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**TOWN OF MOUNTAIN VILLAGE  
COLORADO**

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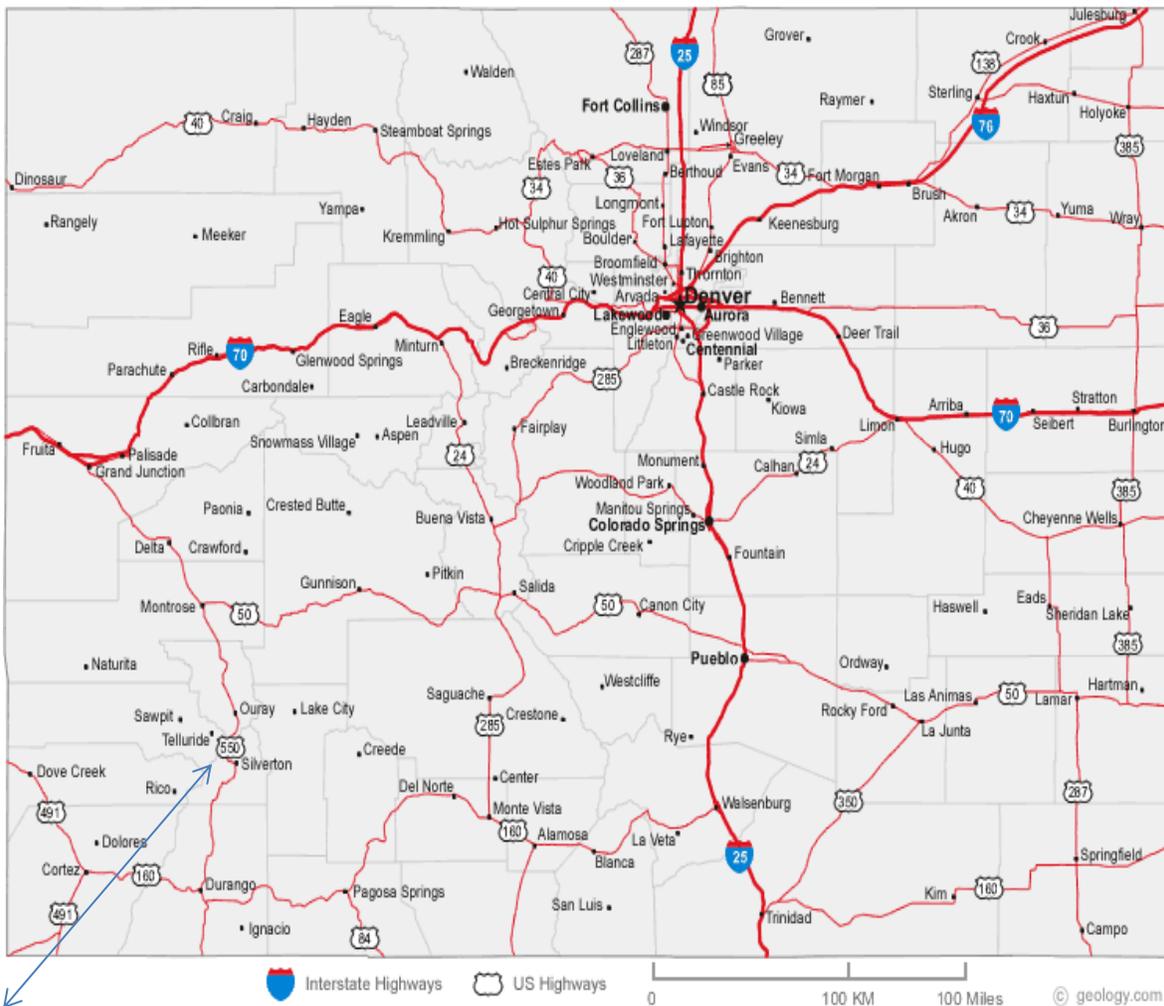


**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2017**

## 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, Laila Benitez**  
**Mayor Pro Tem, Dan Caton**  
**Council Members: Dan Jansen, Patrick Berry,**  
**Bruce MacIntire, Natalie Binder, Jack Gilbride**  
**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, 2018

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, 2017, 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 1,411 people, and the 2017 assessed valuation of the Town is \$289,947,030.

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, 2016. This was the eighteenth 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

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

**List of Elected and Appointed Officials  
December 31, 2017**

Elected Officials

Council Member-At large	Laila Benitez (Mayor)
Council Member-At large	Dan Jansen
Council Member-At large	Patrick Berry
Council Member-At large	Bruce MacIntire
Council Member-At large	Dan Caton (Mayor Pro Tem)
Council Member-At large	Jack Gilbride
Council Member-At large	Natalie Binder

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	Michelle Haynes
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, 2016**

*Christopher P. Morill*

Executive Director/CEO

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**Independent Auditors Report**

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**INDEPENDENT AUDITOR'S REPORT**

June 27, 2018

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, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2017, 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 27, 2018  
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 governmental 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 governmental 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.

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

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, 2017

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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, 2017. 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 \$4.2 million from \$52.6 to \$56.8 million
- Sales taxes collections continue to establish new record levels and exceeded \$4.26 million for the first time in Town history and development related revenues exceeded prior year by over 100%, contributing to surpluses building the Town's General Fund reserves to almost \$11 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 2017, the total Net Position was \$56.8 million, an increase of \$4.2 million from prior year which is primarily a result of continued record breaking sales tax collections, increased development revenues, 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, 2017 and 2016

	Governmental Activities		Business - Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$17,590,404	\$22,274,573	\$ 8,629,419	\$ 6,821,935	\$ 26,219,823	\$ 29,096,508
Capital Assets	46,395,667	45,899,223	22,714,358	23,838,307	69,110,026	69,737,530
<b>Total Assets</b>	<b>63,986,072</b>	<b>68,173,796</b>	<b>31,343,778</b>	<b>30,660,242</b>	<b>95,329,849</b>	<b>98,834,038</b>
<b>Deferred Outflow of Resources</b>	<b>3,399,892</b>	<b>3,052,619</b>	<b>629,662</b>	<b>560,301</b>	<b>4,029,554</b>	<b>3,612,920</b>
Current Liabilities	12,242,855	16,771,146	3,172,132	2,751,124	15,414,987	19,522,270
Non - Current Liabilities						
Due Within One Year	530,745	3,447,024	393,738	357,073	924,483	3,804,097
Due In More Than One Year	9,844,377	10,241,522	11,881,789	12,275,527	21,726,166	22,517,049
<b>Total Liabilities</b>	<b>22,617,977</b>	<b>30,459,692</b>	<b>15,447,659</b>	<b>15,383,724</b>	<b>38,065,637</b>	<b>45,843,416</b>
<b>Deferred Inflow of Resources</b>	<b>4,422,683</b>	<b>3,955,579</b>	<b>26,372</b>	<b>93,307</b>	<b>4,449,055</b>	<b>4,048,886</b>
<b>Net Position</b>						
Net Investment in Capital Assets	36,036,460	32,372,113	10,436,162	11,205,709	46,472,622	43,577,822
Restricted for Debt Service	450,278	947,096	852,366	850,109	1,302,643	1,797,205
Restricted for Emergencies	641,878	619,295	-	-	641,878	619,295
Unrestricted	3,216,687	2,872,639	5,210,881	3,687,696	8,427,568	6,560,335
<b>Total Net Position</b>	<b>\$40,345,303</b>	<b>\$36,811,143</b>	<b>\$ 16,499,409</b>	<b>\$ 15,743,514</b>	<b>\$ 56,844,712</b>	<b>\$ 52,554,657</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, 2017 and 2016

	Governmental Activities		Business - Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,773,594	\$ 1,263,120	\$ 7,929,418	\$ 7,419,858	\$ 9,703,012	\$ 8,682,978
Operating Grants and Contributions	5,187,988	5,104,263	50,880	56,475	5,238,868	5,160,738
Capital Grants and Contributions	209,970	986,478	276,548	42,960	486,518	1,029,438
Total Program Revenues	<u>7,171,552</u>	<u>7,353,861</u>	<u>8,256,846</u>	<u>7,519,293</u>	<u>15,428,398</u>	<u>14,873,154</u>
<b>General Revenues</b>						
Property and Specific Ownership Taxes	7,660,046	7,659,902	-	-	7,660,046	7,659,902
Sales and Use Taxes	5,460,964	4,497,202	-	-	5,460,964	4,497,202
Lodging and Restaurant Taxes	2,144,201	2,050,963	-	-	2,144,201	2,050,963
Miscellaneous	249,927	90,656	105,096	59,251	355,023	149,907
Investment Earnings	36,824	49,223	1,264	52	38,088	49,275
Gain on Sale of Assets	1,672	8,172	-	-	1,672	8,172
Total General Revenues	<u>15,553,634</u>	<u>14,356,118</u>	<u>106,361</u>	<u>59,302</u>	<u>15,659,995</u>	<u>14,415,420</u>
<b>Total Revenues</b>	<b>22,725,186</b>	<b>21,709,979</b>	<b>8,363,206</b>	<b>7,578,595</b>	<b>31,088,393</b>	<b>29,288,574</b>
<b>Expenses</b>						
General Government	4,905,524	4,265,811	-	-	4,905,524	4,265,811
Gondola Operations and Capital Expenditures	5,313,304	5,655,506	-	-	5,313,304	5,655,506
Public Safety	964,517	947,987	-	-	964,517	947,987
Roads and Bridges	1,793,680	1,780,946	-	-	1,793,680	1,780,946
Culture and Recreation	607,253	538,001	-	-	607,253	538,001
Equipment & Property Maintenance	2,203,815	2,249,671	-	-	2,203,815	2,249,671
Transportation	(78,542)	966,645	-	-	(78,542)	966,645
Water & Sewer	-	-	2,201,535	2,083,245	2,201,535	2,083,245
Broadband	-	-	1,704,487	1,783,156	1,704,487	1,783,156
Telluride Conference Center	-	-	500,926	498,242	500,926	498,242
Economic Development	3,145,477	3,110,718	-	-	3,145,477	3,110,718
Housing Authority	-	-	2,358,389	2,229,997	2,358,389	2,229,997
Parking Services	-	-	405,192	286,610	405,192	286,610
Daycare Program	-	-	772,782	605,668	772,782	605,668
Regional Communications System	-	-	-	-	-	-
Total Expenses	<u>18,855,027</u>	<u>19,515,285</u>	<u>7,943,311</u>	<u>7,486,917</u>	<u>26,798,338</u>	<u>27,002,203</u>
<b>Change in Net Position before Transfers</b>	<b>3,870,159</b>	<b>2,194,694</b>	<b>419,896</b>	<b>91,678</b>	<b>4,290,054</b>	<b>2,286,372</b>
<b>Transfers</b>	<b>(336,000)</b>	<b>(320,470)</b>	<b>336,000</b>	<b>320,470</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>3,534,159</b>	<b>1,874,224</b>	<b>755,896</b>	<b>412,148</b>	<b>4,290,054</b>	<b>2,286,372</b>
<b>Beginning Net Position</b>	<b>36,811,145</b>	<b>34,936,921</b>	<b>15,743,513</b>	<b>15,331,365</b>	<b>52,554,658</b>	<b>50,268,286</b>
<b>Prior Period Adjustment - Change in Accounting Principle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Beginning Net Position - As Re-stated</b>	<b>36,811,145</b>	<b>34,936,921</b>	<b>15,743,513</b>	<b>15,331,365</b>	<b>52,554,658</b>	<b>50,268,286</b>
<b>Ending Net Position</b>	<b>\$ 40,345,303</b>	<b>\$36,811,145</b>	<b>\$ 16,499,409</b>	<b>\$15,743,513</b>	<b>\$ 56,844,712</b>	<b>\$52,554,658</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

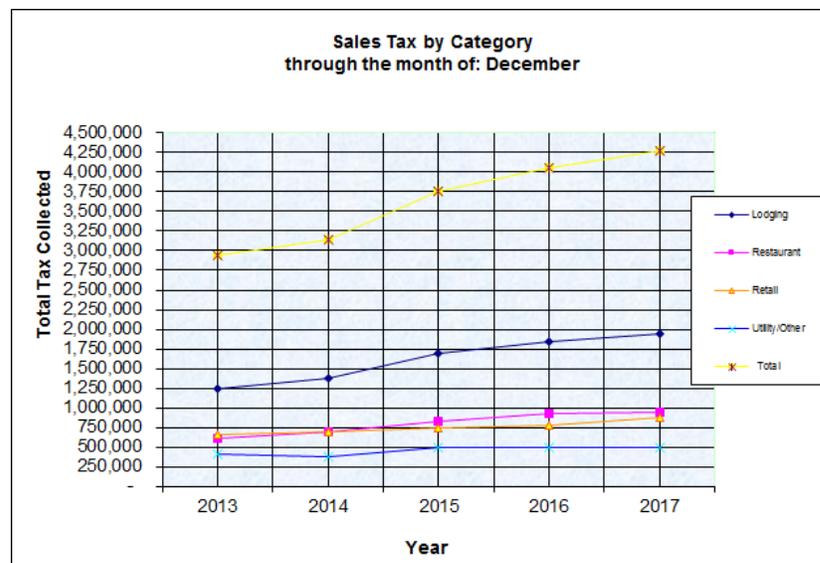
### General Fund

Revenues of \$11.3 million were over budgeted expectations by \$205,000. Expenditures came in under budget by \$1.36 million leaving the general fund a surplus of \$1.5 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 environmental projects that did not happen. Total fund balance remains healthy at \$10.9 million.

### Sales Tax

Sales tax revenues of \$4.26 million increased from prior year by \$212,000 or 5.2% with record breaking tax collections including the highest collection month on record, December 2017. Sales tax increases were noticed most heavily in the lodging and retail categories. Please see detailed analysis that follows.

Actual Sales Tax Base By Class, Through December 2017										
Category	Actual 2013	Actual 2014	PY % Increase	Actual 2015	PY % Increase	Actual 2016	PY % Increase	Actual 2017	PY \$ Variance	PY % Increase
	4.5%	4.5%	2013 to 2014	4.5%	2014 to 2015	4.5%	2015 to 2016	4.5%	2016 to 2017	2016 to 2017
Lodging	27,745,883	30,473,814	10%	37,582,678	23%	40,954,783	9%	43,054,003	2,099,220	5.13%
Restaurant	13,631,180	15,497,118	14%	18,425,565	19%	20,589,021	12%	21,149,461	560,440	2.72%
Retail	14,864,000	15,593,895	5%	16,511,742	6%	17,404,997	5%	19,651,825	2,246,827	12.91%
Utility/Other	9,049,664	8,363,744	-8%	10,952,440	31%	11,105,038	1%	10,917,419	(187,619)	-1.69%
<b>Total</b>	<b>65,290,728</b>	<b>69,928,571</b>	<b>7%</b>	<b>83,472,424</b>	<b>19%</b>	<b>90,053,839</b>	<b>8%</b>	<b>94,772,708</b>	<b>4,718,869</b>	<b>5.24%</b>



## **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 \$1.7 million were up 5% from prior year, and restaurant tax receipts of \$423,000 show an increase of 2.7% from prior year. 2017 cash receipts include prior year taxes which are shown in the proper periods in the tables below. Business license fees of \$321,000 increased over prior year activity by 8%. Tourism activity generated approximately \$1.26 million for the airline guaranty program and \$1.15 million for regional marketing programs and group sales efforts. Overall, the town's tourism fund reinvested over \$2.4 million back into the region to support the various businesses operating in the community which includes additional funding of \$28,000 to MTI for a guest services. Please see the lodging and restaurant tax revenue summary below for further information.

Town of Mountain Village Colorado Lodging Tax Summary								
	2013	2014	2015	2016	2017	2016	2017	Budget
	Activity	Activity	Activity	Activity	Activity	Var %	Budget	Var %
	(4%)	(4%)	(4%)	(4%)	(4%)			
Total	1,081,555	1,207,325	1,498,749	1,640,771	1,722,573	4.99%	1,669,000	3.11%
Tax Base	27,038,867	30,183,132	37,468,729	41,019,282	43,064,320		41,725,000	

Town of Mountain Village Colorado Restaurant Tax Summary								
	2013	2014	2015	2016	2017	2016	2017	Budget
	Activity	Activity	Activity (2%)	Activity (2%)	Activity (2%)	Var %	Budget	Var %
	(2%)	(2%)						
Total	274,828	315,303	366,759	411,969	423,017	2.68%	404,000	4.50%
Tax Base	13,741,420	15,765,152	18,337,941	20,598,437	21,150,852		20,200,000	

## **Vehicle and Equipment Acquisition Fund**

A snowcat for the recreation department, snow blower, a transit bus, an excavator, a building maintenance truck, a vehicle maintenance truck, a police vehicle and shop equipment were purchased and the bobcat leases were paid. Total expenditures in 2017: \$495,405.

## **Capital Projects Fund**

Activity in the Capital Projects Fund was for ongoing planning funds for the project known as the Meadows Improvement Plan. Total for 2017: \$266,071

## **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 2017 were approximately \$96,066.

## **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 \$5.17 million was primarily provided by TMVOA (90%), with contributions of approximately \$4.69 million, \$186,075 (3%) provided by TSG from lift ticket sales, \$88,000 in capital grant funding (1%), \$149,982 in

operating grant funding (2%), sale of assets of \$1,672, TOT contribution of \$36,000, and event operations funding of \$14,157. Fund expenditures of \$5.1 million decreased over prior year by \$.6 million. Decreases from prior year are primarily the result of capital and major repair expenses.

**Debt Service Fund**

Current year debt service activity reflected \$3,315,000 in debt reduction (or 27%) from the prior year’s outstanding bond level. The total general obligation bond debt outstanding at 12/31/2017 was \$9,250,000.

	2014	2015	2016	2017
Assessed Valuation	266,407,970	294,538,840	294,011,170	289,947,030
Tax Supported Bonds Outstanding	15,595,000	12,890,000	10,310,000	7,110,000
% of Tax Supported Bonds Outstanding vs. AV	7%	7%	4%	2%
Mill Levy	13.325	11.82	11.84	1.904
Self Supported Bonds Outstanding	2,595,000	2,485,000	2,370,000	2,255,000

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 \$1.3 million (before capital and debt service obligations) decreased from prior year by \$77,000. Operating revenues of \$2.3 million remained stable with prior year. Operating costs of \$1.1 million increased from prior mainly due to stability in personnel and resident projects. 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 \$357,073 in 2017.

**Affordable Housing Development Fund**

Since 2007, The Town pledged 11.11% of sales taxes to the affordable housing development fund, 2017 contributions were \$455,479. Expenses of \$113,226 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**

Interest was received on one note that was paid in full.

**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 deficit of \$19,965 and the

daycare a deficit of \$100,439. General Fund subsidy requirement of \$120,404 for the program was up \$53,000 from 2016.

### **Parking Services Fund**

Operating costs in 2017 of \$405,200 include personnel, utilities, and maintenance, were offset by parking fees of \$493,100, receipts from other entities for shared expenses of \$12,230 and fines of \$10,156 Any deficit is funded by transfer from the general fund. In 2017, expenses were under budget \$72,000 due mainly to unspent capital funds. 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 \$1 million. Operating expenditures of \$1.52 million were \$106,000 more than prior year due mainly to utilities, legal costs, and equipment replacement. Capital investment of 382,600 was for regional sewer system improvements, lift 7 waterline project, water rights, vehicle replacement, and the “Ski Ranches” chlorine building. Remaining available reserves remain adequate.

### **Broadband Fund**

Revenues of \$1.9 million surpassed prior year performance by \$127,300 due mainly to growth in internet subscribers and a rate increase for TV services. Expenses totaling \$1.6 million were \$23,400 more than prior year due to the increasing programming costs for TV services and personnel cost increases. The cable fund was able to return to the General Fund a transfer of \$145,028 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 \$199,089 was for HOA dues, marketing, and some equipment maintenance. 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 \$1.5 million. The budgeted deficit was \$445,000. The budgetary variance was the result of total expenditures coming in under budget by 1.4 million, revenues exceeding budget by \$205,000 and other sources and uses under budget by \$352,000.

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

### **Capital Assets**

The Town’s investment in capital assets for its governmental activities increased by \$500,000, from \$45,899,233 to \$46,395,667, due to capital asset purchases. 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 \$1,123,948 from \$23,838,307 to \$22,714,358 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 \$12,680,000. Throughout the year, \$3,315,000 was retired bringing the outstanding bond debt down to \$9,365,000 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. New challenges related to this recovery have arisen in Colorado as a result of the Constitutional amendment known as the Gallagher Amendment passed in 1982. By way of this amendment the taxable values for residential property have been reduced. The result is a lowering of the tax base and reduced revenue from the residential assessment for property tax. The impact in 2017 was offset to an extent by new construction and the same conditions are present in Mountain Village in 2018. At this time the near term fiscal impact is difficult to measure because preliminary property assessment valuations are not typically received by the Town until August. For preliminary budget planning the forecast will be at 90% of the 2017 valuation.

## **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, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash (See Note 5)	\$ 2,250,610	\$ 6,611,547	\$ 8,862,157
Investments (See Note 5)	6,548,230	654,703	7,202,933
Receivables			
Taxes	5,439,103	-	5,439,103
Accounts	1,694,160	473,877	2,168,037
Interest	7,138	-	7,138
Notes (See Note 6)	-	134,000	134,000
Internal Balances	537	(537)	-
Accrued Revenues	-	-	-
Prepaid Items	264,540	24,027	288,568
Deposits (See Note 5)	6,919	2,272	9,190
Restricted Investments (See Note 5)			
Housing Authority	-	451,261	451,261
Bond Reserve Fund	1,379,169	-	1,379,169
Development Property Held for Sale (See Note 8)	-	278,268	278,268
<b>Capital Assets</b>			
Non-depreciable Capital Assets (See Note 9)	2,253,578	206,756	2,460,334
Depreciable Capital Assets (See Note 9)	44,142,089	22,507,603	66,649,692
Total assets	<u>63,986,072</u>	<u>31,343,778</u>	<u>95,329,849</u>
Deferred Outflow of Resources Related to Pensions (See Note 14)	2,832,808	629,662	3,462,470
Deferred Outflow of Resources Deferred Loss on Refunding	567,084	-	567,084
Deferred Outflow of Resources	<u>3,399,892</u>	<u>629,662</u>	<u>4,029,554</u>
<b>Liabilities</b>			
Accounts Payable	960,211	427,895	1,388,106
Accrued Expenses	150,402	31,285	181,687
Deposits	217,876	272,386	490,261
Due to Pooled Cash (See Note 5)	335	-	335
Accrued Interest Payable	28,573	-	28,573
Unearned Revenue	225,464	71,968	297,432
Noncurrent Liabilities (See Note 10)			
Net Pension Liability	10,659,996	2,368,599	13,028,595
Due within one year	530,745	393,738	924,483
Due in more than one year	9,844,377	11,881,789	21,726,166
Total liabilities	<u>22,617,977</u>	<u>15,447,659</u>	<u>38,065,637</u>
Deferred Inflow of Resources Related to Pensions (See Note 14)	119,953	26,372	146,325
Deferred Inflow of Resources Property Tax	4,302,731	-	4,302,731
Deferred Inflow of Resources	<u>4,422,683</u>	<u>26,372</u>	<u>4,449,055</u>
<b>Net Position</b>			
Net Investment in Capital Assets	36,036,460	10,436,162	46,472,622
Restricted For			
Debt Service	450,278	852,366	1,302,643
Emergencies	641,878	-	641,878
Unrestricted	3,216,687	5,210,881	8,427,568
Total Net Position	<u>\$40,345,303</u>	<u>\$16,499,409</u>	<u>\$56,844,712</u>

**Town of Mountain Village**  
**Statement of Activities**  
**For the Fiscal Year Ended December 31, 2017**

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	\$ 2,780,632	\$ 26,376	\$ -	\$ -	\$ (2,754,256)	\$ -	\$ (2,754,256)
Administration	1,534,134	3,188	-	-	(1,530,946)	-	(1,530,946)
Public Safety	964,517	10,625	2,840	-	(951,052)	-	(951,052)
Roads & Bridges	1,793,680	480,102	-	61,970	(1,251,608)	-	(1,251,608)
Equipment & Property Maintenance	2,203,815	-	-	-	(2,203,815)	-	(2,203,815)
Culture & Recreation	607,253	13,666	-	-	(593,587)	-	(593,587)
Parking & Transportation	5,234,762	14,157	5,165,304	148,000	92,699	-	92,699
Economic Development	3,145,477	1,225,480	19,844	-	(1,900,153)	-	(1,900,153)
Interest on Long Term Debt	440,981	-	-	-	(440,981)	-	(440,981)
Total Governmental Activities	<u>18,705,250</u>	<u>1,773,594</u>	<u>5,187,988</u>	<u>209,970</u>	<u>(11,533,698)</u>	<u>-</u>	<u>(11,533,698)</u>
Business-type Activities:							
Housing Authority	2,358,389	2,257,221	-	-	-	(101,168)	(101,168)
Broadband	1,704,488	1,945,869	-	-	-	241,382	241,382
Child Development	772,782	454,663	38,650	-	-	(279,469)	(279,469)
Parking Services	405,192	480,887	12,230	-	-	87,924	87,924
Telluride Conference Center	500,926	-	-	-	-	(500,926)	(500,926)
Water and Sewer	2,201,536	2,790,778	-	276,548	-	865,790	865,790
Total Business-type Activities	<u>7,943,312</u>	<u>7,929,418</u>	<u>50,880</u>	<u>276,548</u>	<u>-</u>	<u>313,534</u>	<u>313,534</u>
Total	<u>\$ 26,648,562</u>	<u>\$ 9,703,012</u>	<u>\$ 5,238,868</u>	<u>\$ 486,518</u>			
General Revenues:							
Taxes:							
Property					7,334,897	-	7,334,897
Specific Ownership					325,149	-	325,149
Sales & Use					5,460,964	-	5,460,964
Lodging					1,721,579	-	1,721,579
Restaurant					422,623	-	422,623
Miscellaneous					100,150	105,096	205,246
Investment Earnings					36,824	1,264	38,088
Gain or (loss) on Sale of Assets					1,672	-	1,672
Transfers					(336,000)	336,000	-
Total General Revenues and Transfers					<u>15,067,857</u>	<u>442,361</u>	<u>15,510,218</u>
Change in Net Position					3,534,159	755,894	4,290,053
Net Position - Beginning					36,811,143	15,743,515	52,554,659
Net Position - Ending					<u>\$ 40,345,302</u>	<u>\$ 16,499,410</u>	<u>\$ 56,844,712</u>

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, 2017**

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Tourism</u>	<u>Non-Major Governmental</u>	<u>Total</u>
<b>Assets</b>						
Cash	\$ 1,267,953	\$ 139,805	\$ 207,549	\$ 239,085	\$ 396,217	\$ 2,250,610
Investments	6,548,210	-	20	-	-	6,548,230
Receivables						
Taxes	4,465,269	-	536,312	345,463	92,059	5,439,103
Accounts	1,669,629	24,530	-	-	-	1,694,160
Interest	-	-	7,138	-	-	7,138
Due from Other Funds	1,155,990	-	-	-	-	1,155,990
Prepaid Items	264,540	-	-	-	-	264,540
Deposits	6,919	-	-	-	-	6,919
Restricted Bond Reserve	-	-	1,379,169	-	-	1,379,169
<b>Total Assets</b>	<u>\$ 15,378,510</u>	<u>\$ 164,336</u>	<u>\$ 2,130,187</u>	<u>\$ 584,549</u>	<u>\$ 488,276</u>	<u>\$ 18,745,858</u>
<b>Liabilities:</b>						
Accounts Payable	\$ 409,472	\$ 109,756	\$ -	\$ 413,950	\$ 27,032	\$ 960,211
Accrued Payables	95,822	54,580	-	-	-	150,402
Due to Other Funds	-	-	1,155,454	-	-	1,155,454
Deposits	217,876	-	-	-	-	217,876
Due to Pooled Cash	-	-	-	-	335	335
Unearned Revenue	54,865	-	-	170,599	-	225,464
<b>Total Liabilities</b>	<u>778,035</u>	<u>164,336</u>	<u>1,155,454</u>	<u>584,549</u>	<u>27,367</u>	<u>2,709,740</u>
Deferred Inflows, Property Tax	<u>3,686,550</u>	<u>-</u>	<u>524,456</u>	<u>-</u>	<u>91,724</u>	<u>4,302,731</u>
<b>Fund Balances:</b>						
Nonspendable	264,540	-	-	-	-	264,540
Restricted for:						
Debt Service	-	-	450,278	-	-	450,278
Emergencies	641,878	-	-	-	-	641,878
Assigned - Appropriations	1,574,347	-	-	-	369,185	1,943,532
Unassigned	8,433,159	-	-	-	-	8,433,159
<b>Total Fund Balances</b>	<u>10,913,925</u>	<u>-</u>	<u>450,278</u>	<u>-</u>	<u>369,185</u>	<u>11,733,387</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 15,378,510</u>	<u>\$ 164,336</u>	<u>\$ 2,130,187</u>	<u>\$ 584,549</u>	<u>\$ 488,276</u>	<u>\$ 18,745,858</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, 2017**

Total Fund Balance - Governmental Funds		\$ 11,733,387
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	\$ 70,614,672	
Less Accumulated Depreciation	<u>(24,219,005)</u>	46,395,667
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
General Obligation Bonds	(9,365,000)	
Compensated Absences	<u>(551,169)</u>	(9,916,169)
Items related to pensions are considered to be long term items and are therefore not reported in the governmental funds.		
Net Pension liability	(10,659,996)	
Deferred Pension Outflows	2,832,808	
Deferred Pension Inflows	<u>(119,953)</u>	(7,947,141)
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.		
		(458,953)
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.		
		(28,573)
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.		
		<u>567,084</u>
Total Net Position - Governmental Activities		<u><u>\$ 40,345,303</u></u>

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, 2017**

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Tourism</u>	<u>Non-Major Governmental</u>	<u>Total</u>
<b>Revenues</b>						
Taxes	\$ 9,460,884	\$ -	\$ 3,564,060	\$ 2,144,201	\$ 96,066	\$ 15,265,211
Licenses & Permits	566,818	-	-	320,857	-	887,675
Intergovernmental	374,212	-	-	-	-	374,212
Contributions from Other Entities	74,551	4,913,841	204,515	-	-	5,192,907
Charges for Services	489,267	14,157	-	-	-	503,424
Fines & Forfeitures	8,282	-	-	-	-	8,282
Miscellaneous	84,995	591	-	14,565	-	100,150
Interest Income	32,522	-	4,302	-	-	36,824
Grants & Contributions	10,991	237,982	-	-	61,970	310,943
<b>Total Revenues</b>	<u>11,102,521</u>	<u>5,166,571</u>	<u>3,772,877</u>	<u>2,479,623</u>	<u>158,036</u>	<u>22,679,628</u>
<b>Expenditures</b>						
<b>Current:</b>						
General Government	2,868,664	-	-	-	-	2,868,664
Public Safety	829,791	-	-	-	-	829,791
Roads & Bridges	1,067,792	-	-	-	-	1,067,792
Equipment & Property Maintenance	1,893,305	-	-	-	-	1,893,305
Culture & Recreation	513,115	-	-	-	94,138	607,253
Parking & Transportation	239,687	3,874,216	-	-	-	4,113,903
Economic Development	706,031	-	-	2,439,446	-	3,145,477
<b>Debt Service:</b>						
Administrative Charges	-	-	104,937	2,235	1,927	109,099
Principal	-	-	3,315,000	-	-	3,315,000
Interest	-	-	492,608	-	-	492,608
<b>Capital Outlay:</b>						
General Government	110,079	-	-	-	761,476	871,555
Culture & Recreation	4,250	-	-	-	-	4,250
Public Safety	19,917	-	-	-	-	19,917
Equipment & Property Maintenance	806,463	-	-	-	-	806,463
Parking & Transportation	-	1,250,866	-	-	-	1,250,866
<b>Total Expenditures</b>	<u>9,059,095</u>	<u>5,125,082</u>	<u>3,912,545</u>	<u>2,441,681</u>	<u>857,540</u>	<u>21,395,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,043,426</u>	<u>41,489</u>	<u>(139,668)</u>	<u>37,942</u>	<u>(699,504)</u>	<u>1,283,684</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Assets	-	1,672	-	-	1,300	2,972
Insurance Proceeds	149,777	-	-	-	-	149,777
Transfers In	896,224	-	-	-	827,846	1,724,070
Transfers Out	(1,621,816)	(43,161)	(357,151)	(37,942)	-	(2,060,070)
<b>Total Other Financing Sources (Uses)</b>	<u>(575,815)</u>	<u>(41,489)</u>	<u>(357,151)</u>	<u>(37,942)</u>	<u>829,146</u>	<u>(183,251)</u>
<b>Net Change in Fund Balances</b>	<u>1,467,610</u>	<u>-</u>	<u>(496,819)</u>	<u>-</u>	<u>129,642</u>	<u>1,100,432</u>
Fund balance - Beginning of Year	<u>9,446,315</u>	<u>-</u>	<u>947,097</u>	<u>-</u>	<u>239,543</u>	<u>10,632,955</u>
<b>Fund balance - End of Year</b>	<u>\$ 10,913,925</u>	<u>\$ -</u>	<u>\$ 450,278</u>	<u>\$ -</u>	<u>\$ 369,185</u>	<u>\$ 11,733,387</u>

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, 2017**

Net Change in Fund Balance - Governmental Funds \$ 1,100,432

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	\$ 2,933,065	
Depreciation	<u>(2,436,621)</u>	496,444

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	(1,342,139)	
Compensated Absences	(87,204)	
Accrued Interest Payable	<u>24,317</u>	(1,405,027)

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	3,315,000	
Amortization of Deferred Loss on Refunding	(58,317)	
Premium on Bonds Payable	<u>85,628</u>	<u>3,342,310</u>

Change in Net Position of Governmental Funds \$ 3,534,159

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

**Town of Mountain Village**  
**Statement of Net Position - Enterprise Funds**  
**December 31, 2017**

	<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	\$ 2,663,755	\$ 3,467,322	\$ 20,368	\$ 332,230	\$ 127,872	\$ 6,611,547
Investments	654,703	-	-	-	-	654,703
Accounts Receivable	5,785	397,907	-	18,747	51,438	473,877
Prepaid Expenses	1,260	-	20,751	2,016	-	24,027
Accrued Revenues	-	-	-	-	-	-
Deposits	-	1,136	-	1,136	-	2,272
Due From Other Funds	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>3,325,502</b>	<b>3,866,365</b>	<b>41,119</b>	<b>354,129</b>	<b>179,310</b>	<b>7,766,426</b>
<b>Noncurrent Assets:</b>						
Restricted Investments	451,261	-	-	-	-	451,261
Notes Receivable	134,000	-	-	-	-	134,000
<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	17,598,235	16,344,826	6,211,007	-	199,368	40,353,437
Construction in Progress	2,670	12,375	31,212	-	-	46,256
Furniture and Fixtures	-	-	231,399	-	-	231,399
Communications System	-	-	-	2,230,806	-	2,230,806
Vehicles & Equipment	199,475	178,714	191,857	276,819	27,650	874,515
Less: Accumulated Depreciation	(9,088,884)	(6,820,753)	(3,410,310)	(1,941,288)	(179,090)	(21,440,325)
<b>Total Noncurrent Assets</b>	<b>9,993,296</b>	<b>9,715,163</b>	<b>3,255,165</b>	<b>566,336</b>	<b>47,928</b>	<b>23,577,888</b>
<b>Total Assets</b>	<b>13,318,798</b>	<b>13,581,528</b>	<b>3,296,284</b>	<b>920,466</b>	<b>227,238</b>	<b>31,344,314</b>
Deferred Outflow of Resources - Related to Pensions	121,179	180,457	-	135,028	192,998	629,662
Deferred Outflow of Resources - Deferred Loss on Refunding	-	-	-	-	-	-
Deferred Outflow of Resources	121,179	180,457	-	135,028	192,998	629,662
<b>Liabilities</b>						
<b>Current Liabilities:</b>						
Accounts Payable	79,386	213,023	25,000	90,525	19,962	427,895
Accrued Expenses	3,449	9,473	-	7,274	11,089	31,285
Deposits	260,863	-	-	11,523	-	272,386
Unearned Revenue	67,718	-	-	-	4,250	71,968
Due to Other Funds	537	-	-	-	-	537
Current Portion of Notes and Bonds Payable	393,738	-	-	-	-	393,738
<b>Total Current Liabilities</b>	<b>805,690</b>	<b>222,496</b>	<b>25,000</b>	<b>109,322</b>	<b>35,300</b>	<b>1,197,808</b>
<b>Noncurrent Liabilities:</b>						
Notes Payable	-	-	-	-	-	-
Revenue Bond Payable	11,881,789	-	-	-	-	11,881,789
Net Pension Liability	456,001	680,093	-	508,115	724,390	2,368,599
<b>Total Noncurrent Liabilities</b>	<b>12,337,790</b>	<b>680,093</b>	<b>-</b>	<b>508,115</b>	<b>724,390</b>	<b>14,250,388</b>
<b>Total Liabilities</b>	<b>13,143,479</b>	<b>902,589</b>	<b>25,000</b>	<b>617,437</b>	<b>759,690</b>	<b>15,448,196</b>
Deferred Inflow of Resources Related to Pensions	5,049	7,549	-	5,718	8,056	26,372
<b>Net Position</b>						
Net Investment in Capital Assets	(3,148,431)	9,715,163	3,255,165	566,336	47,928	10,436,162
Restricted for Debt Service	852,365	-	-	-	-	852,365
Unrestricted	2,587,514	3,136,684	16,119	(133,998)	(395,438)	5,210,881
<b>Total Net Position</b>	<b>\$ 291,449</b>	<b>\$12,851,847</b>	<b>\$ 3,271,284</b>	<b>\$ 432,338</b>	<b>\$ (347,510)</b>	<b>\$ 16,499,408</b>

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, 2017**

	<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	\$ 2,257,221	\$ 2,790,778	\$ -	\$ 1,945,869	\$ 915,706	\$ 7,909,574
Operating Grants and Contributions	-	-	-	-	50,880	50,880
Other	105,096	-	-	-	19,843	124,939
Total Operating Revenues	<u>2,362,317</u>	<u>2,790,778</u>	<u>-</u>	<u>1,945,869</u>	<u>986,429</u>	<u>8,085,393</u>
Operating Expenses:						
Cost of Sales & Services	1,181,232	1,515,269	193,525	1,638,212	1,164,162	5,692,401
Depreciation and Amortization	612,832	686,267	301,836	66,276	18,611	1,685,822
Total Operating Expenses	<u>1,794,064</u>	<u>2,201,536</u>	<u>495,362</u>	<u>1,704,488</u>	<u>1,182,773</u>	<u>7,378,222</u>
Operating Income (Loss)	<u>568,253</u>	<u>589,242</u>	<u>(495,362)</u>	<u>241,382</u>	<u>(196,344)</u>	<u>707,171</u>
Nonoperating Revenues (Expenses):						
Interest Income	1,264	-	-	-	-	1,264
Loss on Disposal of Assets	(3,245)	-	-	-	-	(3,245)
Major Repairs and Replacements	(153,692)	-	-	-	-	(153,692)
Interest Expense	(406,401)	-	-	-	-	(406,401)
Loan Fees	(1,750)	-	-	-	-	(1,750)
Total Nonoperating Revenue (Expenses)	<u>(563,824)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(563,824)</u>
Income (Loss) Before Transfers	<u>4,429</u>	<u>589,242</u>	<u>(495,362)</u>	<u>241,382</u>	<u>(196,344)</u>	<u>143,347</u>
Transfers In	474,477	-	199,089	-	120,404	793,970
Transfers Out	(137,516)	(142,527)	-	(145,028)	(32,899)	(457,970)
Net Transfers From (To) Other Funds	<u>336,961</u>	<u>(142,527)</u>	<u>199,089</u>	<u>(145,028)</u>	<u>87,505</u>	<u>336,000</u>
Capital Grants & Contributions	-	276,548	-	-	-	276,548
Change in Net Position	341,390	723,263	(296,272)	96,354	(108,839)	755,896
Total Net Position - Beginning of Year	<u>(49,942)</u>	<u>12,128,584</u>	<u>3,567,557</u>	<u>335,984</u>	<u>(238,668)</u>	<u>15,743,514</u>
Total Net Position - End of Year	<u>\$ 291,448</u>	<u>\$12,851,847</u>	<u>\$ 3,271,284</u>	<u>\$ 432,338</u>	<u>\$ (347,507)</u>	<u>\$ 16,499,410</u>

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, 2017**

	Housing Authority	Water and Sewer	Telluride Conference Center	Broadband	Non-Major Enterprise Funds	Total
<b>Cash Flows from Operating Activities</b>						
Receipts from Customers	\$ 2,292,444	\$ 2,688,480	\$ -	\$ 1,927,518	\$ 959,914	\$ 7,868,356
Operating Contributions	-	-	-	-	50,880	50,880
Payments to Suppliers	(897,898)	(1,172,357)	(189,276)	(1,353,837)	(587,497)	(4,200,866)
Payments to Employees	(250,949)	(341,825)	-	(252,007)	(452,218)	(1,296,999)
Other Receipts	135,096	-	-	-	-	135,096
Net Cash Provided by (Used in) Operating Activities	1,278,693	1,174,298	(189,276)	321,674	(28,922)	2,556,466
<b>Cash Flows from Non-capital Financing Activities</b>						
Transfers to Other Funds	(232,578)	(142,527)	-	(145,028)	(32,899)	(553,032)
Transfers from Other Funds	474,477	-	199,089	-	120,404	793,970
Net Cash Provided by (Used in) Noncapital Financing Activities	241,899	(142,527)	199,089	(145,028)	87,505	240,938
<b>Cash Flows from Capital and Related Financing Activities</b>						
Principal Payments - Notes and Bonds	(357,073)	-	-	-	-	(357,073)
Interest Expense	(406,401)	-	-	-	-	(406,401)
Loan Fees	(1,750)	-	-	-	-	(1,750)
Purchase of Major Repairs and Replacements	(153,692)	-	-	-	-	(153,692)
Purchase of Capital Assets	(45,802)	(382,628)	(5,564)	(131,574)	-	(565,568)
Capital Grants and Contributions	-	276,548	-	-	-	276,548
Net Cash Used in Capital and Related Financing Activities	(964,718)	(106,080)	(5,564)	(131,574)	-	(1,207,937)
<b>Cash Flows from Investing Activities</b>						
Purchase of Investments	(150,724)	-	-	-	-	(150,724)
Interest Received	212	-	-	-	-	212
Net Cash Used in Investing Activities	(150,512)	-	-	-	-	(150,512)
Net Increase in Cash and Cash Equivalents	405,361	925,690	4,249	45,072	58,583	1,438,956
Cash and Cash Equivalents, Beginning of Year	2,258,393	2,541,632	16,119	287,158	69,288	5,172,591
Cash and Cash Equivalents, End of Year	\$ 2,663,755	\$ 3,467,322	\$ 20,368	\$ 332,230	\$ 127,871	\$ 6,611,547

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, 2017**

	<u>Housing Authority</u>	<u>Water and Sewer</u>	<u>Telluride Conference Center</u>	<u>Broadband</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 568,253	\$ 589,242	\$ (495,362)	\$ 241,382	\$ (196,344)	\$ 707,171
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Depreciation and Amortization	612,832	686,267	301,836	66,276	18,611	1,685,822
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	11,926	(102,298)	-	(18,901)	30,719	(78,554)
(Increase) Decrease in Deferred Revenue	53,740	-	-	-	-	53,740
Increase (Decrease) in Net Pension Liability	13,024	56,342	-	55,198	140,454	265,018
(Increase) Decrease in Prepaid Items	-	-	(20,751)	(2,016)	-	(22,767)
Increase (Decrease) in Accounts Payable	20,902	75,877	25,000	(22,080)	(16,006)	83,693
Increase (Decrease) in Accrued Expenses	(1,541)	(131,632)	-	1,265	-	(131,908)
Increase (Decrease) in Accrued Revenues	-	-	-	(798)	(6,355)	(7,153)
Increase (Decrease) in Deposits	(443)	500	-	1,348	-	1,405
	<u>\$ 710,440</u>	<u>\$ 585,056</u>	<u>\$ 306,085</u>	<u>\$ 80,292</u>	<u>\$ 167,423</u>	<u>\$ 1,849,296</u>
Total						
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,278,693</u>	<u>\$ 1,174,298</u>	<u>\$ (189,276)</u>	<u>\$ 321,674</u>	<u>\$ (28,922)</u>	<u>\$ 2,556,466</u>

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, 2017

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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.

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

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**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 capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. 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:

<u>Asset Class</u>	<u>Useful Life</u>
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 2017 budget by increasing budgeted expenditures for the various funds by \$288,400. 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	\$ 2,243,398	\$ 772,782	\$ 500,926	\$ 1,704,488	\$ 2,201,536	\$ 409,992
Add (Deduct)						
Depreciation	(612,832)	(18,611)	(301,836)	(66,276)	(686,267)	-
Pension Expense	(18,543)	(140,454)	-	(55,198)	(56,342)	-
Capital Outlay	48,053	-	5,564	131,574	382,628	-
Debt Principal Payments	357,073	-	-	-	-	-
Budgetary Basis	2,017,150	613,717	204,653	1,714,588	1,841,555	409,992
Final Budget	2,122,091	632,530	223,467	1,788,999	2,104,058	482,032
Variance	\$ 104,941	\$ 18,813	\$ 18,814	\$ 74,411	\$ 262,503	\$ 72,040

**Budgeted Expenditures in Excess of Appropriations**

Expenditures for the Tourism Fund exceeded budget by \$62,906, which may be a violation of the Town’s Charter. The budget overage resulted from increases in lodging and restaurant tax collections, as well as business licenses revenues, which is remitted to MTI and the Airline Guaranty by contractual agreement.

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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, 2017, the carrying amount of the Town's deposits was \$7,988,898 and the bank balances were \$8,260,865. Of this amount, \$457,549 is covered by federal depository insurance and \$7,803,316 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	7,988,898
Carrying amount of investments	9,911,478
	<u>\$ 17,902,376</u>
<b>Statement of Net Position:</b>	
Cash	\$ 8,862,157
Due to pooled cash	(335)
Deposits	7,190
Investments	7,202,933
Debt service reserve fund	451,261
Bond reserve fund	1,379,169
	<u>\$ 17,902,376</u>

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

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**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, 2017.

Investments by Fair Value Levels	Balance 12/31/2017	Fair Value Measurement		
		Level 1	Level 2	Level 3
<b>Governmental Activities</b>				
US Agency Securities	\$ -	\$ -	\$ -	\$ -
US Government Securities	5,163,644	-	5,163,644	-
Money Market Mutual Funds	4,737,877	-	4,737,877	-
Total	<u>\$ 9,901,520</u>	<u>\$ -</u>	<u>\$ 9,901,520</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, 2017:

Investment Type	Fair Value	Maturity Date
FED Home Loan Banks Bnd (Rated AAA)	249,950	2018
Fannie Mae Note (Rated AAA)	249,792	2018
FED Home Loan Banks Bnd (Rated AAA)	249,466	2018
Federal Farm Credit Bank (Rated AAA)	248,953	2018
FED Home Loan Bank (Rated AAA)	249,880	2018
Freddie Mac (Rated AAA)	248,226	2018
Fannie Mae (Rated AAA)	247,948	2019
FED Home Loan Bank (Rated AAA)	248,000	2019
Freddie Mac (Rated AAA)	248,019	2019
FED Home Loan Bank (Rated AAA)	248,426	2019
FED Home Loan Bank (Rated AAA)	248,011	2019
FED Home Loan Bank (Rated AAA)	247,925	2019
Freddie Mac (Rated AAA)	248,024	2019
Freddie Mac (Rated AAA)	248,239	2019
FED Home Loan Bank (Rated AAA)	248,666	2019
FED Home Loan Bank (Rated AAA)	248,173	2019
Freddie Mac (Rated AAA)	246,315	2020
FED Home Loan Bank (Rated AAA)	248,297	2020
FED Home Loan Bank (Rated AAA)	248,025	2020
Federal Farm Credit Bank (Rated AAA)	245,390	2021
Fannie Mae (Rated AAA)	49,590	2019
Freddie Mac (Rated AAA)	49,605	2019
Freddie Mac (Rated AAA)	49,648	2019
Federal Farm Credit Bank (Rated AAA)	49,078	2021
Total	<u>5,163,644</u>	
First American Prime Obligations Rated AAA/A+1	401,104	2025
First American Prime Obligations Rated AAA/A+1	20	2025
First American Prime Obligations Rated AAA/A+1	451,242	2025
COLOTRUST	9,958	n/a
Money Market Funds (Unrated)	<u>3,885,512</u>	n/a
Total	<u>\$ 9,911,478</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.colotruster.com](http://www.colotruster.com).

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## Note 6 - Note Receivable

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The notes receivable in the amount of \$134,000 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.

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

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 \$234,000. 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 including default. The note receivables were originally booked as unearned revenue to be recognized in the years funds are collected. Interest due on the notes remains unpaid and the notes are in default since June 1, 2015. The Town has notified the issuer of its default and has taken an accounting charge to remove the asset from the Town’s books. The Town continues to look for a remedy through other legal means that it is engaged in.

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

Inter-fund receivables and payables consist of the following as of December 31, 2017:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service	\$ 1,155,454
General Fund	Housing Authority	\$ 537

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, 2017, were as follows:

Transfer From	Transfer To					
	General	Non-Major Governmental Funds	Telluride Conference Center	Housing Authority	Non-Major Enterprise Funds	Total
General Fund	\$ -	\$ 827,846	\$ 199,089	\$ 474,477	\$ 120,404	\$ 1,621,816
Gondola	43,161	-	-	-	-	43,161
Debt Service	357,151	-	-	-	-	357,151
Non-Major Enterprise Funds	32,899	-	-	-	-	32,899
Tourism Fund	37,942	-	-	-	-	37,942
Housing Authority	137,516	-	-	-	-	137,516
Broadband	145,028	-	-	-	-	145,028
Water and Sewer	142,527	-	-	-	-	142,527
<b>Total</b>	<b>\$ 896,224</b>	<b>\$ 827,846</b>	<b>\$ 199,089</b>	<b>\$ 474,477</b>	<b>\$ 120,404</b>	<b>\$ 2,518,040</b>

Transfers are used to move unrestricted revenues of various funds to the General Fund and to move General Fund revenues to other funds to provide subsidies or matching funds for various projects.

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

The Town owns 1 deed restricted condominium. Following is a summary of cumulative costs incurred as of December 31, 2017:

Buildings	Deed Restricted Town Properties	
	Properties	Total
	\$ 278,268	\$ 278,268
<b>Total</b>	<b>\$ 278,268</b>	<b>\$ 278,268</b>

## Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance 12/31/16	Additions	Transfers	Deletions	Balance 12/31/17
Governmental Activities					
Capital Assets Not Being Depreciated					
Land	\$ 2,253,578	\$ -	\$ -	\$ -	\$ 2,253,578
Construction in Progress	355,137	-	(355,137)	-	-
Total Capital Assets Not Being Depreciated	2,608,715	-	(355,137)	-	2,253,578
Capital Assets Being Depreciated					
Buildings and Improvements	10,940,213	1,182,539	22,260	-	12,145,012
Gondola Transit System	20,750,113	1,225,072	332,877	-	22,308,063
Vehicles and Equipment	4,993,179	525,454	-	(9,613)	5,509,019
Infrastructure	28,399,000	-	-	-	28,399,000
Total	65,082,505	2,933,065	355,137	(9,613)	68,361,094
Less Accumulated Depreciation:					
Buildings and Improvements	(3,756,409)	(1,055,287)	-	-	(4,811,695)
Gondola Transit System	(5,155,838)	(538,215)	-	-	(5,694,053)
Infrastructure	(9,580,957)	(370,514)	-	-	(9,951,471)
Vehicles and Equipment	(3,298,793)	(472,606)	-	9,613	(3,761,786)
Total	(21,791,997)	(2,436,621)	-	9,613	(24,219,005)
Capital Assets Being Depreciated, Net	43,290,508	496,444	355,137	-	44,142,089
Total Governmental Activities Capital Assets	\$ 45,899,223	\$ 496,444	\$ -	\$ -	\$ 46,395,667

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

General Government	\$ 61,745
Administration	82,895
Public Safety	134,726
Roads & Bridges	725,887
Equipment & Property Maintenance	310,509
Parking & Transportation	1,120,859
Total	<u>\$ 2,436,621</u>

**Note 9 - Capital Assets (Continued)**

	Balance 12/31/16	Additions	Transfers	Deletions	Balance 12/31/17
Business-type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 160,499	\$ -	\$ -	\$ -	\$ 160,499
Construction in Progress	31,212	15,045	-	-	46,257
Total	<u>191,711</u>	<u>15,045</u>	<u>-</u>	<u>-</u>	<u>206,756</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	24,220,999	45,383	-	-	24,266,382
Water Systems	8,215,175	272,554	-	-	8,487,729
Sewer Systems	7,799,122	57,976	-	-	7,857,098
Broadband Systems	2,099,866	130,940	-	-	2,230,806
Vehicles and Equipment	1,073,053	45,288	-	(12,427)	1,105,914
Total	<u>43,408,215</u>	<u>552,141</u>	<u>-</u>	<u>(12,427)</u>	<u>43,947,929</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(11,242,133)	(880,750)	-	-	(12,122,883)
Water Systems	(3,455,048)	(354,845)	(8,311)	-	(3,818,204)
Sewer Systems	(2,564,179)	(313,159)	(225)	-	(2,877,563)
Cable TV Systems	(1,679,113)	(43,044)	(1,161)	-	(1,723,318)
Vehicles and Equipment	(821,146)	(94,024)	9,697	7,115	(898,359)
Total	<u>(19,761,619)</u>	<u>(1,685,822)</u>	<u>-</u>	<u>7,115</u>	<u>(21,440,326)</u>
Capital Assets Being Depreciated, Net	<u>23,646,596</u>	<u>(1,133,681)</u>	<u>-</u>	<u>(5,312)</u>	<u>22,507,603</u>
Total Business-type Activities Capital Assets	<u>\$ 23,838,307</u>	<u>\$ (1,118,636)</u>	<u>\$ -</u>	<u>\$ (5,312)</u>	<u>\$ 22,714,358</u>

## Note 10 - Long-term Liabilities

### A. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2017 was as follows:

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Tax Supported:					
Series 2005	680,000	-	(680,000)	-	-
Series 2007	1,705,000	-	(1,705,000)	-	-
Series 2009	310,000	-	(310,000)	-	-
Series 2006A	490,000	-	(490,000)	-	-
Series 2014	7,125,000	-	(15,000)	7,110,000	275,000
Self Supported:					
Series 2011	2,370,000	-	(115,000)	2,255,000	115,000
Total General Obligation Bonds	12,680,000	-	(3,315,000)	9,365,000	390,000
Discount/Premiums, Net	544,581	-	(85,628)	458,953	85,628
Compensated Absences	463,965	674,551	(587,347)	551,169	55,117
Total Governmental	13,688,546	674,551	(3,987,975)	10,375,122	530,745
Business-type Activities					
Note Payable	292,600	-	(292,600)	-	-
Revenue Bonds	12,340,000	-	(64,473)	12,275,527	393,738
Total Business-type	12,632,600	-	(357,073)	12,275,527	393,738
Total Long-term Liabilities	\$ 26,321,147	\$ 674,551	\$ (4,345,048)	\$ 22,650,649	\$ 924,483

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. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully retired bond issue.

***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. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully retired bond issue.

***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. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully retired bond issue.

***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. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully retired bond issue.

***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

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

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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			
<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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>\$ 13,131,575</u>	<u>\$ 9,365,000</u>	<u>\$ 3,766,575</u>

The 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.

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

**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. The final maturity was paid on December 1, 2017 and there is no further obligation running with this now fully paid loan.

**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
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
	<u>\$ 14,758,848</u>	<u>\$ 12,275,527</u>	<u>\$ 2,483,321</u>

**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).

	Amount Pledged	Term of Commitment
<b>Governmental Activities:</b>		
Series 11	\$ 2,255,000	2032
Series 14	\$ 7,110,000	2036
<b>Business-type Activities:</b>		
Series 14A Loan	\$ 12,275,527	2024

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

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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 \$459,354 as of December 31, 2017.

Marketing Telluride, Inc. (MTI) provides services to promote the communities of Telluride and Mountain Village. During 2017, 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, 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 2017 was \$1.2 million, which includes an additional funding request of \$28,000 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 2017 was \$1.26 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

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

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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, annually increased by 4% each 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.

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

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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 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 2017, claims from the Town employees and family members were 44.4% 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,

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

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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.

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

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

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.

*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 12/31/2017	For the Year Ended 12/31/2016
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 \$741,542 for the year ended December 31, 2017. The fund breakout is shown below:

<b>Employer Contributions</b>	
Governmental Funds	\$ 606,730
Broadband Fund	28,920
Water/Sewer Fund	38,708
Child Development Fund	41,230
VCA (Affordable Housing) Fund	25,954
<b>Total</b>	<b>\$ 741,542</b>

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

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

At December 31, 2017, The Town of Mountain Village reported a liability of \$13,028,594 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. 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 2015 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	\$ 10,659,996	81.82%
Broadband Fund	508,115	3.90%
Water/Sewer Fund	680,093	5.22%
Child Development Fund	724,390	5.56%
VCA (Affordable Housing) Fund	456,001	3.50%
<b>Total</b>	<b>\$ 13,028,594</b>	<b>100.00%</b>

At December 31, 2016, The Town of Mountain Village proportion was 0.9648373425%, which was a decrease of 0.0186644237% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the recognized pension expenses for the Town and the enterprise funds were as follows:

<b>Pension Expense</b>	
Governmental Funds	\$ 1,948,897
Broadband Fund	84,119
Water/Sewer Fund	95,052
Child Development Fund	181,686
VCA (Affordable Housing) Fund	44,498
<b>Total</b>	<b>\$ 2,354,252</b>

For the year ended December 31, 2017, The Town of Mountain Village recognized pension expense of \$2,354,252. At December 31, 2017, The Town of Mountain Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 231,850	\$ -
Changes of assumptions or other inputs	924,141	(37,677)
Net difference between projected and actual earnings on pension plan investments	1,564,677	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(108,929)
Contributions subsequent to the measurement date	682,161	-
<b>Total</b>	<b>\$ 3,402,828</b>	<b>\$ (146,606)</b>

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

\$682,161 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 2018. 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:

2018	1,447,073
2019	673,676
2020	438,432
2021	14,880
2022	-
Thereafter	-

*Actuarial assumptions* the total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
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 used in the December 31, 2015 valuation 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. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 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.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and

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

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post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and 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 by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by

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

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weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current 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	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non US Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<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 7.25%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25 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:

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 18, 2016.
- 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 3.50%.
- 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.

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

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- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, 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.
- 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.
- 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.

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

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- 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 assumptions and methods, 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 of 7.25 percent 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, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent, 0.25 percent higher compared to the current measurement date.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Collective Net Pension Liability	\$ 1,991,016,000	\$ 1,350,341,000	\$ 819,792,000
Governmental Funds	15,717,676	10,659,996	6,471,683
Broadband Fund	749,193	508,115	308,477
Water/Sewer Fund	1,002,765	680,093	412,884
Child Development Fund	1,068,080	724,390	439,777
VCA (Affordable Housing) Fund	681,665	456,001	280,672
<b>Town of Mountain Village Total</b>	<b>\$ 19,219,378</b>	<b>\$ 13,028,594</b>	<b>\$ 7,913,494</b>

*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).

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

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**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, 2017, were \$309,703. The employer contributions to the 401(k) Plan from the Town for the year ended December 31, 2017 were \$242,882.

**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 is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The Town's contributions to HCTF for the years ending December 31, 2015, 2016 and 2017 were \$56,792, \$59,651, and \$62,061 respectively, equal to their required contributions for each year.

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

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**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 2017 FPPA money purchase plan contributio

Total payroll	\$ 6,540,185
Covered payroll	326,189
Contributions:	
Town	45,667
Employees	<u>26,095</u>
Total	<u>\$ 71,762</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, 2017, the Town contributed \$15,654 on \$26,348 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.

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

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

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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.

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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**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, 2017**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 8,658,505	\$9,407,934	\$ 9,460,884	\$ 52,950
Licenses & Permits	261,655	505,467	566,818	61,351
Intergovernmental	379,334	379,334	374,212	(5,122)
Contributions from Other Entities	103,095	30,922	74,551	43,629
Charges for Services	301,829	388,784	489,267	100,483
Fines & Forfeitures	6,077	6,077	8,282	2,205
Earnings on Deposits & Investments	45,000	45,000	32,522	(12,478)
Miscellaneous	78,568	228,846	84,995	(143,851)
Grants & Contributions	50,000	54,907	10,991	(43,916)
Total Revenues	<u>9,884,063</u>	<u>11,047,271</u>	<u>11,102,521</u>	<u>55,250</u>
Expenditures				
General Government	3,317,206	3,320,198	2,868,664	(451,534)
Public Safety	899,952	897,583	829,791	(67,792)
Roads & Bridges	1,139,163	1,139,255	1,067,792	(71,463)
Equipment & Property Maintenance	2,102,753	2,270,365	1,893,305	(377,060)
Culture & Recreation	625,186	584,889	513,115	(71,774)
Parking & Transportation	257,238	292,098	239,687	(52,411)
Economic Development	962,503	932,653	706,031	(226,622)
Capital Outlay	1,081,138	977,577	940,709	(36,868)
Total Expenditures	<u>10,385,139</u>	<u>10,414,618</u>	<u>9,059,095</u>	<u>(1,355,523)</u>
Excess of Revenues Over Expenditures	<u>(501,076)</u>	<u>632,653</u>	<u>2,043,426</u>	<u>1,410,773</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	-	-
Insurance Proceeds	-	-	149,777	149,777
Transfers In	574,793	799,854	896,224	96,370
Transfers Out	<u>(1,924,033)</u>	<u>(1,877,527)</u>	<u>(1,621,816)</u>	<u>255,711</u>
Total Other Financing Sources (Uses)	<u>(1,349,241)</u>	<u>(1,077,674)</u>	<u>(575,815)</u>	<u>501,858</u>
Net Change in Fund Balance	(1,850,317)	(445,021)	1,467,610	1,912,631
Fund Balance - Beginning of Year	<u>8,152,858</u>	<u>9,446,315</u>	<u>9,446,315</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 6,302,542</u>	<u>\$9,001,294</u>	<u>\$10,913,925</u>	<u>\$1,912,631</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions:				
Mountain Village Owner's Association	\$ 5,694,961	\$ 5,765,667	\$ 4,691,766	\$ (1,073,901)
Telluride Ski and Golf Company	200,000	200,000	186,075	(13,925)
Other Revenues:				
Event Operating Hours Subsidies	-	-	14,157	14,157
Grant Funding	238,100	238,100	237,982	(118)
Miscellaneous	-	-	591	591
Operating Contributions	36,000	36,000	36,000	-
Total Revenues	<u>6,169,061</u>	<u>6,239,767</u>	<u>5,166,571</u>	<u>(1,073,196)</u>
Expenditures				
Gondola:				
Grant Success Fees	14,286	14,286	8,736	(5,550)
Operations	1,817,822	1,816,807	1,646,363	(170,444)
MARRS	81,158	81,158	73,595	(7,563)
Maintenance	1,268,239	1,270,214	1,140,923	(129,291)
Fixed Costs	456,582	456,009	386,335	(69,674)
Contingency	110,214	110,076	-	(110,076)
Major Repairs and Maintenance	620,000	576,265	299,156	(277,109)
Capital Outlay	1,470,000	1,484,424	1,250,866	(233,558)
Chondola:				
Operations	280,760	385,528	319,109	(66,419)
Capital Outlay	-	-	-	-
Total Expenditures	<u>6,119,061</u>	<u>6,194,767</u>	<u>5,125,082</u>	<u>(1,069,685)</u>
Excess of Revenues Over Expenditures	<u>50,000</u>	<u>45,000</u>	<u>41,489</u>	<u>3,511</u>
Other Financing Uses				
Proceeds from Sale of Assets	-	-	1,672	1,672
Transfers To Other Funds	(50,000)	(45,000)	(43,161)	1,839
Other Financing Uses	<u>(50,000)</u>	<u>(45,000)</u>	<u>(41,489)</u>	<u>3,511</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 -  
Tourism Fund**

**For the Fiscal Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales and Marketing:				
Lodging Taxes	\$ 1,457,964	\$ 1,669,000	\$ 1,721,579	\$ 52,579
Restaurant Taxes	354,013	404,000	422,623	18,623
Business License Fees	277,546	315,307	320,857	5,550
Penalties and Interest	10,000	15,000	14,565	(435)
Total Revenues	2,099,523	2,403,307	2,479,623	76,316
Expenditures				
Other Economic Development Contributions	40,000	40,000	27,915	(12,085)
Administrative Expense	2,500	2,500	2,235	(265)
Contract Sales and Marketing Services	982,586	1,122,545	1,153,787	31,242
Airline Guaranty	1,061,336	1,213,730	1,257,744	44,014
Total Expenditures	2,086,422	2,378,775	2,441,681	62,906
Revenues Over				
Expenditures Before Transfers	13,101	24,532	37,942	13,410
Transfers				
Transfer In (Out)	(13,101)	(24,532)	(37,942)	(13,410)
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 Four Years - Pension Schedules will ultimately be shown for the last ten years, information will be added as it becomes available**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town of Mountain Village proportion (share) of the collective net pension liability	0.9648373425%	0.9835017662%	0.9782010094%	0.9833245881%
Town of Mountain Village share of the collective pension liability	\$ 13,028,594	\$ 10,834,069	\$ 8,767,731	\$ 8,091,985
Covered employee payroll	\$ 5,848,122	\$ 5,586,318	\$ 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	222.78%	193.94%	163.51%	154.37%
Plan fiduciary net pension as a percentage of the total pension liability	73.65%	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 Four Years - Pension Schedules will ultimately be shown for the last ten years, information will be added as it becomes available**

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Statutorily Required Contributions	\$ 689,634	\$ 658,668	\$ 632,087	\$ 618,644
Contributions in Relation to the Statutorily Required Contribution	<u>689,634</u>	<u>658,668</u>	<u>632,087</u>	<u>618,644</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	5,848,122	5,586,318	5,362,058	5,241,993
Contributions as a percentage of Employer Covered Payroll	11.8%	11.8%	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, 2017**

	<u>Special Revenue Fund</u>		<b>Vehicle and Equipment Acquisition Fund</b>	<b>Total</b>
	<b>Historical Museum</b>	<b>Capital Projects Fund</b>		
Assets				
Cash	\$ -	\$ 56,092	\$ 340,125	\$ 396,217
Receivables:				
Taxes	92,059	-	-	92,059
Grants	-	-	-	-
Interest	-	-	-	-
Total Assets	<u>92,059</u>	<u>56,092</u>	<u>340,125</u>	<u>488,276</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	-	24,062	2,970	27,032
Due to Pooled Cash	335	-	-	335
Total Liabilities	<u>335</u>	<u>24,062</u>	<u>2,970</u>	<u>27,367</u>
Deferred Inflows of Resources, Property Tax	<u>91,724</u>	<u>-</u>	<u>-</u>	<u>91,724</u>
Fund Balances:				
Assigned	<u>-</u>	<u>32,030</u>	<u>337,155</u>	<u>369,185</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 337,155</u>	<u>\$ 369,185</u>

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, 2017**

	<u>Special Revenue Fund</u>		<b>Vehicle and Equipment Acquisition Fund</b>	<b>Total</b>
	<b>Historical Museum</b>	<b>Capital Projects Fund</b>		
Revenues				
Taxes	\$ 96,066	\$ -	\$ -	\$ 96,066
Grant Revenues	-	-	61,970	61,970
Total Revenues	<u>96,066</u>	<u>-</u>	<u>61,970</u>	<u>158,035</u>
Expenditures				
Culture and Recreation	94,138	-	-	94,138
Vehicles and Equipment	-	-	495,405	495,405
Capital Outlay	-	266,071	-	266,071
Administrative Costs	1,928	-	-	1,928
Total Expenditures	<u>96,066</u>	<u>266,071</u>	<u>495,405</u>	<u>857,541</u>
Revenues Over (Under)				
Expenditures	<u>-</u>	<u>(266,071)</u>	<u>(433,435)</u>	<u>(699,506)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	1,300	1,300
Transfers In (Out)	-	266,071	561,775	827,846
Total Other Financing Sources (Uses)	<u>-</u>	<u>266,071</u>	<u>563,075</u>	<u>829,146</u>
Net Change in Fund Balance	-	-	129,640	129,640
Fund Balance, Beginning of Year	<u>-</u>	<u>32,030</u>	<u>207,515</u>	<u>239,545</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 337,155</u>	<u>\$ 369,185</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 97,906	\$ 97,906	\$ 96,066	\$ (1,840)
Expenditures				
Administrative Costs	1,958	1,958	1,928	(30)
Culture and Recreation	95,948	95,948	94,138	(1,810)
Total Expenditures	97,906	97,906	96,066	(1,840)
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 Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual -  
Vehicle and Equipment Acquisition Fund  
For the Fiscal Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grant Revenues	\$ 56,000	\$ 56,000	\$ 61,970	\$ 5,970
Total Revenues	<u>56,000</u>	<u>56,000</u>	<u>61,970</u>	<u>5,970</u>
Expenditures				
Vehicles and Equipment	591,560	594,160	495,405	(98,755)
Total Expenditures	<u>591,560</u>	<u>594,160</u>	<u>495,405</u>	<u>(98,755)</u>
Revenue Under Expenditures Before Transfers and Other Financing Sources	(535,560)	(538,160)	(433,435)	104,725
Other Financing Sources				
Proceeds from Sale of Assets	-	-	1,300	1,300
Transfers In	692,868	696,248	561,775	(134,473)
Total Other Financing Sources (Uses)	<u>692,868</u>	<u>696,248</u>	<u>563,075</u>	<u>(133,173)</u>
Net Change in Fund Balance	157,308	158,088	129,640	(28,448)
Fund Balance, Beginning of Year	<u>205,488</u>	<u>207,515</u>	<u>207,515</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 362,796</u>	<u>\$ 365,603</u>	<u>\$ 337,155</u>	<u>\$ (28,448)</u>

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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$3,565,001	\$3,565,001	\$3,564,060	\$ (941)
Contributions from Other Entities	204,490	204,335	204,515	180
Interest Income	1,531	2,051	4,302	2,251
Miscellaneous Income	-	-	-	-
Total Revenues	<u>3,771,022</u>	<u>3,771,387</u>	<u>3,772,877</u>	<u>1,490</u>
Expenditures				
Debt Service:				
Administrative Charges	119,344	116,094	104,937	(11,157)
Principal	3,315,000	3,315,000	3,315,000	-
Interest	492,674	493,233	492,608	(625)
Total Expenditures	<u>3,927,018</u>	<u>3,924,327</u>	<u>3,912,545</u>	<u>(11,782)</u>
Income (Loss) Before Transfers	<u>(155,997)</u>	<u>(152,940)</u>	<u>(139,668)</u>	<u>13,272</u>
Other Financing Uses				
Transfers In	-	-	-	-
Transfers Out	<u>(83,909)</u>	<u>(291,348)</u>	<u>(357,151)</u>	<u>(65,803)</u>
Total Other Financing Uses	<u>(83,909)</u>	<u>(291,348)</u>	<u>(357,151)</u>	<u>(65,803)</u>
Net Change in Fund Balances	(239,906)	(444,288)	(496,819)	(52,531)
Fund Balance - Beginning of Year	<u>985,281</u>	<u>947,097</u>	<u>947,097</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 745,376</u>	<u>\$ 502,809</u>	<u>\$ 450,278</u>	<u>\$ (52,531)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grant Revenues	\$ 53,871	\$ 53,871	\$ -	\$ (53,871)
Interest Income	9,950	-	-	-
Total Revenues	<u>63,821</u>	<u>53,871</u>		<u>(53,871)</u>
Expenditures				
Capital Outlay	<u>353,871</u>	<u>353,871</u>	<u>266,071</u>	<u>(87,800)</u>
Income (Loss) Before Other Financing Sources and Uses	(290,050)	(300,000)	(266,071)	33,929
Other Financing Sources and Uses				
Transfer In (Out)	<u>300,000</u>	<u>300,000</u>	<u>266,071</u>	<u>(33,929)</u>
Net Change in Fund Balance	9,950	-	-	-
Fund Balance, Beginning of Year	<u>32,030</u>	<u>32,030</u>	<u>32,030</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 41,980</u>	<u>\$ 32,030</u>	<u>\$ 32,030</u>	<u>\$ -</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Combining Schedule of Net Position -**  
**Housing Authority Enterprise Fund**  
 December 31, 2017

	<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	\$ 1,749,660	\$ 825,653	\$ 88,441	\$ 2,663,755
Investments	253,599	401,104	-	654,703
Accounts Receivable	5,785	-	-	5,785
Prepaid Expenses	1,260	-	-	1,260
<b>Total Current Assets</b>	<b>2,010,304</b>	<b>1,226,757</b>	<b>88,441</b>	<b>3,325,502</b>
<b>Non Current Assets</b>				
Restricted Investments	451,261	-	-	451,261
Notes Receivable	-	-	134,000	134,000
<b>Development Property Held for Sale</b>				
Construction in Progress	2,670	-	-	2,670
Buildings and Improvements	-	278,268	-	278,268
<b>Capital Assets</b>				
Land and Land Improvements	418,271	-	-	418,271
Buildings and Improvements	17,598,235	-	-	17,598,235
Vehicles and Equipment	199,475	-	-	199,475
Less Accumulated Depreciation	(9,088,884)	-	-	(9,088,884)
<b>Total Noncurrent Assets</b>	<b>9,581,028</b>	<b>278,268</b>	<b>134,000</b>	<b>9,993,296</b>
<b>Total Assets</b>	<b>11,591,332</b>	<b>1,505,025</b>	<b>222,441</b>	<b>13,318,798</b>
Deferred Outflow of Resources - Related to Pensions	121,179	-	-	121,179
Deferred Outflow of Resources - Deferred Loss on Refunding	-	-	-	-
Deferred Outflow of Resources	121,179	-	-	121,179
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	79,313	73	-	79,386
Accrued Expenses	3,449	-	-	3,449
Due to Other Funds	537	-	-	537
Deposits	260,863	-	-	260,863
Unearned Revenue	67,718	-	-	67,718
Current Portion of Notes and Bond Payable	393,738	-	-	393,738
<b>Total Current Liabilities</b>	<b>805,617</b>	<b>73</b>	<b>-</b>	<b>805,690</b>
<b>Noncurrent Liabilities</b>				
Net Pension Liability	456,001	-	-	456,001
Revenue Bonds Payable	11,881,789	-	-	11,881,789
<b>Total Liabilities</b>	<b>13,143,406</b>	<b>73</b>	<b>-</b>	<b>13,143,479</b>
Deferred Inflow of Resources - Related to Pensions	5,049	-	-	5,049
<b>Net Position</b>				
Net Investment in Capital Assets	(3,148,431)	-	-	(3,148,431)
Restricted for Debt Service	451,261	401,104	-	852,365
Unrestricted	1,261,225	1,103,848	222,441	2,587,514
<b>Total Net Position</b>	<b>\$ (1,435,944)</b>	<b>\$ 1,504,952</b>	<b>\$ 222,441</b>	<b>\$ 291,449</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, 2017

	<u>Village Court Apartments</u>	<u>Affordable Housing Development</u>	<u>Mortgage Assistance Pool</u>	<u>Total</u>
Operating Revenues				
Rental Income	\$ 2,244,056	\$ 13,165	\$ -	\$ 2,257,221
Other	99,585	-	5,511	105,096
Total Operating Revenues	<u>2,343,641</u>	<u>13,165</u>	<u>5,511</u>	<u>2,362,317</u>
Operating Expenses				
Office Operations	189,623	-	-	189,623
General and Administrative	122,147	-	-	122,147
Utilities	370,625	-	-	370,625
Repair and Maintenance	385,612	113,226	-	498,837
Depreciation and Amortization	612,832	-	-	612,832
Total Operating Expenses	<u>1,680,838</u>	<u>113,226</u>	<u>-</u>	<u>1,794,064</u>
Operating Income (Loss)	<u>662,803</u>	<u>(100,061)</u>	<u>5,511</u>	<u>568,253</u>
Nonoperating Revenue (Expense)				
Interest Income	1,264	-	-	1,264
Major Repairs and Replacements	(153,692)	-	-	(153,692)
Loss on Disposal of Assets	(3,245)	-	-	(3,245)
Interest Expense	(406,401)	-	-	(406,401)
Loan Fees	(1,750)	-	-	(1,750)
Total Nonoperating Revenues (Expenses)	<u>(563,824)</u>	<u>-</u>	<u>-</u>	<u>(563,824)</u>
Income (Loss) Before Transfers	<u>98,979</u>	<u>(100,061)</u>	<u>5,511</u>	<u>4,429</u>
Transfers In	-	474,477	-	474,477
Transfers Out	(118,518)	(18,998)	-	(137,516)
Total Transfers In (Out)	<u>(118,518)</u>	<u>455,479</u>	<u>-</u>	<u>336,961</u>
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>(19,539)</u>	<u>355,419</u>	<u>5,511</u>	<u>341,390</u>
Net Position, Beginning of Year	<u>(1,416,405)</u>	<u>1,149,534</u>	<u>216,930</u>	<u>(49,941)</u>
Net Position, End of Year	<u>\$ (1,435,944)</u>	<u>\$ 1,504,952</u>	<u>\$ 222,441</u>	<u>\$ 291,449</u>

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, 2017

	<b>Village Court Apartments</b>	<b>Affordable Housing Development</b>	<b>Mortgage Assistance Pool</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from Renters	\$ 2,279,279	\$ 13,165	\$ -	\$ 2,292,444
Payments to Suppliers	(784,669)	(113,229)	-	(897,898)
Payments to Employees	(250,949)	-	-	(250,949)
Other Receipts	99,585	-	35,511	135,096
Net Cash Provided by (Used in) Operating Activities	<u>1,343,245</u>	<u>(100,064)</u>	<u>35,511</u>	<u>1,278,693</u>
<b>Cash Flows from Non-capital Financing Activities</b>				
Transfers to Other Funds	(213,580)	(18,998)	-	(232,578)
Transfers from Other Funds	-	474,477	-	474,477
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(213,580)</u>	<u>455,479</u>	<u>-</u>	<u>241,899</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Principal Payments	(357,073)	-	-	(357,073)
Interest Expense	(406,401)	-	-	(406,401)
Major Repairs and Replacements	(153,692)	-	-	(153,692)
Purchase of Capital Assets	(45,802)	-	-	(45,802)
Loan Fees	(1,750)	-	-	(1,750)
Net Cash Used in Capital and Related Financing Activities	<u>(964,718)</u>	<u>-</u>	<u>-</u>	<u>(964,718)</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of Investments	(150,724)	-	-	(150,724)
Interest Received	1,264	(1,052)	-	212
Net Cash Used in Investing Activities	<u>(149,460)</u>	<u>(1,052)</u>	<u>-</u>	<u>(150,512)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>15,488</b>	<b>354,363</b>	<b>35,511</b>	<b>405,361</b>
Cash, Beginning of Year	<u>1,734,173</u>	<u>471,290</u>	<u>52,930</u>	<u>2,258,393</u>
Cash, End of Year	<u><u>\$ 1,749,661</u></u>	<u><u>\$ 825,653</u></u>	<u><u>\$ 88,441</u></u>	<u><u>\$ 2,663,755</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating Income (Loss)	\$ 662,803	\$ (100,061)	\$ 5,511	\$ 568,253
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Depreciation and Amortization	612,832	-	-	612,832
<b>Changes in Assets and Liabilities:</b>				
(Increase) Decrease in Accounts Receivable	(18,074)	-	30,000	11,926
Increase (Decrease) in Net Pension Liability	13,024	-	-	13,024
Increase (Decrease) in Accounts Payable	20,905	(3)	-	20,902
Increase (Decrease) in Accrued Expenses	(1,541)	-	-	(1,541)
Increase (Decrease) in Unearned Revenues	53,740	-	-	53,740
Increase (Decrease) in Deposits	(443)	-	-	(443)
Total Adjustments	<u>680,443</u>	<u>(3)</u>	<u>30,000</u>	<u>710,440</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,343,245</u></u>	<u><u>\$ (100,064)</u></u>	<u><u>\$ 35,511</u></u>	<u><u>\$ 1,278,693</u></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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Rental Income	\$ 2,225,944	\$ 2,225,944	\$ 2,244,056	\$ 18,112
Other	87,225	82,225	99,585	17,360
Total Operating Income	<u>2,313,169</u>	<u>2,308,169</u>	<u>2,343,641</u>	<u>35,472</u>
Operating Expenditures				
Office Operations	202,709	218,794	171,080	(47,714)
General and Administrative	141,667	161,103	122,147	(38,956)
Utilities	394,463	381,950	370,625	(11,325)
Repairs and Maintenance	389,516	412,516	385,612	(26,904)
Contingency	12,554	13,452	-	(13,452)
Total Operating Expenditures	<u>1,140,909</u>	<u>1,187,815</u>	<u>1,049,464</u>	<u>(138,351)</u>
Excess of Operating Revenues Over Operating Expenditures	<u>1,172,260</u>	<u>1,120,354</u>	<u>1,294,177</u>	<u>173,823</u>
Nonoperating Revenues (Expenditures)				
Interest Revenue	1,500	60	1,264	1,204
Interest Expense	(406,401)	(406,401)	(406,401)	-
Loan Fees	-	-	(1,750)	(1,750)
Major Repairs and Replacements	(126,996)	(170,802)	(153,692)	17,110
Capital Outlay	-	-	(48,053)	(48,053)
Loss on Disposal of Assets	-	-	(3,245)	(3,245)
Debt Principal Payments	(357,073)	(357,073)	(357,073)	-
Total Nonoperating Revenues (Expenditures)	<u>(888,970)</u>	<u>(934,216)</u>	<u>(968,950)</u>	<u>(34,734)</u>
Transfers Out	(112,163)	(118,518)	(118,518)	-
Transfers In	-	-	-	-
Total Operating Transfers	<u>(112,163)</u>	<u>(118,518)</u>	<u>(118,518)</u>	<u>-</u>
Net Change in Working Capital	171,127	67,620	206,710	139,090
Working Capital, Beginning of Year	<u>488,982</u>	<u>563,681</u>	<u>563,681</u>	<u>-</u>
Working Capital, End of Year	<u>\$ 660,109</u>	<u>\$ 631,301</u>	<u>770,391</u>	<u>\$ 139,090</u>
Add (Deduct):				
Depreciation and Amortization			(612,832)	
Debt Principal			357,073	
Pension Expense			(18,543)	
Capital Outlay			48,053	
Carryover from Prior Years			<u>(1,980,086)</u>	
Net Position, End of Year, GAAP Basis			<u>\$ (1,435,944)</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, 2017**

	<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	\$ 13,165	\$ 387
Expenditures				
Operating Expenditures	159,526	120,776	113,226	(7,550)
Total Expenditures	159,526	120,776	113,226	(7,550)
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers	(146,748)	(107,998)	(100,061)	7,937
Transfers				
Transfers In	439,888	462,333	474,477	12,144
Transfer Out	(81,761)	(81,761)	(18,998)	62,763
Total Transfers In (Out)	358,127	380,572	455,479	74,907
Net Change in Working Capital	211,379	272,574	355,419	82,845
Working Capital, Beginning of Year	-	-	(1,197,199)	(1,197,199)
Working Capital, End of Year	<u>\$ 211,379</u>	<u>\$ 272,574</u>	(841,780)	<u>\$ (1,114,354)</u>
Add (Deduct):				
Carryover from Prior Years			2,346,733	
Net Position, End of Year, GAAP Basis			<u>\$ 1,504,952</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$ -	\$ -	\$ 5,511	\$ 5,511
Expenditures				
Mortgage Assistance	60,000	60,000	-	60,000
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers	(60,000)	(60,000)	5,511	65,511
Transfers				
Transfers In	60,000	60,000	-	(60,000)
Net Change in Working Capital	-	-	5,511	5,511
Working Capital, Beginning of Year	-	-	35,572	35,572
Working Capital, End of Year	<u>\$ -</u>	<u>\$ -</u>	41,083	<u>\$ 41,083</u>
Add (Deduct):				
Carryover from Prior Years			181,358	
Net Position, End of Year, GAAP Basis			<u>\$ 222,441</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, 2017

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues				
Charges for Services	\$ 2,573,564	\$ 2,712,393	\$ 2,790,778	\$ 78,385
Operating Expenditures				
Operating Costs	1,634,625	1,633,838	1,458,927	(174,911)
Excess of Operating Revenues Over Operating Expenditures	938,939	1,078,555	1,331,851	253,296
Nonoperating Revenues (Expenditures)				
Capital Outlay	(787,513)	(470,220)	(382,628)	87,592
Pension Expense	-	-	-	-
Grants and Contributions	42,000	271,232	276,548	5,316
Total Nonoperating Revenues (Expenditures)	(745,513)	(198,988)	(106,080)	92,908
Transfers Out	(144,604)	(142,527)	(142,527)	-
Net Change in Working Capital	48,822	737,040	1,083,243	346,203
Working Capital, Beginning of Year	1,101,781	2,266,474	2,610,195	343,721
Working Capital, End of Year	<u>\$ 1,150,603</u>	<u>\$ 3,003,514</u>	3,693,438	<u>\$ 689,924</u>
Add (Deduct):				
Depreciation			(686,267)	
Pension Expense			(56,342)	
Capital Outlay			382,628	
Carryover from Prior Years			<u>9,518,389</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 12,851,847</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, 2017

	<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	200,010	203,467	199,089	(4,378)
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	(200,010)	(203,467)	(199,089)	4,378
Nonoperating Expenditures				
Capital Outlay	(20,000)	(20,000)	(5,564)	14,436
Non-Operating Revenues (Expenses)	(20,000)	(20,000)	(5,564)	14,436
Transfers				
Transfers In	220,010	223,467	199,089	(24,378)
Total Operating Transfers	220,010	223,467	199,089	(24,378)
Working Capital, Beginning of Year	1,318	1,318	1,318	-
Working Capital, End of Year End of Year	<u>\$ 1,318</u>	<u>\$ 1,318</u>	1,318	<u>\$ -</u>
Add (Deduct):				
Depreciation			(301,836)	
Capital Outlay			5,564	
Carryover from Prior Years			<u>3,566,239</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 3,271,284</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) -  
Broadband Enterprise Fund**  
For the Fiscal Year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for Sales and Services	\$ 1,842,427	\$ 1,883,094	\$ 1,945,869	\$ 62,775
Total Revenues	<u>1,842,427</u>	<u>1,883,094</u>	<u>1,945,869</u>	<u>62,775</u>
Operating Expenditures				
Cost of Sales and Services	1,601,001	1,659,499	1,582,958	76,541
Contingency	<u>3,000</u>	<u>3,000</u>	<u>55</u>	<u>2,945</u>
Total Expenditures	<u>1,604,001</u>	<u>1,662,499</u>	<u>1,583,014</u>	<u>79,485</u>
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	<u>238,426</u>	<u>220,595</u>	<u>362,856</u>	<u>142,261</u>
Nonoperating Expenditures				
Capital Outlay	(111,500)	(126,500)	(131,574)	(5,074)
Total Non-Operating Expenditures	<u>(111,500)</u>	<u>(126,500)</u>	<u>(131,574)</u>	<u>(5,074)</u>
Transfers				
Transfers Out	<u>(141,895)</u>	<u>(145,028)</u>	<u>(145,028)</u>	<u>-</u>
Net Change in Working Capital	(14,969)	(50,933)	86,254	137,187
Working Capital, Beginning of Year	<u>115,618</u>	<u>96,430</u>	<u>101,970</u>	<u>5,540</u>
Working Capital, End of Year	<u>\$ 100,649</u>	<u>\$ 45,497</u>	188,224	<u>\$ 142,727</u>
Add (Deduct):				
Capital Outlay			131,574	
Pension Expense			(55,198)	
Depreciation			(66,276)	
Carryover from Prior Years			<u>234,014</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 432,338</u>	

See the accompanying independent auditor's report.

**Town of Mountain Village**

**Combining Statement of Net Position -  
Nonmajor Enterprise Funds  
December 31, 2017**

	<b>Child Development</b>	<b>Parking Services</b>	<b>Total</b>
<b>Current Assets</b>			
Cash	\$ 4,107	\$ 123,766	\$ 127,872
Accounts Receivable	12,934	38,504	51,438
<b>Total Current Assets</b>	<b>17,040</b>	<b>162,270</b>	<b>179,310</b>
<b>Capital Assets</b>			
Buildings and Improvements	199,368	-	199,368
Vehicles and Equipment	27,650	-	27,650
Less Accumulated Depreciation	(179,090)	-	(179,090)
<b>Total Capital Assets</b>	<b>47,928</b>	<b>-</b>	<b>47,928</b>
<b>Total Assets</b>	<b>64,969</b>	<b>162,270</b>	<b>227,238</b>
Deferred Outflow of Resources - Related to Pensions	192,998	-	192,998
<b>Current Liabilities</b>			
Accounts Payable	3,901	16,061	19,962
Accrued Expenses	8,889	2,200	11,089
Unearned Revenue	4,250	-	4,250
<b>Total Current Liabilities</b>	<b>17,040</b>	<b>18,260</b>	<b>35,300</b>
<b>Noncurrent Liabilities</b>			
Net Pension Liability	724,390	-	724,390
<b>Total Liabilities</b>	<b>741,430</b>	<b>18,260</b>	<b>759,690</b>
Deferred Inflow of Resources - Related to Pensions	8,056	-	8,056
<b>Net Position</b>			
Net Investment in Capital Assets	47,928	-	47,928
Unrestricted	(539,447)	144,009	(395,438)
<b>Total Net Position</b>	<b>\$ (491,519)</b>	<b>\$ 144,009</b>	<b>\$ (347,510)</b>

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, 2017**

	<b>Child Development</b>	<b>Parking Services</b>	<b>Total</b>
Operating Revenues			
Charges for Sales and Services	\$ 434,820	\$ 480,887	\$ 915,707
Operating Grants and Contributions	38,650	12,230	50,880
Other Revenues	19,843	-	19,843
Total Operating Revenues	<u>493,313</u>	<u>493,116</u>	<u>986,429</u>
Operating Expenses			
Cost of Sales and Services	754,171	409,992	1,164,163
Depreciation Expense	18,611	-	18,611
Total Operating Expenses	<u>772,782</u>	<u>409,992</u>	<u>1,182,774</u>
Operating Gain (Loss)	<u>(279,469)</u>	<u>83,124</u>	<u>(196,344)</u>
Non-operating Revenues (Expenses)			
Grant Proceeds	-	-	-
Pension Expense	-	-	-
Total Non-Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Profit/Loss Before Capital Contributions and Transfers	(279,469)	83,124	(196,344)
Transfers			
Transfers In	120,404	-	120,404
Transfers Out	-	(32,899)	(32,899)
Total Operating Transfers	<u>120,404</u>	<u>(32,899)</u>	<u>87,505</u>
Changes in Net Position	(159,065)	50,225	(108,839)
Net Position, Beginning of Year	<u>(332,454)</u>	<u>93,784</u>	<u>(238,670)</u>
Net Position, End of Year	<u>\$ (491,519)</u>	<u>\$ 144,009</u>	<u>\$ (347,509)</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, 2017**

	<b>Child Development</b>	<b>Parking Services</b>	<b>Total</b>
Cash Flows From Operating Activities:			
Operating Contributions	\$ 38,650	\$ 12,230	\$ 50,880
Cash Receipts	466,093	493,821	959,914
Payments to Suppliers	(252,204)	(335,293)	(587,497)
Payments to Employees	(368,937)	(83,281)	(452,218)
	(116,398)	87,476	(28,922)
Net Cash Used in Operating Activities			
Cash Flows from Non-capital Financing Activities:			
Transfers (to)/from Other Funds	120,404	(32,899)	87,505
	120,404	(32,899)	87,505
Net Cash Provided by Noncapital Financing Activities			
Cash Flows from Capital and Related Activities			
Capital Grants	-	-	-
Purchase of Capital Assets	-	-	-
	-	-	-
Net Cash Used in Capital and Related Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	4,006	54,577	58,583
Cash and Cash Equivalents, Beginning of Year	100	69,189	69,289
End of Year	\$ 4,106	\$ 123,766	\$ 127,872
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating Gain (Loss)	(279,469)	83,124	(196,344)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities			
Depreciation	18,611	-	18,611
(Increase) Decrease in Accounts Receivable	13,555	17,164	30,719
Increase (Decrease) in Net Pension Liability	140,454	-	140,454
Increase (Decrease) in Unearned Revenues	(2,125)	(4,230)	(6,355)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(7,424)	(8,582)	(16,006)
	(116,398)	87,476	(28,922)
Net Cash Used in Operating Activities	\$ (116,398)	\$ 87,476	\$ (28,922)

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions:				
Contributions/Shared Expense from Other Entities	\$ 11,895	\$ 7,000	\$ 12,230	\$ 5,230
Other Revenues:				
Parking Permits	12,000	12,000	12,548	548
Parking Fines	40,000	30,000	10,156	(19,844)
Parking Revenues	236,638	382,900	458,183	75,283
Total Revenues	<u>300,533</u>	<u>431,900</u>	<u>493,116</u>	<u>61,216</u>
Expenditures				
Parking Services	144,942	179,842	174,264	(5,578)
Gondola Parking Garage	57,445	62,445	76,389	13,944
Surface Lots	21,760	54,900	63,794	8,894
Heritage Parking Garage	100,225	109,045	89,744	(19,301)
Meadows Parking	-	1,000	1,000	-
Total Expenditures	<u>324,372</u>	<u>407,232</u>	<u>405,192</u>	<u>(2,040)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,839)</u>	<u>24,668</u>	<u>87,924</u>	<u>63,256</u>
Nonoperating (Expenditures) Revenues				
Capital Outlay	(94,800)	(74,800)	(4,800)	70,000
Transfers from Other Funds	147,759	83,031	-	(83,031)
Transfers to Other Funds	(29,120)	(32,899)	(32,899)	-
Other Financing Sources (Uses), Net	<u>23,839</u>	<u>(24,668)</u>	<u>(37,699)</u>	<u>(13,031)</u>
Change in Fund Balance	-	-	50,225	50,225
Fund Balance, Beginning of Year	<u>18,403</u>	<u>93,784</u>	<u>93,784</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 18,403</u>	<u>\$ 93,784</u>	<u>\$ 144,009</u>	<u>\$ 50,225</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, 2017**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Operating Revenues				
Charges for Services	\$ 438,035	\$ 448,871	\$ 434,820	\$ (14,051)
Other Revenues	12,000	12,000	19,843	7,843
Grant Proceeds	20,000	37,450	38,650	1,200
Total Revenues	470,035	498,321	493,313	(5,008)
Operating Expenditures				
Operating Costs	615,303	632,530	613,717	(18,813)
Deficiency of Operating Revenues Under Operating Expenditures	(145,268)	(134,209)	(120,404)	13,805
Nonoperating (Expenditures) Revenues				
Capital Outlay	-	-	-	-
Nonoperating (Expenditures) Revenues, Net	-	-	-	-
Transfers In	145,268	134,209	120,404	(13,805)
Net Change in Working Capital	-	-	-	-
Working Capital, Beginning of Year	-	-	(3,155)	(3,155)
Working Capital, End of Year	\$ -	\$ -	(3,155)	\$ -
Add (Deduct):				
Depreciation			(18,611)	
Pension Expense			(140,454)	
Carryover from Prior Years			(329,299)	
Net Position, End of Year, GAAP Basis			\$ (491,519)	

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 2017

This Information From The Records Of Town of Mountain Village	Prepared By: Julie Vergari Phone: (970)369-6448
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	-
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	975,249
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	-
2. General fund appropriations	587,690	b. Snow and ice removal	92,543
3. Other local imposts (from page 2)	410,172	c. Other	-
4. Miscellaneous local receipts (from page 2)	-	d. Total (a. through c.)	92,543
5. Transfers from toll facilities	-	4. General administration & miscellaneous	-
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	-
a. Bonds - Original Issues	-	6. Total (1 through 5)	1,067,792
b. Bonds - Refunding Issues	-	<b>B. Debt service on local obligations:</b>	
c. Notes	-	1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	-
7. Total (1 through 6)	997,862	b. Redemption	-
<b>B. Private Contributions</b>	-	c. Total (a. + b.)	-
<b>C. Receipts from State government</b> (from page 2)	69,930	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	-	a. Interest	-
<b>E. Total receipts (A.7 + B + C + D)</b>	1,067,792	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>	1,067,792

**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
	-	1,067,792	1,067,792	-	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	279,353	a. Interest on investments	-
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	130,819	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.)	130,819	h. Other	-
c. Total (a. + b.)	410,172	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	64,421	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	5,510	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.)	5,510	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	69,930	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	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, 2017**

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>2017</u>	<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>
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 36,036,460	\$ 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
Restricted for:										
Debt Service	450,278	947,096	743,941	750,647	734,651	1,033,003	1,056,461	1,023,210	1,293,186	1,097,281
Emergencies	641,878	619,295	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740
Unrestricted	<u>3,216,687</u>	<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>
Total Net Position	<u>40,345,303</u>	<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>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	10,436,162	11,330,752	12,230,261	11,694,046	13,318,565	13,681,119	15,789,269	19,000,536	22,002,632	21,023,208
Restricted for:										
Capital Projects	-	-	-	-	-	-	-	-	295,466	974,936
Debt Service	852,366	850,109	850,160	850,023	450,000	450,077	450,062	453,806	449,231	-
Unrestricted	<u>5,210,881</u>	<u>3,562,653</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>
Total Net Position	<u>16,499,409</u>	<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>
<b>Primary Government:</b>										
Net Investment in Capital Assets	46,472,622	43,702,865	42,993,537	40,749,545	40,850,892	40,381,904	42,031,039	45,634,947	47,900,240	32,382,317
Restricted for:										
Debt Service	1,302,643	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
Capital Projects	-	-	-	-	-	-	-	-	295,466	974,936
Emergencies	641,878	619,295	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740
Unrestricted	<u>8,427,568</u>	<u>6,435,292</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>
Total Net Position	<u>56,844,711</u>	<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>

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

TABLE A-2

	<u>2017</u>	<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>
Primary Government:										
Program Expenses:										
Governmental Activities:										
General Government	\$ 13,988,003	\$ 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
Public Safety	964,517	947,987	899,441	926,589	1,211,029	930,812	941,734	956,624	1,002,641	991,345
Culture and Recreation	607,253	538,001	485,452	487,552	430,976	623,271	673,324	685,898	491,755	349,280
Economic Development	3,145,477	3,110,718	2,681,472	2,348,837	2,220,203	1,433,224	1,307,533	1,173,179	1,072,877	1,402,860
Total Governmental Activities Expenses	<u>18,705,250</u>	<u>19,515,286</u>	<u>16,799,937</u>	<u>15,877,325</u>	<u>16,678,773</u>	<u>16,380,641</u>	<u>16,455,020</u>	<u>15,360,557</u>	<u>18,262,728</u>	<u>21,839,951</u>
Business-type Activities:										
Housing Authority	2,358,389	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
Water & Sewer	2,201,536	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
Telluride Conference Center	500,926	498,242	495,140	416,111	416,067	449,473	442,267	539,740	1,042,216	1,149,843
Daycare Program	772,782	605,668	572,489	567,180	563,955	574,001	569,756	582,369	433,154	371,074
Parking Services	405,192	286,610	280,298	328,928	288,821	259,665	354,796	307,891	-	-
Cable TV	1,704,488	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
Regional Communication System	-	-	-	-	193,646	210,346	216,768	273,699	202,597	220,961
Total Business-type Activities Expenses	<u>7,943,312</u>	<u>7,486,915</u>	<u>7,240,654</u>	<u>7,302,922</u>	<u>7,185,143</u>	<u>7,327,128</u>	<u>9,848,870</u>	<u>7,323,463</u>	<u>8,568,162</u>	<u>7,654,818</u>
Total Primary Government Expenses	<u>26,648,562</u>	<u>27,002,201</u>	<u>24,040,591</u>	<u>23,180,248</u>	<u>23,863,916</u>	<u>23,707,769</u>	<u>26,303,890</u>	<u>22,684,020</u>	<u>26,830,890</u>	<u>29,494,769</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	523,332	405,889	463,438	332,853	598,790	686,119	820,898	756,085	679,083	1,353,068
Public Safety	10,625	2,765	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896
Transportation	14,157	7,029	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473
Economic Development	1,225,480	847,437	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059
Total Charges for Services	<u>1,773,594</u>	<u>1,263,120</u>	<u>1,314,128</u>	<u>1,130,999</u>	<u>1,864,273</u>	<u>1,299,371</u>	<u>1,398,226</u>	<u>1,494,389</u>	<u>1,581,050</u>	<u>2,447,496</u>
Operating Grants and Contributions	5,187,988	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
Capital Grants and Contributions	209,970	986,478	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081
Total Governmental Activities Program Revenues	<u>7,171,552</u>	<u>7,353,861</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>
Business-type Activities:										
Housing Authority:										
Charges for Services	2,257,221	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
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	147,708	732,292	-	-	-
Water & Sewer										
Charges for Services	2,790,778	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
Capital Grants and Contributions	276,548	42,960	173,002	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761
Telluride Conference Center										
Charges for Services	-	-	-	-	-	-	-	76	421,774	494,103
Operating Grants and Contributions	-	-	-	-	-	-	14,200	-	-	-
Child Development:										
Charges for Services	454,663	478,042	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145
Operating Grants and Contributions	38,650	46,522	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252
Capital Grants and Contributions	-	-	-	9,240	-	-	-	32,050	159,724	-
Broadband										
Charges for Services	1,945,869	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
Parking Services:										
Charges for Services	480,887	397,478	494,359	376,729	311,311	272,803	251,935	170,877	-	-
Operating Grants and Contributions	12,230	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
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	<u>8,256,845</u>	<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>
Total Primary Government Program Revenues	<u>15,428,397</u>	<u>14,873,154</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>

Net (Expense)/Revenues:										
Governmental Activities	(11,533,698)	(12,161,425)	(10,844,041)	(10,380,422)	(10,756,777)	(11,312,063)	(11,192,505)	(10,236,748)	(13,132,038)	(12,220,146)
Business-type Activities	<u>313,534</u>	<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>
Total Primary Government Net Expense	<u>(11,220,165)</u>	<u>(12,129,048)</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>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	7,334,897	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
Specific Ownership	325,149	291,693	303,008	287,077	258,341	219,426	211,892	211,838	227,304	261,106
Sales and Use	5,460,964	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
Lodging	1,721,579	1,638,909	1,502,265	1,203,169	1,082,424	872,113	871,063	782,576	661,853	767,514
Restaurant	422,623	412,054	367,006	314,825	274,993	246,473	243,948	224,278	205,006	207,566
Miscellaneous	100,150	90,656	114,614	144,401	126,629	116,976	152,874	107,955	471,785	175,243
Grants and Contributions Not Restricted to Specific Programs	1,672	8,172	40,534	43,990	-	-	-	-	2,575,862	-
Interest Earnings	36,824	49,223	62,211	94,542	9,122	65,634	56,860	87,025	55,183	924,678
Gain on Sale of Capital Assets	-	-	-	-	-	-	7,807	-	95,000	81,459
Transfers	<u>(336,000)</u>	<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>
Total Governmental Activities General Revenues	<u>15,067,857</u>	<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>
Business-type Activities:										
Miscellaneous	105,096	59,251	72,856	389,133	384,538	352,202	308,442	246,270	210,632	-
Investment Earnings	1,264	52	72	179	470	931	905	1,321	7,429	45,466
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	(6,117)	-	7,306	7,122
Contributions	-	-	-	-	-	-	-	-	-	-
Transfers	<u>336,000</u>	<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>
Total Business-type Activities General Revenues	<u>442,361</u>	<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>
Total Primary Government General Revenues and Transfers	<u>15,510,218</u>	<u>14,415,421</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>
Change in Net Position:										
Governmental Activities	3,534,159	1,874,223	3,506,248	2,543,555	3,450,126	859,307	1,323,876	1,032,794	(709,721)	116,296
Business-type Activities	<u>755,894</u>	<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>
Total Primary Government	<u>\$ 4,290,053</u>	<u>\$ 2,286,373</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>

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

**TABLE A-3**

Function/Program:	<u>2017</u>	<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>
<b>Governmental Activities:</b>										
General Government Administration	\$ 523,332	\$ 405,889	\$ 463,438	\$ 332,853	\$ 598,790	\$ 686,119	\$ 820,898	\$ 756,085	\$ 679,083	\$ 1,353,068
Public Safety	10,625	2,765	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896
Parking & Transportation	14,157	7,029	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473
Economic Development	1,225,480	847,437	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059
Operating Grants and Contributions	5,187,988	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
Capital Grants and Contributions	209,970	986,478	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081
Total Governmental Activities	<u>7,171,552</u>	<u>7,353,861</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>
<b>Business-type Activities:</b>										
Housing Authority:										
Charges for Services	2,257,221	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
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	147,708	732,292	-	-	-
Water & Sewer										
Charges for Services	2,790,778	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
Operating Grants and Tap Fee Contributions	276,548	42,960	173,002	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761
Telluride Conference Center										
Charges for Services	-	-	-	-	-	-	-	76	421,774	494,103
Operating Grants and Tap Fee Contributions	-	-	-	-	-	-	14,200	-	-	-
Daycare Program:										
Charges for Services	454,663	478,042	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145
Operating Grants and Contributions	38,650	46,522	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252
Capital Grants and Contributions	-	-	-	9,240	-	-	-	32,050	159,724	-
Broadband										
Charges for Services	1,945,869	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
Parking Services:										
Charges for Services	480,887	397,478	494,359	376,729	311,311	272,803	251,935	170,877	-	-
Operating Grants and Contributions	12,230	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
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	<u>8,256,845</u>	<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>
Total Primary Government	<u>\$ 15,428,397</u>	<u>\$ 14,873,154</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>

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

**TABLE A-4**

	<u>2017</u>	<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>
General Fund:										
Restricted for:										
Long-term Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergencies	641,878	619,295	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740
Non-spendable	264,540	288,447	287,930	322,325	395,397	34,385	251,876	325,498	-	-
Unassigned	8,433,159	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
Total Fund Balance	<u>9,339,578</u>	<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>
All Other Governmental Funds:										
Restricted for:										
Debt Service	450,278	947,096	743,941	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280
Capital Projects	-	-	-	-	-	-	-	-	-	(1,588,877)
Assigned	1,943,532	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>2,393,809</u>	<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>
Total Governmental Funds										
Restricted for:										
Long-term Receivables	-	-	-	-	-	-	-	-	-	-
Debt Service	450,278	947,096	750,647	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280
Capital Projects	-	-	-	-	-	-	-	-	-	(1,588,877)
Emergencies	641,878	619,295	536,090	536,090	532,144	501,617	502,267	522,750	329,305	537,740
Non-spendable	264,540	288,447	322,325	322,325	395,397	34,385	251,876	325,498	-	-
Assigned	1,943,532	239,544	91,938	91,938	20,346	102,710	48,623	11,424	-	-
Unassigned, Reported in:										
General Fund	8,433,159	8,538,573	8,185,605	6,253,526	5,709,655	3,324,779	2,612,323	1,448,541	2,002,857	3,563,981
Other Funds	-	-	-	-	-	-	-	-	-	15,428,143
Total Fund Balances	<u>\$ 11,733,387</u>	<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>
Percent change from previous year	<u>10.3%</u>	<u>7.5%</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>

(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>2017</u>	<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>
<b>Revenues:</b>										
Taxes	\$ 15,265,211	\$ 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
Licenses and Permits	887,675	599,560	631,681	545,126	762,552	417,710	432,166	464,527	549,088	961,058
Intergovernmental	374,212	377,290	375,754	363,555	440,285	415,315	455,538	445,252	401,778	441,801
Charges for Services	503,424	275,112	357,801	284,648	736,705	441,139	494,218	554,579	509,067	1,036,903
Fines and Forfeitures	8,282	11,157	7,146	4,093	2,725	(558)	5,156	25,578	121,117	54,896
Investment Earnings	36,824	49,223	62,211	94,543	41,151	65,634	56,860	87,025	55,183	919,904
Grants and Contributions	5,503,850	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	100,150	90,656	114,614	97,266	108,789	142,742	152,874	115,770	471,785	179,243
Total Revenue	<u>22,679,628</u>	<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>
<b>Expenditures:</b>										
<b>Current:</b>										
General Government	9,943,665	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
Public Safety	829,791	828,338	811,016	714,239	765,603	838,821	850,149	870,536	1,002,641	954,082
Culture and Recreation	607,253	538,001	485,452	487,552	434,215	574,777	673,324	685,898	491,755	347,373
Economic Development	3,145,477	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
Capital Outlay	2,953,051	1,950,973	1,343,475	954,735	952,990	163,233	425,183	376,793	3,558,299	3,317,780
<b>Debt service:</b>										
Administrative Charges	109,099	119,633	119,254	113,844	114,780	114,912	140,822	90,412	-	-
Bond Issuance Costs	-	-	-	120,673	-	-	-	-	-	-
Principal	3,315,000	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
Interest	492,608	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>21,395,944</u>	<u>20,643,157</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>
Excess of Revenues Over (Under) Expenditures	<u>1,283,684</u>	<u>1,058,650</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>
<b>Other Financing Sources (Uses):</b>										
Transfers In	1,724,070	1,303,273	1,710,628	1,579,663	1,787,359	856,571	890,208	611,163	1,677,264	2,340,072
Transfers Out	(2,060,070)	(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)
Payments of Refunded Bonds	-	-	-	(7,445,847)	-	-	(3,025,000)	-	-	-
Insurance Proceeds	149,777	-	-	-	-	-	-	-	-	-
Issuance of Refunded Bonds	-	-	-	7,571,396	-	-	3,025,000	-	-	-
Proceeds from Sale of Capital Assets	2,972	8,172	40,534	43,990	1,685	5,563	7,807	-	95,000	81,459
Total Other Financing Sources (Uses)	<u>(183,251)</u>	<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>
Net Change in Fund Balances	<u>\$ 1,100,432</u>	<u>\$ 746,351</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>
<b>Debt Service as a Percent of Non-capital Expenditures</b>	<u>20.6%</u>	<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>

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

**TABLE A-6**

<u>Year</u>	<u>Property</u>	<u>Specific Ownership</u>	<u>Sales</u>	<u>Use and Cigarette</u>	<u>Lodging</u>	<u>Restaurant</u>	<u>Penalties and Interest</u>	<u>Total</u>
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 (1)	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
2017	7,334,897	325,149	4,270,722	1,184,263	1,720,340	421,623	8,218	15,265,211
Change								
2008-2017	14.6%	24.5%	75.8%	-23.7%	124.2%	103.1%	-81.9%	30.9%
2008-2015	10.2%	16.0%	57.0%	-63.3%	95.7%	76.8%	-40.5%	16.9%
2013-2017	-4.7%	25.9%	44.5%	-3.7%	58.9%	53.3%	-69.6%	12.9%

(1) 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>
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
2017	2,790,778	276,548	1,945,869	454,663	480,887	2,257,221	-	8,205,966

**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	
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
2017	1,458,927	1,583,014	613,717	405,192	1,181,232	199,089	382,628	131,574	-	-	201,745	5,564	6,162,683

**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>
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	2,760,768,654	13.589	294,011,170	10.6%
2018	2017	218,489,561	2,683,621,949	91,328,149	23,321,304	400,206	155,371,444	2,993,839,865	13.717	289,947,030	9.7%

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	San Miguel Authority of Regional Transportation	Southwestern Water Conservation District	Telluride Hospital District
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	0.750	0.395	2.280
2018	13.384	-	0.333	13.717	1.904	2.940	10.870	2.830	11.059	0.150	0.750	0.407	2.299

Source: San Miguel County Treasurer's Office

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

**TABLE B-3**

Taxpayer	Type of Business	2017			2008		
		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	\$ 15,019,680	1	6.1%	\$ 18,608,360	1	7.7%
TSG Assets Holdings	Ski Area Owner and Operator	9,971,730	2	4.1%	-		0.0%
Yellow Brick Road Company LLC	Private Property Owner	3,889,730	3	1.6%	-		0.0%
AMMV Investments, LLC / Club Telluride LLC	Residential Ownership Club	2,593,610	4	1.1%	5,373,800	2	2.2%
Club Telluride Company I LLC	Residential Ownership Club	2,216,080	5	0.9%	-		0.0%
Northern Trust NA AS TRTEE ET AL	Financial Institution	2,115,760	6	0.9%	-		0.0%
Bildor Real Estate LTD		1,848,750	7	0.8%	-		0.0%
Telluride 331 LLC	Real Estate Developer	1,554,050	8	0.6%	-		0.0%
107 ER LLC		1,553,260	9	0.6%	-		0.0%
Telluride LLC	Private Property Owner	1,495,460	10	0.6%	-		0.0%
MR Ridge JV LLC/MR 1.81 LLC	Developer	-		0.0%	-		0.0%
Peaks Resort and Spa (Telluride Resort and Spa LLC)	Hotel and Spa	-		0.0%	5,296,420	3	2.2%
AB Ridge/Lot 129 LLC/West Galena Holdings LLC (Honig) (2)	Real Estate Developer	-		0.0%	4,954,830	4	2.1%
Stonegate Sundance Partners, LLC	Real Estate Developer	-		0.0%	4,399,500	5	1.8%
Madeline Property Owner LLC (1)	Hotel/Condominium Units	-		0.0%	3,842,260	6	1.6%
MR Ridge JV LLC/MR 1.81 LLC	Developer	-		0.0%	3,742,730	7	1.6%
Exclusive Resorts	Residential Ownership Club	-		0.0%	2,573,180	8	1.1%
St. Sophia Partners, LLLP	Real Estate Developer	-		0.0%	2,488,700	9	1.0%
Butler, Alice L as Trustee	Private Property Owner	-		0.0%	2,279,480	10	0.9%
Subtotal Principal Taxpayers		43,753,570		17.8%	53,559,260		19.7%
All Other Taxpayers		246,193,460		100.0%	240,564,720		80.3%
Total Taxpayers		\$ 289,947,030		100.0%	\$ 294,123,980		100.0%

Source: San Miguel County Assessor's Office

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

(1) Formerly Honig Aviation

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

**TABLE B-4**

Collection Year	Assessment Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
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%
2017	2016	7,476,559	7,479,876	100.04%	(144,607)	7,335,269	98.11%

**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</b>	<b>Business-Type</b>		<b>Total</b>	<b>Percentage of</b>	<b>Per</b>	<b>Per</b>
	<b>Activities</b>	<b>Activities</b>					
	<b>General</b>	<b>Revenue</b>	<b>Note</b>	<b>Government</b>	<b>Value (1)</b>	<b>(2)</b>	<b>Income</b>
	<b>Obligation</b>	<b>Bonds</b>	<b>Payable</b>				
	<b>Bonds, Net (1)</b>						
2008	44,435,916	13,265,000	1,152,591	58,853,507	2.4%	45,943	1,097
2009	30,104,968	13,020,000	1,132,898	44,257,866	1.7%	33,810	876
2010	28,321,658	13,020,000	1,110,691	42,452,349	1.3%	32,332	920
2011	26,266,498	12,840,000	1,088,946	40,195,444	1.2%	30,132	830
2012	23,997,843	12,650,000	1,066,251	37,714,094	1.3%	27,895	755
2013	21,258,720	12,450,000	1,042,247	34,750,967	1.4%	25,515	604
2014	18,905,837	12,340,000	1,017,055	32,262,892	1.3%	23,328	469
2015	16,005,209	12,275,527	660,221	28,940,957	1.2%	20,941	396
2016	13,224,581	12,340,000	292,600	25,857,181	0.9%	18,657	341
2017	13,138,953	12,275,527	-	25,414,480	0.9%	18,011	325

**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, 2017**

**TABLE C-2**

<u>Governmental Unit</u>	<u>2017 Valuation</u>	<u>Bond Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Library District R-1	\$ -	\$ -	#DIV/0!	\$ #DIV/0!
Telluride Fire District	-	-	#DIV/0!	#DIV/0!
Subtotal		-		#DIV/0!
Mountain Village Metropolitan District, a unit of the Town of Mountain Village	289,947,030	13,224,581 (1)	100.0%	13,224,581
Total Direct and Overlapping Debt		<u>\$ 13,224,581</u>		<u>\$ #DIV/0!</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)**

<u>Year</u>	<u>Gross Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
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
2017	2,343,641	1,049,464	1,294,177	357,073	406,401	1.70

**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>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>	<u>2017</u>
Assessed Value	\$ <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>	\$ <u>289,947,030</u>
Debt Limit (1)	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	144,973,515
Total Net Debt Applicable to Limit	<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>	<u>7,110,000</u>
Legal debt margin	\$ <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>	\$ <u>137,863,515</u>
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	22.2%	14.5%	13.4%	14.5%	13.1%	13.8%	11.7%	8.8%	7.0%	4.9%

**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
2008	1,309	-	-	8,027	7,366	53,668	395,318,488	1,010	3.9%
2009	1,272	-	-	8,027	7,279	50,536	347,558,809	973	6.6%
2010	1,313	45,520	59,767,117	8,027	7,358	46,124	358,998,071	954	7.6%
2011	1,334	-	-	8,027	7,483	48,400	288,524,311	1,032	7.8%
2012	1,352	-	-	8,027	7,578	49,927	378,346,806	738	6.9%
2013	1,362	-	-	8,027	7,636	57,530	321,051,257	863	5.5%
2014	1,383	-	-	8,027	7,755	68,737	391,266,354	835	3.7%
2015	1,382	-	-	8,027	7,849	73,084	479,636,813	907	2.4%
2016	1,404	-	-	8,027	8,017	75,876	585,485,018	933	2.1%
2017	1,411	-	-	8,027	8,057	78,152	629,679,563	902	2.9%

**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>2017</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,050	77.05%	1
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	176	12.92%	2
Town of Mountain Village	Government	137	10.03%	3
Total		<u>1,363</u>		
<b>2016</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,050	76.64%	1
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	185	13.50%	2
Town of Mountain Village	Government	135	9.86%	3
Total		<u>1,370</u>		
<b>2015</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,020	86.22%	1
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	163	13.78%	2
Town of Mountain Village	Government	132	11.12%	3
Total		<u>1,183</u>		
<b>2014</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	953	72.17%	1
Town of Mountain Village	Government	129	9.80%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	125	9.47%	3
Ektornet (Hotel Madeline)	Hotel and Restaurants	113	8.56%	4
Total		<u>1,320</u>		
<b>2013</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	965	73.26%	1
Town of Mountain Village	Government	130	9.88%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	121	9.19%	3
Ektornet (Hotel Madeline)	Hotel and Restaurants	101	7.67%	4
Total		<u>1,317</u>		
<b>2012</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
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%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	145	9.55%	3
Town of Mountain Village	Government	144	9.48%	4
Total		<u>1,519</u>		
<b>2011</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,010	68.94%	1
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	157	10.72%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	150	10.24%	3
Town of Mountain Village	Government	148	10.10%	4
Total		<u>1,465</u>		
<b>2010</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	970	67.09%	1
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	175	12.10%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	153	10.58%	3
Town of Mountain Village	Government	148	10.22%	4
Total		<u>1,446</u>		
<b>2009</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
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		<u>1,359</u>		
<b>2008</b>				
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
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		<u>1,437</u>		

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

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

**TABLE E-1**

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Planning and Development</u>	<u>Housing Authority</u>	<u>Daycare Program</u>	<u>Administration</u>	<u>Road &amp; Bridge/Shop</u>	<u>Parking &amp; Transit</u>	<u>Plaza Services Parks &amp; Recreation</u>	<u>Gondola</u>	<u>Water &amp; Sewer</u>	<u>Broadband Fund</u>	<u>Conference Center</u>	<u>Total</u>
2008	6.00	9.00	9.00	5.00	7.00	10.00	16.00	18.00	18.70	47.00	6.00	4.00	9.00	164.70
2009	4.00	9.00	6.00	5.00	10.00	8.00	14.00	17.00	18.70	45.00	7.00	4.00	8.00	155.70
2010	3.80	9.70	6.00	5.50	9.20	8.50	13.00	18.15	17.95	45.00	7.00	4.00	0.00	147.80
2011	3.80	9.70	7.00	6.00	8.55	9.20	13.00	18.15	17.95	44.10	6.50	4.00	0.00	147.95
2012	3.50	8.70	6.85	6.15	8.55	9.50	12.50	17.90	15.70	44.25	6.50	4.00	0.00	144.10
2013	3.50	7.70	5.00	6.15	8.50	9.50	12.50	6.95	15.80	44.05	6.50	4.00	0.00	130.15
2014	3.50	7.70	4.85	6.15	8.50	9.50	12.00	4.90	17.90	43.95	6.50	4.00	0.00	129.45
2015	3.50	7.70	5.85	6.15	8.50	9.50	12.00	4.80	19.00	44.10	6.50	4.00	0.00	131.60
2016	4.00	7.70	6.25	6.15	8.00	9.00	12.00	5.80	20.25	45.40	6.50	4.00	0.00	135.05
2017	4.00	7.70	6.25	6.15	9.50	10.00	11.84	5.18	19.88	45.92	6.33	4.00	0.00	136.75

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:	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General:</b>										
Business Licenses Issued (5)	1,325	1,263	1,101	1,043	1,038	1,035	944	778	640	648
Business Licenses Revenue	\$ 320,389	\$ 296,585	\$ 281,898	\$ 270,572	\$ 268,235	\$ 245,933	\$ 228,506	201,719	\$ 187,160	\$ 185,476
Skier Days (1)	425,206	487,144	505,592	478,211	454,259	424,822	423,927	420,621	454,257	450,730
Real Estate Transfer Assessments (RETA)	\$ 8,478,982	\$ 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
<b>Planning and Development Services:</b>										
Construction Permits Issued	115	107	341	93	128	127	303	87	75	192
Building Permits Valuation	\$ 64,003,406	\$ 22,855,998	\$ 34,723,371	\$ 17,782,576	\$ 56,574,803	\$ 37,471,121	\$ 18,130,969	27,388,886	\$ 32,562,444	\$ 86,183,479
<b>Housing Authority</b>										
Occupancy Rate	97.13%	99.28%	99.36%	95.53%	87.16%	81.56%	81.36%	85.92%	81.82%	90.68%
<b>Public Works:</b>										
Street Resurfacing (miles)	6.49	3.51	1.00	1.06	3.30	1.50	0.00	5.00	1.80	1.90
<b>Water:</b>										
Average Daily Consumption (gallons)	593,477	661,178	619,452	530,348	644,682	686,717	695,070	545,099	479,431	439,688
<b>Wastewater:</b>										
Average Daily Sewage Treatment (gallons)	216,159	258,150	232,521	240,565	223,572	212,085	218,071	212,312	222,784	232,342
<b>Transit:</b>										
Gondola Passengers	2,813,254	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
Dial A Ride Passengers	92,092	46,221	74,008	48,172	26,887	59,280	66,973	61,411	52,439	63,935
<b>Broadband Services:</b>										
Cable TV Subscribers	1,715	1,691	1,685	1,560	1,423	1,412	1,448	1,501	1,489	1,542
Phone Subscribers	102	99	98	96	88	84	77	37	N/A	N/A
Internet Subscribers	1,840	1,820	1,815	1,012	952	955	954	910	823	621
<b>Daycare Services: (3)</b>										
Average # of Resident Infants Tended Per Day	5.49	5.52	5.04	4.39	3.92	4.57	2.57	2.02	3.16	5.10
Average # of Resident Toddlers Tended Per Day	13.44	12.73	11.15	12.14	12.45	9.10	8.52	9.95	10.43	12.95
Average # of Non-resident Infants Tended Per Day	0.16	0.49	0.65	0.77	0.73	0.92	1.19	1.15	1.84	0.65
Average # of Non-resident Toddlers Tended Per Day	1.65	2.53	2.27	1.10	1.83	2.18	3.57	5	3.36	3.74
<b>Preschool Services: (4)</b>										
Average # of Resident Students Tended Per Day	13.47	11.02	11.02	9.81	8.55	9.80	9.11	8.67	7.72	N/A
Average # of Non-resident Students Tended Per Day	0.00	3.71	3.71	4.06	4.98	4.30	3.60	2.81	1.44	N/A
<b>Conference Center: (2)</b>										
Attendance at Events	27,624	27,390	36,937	28,943	13,321	11,839	11,530	24,309	19,792	27,694
Number of Event Days	119	130	150	81	129	87	103	131	90	131
Percentage of Possible Event Days	32.60%	35.62%	41.10%	22.19%	35.34%	23.84%	28.22%	35.89%	24.66%	35.84%

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>2017</u>	<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>
Function/Program:										
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	20	20	20	20	18	18	18	18	18	18
Water Mains (miles)	38	38	35	35	30	30	30	30	30	30
Sewer Lines (miles)	29	29	29	29	19	19	19	19	19	19
Fleet:										
Vehicles (1)	104	98	82	81	79	78	79	80	77	76
Broadband Services:										
Cable TV Line (miles)	34	33	33	33	33	33	33	33	33	28
Parks and Recreation:										
Acreage of Parks and Open Space	1169	1169	1169	1169	1169	1169	1169	1169	1169	1169
Miles of Maintained Trails (Winter)	15	15	15	15	15	13	13	13	13	13
Miles of Maintained Trails (Summer)	13	13	16	16	16	10	8	8	8	8
Ponds	3	3	3	3	3	3	3	4	4	4
Outdoor Ice Skating Rink	1	1	1	1	1	1	1	1	1	0
Outdoor Ice Skating Pond	1	1	0	0	0	0	0	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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