

**City of Glenwood Springs  
Glenwood Springs, Colorado**

**Financial Statements  
December 31, 2015**



**City of Glenwood Springs, Colorado  
Financial Report  
December 31, 2015**

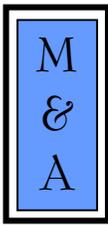
**Table of Contents**

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	A1 - A3
<b>Management's Discussion and Analysis</b>	B1 - B7
<b>Government-wide Financial Statements:</b>	
Statement of Net Position	C1
Statement of Activities	C2
<b>Fund Financial Statements:</b>	
Balance Sheet - Governmental Funds	C3
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	C5
Reconciliation of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C6
Statement of Net Position - Proprietary Funds	C7
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	C8
Combining Statement of Cash Flows- Proprietary Funds	C9
Statement of Fiduciary Net Position	C10
Combining Statement of Changes in Fiduciary Net Position	C11
<b>Notes to the Financial Statements</b>	D1 - D28
<b>Required Supplementary Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual: General Fund	E1 - E2
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual: Fire and Ambulance Fund	E3
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis: Downtown Development Authority	E4
Schedule of Employer's Net Pension Liability	E5
Schedule of Employer Contributions	E6

**City of Glenwood Springs, Colorado  
Financial Report  
December 31, 2015**

**Table of Contents**

	<b>Page</b>
<b>Supplementary Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual: Capital Projects Fund	F1
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual: Acquisition and Improvement Fund	F2
Non-Major Funds: Combining Balance Sheets - Non-major Governmental Funds	F3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds	F4
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual:	
Tourism Fund	F5
Street Tax Fund	F6
V.A.L.E. Fund	F7
Conservation Trust Fund	F8
Bus Tax Fund	F9
General Improvement District No. 1980	F10
Emergency Services Equipment Replacement Fund	F11
Schedule of Revenues and Expenses - Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis:	
Water and Sewer Fund	F12
Electric System Fund	F13
Airport Operations Fund	F14
Landfill Operations Fund	F15
Fleet Service Fund	F16
Schedule of Changes in Fiduciary Net Position - Budget (GAAP Basis) and Actual:	
Cemetery Reserve Fund	F17
Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets	F18 – F19



# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

CHAPEL SQUARE, BLDG C  
245 CHAPEL PLACE, SUITE 300  
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM  
MAIN OFFICE: (970) 845-8800  
FACSIMILE: (970) 845-8108  
E-MAIL: MCMAHAN@MCMAHANCPA.COM

## INDEPENDENT AUDITOR'S REPORT

**To the Member of City Council  
City of Glenwood Springs  
Glenwood Springs, Colorado**

### **Report on the Financial Statements**

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 City of Glenwood Springs, Colorado (the "City"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City'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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes 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 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

*Member: American Institute of Certified Public Accountants*

PAUL J. BACKES, CPA, CGMA  
MICHAEL N. JENKINS, CA, CPA, CGMA  
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800  
ASPEN: (970) 544-3996  
FRISCO: (970) 668-3481

**To the Members of City Council  
Glenwood Springs, Colorado**

**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 City of Glenwood Springs, Colorado as of December 31, 2015, 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.

**Emphasis of Matter**

As discussed in Note V.I to the financial statements, in the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board Statement No.68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

**Other Matters**

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis in Section B 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.

The budgetary comparison information, the Schedule of Employer's Net Pension Liability, and the Schedule of Employer Contributions in section E are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information, the Schedule of Employer's Net Pension Liability, and the Schedule of Employer Contributions have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**To the Members of City Council  
Glenwood Springs, Colorado**

**Other Matters (continued)**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements taken as a whole. The combining fund financial statements, individual fund budgetary information, and the Local Highway Finance Report listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the City's financial statements. The combining fund financial statements, the individual fund budgetary information, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**McMahan and Associates, L.L.C.  
May 27, 2016**

MANAGEMENT'S DISCUSSION AND ANALYSIS



# City of Glenwood Springs, Colorado

Management's Discussion and Analysis  
December 31, 2015

As management of the City of Glenwood Springs (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised 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 City's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related 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 (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, transportation, public safety, community development, public works and culture and recreation. The business-type activities of the City include water and sewer operations, electric distribution operation, airport and landfill operations.

The government-wide financial statements can be found in Section C of this report.

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The City's major governmental funds include the General Fund, Fire and Ambulance Fund, Downtown Development Authority, Capital Projects Fund, and the Acquisition and Improvement Fund. The City also reports a number of non-major governmental funds.

## **Overview of the Financial Statements (continued)**

**Governmental Funds (continued):** 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 funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with state budget statute.

The basic major governmental fund financial statements can be found in Section C.

**Proprietary Funds:** The City reports two categories of proprietary funds - Internal Service and Enterprise. The Fleet Service Fund, an internal service fund created in 2007, provides vehicle and equipment replacement and maintenance services to the City's governmental and enterprise activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its Water and Sewer, Electric Distribution, Airport and Landfill Operations.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The Proprietary Fund financial statements provide separate information for each of the business-type services provided by the City, each of which is considered to be a major fund of the City.

The basic Proprietary Fund financial statements can be found in Section C of this report.

**Fiduciary Funds:** Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The Fiduciary Fund used by the City is the Cemetery Reserve.

The basic Fiduciary Fund financial statements can be found in Section C of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

**Government-wide Financial Analysis:**

**City of Glenwood Spring's Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Assets:</b>						
Current and other assets	31,239,828	24,354,388	20,005,842	19,290,198	51,245,670	43,644,586
Capital assets, net	<u>77,777,826</u>	<u>79,310,673</u>	<u>72,524,928</u>	<u>73,999,475</u>	<u>150,302,754</u>	<u>153,310,148</u>
<b>Total Assets</b>	<u>109,017,654</u>	<u>103,665,061</u>	<u>92,530,770</u>	<u>93,289,673</u>	<u>201,548,424</u>	<u>196,954,734</u>
<b>Deferred Outflows of Resources:</b>	<u>98,312</u>	<u>106,250</u>	<u>-</u>	<u>-</u>	<u>98,312</u>	<u>106,250</u>
<b>Liabilities:</b>						
Other liabilities	3,969,199	3,929,676	2,912,080	2,877,550	6,881,279	6,807,226
Long-term liabilities	<u>9,280,802</u>	<u>8,051,892</u>	<u>25,906,379</u>	<u>27,059,980</u>	<u>35,187,181</u>	<u>35,111,872</u>
<b>Total Liabilities</b>	<u>13,250,001</u>	<u>11,981,568</u>	<u>28,818,459</u>	<u>29,937,530</u>	<u>42,068,460</u>	<u>41,919,098</u>
<b>Deferred Inflows of Resources:</b>	<u>1,399,092</u>	<u>1,379,223</u>	<u>-</u>	<u>-</u>	<u>1,399,092</u>	<u>1,379,223</u>
<b>Net Position:</b>						
Net investment in capital assets	67,656,084	70,515,452	45,746,700	46,127,746	113,402,784	116,643,198
Restricted	2,635,197	2,579,375	-	-	2,635,197	2,579,375
Unrestricted	<u>24,175,592</u>	<u>17,315,693</u>	<u>17,965,611</u>	<u>17,224,397</u>	<u>42,141,203</u>	<u>34,540,090</u>
<b>Total Net Position</b>	<u>94,466,873</u>	<u>90,410,520</u>	<u>63,712,311</u>	<u>63,352,143</u>	<u>158,179,184</u>	<u>153,762,663</u>

**Government-wide Net Position and Activities:**

Traditionally, the largest portion of any municipality's investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the City's residents and visitors. The City's capital assets account for 72% of its net position; these assets are not an available source for payment of future spending. Of the remaining \$44,776,400 in net position, \$775,458 is restricted for TABOR reserve, \$76,546 is restricted for police asset forfeitures, \$1,182,500 is restricted for general obligation bond payments, and \$600,693 is restricted by enabling legislation.

At the end of the 2015 fiscal year, the City is able to report positive balances in all three categories of net position, first for the government as a whole, and then as separate governmental and business-type activities.

The City's net position increased \$4,791,187 during the current fiscal year from \$153,387,997 (as restated per note A on page B4) to \$158,179,184. Governmental activities continued to increase as the City has controlled expenses while sales and use taxes receipts continue to rise. The increase in business-type activities can primarily be attributed to the City's cost of providing electrical utility services to its patrons. The City was able to renegotiate this contract resulting in decreased costs for purchasing power.

**Government-wide Financial Analysis (continued):**

	<b>City of Glenwood Spring's Changes in Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	5,287,234	5,231,087	22,253,827	20,822,771	27,541,061	26,053,858
Grants and contributions	2,202,042	3,876,218	433,560	202,466	2,635,602	4,078,684
General revenue:						
Sales and use taxes	17,167,543	15,965,053	-	-	17,167,543	15,965,053
Property taxes	1,381,226	1,391,409	-	-	1,381,226	1,391,409
Other taxes	1,256,872	1,174,094	-	-	1,256,872	1,174,094
Interest and other revenues	303,728	400,287	111,907	116,892	415,635	517,179
<b>Total Revenues</b>	<b>27,598,645</b>	<b>28,038,148</b>	<b>22,799,294</b>	<b>21,142,129</b>	<b>50,397,939</b>	<b>49,180,277</b>
Expenses:						
General government	4,166,082	3,815,189	-	-	4,166,082	3,815,189
Transportation	1,196,010	1,152,362	-	-	1,196,010	1,152,362
Public Safety	7,087,348	7,035,443	-	-	7,087,348	7,035,443
Community development	1,754,418	1,439,397	-	-	1,754,418	1,439,397
Public works	5,112,315	5,282,755	-	-	5,112,315	5,282,755
Culture and recreation	4,360,608	4,173,013	-	-	4,360,608	4,173,013
Interest on long-term debt	299,061	353,094	-	-	299,061	353,094
Water and sewer	-	-	5,391,721	5,644,304	5,391,721	5,644,304
Electric system	-	-	12,877,200	12,542,429	12,877,200	12,542,429
Airport operations	-	-	133,240	137,340	133,240	137,340
Landfill	-	-	3,228,749	3,314,301	3,228,749	3,314,301
<b>Total Expenses</b>	<b>23,975,842</b>	<b>23,251,253</b>	<b>21,630,910</b>	<b>21,638,374</b>	<b>45,606,752</b>	<b>44,889,627</b>
<b>Change in Net Position</b>						
<b>Before Transfers</b>	<b>3,622,803</b>	<b>4,786,895</b>	<b>1,168,384</b>	<b>(496,245)</b>	<b>4,791,187</b>	<b>4,290,650</b>
Transfers	808,216	856,403	(808,216)	(856,403)	-	-
<b>Change in Net Position</b>	<b>4,431,019</b>	<b>5,643,298</b>	<b>360,168</b>	<b>(1,352,648)</b>	<b>4,791,187</b>	<b>4,290,650</b>
<b>Net Position - Beginning</b>						
<b>(As Restated - Note A)</b>	<b>90,035,854</b>	<b>84,767,222</b>	<b>63,352,143</b>	<b>64,704,791</b>	<b>153,387,997</b>	<b>149,472,013</b>
<b>Net Position - Ending</b>	<b>94,466,873</b>	<b>90,410,520</b>	<b>63,712,311</b>	<b>63,352,143</b>	<b>158,179,184</b>	<b>153,762,663</b>

**Note A:** During 2015, the City implemented Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions (an Amendment of GASB No. 27)*, which required employers recognize their long-term obligations for pension benefits as an asset or liability. As such, the City's 2015 Net Position has been restated by \$374,666.

**Governmental Activities:** Governmental activities increased the City's net position by \$3,622,803 before transfers. Significant events impacting 2015 are:

- Sales and Use tax increased 8% over 2014 amounts as the overall economic climate continues to improve and consumer spending increases.
- The City has historically contributed capital assets from the Capital Projects Fund to the business-type activities funds. The business-type activities funds also share the cost of general government overhead functions. The reimbursement of overhead from business-type activities to governmental activities has assisted the governmental activities in maintaining an overall positive net position.

## Government-wide Financial Analysis (continued):

**Business-type Activities:** Business-type activities increased the City's net position by \$1,168,384 before transfers. Key elements of this increase are as follows:

- The Water and Sewer Fund's net position increased by \$622,585, before transfers. Consumer usage has increased and overall user fees have been increased routinely by the City to help pay for the debt associated with construction of the new wastewater facility. The loan agreement is the amount of \$31,460,100 and will be required principal and interest payments until 2032. For the year ended December 31, 2015, principal and interest expenses totaled \$1,944,050
- The Electric Fund's net position increased \$815,423 before transfers. This increase can be attributable to renegotiation of the City's contract for purchased power as well as increased commercial usage.
- The Landfill Fund's net position decreased \$609,983. This decrease is a direct result of fewer disposal fees as oil companies scale back operations within the area. (In 2015, the landfill saw a reduction in contaminated soil revenues of almost \$170,000.)

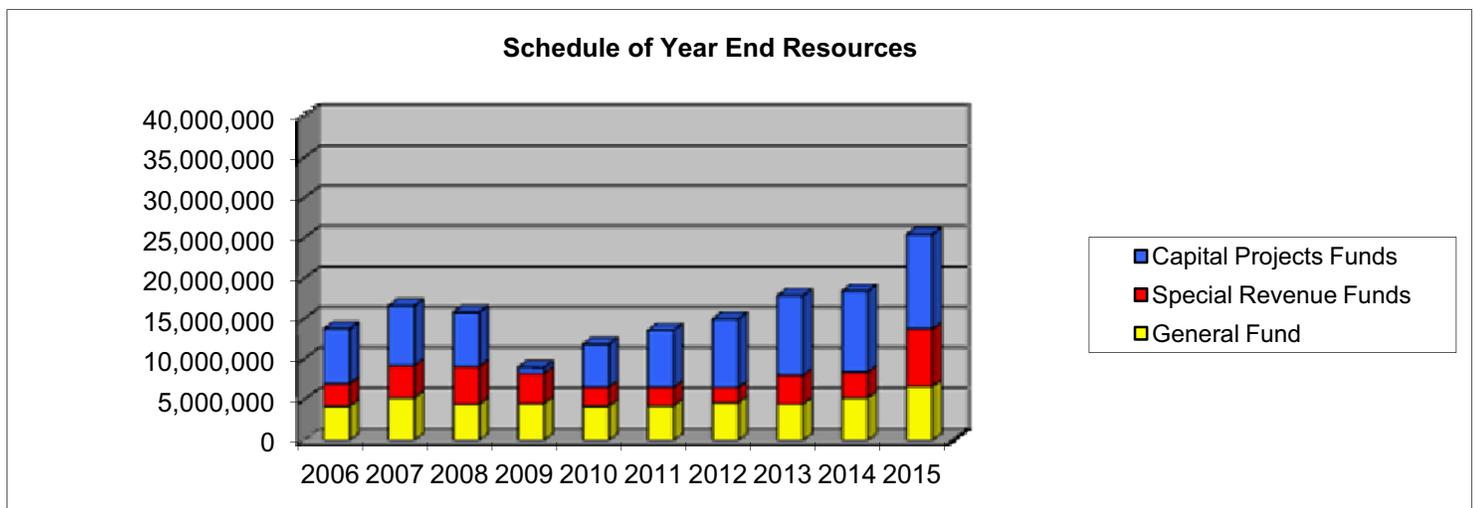
In 2007, the Landfill Fund advanced \$435,767 to the Downtown Development Authority for the purchase of property, which is being repaid in installments. In 2012, the Landfill advanced an additional \$1,000,000 to the Downtown Development Authority for the construction of the Cooper Street parking structure. There are annual principal and interest payments through August 2027 required on these advances.

## Financial Analysis of the City's Funds

As mentioned earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

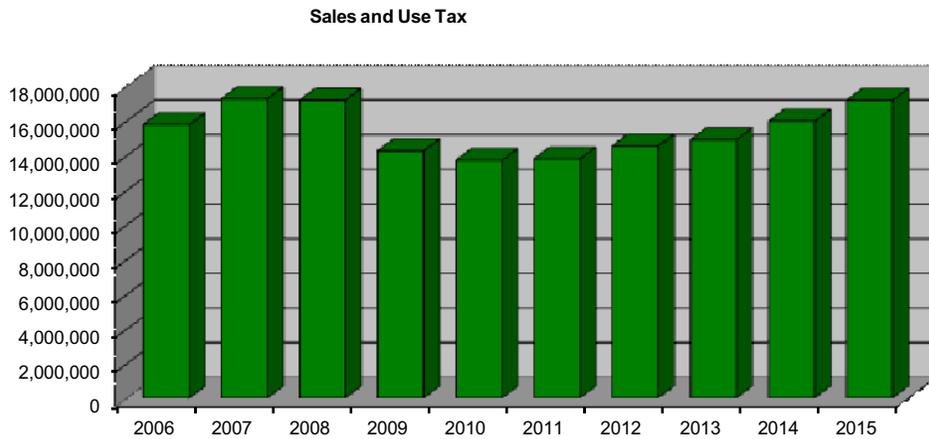
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,438,700, an increase of \$7,035,457 from the prior year ending fund balances. A portion of this increase can be attributable to bond proceeds received in the Street Tax Fund that will be used toward construction costs of the Grand Avenue Bridge. The following graph provides a view of the City's ending fund balances:



## Financial Analysis of the City's Funds (continued)

### Governmental Funds (continued):

The City's primary funding of governmental activities is sales and use tax. The following chart represents changes in the City's sales and use tax revenue:



Sales and use tax in 2015 increased 8% over 2014 results. With almost \$17 million in sales and use tax collections, it was the City's best performance since 2008.

**Proprietary Funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's proprietary funds ending net position was \$ 63,712,310 broken down by fund as follows: Water and Sewer - \$ 33,207,334 , Electric - \$ 24,763,147 , Airport - \$ 436,914 and Landfill - \$ 5,304,915 . The net position includes each fund's net investment of capital assets. Unrestricted net position available at year-end broken down by fund is: Water and Sewer - \$ 8,732,991 , Electric System - \$ 4,022,932 , Airport - \$ 78,131 , and Landfill Operations - \$ 4,306,325 .

The approved budget for 2015 included transfers from the Enterprise funds only for debt requirements and the funding of capital costs.

**Financial Analysis of the City's Funds (continued)**

**Budget Variances in the General Fund:** The following significant variances were noted in the General Fund:

<u>Account</u>	<u>Variance Positive (Negative)</u>	<u>Reason</u>
<b>Revenues:</b>		
Sales and use tax	\$ 168,255	Consumer spending increases as result in increased confidence in the economy
Charges and fees	112,457	Building activity is also rebounding as a result of increased consumer confidence
<b>Expenses:</b>		
General government - Administration	(99,823)	Severance accruals for retiring positions
Public Works- Administration	120,939	Less professional services used than anticipated as unfinished projects will roll into the subsequent years

**Capital Assets:** The City's capitalization policy pertains to assets with a purchase value of \$5,000 or greater. Assets of lesser value are treated as operational expenditures. Additional information as well as a detailed classification of the City's net capital assets can be found in the Notes to the Financial Statement in section D.

**Long-term Debts:** As of the end of the current fiscal year, the City's long-term liabilities totaled \$ \$39,111,529 . As previously mentioned, the City's Street Tax Fund issued \$3,070,000 in Sales and Use Tax Bonds that will be used toward expenses associated with the Grand Avenue Bridge and construction in the surrounding areas. Additional information as well as a detailed classification of the City's total long-term liabilities can be found in the Notes to the Financial Statements in section D of this report.

**Next Year's Budget and Rates:** The City's General Fund balance at the end of fiscal year 2015 totaled \$ 6,607,489 . The original 2016 budget anticipates decreasing this balance by \$466,931.

**Request for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Glenwood Springs, City Finance Director, 101 W. 8th Street, Glenwood Springs, CO 81601.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



**City of Glenwood Springs, Colorado**  
**Statement of Net Position**  
**December 31, 2015**

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Current Assets:			
Cash and cash equivalents - unrestricted	21,918,083	17,034,705	38,952,788
Cash and cash equivalents - restricted	4,783,728	-	4,783,728
Accounts, taxes, and interest receivable	4,343,716	2,394,094	6,737,810
Due from other governments	7,912	-	7,912
Prepaid items	6,083	-	6,083
Internal balances	158,971	(158,971)	-
Inventory	21,335	736,014	757,349
<b>Total current assets</b>	<u>31,239,828</u>	<u>20,005,842</u>	<u>51,245,670</u>
Capital assets not being depreciated:			
Land and water rights	10,519,063	1,334,857	11,853,920
Construction in progress	9,242,879	996,301	10,239,180
Capital assets being depreciated:			
Buildings and improvements	100,972,657	105,440,871	206,413,528
Equipment	3,012,635	3,546,312	6,558,947
Vehicles	7,515,461	36,537	7,551,998
Less accumulated depreciation	<u>(53,484,869)</u>	<u>(38,829,950)</u>	<u>(92,314,819)</u>
<b>Total capital assets (net)</b>	<u>77,777,826</u>	<u>72,524,928</u>	<u>150,302,754</u>
<b>Total Assets</b>	<u>109,017,654</u>	<u>92,530,770</u>	<u>201,548,424</u>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	68,571	-	68,571
Deferred pension expenses	29,741	-	29,741
<b>Total Deferred Outflows of Resources</b>	<u>98,312</u>	<u>-</u>	<u>98,312</u>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts, retainage, arbitrage & deposits payable	713,090	1,138,049	1,851,139
Accrued compensation	565,648	75,339	640,987
Interest payable	65,312	328,174	393,486
Unearned revenue	7,713	-	7,713
Deposits	63,606	-	63,606
Compensated absences - Due within one year	524,920	199,468	724,388
Long-term debt - Due within one year	2,028,910	1,171,050	3,199,960
<b>Total current liabilities</b>	<u>3,969,199</u>	<u>2,912,080</u>	<u>6,881,279</u>
Noncurrent liabilities:			
Compensated absences	787,385	299,201	1,086,586
Long-term debt	8,161,403	25,607,178	33,768,581
Net pension liability	332,014	-	332,014
<b>Total noncurrent liabilities</b>	<u>9,280,802</u>	<u>25,906,379</u>	<u>35,187,181</u>
<b>Total Liabilities</b>	<u>13,250,001</u>	<u>28,818,459</u>	<u>42,068,460</u>
<b>Deferred Inflows of Resources:</b>			
Property taxes	1,399,092	-	1,399,092
<b>Total Deferred Inflows of Resources</b>	<u>1,399,092</u>	<u>-</u>	<u>1,399,092</u>
<b>Net Position:</b>			
Net investment in capital assets	67,656,084	45,746,700	113,402,784
Restricted for:			
Emergencies	775,458	-	775,458
Other purposes	1,859,739	-	1,859,739
Unrestricted	24,175,592	17,965,611	42,141,203
<b>Total Net Position</b>	<u>94,466,873</u>	<u>63,712,311</u>	<u>158,179,184</u>

The notes to the financial statements are an integral part of this statement.

**City of Glenwood Springs, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2015**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Grants and Contributions			
<b>Functions/Programs:</b>							
<b>Governmental Activities:</b>							
General government	4,166,082	2,555,687	834,493	-	(775,902)	-	(775,902)
Public transportation	1,196,010	120,696	260,674	-	(814,640)	-	(814,640)
Public safety	7,087,348	1,143,376	174,368	23,674	(5,745,930)	-	(5,745,930)
Community and economic development	1,754,418	164,498	-	-	(1,589,920)	-	(1,589,920)
Public works	5,112,315	13,939	812,203	-	(4,286,173)	-	(4,286,173)
Culture and recreation	4,360,608	1,289,038	1,865	94,765	(2,974,940)	-	(2,974,940)
Interest on long-term debt	299,061	-	-	-	(299,061)	-	(299,061)
<b>Total Governmental Activities</b>	<u>23,975,842</u>	<u>5,287,234</u>	<u>2,083,603</u>	<u>118,439</u>	<u>(16,486,566)</u>	<u>-</u>	<u>(16,486,566)</u>
<b>Business-type Activities:</b>							
Water and sewer	5,391,721	5,974,846	-	890	-	584,015	584,015
Electric system	12,877,200	13,570,105	-	102,846	-	795,751	795,751
Airport operations	133,240	143,692	608	329,216	-	340,276	340,276
Landfill operations	3,228,749	2,565,184	-	-	-	(663,565)	(663,565)
<b>Total Business-type Activities</b>	<u>21,630,910</u>	<u>22,253,827</u>	<u>608</u>	<u>432,952</u>	<u>-</u>	<u>1,056,477</u>	<u>1,056,477</u>
<b>Total</b>	<u>45,606,752</u>	<u>27,541,061</u>	<u>2,084,211</u>	<u>551,391</u>	<u>(16,486,566)</u>	<u>1,056,477</u>	<u>(15,430,089)</u>
<b>General Revenues:</b>							
Taxes:							
Property tax, levied for general purposes					1,381,226	-	1,381,226
Specific ownership tax					75,116	-	75,116
Sales and use tax					17,167,543	-	17,167,543
Franchise tax					179,584	-	179,584
Accommodations tax					965,502	-	965,502
Other miscellaneous taxes					36,670	-	36,670
Unrestricted investment earnings					154,017	107,337	261,354
Grants, contributions and miscellaneous income not restricted for specific purposes					114,957	-	114,957
Gain on asset disposal					34,754	4,570	39,324
Transfers					808,216	(808,216)	-
<b>Total General Revenues and Transfers</b>					<u>20,917,585</u>	<u>(696,309)</u>	<u>20,221,276</u>
<b>Change in Net Position</b>					4,431,019	360,168	4,791,187
<b>Net Position - Beginning (As Restated)</b>					<u>90,035,854</u>	<u>63,352,143</u>	<u>153,387,997</u>
<b>Net Position - Ending</b>					<u>94,466,873</u>	<u>63,712,311</u>	<u>158,179,184</u>

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

FUND FINANCIAL STATEMENTS



**City of Glenwood Springs, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2015**

	<u>General</u>	<u>Fire and Ambulance Fund</u>	<u>Downtown Development Authority</u>	<u>Capital Projects Fund</u>	<u>Acquisition and Improvement</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Assets:</b>							
Cash and investments	4,417,880	-	1,325,510	4,655,574	2,929,081	6,118,192	19,446,237
Cash and investments - restricted	-	-	-	-	1,779,978	3,003,750	4,783,728
Taxes receivable	2,265,890	-	53,420	258,471	516,942	462,632	3,557,355
Accounts receivable, net	584,971	155,797	-	-	-	24,536	765,304
Interest receivable	1,827	-	-	1,919	8,609	2,979	15,334
Due from other governments	-	-	-	-	-	7,912	7,912
Due (to) from other funds	1,373,182	(100,749)	(1,782,442)	-	-	(21,909)	(531,918)
Prepaid items	668	-	-	223	446	4,747	6,084
<b>Total Assets</b>	<u>8,644,418</u>	<u>55,048</u>	<u>(403,512)</u>	<u>4,916,187</u>	<u>5,235,056</u>	<u>9,602,839</u>	<u>28,050,036</u>
<b>Liabilities:</b>							
Accounts/vouchers payable	212,393	25,469	729	29,690	25,714	294,331	588,326
Other liabilities	63,606	-	-	-	-	-	63,606
Accrued payroll and related liabilities	453,693	93,098	-	5,808	-	-	552,599
Unearned revenue	-	7,713	-	-	-	-	7,713
<b>Total Liabilities</b>	<u>729,692</u>	<u>126,280</u>	<u>729</u>	<u>35,498</u>	<u>25,714</u>	<u>294,331</u>	<u>1,212,244</u>
<b>Deferred Inflows of Resources:</b>							
Property taxes	1,307,237	-	53,420	-	-	38,435	1,399,092
<b>Total Deferred Inflows of Resources</b>	<u>1,307,237</u>	<u>-</u>	<u>53,420</u>	<u>-</u>	<u>-</u>	<u>38,435</u>	<u>1,399,092</u>
<b>Fund Balances:</b>							
Nonspendable	628,938	-	-	223	446	4,747	634,354
Restricted	1,107,857	-	-	-	1,182,500	344,840	2,635,197
Committed	204,365	-	-	446,331	-	294,410	945,106
Assigned	-	-	-	4,434,135	4,026,396	8,628,376	17,088,907
Unassigned	4,666,329	(71,232)	(457,661)	-	-	(2,300)	4,135,136
<b>Total Fund Balance</b>	<u>6,607,489</u>	<u>(71,232)</u>	<u>(457,661)</u>	<u>4,880,689</u>	<u>5,209,342</u>	<u>9,270,073</u>	<u>25,438,700</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>8,644,418</u>	<u>55,048</u>	<u>(403,512)</u>	<u>4,916,187</u>	<u>5,235,056</u>	<u>9,602,839</u>	<u>28,050,036</u>

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

**City of Glenwood Springs, Colorado**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2015**

Governmental Funds Total Fund Balance	25,438,700
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	75,712,956
Internal Service Funds are used by the City to account for the repair and replacement costs of the City's heavy equipment and vehicles. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Activities.	5,116,849
Less:	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of City long-term liabilities, including accrued interest, accrued compensation, and deferred costs.	(11,499,359)
Long-term liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of the City's net pension liability, adjusted for changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investments earnings, and differences between actual and annualized contributions to the pension plan, that are amortized over the average remaining service life of all active and inactive plan participants.	<u>(302,273)</u>
Governmental Activities Net Position	<u><u>94,466,873</u></u>

The notes to the financial statements are an integral part of this statement.

**City of Glenwood Springs, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2015**

	General	Fire and Ambulance Fund	Downtown Development Authority	Capital Projects Fund	Acquisition and Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	8,454,280	-	419,805	2,289,764	4,579,528	4,209,828	19,953,205
Permits and licenses	263,463	-	-	-	-	-	263,463
Intergovernmental revenue	1,358,781	24,000	-	-	-	567,816	1,950,597
Charges for services	1,610,557	910,186	-	13,668	-	157,645	2,692,056
Investment income	20,054	-	2,536	18,247	42,372	20,759	103,968
Miscellaneous	2,873,681	4,646	-	6,963	14,211	53,696	2,953,197
<b>Total Revenues</b>	<b>14,580,816</b>	<b>938,832</b>	<b>422,341</b>	<b>2,328,642</b>	<b>4,636,111</b>	<b>5,009,744</b>	<b>27,916,486</b>
<b>Expenditures:</b>							
General government	3,686,671	-	339,130	-	508,237	111,625	4,645,663
Transportation	-	-	-	-	-	2,957,433	2,957,433
Public safety	3,275,518	3,388,733	-	-	-	141,773	6,806,024
Community and economic development	777,570	-	-	-	-	869,663	1,647,233
Public works	1,455,594	-	-	742,221	311,056	-	2,508,871
Culture and recreation	3,317,765	-	-	-	302,394	46,186	3,666,345
Debt service:							
Principal	225,000	-	-	-	1,505,414	-	1,730,414
Interest	30,815	-	47,076	-	242,409	-	320,300
<b>Total Expenditures</b>	<b>12,768,933</b>	<b>3,388,733</b>	<b>386,206</b>	<b>742,221</b>	<b>2,869,510</b>	<b>4,126,680</b>	<b>24,282,283</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,811,883</b>	<b>(2,449,901)</b>	<b>36,135</b>	<b>1,586,421</b>	<b>1,766,601</b>	<b>883,064</b>	<b>3,634,203</b>
<b>Other Financing Sources (Uses):</b>							
Bond proceeds	-	-	-	-	-	3,070,000	3,070,000
Issuance costs	-	-	-	-	-	(66,250)	(66,250)
Intergovernmental awards	-	-	-	-	-	23,674	23,674
Transfers in	2,147,460	2,378,669	50,005	295,396	-	185,158	5,056,688
Transfers (out)	(2,584,103)	-	-	(1,057,082)	(1,032,216)	(9,459)	(4,682,860)
<b>Total Other Financing Sources (Uses)</b>	<b>(436,643)</b>	<b>2,378,669</b>	<b>50,005</b>	<b>(761,686)</b>	<b>(1,032,216)</b>	<b>3,203,123</b>	<b>3,401,252</b>
<b>Net Change in Fund Balance</b>	<b>1,375,240</b>	<b>(71,232)</b>	<b>86,140</b>	<b>824,735</b>	<b>734,385</b>	<b>4,086,187</b>	<b>7,035,455</b>
<b>Fund Balance (Deficit) - Beginning of Year</b>	<b>5,232,249</b>	<b>-</b>	<b>(543,801)</b>	<b>4,055,954</b>	<b>4,474,957</b>	<b>5,183,886</b>	<b>18,403,245</b>
<b>Fund Balance (Deficit) - End of Year</b>	<b>6,607,489</b>	<b>(71,232)</b>	<b>(457,661)</b>	<b>4,880,689</b>	<b>5,209,342</b>	<b>9,270,073</b>	<b>25,438,700</b>

The accompanying notes are an integral part of these financial statements.  
C5

**City of Glenwood Springs, Colorado**  
**Reconciliation of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**December 31, 2015**

**Net Change in Fund Balances of Governmental Funds**

7,035,455

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of by which depreciation exceeded capital outlay expenses for the year.

(1,269,146)

Issuance of debt provides current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position. This represents the debt issuances, including premiums, of the City's governmental funds less amounts transferred in escrow.

(3,070,000)

Repayment of bond principal and leases are expenditures in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Position. This represents the total principal repayments, the change in accrued interest at year end and amortization of debt-related deferrals.

1,751,652

Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities. This is the amount that accrued compensated absences increased.

155,751

Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income or loss of the internal service funds are included in the governmental activities statement of activities.

(245,088)

Changes in the City's net pension obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in City's net pension obligation during the year, including differences between employer contributions to the pension plan and amortization of pension-related deferrals.

72,395

**Governmental Activities Change in Net Position**

4,431,019

The notes to the financial statements are an integral part of this statement.

**City of Glenwood Springs, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2015**

	<b>Water and Sewer</b>	<b>Electric System</b>	<b>Airport Operations</b>	<b>Landfill Operations</b>	<b>Totals</b>	<b>Governmental Activities Internal Service Fund</b>
<b>Assets:</b>						
<b>Current:</b>						
Cash in bank - Unrestricted	7,269,147	3,391,361	60,812	5,189,225	15,910,545	2,471,846
Cash in bank - Restricted	1,124,159	-	-	-	1,124,159	-
Accounts receivable - Trade (net of allowance for doubtful accounts)	491,546	1,677,418	-	212,089	2,381,053	-
Interest receivable	2,360	5,379	-	4,505	12,244	5,722
Other receivables	796	-	-	-	796	-
Inventory	489,344	223,155	23,515	-	736,014	21,335
Due from (to) other funds	-	-	-	(158,971)	(158,971)	690,889
<b>Total Current Assets</b>	<b>9,377,352</b>	<b>5,297,313</b>	<b>84,327</b>	<b>5,246,848</b>	<b>20,005,840</b>	<b>3,189,792</b>
<b>Property and Equipment:</b>						
Land	-	1,305,057	-	-	1,305,057	-
Construction in progress	276,221	714,448	-	5,633	996,302	-
Building, plant and system	71,320,924	34,592,944	391,225	1,048,893	107,353,986	-
Water rights	29,800	-	-	-	29,800	-
Equipment	974,202	473,850	90,388	94,759	1,633,199	1,536,678
Vehicles	-	13,693	-	22,844	36,537	3,045,521
<b>Total</b>	<b>72,601,147</b>	<b>37,099,992</b>	<b>481,613</b>	<b>1,172,129</b>	<b>111,354,881</b>	<b>4,582,199</b>
Less accumulated depreciation	(22,173,804)	(16,359,777)	(122,830)	(173,539)	(38,829,950)	(2,517,336)
<b>Net Property and Equipment</b>	<b>50,427,343</b>	<b>20,740,215</b>	<b>358,783</b>	<b>998,590</b>	<b>72,524,931</b>	<b>2,064,863</b>
<b>Total Assets</b>	<b>59,804,695</b>	<b>26,037,528</b>	<b>443,110</b>	<b>6,245,438</b>	<b>92,530,771</b>	<b>5,254,655</b>
<b>Liabilities and Fund Equity:</b>						
<b>Current Liabilities:</b>						
Accounts payable	68,468	932,172	4,775	63,443	1,068,858	118,949
Deposits	-	69,193	-	-	69,193	-
Accrued interest	327,076	1,098	-	-	328,174	-
Accrued payroll and taxes	34,285	33,515	1,421	6,821	76,042	7,912
Accrued vacation and sick pay	214,532	238,403	-	45,031	497,966	10,945
Other liabilities	-	-	-	825,228	825,228	-
Current portion of long-term debt	1,171,050	-	-	-	1,171,050	-
<b>Total Current Liabilities</b>	<b>1,815,411</b>	<b>1,274,381</b>	<b>6,196</b>	<b>940,523</b>	<b>4,036,511</b>	<b>137,806</b>
<b>Long-term Liabilities:</b>						
Long-term debt - Bonds payable, net of current portion	24,781,950	-	-	-	24,781,950	-
<b>Total Liabilities</b>	<b>26,597,361</b>	<b>1,274,381</b>	<b>6,196</b>	<b>940,523</b>	<b>28,818,461</b>	<b>137,806</b>
<b>Net Position:</b>						
Net investment in capital assets	24,474,343	20,740,215	358,783	998,590	46,571,931	2,064,863
Unrestricted	8,732,991	4,022,932	78,131	4,306,325	17,140,379	3,051,986
<b>Total Net Position</b>	<b>33,207,334</b>	<b>24,763,147</b>	<b>436,914</b>	<b>5,304,915</b>	<b>63,712,310</b>	<b>5,116,849</b>

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

**City of Glenwood Springs, Colorado**  
**Statement of Revenues, Expenditures and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

	<u>Water and Sewer</u>	<u>Electric System</u>	<u>Airport Operations</u>	<u>Landfill Operations</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds  Totals</u>
<b>Operating Revenues:</b>						
Rentals	-	-	26,950	-	26,950	-
Charges and fees	5,966,920	13,053,733	116,742	2,539,496	21,676,891	427,592
Intergovernmental	-	-	608	-	608	-
Other	8,376	516,372	-	25,687	550,435	780
<b>Total Operating Revenues</b>	<u>5,975,296</u>	<u>13,570,105</u>	<u>144,300</u>	<u>2,565,183</u>	<u>22,254,884</u>	<u>428,372</u>
<b>Operating Expenses:</b>						
Purchased power	-	9,421,152	-	-	9,421,152	-
Operations and maintenance	1,962,981	1,277,582	102,898	2,886,691	6,230,152	834,639
General and administrative	888,980	1,248,596	25,498	319,029	2,482,103	-
Depreciation	1,740,385	925,102	4,844	23,029	2,693,360	447,013
<b>Total Operating Expenses</b>	<u>4,592,346</u>	<u>12,872,432</u>	<u>133,240</u>	<u>3,228,749</u>	<u>20,826,767</u>	<u>1,281,652</u>
<b>Operating Income (Loss)</b>	<u>1,382,950</u>	<u>697,673</u>	<u>11,060</u>	<u>(663,566)</u>	<u>1,428,117</u>	<u>(853,280)</u>
<b>Non-Operating Revenues (Expenses):</b>						
Disposition of assets	-	(64)	-	-	(64)	33,754
Investment income	38,570	15,102	81	53,583	107,336	50,050
Intergovernmental awards	440	-	329,216	-	329,656	90,000
Interest expense	(799,375)	(134)	-	-	(799,509)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(760,365)</u>	<u>14,904</u>	<u>329,297</u>	<u>53,583</u>	<u>(362,581)</u>	<u>173,804</u>
<b>Income (Loss) Before Transfers and Capital Contributions</b>	622,585	712,577	340,357	(609,983)	1,065,536	(679,476)
Transfer (out)	(623,548)	(978,733)	-	(5,935)	(1,608,216)	-
Transfer in	800,000	-	-	-	800,000	434,388
Capital contributions	-	102,846	-	-	102,846	-
<b>Change in Net Position</b>	799,037	(163,310)	340,357	(615,918)	360,166	(245,088)
<b>Net Position - Beginning of Year</b>	<u>32,408,297</u>	<u>24,926,457</u>	<u>96,557</u>	<u>5,920,833</u>	<u>63,352,144</u>	<u>5,361,937</u>
<b>Net Position - End of Year</b>	<u>33,207,334</u>	<u>24,763,147</u>	<u>436,914</u>	<u>5,304,915</u>	<u>63,712,310</u>	<u>5,116,849</u>

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

**City of Glenwood Springs, Colorado**  
**Combining Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

	<b>Water and Sewer</b>	<b>Electric System</b>	<b>Airport Operations</b>	<b>Landfill Operations</b>	<b>Totals</b>	<b>Governmental Activities Internal Service Funds Totals</b>
<b>Cash Flows From Operating Activities:</b>						
Cash received from customers	5,926,149	12,951,849	144,642	2,627,714	21,650,354	426,614
Cash paid to suppliers and employees	(3,014,553)	(11,831,752)	(121,579)	(3,188,826)	(18,156,710)	(773,564)
Other operating revenues	-	516,372	-	25,687	542,059	780
Interfund transfers	176,452	(978,733)	-	1,024,331	222,050	577,548
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,088,048</b>	<b>657,736</b>	<b>23,063</b>	<b>488,906</b>	<b>4,257,753</b>	<b>231,378</b>
<b>Cash Flows From Non-Capital Financing Activities:</b>						
Net refunds of customer deposits	-	(51,875)	-	-	(51,875)	-
Intergovernmental awards	-	-	-	-	-	90,000
<b>Net Cash (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>(51,875)</b>	<b>-</b>	<b>-</b>	<b>(51,875)</b>	<b>90,000</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>						
Sale of assets	-	4,569	-	-	4,569	33,754
Intergovernmental awards	295,836	-	329,216	-	625,052	-
Repayments from other funds	-	-	-	175,131	175,131	56,972
Interest paid on bonds and equipment contracts	(799,375)	(226)	-	-	(799,601)	-
Principal paid on bonds and equipment contracts	(1,144,675)	-	-	-	(1,144,675)	-
Acquisition and construction of capital assets	(48,683)	(213,196)	(338,020)	(520,701)	(1,120,600)	(183,304)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,696,897)</b>	<b>(208,853)</b>	<b>(8,804)</b>	<b>(345,570)</b>	<b>(2,260,124)</b>	<b>(92,578)</b>
<b>Cash Flows From Investing Activities:</b>						
Interest on investments	59,783	19,494	81	105,179	184,537	50,050
<b>Net Cash Provided by Investing Activities</b>	<b>59,783</b>	<b>19,494</b>	<b>81</b>	<b>105,179</b>	<b>184,537</b>	<b>50,050</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>1,450,934</b>	<b>416,502</b>	<b>14,340</b>	<b>248,515</b>	<b>2,130,291</b>	<b>278,850</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>6,942,372</b>	<b>2,974,859</b>	<b>46,472</b>	<b>4,940,710</b>	<b>14,904,413</b>	<b>2,192,996</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>8,393,306</b>	<b>3,391,361</b>	<b>60,812</b>	<b>5,189,225</b>	<b>17,034,704</b>	<b>2,471,846</b>
<b>Cash and Cash Equivalents Consists of the Following:</b>						
Cash in bank - Unrestricted	7,269,147	3,391,361	60,812	5,189,225	15,910,545	2,471,846
Cash in bank - Restricted	1,124,159	-	-	-	1,124,159	-
<b>Total</b>	<b>8,393,306</b>	<b>3,391,361</b>	<b>60,812</b>	<b>5,189,225</b>	<b>17,034,704</b>	<b>2,471,846</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
<b>Operating income (loss)</b>	<b>1,382,950</b>	<b>697,673</b>	<b>11,060</b>	<b>(663,566)</b>	<b>1,428,117</b>	<b>(853,280)</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>						
Depreciation	1,740,385	925,102	4,844	23,029	2,693,360	447,013
(Increase) decrease in accounts receivable	(49,147)	(101,884)	342	88,218	(62,471)	(978)
(Increase) decrease in inventories	(101,831)	(11,710)	2,390	-	(111,151)	-
(Increase) decrease in prepaid items/other assets	-	-	-	-	-	4,903
Increase (decrease) in accounts payable	(60,761)	127,288	4,427	16,894	87,848	56,172
Net change in interfund transfers	176,452	(978,733)	-	1,024,331	222,050	577,548
<b>Total Adjustments</b>	<b>1,705,098</b>	<b>(39,937)</b>	<b>12,003</b>	<b>1,152,472</b>	<b>2,829,636</b>	<b>1,084,658</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,088,048</b>	<b>657,736</b>	<b>23,063</b>	<b>488,906</b>	<b>4,257,753</b>	<b>231,378</b>

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

**City of Glenwood Springs, Colorado**  
**Statement of Fiduciary Net Position**  
**December 31, 2015**

	<u>Cemetery Reserve Fund</u>
<b>Assets:</b>	
Cash and investments	<u>37,168</u>
<b>Total Assets</b>	<u>37,168</u>
<b>Net Position:</b>	
Held in Trust	<u><u>37,168</u></u>

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

**City of Glenwood Springs, Colorado**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended December 31, 2015**

	<u><b>Cemetery Reserve Fund</b></u>
<b>Additions:</b>	
Charges and fees	1,750
Investment income, net	<u>64</u>
<b>Total Additions</b>	<u>1,814</u>
<b>Deductions:</b>	
Capital outlay	<u>-</u>
<b>Total Deductions</b>	<u>-</u>
<b>Change in Net Position</b>	1,814
<b>Net Position - Beginning of Year</b>	<u>35,354</u>
<b>Net Position - End of Year</b>	<u><u>37,168</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS



**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**

**I. Summary of Significant Accounting Policies**

The City of Glenwood Springs, Colorado, ("City"), is located in Garfield County, Colorado and its major operations include police and fire protection, road maintenance, ambulance, airport, utilities and culture and recreation.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the City are discussed below.

**A. Reporting Entity**

In 1966, the City became a "Home Rule City" (a municipal corporation, as defined by Colorado Revised Statutes). The City is governed by an appointed Mayor and an elected City Council which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. Additional separate governmental units, agencies, or non-profit corporations are included in the financial statements of the City since they were discovered to fall within the oversight responsibility based upon the application of the following criteria: financial accountability, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

**B. Blended Component Units**

In conformity with generally accepted accounting principles, the financial statements of the following component units have been included in the financial reporting entity as blended component units.

- General Improvement District Number 1980 (the "District"); the District's primary purpose is to provide infrastructure improvements to specific areas within the City's downtown area. The District's primary funding source is an ad valorem tax. The District's boundaries are entirely within the City's boundaries. Although the District is legally separate from the City, the District and the City are related through a common governing board. For financial reporting purposes, the District is reported as if it were part of the City's operations because the City is able to impose its will on the District and City Council acts as the District's *de facto* governing board.
- Downtown Development Authority (the "Authority"); the Authority's primary purpose is to develop and implement a downtown development and redevelopment plan for the central business area. The Authority's boundaries are entirely within the City's boundaries. The Authority exists only with the City's express consent. Although the Authority is legally separate from the City, the Authority and the City are related through a common governing board. For financial reporting purposes, the Authority is reported as if it were part of the City's operations because the City is able to impose its will on the Authority.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Government-wide and Fund Financial Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, road maintenance, culture and recreation, community development, transportation systems, and administration are classified as governmental activities. The City's utilities, airport and landfill are classified as business-type activities.

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

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

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

**2. Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The City reports the following major governmental funds:

- (a) *General Fund* - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.
- (b) *Fire & Ambulance Fund* - accounts for fire and ambulance services performed by the City and Rural Fire District.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Government-wide and Fund Financial Statements (continued)**

**2. Fund Financial Statements (continued)**

- (c) *Downtown Development Authority* – A blended component unit, was established by a vote of the citizens in 2001 for the purpose of revitalizing the downtown corridor and building a parking structure.
- (d) *Capital Projects Fund* – accounts for major City Projects which are financed by one-half (1/2) cent sales tax.
- (e) *Acquisitions and Improvements Fund* - accounts for revenues and expenditures received from a 1.00% sales tax and special assessments levied for capital improvements purposes.

The City reports the following major proprietary funds:

- (a) *Water and Sewer Fund* - accounts for activities of the fund that supplies water and sewer services to the citizens of the City. City water is provided on a metered basis.
- (b) *Electric System Fund* - accounts for activities related to the purchase and delivery of power within the City limits.
- (c) *Airport Operations Fund* - accounts for activities related to user charges and maintenance expenses for the airport.
- (d) *Landfill Operations Fund* - accounts for the activities related to the operations of the City landfill and recycling program.

The City reports the following non-major governmental funds:

- (a) *Tourism Fund* - accounts for funds received from a two and one-half percent rent tax on accommodations. Expenditures are restricted for tourism promotion purposes.
- (b) *Street Tax Fund* – accounts for revenues received from the one-half (1/2)% sales tax levied for transportation and related projects.
- (c) *Victims Assistance and Law Enforcement Fund (V.A.L.E.)* - accounts for funds received from a surcharge for violation of all municipal ordinances and violations of the Model Traffic Code. Expenditures are restricted to victims' and witnesses' services and reimbursements and to Police Department equipment purchases, training, and additional personnel costs.
- (d) *Conservation Trust Fund* - accounts for funds received and restricted as to use in the acquisition, development and maintenance of new conservation sites pursuant to Colorado Revised Statutes.
- (e) *Bus Tax Fund* - accounts for the .2% sales tax designated towards "Ride Glenwood Springs" bus service.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Government-wide and Fund Financial Statements (continued)**

**2. Fund Financial Statements (continued)**

- (f) *General Improvement District Number 1980 Fund* - the District's primary purpose is to provide infrastructure improvements to specific areas within the downtown area. The District's primary funding source is an ad valorem tax.
- (g) *Emergency Services Equipment Replacement Fund* - accounts for revenues received on a pro-rated basis from the Glenwood Springs Rural Fire Protection District and transfers from the General Fund for the purchase of emergency services, facilities and equipment.

The City also reports the following fiduciary funds which are not included in the government-wide statements since the resources of the fund are not available to the City:

- (a) The *Cemetery Reserve Fund* accounts for funds received and restricted for the maintenance and care of the Rosebud Cemetery.

Additionally, the City reports the following Internal Service Fund:

*Fleet Service Fund* - accounts for the repair and maintenance costs and the capital replacement plan of the City's vehicles and heavy equipment, excluding fire trucks.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**1. Long-term Economic Focus and Accrual Basis**

Both governmental and business-type activities in the government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**3. Financial Statement Presentation**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the 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.

**E. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

**2. Investments**

Investments are stated at fair value.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**3. Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Electric System Fund and the Water and Sewer Fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month prior to the close of the fiscal year.

**4. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and a deferred inflow of resources.

**5. Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased on the fund financial statements.

**6. Prepaid Items**

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

**7. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are shown as long-term debt on the Government-wide Statement of Net Position. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated to be taken as "terminal leave" at retirement.

**8. Pensions**

The City participates in a single employer defined benefit plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans 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.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**9. Capital Assets**

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The City defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

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

	<u>Years</u>
Infrastructure	25-40
Buildings	30
Electric plant	40
Electric system and equipment	25
Water and sewer, plant and distribution system	40
Office furniture and equipment	10
Vehicles and tools	5

**10. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The City has two items that qualify for reporting under this category on the Statement of Net Position. One item is deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item is the collective deferred outflows related to the City's net pension obligation. Pension contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a reduction of the net pension liability in future periods. See Note V.B.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet and on the Statement of Net Position. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the City's net pension obligation are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive plan members. See Note V.B.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**11. Fund Equity**

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned fund balance is limited to negative residual fund balance. For further details on the various fund balance classifications, refer to Note IV.J.

**12. Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as “due from other funds” or “due to other funds” on the balance sheet when they are expected to be liquidated within a reasonable amount of time. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

**F. Significant Accounting Policies**

**1. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the City’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**2. Credit Risk**

Receivables in the City’s funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

**3. Restricted and Unrestricted Resources**

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

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position**

The governmental fund Balance Sheet includes a reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The \$ 75,712,956 reconciling item represents the book value of capital assets at December 31, 2015.

Another element of that reconciliation states that “Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$ 11,499,359 difference represent long-term bonds and loans of \$10,097,964, accrued interest of \$65,312, compensated absences of \$1,312,305, and deferred debt costs of \$23,778.

Another element of that reconciliation states that “Internal Service Funds are used by the City to account for the repair and replacement costs of the City’s heavy equipment and vehicles. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position”. The result is an increase in net position of \$ 5,116,849 within governmental activities.

**B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes a reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense”. The details of the net difference of \$ (1,269,146) are net capital outlay of \$2,160,148 less depreciation expense of \$3,429,286.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

As required by Colorado statutes and the Home Rule Charter, the City followed required timetables in preparing, approving, and enacting its budget for the ensuing year. The following is a summary of the budget calendar for the 2015 budget year:

- (1) For the 2015 budget year, prior to December 10, 2014, the County Assessor sent to the City the final recertified assessed valuation of all taxable property within the City's boundaries.
- (2) The City Manager, or other qualified persons appointed by the Council, submitted to the Council, on or before October 15, 2014, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.
- (3) A public hearing on the proposed budget and capital program was held by the Council prior to October 15, 2014.
- (4) For the 2015 budget, prior to December 15, 2014, the City Council computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (5) After the required public hearing, the City Council adopted the proposed budget by resolution prior to October 15, 2014. The ordinance which legally appropriates expenditures for the upcoming year was passed on or before the first Council meeting in November.
- (6) After adoption of the budget ordinance, the City may make by ordinance the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated budget; (b) emergency appropriations; and (c) a reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the City Council may, by affirmative vote of five or more members, transfer part or all of any unexpended funds from one department, fund, or office to another.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2014 were collected in 2015 and taxes certified in 2015 will be collected in 2016. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the Water and Sewer Fund, Electric System Fund, Airport Operations Fund, Landfill Operations Fund, and Fleet Service Fund. Annual appropriated budgets are adopted for all funds. The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at fiscal year end except for the Capital Projects Fund and the Acquisition and Improvement fund, which lapse upon project completion.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

During the year, \$1,641,304 of supplemental appropriation ordinances were approved. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made.

The following funds had supplementary budget appropriations:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Supplemental Appropriation</u>
General	16,143,574	16,475,012
Fire and Ambulance Fund	3,343,925	3,488,925
Fleet Service Fund	1,995,061	2,140,061
Capital Projects	783,201	899,171
Acquisition and Improvements	2,942,850	3,000,850
Tourism	856,979	911,979
V.A.L.E.	51,500	76,500
GID Improvement District No.1980	38,965	43,965
Emergency Services Equipment	211,000	226,500
Water and Sewer	8,445,335	8,740,731
Electric System	16,742,484	16,792,484
Airport Operations	187,158	587,158

During the year, the City's General Improvement District No. 1980's expenditures exceeded appropriations. This may be a violation of State Statutes.

	<u>Water and Sewer Fund</u>	<u>Electric System Fund</u>	<u>Airport Operations Fund</u>	<u>Landfill Operations Fund</u>	<u>Fleet Service Fund</u>
Excess (deficiency) of revenues over expenditures - budget basis	\$ (394,022)	\$ (479,352)	\$ 2,337	\$ (1,136,619)	\$ (432,763)
Debt service - Principal	1,144,675	-	-	-	-
Capital outlay	48,384	316,042	338,020	520,701	187,675
<b>Total Adjustments</b>	<u>1,193,059</u>	<u>316,042</u>	<u>338,020</u>	<u>520,701</u>	<u>187,675</u>
<b>Net Income (Loss) - GAAP Basis</b>	<u>\$ 799,037</u>	<u>\$ (163,310)</u>	<u>\$ 340,357</u>	<u>\$ (615,918)</u>	<u>\$ (245,088)</u>

**B. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment (continued)**

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$775,458 which is the approximate required reserve at December 31, 2015.

The City's voters approved a ballot question which will allow the City to collect, retain, and expend the full proceeds of the City's sales and use tax, non-federal grants, fees and other revenues from the date of January 1, 1993 and thereafter. The City may not increase tax rates or add new debt without voter approval. The City's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**IV. Detailed Notes on All Funds**

**A. Deposits and Investments**

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts in deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of collateral must be at least equal to the aggregate uninsured deposits.

At year end, the City had the following investments and maturities:

	Standard & Poors Rating	Carrying amounts	Maturities	
			Less than one year	Less than five years
<b>Deposits:</b>				
Petty cash	Not Rated	\$ 2,735	\$ 2,735	\$ -
Checking	Not Rated	13,106,401	13,106,401	-
Savings and money market	Not Rated	100,435	100,435	-
<b>Investments:</b>				
Certificates of Deposit	Not Rated	11,012,829	7,784,150	3,228,679
United States Agencies	AA+	9,956,649	498,400	9,458,249
Investment pools	AAAm	8,412,135	8,412,135	-
Cash held by Trustee	Not Rated	1,182,500	-	1,182,500
		\$ 43,773,684		

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

The City's holdings in government investment pools are comprised of balances with COLOTRUST and C-SAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The City has no regulatory oversight for the pools.

The City also has amounts invested with its pension fund trustee – FPPA.

**Interest Rate Risk:** As a means of limiting its exposure to interest rate risk, the City coordinates its investments maturities to closely match cash flow needs and restricts the maximum investments term to less than five years from the purchase date. As a result of the limited length on maturities, the City has limited its interest rate risk.

**Credit Risk:** State law and City policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The City's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would expect to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**Concentration of Credit Risk:** The City diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding City funds must provide the City with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**B. Receivables**

Receivables as of year-end for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Fire and Ambulance Fund</u>	<u>Downtown Development Authority</u>	<u>Capital Projects Fund</u>	<u>Acquisition and Improvement</u>
Receivables:					
Taxes	\$ 2,265,890	\$ -	\$ 53,420	\$ 258,471	\$ 516,942
Accounts	584,971	207,797	-	-	-
Interest	1,827	-	-	1,919	8,609
Gross receivables	2,852,688	207,797	53,420	260,390	525,551
Less: allowance for uncollectible	-	(52,000)	-	-	-
Net receivables	<u>\$ 2,852,688</u>	<u>\$ 155,797</u>	<u>\$ 53,420</u>	<u>\$ 260,390</u>	<u>\$ 525,551</u>
	<u>Water and Sewer</u>	<u>Electric System</u>	<u>Landfill Fund</u>	<u>Non-major and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ -	\$ -	\$ -	\$ 462,632	\$ 3,557,355
Accounts	493,046	1,784,147	244,590	24,536	3,339,087
Interest	2,360	5,379	4,505	8,701	33,300
Other	796	-	-	-	796
Intergovernmental	-	-	-	7,912	7,912
Gross receivables	496,202	1,789,526	249,095	503,781	6,938,450
Less: allowance for uncollectible	(1,500)	(106,729)	(32,500)	-	(192,729)
Net receivables	<u>\$ 494,702</u>	<u>\$ 1,682,797</u>	<u>\$ 216,595</u>	<u>\$ 503,781</u>	<u>\$ 6,745,721</u>

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**C. Capital Assets**

The City had the following capital asset activity for the year:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 10,509,063	\$ 50,195	\$ (40,195)	\$ 10,519,063
Construction in progress	7,429,136	1,813,743	-	9,242,879
Total capital assets, not being depreciated	<u>17,938,199</u>	<u>1,863,938</u>	<u>(40,195)</u>	<u>19,761,942</u>
Capital assets, being depreciated:				
Buildings	34,397,322	241,500	-	34,638,822
Other improvements	3,803,058	-	-	3,803,058
Streets and trails	62,530,777	-	-	62,530,777
Machinery and equipment	2,855,485	158,985	(1,835)	3,012,635
Vehicles	7,539,446	123,595	(147,580)	7,515,461
Total capital assets, being depreciated	<u>111,126,088</u>	<u>524,080</u>	<u>(149,415)</u>	<u>111,500,753</u>
Less accumulated depreciation for:				
Buildings	(12,504,247)	(1,170,452)	-	(13,674,699)
Other improvements	(1,015,526)	(111,870)	-	(1,127,396)
Streets and trails	(29,544,071)	(1,920,738)	-	(31,464,809)
Machinery and equipment	(3,184,620)	(527,823)	1,835	(3,710,608)
Vehicles	(3,505,149)	(145,416)	143,208	(3,507,357)
Total accumulated depreciation	<u>(49,753,613)</u>	<u>(3,876,299)</u>	<u>145,043</u>	<u>(53,484,869)</u>
Total capital assets, being depreciated, net	<u>61,372,475</u>	<u>(3,352,219)</u>	<u>(4,372)</u>	<u>58,015,884</u>
<b>Governmental Activities - Capital Assets, Net</b>	<u>\$ 79,310,674</u>	<u>\$ (1,488,281)</u>	<u>\$ (44,567)</u>	<u>\$ 77,777,826</u>
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,305,057	\$ -	\$ -	\$ 1,305,057
Water rights	29,800	-	-	29,800
Construction in progress	1,085,123	795,367	(884,189)	996,301
Total capital assets, not being depreciated	<u>2,419,980</u>	<u>795,367</u>	<u>(884,189)</u>	<u>2,331,158</u>
Capital assets, being depreciated:				
Buildings and plant	42,080,552	881,088	-	42,961,640
Distribution and collection system	62,361,859	133,253	(15,879)	62,479,233
Machinery and equipment	3,248,385	297,925	-	3,546,310
Vehicles	36,537	-	-	36,537
Total capital assets, being depreciated	<u>107,727,333</u>	<u>1,312,266</u>	<u>(15,879)</u>	<u>109,023,720</u>
Less accumulated depreciation for:				
Buildings and plant	(9,817,409)	(1,011,276)	-	(10,828,685)
Distribution and collection system	(24,386,792)	(1,555,982)	11,247	(25,931,527)
Machinery and equipment	(1,927,660)	(123,817)	-	(2,051,477)
Vehicles	(15,977)	(2,284)	-	(18,261)
Total accumulated depreciation	<u>(36,147,838)</u>	<u>(2,693,359)</u>	<u>11,247</u>	<u>(38,829,950)</u>
Total capital assets, being depreciated, net	<u>71,579,495</u>	<u>(1,381,093)</u>	<u>(4,632)</u>	<u>70,193,770</u>
<b>Business-type Activities - Capital Assets, Net</b>	<u>\$ 73,999,475</u>	<u>\$ (585,726)</u>	<u>\$ (888,821)</u>	<u>\$ 72,524,928</u>

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**C. Capital Assets (continued)**

The City had capital outlay and depreciation expense for the following functions:

	<u>Capital Outlay</u>	<u>Depreciation Expense</u>
<b>Governmental Activities:</b>		
General government	\$ 51,032	\$ 318,227
Transportation	-	54,325
Public safety	97,804	398,391
Community development	-	3,846
Public works	1,745,415	2,158,398
Culture and recreation	453,572	943,111
<b>Total Governmental Activities</b>	<u>\$ 2,347,823</u>	<u>\$ 3,876,299</u>
<b>Business-type Activities:</b>		
Water and sewer	\$ 48,384	\$ 1,740,384
Electric	316,042	925,102
Airport	-	4,844
Landfill	520,701	23,029
<b>Total Business-type Activities</b>	<u>\$ 885,127</u>	<u>\$ 2,693,359</u>

The difference between fixed asset additions and capital outlay include contributed assets and projects initially capitalized and subsequently expensed.

**D. Interfund Receivables, Payables, and Transfers**

In 2007, Landfill Operations loaned to the Downtown Development Authority \$435,767 to acquire real property. Terms of the Interfund Loan are annual principal and interest payments beginning August 2008 through August 2027. The initial annual interest rate on this loan was fixed at 5.91%. In 2015, the fixed interest rate was reduced to 3%. At December 31, 2015, principal amount outstanding on this loan was \$307,996.

In 2012, the City's Landfill Operating and Fleet Service Funds loaned a total of \$2,000,000 to the Downtown Development Authority to pursue the construction of a parking garage within City limits. Terms of the Interfund Loan are annual principal and interest payments beginning in August 2013 through August 2027. Annual interest rates are at 1% on \$500,000 for five years, 2% on \$500,000 for ten years, and 3% on \$1,000,000 for 15 years on the various interfund loans. At December 31, 2015, principal amount outstanding to Landfill Operations totaled \$563,299, and the principal amount outstanding to the Fleet Service Fund totaled \$834,050. Interest payments made by the Downtown Development Authority to Landfill Operations and the Fleet Service Fund during 2015 totaled \$47,076.

The City had the following interfund receivables or payables as of December 31, 2015:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ -	\$ 1,373,182
Landfill Operations	1,030,266	871,295
Fleet Service Fund	143,160	834,050
General Improvement District	2,464	-
Fire and Ambulance Fund	100,750	-
V.A.L.E. Fund	19,445	-
Downtown Development	1,782,442	-
	<u>\$ 3,078,527</u>	<u>\$ 3,078,527</u>

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**D. Interfund Receivables, Payables, and Transfers (continued)**

Transfers were as follows:

<u>Fund</u>	<u>Funds Transferred In</u>	<u>Funds Transferred (Out)</u>	<u>Reason</u>
General Fund	\$ 328,152		Allocated organizational costs and franchise fees
Water and Sewer		\$ 328,152	
General Fund	800,610		Allocated organizational costs and franchise fees
Electric Fund		800,610	
General Fund	1,018,698		Employee housing loan funding and infrastructure needs
Acquisition and Improvement Fund		1,018,698	
Downtown Development Authority	50,005		Transfer of sales tax per Glenwood Meadows development agreement
General Fund		20,275	
Street Tax Fund		6,752	
Bus Tax Fund		2,707	
Capital Projects Fund		6,752	
Acquisition and Improvement Fund		13,519	
Emergency Services Equipment and Replacement Fund	185,158		City share of capital improvement mill levy
General Fund		185,158	
Capital Projects	295,396		Contribution of completed assets
Water Fund		295,396	
Water Fund	800,000		Infrastructure needs
Capital Projects		800,000	
Fleet Service Fund	178,123		Capital purchases
Electric Fund		178,123	
Fleet Service Fund	5,935		Capital purchases
Landfill Fund		5,935	
Fleet Service Fund	250,330		Capital purchases
Capital Projects		250,330	
Fire and Ambulance Fund	2,378,669		Operational subsidy
General Fund		2,378,669	
	<u>\$ 6,291,076</u>	<u>\$ 6,291,076</u>	

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**E. Governmental Funds Long-term Debt**

**1. Revenue and General Obligation Bonds**

- (a) \$4,999,017 Government Agency Bonds dated May 1, 1999, issued to evidence the loan agreement of the same date with the Colorado Water Resources and Power Development Authority. The bond bears an effective interest yield of 3.77%, payable April 1 and October 1 from 1999 through 2018. Principal on this issue matures April 1 and October 1 of each year from 1999 through 2018. This issuance is serviced by the City's Acquisition and Improvement Fund. In 2013, this debt was advance refunded by Colorado Water Resources and Power Development Authority, with estimated saving of \$141,970 to the City.
- (b) \$11,825,000 Sales and Use Tax Revenue Refunding Bonds dated March 9, 2010, bearing interest rates ranging from 2.0% to 3.4%. This offering advance refunded the City's Sales and Use Tax Revenue Bonds, Series 1999.

Bonds of this issue maturing on October 1, 2018, are subject to mandatory sinking fund requirements. The revenues derived from the 1.0% portion of the City's effective 3.7% sales and use tax are pledged for payment of bonds of this issue. The City's Acquisition and Improvement Fund will service these bonds.

- (c) \$2,085,000 Limited Tax General Obligation bonds dated February 1, 2012, with stated interest rate at 2.190%. This offering advance refunded the City's Limited Tax General Obligation Bonds, Series 2001. This issuance will be serviced by the City's General Fund. This issuance matures December 1, 2020.
- (d) \$3,070,000 Sales and Use Tax Bonds dated December 8, 2015, with stated interest rate at 2.280%. This offering will be used toward completion of construction projects related to (a) relocation of State Highway 82, (b) constructing the South Bridge project over the Roaring Fork River, or (c) constructing the 8<sup>th</sup> Street connection from Midland Avenue to downtown Glenwood Springs. The revenue derived from the City's Street Tax Fund's sales and use taxes are pledged for payment of bonds of this issue. The City's Street Tax Fund will service these bonds. This issuance matures December 1, 2026.

**2. Compensated Absences**

The City has a policy for the accumulation of sick pay, vacation pay and compensatory time up to certain limits. Earned vacation pay accrues on a graduated scale from the date of employment but may not exceed 52 days. Sick pay may be accumulated to a maximum of 120 days; upon retirement, an employee's accrued sick leave may be converted to monetary payment at their current rate of pay for 100% of the amount accrued. In lieu of accruing and receiving additional sick leave, an employee who has accrued 120 days will be compensated as follows; in money at current salary or hourly rate for half of the accrued days in excess of the 120 days or in vacation leave at a ratio of 1 day for every 2 days sick leave. In lieu of overtime compensation, an employee may bank compensatory time at the rate of 1½ hours for every hour worked up to a maximum of 40 hours.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**E. Governmental Funds Long-term Debt (continued)**

**3. Annual Debt Service Requirements**

Annual debt service requirements to maturity for governmental activities are as follows:

<u>Year Ended December 31,</u>	<u>1999 Government Agency Bonds</u>	<u>2010 Sales and Use Tax Revenue Refunding Bonds</u>	<u>2012 Limited Tax General Obligation</u>	<u>2015 Sales and Use Tax Bonds</u>	<u>Grand Total</u>
2016	\$ 360,149	\$ 1,419,388	\$ 255,952	\$ 315,913	\$ 2,351,402
2017	368,520	1,427,638	250,915	319,296	2,366,369
2018	185,545	2,608,188	250,878	318,482	3,363,093
2019	-	-	250,730	317,554	568,284
2020	-	-	255,475	321,512	576,987
2021 - 2025	-	-	-	1,591,230	1,591,230
2026	-	-	-	317,068	317,068
<b>Total</b>	<u>914,214</u>	<u>5,455,214</u>	<u>1,263,950</u>	<u>3,501,055</u>	<u>11,134,433</u>
Less: Interest	<u>(61,250)</u>	<u>(465,214)</u>	<u>(78,950)</u>	<u>(431,055)</u>	<u>(1,036,469)</u>
<b>Total</b>	<u>\$ 852,964</u>	<u>\$ 4,990,000</u>	<u>\$ 1,185,000</u>	<u>\$ 3,070,000</u>	<u>\$ 10,097,964</u>

**F. Business-Type Long-term Debt**

**1. Revenue and General Obligation Refunding Bonds**

- (a) \$31,460,100 Water and Sewer Revenue Bonds, Series 2010, issued by Colorado Water Resources and Power Development Authority ("CWRPDA") on behalf of the City's utility enterprise, per a loan agreement dated May 1, 2010. Repayment terms are through August, 2032. The City's annual interest is 2.5%. The proceeds are to be used to construct a regional wastewater plant, lift station and upgrades to the distribution system.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Business-Type Long-term Debt (continued)**

**2. Annual Debt Service Requirements**

The following is a summary of annual debt service requirements to maturity for business-type activities:

<b>Year Ended December 31,</b>	<b>Water and Sewer Revenue Loan</b>
2016	\$ 1,956,032
2017	1,957,715
2018	1,959,168
2019	1,960,250
2020	1,959,271
2021 - 2025	9,792,004
2026 - 2030	9,784,635
2031 - 2032	3,910,105
<b>Total</b>	<b>33,279,180</b>
Less: Interest	<u>(7,326,180)</u>
<b>Total</b>	<b><u>\$ 25,953,000</u></b>

**G. Changes in Long-Term Debt**

Changes in long-term obligations for the year ended December 31, 2015 are as follows:

	<b>Balance January 1, 2014 (As restated)</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2015</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
1999 Governmental Agency Bonds	\$ 1,163,378	\$ -	\$ (310,414)	\$ 852,964	\$ 323,910
2010 Sales and Use Tax Revenue Refunding Bonds	6,185,000	-	(1,195,000)	4,990,000	1,225,000
2012 Limited Tax General Obligation	1,410,000	-	(225,000)	1,185,000	230,000
2015 Sales and Use Tax Bonds	-	3,070,000	-	3,070,000	250,000
Net pension liability	399,417	-	(67,403)	332,014	-
Deferred amounts:					
2010 Issuance premium	143,093	-	(50,744)	92,349	-
Compensated Absences	1,468,056	68,010	(223,761)	1,312,305	524,920
<b>Business-type Activities:</b>					
Water and Sewer Revenue Loan	27,097,675	-	(1,144,675)	25,953,000	1,171,050
Landfill closure and post closure	774,054	22,279	-	825,228	-
Compensated Absences	554,877	4,665	(60,873)	498,669	199,468
<b>Total</b>	<b><u>\$ 39,195,550</u></b>	<b><u>\$ 3,164,954</u></b>	<b><u>\$ (3,277,870)</u></b>	<b><u>\$ 39,111,529</u></b>	<b><u>\$ 3,924,348</u></b>

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**H. Landfill Closure and Post-Closure Costs**

State and federal laws and regulations require the City to perform certain closure and post-closure maintenance of the landfill site for thirty years after closure. In addition to operating expenses relating to current activities of the landfill, an expense provision and related liability are being recognized based on the amount of landfill used during the year. The estimated liability for landfill closure and postclosure care are based upon an estimate of the landfill used during the year. The estimated liability for landfill closure and postclosure costs is \$717,667 and \$553,358, respectively. As of December 31, 2015, the liability for closure and postclosure is \$465,954 and \$359,274. The December 31, 2015 liability is based upon the usage (filled) of the landfill and is shown in these financial statements as an accrued liability in the Landfill Fund. It is estimated that an additional \$496,971 will be recognized as closure and postclosure care expenses between the date of the balance sheet and 2027, the date the landfill is expected to be filled to capacity.

The estimated total current cost of the landfill closure and postclosure cost, \$825,228 is based upon the estimated amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2015.

The actual costs of closure and postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by state and federal laws and regulations to provide adequate financial resources to pay for all closure and postclosure care. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

**I. Advance Refunding**

The City has advance refunded several general obligation and revenue bonds. Sufficient U.S. government, state and local government securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has not been recorded on the financial statements. The amount of defeased bonds outstanding at December 31, 2015 cannot be readily determined.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**J. Fund Balance Disclosures**

The City classifies governmental fund balances as follows:

*Non-spendable* – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, and long-term portions of loans receivable.

*Spendable Fund Balance:*

*Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The City has restricted the following amounts:

<u>Restricted Fund Balance:</u>	
TABOR	\$ 775,458
Forfeitures	76,546
Debt Service	1,182,500
Conservation Trust	344,840
Property Tax	255,853
	<u>\$ 2,635,197</u>

*Committed* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the City Council. The City's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the City's platform to review and/or make changes to each department's budget. The budget is formally presented to the City Council via an advertised public process for the review, revisions and final approval by year-end. All subsequent budget requests made during the year, after City Council approval, must be presented via a public process and again approved by the City Council. The City must make formal action through resolution to establish, modify, or rescind committed fund balance amounts. The City has committed the following fund balances:

<u>Committed Fund Balance:</u>	
Airport Rd/Housing	\$ 204,365
Tourism Fund	139,688
Street tax fund	154,722
Capital Projects Fund	446,331
	<u>\$ 945,106</u>

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or its management designees. The City Manager has the authority to establish, modify, or rescind assigned fund balance to a specific department or project within a fund, as stated in the City's adopted financial policies.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**J. Fund Balance Disclosures (continued)**

*Spendable Fund Balance:*

*Unassigned* – includes residual positive fund balance within the General Fund, which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City's restricted amounts are to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts when expenditures are made.

**V. Other Information**

**A. Pension Plans**

All City employees, except police and fire, participate in the Federal Social Security system for which the City has no liability except for amounts withheld and related statutory matching amounts. In addition, the City has established two contributory pension plans.

**1. Contributory Pension Plan (IRS Section 401(k))**

All full-time employees of the City are eligible to participate in the plan. Eligibility is after six months of employment with enrollment dates of the first day of each month. An employee must have six months of employment at the enrollment date. The City contributes 4% of the base pay of all eligible City employees. In addition, all eligible employees may contribute, for which the City will match up to an additional 3%. Employee contributions are fully vested and City contributions become fully vested after five years. The non-vested contributions that are forfeited are allocated to the remaining plan participants. The City has no liability under the plan beyond the requirement to make the aforementioned contributions. The plan is administered by Daily Access Concepts. Total payroll for the year was \$11,381,009 and current year payroll for employees covered under the plan was \$9,515,292. The City's contributions were \$613,501.

**2. Contributory Pension Plan (IRS Section 401(a))**

All City police and fire employees are eligible to participate in this plan, in lieu of Social Security benefits. Eligibility is at the date of employment. The employee and the City contribute 7 1/2% of compensation to this plan. Employee contributions are fully vested, and the City's contributions become fully vested after five years. If the employee does not become eligible for the benefits, the forfeitures are divided among the plan participants. The City has no liability under the plan beyond the requirement to make the aforementioned contributions. The plan is administered by Daily Access Concepts. Total payroll for the year was \$11,381,009 and current year payroll for employees covered under the plan was \$3,683,200. The City's contributions were \$276,240.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

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

**1. Volunteer Firemen’s Pension Fund**

**Plan Description:** The City is trustee of a single-employer defined benefit pension plan available to provide retirement income for all of its volunteer firefighters in recognition of their service to the City. FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at [http://fppaco.org/pdfs/annual\\_audit\\_actuarial\\_reports](http://fppaco.org/pdfs/annual_audit_actuarial_reports).

The plan provides normal retirement benefits. The following benefit provisions were used to determine the City’s pension liability at the measurement date of December 31, 2014:

<i>Normal retirement benefit at age 50 with 20 year of service (monthly):</i>		
Regular	\$	550
<i>Vested retirement benefit:</i>		
With 10 to 20 years of service amount per year of service per minimum vesting years	\$	27.50
Minimum vesting years		10
<i>Funeral benefits (required benefit):</i>		
Funeral benefit lump sum, one time only	\$	1,000

As of January 1, 2015, the latest actuarial valuation date, there were 2 active, 20 retirees and beneficiaries and 3 terminated vested members.

**Funding Policy:** The funding of the plan by the City and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the “State”) toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of City contributions, whichever is less. Since the City currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of : (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year.

**Net Pension Liability:** At December 31, 2015, the volunteer pension fund reported a net pension liability of \$332,014. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. Volunteer Firemen's Pension Fund (continued)**

**Actuarial Assumptions:** The significant actuarial assumptions used in the valuation as of January 1, 2015 were:

Actuarial method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	20 years
Asset valuation method	5-Year Smoothed Market
Includes inflation at	3.00%
Salary increases	N/A
Investment rate of return	7.50%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement; RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off duty mortality. Post-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment. Disabled: RP-2000 Disabled Mortality Tables All tables projected with Scale AA.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) the long-term expected rate of return on pension plan investments (7.50%), and (2) tax-exempt municipal bond rate based on an index of 20-year obligation bonds with an average AA credit rating as of the measurement date (3.65%) to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits. The resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following represent the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<b>Current Single Discount</b>		
	<b>1% Decrease</b>	<b>Rate Assumption</b>	<b>1% Increase</b>
	<b>6.50%</b>	<b>7.50%</b>	<b>8.50%</b>
Net Pension Liability	\$ 420,414	\$ 332,014	\$ 225,563

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. Volunteer Firemen's Pension Fund (continued)**

In connection with the City's Volunteer Fire and Police Protection Retirement Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2015:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 4,992	\$ -
Contributions subsequent to measurement date	24,749	-
	\$ 29,741	\$ -

Contributions subsequent to the measurement date of December 31, 2014, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

<b>Year Ended December 31,</b>	<b>Amortization</b>
2016	\$ 1,248
2017	1,248
2018	1,248
2019	1,248
	\$ 4,992

**C. Post-Employment Health Care Benefits**

All City employees covered by COBRA insurance may continue their health insurance due to a reduction in work hours or termination of employment (for reasons other than "gross misconduct") for up to 18 months after the occurrence of one of these events. Eligible dependents may continue coverage for up to 36 months. Employees who elect continued coverage must pay the City for premiums from the termination date of coverage and monthly thereafter. Retirees and their dependents can stay on the medical, dental and vision insurance until they are eligible for Medicare. The employee pays the total premiums for any elections. No cost to the City is recognized as employees reimburse 100% of their premium cost.

**D. Cafeteria Plan**

The City offers a cafeteria plan organized under IRS Sections 125 and 129. It allows employees to pay premiums for some insurances tax free, contribute to medical spending accounts and contribute to dependent care spending accounts. No cost to the City is recognized as the plan is a salary reduction plan.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**E. Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**F. Claims**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City attorney the resolution of these matters will not have a material adverse effect on the financial condition of the government.

**G. Risk Management**

**1. Colorado Intergovernmental Risk Sharing Agency**

The City is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To address such risks, the City is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$250,000 per claim or occurrence for property, \$1,000,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the City may be liable for any losses in excess of this coverage, the City does not anticipate such losses at December 31, 2015.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

A copy of CIRSA's audit report can be obtained by writing to CIRSA, 3665 Cherry Creek North Drive, Denver, CO 80209, or by calling (800)-228-7136.

**City of Glenwood Springs, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**H. Commitments and Contingencies**

**1. Lease for Operations Management at South Canyon Landfill**

On June 1, 2009, the City entered into an operations management agreement (the "Agreement") with South Canyon Waste Systems LLC., to provide operations management for the City's South Canyon Landfill (the "Landfill"). The Agreement was effective as of May 1, 2009 through March 31, 2014, with provisions for four (4) additional five (5) years terms. The Agreement was amended on August 17, 2009, to provide for certain expansion work to be undertaken at the Landfill, and on May 15, 2014, to accept the first five year extension to the lease agreement and detail scope of services and related costs. Future minimum lease payments for years subsequent to December 31, 2015 are as follows:

<b>Year ending March 31</b>	
2016	\$ 1,985,000
2017	1,985,000
2018	1,985,000
2019	1,985,000
<b>Total</b>	<b><u><u>\$ 7,940,000</u></u></b>

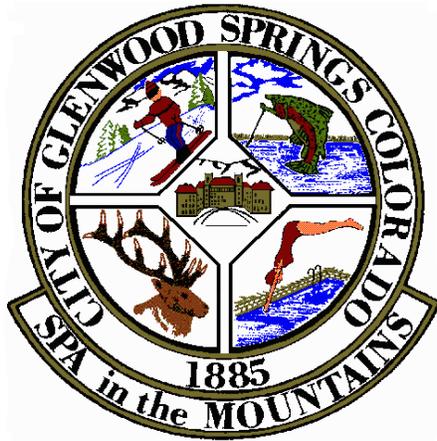
At December 31, 2015, the City had incurred expense of \$1,985,000 under the terms of the lease agreement.

**I. Restatement of Prior Periods**

During 2015, the City implemented Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions (an Amendment of GASB No.27)*, which requires employers recognize their long-term obligations for pension benefits as an asset or liability on the Statement of Net Position. As such, the City's 2015 financial statements report a restatement of net position as follows:

	<b>Governmental Activities</b>
Net Position, December 31, 2014, as originally stated	\$ 90,410,520
Deferred outflows of resources pension liability	24,751
Net pension liability	(399,417)
Net Position, December 31, 2014, restated	<b><u><u>\$ 90,035,854</u></u></b>

REQUIRED SUPPLEMENTARY INFORMATION



**City of Glenwood Springs, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	2015			Final Budget	2014
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Property taxes	1,293,919	1,293,919	1,295,638	1,719	1,280,654
Specific ownership	50,000	50,000	73,010	23,010	79,752
Special assessment	34,000	34,000	36,670	2,670	35,590
General sales tax	6,194,500	6,579,500	6,744,075	164,575	6,265,601
Use tax	121,623	121,623	125,303	3,680	116,234
Franchise tax	175,800	175,800	179,584	3,784	185,638
<b>Total Taxes</b>	<b>7,869,842</b>	<b>8,254,842</b>	<b>8,454,280</b>	<b>199,438</b>	<b>7,963,469</b>
<b>Permits and Licenses:</b>					
Contractors licenses	20,000	20,000	24,791	4,791	20,622
Liquor licenses	35,000	35,000	71,979	36,979	57,025
Dog licenses	250	250	230	(20)	190
Building permits	57,000	57,000	80,185	23,185	50,933
Sales tax license	80,000	80,000	86,278	6,278	28,997
<b>Total Permits and Licenses</b>	<b>192,250</b>	<b>192,250</b>	<b>263,463</b>	<b>71,213</b>	<b>157,767</b>
<b>Intergovernmental:</b>					
Cigarette tax	65,000	65,000	72,908	7,908	69,809
County road and bridge	278,000	278,000	318,685	40,685	273,932
County sales tax	150,000	150,000	276,684	126,684	228,257
Highway use tax	282,000	282,000	293,279	11,279	284,874
Severance tax	267,054	267,054	330,124	63,070	309,290
Grants	216,777	216,777	67,101	(149,676)	97,835
<b>Total Intergovernmental</b>	<b>1,258,831</b>	<b>1,258,831</b>	<b>1,358,781</b>	<b>99,950</b>	<b>1,263,997</b>
<b>Charges and Fees:</b>					
Plan check and record fee	90,000	90,000	98,406	8,406	90,767
Cemetery fees	8,000	8,000	10,344	2,344	8,313
Police fines and court fees	175,000	175,000	174,015	(985)	154,629
Parking fees and fines	41,000	41,000	43,454	2,454	48,162
Impoundment fees	3,100	3,100	5,644	2,544	6,228
Recreation fees	1,133,000	1,133,000	1,226,699	93,699	1,248,687
Park and rafting fees	48,000	48,000	51,995	3,995	52,307
<b>Total Charges and Fees</b>	<b>1,498,100</b>	<b>1,498,100</b>	<b>1,610,557</b>	<b>112,457</b>	<b>1,609,093</b>
<b>Other Revenues:</b>					
Contributions	100	100	-	(100)	1,090
Interest	14,500	14,500	20,054	5,554	13,675
Police confiscated assets	-	-	5,935	5,935	15,585
Miscellaneous	40,135	40,135	50,269	10,134	126,693
Other lease revenue	503,347	503,347	484,532	(18,815)	763,448
Overhead reimbursement	2,268,122	2,268,122	2,268,122	-	2,022,768
Other reimbursements	48,894	48,894	64,823	15,929	35,916
<b>Total Other Revenues</b>	<b>2,875,098</b>	<b>2,875,098</b>	<b>2,893,735</b>	<b>18,637</b>	<b>2,979,175</b>
<b>Total Revenues</b>	<b>13,694,121</b>	<b>14,079,121</b>	<b>14,580,816</b>	<b>501,695</b>	<b>13,973,501</b>

(continued)

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

**City of Glenwood Springs, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**  
**(Continued)**

	2015			2014	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Expenditures:</b>					
<b>General Government:</b>					
Administration	574,198	596,198	696,021	(99,823)	541,076
Personnel/purchasing	291,939	291,939	283,984	7,955	253,974
City Clerk and elections	415,508	432,508	417,282	15,226	409,120
Finance	1,025,665	1,051,103	987,153	63,950	1,065,365
Data processing	390,789	390,789	351,074	39,715	252,860
Judicial	242,595	242,595	224,935	17,660	216,854
Legal	377,744	584,744	495,821	88,923	291,772
Annexation costs and rebates	846,560	788,560	230,401	558,159	170,826
<b>Total General Government</b>	<u>4,164,998</u>	<u>4,378,436</u>	<u>3,686,671</u>	<u>691,765</u>	<u>3,201,847</u>
<b>Public Safety:</b>					
Police department	3,338,571	3,366,571	3,275,518	91,053	3,273,558
<b>Total Public Safety</b>	<u>3,338,571</u>	<u>3,366,571</u>	<u>3,275,518</u>	<u>91,053</u>	<u>3,273,558</u>
<b>Community Development:</b>					
Administration/planning	547,097	597,097	501,307	95,790	382,215
Building inspector	251,134	251,134	276,263	(25,129)	215,025
<b>Total Community Development</b>	<u>798,231</u>	<u>848,231</u>	<u>777,570</u>	<u>70,661</u>	<u>597,240</u>
<b>Public Works:</b>					
Administration/engineering	598,341	598,341	477,402	120,939	445,306
Streets, alleys, snow removal	1,054,654	1,054,654	978,192	76,462	1,034,552
<b>Total Public Works</b>	<u>1,652,995</u>	<u>1,652,995</u>	<u>1,455,594</u>	<u>197,401</u>	<u>1,479,858</u>
<b>Culture and Recreation:</b>					
Recreation	2,284,358	2,284,358	2,245,397	38,961	2,191,875
Parks and cemetery	1,064,731	1,104,731	1,072,368	32,363	975,115
<b>Total Culture and Recreation</b>	<u>3,349,089</u>	<u>3,389,089</u>	<u>3,317,765</u>	<u>71,324</u>	<u>3,166,990</u>
<b>Debt Service:</b>					
Principal on bonded debt	225,000	225,000	225,000	-	220,000
Interest on bonded debt	30,879	30,879	30,815	64	35,697
<b>Total Debt Service</b>	<u>255,879</u>	<u>255,879</u>	<u>255,815</u>	<u>64</u>	<u>255,697</u>
<b>Total Expenditures</b>	<u>13,559,763</u>	<u>13,891,201</u>	<u>12,768,933</u>	<u>1,122,268</u>	<u>11,975,190</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	134,358	187,920	1,811,883	1,623,963	1,998,311
<b>Other Financing Sources (Uses):</b>					
Transfers in	2,424,853	2,424,853	2,147,460	(277,393)	1,037,360
Transfers (out)	(2,583,811)	(2,583,811)	(2,584,103)	(292)	(2,254,981)
<b>Total Other Financing Sources (Uses)</b>	<u>(158,958)</u>	<u>(158,958)</u>	<u>(436,643)</u>	<u>(277,685)</u>	<u>(1,217,621)</u>
<b>Net Change in Fund Balance</b>	(24,600)	28,962	1,375,240	1,346,278	780,690
<b>Fund Balance - Beginning of Year</b>	<u>3,527,008</u>	<u>5,232,249</u>	<u>5,232,249</u>	<u>-</u>	<u>4,451,559</u>
<b>Fund Balance - End of Year</b>	<u>3,502,408</u>	<u>5,261,211</u>	<u>6,607,489</u>	<u>1,346,278</u>	<u>5,232,249</u>

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

**City of Glenwood Springs, Colorado**  
**Fire and Ambulance Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2014</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
<b>Intergovernmental:</b>					
Grants and awards	-	-	24,000	24,000	4,904
<b>Charges for Services:</b>					
Permits	10,000	10,000	9,905	(95)	10,825
Ambulance fees	985,045	985,045	900,281	(84,764)	1,169,271
<b>Other:</b>					
Interest income	5	5	-	(5)	6
Miscellaneous	-	-	4,646	4,646	-
<b>Total Revenues</b>	<u>995,050</u>	<u>995,050</u>	<u>938,832</u>	<u>(56,218)</u>	<u>1,185,006</u>
<b>Expenditures:</b>					
<b>Public Safety:</b>					
Emergency services	3,343,925	3,488,925	3,388,733	100,192	3,233,209
<b>Total Expenditures</b>	<u>3,343,925</u>	<u>3,488,925</u>	<u>3,388,733</u>	<u>100,192</u>	<u>3,233,209</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(2,348,875)	(2,493,875)	(2,449,901)	43,974	(2,048,203)
<b>Other Financing Sources (Uses):</b>					
Transfer in	2,378,669	2,378,669	2,378,669	-	2,048,203
<b>Total Other Financing Sources (Uses)</b>	<u>2,378,669</u>	<u>2,378,669</u>	<u>2,378,669</u>	<u>-</u>	<u>2,048,203</u>
<b>Net Change in Fund Balance</b>	29,794	(115,206)	(71,232)	43,974	-
<b>Fund Balance - Beginning of Year</b>	-	-	-	-	-
<b>Fund Balance (Deficit)- End of Year</b>	<u>29,794</u>	<u>(115,206)</u>	<u>(71,232)</u>	<u>43,974</u>	<u>-</u>

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

**City of Glenwood Springs, Colorado**  
**Downtown Development Authority**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	87,099	48,970	(38,129)	72,937
Sales taxes	324,000	370,835	46,835	286,785
<b>Intergovernmental:</b>				
Grants	-	-	-	800,000
<b>Other:</b>				
Interest income	-	2,536	2,536	3,989
Miscellaneous	-	-	-	3,287
<b>Total Revenues</b>	<u>411,099</u>	<u>422,341</u>	<u>11,242</u>	<u>1,166,998</u>
<b>Expenditures:</b>				
General Government:				
Capital outlay	380,000	248,957	131,043	1,309,328
Other	180,463	90,173	90,290	145,035
Debt service:				
Interest	50,000	47,076	2,924	61,441
<b>Total Expenditures</b>	<u>610,463</u>	<u>386,206</u>	<u>224,257</u>	<u>1,515,804</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(199,364)	36,135	235,499	(348,806)
<b>Other Financing Sources (Uses):</b>				
Interfund loan proceeds	-	-	-	2,000,000
Interfund repayments	-	(243,275)	(243,275)	-
Transfer in	50,000	50,005	5	50,000
<b>Total Other Financing Sources (Uses)</b>	<u>50,000</u>	<u>(193,270)</u>	<u>(243,270)</u>	<u>2,050,000</u>
<b>Net Change in Fund Balance - Budget Basis</b>	<u>(149,364)</u>	(157,135)	<u>(7,771)</u>	1,701,194
<b>Reconciliation to GAAP Basis:</b>				
<b>Adjustments:</b>				
Interfund loan proceeds		-		(2,000,000)
Interfund loan repayments		243,275		-
<b>Net Income - GAAP Basis</b>		86,140		(298,806)
<b>Fund Balance (Deficit) - Beginning of Year</b>		<u>(543,801)</u>		<u>(244,995)</u>
<b>Fund Balance (Deficit) - End of Year</b>		<u>(457,661)</u>		<u>(543,801)</u>

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

**City of Glenwood Springs  
Schedule of Employer's Net Pension Liability  
Fire and Police Pension Association of Colorado  
Last 10 Fiscals Years \***

	<b>2015</b>
<b>Total Pension Liability</b>	
Service Cost	\$ 3,072
Interest on the Total Pension Liability	81,959
Benefit Changes	47,785
Difference between Expected and Actual Experience	(110,697)
Benefit Payments	(108,045)
<b>Net Change in Total Pension Liability</b>	(85,926)
<b>Total Pension Liability - Beginning</b>	1,144,325
<b>Total Pension Liability - Ending (a)</b>	\$ 1,058,399
<b>Plan Fiduciary Net Position</b>	
Employer Contributions	\$ 24,749
Pension Plan Net Investment Income	47,208
Benefit Payments	(108,045)
Pension Plan Administrative Expense	(1,335)
State of Colorado supplemental discretionary payment	18,900
<b>Net Change in Plan Fiduciary Net Position</b>	(18,523)
<b>Plan Fiduciary Net Position - Beginning</b>	744,908
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 726,385
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 332,014
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.63%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2015.

**Notes to the Schedule of Employer's Net Pension Liability for the year ended December 31, 2015:**

**Note 1. Changes of assumptions.**

No changes during the years presented above.

**Note 2. Changes of benefit terms.**

No changes during the years presented above.

**Note 3. Changes of size or composition of population covered by benefit terms.**

No changes during the years presented above.

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

**City of Glenwood Springs  
Schedule of Employer Contributions  
Fire and Police Pension Association of Colorado  
Last 10 Fiscal Years \***

	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 43,649	\$ 39,900
Actual contribution, including State of Colorado discretionary payment	(43,649)	(39,900)
Contribution deficiency (excess)	\$ -	\$ -

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

**Notes to the Schedule of Employer Contributions for the Year Ended December 31, 2015**

**Note 1. Changes of assumptions.**

No changes during the years presented above.

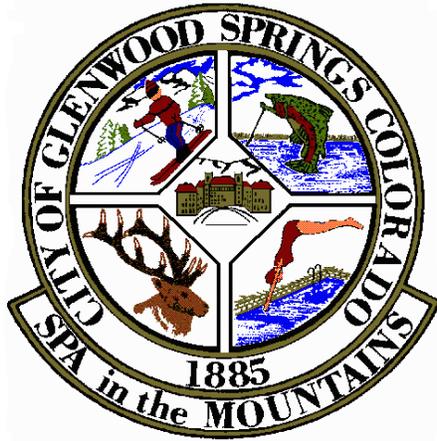
**Note 2. Changes of benefit terms.**

No changes during the years presented above.

**Note 3. Changes of size or composition of population covered by benefit terms.**

No changes during the years presented above.

SUPPLEMENTARY INFORMATION



**City of Glenwood Springs, Colorado**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	2015			2014	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Sales tax	2,064,808	2,193,808	2,247,997	54,189	2,088,508
Use tax	40,540	40,540	41,767	1,227	38,744
<b>Total Taxes</b>	<u>2,105,348</u>	<u>2,234,348</u>	<u>2,289,764</u>	<u>55,416</u>	<u>2,127,252</u>
<b>Fees and Charges:</b>					
Park land fees	-	-	13,668	13,668	7,464
<b>Other:</b>					
Interest income	5,000	5,000	18,247	13,247	13,561
Other income	3,378	3,378	6,963	3,585	30,942
<b>Total Other</b>	<u>8,378</u>	<u>8,378</u>	<u>25,210</u>	<u>16,832</u>	<u>44,503</u>
<b>Total Revenues</b>	<u>2,113,726</u>	<u>2,242,726</u>	<u>2,328,642</u>	<u>85,916</u>	<u>2,179,219</u>
<b>Expenditures:</b>					
<b>Public Works:</b>					
Work activities team	383,231	383,231	305,312	77,919	385,108
Sewer improvements	99,850	139,850	126,603	13,247	224,243
Other expenditures	300,120	376,090	310,306	65,784	186,014
<b>Total Expenditures</b>	<u>783,201</u>	<u>899,171</u>	<u>742,221</u>	<u>156,950</u>	<u>795,365</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	1,330,525	1,343,555	1,586,421	242,866	1,383,854
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	295,396	295,396	-
Transfers (out)	(1,057,087)	(1,057,087)	(1,057,082)	5	(1,672,827)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,057,087)</u>	<u>(1,057,087)</u>	<u>(761,686)</u>	<u>295,401</u>	<u>(1,672,827)</u>
<b>Net Change in Fund Balance</b>	273,438	286,468	824,735	538,267	(288,973)
<b>Fund Balance - Beginning of Year</b>	<u>3,963,605</u>	<u>4,055,954</u>	<u>4,055,954</u>	<u>-</u>	<u>4,344,927</u>
<b>Fund Balance - End of Year</b>	<u>4,237,043</u>	<u>4,342,422</u>	<u>4,880,689</u>	<u>538,267</u>	<u>4,055,954</u>

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

**City of Glenwood Springs, Colorado**  
**Acquisition and Improvement fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	2015			2014	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
General sales tax	4,129,616	4,386,616	4,495,994	109,378	4,177,016
Use tax	81,082	81,082	83,534	2,452	77,488
<b>Total Taxes</b>	<u>4,210,698</u>	<u>4,467,698</u>	<u>4,579,528</u>	<u>111,830</u>	<u>4,254,504</u>
<b>Intergovernmental:</b>					
Grants	-	-	-	-	305,885
<b>Other:</b>					
Interest income	35,000	35,000	42,372	7,372	39,339
Donations	-	-	775	775	20,452
Other income	6,757	6,757	13,436	6,679	61,783
<b>Total Other</b>	<u>41,757</u>	<u>41,757</u>	<u>56,583</u>	<u>14,826</u>	<u>121,574</u>
<b>Total Revenues</b>	<u>4,252,455</u>	<u>4,509,455</u>	<u>4,636,111</u>	<u>126,656</u>	<u>4,681,963</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
General and administrative	470,233	483,233	466,799	16,434	467,896
Bond fees	41,437	41,437	41,438	(1)	41,438
<b>Total General Government</b>	<u>511,670</u>	<u>524,670</u>	<u>508,237</u>	<u>16,433</u>	<u>509,334</u>
<b>Culture and Recreation:</b>					
Frontier Historical Museum	147	147	1,320	(1,173)	2,129
River trail system	50,000	50,000	34,990	15,010	15,000
Arts Center	-	-	-	-	32,631
Other projects	365,000	375,000	266,084	108,916	1,266,924
<b>Total Culture and Recreation</b>	<u>415,147</u>	<u>425,147</u>	<u>302,394</u>	<u>122,753</u>	<u>1,316,684</u>
<b>Public Works:</b>					
Streets and sidewalks	17,000	17,000	20,113	(3,113)	45,096
Other projects	251,209	286,209	290,943	(4,734)	2,879,860
<b>Total Public Works</b>	<u>268,209</u>	<u>303,209</u>	<u>311,056</u>	<u>(7,847)</u>	<u>2,924,956</u>
<b>Debt Service:</b>					
Principal - 1999 Sales and Use Tax bonds	1,195,000	1,195,000	1,195,000	-	1,155,000
Interest - 1999 Sales and Use Tax bonds	230,238	230,238	230,238	-	264,888
Principal - 1999 Government Agency bonds	310,415	310,415	310,414	1	302,316
Interest - 1999 Government Agency bonds	12,171	12,171	12,171	-	16,802
<b>Total Debt Service</b>	<u>1,747,824</u>	<u>1,747,824</u>	<u>1,747,823</u>	<u>1</u>	<u>1,739,006</u>
<b>Total Expenditures</b>	<u>2,942,850</u>	<u>3,000,850</u>	<u>2,869,510</u>	<u>131,340</u>	<u>6,489,980</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	1,309,605	1,508,605	1,766,601	257,996	(1,808,017)
<b>Other Financing Sources (Uses):</b>					
Transfers (out)	(1,309,605)	(1,309,605)	(1,032,216)	277,389	(93,514)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,309,605)</u>	<u>(1,309,605)</u>	<u>(1,032,216)</u>	<u>277,389</u>	<u>2,545,512</u>
<b>Net Change in Fund Balance</b>	-	199,000	734,385	535,385	737,495
<b>Fund Balance - Beginning of Year</b>	<u>3,630,801</u>	<u>4,474,957</u>	<u>4,474,957</u>	<u>-</u>	<u>3,737,462</u>
<b>Fund Balance - End of Year</b>	<u>3,630,801</u>	<u>4,673,957</u>	<u>5,209,342</u>	<u>535,385</u>	<u>4,474,957</u>

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

**City of Glenwood Springs, Colorado**  
**Combining Balance Sheets**  
**Non-major Governmental Funds**  
**For the Year Ended December 31, 2015**

	<u>Special Revenue Funds</u>					<u>Capital Projects Funds</u>		<u>Totals</u>
	<u>Tourism Fund</u>	<u>Street Tax Fund</u>	<u>V.A.L.E. Fund</u>	<u>Conservation Trust Fund</u>	<u>Bus Tax Fund</u>	<u>General Improvement District No. 1980</u>	<u>Emergency Services Equipment Replacement</u>	
<b>Assets:</b>								
Cash and investments - Unrestricted	645,274	2,779,048	81,593	344,775	645,436	-	1,622,066	6,118,192
Cash and investments - Restricted	-	3,003,750	-	-	-	-	-	3,003,750
Taxes receivable	62,181	258,471	-	-	103,381	38,599	-	462,632
Accounts receivable, net of allowance	-	-	-	-	862	-	23,674	24,536
Interest receivable	176	1,137	-	65	-	-	1,601	2,979
Due from other governments	-	7,912	-	-	-	-	-	7,912
Prepaid items	152	223	-	-	4,372	-	-	4,747
<b>Total Assets</b>	<u>707,783</u>	<u>6,050,541</u>	<u>81,593</u>	<u>344,840</u>	<u>754,051</u>	<u>38,599</u>	<u>1,647,341</u>	<u>9,624,748</u>
<b>Liabilities and Fund Balance:</b>								
<b>Liabilities:</b>								
Accounts payable	35,701	71,707	-	-	174,446	-	12,477	294,331
Due to other funds	-	-	19,445	-	-	2,464	-	21,909
<b>Total Liabilities</b>	<u>35,701</u>	<u>71,707</u>	<u>19,445</u>	<u>-</u>	<u>174,446</u>	<u>2,464</u>	<u>12,477</u>	<u>316,240</u>
<b>Deferred Inflows of Resources:</b>								
Property taxes	-	-	-	-	-	38,435	-	38,435
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,435</u>	<u>-</u>	<u>38,435</u>
<b>Fund Balances:</b>								
Nonspendable	152	223	-	-	4,372	-	-	4,747
Restricted	-	-	-	344,840	-	-	-	344,840
Committed	139,688	154,722	-	-	-	-	-	294,410
Assigned	532,242	5,823,889	62,148	-	575,233	-	1,634,864	8,628,376
Unassigned	-	-	-	-	-	(2,300)	-	(2,300)
<b>Total Fund Balance</b>	<u>672,082</u>	<u>5,978,834</u>	<u>62,148</u>	<u>344,840</u>	<u>579,605</u>	<u>(2,300)</u>	<u>1,634,864</u>	<u>9,270,073</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>707,783</u>	<u>6,050,541</u>	<u>81,593</u>	<u>344,840</u>	<u>754,051</u>	<u>38,599</u>	<u>1,647,341</u>	<u>9,624,748</u>

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

**City of Glenwood Springs, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended December 31, 2015**

	Special Revenue Funds					Capital Projects Funds		Totals
	Tourism Fund	Street Tax Fund	V.A.L.E. Fund	Conservation Trust Fund	Bus Tax Fund	General Improvement District No. 1980	Emergency Services Equipment Replacement	
<b>Revenues:</b>								
Taxes	965,502	2,289,764	-	-	915,838	38,724	-	4,209,828
Intergovernmental	-	165,408	-	94,765	242,714	-	64,929	567,816
Charges for services	-	-	36,949	-	120,696	-	-	157,645
Interest income	1,094	10,811	876	1,062	1,013	90	5,813	20,759
Other	-	17,041	-	1,090	17,960	-	17,605	53,696
<b>Total Revenues</b>	<u>966,596</u>	<u>2,483,024</u>	<u>37,825</u>	<u>96,917</u>	<u>1,298,221</u>	<u>38,814</u>	<u>88,347</u>	<u>5,009,744</u>
<b>Expenditures:</b>								
General governmental	-	-	57,971	-	-	53,654	-	111,625
Transportation	-	1,806,363	-	-	1,151,070	-	-	2,957,433
Public safety	-	-	4,404	-	-	-	137,369	141,773
Community and economic development	869,663	-	-	-	-	-	-	869,663
Culture and recreation	-	-	-	46,186	-	-	-	46,186
<b>Total Expenditures</b>	<u>869,663</u>	<u>1,806,363</u>	<u>62,375</u>	<u>46,186</u>	<u>1,151,070</u>	<u>53,654</u>	<u>137,369</u>	<u>4,126,680</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	96,933	676,661	(24,550)	50,731	147,151	(14,840)	(49,022)	883,064
<b>Other Financing Sources (Uses):</b>								
Bond proceeds	-	3,070,000	-	-	-	-	-	3,070,000
Intergovernmental awards	-	-	-	-	-	-	23,674	23,674
Transfers in	-	-	-	-	-	-	185,158	185,158
Issuance costs	-	(66,250)	-	-	-	-	-	(66,250)
Transfers (out)	-	(6,752)	-	-	(2,707)	-	-	(9,459)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>2,996,998</u>	<u>-</u>	<u>-</u>	<u>(2,707)</u>	<u>-</u>	<u>208,832</u>	<u>3,203,123</u>
<b>Net Change in Fund Balance</b>	96,933	3,673,659	(24,550)	50,731	144,444	(14,840)	159,810	4,086,187
<b>Fund Balance - Beginning of Year</b>	<u>575,149</u>	<u>2,305,175</u>	<u>86,698</u>	<u>294,109</u>	<u>435,161</u>	<u>12,540</u>	<u>1,475,054</u>	<u>5,183,886</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u><u>672,082</u></u>	<u><u>5,978,834</u></u>	<u><u>62,148</u></u>	<u><u>344,840</u></u>	<u><u>579,605</u></u>	<u><u>(2,300)</u></u>	<u><u>1,634,864</u></u>	<u><u>9,270,073</u></u>

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

**City of Glenwood Springs, Colorado**  
**Tourism Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<u>2014</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
<b>Taxes:</b>					
Accommodations tax	850,000	850,000	965,502	115,502	870,902
<b>Other:</b>					
Interest income	600	600	1,094	494	1,103
Other income	-	-	-	-	993
<b>Total Revenues</b>	<u>850,600</u>	<u>850,600</u>	<u>966,596</u>	<u>115,996</u>	<u>872,998</u>
<b>Expenditures:</b>					
<b>Economic Development:</b>					
Salary and benefits	158,600	158,600	158,600	-	98,637
Administrative	21,032	21,032	20,532	-	19,553
Consulting services	39,145	39,145	36,157	2,988	54,652
Visitor services	100,000	100,000	100,000	-	75,947
Central reservations/watts line	-	-	-	-	10,933
Public relations	36,000	36,000	35,999	1	38,999
Printing and distribution (brochures, postcards, etc.)	378,500	378,500	370,203	8,297	157,501
Database and internet marketing	5,000	17,000	22,313	(5,313)	134,169
Advertising and promotion	90,550	130,550	96,397	34,153	162,071
Travel and booth expenses	17,342	17,342	19,172	(1,830)	17,700
Research and tracking	2,810	2,810	-	2,810	-
Equipment	-	-	-	-	5,000
Special event	8,000	11,000	8,974	2,026	20,764
Other expenses	-	-	1,316	(1,316)	-
<b>Total Expenditures</b>	<u>856,979</u>	<u>911,979</u>	<u>869,663</u>	<u>41,816</u>	<u>795,926</u>
<b>Net Change in Fund Balance</b>	(6,379)	(61,379)	96,933	158,312	77,072
<b>Fund Balance - Beginning of Year</b>	<u>498,378</u>	<u>575,149</u>	<u>575,149</u>	<u>-</u>	<u>498,077</u>
<b>Fund Balance - End of Year</b>	<u>491,999</u>	<u>513,770</u>	<u>672,082</u>	<u>158,312</u>	<u>575,149</u>

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

**City of Glenwood Springs, Colorado**  
**Street Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<b>Variance Positive (Negative)</b>	<u>2014</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
<b>Taxes:</b>					
General sales tax	2,064,808	2,193,808	2,247,997	54,189	2,088,508
Use tax	40,540	40,540	41,767	1,227	38,744
<b>Other:</b>					
Miscellaneous income	5,878	5,878	17,041	11,163	56,404
Interest income	5,000	5,000	10,811	5,811	8,708
<b>Total Revenues</b>	<u>2,116,226</u>	<u>2,245,226</u>	<u>2,317,616</u>	<u>72,390</u>	<u>2,192,364</u>
<b>Expenditures:</b>					
<b>Transportation:</b>					
TDM contract	30,000	30,000	-	30,000	1,693
Transit program	3,205,500	3,205,500	1,485,891	1,719,609	2,219,293
Other expenses	349,469	349,469	320,472	28,997	552,005
<b>Total Expenditures</b>	<u>3,584,969</u>	<u>3,584,969</u>	<u>1,806,363</u>	<u>1,778,606</u>	<u>2,772,991</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,468,743)	(1,339,743)	511,253	1,850,996	(580,627)
<b>Other Financing Sources (Uses):</b>					
Bond Proceeds	-	-	3,070,000	3,070,000	-
Intergovernmental awards	1,250,000	1,250,000	165,408	(1,084,592)	333,484
Issuance costs	-	-	(66,250)	(66,250)	-
Transfers (out)	(6,757)	(6,757)	(6,752)	5	(6,757)
<b>Total Other Financing Sources (Uses)</b>	<u>1,243,243</u>	<u>1,243,243</u>	<u>3,162,406</u>	<u>1,919,163</u>	<u>326,727</u>
<b>Net Change in Fund Balance</b>	(225,500)	(96,500)	3,673,659	3,770,159	(253,900)
<b>Fund Balance - Beginning of Year</b>	<u>2,436,984</u>	<u>2,305,175</u>	<u>2,305,175</u>	<u>-</u>	<u>2,559,075</u>
<b>Fund Balance - End of Year</b>	<u>2,211,484</u>	<u>2,208,675</u>	<u>5,978,834</u>	<u>3,770,159</u>	<u>2,305,175</u>

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

**City of Glenwood Springs, Colorado**  
**V.A.L.E. Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	2015			2014	
	Original Budget	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>					
<b>Charges for Services:</b>					
Assessments	27,000	27,000	36,949	9,949	31,872
<b>Other:</b>					
Interest income	1,000	1,000	876	(124)	1,100
<b>Total Revenues</b>	<u>28,000</u>	<u>28,000</u>	<u>37,825</u>	<u>9,825</u>	<u>32,972</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
Victim/witness assistance	35,000	60,000	57,870	2,130	48,193
Training	500	500	-	500	-
Professional fees	500	500	-	500	496
Office supplies	500	500	101	399	94
Capital Outlay:					
Police equipment	15,000	15,000	4,404	10,596	2,254
<b>Total Expenditures</b>	<u>51,500</u>	<u>76,500</u>	<u>62,375</u>	<u>14,125</u>	<u>51,037</u>
<b>Net Change in Fund Balance</b>	(23,500)	(48,500)	(24,550)	23,950	(18,065)
<b>Fund Balance - Beginning of Year</b>	<u>83,564</u>	<u>86,698</u>	<u>86,698</u>	<u>-</u>	<u>104,763</u>
<b>Fund Balance - End of Year</b>	<u><u>60,064</u></u>	<u><u>38,198</u></u>	<u><u>62,148</u></u>	<u><u>23,950</u></u>	<u><u>86,698</u></u>

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

**City of Glenwood Springs, Colorado**  
**Conservation Trust Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Colorado Lottery	95,000	94,765	(235)	93,874
<b>Other:</b>				
Other income	-	1,090	1,090	-
Interest income	500	1,062	562	1,135
<b>Total Other</b>	<u>500</u>	<u>2,152</u>	<u>1,652</u>	<u>1,135</u>
<b>Total Revenues</b>	<u>95,500</u>	<u>96,917</u>	<u>1,417</u>	<u>95,009</u>
<b>Expenditures:</b>				
<b>Culture and Recreation:</b>				
Ice rink locker rooms	-	-	-	88,000
Ice rink mechanical and structural	22,500	19,647	2,853	-
Park improvement and equipment	25,000	14,211	10,789	23,134
Pool mechanical and structural	30,000	-	30,000	-
Whitewater park	5,000	-	5,000	5,076
Other projects	12,500	12,328	172	3,786
<b>Total Expenditures</b>	<u>95,000</u>	<u>46,186</u>	<u>48,814</u>	<u>119,996</u>
<b>Net Change in Fund Balance</b>	500	50,731	50,231	(24,987)
<b>Fund Balance - Beginning of Year</b>	<u>136,396</u>	<u>294,109</u>	<u>157,713</u>	<u>319,096</u>
<b>Fund Balance - End of Year</b>	<u><u>136,896</u></u>	<u><u>344,840</u></u>	<u><u>207,944</u></u>	<u><u>294,109</u></u>

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

**City of Glenwood Springs, Colorado**  
**Bus Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<u>2014</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
<b>Taxes:</b>					
General sales tax	825,863	877,863	899,132	21,269	835,341
Use tax	16,215	16,215	16,706	491	15,497
<b>Intergovernmental:</b>					
Grants and awards	239,000	239,000	242,714	3,714	239,001
<b>Charges for Services:</b>					
Bus fares	117,206	117,206	112,760	(4,446)	117,015
Advertising fees	6,500	6,500	7,936	1,436	8,144
<b>Other:</b>					
Interest income	400	400	1,013	613	622
Miscellaneous	1,351	1,351	17,960	16,609	18,556
<b>Total Revenues</b>	<u>1,206,535</u>	<u>1,258,535</u>	<u>1,298,221</u>	<u>39,686</u>	<u>1,234,176</u>
<b>Expenditures:</b>					
<b>Transportation:</b>					
Fixed labor	322,468	322,468	316,313	6,155	318,796
Direct labor	343,870	343,870	334,758	9,112	322,374
Employee bus pass	1,500	1,500	-	1,500	62
Direct mileage cost	205,558	205,558	200,112	5,446	196,361
Training	43,152	43,152	41,546	1,606	42,957
Other	265,126	265,126	258,341	6,785	224,876
<b>Total Expenditures</b>	<u>1,181,674</u>	<u>1,181,674</u>	<u>1,151,070</u>	<u>30,604</u>	<u>1,105,426</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	24,861	76,861	147,151	70,290	128,750
<b>Other Financing Sources (Uses):</b>					
Sale of assets	-	-	-	-	14,850
Transfer (out)	(2,702)	(2,702)	(2,707)	(5)	(2,702)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,702)</u>	<u>(2,702)</u>	<u>(2,707)</u>	<u>(5)</u>	<u>12,148</u>
<b>Net Change in Fund Balance</b>	22,159	74,159	144,444	70,285	140,898
<b>Fund Balance - Beginning of Year</b>	<u>216,610</u>	<u>435,161</u>	<u>435,161</u>	<u>-</u>	<u>294,263</u>
<b>Fund Balance - End of Year</b>	<u>238,769</u>	<u>509,320</u>	<u>579,605</u>	<u>70,285</u>	<u>435,161</u>

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

**City of Glenwood Springs, Colorado**  
**General Improvement District No. 1980**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2014</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
Taxes:					
Property taxes	36,665	36,665	36,618	(47)	37,818
Specific ownership taxes	2,200	2,200	2,106	(94)	2,212
<b>Total Taxes</b>	<u>38,865</u>	<u>38,865</u>	<u>38,724</u>	<u>(141)</u>	<u>40,030</u>
Other:					
Interest income	100	100	90	(10)	190
<b>Total Revenues</b>	<u>38,965</u>	<u>38,965</u>	<u>38,814</u>	<u>(151)</u>	<u>40,220</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
Miscellaneous and treasurer's fees	740	740	734	6	756
Other	38,225	43,225	52,920	(9,695)	46,195
<b>Total Expenditures</b>	<u>38,965</u>	<u>43,965</u>	<u>53,654</u>	<u>(9,689)</u>	<u>46,951</u>
<b>Net Change in Fund Balance</b>	-	(5,000)	(14,840)	(9,840)	(6,731)
<b>Fund Balance - Beginning of Year</b>	<u>12,694</u>	<u>12,540</u>	<u>12,540</u>	-	<u>19,271</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u><u>12,694</u></u>	<u><u>7,540</u></u>	<u><u>(2,300)</u></u>	<u><u>(9,840)</u></u>	<u><u>12,540</u></u>

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

**City of Glenwood Springs, Colorado**  
**Emergency Services Equipment Replacement Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Rural Fire District contribution	65,086	65,086	64,929	(157)	64,748
Interest income	2,000	2,000	5,813	3,813	3,833
Impact fees	10,000	10,000	17,605	7,605	12,020
Other	-	-	-	-	15,012
<b>Total Revenues</b>	<u>77,086</u>	<u>77,086</u>	<u>88,347</u>	<u>11,261</u>	<u>95,613</u>
<b>Expenditures:</b>					
<b>Public Safety:</b>					
Equipment purchases	211,000	226,500	137,369	89,131	703,939
<b>Total Expenditures</b>	<u>211,000</u>	<u>226,500</u>	<u>137,369</u>	<u>89,131</u>	<u>703,939</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(133,914)	(149,414)	(49,022)	100,392	(608,326)
<b>Other Financing Sources (Uses):</b>					
Intergovernmental awards	-	-	23,674	23,674	119,533
Sale of assets	-	-	-	-	26,300
Transfer in	184,872	184,872	185,158	286	186,508
<b>Total Other Financing Sources</b>	<u>184,872</u>	<u>184,872</u>	<u>208,832</u>	<u>23,960</u>	<u>332,341</u>
<b>Net Change in Fund Balance</b>	50,958	35,458	159,810	124,352	(275,985)
<b>Fund Balance - Beginning of Year</b>	<u>1,404,732</u>	<u>1,475,054</u>	<u>1,475,054</u>	<u>-</u>	<u>1,751,039</u>
<b>Fund Balance - End of Year</b>	<u>1,455,690</u>	<u>1,510,512</u>	<u>1,634,864</u>	<u>124,352</u>	<u>1,475,054</u>

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

**City of Glenwood Springs, Colorado**  
**Enterprise Funds**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenses**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	2015			2014	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Operating Revenues:</b>					
<b>Charges and Fees:</b>					
Water user fees	2,581,700	2,581,700	2,654,202	72,502	2,348,450
Sewer user fees	2,887,500	2,887,500	3,199,758	312,258	2,839,641
Water connection fees	1,000	1,000	300	(700)	-
Sewer connection fees	1,000	1,000	150	(850)	-
Meter sales	10,000	10,000	5,245	(4,755)	10,165
Other	7,000	7,000	8,376	1,376	11,823
Water improvement fees	30,000	30,000	39,732	9,732	104,289
Sewer improvement fees	10,000	10,000	67,534	57,534	76,233
<b>Total Operating Revenues</b>	<u>5,528,200</u>	<u>5,528,200</u>	<u>5,975,297</u>	<u>447,097</u>	<u>5,390,601</u>
<b>Operating Expenses:</b>					
Administration	770,848	770,848	722,294	48,554	700,330
Water plant operation	610,089	610,089	622,779	(12,690)	579,216
Water transmission and distribution	524,207	524,207	351,382	172,825	540,315
Wastewater plant operation	821,778	821,778	657,573	164,205	756,901
Wastewater collection and transmission	329,171	329,171	331,247	(2,076)	338,297
Customer service	185,428	185,428	166,687	18,741	158,799
Depreciation	1,928,832	1,928,832	1,740,385	188,447	1,745,929
Capital outlay	992,500	992,500	48,384	944,116	181,868
Debt service - Principal	1,144,675	1,144,675	1,144,675	-	1,123,575
<b>Total Operating Expenses</b>	<u>7,307,528</u>	<u>7,307,528</u>	<u>5,785,406</u>	<u>1,522,122</u>	<u>6,125,230</u>
<b>Operating Income (Loss) - Budget Basis</b>	<u>(1,779,328)</u>	<u>(1,779,328)</u>	<u>189,891</u>	<u>1,969,219</u>	<u>(734,629)</u>
<b>Non-Operating Revenues (Expenses):</b>					
Gain (loss) on disposition of assets	-	-	-	-	997
Investment income	28,000	28,000	38,570	10,570	25,560
Intergovernmental awards	-	-	440	440	176,415
Interest expense	(809,655)	(809,655)	(799,375)	10,280	(824,517)
<b>Total Non-Operating Revenues (Expenses):</b>	<u>(781,655)</u>	<u>(781,655)</u>	<u>(760,365)</u>	<u>21,290</u>	<u>(621,545)</u>
Transfers in	800,000	800,000	800,000	-	800,000
Transfers (out)	(328,152)	(623,548)	(623,548)	-	(319,212)
<b>Change in Net Position - Budget Basis</b>	<u>(2,089,135)</u>	<u>(2,384,531)</u>	<u>(394,022)</u>	<u>1,990,509</u>	<u>(875,386)</u>
<b>Reconciliation to GAAP Basis:</b>					
<b>Adjustments:</b>					
Capital contributions			-		293,788
Debt service - Principal			1,144,675		1,123,575
Capital outlay			48,384		181,868
<b>Total Adjustments</b>			<u>1,193,059</u>		<u>1,599,231</u>
<b>Net Income - GAAP Basis</b>			<u>799,037</u>		<u>723,845</u>

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

**City of Glenwood Springs, Colorado**  
**Enterprise Funds**  
**Electric System Fund**  
**Schedule of Revenues and Expenses**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<u>2014</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Operating Revenues:</b>					
<b>Charges and fees:</b>					
Commercial	8,821,568	8,821,568	9,166,745	345,177	8,193,479
Residential	3,953,932	3,953,932	3,737,372	(216,560)	3,510,626
Municipal	124,824	124,824	123,261	(1,563)	114,923
Security lights	13,164	13,164	12,870	(294)	11,843
Service connect fees	-	-	13,485	13,485	15,390
Other	473,558	473,558	516,372	42,814	480,791
<b>Total Operating Revenues</b>	<u>13,387,046</u>	<u>13,387,046</u>	<u>13,570,105</u>	<u>183,059</u>	<u>12,327,052</u>
<b>Expenses:</b>					
Purchased power	10,365,507	10,365,507	9,421,152	944,355	9,150,017
Maintenance - Distribution	1,541,491	1,541,491	1,277,582	263,909	1,320,352
Customer accounts	359,093	359,093	358,834	259	341,448
General and administrative	887,012	937,012	889,762	47,250	830,426
Capital improvements	1,560,000	1,560,000	316,042	1,243,958	597,322
Depreciation	1,050,448	1,050,448	925,102	125,346	900,026
<b>Total Operating Expenses</b>	<u>15,763,551</u>	<u>15,813,551</u>	<u>13,188,474</u>	<u>2,625,077</u>	<u>13,139,591</u>
<b>Operating Income (Loss) Budget Basis</b>	(2,376,505)	(2,426,505)	381,631	2,808,136	(812,539)
<b>Non-Operating Revenues (Expenses):</b>					
Gain (loss) on disposition of assets	(21,000)	(21,000)	(64)	20,936	9,028
Investment income	13,500	13,500	15,102	1,602	12,711
Intergovernmental awards	-	-	-	-	4,960
Interest expense	(200)	(200)	(134)	66	(160)
<b>Total Non-Operating Revenues (Expenses):</b>	<u>(7,700)</u>	<u>(7,700)</u>	<u>14,904</u>	<u>22,604</u>	<u>26,539</u>
Capital contributions	400,000	400,000	102,846	(297,154)	19,701
Transfers (out)	(978,733)	(978,733)	(978,733)	-	(1,630,979)
<b>Change in Net Position - Budget Basis</b>	<u>(2,962,938)</u>	<u>(3,012,938)</u>	<u>(479,352)</u>	<u>2,533,586</u>	<u>(2,397,278)</u>
<b>Reconciliation to GAAP Basis:</b>					
<b>Adjustments:</b>					
Capital outlay			316,042		597,322
<b>Total Adjustments</b>			<u>316,042</u>		<u>597,322</u>
<b>Net Income - GAAP Basis</b>			<u>(163,310)</u>		<u>(1,799,956)</u>

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

**City of Glenwood Springs, Colorado**  
**Enterprise Funds**  
**Airport Operations Fund**  
**Schedule of Revenues and Expenses**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2014</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Operating Revenues:</b>					
<b>Rentals:</b>					
Airport/land lease	25,440	25,440	26,950	1,510	25,440
Hanger lease	1,060	1,060	-	(1,060)	-
<b>Charges and fees:</b>					
Annual user fees	2,820	2,820	3,160	340	2,710
Long-term tie downs	6,800	6,800	5,210	(1,590)	6,600
Transient tie downs	800	800	1,624	824	1,354
Fuel sales	86,000	86,000	106,628	20,628	108,671
Other income	50	50	120	70	1
<b>Intergovernmental:</b>					
State fuel tax refund	550	550	608	58	943
<b>Total Operating Revenues</b>	<u>122,970</u>	<u>123,520</u>	<u>144,300</u>	<u>20,780</u>	<u>145,719</u>
<b>Operating Expenses:</b>					
Administration	26,398	26,398	25,498	900	23,823
Operations	104,688	104,688	102,898	1,790	107,455
Capital outlay	50,000	450,000	338,020	111,980	-
Depreciation	6,072	6,072	4,844	1,228	6,063
<b>Total Expenses</b>	<u>187,158</u>	<u>587,158</u>	<u>471,260</u>	<u>115,898</u>	<u>137,341</u>
<b>Operating Income (Loss) - Budget Basis</b>	(64,188)	(463,638)	(326,960)	136,678	8,378
<b>Non-Operating Revenues (Expenses):</b>					
Investment income	80	80	81	1	105
Intergovernmental awards	40,000	40,000	329,216	289,216	-
<b>Total Non-Operating Revenues</b>	<u>40,080</u>	<u>40,080</u>	<u>329,297</u>	<u>289,217</u>	<u>105</u>
<b>Change in Net Position - Budget Basis</b>	<u>(24,108)</u>	<u>(423,558)</u>	<u>2,337</u>	<u>425,895</u>	<u>8,483</u>
<b>Reconciliation to GAAP Basis:</b>					
<b>Adjustments:</b>					
Capital outlay			338,020		-
<b>Total Adjustments</b>			<u>338,020</u>		-
<b>Net Income - GAAP Basis</b>			<u>340,357</u>		<u>8,483</u>

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

**City of Glenwood Springs, Colorado**  
**Enterprise Funds**  
**Landfill Operations Fund**  
**Schedule of Revenues and Expenses**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>		<b>Final Budget Variance Positive (Negative)</b>	<u>2014</u>
	<b>Original and Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Operating Revenues:</b>				
Disposal fees	2,298,800	1,928,168	(370,632)	2,199,222
Composting fees	741,000	611,328	(129,672)	721,935
Other income	50,000	25,687	(24,313)	39,631
<b>Total Operating Revenues</b>	<u>3,089,800</u>	<u>2,565,183</u>	<u>(524,617)</u>	<u>2,960,788</u>
<b>Operating Expenses:</b>				
Personnel costs	271,428	263,860	7,568	274,432
Operating costs	2,999,250	2,663,282	335,968	2,775,092
Composting fees	20,000	-	20,000	-
Utilities	5,900	5,042	858	5,993
Insurance	51,253	50,127	1,126	49,632
Allocated costs	172,235	172,235	-	144,430
Landfill compliance costs	58,994	51,174	7,820	53,807
Depreciation	69,672	23,029	46,643	10,916
Capital outlay	762,000	520,701	241,299	64,196
<b>Total Operating Expenses</b>	<u>4,410,732</u>	<u>3,749,450</u>	<u>661,282</u>	<u>3,378,498</u>
<b>Operating Income (Loss) Budget Basis</b>	(1,320,932)	(1,184,267)	136,665	(417,710)
<b>Non-Operating Revenues (Expenses):</b>				
Interest income	57,038	53,583	(3,455)	61,107
Gain (loss) on disposition of asset	-	-	-	7,385
Transfers (out)	(5,935)	(5,935)	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>51,103</u>	<u>47,648</u>	<u>(3,455)</u>	<u>68,492</u>
<b>Change in Net Position - Budget Basis</b>	<u>(1,269,829)</u>	<u>(1,136,619)</u>	<u>133,210</u>	<u>(349,218)</u>
<b>Reconciliation to GAAP Basis:</b>				
<b>Adjustments:</b>				
Capital outlay		520,701		64,196
<b>Total Adjustments</b>		<u>520,701</u>		<u>64,196</u>
<b>Net Income - GAAP Basis</b>		<u>(615,918)</u>		<u>(285,022)</u>

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

**City of Glenwood Springs, Colorado**  
**Internal Service Funds**  
**Fleet Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Net Position**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
<b>Operating Revenues:</b>					
Charges and fees	399,500	399,500	427,592	28,092	554,253
Other operating revenue	5,000	5,000	780	(4,220)	5,973
<b>Total Operating Revenues</b>	<u>404,500</u>	<u>404,500</u>	<u>428,372</u>	<u>23,872</u>	<u>560,226</u>
<b>Expenses:</b>					
General government:					
Operations	955,907	1,055,907	834,639	221,268	877,281
Depreciation	438,234	438,234	447,013	(8,779)	420,152
Capital outlay	600,920	645,920	187,675	458,245	248,122
<b>Total Operating Expenses</b>	<u>1,995,061</u>	<u>2,140,061</u>	<u>1,469,327</u>	<u>670,734</u>	<u>1,545,555</u>
<b>Operating Income (Loss) - Budget Basis</b>	(1,590,561)	(1,735,561)	(1,040,955)	694,606	(985,329)
<b>Non-Operating Revenues (Expenses):</b>					
Investment income	48,307	48,307	50,050	1,743	47,306
Operating grants and contributions	-	90,000	90,000	-	-
Sale of asset	38,000	38,000	33,754	(4,246)	41,146
Transfers in	434,388	434,388	434,388	-	-
Transfers (out)	-	-	-	-	(780,125)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>520,695</u>	<u>610,695</u>	<u>608,192</u>	<u>(2,503)</u>	<u>(691,673)</u>
<b>Change in Net Position - Budget Basis</b>	<u>(1,069,866)</u>	<u>(1,124,866)</u>	<u>(432,763)</u>	<u>692,103</u>	<u>(1,677,002)</u>
<b>Reconciliation to GAAP Basis:</b>					
Capital outlay			187,675		248,122
<b>Operating Income (Loss) - GAAP Basis</b>			<u>(245,088)</u>		<u>(1,428,880)</u>
<b>Net Position - Beginning of Year</b>			<u>5,361,937</u>		<u>6,790,817</u>
<b>Net Position - End of Year</b>			<u>5,116,849</u>		<u>5,361,937</u>

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

**City of Glenwood Springs, Colorado**  
**Fiduciary Funds**  
**Cemetery Reserve Fund**  
**Schedule of Changes in Fiduciary Net Position**  
**Budget (GAAP) Basis and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	2015			2014
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Additions:</b>				
Perpetual care fees	1,000	1,750	750	2,250
Interest income	50	64	14	57
<b>Total Additions</b>	<b>1,050</b>	<b>1,814</b>	<b>764</b>	<b>2,307</b>
<b>Deductions:</b>				
Cemetery maintenance	1,000	-	1,000	-
<b>Total Deductions</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>	<b>-</b>
<b>Change in Net Position</b>	50	1,814	1,764	2,307
<b>Net Position - Beginning of Year</b>	<b>34,096</b>	<b>35,354</b>	<b>1,258</b>	<b>33,047</b>
<b>Net Position - End of Year</b>	<b>34,146</b>	<b>37,168</b>	<b>3,022</b>	<b>35,354</b>

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

**ANNUAL SCHEDULE OF REVENUES AND EXPENDITURES  
FOR ROADS, BRIDGES AND STREETS**



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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: City of Glenwood Springs
	YEAR ENDING : December 2015
This Information From The Records Of (example - City of _ or County of City of Glenwood Springs)	Prepared By: Phone: Charles Kelty (970)384-6422

**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)	1,509,059
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	945,209
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	110,038
2. General fund appropriations	1,257,010	b. Snow and ice removal	82,413
3. Other local imposts (from page 2)	1,915,624	c. Other	0
4. Miscellaneous local receipts (from page 2)	343,859	d. Total (a. through c.)	192,451
5. Transfers from toll facilities		4. General administration & miscellaneous	119,350
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,080,373
a. Bonds - Original Issues	3,070,000	6. Total (1 through 5)	3,846,442
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	3,070,000	a. Interest	0
7. Total (1 through 6)	6,586,493	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	329,949	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	6,916,442	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	3,846,442

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	780,356	3,070,000	150,382	3,699,974
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		6,916,442	3,846,442		3,070,000

**Notes and Comments:**

V.E. Reconciliation of \$3,070,000 is due to the Bond Issue which closed in December 2015. The funds will be spent over the next couple of years for the 8th Street Connection to Midland Ave project

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2015

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	10,811
b. Other local imposts:		b. Traffic Fines & Penalties	123,050
1. Sales Taxes	1,832,799	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	9,815	d. Parking Meter Fees	43,454
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	1,136
5. Specific Ownership &/or Other	73,010	g. Other Misc. Receipts: Garfield County	15,408
6. Total (1. through 5.)	1,915,624	h. Other GARCO Mineral Lease Grant	150,000
c. Total (a. + b.)	1,915,624	i. Total (a. through h.)	343,859
	(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	293,279	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	36,670	d. Federal Transit Admin	0
d. Other (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	36,670	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	329,949	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	261,327	261,327
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	1,068,984	1,068,984
(3). System Preservation	0	124,146	124,146
(4). System Enhancement & Operation	0	54,602	54,602
(5). Total Construction (1) + (2) + (3) + (4)	0	1,247,732	1,247,732
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,509,059	1,509,059
			(Carry forward to page 1)

Notes and Comments: