenues (Expenditures)	(950,285)	(934,785)	(971,624)	(36,839)
Transfers Out	(108,614)	(102,446)	(102,446)	-
Transfers In	-	-	-	-
Total Operating Transfers	(108,614)	(102,446)	(102,446)	-
Net Change in Working Capital	114,716	185,050	272,743	87,693
Working Capital, Beginning of Year	104,140	296,909	290,938	(5,971)
Working Capital, End of Year	<u>\$ 218,856</u>	<u>\$ 481,959</u>	563,681	<u>\$ 81,722</u>
Add (Deduct):				
Depreciation and Amortization			(603,011)	
Debt Principal			367,621	
Capital Outlay			71,444	
Carryover from Prior Years			(1,816,140)	
Net Position, End of Year, GAAP Basis			<u>\$ (1,416,405)</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Affordable Housing Development Fund**  
**For the Fiscal Year ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sale/Rental Proceeds	\$ 12,778	\$ 12,778	\$ 13,135	\$ 357
Expenditures				
Operating Expenditures	117,000	108,500	107,360	(1,140)
Total Expenditures	117,000	108,500	107,360	(1,140)
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Transfers	(104,222)	(95,722)	(94,225)	1,497
Transfers				
Transfers In	423,003	423,003	445,361	22,358
Transfer Out	(60,000)	(60,000)	-	60,000
Total Transfers In (Out)	363,003	363,003	445,361	82,358
Net Change in Working Capital	258,781	267,281	351,136	83,855
Working Capital, Beginning of Year	(496,713)	(38,093)	(1,548,335)	(1,510,242)
Working Capital, End of Year	<u>\$ (237,932)</u>	<u>\$ 229,188</u>	(1,197,199)	<u>\$ (1,426,387)</u>
Add (Deduct):				
Carryover from Prior Years			2,346,733	
Net Position, End of Year, GAAP Basis			<u>\$ 1,149,533</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Mortgage Assistance Pool**  
**For the Fiscal Year ended December 31, 2016**

	<b><u>Budgeted Amounts</u></b>			<b><u>Variance with</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Final Budget</u></b>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Mortgage Assistance	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Transfers	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>60,000</u>
Transfers				
Transfers In	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Net Change in Working Capital	-	-	-	-
Working Capital, Beginning of Year	<u>-</u>	<u>-</u>	<u>5,572</u>	<u>5,572</u>
Working Capital, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>5,572</u>	<u>\$ 5,572</u>
Add (Deduct):				
Notes Receivable			30,000	
Carryover from Prior Years			<u>181,358</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 216,930</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Water and Sewer Fund**  
**For the Fiscal Year ended December 31, 2016**

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues				
Charges for Services	\$ 2,318,210	\$ 2,418,548	\$ 2,438,021	\$ 19,473
Operating Expenditures				
Operating Costs	1,652,621	1,591,568	1,416,328	(175,240)
Excess of Operating Revenues Over Operating Expenditures	665,589	826,980	1,021,692	194,712
Nonoperating Revenues (Expenditures)				
Capital Outlay	(489,550)	(441,250)	(326,024)	115,226
Grants and Contributions	42,000	42,000	42,960	960
Total Nonoperating Revenues (Expenditures)	(447,550)	(399,250)	(283,064)	116,186
Transfers Out	(137,455)	(131,311)	(131,311)	-
Net Change in Working Capital	80,584	296,419	607,318	310,899
Working Capital, Beginning of Year	1,021,197	1,970,055	2,002,877	32,822
Working Capital, End of Year	<u>\$ 1,101,781</u>	<u>\$ 2,266,474</u>	2,610,195	<u>\$ 343,721</u>
Add (Deduct):				
Depreciation			(666,914)	
Capital Outlay			326,024	
Carryover from Prior Years			9,859,279	
Net Position, End of Year, GAAP Basis			<u>\$ 12,128,584</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Telluride Conference Center**  
**For the Fiscal Year ended December 31, 2016**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues				
Operating Contributions	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Operating Expenditures				
Operating Costs	147,729	184,168	196,206	12,038
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	(147,729)	(184,168)	(196,206)	(12,038)
Nonoperating Expenditures				
Capital Outlay	(20,000)	(20,000)	-	20,000
Non-Operating Revenues (Expenses)	(20,000)	(20,000)	-	20,000
Transfers				
Transfers In	167,729	204,168	196,206	(7,962)
Total Operating Transfers	167,729	204,168	196,206	(7,962)
Working Capital, Beginning of Year	1,318	1,318	1,318	-
Working Capital, End of Year				
End of Year	\$ 1,318	\$ 1,318	1,318	\$ -
Add (Deduct):				
Depreciation			(302,037)	
Capital Outlay			-	
Carryover from Prior Years			3,868,276	
Net Position, End of Year, GAAP Basis			\$ 3,567,557	

See the accompanying independent auditor's report.

**Town of Mountain Village**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Broadband Enterprise Fund**  
**For the Fiscal Year ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
Operating Revenues				
Charges for Sales and Services	\$ 1,775,078	\$ 1,772,750	\$ 1,818,604	\$ 45,854
Total Revenues	1,775,078	1,772,750	1,818,604	45,854
Operating Expenditures				
Cost of Sales and Services	1,529,265	1,545,558	1,620,961	(75,403)
Contingency	3,000	3,000	-	3,000
Total Expenditures	1,532,265	1,548,558	1,620,961	(72,403)
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	242,813	224,192	197,643	(26,549)
Nonoperating Expenditures				
Capital Outlay	(60,000)	(60,000)	(51,774)	8,226
Total Non-Operating Expenditures	(60,000)	(60,000)	(51,774)	8,226
Transfers				
Transfers Out	(127,195)	(127,762)	(127,762)	-
Net Change in Working Capital	55,618	36,430	18,107	(18,323)
Working Capital, Beginning of Year	60,000	60,000	83,863	23,863
Working Capital, End of Year	<u>\$ 115,618</u>	<u>\$ 96,430</u>	101,970	<u>\$ 5,540</u>
Add (Deduct):				
Capital Outlay			51,774	
Depreciation			(162,195)	
Carryover from Prior Years			<u>344,435</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 335,984</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**  
**Combining Statement of Net Position -**  
**Nonmajor Enterprise Funds**  
**December 31, 2016**

	<b>Child Development</b>	<b>Parking Services</b>	<b>Total</b>
Current Assets			
Cash	\$ 100	\$ 69,188	\$ 69,288
Accounts Receivable	26,489	44,864	71,353
Accrued Revenues	-	6,574	6,574
	<hr/>	<hr/>	<hr/>
Total Current Assets	26,589	120,626	147,215
	<hr/>	<hr/>	<hr/>
Capital Assets			
Buildings and Improvements	199,368	-	199,368
Vehicles and Equipment	27,650	-	27,650
Regional Communications System	-	-	-
Less Accumulated Depreciation	(160,480)	-	(160,480)
	<hr/>	<hr/>	<hr/>
Total Capital Assets	66,539	-	66,539
	<hr/>	<hr/>	<hr/>
Total Assets	93,128	120,626	213,754
	<hr/>	<hr/>	<hr/>
Deferred Outflow of Resources - Related to Pensions	150,246	-	150,246
	<hr/>	<hr/>	<hr/>
Current Liabilities			
Accounts Payable	4,163	13,025	17,188
Due to Pooled Cash	7,844	-	7,844
Accrued Expenses	8,207	13,817	22,024
Unearned Revenue	6,375	-	6,375
Total Current Liabilities	26,589	26,842	53,431
	<hr/>	<hr/>	<hr/>
Noncurrent Liabilities			
Net Pension Liability	519,684	-	519,684
	<hr/>	<hr/>	<hr/>
Total Liabilities	546,273	26,842	573,115
	<hr/>	<hr/>	<hr/>
Deferred Inflow of Resources - Related to Pensions	29,555	-	29,555
	<hr/>	<hr/>	<hr/>
Net Position			
Net Investment in Capital Assets	66,539	-	66,539
Unrestricted	(398,993)	93,784	(305,209)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ (332,454)	\$ 93,784	\$ (238,670)
	<hr/>	<hr/>	<hr/>

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Combining Statement of Revenues, Expenses, and Changes**  
**in Net Position - Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended December 31, 2016**

	<b>Child Development</b>	<b>Parking Services</b>	<b>Total</b>
Operating Revenues			
Charges for Sales and Services	\$ 460,305	\$ 397,478	\$ 857,784
Operating Grants and Contributions	46,522	9,953	56,475
Other Revenues	17,737	-	17,737
Total Operating Revenues	<u>524,564</u>	<u>407,432</u>	<u>931,996</u>
Operating Expenses			
Cost of Sales and Services	586,679	286,610	873,289
Depreciation Expense	18,989	-	18,989
Total Operating Expenses	<u>605,668</u>	<u>286,610</u>	<u>892,278</u>
Operating Gain (Loss)	<u>(81,104)</u>	<u>120,822</u>	<u>39,718</u>
Non-operating Revenues (Expenses)			
Grant Proceeds	-	-	-
Total Non-Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Profit/Loss Before Capital Contributions and Transfers	(81,104)	120,822	39,718
Transfers			
Transfers In	67,460	-	67,460
Transfers Out	-	(27,038)	(27,038)
Total Operating Transfers	<u>67,460</u>	<u>(27,038)</u>	<u>40,422</u>
Changes in Net Position	(13,644)	93,784	80,140
Net Position, Beginning of Year	<u>(318,809)</u>	<u>-</u>	<u>(318,809)</u>
Net Position, End of Year	<u>\$ (332,454)</u>	<u>\$ 93,784</u>	<u>\$ (238,670)</u>

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Combining Statement of Cash Flows -**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended December 31, 2016**

	<b>Child Development</b>	<b>Parking Services</b>	<b>Total</b>
Cash Flows From Operating Activities:			
Operating Contributions	\$ 46,522	\$ 9,953	\$ 56,475
Cash Receipts	467,535	390,485	858,020
Payments to Suppliers	(581,517)	(226,902)	(808,419)
Payments to Employees	-	(77,410)	(77,410)
	<hr/>	<hr/>	<hr/>
Net Cash Used in Operating Activities	(67,460)	96,126	28,666
	<hr/>	<hr/>	<hr/>
Cash Flows from Non-capital Financing Activities:			
Transfers (to)/from Other Funds	67,460	(27,038)	40,422
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	67,460	(27,038)	40,422
	<hr/>	<hr/>	<hr/>
Cash Flows from Capital and Related Activities			
Capital Grants	-	-	-
Purchase of Capital Assets	-	-	-
	<hr/>	<hr/>	<hr/>
Net Cash Used in Capital and Related Activities	-	-	-
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	-	69,088	69,088
	<hr/>	<hr/>	<hr/>
Cash and Cash Equivalents, Beginning of Year	100	101	201
	<hr/>	<hr/>	<hr/>
End of Year	\$ 100	\$ 69,189	\$ 69,289
	<hr/>	<hr/>	<hr/>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating Gain (Loss)	(81,104)	120,822	39,718
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities			
Depreciation	18,989	-	18,989
(Increase) Decrease in Accounts Receivable	(7,262)	(2,264)	(9,526)
(Increase) Decrease in Prepaid Items	-	-	-
Increase (Decrease) in Unearned Revenues	(3,245)	-	(3,245)
Increase (Decrease) in Net Pension Liability	(5,345)	-	(5,345)
Increase (Decrease) in Accrued Revenues	-	(4,729)	(4,729)
Increase (Decrease) in Accounts Payable and Accrued Expenses	10,507	(17,703)	(7,196)
	<hr/>	<hr/>	<hr/>
Net Cash Used in Operating Activities	\$ (67,460)	\$ 96,126	\$ 28,666
	<hr/>	<hr/>	<hr/>

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in  
Working Capital - Budget and Actual (Budgetary Basis) -**

**Parking Services Fund**

**For the Fiscal Year Ended December 31, 2016**

	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	<b><u>Variance with Final Budget</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		
Revenues				
Contributions:				
Contributions/Shared Expense from Other Entities	\$ 18,500	\$ 12,332	\$ 9,953	\$ (2,379)
Other Revenues:				
Parking Permits	6,499	13,000	14,605	1,605
Parking Fines	7,900	34,900	48,374	13,474
Parking Revenues	<u>236,638</u>	<u>307,825</u>	<u>334,500</u>	<u>26,675</u>
Total Revenues	<u>269,537</u>	<u>368,057</u>	<u>407,432</u>	<u>39,375</u>
Expenditures				
Parking Services	144,315	142,885	124,316	(18,569)
Gondola Parking Garage	58,625	46,325	38,268	(8,057)
Surface Lots	31,260	20,060	18,802	(1,258)
Heritage Parking Garage	101,325	95,345	89,770	(5,575)
Meadows Parking	<u>-</u>	<u>18,000</u>	<u>15,454</u>	<u>(2,546)</u>
Total Expenditures	<u>335,525</u>	<u>322,615</u>	<u>286,610</u>	<u>(36,005)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(65,988)</u>	<u>45,442</u>	<u>120,822</u>	<u>75,380</u>
Nonoperating (Expenditures) Revenues				
Capital Outlay	-	-	-	-
Transfers from Other Funds	94,319	-	-	-
Transfers to Other Funds	<u>(28,331)</u>	<u>(27,038)</u>	<u>(27,038)</u>	<u>-</u>
Other Financing Sources (Uses), Net	<u>65,988</u>	<u>(27,038)</u>	<u>(27,038)</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 18,404</u>	<u>\$ 93,784</u>	<u>\$ 75,380</u>

See the accompanying independent auditors report.

**Town of Mountain Village**

**Schedule of Revenues, Expenditures, and Changes in**  
**Working Capital - Budget and Actual (Budgetary Basis) -**  
**Child Development Enterprise Fund**  
**For the Fiscal Year ended December 31, 2016**

	<b><u>Budgeted Amounts</u></b>			<b><u>Variance with</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Final Budget</u></b>
Operating Revenues				
Charges for Services	\$ 411,212	\$ 437,034	\$ 460,305	\$ 23,271
Other Revenues	12,000	12,000	17,737	5,737
Grant Proceeds	40,000	50,000	46,522	(3,478)
Total Revenues	<u>463,212</u>	<u>499,034</u>	<u>524,564</u>	<u>25,530</u>
Operating Expenditures				
Operating Costs	<u>589,561</u>	<u>567,560</u>	<u>586,679</u>	<u>19,119</u>
Deficiency of Operating Revenues Under Operating Expenditures	(126,349)	(68,526)	(62,115)	6,411
Nonoperating (Expenditures) Revenues				
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating (Expenditures) Revenues, Net	-	-	-	-
Transfers In	<u>126,349</u>	<u>68,526</u>	<u>67,460</u>	<u>(1,066)</u>
Net Change in Working Capital	-	-	5,345	5,345
Working Capital, Beginning of Year	<u>-</u>	<u>-</u>	<u>(8,500)</u>	<u>(8,500)</u>
Working Capital, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>(3,155)</u>	<u>\$ -</u>
Add (Deduct):				
Depreciation			(18,989)	
Carryover from Prior Years			<u>(310,310)</u>	
Net Position, End of Year, GAAP Basis			<u>\$ (332,454)</u>	

See the accompanying independent auditor's report.

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Town of Mountain Village
		YEAR ENDING : December 2016
This Information From The Records Of Town of Mountain Village	Prepared By: Phone: (970)369-6448	Julie Vergari

**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
<b>A. Receipts from local sources:</b>	
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	674,053
3. Other local imposts (from page 2)	320,800
4. Miscellaneous local receipts (from page 2)	-
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.)	-
7. Total (1 through 6)	994,854
<b>B. Private Contributions</b>	-
<b>C. Receipts from State government</b> (from page 2)	66,861
<b>D. Receipts from Federal Government</b> (from page 2)	-
<b>E. Total receipts (A.7 + B + C + D)</b>	1,061,715

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	-
2. Maintenance:	935,739
3. Road and street services:	
a. Traffic control operations	-
b. Snow and ice removal	125,976
c. Other	-
d. Total (a. through c.)	125,976
4. General administration & miscellaneous	-
5. Highway law enforcement and safety	-
6. Total (1 through 5)	1,061,715
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	-
b. Redemption	-
c. Total (a. + b.)	-
2. Notes:	
a. Interest	-
b. Redemption	-
c. Total (a. + b.)	-
3. Total (1.c + 2.c)	-
<b>C. Payments to State for highways</b>	-
<b>D. Payments to toll facilities</b>	-
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,061,715

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	-	-	-	-
1. Bonds (Refunding Portion)		-	-	
<b>B. Notes (Total)</b>	-	-	-	-

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	1,061,715	1,061,715	-	-

Notes and Comments:

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	277,360	a. Interest on investments	-
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	43,440	d. Parking Meter Fees	-
3. Liens	-	e. Sale of Surplus Property	-
4. Licenses	-	f. Charges for Services	-
5. Specific Ownership &/or Other	-	g. Other Misc. Receipts	-
6. Total (1. through 5.)	43,440	h. Other	-
c. Total (a. + b.)	320,800	i. Total (a. through h.)	-
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	61,218	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	5,643	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.)	5,643	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	66,861	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	-	-	-
b. Engineering Costs	-	-	-
c. Construction:			
(1). New Facilities	-	-	-
(2). Capacity Improvements	-	-	-
(3). System Preservation	-	-	-
(4). System Enhancement & Operation	-	-	-
(5). Total Construction (1) + (2) + (3) + (4)	-	-	-
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	-	-
			(Carry forward to page 1)

<b>Notes and Comments:</b>

**TOWN OF MOUNTAIN VILLAGE**

**Statistical Section**

**December 31, 2016**

This part of Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

- A-1 Net Position by Component
- A-2 Changes in Net Position
- A-3 Program Revenues by Function/Program
- A-4 Fund Balances, Governmental Funds
- A-5 Changes in Fund Balances, Governmental Funds
- A-6 Tax Revenues by Source, Governmental Funds
- A-7 User Fee Revenues, Enterprise Funds
- A-8 Enterprise Fund Expenses

**Revenue Capacity**

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

- B-1 Actual Value and Estimated Assessed Value of Taxable Property
- B-2 Direct and Overlapping Property Tax Rates
- B-3 Principal Property Taxpayers
- B-4 Property Tax Levies and Collections

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

- C-1 Ratios of Outstanding Debt by Type
- C-2 Direct and Overlapping Bond Debt
- C-3 Pledged-Revenue Coverage
- C-4 Legal Debt Margin Information

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

- D-1 Demographic and Economic Statistics
- D-2 Principal Employers

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

- E-1 Full-Time Equivalent Town Employees by Function/Program
- E-2 Operating Indicators by Function/Program
- E-3 Capital Asset Statistics by Function/Program

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The Town implemented GASB 34 in 2004; schedules presenting government-wide information include information beginning in that year.

**TOWN OF MOUNTAIN VILLAGE**  
**Net Position by Component**  
**Last Ten Years**

**TABLE A-1**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 32,372,113	\$ 30,763,276	\$ 29,055,499	\$ 27,532,327	26,700,785	26,241,771	\$ 26,634,411	\$ 25,897,608	\$ 11,359,109	\$ 9,108,621
Restricted for:										
Debt Service	947,096	743,941	750,647	734,651	1,033,003	1,056,461	1,023,210	1,293,186	1,097,281	1,107,026
Emergencies	619,295	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740
Unrestricted	<u>2,872,639</u>	<u>2,878,480</u>	<u>7,047,403</u>	<u>6,046,962</u>	<u>3,160,555</u>	<u>2,819,313</u>	<u>1,115,565</u>	<u>2,002,857</u>	<u>17,238,544</u>	<u>19,825,893</u>
Total Net Position	<u>36,811,143</u>	<u>34,936,921</u>	<u>37,389,639</u>	<u>34,846,083</u>	<u>31,395,960</u>	<u>30,619,811</u>	<u>29,295,936</u>	<u>29,522,956</u>	<u>30,232,674</u>	<u>30,579,280</u>
Business-type Activities:										
Net Investment in Capital Assets	11,205,709	12,230,261	11,694,046	13,318,565	13,681,119	15,789,269	19,000,536	22,002,632	21,023,208	23,291,366
Restricted for:										
Capital Projects	-	-	-	-	-	-	-	295,466	974,936	-
Debt Service	850,109	850,160	850,023	450,000	450,077	450,062	453,806	449,231	-	450,958
Unrestricted	<u>3,687,696</u>	<u>2,250,944</u>	<u>4,313,988</u>	<u>3,377,277</u>	<u>3,606,621</u>	<u>2,679,130</u>	<u>2,108,087</u>	<u>(498,199)</u>	<u>1,969,932</u>	<u>1,393,073</u>
Total Net Position	<u>15,743,514</u>	<u>15,331,365</u>	<u>16,858,058</u>	<u>17,145,842</u>	<u>17,737,817</u>	<u>18,918,460</u>	<u>21,562,429</u>	<u>22,249,130</u>	<u>23,968,076</u>	<u>25,135,397</u>
Primary Government:										
Net Investment in Capital Assets	43,577,822	42,993,537	40,749,545	40,850,892	40,381,904	42,031,039	45,634,947	47,900,240	32,382,317	32,399,987
Restricted for:										
Debt Service	1,797,205	1,594,101	1,600,670	1,184,651	1,483,080	1,506,523	1,477,016	1,742,417	1,097,281	1,557,984
Capital Projects	-	-	-	-	-	-	-	295,466	974,936	-
Emergencies	619,295	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740
Unrestricted	<u>6,560,335</u>	<u>5,129,424</u>	<u>11,361,392</u>	<u>9,424,239</u>	<u>6,767,176</u>	<u>5,498,443</u>	<u>3,223,652</u>	<u>1,504,658</u>	<u>19,208,476</u>	<u>21,218,966</u>
Total Net Position	<u>52,554,656</u>	<u>50,268,285</u>	<u>54,247,697</u>	<u>\$ 51,991,925</u>	<u>\$ 49,133,777</u>	<u>\$ 49,538,271</u>	<u>\$ 50,858,365</u>	<u>\$ 51,772,086</u>	<u>\$ 54,200,750</u>	<u>\$ 55,714,677</u>

**TOWN OF MOUNTAIN VILLAGE**  
**Changes in Net Position**  
**Last Ten Years**

**TABLE A-2**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Primary Government:										
Program Expenses:										
Governmental Activities:										
General Government	\$ 14,918,579	\$ 12,733,573	\$ 12,114,348	\$ 12,816,565	\$ 13,393,334	\$ 13,532,429	\$ 12,544,856	\$ 15,695,455	\$ 19,096,466	\$ 16,369,922
Public Safety	947,987	899,441	926,589	1,211,029	930,812	941,734	956,624	1,002,641	991,345	859,608
Culture and Recreation	538,001	485,452	487,552	430,976	623,271	673,324	685,898	491,755	349,280	800,525
Economic Development	3,110,718	2,681,472	2,348,837	2,220,203	1,433,224	1,307,533	1,173,179	1,072,877	961,059	1,153,452
Intergovernmental	-	-	-	-	-	-	-	-	441,801	-
Total Governmental Activities Expenses	19,515,286	16,799,937	15,877,325	16,678,773	16,380,641	16,455,020	15,360,557	18,262,728	21,839,951	19,183,507
Business-type Activities:										
Housing Authority	2,229,997	2,309,596	2,536,978	2,347,284	2,526,775	4,893,022	2,311,278	4,004,065	2,983,112	2,445,802
Water & Sewer	2,083,243	2,041,858	2,059,875	2,013,911	1,989,756	2,048,121	1,860,514	1,730,240	1,798,936	1,544,351
Telluride Conference Center	498,242	495,140	416,111	416,067	449,473	442,267	539,740	1,042,216	1,149,843	1,277,256
Daycare Program	605,668	572,489	567,180	563,955	574,001	569,756	582,369	433,154	371,074	312,071
Parking Services	286,610	280,298	328,928	288,821	259,665	354,796	307,891	-	-	-
Cable TV	1,783,156	1,541,273	1,393,850	1,361,458	1,317,112	1,324,139	1,447,972	1,155,889	1,130,893	1,065,175
Regional Communication System	-	-	-	193,646	210,346	216,768	273,699	202,597	220,961	230,840
Total Business-type Activities Expenses	7,486,915	7,240,654	7,302,922	7,185,143	7,327,128	9,848,870	7,323,463	8,568,162	7,654,818	6,875,495
Total Primary Government Expenses	27,002,201	24,040,591	23,180,248	23,863,916	23,707,769	26,303,890	22,684,020	26,830,890	29,494,769	26,059,002
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	403,026	463,438	332,853	598,790	686,119	820,898	756,085	679,083	1,353,068	1,321,481
Public Safety	2,765	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580
Transportation	7,029	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473	-
Economic Development	847,437	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396
Total Charges for Services	1,260,257	1,314,128	1,130,999	1,864,273	1,299,371	1,398,226	1,494,389	1,581,050	2,447,496	2,753,457
Operating Grants and Contributions	5,104,263	3,677,500	3,883,361	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228	611,878
Capital Grants and Contributions	986,478	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081	7,035,980
Total Governmental Activities Program Revenues	7,350,998	5,955,896	5,496,903	5,921,996	5,068,578	5,262,515	5,123,809	5,130,690	9,619,805	10,401,315
Business-type Activities:										
Housing Authority:										
Charges for Services	2,287,713	2,277,184	1,941,392	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780	1,977,744
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	147,708	732,292	-	-	-	1,100,000
Water & Sewer										
Charges for Services	2,438,021	2,439,540	2,362,197	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626	1,649,841
Capital Grants and Contributions	42,960	173,002	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761	665,386
Telluride Conference Center										
Charges for Services	-	-	-	-	-	-	76	421,774	494,103	815,187
Operating Grants and Contributions	-	-	-	-	-	14,200	-	-	-	-
Child Development:										
Charges for Services	478,042	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145	142,242
Operating Grants and Contributions	46,522	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252	400
Capital Grants and Contributions	-	-	9,240	-	-	-	32,050	159,724	-	-
Broadband										
Charges for Services	1,818,604	1,717,541	1,625,486	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726	1,072,134
Parking Services:										
Charges for Services	397,478	494,359	376,729	311,311	272,803	251,935	170,877	-	-	-
Operating Grants and Contributions	9,953	7,732	20,771	19,567	24,419	25,124	30,590	-	-	-
Regional Communication System:										
Charges for Services	-	-	-	15,767	27,024	36,000	37,344	38,208	47,508	31,322
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	7,519,293	7,589,279	6,830,646	6,710,184	6,366,210	6,771,247	5,801,848	5,602,027	5,851,901	7,454,256
Total Primary Government Program Revenues	14,870,291	13,545,174	12,327,549	12,632,180	11,434,787	12,033,761	10,925,657	10,732,717	15,471,706	17,855,571

Net (Expense)/Revenues:										
Governmental Activities	(12,164,288)	(10,844,041)	(10,380,422)	(10,756,777)	(11,312,063)	(11,192,505)	(10,236,748)	(13,132,038)	(12,220,146)	(8,782,192)
Business-type Activities	<u>32,377</u>	<u>348,625</u>	<u>(472,277)</u>	<u>(474,959)</u>	<u>(960,918)</u>	<u>(3,077,623)</u>	<u>(1,521,615)</u>	<u>(2,966,135)</u>	<u>(1,802,917)</u>	<u>578,761</u>
Total Primary Government Net Expense	<u>(12,131,911)</u>	<u>(10,495,417)</u>	<u>(10,852,699)</u>	<u>(11,231,736)</u>	<u>(12,272,982)</u>	<u>(14,270,128)</u>	<u>(11,758,363)</u>	<u>(16,098,173)</u>	<u>(14,023,063)</u>	<u>(8,203,431)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	7,368,209	7,070,688	7,128,873	7,709,941	7,845,065	8,357,159	7,635,783	6,517,003	6,539,508	7,205,552
Specific Ownership	291,693	303,008	287,077	258,341	219,426	211,892	211,838	227,304	261,106	283,270
Sales and Use	4,497,202	4,394,807	3,502,280	4,196,071	2,780,228	2,745,202	2,807,409	2,635,121	3,984,012	2,380,152
Lodging	1,638,909	1,502,265	1,203,169	1,082,424	872,113	871,063	782,576	661,853	767,514	718,457
Restaurant	412,054	367,006	314,825	274,993	246,473	243,948	224,278	205,006	207,566	200,032
Miscellaneous	90,656	114,614	144,401	126,629	116,976	152,874	107,955	471,785	175,243	121,898
Grants and Contributions Not Restricted to Specific Programs	8,172	40,534	43,990	-	-	-	-	2,575,862	-	99,616
Interest Earnings	49,223	62,211	94,542	9,122	65,634	56,860	87,025	55,183	924,678	1,215,081
Gain on Sale of Capital Assets	-	-	-	-	-	7,807	-	95,000	81,459	165,913
Transfers	<u>(320,470)</u>	<u>495,157</u>	<u>204,820</u>	<u>549,382</u>	<u>25,455</u>	<u>(130,424)</u>	<u>(587,322)</u>	<u>(1,021,800)</u>	<u>(604,644)</u>	<u>1,409,843</u>
Total Governmental Activities General Revenues	<u>14,035,648</u>	<u>14,350,289</u>	<u>12,923,978</u>	<u>14,206,903</u>	<u>12,171,370</u>	<u>12,516,382</u>	<u>11,269,542</u>	<u>12,422,317</u>	<u>12,336,442</u>	<u>13,799,814</u>
Business-type Activities:										
Miscellaneous	59,251	72,856	389,133	384,538	352,202	308,442	246,270	210,632	-	50,721
Investment Earnings	52	72	179	470	931	905	1,321	7,429	45,466	39,622
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	(6,117)	-	7,306	7,122	200
Contributions	-	-	-	-	-	-	-	-	-	-
Transfers	<u>320,470</u>	<u>(495,157)</u>	<u>(204,820)</u>	<u>(549,381)</u>	<u>(25,455)</u>	<u>130,424</u>	<u>587,322</u>	<u>1,021,800</u>	<u>604,644</u>	<u>(1,409,843)</u>
Total Business-type Activities General Revenues	<u>379,773</u>	<u>(422,228)</u>	<u>184,493</u>	<u>(164,373)</u>	<u>327,678</u>	<u>433,654</u>	<u>834,913</u>	<u>1,247,167</u>	<u>657,232</u>	<u>(1,319,300)</u>
Total Primary Government General Revenues and Transfers	<u>14,415,420</u>	<u>13,928,061</u>	<u>13,108,470</u>	<u>14,042,530</u>	<u>12,499,048</u>	<u>12,950,036</u>	<u>12,104,455</u>	<u>12,480,514</u>	<u>12,993,674</u>	<u>12,480,514</u>
Change in Net Position:										
Governmental Activities	1,871,360	3,506,248	2,543,555	3,450,126	859,307	1,323,876	1,032,794	(709,721)	116,296	5,017,622
Business-type Activities	<u>412,150</u>	<u>(73,604)</u>	<u>(287,784)</u>	<u>(639,332)</u>	<u>(633,241)</u>	<u>(2,643,969)</u>	<u>(686,702)</u>	<u>(1,718,968)</u>	<u>(1,145,685)</u>	<u>(740,539)</u>
Total Primary Government	<u>\$ 2,283,510</u>	<u>\$ 3,432,644</u>	<u>\$ 2,255,772</u>	<u>\$ 2,810,794</u>	<u>\$ 226,066</u>	<u>\$ (1,320,093)</u>	<u>\$ 346,093</u>	<u>\$ (2,428,689)</u>	<u>\$ (1,029,389)</u>	<u>\$ 4,277,083</u>

**TOWN OF MOUNTAIN VILLAGE**  
**Program Revenues by Function/Program**  
**Last Ten Years**

**TABLE A-3**

Function/Program:	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities:										
General Government	\$ 403,026	\$ 463,438	\$ 332,853	\$ 598,790	\$ 686,119	\$ 820,898	\$ 756,085	\$ 679,083	\$ 1,353,068	\$ 1,321,481
Administration										
Public Safety	2,765	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580
Parking & Transportation	7,029	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473	-
Economic Development	847,437	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396
Operating Grants and Contributions	5,104,263	3,677,500	3,883,361	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228	611,878
Capital Grants and Contributions	986,478	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081	7,035,980
Total Governmental Activities	<u>7,350,998</u>	<u>5,955,896</u>	<u>5,496,903</u>	<u>5,921,996</u>	<u>5,068,578</u>	<u>5,262,515</u>	<u>5,123,809</u>	<u>5,130,690</u>	<u>9,619,805</u>	<u>10,401,315</u>
Business-type Activities:										
Housing Authority:										
Charges for Services	2,287,713	2,277,184	1,941,392	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780	1,977,744
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	147,708	732,292	-	-	-	1,100,000
Water & Sewer										
Charges for Services	2,438,021	2,439,540	2,362,197	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626	1,649,841
Operating Grants and Tap Fee Contributions	42,960	173,002	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761	665,386
Telluride Conference Center										
Charges for Services	-	-	-	-	-	-	76	421,774	494,103	815,187
Operating Grants and Tap Fee Contributions	-	-	-	-	-	14,200	-	-	-	-
Daycare Program:										
Charges for Services	478,042	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145	142,242
Operating Grants and Contributions	46,522	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252	400
Capital Grants and Contributions	-	-	9,240	-	-	-	32,050	159,724	-	-
Broadband										
Charges for Services	1,818,604	1,717,541	1,625,486	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726	1,072,134
Parking Services:										
Charges for Services	397,478	494,359	376,729	311,311	272,803	251,935	170,877	-	-	-
Operating Grants and Contributions	9,953	7,732	20,771	19,567	24,419	25,124	30,590	-	-	-
Regional Communication System:										
Charges for Services	-	-	-	15,767	27,024	36,000	37,344	38,208	47,508	31,322
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	<u>7,519,293</u>	<u>7,589,279</u>	<u>6,830,646</u>	<u>6,710,184</u>	<u>6,366,210</u>	<u>6,771,247</u>	<u>5,801,848</u>	<u>5,602,027</u>	<u>5,851,901</u>	<u>7,454,256</u>
Total Primary Government	<u>\$ 14,870,291</u>	<u>\$ 13,545,174</u>	<u>\$ 12,327,549</u>	<u>\$ 12,632,180</u>	<u>\$ 11,434,787</u>	<u>\$ 12,033,761</u>	<u>\$ 10,925,657</u>	<u>\$ 10,732,717</u>	<u>\$ 15,471,706</u>	<u>\$ 17,855,571</u>

**TOWN OF MOUNTAIN VILLAGE**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**

**TABLE A-4**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:										
Restricted for:										
Long-term Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,837
Emergencies	619,295	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740
Non-spendable	288,447	287,930	322,325	395,397	34,385	251,876	325,498	-	-	-
Unassigned	<u>8,538,573</u>	<u>8,146,194</u>	<u>6,253,526</u>	<u>5,709,655</u>	<u>3,324,779</u>	<u>2,612,323</u>	<u>1,448,541</u>	<u>2,002,857</u>	<u>3,563,981</u>	<u>3,439,076</u>
Total Fund Balance	<u>9,446,315</u>	<u>8,985,348</u>	<u>7,111,942</u>	<u>6,637,196</u>	<u>3,860,781</u>	<u>3,366,466</u>	<u>2,296,789</u>	<u>2,332,161</u>	<u>4,101,721</u>	<u>4,142,653</u>
All Other Governmental Funds:										
Restricted for:										
Debt Service	947,096	743,941	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280	1,177,640
Capital Projects	-	-	-	-	-	-	-	-	(1,588,877)	18,886,087
Assigned	239,544	157,316	91,938	20,346	102,710	48,623	11,424	-	-	-
Unassigned, Reported in:	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	15,428,143	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>1,186,641</u>	<u>901,257</u>	<u>842,584</u>	<u>754,997</u>	<u>1,135,713</u>	<u>1,105,084</u>	<u>1,138,093</u>	<u>1,293,186</u>	<u>14,936,546</u>	<u>20,063,727</u>
Total Governmental Funds										
Restricted for:										
Long-term Receivables	-	-	-	-	-	-	-	-	-	165,837
Debt Service	947,096	750,647	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280	1,177,640
Capital Projects	-	-	-	-	-	-	-	-	(1,588,877)	18,886,087
Emergencies	619,295	536,090	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740
Non-spendable	288,447	322,325	322,325	395,397	34,385	251,876	325,498	-	-	-
Assigned	239,544	91,938	91,938	20,346	102,710	48,623	11,424	-	-	-
Unassigned, Reported in:										
General Fund	8,538,573	8,146,194	6,253,526	5,709,655	3,324,779	2,612,323	1,448,541	2,002,857	3,563,981	3,439,076
Other Funds	-	-	-	-	-	-	-	-	15,428,143	-
Total Fund Balances	<u>\$ 10,632,956</u>	<u>\$ 9,886,605</u>	<u>\$ 7,954,526</u>	<u>\$ 7,392,193</u>	<u>\$ 4,996,494</u>	<u>\$ 4,471,550</u>	<u>\$ 3,434,882</u>	<u>\$ 3,625,347</u>	<u>\$ 19,038,267</u>	<u>\$ 24,206,380</u>
Percent change from previous year	<u>33.7%</u>	<u>24.3%</u>	<u>7.6%</u>	<u>47.9%</u>	<u>11.7%</u>	<u>30.2%</u>	<u>-5.3%</u>	<u>-81.0%</u>	<u>-21.4%</u>	<u>1232.6%</u>

(1) Effective January 1, 2007 the Town of Mountain Village assumed all functions of the Mountain Village Metropolitan District

**TOWN OF MOUNTAIN VILLAGE**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Years**

**TABLE A-5**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues:										
Taxes	\$ 14,208,068	\$ 13,637,774	\$ 12,436,224	\$ 13,521,770	\$ 11,963,305	\$ 12,429,265	\$ 11,661,884	\$ 10,246,286	\$ 11,759,707	\$ 6,856,892
Licenses and Permits	599,560	631,681	545,126	762,552	417,710	432,166	464,527	549,088	961,058	1,190,759
Intergovernmental	377,290	375,754	363,555	440,285	415,315	455,538	445,252	401,778	441,801	413,890
Charges for Services	275,112	357,801	284,648	736,705	441,139	494,218	554,579	509,067	1,036,903	1,029,581
Fines and Forfeitures	11,157	7,146	4,093	2,725	(558)	5,156	25,578	121,117	54,896	79,975
Investment Earnings	49,223	62,211	94,543	41,151	65,634	56,860	87,025	55,183	919,904	144,589
Grants and Contributions	6,090,741	4,583,515	4,346,616	3,968,785	3,769,206	3,875,430	3,861,383	6,125,502	7,121,147	-
Miscellaneous	90,656	114,614	97,266	108,789	142,742	152,874	115,770	471,785	179,243	461,723
Total Revenue	<u>21,701,806</u>	<u>19,770,495</u>	<u>18,172,070</u>	<u>19,582,763</u>	<u>17,214,493</u>	<u>17,901,506</u>	<u>17,215,998</u>	<u>18,479,806</u>	<u>22,474,659</u>	<u>10,177,408</u>
Expenditures:										
Current:										
General Government	10,765,818	9,362,252	9,003,564	9,722,040	10,073,500	10,014,456	10,472,575	11,057,927	14,917,454	8,305,813
Public Safety	828,338	811,016	714,239	765,603	838,821	850,149	870,536	1,002,641	954,082	768,222
Culture and Recreation	538,001	485,452	487,552	434,215	574,777	673,324	685,898	491,755	347,373	604,961
Economic Development	3,110,718	2,681,472	2,348,837	2,220,203	1,433,224	1,307,533	1,176,543	1,072,877	1,209,993	36,716
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Capital Outlay	1,944,634	1,343,475	954,735	952,990	163,233	425,183	376,793	3,558,299	3,317,780	620,862
Debt service:										
Administrative Charges	119,633	119,254	113,844	114,780	114,912	140,822	90,412	-	-	-
Bond Issuance Costs	-	-	120,673	-	-	-	-	-	-	-
Principal	2,695,000	2,815,000	3,185,000	2,495,000	2,400,000	2,140,000	1,840,000	14,200,000	2,000,000	298,250
Interest	634,675	756,186	941,225	1,033,300	1,122,098	1,190,754	1,306,384	1,079,230	2,055,093	-
Total Expenditures	<u>20,636,818</u>	<u>18,374,106</u>	<u>17,869,670</u>	<u>17,738,132</u>	<u>16,720,567</u>	<u>16,742,221</u>	<u>16,819,141</u>	<u>32,462,728</u>	<u>24,801,774</u>	<u>10,634,823</u>
Excess of Revenues Over (Under) Expenditures	<u>1,064,989</u>	<u>1,396,389</u>	<u>302,400</u>	<u>1,844,631</u>	<u>493,927</u>	<u>1,159,285</u>	<u>396,857</u>	<u>(13,982,922)</u>	<u>(2,327,115)</u>	<u>(457,415)</u>
Other Financing Sources (Uses):										
Transfers In	1,303,273	1,710,628	1,579,663	1,787,359	856,571	890,208	611,163	1,677,264	2,340,072	2,670,177
Transfers Out	(1,623,743)	(1,215,471)	(1,489,270)	(1,237,977)	(831,117)	(1,020,632)	(1,198,485)	(2,699,064)	(2,702,151)	(1,749,655)
Payments of Refunded Bonds	-	-	(7,445,847)	-	-	(3,025,000)	-	-	-	-
Issuance of Refunded Bonds	-	-	7,571,396	-	-	3,025,000	-	-	-	-
Proceeds from Sale of Capital Assets	8,172	40,534	43,990	1,685	5,563	7,807	-	95,000	81,459	157,913
Total Other Financing Sources (Uses)	<u>(312,298)</u>	<u>535,690</u>	<u>259,933</u>	<u>551,067</u>	<u>31,018</u>	<u>(122,617)</u>	<u>(587,322)</u>	<u>(926,800)</u>	<u>(280,620)</u>	<u>1,078,435</u>
Net Change in Fund Balances	<u>\$ 752,690</u>	<u>\$ 1,932,079</u>	<u>\$ 562,332</u>	<u>\$ 2,395,698</u>	<u>\$ 524,945</u>	<u>\$ 1,036,668</u>	<u>\$ (190,465)</u>	<u>\$ (14,909,722)</u>	<u>\$ (2,607,735)</u>	<u>\$ 621,020</u>
Debt Service as a Percent of Non-capital Expenditures	<u>17.8%</u>	<u>21.0%</u>	<u>24.4%</u>	<u>21.0%</u>	<u>21.3%</u>	<u>20.4%</u>	<u>19.1%</u>	<u>52.9%</u>	<u>18.9%</u>	<u>3.0%</u>

**TOWN OF MOUNTAIN VILLAGE**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Years**

**TABLE A-6**

<b>Year</b>	<b>Property</b>	<b>Specific Ownership</b>	<b>Sales</b>	<b>Use and Cigarette</b>	<b>Lodging</b>	<b>Restaurant</b>	<b>Penalties and Interest</b>	<b>Total</b>
2007	6,440,326	(1) 283,270	2,374,104	948,051	718,457	200,032	81,422	11,045,662
2008	6,400,527	261,105	2,429,211	1,552,182	767,481	207,566	45,410	11,663,481
2009	6,517,003	227,304	2,148,018	436,324	659,226	205,006	53,406	10,246,286
2010	7,613,001	211,838	2,314,439	487,124	782,576	224,278	29,157	11,662,414
2011	8,315,474	211,892	2,474,576	268,297	871,063	243,948	44,014	12,429,264
2012	7,790,254	(2) 219,426	2,496,731	279,374	872,113	246,473	60,423	11,964,795
2013	7,694,069	258,341	2,955,474	1,229,436	1,082,424	274,993	27,032	13,521,770
2014	7,026,165	287,077	3,138,781	357,359	1,203,169	314,825	23,316	12,350,692
2015	7,055,375	303,008	3,812,811	570,271	1,502,265	367,006	27,037	13,637,773
2016	7,350,889	291,693	4,008,650	479,148	1,638,909	412,054	26,724	14,208,067
Change								
2007-2016	14.1%	3.0%	68.8%	-49.5%	128.1%	106.0%	-67.2%	28.6%
2007-2014	82.7%	12.1%	37.7%	-73.0%	69.6%	61.0%	-1987.2%	29.2%
2012-2016	-5.6%	32.9%	60.6%	71.5%	87.9%	67.2%	-55.8%	18.7%

(1) Effective January 1, 2007 the Town of Mountain Village assumed all functions of the Mountain Village Metropolitan District

(2) Effective January 1, 2012 the Town of Mountain Village began self collection of sales taxes.

**Town of Mountain Village**  
**User Fee Revenues, Enterprise Funds**  
**Last Ten Years**

**TABLE A-7**

<b>Year</b>	<b>Water and Sewer Fund User Fees</b>	<b>Water System Development User (Tap) Fees</b>	<b>Broadband Fund User Fees</b>	<b>Child Development Fund User Fees</b>	<b>Parking Services Fund User Fees</b>	<b>Housing Authority User Fees</b>	<b>Telluride Conference Center Fund User Fees</b>	<b>Total User Fees</b>
2007	1,649,840	665,386	1,072,134	143,210	-	1,997,148	785,085	6,312,803
2008	1,703,626	268,931	1,205,726	187,079	-	1,932,780	491,662	5,789,803
2009	1,914,913	26,534	1,297,013	220,175	-	1,796,679	421,795	5,677,108
2010	1,896,887	92,472	1,410,430	344,450	170,212	1,990,255	76	5,904,782
2011	2,116,620	20,356	1,472,986	352,011	263,113	2,010,108	-	6,235,194
2012	2,125,578	124,573	1,522,159	393,119	286,544	2,029,386	-	6,481,360
2013	2,379,454	176,725	1,572,602	415,121	323,035	2,151,523	-	7,018,459
2014	2,362,197	37,761	1,625,486	430,994	368,318	2,342,523	920	7,168,199
2015	2,439,540	173,002	1,717,541	441,422	494,359	2,350,040	-	7,615,904
2016	2,438,021	42,960	1,818,604	460,305	397,478	2,346,963	-	7,504,332

**Town of Mountain Village**  
**Enterprise Fund Expenses**  
**Last Ten Years**

**TABLE A-8**

	Operations						Capital Outlay						Total Expenses
	Water and Sewer Fund	Broadband Fund	Child Development Fund	Parking Services Fund	Housing Authority Fund	Telluride Conference Center Fund	Water and Sewer Fund	Broadband Fund	Child Development Fund	Parking Services Fund	Housing Authority Fund	Telluride Conference Center Fund	
2007	951,915	971,183	312,071	-	1,170,431	931,684	115,642	57,473	-	-	-	57,708	4,568,107
2008	1,136,342	990,614	369,854	-	1,745,712	931,684	44,646	231,246	3,795	-	498,084	57,708	6,009,685
2009	1,219,265	919,664	427,817	-	2,793,108	706,585	42,608	247,541	175,433	-	905,515	6,631	7,444,167
2010	1,247,676	1,207,522	560,678	339,115	1,148,880	222,319	11,841	54,898	32,050	-	-	-	4,824,979
2011	1,403,872	1,086,474	546,161	351,065	1,116,628	130,749	27,284	10,057	-	-	1,021,836	-	5,694,126
2012	1,380,534	1,155,171	550,406	259,665	1,599,720	139,959	121,563	19,897	-	-	63,543	15,525	5,305,984
2013	1,305,576	1,214,275	540,929	281,338	1,076,244	105,542	401,407	105,431	-	-	283,011	92,787	5,406,540
2014	1,447,875	1,237,251	544,006	328,928	1,093,578	120,368	298,653	41,971	9,240	-	206,806	33,648	5,362,324
2015	1,414,788	1,384,582	553,015	280,298	1,033,410	193,103	1,756,814	125,976	-	-	90,721	-	6,832,707
2016	1,416,328	1,620,961	586,679	286,610	1,094,375	196,206	326,024	51,774	-	-	170,044	-	5,749,000

**TOWN OF MOUNTAIN VILLAGE**  
**Actual Value and Estimated Assessed Value of Taxable Property**  
**Last Ten Years**

**TABLE B-1**

<b>Collection Year</b>	<b>Assessment Year</b>	<b>Vacant Property</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Personal Property</b>	<b>State Assessed</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Actual Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Assessed Taxable Value</b>	<b>Taxable Estimated Assessed Value as a % of Actual Total Taxable Value</b>
2008	2007	319,168,782	2,075,687,795	90,622,567	18,093,978	310,759	31,443,024	2,472,440,857	13.446	289,401,880	11.7%
2009	2008	309,444,713	2,236,232,301	96,019,648	16,835,620	664,069	31,185,284	2,628,011,067	13.443	309,559,030	11.8%
2010	2009	352,810,365	2,914,840,872	120,616,538	19,392,657	678,808	32,849,849	3,375,489,391	13.448	370,033,758	11.0%
2011	2010	340,682,083	2,979,575,525	102,003,092	28,002,801	664,919	31,938,566	3,418,989,854	13.604	373,861,120	10.9%
2012	2011	285,890,645	2,564,807,411	81,866,265	26,986,021	743,724	31,912,149	2,928,597,597	13.691	318,849,890	10.9%
2013	2012	225,264,565	2,177,223,916	117,188,460	21,971,079	N/A	34,225,675	2,507,422,345	13.479	317,578,720	12.7%
2014	2013	213,148,847	2,147,342,272	90,787,423	21,529,847	712,289	33,739,055	2,439,781,623	13.485	265,515,290	10.9%
2015	2014	231,186,150	2,529,775,804	93,154,429	20,427,600	508,131	41,826,618	2,833,225,496	13.460	266,407,970	9.4%
2016	2015	228,599,611	2,466,526,089	89,150,287	20,755,650	674,965	41,832,526	2,763,874,076	13.447	294,538,840	10.7%
2017	2016	224,533,231	2,467,868,983	89,423,928	21,852,112	633,586	43,543,186	2,804,311,840	13.589	294,011,170	10.5%

N/A - information is not available.

**Source:** San Miguel County Assessor's Office

**TOWN OF MOUNTAIN VILLAGE**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Years**

**TABLE B-2**

Fiscal Year	Town Direct Rates				Overlapping Rates							
	Operations *	Debt (1)	Mountain Village Historical Museum	Total Direct	Mountain Village Metropolitan District	Telluride Fire District	San Miguel County	Library District R-1	Telluride School District	Lone Tree Cemetery District	Southwestern Water Conservation District	Telluride Hospital District
2008	13.113	-	0.333	13.446	9.159	2.350	10.120	3.661	13.246	0.053	0.207	2.291
2009	13.110	-	0.333	13.443	8.050	2.454	10.120	3.629	10.887	0.054	0.216	2.288
2010	13.115	-	0.333	13.448	7.478	2.344	10.120	3.492	10.647	0.049	0.020	2.284
2011	13.271	-	0.333	13.604	8.794	2.498	10.120	3.492	10.290	0.051	0.272	2.294
2012	13.358	-	0.333	13.691	10.750	2.947	10.120	3.587	10.113	0.051	0.291	2.304
2013	13.146	-	0.333	13.479	10.823	2.967	10.120	3.630	8.678	0.051	0.307	2.288
2014	13.152	-	0.333	13.485	13.325	3.038	10.120	3.710	8.989	0.051	0.368	2.286
2015	13.127	-	0.333	13.460	13.052	3.020	10.120	3.655	11.922	0.051	0.362	2.280
2016	13.114	-	0.333	13.447	11.820	2.855	10.120	3.661	11.332	0.049	0.340	2.280
2017	13.256	-	0.333	13.589	11.840	2.958	10.120	3.656	11.447	0.150	0.395	2.280

**Source:** San Miguel County Treasurer's Office

Tax rates are per \$1,000 assessed valuation, a rate of 1,000 results in \$1 of revenue for every \$1,000 of assessed

\* The mill levy for general operating expenses has remained stable - the small variances are caused by refunds and abatements.

(1) The debt for the town is still serviced through the district.

Combined Mill Levy for the Town of Mountain Village Residents by year:

2008	22.605	2013	24.302
2009	21.493	2014	26.810
2010	20.926	2015	26.512
2011	22.398	2016	25.267
2012	24.441	2017	25.429

**TOWN OF MOUNTAIN VILLAGE**  
**Principal Property Taxpayers**  
**Current Year and Ten Years Ago**

**TABLE B-3**

Taxpayer	Type of Business	2016			2007		
		Taxable Assessed Value	Rank	Percentage of Town's Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Town's Taxable Assessed Value
Telluride Ski and Golf Company	Ski Area Owner and Operator	\$ 17,159,530	1	5.8%	\$ 17,950,720	1	7.2%
MV Colorado Development	Real Estate Developer	6,525,000	2	2.2%	-		0.0%
AMMV Investments, LLC / Club Telluride LLC	Residential Ownership Club	2,561,320	4	0.9%	5,375,710	3	2.1%
Madeline Property Owner LLC (1)	Hotel/Condominium Units	2,135,570	3	0.7%	1,708,580	10	0.7%
Yellow Brick Road Company LLC	Private Property Owner	2,343,570	5	0.8%	-		0.0%
CO Lot 161C R Mountain	Real Estate Developer	2,320,000	6	0.8%	-		0.0%
Northern Trust NA AS TRTEE ET AL	Financial Institution	3,304,840	7	1.1%	-		0.0%
Telluride LLC	Private Property Owner	1,638,500	8	0.6%	-		0.0%
Exclusive Resorts	Residential Ownership Club	1,661,160	9	0.6%	2,689,130	6	1.1%
Telluride Holdings LLC	Real Estate Investment Group	1,171,390	10	0.4%	-		0.0%
Butler, Alice L as Trustee	Private Property Owner	-		0.0%	2,437,890	7	1.0%
Stonegate Sundance Partners, LLC	Real Estate Developer	-		0.0%	4,351,120	4	1.7%
Peaks Resort and Spa (Telluride Resort and Spa LLC)	Hotel and Spa	-		0.0%	5,583,900	2	2.2%
Barnett, Hoyt and Carol	Private Property Owner	-		0.0%	2,175,120	8	0.9%
St. Sophia Partners, LLLP	Real Estate Developer	-		0.0%	2,019,690	9	0.8%
Honig Aviation	Real Estate Developer	-		0.0%	3,662,160	5	1.5%
Subtotal Principal Taxpayers		40,820,880		13.9%	47,954,020		19.2%
All Other Taxpayers		253,190,290		86.1%	202,457,996		80.8%
Total Taxpayers		\$ 294,011,170		100.0%	\$ 250,412,016		100.0%

**Source:** San Miguel County Assessor's Office

(1) Formerly Lost Creek Associates & RAL Mountain Village Lodging & Ektornet US Telluride LLC

**TOWN OF MOUNTAIN VILLAGE**  
**Property Tax Levies and Collections**  
**Last Ten Years**

**TABLE B-4**

<u>Collection Year</u>	<u>Assessment Year</u>		<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collection in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2007	2006	(1)	6,351,519	6,350,226	99.98%	4,832	6,354,058	100.04%
2008	2007		6,522,491	6,496,245	99.60%	(44)	6,496,201	99.60%
2009	2008		6,463,656	6,458,377	99.92%	-	6,458,377	99.92%
2010	2009		7,743,049	7,613,326	98.32%	(5,731)	7,607,595	98.25%
2011	2010		8,368,027	8,330,119	99.55%	(12,169)	8,317,950	99.40%
2012	2011		7,793,017	7,742,011	99.35%	(1,076)	7,740,935	99.33%
2013	2012		7,717,798	7,697,744	99.74%	163	7,697,907	99.74%
2014	2013		7,118,465	7,116,268	99.97%	-	7,116,268	99.97%
2015	2014		7,063,008	7,060,595	99.97%	-	7,060,595	99.97%
2016	2015		7,442,123	7,376,897	99.12%	(25,988)	7,350,909	98.77%

**Source:** San Miguel County Treasurer Office

**Notes:** The San Miguel County Treasurer's fee has not been deducted from the collection amounts. The negative numbers reflect abatements (refunds) that have been granted to property owners who successfully protested their valuations in the tax area in subsequent years.

(1) The Mountain Village Metropolitan District dissolved effective 1/1/2007; all the assets and obligations were transferred to the Town of Mountain Village

**TOWN OF MOUNTAIN VILLAGE**  
**Ratios of Outstanding Debt by Type -Town of Mountain Village**  
**Last Ten Years**

**TABLE C-1**

<b>Year</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Actual Property Value (1)</b>	<b>Per Capita (2)</b>	<b>Per Personal Income</b>
	<b>General Obligation Bonds, Net (1)</b>	<b>Revenue Bonds</b>	<b>Note Payable</b>				
2007	46,567,549	13,265,000	1,171,056	61,003,605	2.9%	51,264	1,018
2008	44,435,916	13,265,000	1,152,591	58,853,507	2.4%	45,872	1,097
2009	30,104,968	13,020,000	1,132,898	44,257,866	1.7%	33,759	876
2010	28,321,658	13,020,000	1,110,691	42,452,349	1.3%	32,332	921
2011	26,266,498	12,840,000	1,088,946	40,195,444	1.2%	30,268	830
2012	23,997,843	12,650,000	1,066,251	37,714,094	1.3%	28,103	756
2013	21,258,720	12,450,000	1,042,247	34,750,967	1.4%	25,722	605
2014	18,905,837	12,340,000	1,017,055	32,262,892	1.3%	23,567	474
2015	16,005,209	12,340,000	660,221	29,005,430	1.2%	21,034	394
2016	13,224,581	12,340,000	292,600	25,857,182	0.9%	18,657	350

**Note:** Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

- (1) See Table B-1 for taxable property value data.
- (2) See Table D-1 for population data.
- (3) The revenue bonds were issued on December 29, 2000.
- (4) In 2002, the Town entered into a loan for the purpose of land acquisition and construction planning costs for the Affordable Housing Development fund.
- (5) Mountain Village Metropolitan District merged into the Town of Mountain Village 1/1/2007

**Town Of Mountain Village**  
**Direct and Overlapping Bond Debt**  
**December 31, 2016**

**TABLE C-2**

<b>Governmental Unit</b>	<b>2016 Valuation</b>	<b>Bond Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Library District R-1	\$ 747,730,070	\$ 695,000	39.3%	\$ 273,277
Telluride Fire District	747,730,070	-	39.3%	-
Subtotal		695,000		273,277
Mountain Village Metropolitan District, a unit of the Town of Mountain Village	294,011,170	13,224,581 (1)	100.0%	13,224,581
Total Direct and Overlapping Debt		\$ <u>13,919,581</u>		\$ <u>13,497,859</u>

**Sources:** San Miguel County Assessor's Office for the 2016 valuation; each governmental unit for the debt outstanding data.

**Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule** estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Mountain Village by taking the total valuation of MV divided by the total valuation of the entire district times the outstanding debt of each entity. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident, and therefore responsible for (1) For the purposes of debt service, Mountain Village Metropolitan District has been kept in existence until all debt service is retired.

**TOWN OF MOUNTAIN VILLAGE**

**Pledged-Revenue Coverage**

**Last Ten Years**

**TABLE C-3**

**Village Court Apartments (VCA) Revenue Bonds and Construction Note (1)**

<b>Year</b>	<b>Gross Revenue</b>	<b>Less:</b>	<b>Net</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Operating Expenses</b>	<b>Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	
2007	2,034,595	870,328	1,164,267	30,690	506,439	2.17
2008	1,974,545	1,014,551	959,994	18,468	697,628	1.34
2009	1,808,333	1,484,950	323,383	264,610	552,620	0.40
2010	1,986,020	1,121,823	864,197	22,298	486,158	1.70
2011	1,996,266	1,095,394	900,872	201,745	293,179	1.82
2012	2,007,358	1,003,534	1,003,824	214,502	272,229	2.06
2013	2,129,888	1,049,555	1,080,333	224,004	266,229	2.20
2014	2,324,246	1,005,537	1,318,710	285,801	262,799	2.40
2015	2,337,461	1,030,000	1,307,461	356,834	480,291	1.56
2016	2,333,828	987,015	1,346,814	367,621	432,260	1.68

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

Gross revenues include non-operating interest income and grants and contributions.

Operating expenses do not include interest, loan fees, depreciation, or amortization.

- (1) The VCA revenue bonds were issued on December 29, 2000. The construction Note issued in 2006.
- (2) The Telluride Mountain Village Owners Association (TMVOA) guarantees the debt service payments to the extent not covered by operating surpluses by pledging its property owner assessments and guaranteeing the obligation by funding the guaranty fund in the amount of \$1,350,000.

**Town of Mountain Village - Mountain Village Metropolitan District**  
**Legal Debt Margin Information**  
**Last Ten Years**

**TABLE C-4**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed Value	\$ <u>250,050,970</u>	\$ <u>288,548,790</u>	\$ <u>370,033,758</u>	\$ <u>373,861,120</u>	\$ <u>318,849,890</u>	\$ <u>317,578,720</u>	\$ <u>265,515,290</u>	\$ <u>266,407,970</u>	\$ <u>294,538,840</u>	\$ <u>294,011,170</u>
Debt Limit (1)	125,025,485	144,274,395	185,016,879	186,930,560	159,424,945	158,789,360	132,757,645	133,203,985	147,269,420	147,005,585
Total Net Debt Applicable to Limit	<u>34,005,000</u>	<u>32,075,000</u>	<u>26,845,000</u>	<u>25,080,000</u>	<u>23,065,000</u>	<u>20,765,000</u>	<u>18,370,000</u>	<u>15,595,000</u>	<u>12,890,000</u>	<u>10,310,000</u>
Legal debt margin	\$ <u>91,020,485</u>	\$ <u>112,199,395</u>	\$ <u>158,171,879</u>	\$ <u>161,850,560</u>	\$ <u>136,359,945</u>	\$ <u>138,024,360</u>	\$ <u>114,387,645</u>	\$ <u>117,608,985</u>	\$ <u>134,379,420</u>	\$ <u>136,695,585</u>
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	27.2%	22.2%	14.5%	13.4%	14.5%	13.1%	13.8%	11.7%	8.8%	7.0%

**Source:** San Miguel County Assessor's Office for the assessed value.

**TOWN OF MOUNTAIN VILLAGE**  
**Demographic and Economic Statistics**  
**Last Ten Years**

**TABLE D-1**

Town of Mountain Village					San Miguel County Area				
Year	Population	Per Capita Personal Income	Per Capita Total Income	Zoned Population	Population	Per Capita Personal Income	Per Capita Total Income	School Enrollment	Unemployment Rate
2007	1,283	-	-	8,027	7,322	59,935	438,844,070	1,011	3.1%
2008	1,311	-	-	8,027	7,366	53,668	395,318,488	1,010	3.9%
2009	1,274	-	-	8,027	7,379	50,536	347,558,809	973	6.6%
2010	1,313	45,520	59,767,117	8,027	7,359	46,117	358,998,071	954	7.6%
2011	1,328	-	-	8,027	7,480	48,419	288,524,311	1,032	7.8%
2012	1,342	-	-	8,027	7,584	49,888	378,350,592	738	6.9%
2013	1,351	-	-	8,027	7,654	57,394	321,051,257	863	5.5%
2014	1,369	-	-	8,027	7,782	68,042	391,266,354	835	3.7%
2015	1,379	-	-	8,027	7,879	73,572	479,636,813	907	2.4%
2016	1,386	-	-	8,027	7,918	73,940	585,485,018	933	2.1%

**Source:** Population and income data provided by the Colorado Division of local Government, State Demography Office; school enrollment data provided by Telluride School District; unemployment data provided by the US Bureau of Labor Statistics. Personal per capita income for the Town of Mountain Village is only calculated every ten years during the U.S. Census. Telluride School District enrollment as of 2016 includes Pre-K through 12th grade.

**TOWN OF MOUNTAIN VILLAGE**

**Principal Employers**

**Last Ten Years**

**TABLE D-2**

<b>2016</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,050	88.59%	1
Town of Mountain Village	Government	135	11.41%	2
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	0	0.00%	3
Total		1,185		
<b>2015</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,020	77.58%	1
Town of Mountain Village	Government	132	10.02%	2
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	163	12.40%	3
Total		1,315		
<b>2014</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	953	72.25%	1
Town of Mountain Village	Government	128	9.71%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	125	9.48%	3
Ektornet (Hotel Madeline)	Hotel and Restaurants	113	8.57%	4
Total		1,319		
<b>2013</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	965	73.25%	1
Town of Mountain Village	Government	130	9.90%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	121	9.18%	3
Ektornet (Hotel Madeline)	Hotel and Restaurants	101	7.67%	4
Total		1,317		
<b>2012</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,050	69.12%	1
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	180	11.85%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	145	9.55%	2
Town of Mountain Village	Government	144	9.48%	4
Total		1,519		
<b>2011</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,010	68.93%	1
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	157	10.71%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	150	10.24%	2
Town of Mountain Village	Government	148	10.12%	4
Total		1,465		
<b>2010</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company	Ski Area Owner and Operator	970	67.08%	1
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	175	12.10%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	153	10.58%	2
Town of Mountain Village	Government	148	10.24%	4
Total		1,446		
<b>2009</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company	Ski Area Owner and Operator	950	69.90%	1
Town of Mountain Village	Government	156	11.48%	2
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	130	9.57%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	123	9.05%	4
Total		1,359		
<b>2008</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,079	75.09%	1
Telluride Resort and Spa	Hotel, Restaurants, and Spa	205	14.27%	2
Town of Mountain Village	Government	153	10.65%	3
Total		1,437		
<b>2007</b>				
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>% of Total Employment</b>	<b>Rank</b>
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,194	74.39%	1
Town of Mountain Village	Government	221	13.77%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	190	11.84%	3
Total		1,605		

(1) In 2013, TSG purchased the Inn at Lost Creek and in 2015, The Peaks Resort and Spa.

**Source:** Human Resource departments for various agencies.

**TOWN OF MOUNTAIN VILLAGE**  
**Full-Time Equivalent Town Employees by Function/Program**  
**Last Ten Years**

**TABLE E-1**

<b>Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Planning and Development</b>	<b>Housing Authority</b>	<b>Daycare Program</b>	<b>Administration</b>	<b>Road &amp; Bridge</b>	<b>Parking &amp; Transit</b>	<b>Plaza Services Parks &amp; Recreation</b>	<b>Gondola</b>	<b>Water &amp; Sewer</b>	<b>Broadband Fund</b>	<b>Conference Center</b>	<b>Total</b>
2007	5.00	10.00	9.00	5.00	5.00	9.00	15.00	22.00	17.00	51.00	6.00	3.00	9.00	166.00
2008	6.00	10.00	9.00	5.00	7.00	10.00	16.00	18.00	18.00	47.00	6.00	4.00	9.00	165.00
2009	4.00	10.00	6.00	5.00	10.00	8.00	14.00	17.00	18.00	45.00	7.00	4.00	8.00	156.00
2010	3.80	10.70	6.00	5.50	9.20	8.50	13.00	18.15	17.25	45.00	7.00	4.00	0.00	148.10
2011	3.80	10.70	7.00	6.00	8.55	9.20	13.00	18.15	17.25	44.10	6.50	4.00	0.00	148.25
2012	3.50	9.70	6.85	6.15	8.55	9.50	12.50	17.90	15.00	44.25	6.50	4.00	0.00	144.40
2013	3.50	8.70	5.00	6.15	8.50	9.50	12.50	6.95	15.10	44.05	6.50	4.00	0.00	130.45
2014	3.50	9.00	4.85	6.15	8.50	9.50	12.00	4.90	15.20	43.95	6.50	4.00	0.00	128.05
2015	3.50	9.00	6.10	6.15	8.50	9.50	12.00	4.80	16.30	45.40	6.50	4.00	0.00	131.75
2016	4.00	9.00	6.00	6.00	8.00	9.00	14.00	4.95	17.55	46.25	6.50	4.00	0.00	135.25

N/A - information is not available.

**Source:** Town of Mountain Village Human Resources Department

**TOWN OF MOUNTAIN VILLAGE**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

Function/Program:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General:										
Business Licenses Issued (5)	1,263	1,101	1,043	1,038	1,035	944	778	640	648	670
Business Licenses Revenue	\$ 296,585	\$ 281,898	\$ 270,572	\$ 268,235	\$ 245,933	\$ 228,506	201,719	\$ 187,160	\$ 185,476	196,126
Skier Days (1)	487,144	505,592	478,211	454,259	424,822	423,927	420,621	454,257	450,730	426,244
Real Estate Transfer Assessments (RETA)	\$ 5,700,044	\$ 5,416,271	\$ 6,301,078	\$ 3,962,093	\$ 4,873,158	\$ 2,684,481	4,318,347	\$ 3,400,333	\$ 4,721,320	\$ 8,312,927
Planning and Development Services:										
Construction Permits Issued	107	341	93	128	127	303	87	75	192	209
Building Permits Valuation	\$ 17,084,096	\$ 34,723,371	\$ 17,782,576	\$ 56,574,803	\$ 37,471,121	\$ 18,130,969	27,388,886	\$ 32,562,444	\$ 86,183,479	\$ 158,362,440
Housing Authority										
Occupancy Rate	99.28%	99.36%	95.53%	87.16%	81.56%	81.36%	85.92%	81.82%	90.68%	N/A
Public Works:										
Street Resurfacing (miles)	3.51	1.00	1.06	3.30	1.50	0.00	5.00	1.80	1.90	1.73
Water:										
Average Daily Consumption (gallons)	661,178	619,452	530,348	644,682	686,717	695,070	545,099	479,431	439,688	427,441
Wastewater:										
Average Daily Sewage Treatment (gallons)	258,150	232,521	240,565	223,572	212,085	218,071	212,312	222,784	232,342	236,534
Transit:										
Gondola Passengers	2,778,910	2,617,642	2,407,193	2,283,778	2,171,113	2,148,977	2,298,067	2,264,662	2,435,322	2,349,442
Dial A Ride Passengers	46,221	74,008	48,172	26,887	59,280	66,973	61,411	52,439	63,935	63,097
Broadband Services:										
Cable TV Subscribers	1,691	1,685	1,560	1,423	1,412	1,448	1,501	1,489	1,542	1,401
Phone Subscribers	99	98	96	88	84	77	37	N/A	N/A	N/A
Internet Subscribers	1,820	1,815	1,012	952	955	954	910	823	621	718
Daycare Services: (3)										
Average # of Resident Infants Tended Per Day	5.52	5.04	4.39	3.92	4.57	2.57	2.02	3.16	5.10	5.08
Average # of Resident Toddlers Tended Per Day	12.73	11.15	12.14	12.45	9.10	8.52	9.95	10.43	12.95	12.72
Average # of Non-resident Infants Tended Per Day	0.49	0.65	0.77	0.73	0.92	1.19	1.15	1.84	0.65	N/A
Average # of Non-resident Toddlers Tended Per Day	2.53	2.27	1.10	1.83	2.18	3.57	5	3.36	3.74	N/A
Preschool Services: (4)										
Average # of Resident Students Tended Per Day	11.02	11.02	9.81	8.55	9.80	9.11	8.67	7.72	N/A	N/A
Average # of Non-resident Students Tended Per Day	3.71	3.71	4.06	4.98	4.30	3.60	2.81	1.44	N/A	N/A
Conference Center: (2)										
Attendance at Events	27,390	36,937	28,943	13,321	11,839	11,530	24,309	19,792	27,694	N/A
Number of Event Days	130	150	81	129	87	103	131	90	131	187
Percentage of Possible Event Days	35.62%	41.10%	22.19%	35.34%	23.84%	28.22%	35.89%	24.66%	35.84%	51.23%

N/A - information is not available or has changed in the way that it is tracked.

**Sources:** Various town departments. skier days data provided by the Telluride Ski and Golf Company.

(1) Skier Days represents the number of skiers visits.

(2) In October of 2009, the operations of the Conference Center was contracted out to a management company.

(3) In 2008, new rates were established for resident and non-resident children.

(4) In October of 2009, a preschool program was started.

(5) The increase in BL's from 2009-2011 was due mainly to a change in the BL ordinance and new audit procedures. For business licensing and tax collections, the Town went to an online filing and payment system in 2012. Some of the increase in licensing are (zero fee) taxpayers, previously not licensed.

**TOWN OF MOUNTAIN VILLAGE**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

**TABLE E-3**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Function/Program:										
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	20	20	20	18	18	18	18	18	18	18
Water Mains (miles)	38	35	35	30	30	30	30	30	30	30
Sewer Lines (miles)	29	29	29	19	19	19	19	19	19	19
Fleet:										
Vehicles (1)	98	82	81	79	78	79	80	77	76	78
Broadband Services:										
Cable TV Line (miles)	33	33	33	33	33	33	33	33	28	20
Parks and Recreation:										
Acreage of Parks and Open Space	1169	1169	1169	1169	1169	1169	1169	1169	1169	1129
Miles of Maintained Trails (Winter)	15	15	15	15	13	13	13	13	13	13
Miles of Maintained Trails (Summer)	13	16	16	16	10	8	8	8	8	8
Ponds	3	3	3	3	3	3	4	4	4	4
Outdoor Ice Skating Rink	1	1	1	1	1	1	1	1	0	0
Outdoor Ice Skating Pond	1	0	0	0	0	0	1	1	1	1
Conference Center	1	1	1	1	1	1	1	1	1	1

**Sources:** Various town departments.

(1) Due to the classification of "vehicles" by our insurance company, we have reclassified trailers from "equipment" to "vehicles" in our system, thus increasing the count in 2016.

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