

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

**Financial Statements
December 31, 2014**



**City of Glenwood Springs, Colorado
Financial Report
December 31, 2014**

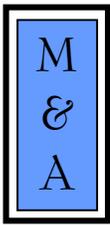
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INDEPENDENT AUDITOR'S REPORT

**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, 2014, 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

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**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, 2014, 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.

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 in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison 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 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.

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 29, 2015**

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Glenwood Springs, Colorado

Management's Discussion and Analysis
December 31, 2014

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, 2014.

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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets:						
Current and other assets	24,354,388	25,160,870	19,290,199	19,998,575	43,644,587	45,159,445
Capital assets, net	79,310,673	74,738,918	73,999,475	75,647,237	153,310,148	150,386,155
Total Assets	<u>103,665,061</u>	<u>99,899,788</u>	<u>93,289,674</u>	<u>95,645,812</u>	<u>196,954,735</u>	<u>195,545,600</u>
Deferred Outflows of Resources:	<u>106,250</u>	<u>150,984</u>	<u>-</u>	<u>-</u>	<u>106,250</u>	<u>150,984</u>
Liabilities:						
Other liabilities	3,929,676	4,014,056	2,877,550	2,807,704	6,807,226	6,821,760
Long-term liabilities	8,051,892	9,870,365	27,059,980	28,133,316	35,111,872	38,003,681
Total Liabilities	<u>11,981,568</u>	<u>13,884,421</u>	<u>29,937,530</u>	<u>30,941,020</u>	<u>41,919,098</u>	<u>44,825,441</u>
Deferred Inflows of Resources:	<u>1,379,223</u>	<u>1,399,129</u>	<u>-</u>	<u>-</u>	<u>1,379,223</u>	<u>1,399,129</u>
Net Position:						
Net investment in capital assets	70,515,452	64,250,870	46,127,746	46,705,739	116,643,198	110,956,609
Restricted	2,579,375	2,511,864	-	-	2,579,375	2,511,864
Unrestricted	17,315,693	18,004,488	17,224,398	17,999,053	34,540,091	36,003,541
Total Net Position	<u>90,410,520</u>	<u>84,767,222</u>	<u>63,352,144</u>	<u>64,704,792</u>	<u>153,762,664</u>	<u>149,472,014</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 76% of its net position; these assets are not an available source for payment of future spending. Of the remaining \$37,119,466 in net position, \$765,488 is restricted for TABOR reserve, \$ 76,569 is restricted for police asset forfeitures, \$ 1,182,500 is restricted for general obligation bond payments, and \$554,818 is restricted by enabling legislation.

At the end of the 2014 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 \$4,290,650 during the current fiscal year. Governmental activities continued to increase as the City is no longer making debt payments on several long-term debt obligations that were retired 2012. The decrease in business-type activities can primarily be attributed to the City's cost of providing electrical utility services to its patrons. The City will undertake an analysis in 2015 for alternative electric generation capabilities.

Government-wide Financial Analysis (continued):

City of Glenwood Spring's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	5,231,087	5,047,150	20,822,771	18,898,198	26,053,858	23,945,348
Grants and contributions	3,876,218	1,902,093	202,466	1,843,289	4,078,684	3,745,382
General revenue:						
Sales and use taxes	15,965,053	14,897,961	-	-	15,965,053	14,897,961
Property taxes	1,391,409	1,156,140	-	-	1,391,409	1,156,140
Other taxes	1,174,094	1,018,148	-	-	1,174,094	1,018,148
Interest and other revenues	400,287	286,174	116,892	129,880	517,179	416,054
Total Revenues	<u>28,038,148</u>	<u>24,307,666</u>	<u>21,142,129</u>	<u>20,871,367</u>	<u>49,180,277</u>	<u>45,179,033</u>
Expenses:						
General government	3,815,189	3,539,192	-	-	3,815,189	3,539,192
Transportation	1,152,362	1,121,527	-	-	1,152,362	1,121,527
Public Safety	7,035,443	6,686,488	-	-	7,035,443	6,686,488
Community development	1,439,397	1,358,032	-	-	1,439,397	1,358,032
Public works	5,282,755	5,119,655	-	-	5,282,755	5,119,655
Culture and recreation	4,173,013	4,301,655	-	-	4,173,013	4,301,655
Interest on long-term debt	353,094	401,163	-	-	353,094	401,163
Water and sewer	-	-	5,644,304	5,440,210	5,644,304	5,440,210
Electric system	-	-	12,542,429	11,581,132	12,542,429	11,581,132
Airport operations	-	-	137,340	125,672	137,340	125,672
Landfill	-	-	3,314,301	3,420,228	3,314,301	3,420,228
Total Expenses	<u>23,251,253</u>	<u>22,527,712</u>	<u>21,638,374</u>	<u>20,567,242</u>	<u>44,889,627</u>	<u>43,094,954</u>
Change in Net Position						
Before Transfers	4,786,895	1,779,954	(496,245)	304,125	4,290,650	2,084,079
Transfers	856,403	(1,751,138)	(856,403)	1,751,138	-	-
Change in Net Position	<u>5,643,298</u>	<u>28,816</u>	<u>(1,352,648)</u>	<u>2,055,263</u>	<u>4,290,650</u>	<u>2,084,079</u>
Net Position - Beginning	<u>84,767,222</u>	<u>84,738,406</u>	<u>64,704,792</u>	<u>62,649,529</u>	<u>149,472,014</u>	<u>147,387,935</u>
Net Position - Ending	<u>90,410,520</u>	<u>84,767,222</u>	<u>63,352,144</u>	<u>64,704,792</u>	<u>153,762,664</u>	<u>149,472,014</u>

Governmental Activities: Governmental activities increased the City's net position by \$4,786,895 before transfers. Significant events impacting 2014 are:

- Sales and Use tax increased 7% over 2013 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 decreased the City's net position by \$496,245 before transfers. Key elements of this increase are as follows:

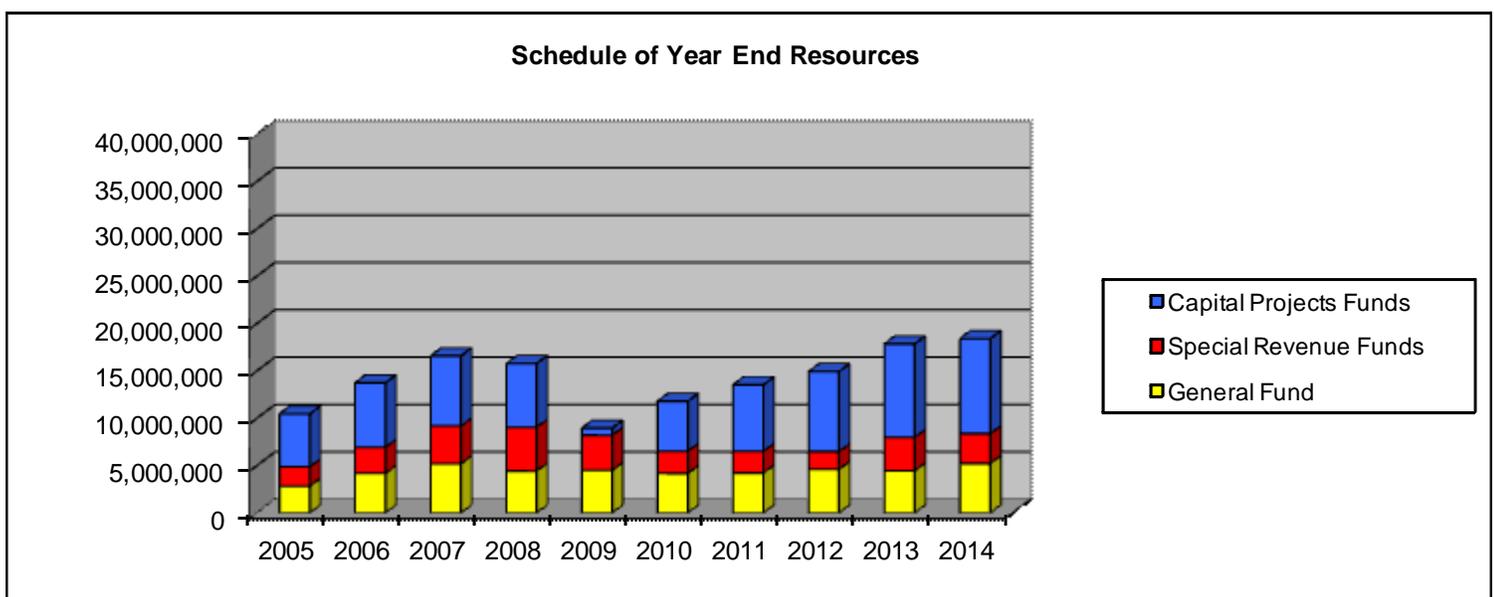
- The Water and Sewer Fund's net position decreased slightly by \$50,731 before transfers. User fees have been increased to pay for the debt associated with construction of the new wastewater facility. The loan agreement is the amount of \$31,460,100 and will be required principal and interest payments until 2032. For the year ended December 31, 2014, principal and interest expenses totaled \$1,948,092
- The Electric Fund's net position decreased \$168,977 before transfers. This decrease can be attributable to increased costs for purchased power, which were only marginally offset by commercial and residential user fees.
- The Landfill Fund's net position decreased \$285,022. This decrease is a direct result of fewer disposal fees as large construction projects in the community decrease. 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 additionally 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.

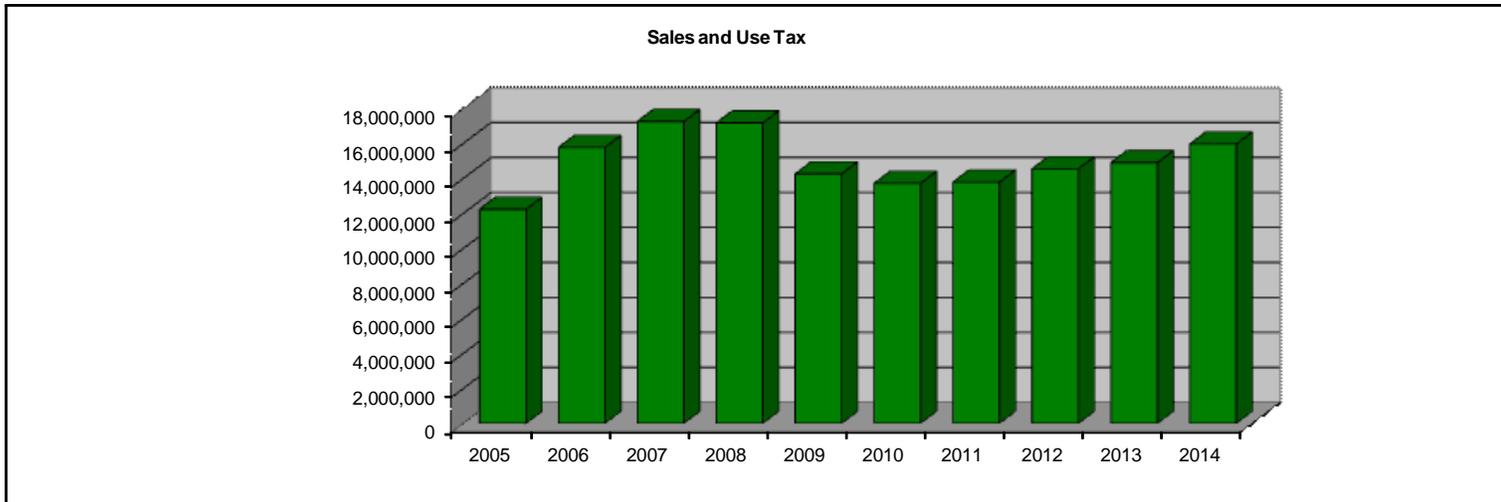
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,403,243, an increase of \$568,705 from the prior year ending fund balances. This increase can be attributable to continued decrease in debt service requirements. The following graph 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 2014 increased 7% over 2013 results. With almost \$16 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 \$ 63,352,143 broken down by fund as follows: Water and Sewer - \$ 32,408,297 , Electric - \$ 24,926,457 , Airport - \$ 96,557 and Landfill - \$ 5,920,832 . 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 - \$ 7,386,928 , Electric System - \$ 3,572,549 , Airport - \$ 70,950 , and Landfill Operations - \$ 5,419,915 .

The approved budget for 2014 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:

Account	Variance Positive (Negative)	Reason
Revenues:		
Sales and use tax	\$ 471,118	Consumer spending continued to increase as the overall economic climate improves
Recreation fees	173,687	Increased visits and fees to the City's recreation center
Other lease revenue	460,290	Federal mineral leasing monies received for projects
Expenses:		
General government - Finance	(76,671)	Severence accruals for retiring positions
Community development- Administration	63,096	Less professional services used than anticipated

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 \$ 38,796,133 . 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 2014 totaled \$ 5,232,250 . The original 2015 budget anticipates decreasing this balance by \$24,600.

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, 2014

	Governmental Activities	Business Type Activities	Total
Assets:			
Cash and cash equivalents - unrestricted	19,359,317	14,904,412	34,263,729
Cash and cash equivalents - restricted	1,778,913	-	1,778,913
Accounts, taxes, and interest receivable	4,201,217	2,714,498	6,915,715
Due from other governments	32,796	-	32,796
Prepaid items	2,333	-	2,333
Internal Balances	(1,046,426)	1,046,426	-
Inventory	26,238	624,863	651,101
Total current assets	24,354,388	19,290,199	43,644,587
Capital assets not being depreciated:			
Land and water rights	10,509,063	1,334,857	11,843,920
Construction in Progress	7,429,136	1,085,122	8,514,258
Capital assets being depreciated:			
Buildings and improvements	100,731,157	104,442,411	205,173,568
Equipment	2,855,484	3,248,386	6,103,870
Vehicles	7,539,446	36,537	7,575,983
Less accumulated depreciation	(49,753,613)	(36,147,838)	(85,901,451)
Total capital assets (net)	79,310,673	73,999,475	153,310,148
Total Assets	103,665,061	93,289,674	196,954,735
Deferred Outflows of Resources:			
Deferred charge on refunding	106,250	-	106,250
Total Deferred Outflows on Resources	106,250	-	106,250
Liabilities:			
Current Liabilities:			
Accounts, retainage, arbitrage & deposits payable	1,111,759	1,107,395	2,219,154
Accrued compensation	417,876	64,983	482,859
Interest payable	73,485	338,546	412,031
Unearned revenue	8,921	-	8,921
Compensated absences - Due within one year	587,221	221,951	809,172
Long-term debt - Due within one year	1,730,414	1,144,675	2,875,089
Total current liabilities:	3,929,676	2,877,550	6,807,226
Noncurrent liabilities:			
Compensated absences	880,835	332,926	1,213,761
Long-term debt	7,171,057	26,727,054	33,898,111
Total noncurrent liabilities	8,051,892	27,059,980	35,111,872
Total Liabilities	11,981,568	29,937,530	41,919,098
Deferred Inflows of Resources:			
Property taxes	1,379,223	-	1,379,223
Total Deferred Inflows on Resources	1,379,223	-	1,379,223
Net Position:			
Net investment in capital assets	70,515,452	46,127,746	116,643,198
Restricted for:			
Emergencies	765,488	-	765,488
Other purposes	1,813,887	-	1,813,887
Unrestricted	17,315,693	17,224,398	34,540,091
Total Net Position	90,410,520	63,352,144	153,762,664

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, 2014

	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			
Functions/Programs:							
Governmental Activities:							
General government	3,815,189	2,206,776	1,086,506	800,000	278,093	-	278,093
Public transportation	1,152,362	125,159	257,557	-	(769,646)	-	(769,646)
Public safety	7,035,443	1,426,846	172,561	119,533	(5,316,503)	-	(5,316,503)
Community and economic development	1,439,397	155,536	993	-	(1,282,868)	-	(1,282,868)
Public works	5,282,755	7,464	1,017,588	-	(4,257,703)	-	(4,257,703)
Culture and recreation	4,173,013	1,309,306	21,722	399,758	(2,442,227)	-	(2,442,227)
Interest on long-term debt	353,094	-	-	-	(353,094)	-	(353,094)
Total Governmental Activities	<u>23,251,253</u>	<u>5,231,087</u>	<u>2,556,927</u>	<u>1,319,291</u>	<u>(14,143,948)</u>	<u>-</u>	<u>(14,143,948)</u>
Business-type activities:							
Water and sewer	5,644,304	5,390,156	446	176,415	-	(77,287)	(77,287)
Electric system	12,542,429	12,327,052	-	24,661	-	(190,716)	(190,716)
Airport operations	137,340	144,775	944	-	-	8,379	8,379
Landfill operations	3,314,301	2,960,788	-	-	-	(353,513)	(353,513)
Total Business-type Activities	<u>21,638,374</u>	<u>20,822,771</u>	<u>1,390</u>	<u>201,076</u>	<u>-</u>	<u>(613,137)</u>	<u>(613,137)</u>
Total	<u>44,889,627</u>	<u>26,053,858</u>	<u>2,558,317</u>	<u>1,520,367</u>	<u>(14,143,948)</u>	<u>(613,137)</u>	<u>(14,757,085)</u>
General Revenues:							
Taxes:							
Property tax, levied for general purposes					1,391,409	-	1,391,409
Specific ownership tax					81,964	-	81,964
Sales and use tax					15,965,053	-	15,965,053
Franchise tax					185,638	-	185,638
Accommodations tax					870,902	-	870,902
Other miscellaneous taxes					35,590	-	35,590
Unrestricted investment earnings					134,568	99,482	234,050
Grants, contributions and miscellaneous income not restricted for specific purposes					162,609	-	162,609
Gain on asset disposal					103,110	17,410	120,520
Transfers					856,403	(856,403)	-
Total General Revenues and Transfers					<u>19,787,246</u>	<u>(739,511)</u>	<u>19,047,735</u>
Change in Net Position					5,643,298	(1,352,648)	4,290,650
Net Position - Beginning					<u>84,767,222</u>	<u>64,704,792</u>	<u>149,472,014</u>
Net Position - Ending					<u>90,410,520</u>	<u>63,352,144</u>	<u>153,762,664</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, 2014

	<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>
Assets:							
Cash and investments	4,029,012	-	1,514,362	3,875,231	2,433,882	5,313,832	17,166,319
Cash and investments - restricted	-	-	-	-	1,778,913	-	1,778,913
Taxes receivable	2,175,758	-	49,079	230,387	460,774	413,207	3,329,205
Accounts receivable, net	501,193	332,879	-	-	-	1,173	835,245
Interest receivable	3,139	-	713	8,762	11,817	7,593	32,024
Due from other governments	-	-	-	-	-	32,796	32,796
Due (to) from other funds	378,730	(257,460)	(2,058,718)	-	-	-	(1,937,448)
Prepaid items	-	-	-	-	-	2,333	2,333
Total Assets	<u>7,087,832</u>	<u>75,419</u>	<u>(494,564)</u>	<u>4,114,380</u>	<u>4,685,386</u>	<u>5,770,934</u>	<u>21,239,387</u>
Liabilities:							
Accounts/vouchers payable	164,812	10,387	158	6,518	210,429	550,321	942,625
Other liabilities	64,064	-	-	-	-	-	64,064
Accrued payroll and related liabilities	333,292	57,319	-	51,908	-	-	442,519
Unearned revenue	-	7,713	-	-	-	-	7,713
Total Liabilities	<u>562,168</u>	<u>75,419</u>	<u>158</u>	<u>58,426</u>	<u>210,429</u>	<u>550,321</u>	<u>1,456,921</u>
Deferred Inflows of Resources							
Property taxes	1,293,414	-	49,079	-	-	36,730	1,379,223
Total Deferred Inflows	<u>1,293,414</u>	<u>-</u>	<u>49,079</u>	<u>-</u>	<u>-</u>	<u>36,730</u>	<u>1,379,223</u>
Fund Balances:							
Nonspendable	589,270	-	-	-	-	2,333	591,603
Restricted	777,279	43,110	11,010	65,377	1,260,375	422,224	2,579,375
Committed	204,615	-	-	425,200	-	271,831	901,646
Assigned	-	(43,110)	-	3,565,377	3,214,582	4,487,495	11,224,344
Unassigned	3,661,086	-	(554,811)	-	-	-	3,106,275
Total Fund Balance	<u>5,232,250</u>	<u>-</u>	<u>(543,801)</u>	<u>4,055,954</u>	<u>4,474,957</u>	<u>5,183,883</u>	<u>18,403,243</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>7,087,832</u>	<u>75,419</u>	<u>(494,564)</u>	<u>4,114,380</u>	<u>4,685,386</u>	<u>5,770,934</u>	<u>21,239,387</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, 2014

Governmental Funds Total Fund Balance	18,403,243
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	76,982,101
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.	5,361,938
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 and deferred costs.	(10,336,762)
Governmental Activities Net Position	<u><u>90,410,520</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, 2014

	<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 Governmental Funds</u>
Revenues:							
Taxes	7,963,469	-	359,722	2,127,252	4,254,504	3,889,022	18,593,969
Permits and licenses	157,767	-	-	-	-	-	157,767
Intergovernmental revenue	1,263,997	4,904	800,000	-	305,885	731,107	3,105,893
Charges for services	1,609,093	1,180,096	-	7,464	-	157,031	2,953,684
Investment income	13,675	6	3,989	13,561	39,339	16,691	87,261
Miscellaneous	2,965,500	-	3,287	30,942	82,235	102,985	3,184,949
Total Revenues	<u>13,973,501</u>	<u>1,185,006</u>	<u>1,166,998</u>	<u>2,179,219</u>	<u>4,681,963</u>	<u>4,896,836</u>	<u>28,083,523</u>
Expenditures:							
General government	3,201,847	-	1,454,363	-	509,334	95,734	5,261,278
Transportation	-	-	-	-	-	3,878,417	3,878,417
Public safety	3,273,558	3,233,209	-	-	-	706,193	7,212,960
Community and economic development	597,240	-	-	-	-	795,926	1,393,166
Public works	1,479,858	-	-	795,365	2,924,956	-	5,200,179
Culture and recreation	3,166,990	-	-	-	1,316,684	119,996	4,603,670
Debt service:							
Principal	220,000	-	-	-	1,457,316	-	1,677,316
Interest	35,697	-	61,441	-	281,690	-	378,828
Total Expenditures	<u>11,975,190</u>	<u>3,233,209</u>	<u>1,515,804</u>	<u>795,365</u>	<u>6,489,980</u>	<u>5,596,266</u>	<u>29,605,814</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,998,311</u>	<u>(2,048,203)</u>	<u>(348,806)</u>	<u>1,383,854</u>	<u>(1,808,017)</u>	<u>(699,430)</u>	<u>(1,522,291)</u>
Other Financing Sources (Uses):							
Sale of assets	-	-	-	-	-	41,150	41,150
Intergovernmental awards	-	-	-	-	-	119,533	119,533
Transfers in	1,037,360	2,048,203	50,000	-	2,639,026	186,508	5,961,097
Transfers (out)	(2,254,981)	-	-	(1,672,827)	(93,514)	(9,459)	(4,030,781)
Total Other Financing Sources (Uses)	<u>(1,217,621)</u>	<u>2,048,203</u>	<u>50,000</u>	<u>(1,672,827)</u>	<u>2,545,512</u>	<u>337,732</u>	<u>2,090,999</u>
Net Change in Fund Balance	780,690	-	(298,806)	(288,973)	737,495	(361,698)	568,708
Fund Balance - Beginning of Year	<u>4,451,560</u>	<u>-</u>	<u>(244,995)</u>	<u>4,344,927</u>	<u>3,737,462</u>	<u>5,545,581</u>	<u>17,834,535</u>
Fund Balance (Deficit) - End of Year	<u>5,232,250</u>	<u>-</u>	<u>(543,801)</u>	<u>4,055,954</u>	<u>4,474,957</u>	<u>5,183,883</u>	<u>18,403,243</u>

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

City of Glenwood Springs, Colorado
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
December 31, 2014

Net Change in Fund Balances of Governmental Funds	568,708
 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.	4,752,398
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.	1,703,049
Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities. This is the amount that accrued compensated absences increased.	48,023
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.	(1,428,880)
 Governmental Activities Change in Net Position	 <u>5,643,298</u>

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, 2014

	Water and Sewer	Electric System	Airport Operations	Landfill Operations	Totals	Governmental Activities Internal Service Funds Totals
Assets:						
Current:						
Cash in bank - Unrestricted	5,927,117	2,974,858	46,472	4,940,710	13,889,157	2,192,998
Cash in bank - Restricted	1,015,256	-	-	-	1,015,256	-
Accounts receivable - Trade (net of allowance for doubtful accounts)	738,094	1,575,534	342	300,307	2,614,277	-
Interest receivable	33,853	9,771	-	56,101	99,725	4,744
Other receivables	497	-	-	-	497	-
Inventory	387,513	211,445	25,905	-	624,863	26,238
Due from (to) other funds	-	-	-	1,046,426	1,046,426	891,022
Total Current Assets	<u>8,102,330</u>	<u>4,771,608</u>	<u>72,719</u>	<u>6,343,544</u>	<u>19,290,201</u>	<u>3,115,002</u>
Property and Equipment:						
Land	-	1,305,057	-	-	1,305,057	-
Construction in progress	243,511	817,223	-	24,388	1,085,122	-
Building, plant and system	71,311,940	34,445,652	53,205	514,809	106,325,606	-
Water rights	29,800	-	-	-	29,800	-
Equipment	967,212	218,205	90,388	89,387	1,365,192	1,474,433
Vehicles	-	13,693	-	22,844	36,537	3,069,506
Total	<u>72,552,463</u>	<u>36,799,830</u>	<u>143,593</u>	<u>651,428</u>	<u>110,147,314</u>	<u>4,543,939</u>
Less accumulated depreciation	<u>(20,433,419)</u>	<u>(15,445,922)</u>	<u>(117,986)</u>	<u>(150,511)</u>	<u>(36,147,838)</u>	<u>(2,215,367)</u>
Net Property and Equipment	<u>52,119,044</u>	<u>21,353,908</u>	<u>25,607</u>	<u>500,917</u>	<u>73,999,476</u>	<u>2,328,572</u>
 Total Assets	 <u>60,221,374</u>	 <u>26,125,516</u>	 <u>98,326</u>	 <u>6,844,461</u>	 <u>93,289,677</u>	 <u>5,443,574</u>
Liabilities and Fund Equity:						
Current Liabilities:						
Accounts payable	77,689	813,748	457	94,436	986,330	54,371
Deposits	-	121,068	-	-	121,068	-
Accrued interest	337,356	1,190	-	-	338,546	-
Accrued payroll and taxes	29,304	29,315	1,312	5,795	65,726	7,395
Accrued vacation and sick pay	271,053	233,738	-	49,344	554,135	19,870
Other liabilities	-	-	-	774,054	774,054	-
Current portion of long-term debt	1,144,675	-	-	-	1,144,675	-
Total Current Liabilities	<u>1,860,077</u>	<u>1,199,059</u>	<u>1,769</u>	<u>923,629</u>	<u>3,984,534</u>	<u>81,636</u>
Long-term Liabilities:						
Long-term debt - Bonds payable, net of current portion	<u>25,953,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,953,000</u>	<u>-</u>
Total Liabilities	<u>27,813,077</u>	<u>1,199,059</u>	<u>1,769</u>	<u>923,629</u>	<u>29,937,534</u>	<u>81,636</u>
Net Position:						
Net Investment in Capital Assets	25,021,369	21,353,908	25,607	500,917	46,901,801	2,328,572
Unrestricted	<u>7,386,928</u>	<u>3,572,549</u>	<u>70,950</u>	<u>5,419,915</u>	<u>16,450,342</u>	<u>3,033,366</u>
Total Net Position	<u>32,408,297</u>	<u>24,926,457</u>	<u>96,557</u>	<u>5,920,832</u>	<u>63,352,143</u>	<u>5,361,938</u>

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, 2014

	<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>
Operating Revenues:						
Rentals	-	-	25,440	-	25,440	-
Charges and fees	5,378,778	11,846,261	119,336	2,921,157	20,265,532	554,253
Intergovernmental	-	-	943	-	943	-
Other	11,823	480,791	-	39,631	532,245	5,973
Total Operating Revenues	<u>5,390,601</u>	<u>12,327,052</u>	<u>145,719</u>	<u>2,960,788</u>	<u>20,824,160</u>	<u>560,226</u>
Operating Expenses:						
Purchased power	-	9,150,017	-	-	9,150,017	-
Operations and maintenance	2,214,729	1,320,352	107,455	2,973,329	6,615,865	877,281
General and administrative	859,129	1,171,874	23,823	330,057	2,384,883	-
Depreciation	1,745,929	900,026	6,063	10,916	2,662,934	420,152
Total Operating Expenses	<u>4,819,787</u>	<u>12,542,269</u>	<u>137,341</u>	<u>3,314,302</u>	<u>20,813,699</u>	<u>1,297,433</u>
Operating Income (Loss)	<u>570,814</u>	<u>(215,217)</u>	<u>8,378</u>	<u>(353,514)</u>	<u>10,461</u>	<u>(737,207)</u>
Non-Operating Revenues (Expenses):						
Disposition of assets	997	9,028	-	7,385	17,410	41,146
Investment income	25,560	12,711	105	61,107	99,483	47,306
Intergovernmental awards	176,415	4,960	-	-	181,375	-
Interest expense	(824,517)	(160)	-	-	(824,677)	-
Total Non-Operating Revenues (Expenses)	<u>(621,545)</u>	<u>26,539</u>	<u>105</u>	<u>68,492</u>	<u>(526,409)</u>	<u>88,452</u>
Income (Loss) Before Transfers and Capital Contributions	<u>(50,731)</u>	<u>(188,678)</u>	<u>8,483</u>	<u>(285,022)</u>	<u>(515,948)</u>	<u>(648,755)</u>
Transfer (out)	(319,212)	(1,630,979)	-	-	(1,950,191)	(780,125)
Transfer in	800,000	-	-	-	800,000	-
Capital contributions	293,788	19,701	-	-	313,489	-
Change in Net Position	<u>723,845</u>	<u>(1,799,956)</u>	<u>8,483</u>	<u>(285,022)</u>	<u>(1,352,650)</u>	<u>(1,428,880)</u>
Net Position - Beginning of Year	<u>31,684,452</u>	<u>26,726,413</u>	<u>88,074</u>	<u>6,205,854</u>	<u>64,704,793</u>	<u>6,790,818</u>
Net Position - End of Year	<u><u>32,408,297</u></u>	<u><u>24,926,457</u></u>	<u><u>96,557</u></u>	<u><u>5,920,832</u></u>	<u><u>63,352,143</u></u>	<u><u>5,361,938</u></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, 2014

	Water and Sewer	Electric System	Airport Operations	Landfill Operations	Totals	Governmental Activities Internal Service Funds Totals
Cash Flows From Operating Activities:						
Cash received from customers	5,171,444	11,626,024	145,533	2,939,827	19,882,828	566,515
Cash paid to suppliers and employees	(3,088,454)	(11,644,166)	(147,890)	(3,204,705)	(18,085,215)	(1,011,267)
Other operating revenues	-	480,791	-	39,631	520,422	5,973
Interfund transfers	298,920	(1,630,979)	-	-	(1,332,059)	(780,125)
Net Cash Provided (Used) by Operating Activities	<u>2,381,910</u>	<u>(1,168,330)</u>	<u>(2,357)</u>	<u>(225,247)</u>	<u>985,976</u>	<u>(1,218,904)</u>
Cash Flows From Non-Capital Financing Activities:						
Net refunds of customer deposits	-	48,552	-	-	48,552	-
Intergovernmental awards	-	4,960	-	-	4,960	-
Net Cash (Used) by Non-Capital Financing Activities	<u>-</u>	<u>53,512</u>	<u>-</u>	<u>-</u>	<u>53,512</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:						
Sale of assets	997	9,028	-	7,385	17,410	49,759
Intergovernmental awards	176,415	-	-	-	176,415	-
Repayments from other funds	-	-	-	162,439	162,439	55,300
Interest paid on bonds and equipment contracts	(824,517)	(302)	-	-	(824,819)	-
Principal paid on bonds and equipment contracts	(1,123,575)	-	-	-	(1,123,575)	-
Acquisition and construction of capital assets	-	(577,621)	-	(64,196)	(641,817)	(248,122)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,770,680)</u>	<u>(568,895)</u>	<u>-</u>	<u>105,628</u>	<u>(2,233,947)</u>	<u>(143,063)</u>
Cash Flows From Investing Activities:						
Interest on investments	23,453	10,430	105	51,350	85,338	47,306
Net Cash Provided by Investing Activities	<u>23,453</u>	<u>10,430</u>	<u>105</u>	<u>51,350</u>	<u>85,338</u>	<u>47,306</u>
Net Change in Cash and Cash Equivalents	634,683	(1,673,283)	(2,252)	(68,269)	(1,109,121)	(1,314,661)
Cash and Cash Equivalents - Beginning of Year	<u>6,307,690</u>	<u>4,648,141</u>	<u>48,724</u>	<u>5,008,979</u>	<u>16,013,534</u>	<u>3,507,659</u>
Cash and Cash Equivalents - End of Year	<u>6,942,373</u>	<u>2,974,858</u>	<u>46,472</u>	<u>4,940,710</u>	<u>14,904,413</u>	<u>2,192,998</u>
Cash and Cash Equivalents Consists of the Following:						
Cash in bank - Unrestricted	5,927,117	2,974,858	46,472	4,940,710	13,889,157	2,192,998
Cash in bank - Restricted	1,015,256	-	-	-	1,015,256	-
Total	<u>6,942,373</u>	<u>2,974,858</u>	<u>46,472</u>	<u>4,940,710</u>	<u>14,904,413</u>	<u>2,192,998</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	570,814	(215,217)	8,378	(353,514)	10,461	(737,207)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,745,929	900,026	6,063	10,916	2,662,934	420,152
(Increase) decrease in accounts receivable	(219,157)	(220,237)	(186)	18,668	(420,912)	12,262
(Increase) decrease in inventories	(12,320)	9,807	(14,232)	-	(16,745)	-
(Increase) decrease in prepaid items/other assets	-	-	-	-	-	11,412
Increase (decrease) in accounts payable	(2,276)	(11,730)	(2,380)	98,683	82,297	(145,398)
Net change in interfund transfers	298,920	(1,630,979)	-	-	(1,332,059)	(780,125)
Total Adjustments	<u>1,811,096</u>	<u>(953,113)</u>	<u>(10,735)</u>	<u>128,267</u>	<u>975,515</u>	<u>(481,697)</u>
Net Cash Provided (Used) by Operating Activities	<u>2,381,910</u>	<u>(1,168,330)</u>	<u>(2,357)</u>	<u>(225,247)</u>	<u>985,976</u>	<u>(1,218,904)</u>
Schedule of Non-Cash Investing, Capital and Financing Activities:						
Assets contributed from others	293,788	-	-	-	293,788	-

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

City of Glenwood Springs, Colorado
Statement of Fiduciary Net Position
December 31, 2014

	<u>Cemetery Reserve Fund</u>
Assets:	
Cash and investments	<u>35,354</u>
Total Assets	<u>35,354</u>
Net Position:	
Held in Trust	<u><u>35,353</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, 2014

	<u>Cemetery Reserve Fund</u>
Additions:	
Charges and fees	2,250
Investment income, net	<u>57</u>
Total Additions	<u>2,307</u>
Deductions:	
Capital outlay	<u>-</u>
Total Deductions	<u>-</u>
Change in Net Position	2,307
Net Position - Beginning of Year	<u>33,046</u>
Net Position - End of Year	<u><u>35,353</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, 2014

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, 2014
(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, 2014
(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 propriety 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, 2014
(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, 2014
(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, 2014
(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.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. 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

9. 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 one item that qualify for reporting under this category on the Statement of Net Position, 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.

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 only one item that qualifies 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.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

10. 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.

11. 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, 2014
(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 \$ 76,982,101 reconciling item represents the book value of capital assets at December 31, 2014.

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 \$ 10,336,762 difference represent long-term bonds and loans of \$8,758,378, accrued interest of \$73,485, compensated absences of \$1,468,056, and deferred debt costs of \$36,843.

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 \$ 5,361,938 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 \$ 4,752,398 are net capital outlay of \$8,187,148 less depreciation expense of \$3,434,750.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(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 2014 budget year:

- (1) For the 2014 budget year, prior to December 10, 2013, 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, 2013, 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, 2013.
- (4) For the 2014 budget, prior to December 15, 2013, 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, 2013. 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 2013 were collected in 2014 and taxes certified in 2014 will be collected in 2015. 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, 2014
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

During the year, \$7,374,626 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	14,428,610	14,517,210
Fire and Ambulance Fund	3,178,252	3,266,852
Fleet Service Fund	2,032,480	2,812,605
Acquisition and Improvements	4,270,090	7,820,090
Tourism	739,578	798,578
Conservation Trust	65,000	253,000
GID Improvement District No.1980	46,938	48,938
Downtown Development Authority	1,471,378	1,531,848
Water and Sewer	9,194,358	9,334,358
Electric System	17,691,978	20,109,809

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.

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 \$765,488 which is the approximate required reserve at December 31, 2014.

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.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

C. Budgetary Information

	<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	\$ (875,386)	(2,397,278)	\$ 8,483	(349,218)	(1,677,002)
Capital contributions	293,788	-	-	-	-
Debt service - Principal	1,123,575	-	-	-	-
Capital outlay	181,868	597,322	-	64,196	248,122
Total Adjustments	<u>1,599,231</u>	<u>597,322</u>	<u>-</u>	<u>64,196</u>	<u>248,122</u>
Net Income (Loss) - GAAP Basis	<u>\$ 723,845</u>	<u>(1,799,956)</u>	<u>\$ 8,483</u>	<u>(285,022)</u>	<u>(1,428,880)</u>

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:

	<u>Standard & Poors Rating</u>	<u>Carrying amounts</u>	<u>Maturities</u>	
			<u>Less than one year</u>	<u>Less than five years</u>
Deposits:				
Petty cash	Not Rated	\$ 2,735	2,735	-
Checking	Not Rated	5,759,030	5,759,030	-
Savings and money market	Not Rated	114,439	114,439	-
Investments:				
Certificates of Deposit	Not Rated	10,845,596	6,745,596	4,100,000
United States Agencies	AA+	9,423,832	498,945	8,924,887
Government investment pools	AAAm	8,749,864	8,749,864	-
Cash held by Trustee	Not Rated	1,182,500	-	1,182,500
		<u>\$ 36,077,996</u>		

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The City also has \$ 726,385 invested with its pension fund trustee – FPPA. 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.

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, 2014
(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:

	General	Fire and Ambulance Fund	Downtown Development Authority	Capital Projects Fund	Acquisition and Improvement
Receivables:					
Taxes	\$ 2,175,758	-	49,079	230,387	460,774
Accounts	501,192	384,879	-	-	-
Interest	3,139	-	713	8,762	11,817
Other	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Gross receivables	<u>2,680,089</u>	<u>384,879</u>	<u>49,792</u>	<u>239,149</u>	<u>472,591</u>
Less: allowance for uncollectible	<u>-</u>	<u>(52,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u><u>2,680,089</u></u>	<u><u>332,879</u></u>	<u><u>49,792</u></u>	<u><u>239,149</u></u>	<u><u>472,591</u></u>

	Water and Sewer	Electric System	Landfill Fund	Non-major and Other Funds	Total
Receivables:					
Taxes	-	-	-	413,207	3,329,205
Accounts	739,594	1,682,262	331,662	1,515	3,641,104
Interest	33,853	9,771	56,101	12,337	136,493
Other	497	-	1,145	-	1,642
Intergovernmental	-	-	-	32,796	32,796
Gross receivables	<u>773,944</u>	<u>1,692,033</u>	<u>388,908</u>	<u>459,855</u>	<u>7,141,240</u>
Less: allowance for uncollectible	<u>(1,500)</u>	<u>(106,729)</u>	<u>(32,500)</u>	<u>-</u>	<u>(192,729)</u>
Net receivables	<u><u>772,444</u></u>	<u><u>1,585,304</u></u>	<u><u>356,408</u></u>	<u><u>459,855</u></u>	<u><u>6,948,511</u></u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(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>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 10,509,063	-	-	10,509,063
Construction in progress	2,866,268	8,007,619	(3,444,751)	7,429,136
Total capital assets, not being depreciated	<u>13,375,331</u>	<u>8,007,619</u>	<u>(3,444,751)</u>	<u>17,938,199</u>
Capital assets, being depreciated:				
Buildings	33,246,361	1,150,961	-	34,397,322
Other improvements	3,795,558	7,500	-	3,803,058
Streets and trails	60,760,784	1,769,993	-	62,530,777
Machinery and equipment	2,737,483	118,701	(700)	2,855,484
Vehicles	7,126,437	842,133	(429,124)	7,539,446
Total capital assets, being depreciated	<u>107,666,623</u>	<u>3,889,288</u>	<u>(429,824)</u>	<u>111,126,087</u>
Less accumulated depreciation for:				
Buildings	(11,334,300)	(1,169,947)	-	(12,504,247)
Other improvements	(903,144)	(112,382)	-	(1,015,526)
Streets and trails	(27,620,596)	(1,923,475)	-	(29,544,071)
Machinery and equipment	(2,901,121)	(501,759)	700	(3,402,180)
Vehicles	(3,543,875)	(147,339)	403,625	(3,287,589)
Total accumulated depreciation	<u>(46,303,036)</u>	<u>(3,854,902)</u>	<u>404,325</u>	<u>(49,753,613)</u>
Total capital assets, being depreciated, net	<u>61,363,587</u>	<u>34,386</u>	<u>(25,499)</u>	<u>61,372,474</u>
Governmental Activities - Capital Assets, Net	<u>\$ 74,738,918</u>	<u>8,042,005</u>	<u>(3,470,250)</u>	<u>79,310,673</u>
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,305,057	-	-	1,305,057
Water rights	29,800	-	-	29,800
Construction in progress	1,181,517	681,279	(777,674)	1,085,122
Total capital assets, not being depreciated	<u>2,516,374</u>	<u>681,279</u>	<u>(777,674)</u>	<u>2,419,979</u>
Capital assets, being depreciated:				
Buildings and plant	41,589,894	612,658	(122,000)	42,080,552
Distribution and collection system	61,873,736	488,123	-	62,361,859
Machinery and equipment	3,115,599	132,787	-	3,248,386
Vehicles	36,537	-	-	36,537
Total capital assets, being depreciated	<u>106,615,766</u>	<u>1,233,568</u>	<u>(122,000)</u>	<u>107,727,334</u>
Less accumulated depreciation for:				
Buildings and plant	(8,828,039)	(989,370)	-	(9,817,409)
Distribution and collection system	(22,825,023)	(1,561,769)	-	(24,386,792)
Machinery and equipment	(1,818,149)	(109,511)	-	(1,927,660)
Vehicles	(13,692)	(2,285)	-	(15,977)
Total accumulated depreciation	<u>(33,484,903)</u>	<u>(2,662,935)</u>	<u>-</u>	<u>(36,147,838)</u>
Total capital assets, being depreciated, net	<u>73,130,863</u>	<u>(1,429,367)</u>	<u>(122,000)</u>	<u>71,579,496</u>
Business-type Activities - Capital Assets, Net	<u>\$ 75,647,237</u>	<u>(748,088)</u>	<u>(899,674)</u>	<u>73,999,475</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(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>
Governmental Activities:		
General government	\$ 22,220	320,363
Transportation	-	43,347
Public safety	673,606	390,301
Community development	-	3,252
Public works	6,626,002	2,185,731
Culture and recreation	1,113,442	911,909
Total Governmental Activities	<u>\$ 8,435,270</u>	<u>3,854,902</u>
Business-type Activities:		
Water and sewer	\$ 181,868	1,745,930
Electric	597,322	900,026
Airport	-	6,063
Landfill	64,196	10,916
Total Business-type Activities	<u>\$ 843,386</u>	<u>2,662,935</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. Annual interest rate is fixed at 5.91%. At December 31, 2014, principal amount outstanding on this loan was \$335,642.

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, 2014, principal amount outstanding to Landfill Operations totaled \$710,785, and the principal amount outstanding to the Fleet Service Fund totaled \$891,022.

Interest payments made by the Downtown Development Authority to Landfill Operations and the Fleet Service Fund during 2014 totaled \$61,441.

The City had the following interfund receivables or payables as of December 31, 2014:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ -	378,730
Fire and Ambulance Fund	257,460	-
Landfill Operations	-	1,046,426
Fleet Service Fund	-	891,022
Downtown Development	2,058,718	-
	<u>\$ 2,316,178</u>	<u>2,316,178</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(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	\$ 319,212		Allocated organizational costs and franchise fees
Water and Sewer		319,212	
General Fund	80,000		Employee housing loan funding
Acquisition and Improvement Fund		80,000	
Downtown Development Authority	50,000		Transfer of sales tax per Glenwood Meadows development agreement
General Fund		20,270	
Street Tax Fund		6,757	
Bus Tax Fund		2,702	
Capital Projects Fund		6,757	
Acquisition and Improvement Fund		13,514	
General Fund	638,148		Allocated organizational costs and franchise fees
Electric Fund		638,148	
Emergency Services Equipment and Replacement Fund	186,508		City share of capital improvement mill levy
General Fund		186,508	
Acquisition and Improvement Fund	866,070		Infrastructure needs
Capital Projects		866,070	
Capital Projects	800,000		Infrastructure needs and contribution of completed assets
Water Fund		800,000	
Acquisition and Improvement Fund	992,831		Infrastructure needs
Electric Fund		992,831	
Acquisition and Improvement Fund	780,125		Infrastructure needs
Fleet Service Fund		780,125	
Fire and Ambulance Fund	2,048,203		Operational subsidy
General Fund		2,048,203	
	<u>\$ 6,761,097</u>	<u>6,761,097</u>	

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(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.

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, 2014
(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>Grand Total</u>
2015	\$ 363,823	\$ 1,425,238	255,879	\$ 2,044,940
2016	360,149	1,419,388	255,952	2,035,489
2017	368,520	1,427,638	250,915	2,047,073
2018	185,545	2,608,188	250,878	3,044,611
2019	-	-	250,731	250,731
2020	-	-	255,475	255,475
Total	<u>1,278,037</u>	<u>6,880,452</u>	<u>1,519,830</u>	<u>9,678,319</u>
Less: Interest	<u>(114,659)</u>	<u>(695,452)</u>	<u>(109,830)</u>	<u>(919,941)</u>
Total	<u><u>\$ 1,163,378</u></u>	<u><u>\$ 6,185,000</u></u>	<u><u>1,410,000</u></u>	<u><u>\$ 8,758,378</u></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, 2014
(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:

<u>Year Ended December 31,</u>	<u>Water and Sewer Revenue Loan</u>
2015	1,954,330
2016	1,956,032
2017	1,957,715
2018	1,959,168
2019	1,960,250
2020-2024	9,794,084
2025 - 2029	9,786,060
2030 - 2032	5,865,870
Total	35,233,509
Less: Interest	(8,135,834)
Total	<u>\$ 27,097,675</u>

G. Changes in Long-Term Debt

Changes in long-term obligations for the year ended December 31, 2014 are as follows:

	<u>Balance January 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2013</u>	<u>Due Within One Year</u>
Governmental Activities:					
1999 Governmental Agency Bonds	1,465,694	-	(302,316)	1,163,378	310,414
2010 Sales and Use Tax Revenue Refunding Bonds	7,340,000	-	(1,155,000)	6,185,000	1,195,000
2012 Limited Tax General Obligation	1,630,000	-	(220,000)	1,410,000	225,000
Deferred amounts:					
2010 Issuance premium	203,338	-	(60,245)	143,093	-
Compensated Absences	1,516,080	75,122	(123,137)	1,468,056	587,221
Business-type Activities:					
Water and Sewer Revenue Loan	28,221,250	-	(1,123,575)	27,097,675	1,144,675
Landfill closure and post closure	720,248	23,426	-	774,054	-
Compensated Absences	525,655	29,221	-	554,877	221,951
Total	<u>\$ 41,622,265</u>	<u>127,769</u>	<u>(2,984,273)</u>	<u>38,796,133</u>	<u>3,684,261</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(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, 2014, the liability for closure and postclosure is \$437,059 and \$336,995. The December 31, 2014 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, \$774,054 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, 2014.

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, 2014 cannot be readily determined.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(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	\$ 765,488
Forfeitures	76,569
Debt Service	1,182,500
Conservation Trust	291,259
Grant Proceeds	7,713
Property Tax	255,846
	<u>\$ 2,579,375</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	\$ 204,615
Tourism Fund	121,898
Street tax fund	149,933
Capital Projects Fund	425,200
	<u>\$ 901,646</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, 2014
(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 \$11,007,572 and current year payroll for employees covered under the plan was \$9,934,630. The City's contributions were \$611,973.

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 \$11,007,572 and current year payroll for employees covered under the plan was \$3,669,293. The City's contributions were \$275,197.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

V. Other Information (continued)

A. Pension Plans (continued)

3. Volunteer Firemen's Pension Fund

Plan Description: The City, on behalf of its volunteer firemen, provides a defined benefit pension plan which is affiliated with the Colorado Fire and Police Pension Association ("FPPA"). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of the plan. Title 31, Article 30 of the Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the plan. The activity for the Firemen's Pension Trust Fund has been reported in these financial statements.

Funding Policy: The City contributed \$ 24,749 to the plan in 2014. There were no contributions from participants.

Annual Pension Costs: For the fiscal year ended December 31, 2014, the annual pension costs were \$ 108,045 . Eligible firemen presently receive \$500 per month in pension benefits.

Actuarial Information: The Annual Required Contribution ("ARC") for the January 1, 2013 (the last available year) was determined by the FPPA actuary, or an actuarial firm designated by FPPA using the "entry age normal" cost method and is as of January 1, 2013. The significant actuarial assumptions used in the valuation as of January 1, 2013, were: (a) life expectancy of participants obtained from the generational mortality, with a blue collar adjustment for healthy retirees; (b) retirement age assumption of age 50 with 20 years of service; (c) pension benefits at \$525 per month with 20 years, or \$26.25 per year of service between 10 and 20 years; and (d) investment return of 7.5% per annum net of operating expenses.

For the purpose of this actuarial study, plan assets were valued at fair value using quoted market prices. The study uses a level amortization period over a period of 20 years, up to a maximum of 40 years.

Listed below is the required disclosure for the most recent actuarial valuation, prior evaluations are not available as the City joined the plan in 1997.

Actuarial valuation date	Plan assets available for benefits (a)	Actuarial accrued liability (b)	Unfunded actuarial liability (funding excess) (c)	Funded ratio (a)/(b)
1/1/1997	\$ 545,609	274,607	-271,002	199%
1/1/1999	687,733	393,630	-294,103	175%
1/1/2001	818,845	590,928	-227,917	139%
1/1/2003	772,828	636,148	-136,680	121%
1/1/2005	806,515	831,758	25,243	97%
1/1/2007	946,200	1,020,629	74,429	93%
1/1/2009	817,542	1,028,580	211,038	79%
1/1/2011	782,947	1,110,964	328,017	70%
1/1/2013	741,647	1,166,698	425,051	64%

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

V. Other Information (continued)

B. 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.

C. 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.

D. 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.

E. 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.

F. 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 Town 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, 2014.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

V. Other Information (continued)

F. Risk Management (continued)

1. Colorado Intergovernmental Risk Sharing Agency (continued)

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.

G. 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, 2014 are as follows:

Year ending March 31	
2015	\$ 1,985,000
2016	1,985,000
2017	1,985,000
2018	1,985,000
2019	1,985,000
Total	<u>\$ 9,925,000</u>

At December 31, 2014, the City had incurred \$1,985,000 under the terms of the lease agreement.

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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>Final Budget</u>	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Property taxes	1,276,373	1,276,373	1,280,654	4,281	1,006,129
Specific ownership	58,000	58,000	79,752	21,752	48,858
Special assessment	35,000	35,000	35,590	590	34,078
General sales tax	5,849,095	5,849,095	6,265,601	416,506	5,839,461
Use tax	61,622	61,622	116,234	54,612	148,018
Franchise tax	160,500	160,500	185,638	25,138	176,480
Total Taxes	<u>7,440,590</u>	<u>7,440,590</u>	<u>7,963,469</u>	<u>522,879</u>	<u>7,253,024</u>
Permits and Licenses:					
Contractors licenses	23,000	23,000	20,622	(2,378)	25,242
Liquor licenses	19,000	19,000	57,025	38,025	21,725
Dog licenses	500	500	190	(310)	265
Building permits	87,900	87,900	50,933	(36,967)	60,556
Sales tax license	20,000	20,000	28,997	8,997	79,975
Total Permits and Licenses	<u>150,400</u>	<u>150,400</u>	<u>157,767</u>	<u>7,367</u>	<u>187,763</u>
Intergovernmental:					
Cigarette tax	65,940	65,940	69,809	3,869	71,441
County road and bridge	250,000	250,000	273,932	23,932	276,270
County sales tax	218,215	218,215	228,257	10,042	146,961
Highway use tax	283,020	283,020	284,874	1,854	282,223
Severance tax	217,394	217,394	309,290	91,896	217,394
Grants	92,366	92,366	97,835	5,469	97,522
Total Intergovernmental	<u>1,126,935</u>	<u>1,126,935</u>	<u>1,263,997</u>	<u>137,062</u>	<u>1,091,811</u>
Charges and Fees:					
Plan check and record fee	58,600	58,600	90,767	32,167	90,451
Cemetery fees	8,000	8,000	8,313	313	9,344
Police fines and court fees	124,000	124,000	154,629	30,629	178,873
Parking fees and fines	44,200	44,200	48,162	3,962	41,086
Impoundment fees	5,000	5,000	6,228	1,228	3,482
Recreation fees	1,075,000	1,075,000	1,248,687	173,687	1,239,099
Park and rafting fees	25,400	25,400	52,307	26,907	48,079
Total Charges and Fees	<u>1,340,200</u>	<u>1,340,200</u>	<u>1,609,093</u>	<u>268,893</u>	<u>1,610,414</u>
Other Revenues:					
Contributions	100	100	1,090	990	1,519
Interest	5,000	5,000	13,675	8,675	14,636
Police confiscated assets	-	-	15,585	15,585	35,011
Miscellaneous	55,270	55,270	126,693	71,423	83,189
Other lease revenue	303,158	303,158	763,448	460,290	303,169
Overhead reimbursement	2,014,040	2,014,040	2,022,768	8,728	2,021,698
Other reimbursements	31,006	31,006	35,916	4,910	38,381
Total Other Revenues	<u>2,408,574</u>	<u>2,408,574</u>	<u>2,979,175</u>	<u>570,601</u>	<u>2,497,603</u>
Total Revenues	<u>12,466,699</u>	<u>12,466,699</u>	<u>13,973,501</u>	<u>1,506,802</u>	<u>12,640,615</u>

(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, 2014
(With Comparative Actual Amounts for December 31, 2013)
(Continued)

	<u>2014</u>			<u>Final Budget</u>	<u>2013</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Expenditures:					
General Government:					
Administration	532,395	552,395	541,076	11,319	514,317
Personnel/purchasing	265,202	263,502	253,974	9,528	247,685
City Clerk and elections	390,681	413,681	409,120	4,561	387,017
Finance	935,127	988,694	1,065,365	(76,671)	914,639
Data processing	259,578	281,908	252,860	29,048	230,604
Judicial	234,312	244,312	216,854	27,458	212,014
Legal	291,362	296,362	291,772	4,590	278,752
Annexation costs and rebates	553,053	192,246	170,826	21,420	165,788
Total General Government	<u>3,461,710</u>	<u>3,233,100</u>	<u>3,201,847</u>	<u>31,253</u>	<u>2,950,816</u>
Public Safety:					
Police Department	3,223,191	3,322,191	3,273,558	48,633	3,153,484
Total Public Safety	<u>3,223,191</u>	<u>3,322,191</u>	<u>3,273,558</u>	<u>48,633</u>	<u>3,153,484</u>
Community Development:					
Administration/planning	437,811	445,311	382,215	63,096	406,675
Building inspector	232,502	241,402	215,025	26,377	224,335
Total Community Development	<u>670,313</u>	<u>686,713</u>	<u>597,240</u>	<u>89,473</u>	<u>631,010</u>
Public Works:					
Administration/engineering	440,161	451,811	445,306	6,505	407,468
Streets, alleys, snow removal	1,014,619	1,043,279	1,034,552	8,727	991,081
Total Public Works	<u>1,454,780</u>	<u>1,495,090</u>	<u>1,479,858</u>	<u>15,232</u>	<u>1,398,549</u>
Culture and Recreation:					
Recreation	2,191,904	2,247,004	2,191,875	55,129	2,111,792
Parks and cemetery	1,000,074	1,017,874	975,115	42,759	957,550
Total Culture and Recreation	<u>3,191,978</u>	<u>3,264,878</u>	<u>3,166,990</u>	<u>97,888</u>	<u>3,069,342</u>
Debt Service:					
Principal on bonded debt	220,000	220,000	220,000	-	215,000
Interest on bonded debt	35,697	35,697	35,697	-	40,406
Total Debt Service	<u>255,697</u>	<u>255,697</u>	<u>255,697</u>	<u>-</u>	<u>255,406</u>
Total Expenditures	<u>12,257,669</u>	<u>12,257,669</u>	<u>11,975,190</u>	<u>282,479</u>	<u>11,458,607</u>
Excess (Deficiency) of Revenues					
Over Expenditures	209,030	209,030	1,998,311	1,789,281	1,182,008
Other Financing Sources (Uses):					
Transfers in	1,037,360	1,037,360	1,037,360	-	938,958
Transfers (out)	(2,170,941)	(2,259,541)	(2,254,981)	4,560	(2,282,026)
Total Other Financing Sources (Uses)	<u>(1,133,581)</u>	<u>(1,222,181)</u>	<u>(1,217,621)</u>	<u>4,560</u>	<u>(1,343,068)</u>
Net Change in Fund Balance	(924,551)	(1,013,151)	780,690	1,793,841	(161,060)
Fund Balance - Beginning of Year	<u>4,109,804</u>	<u>4,451,560</u>	<u>4,451,560</u>	<u>-</u>	<u>4,612,620</u>
Fund Balance - End of Year	<u>3,185,253</u>	<u>3,438,409</u>	<u>5,232,250</u>	<u>1,793,841</u>	<u>4,451,560</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental:					
Grants and awards	-	-	4,904	4,904	1,933
Charges for Services:					
Permits	10,000	10,000	10,825	825	7,600
Ambulance fees	1,171,967	1,171,967	1,169,271	(2,696)	937,196
Other:					
Interest income	40	40	6	(34)	6
Miscellaneous	-	-	-	-	806
Total Revenues	<u>1,182,007</u>	<u>1,182,007</u>	<u>1,185,006</u>	<u>2,999</u>	<u>947,541</u>
Expenditures:					
Public Safety:					
Emergency services	<u>3,178,252</u>	<u>3,266,852</u>	<u>3,233,209</u>	<u>33,643</u>	<u>3,056,861</u>
Total Expenditures	<u>3,178,252</u>	<u>3,266,852</u>	<u>3,233,209</u>	<u>33,643</u>	<u>3,056,861</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,996,245)	(2,084,845)	(2,048,203)	36,642	(2,109,320)
Other Financing Sources (Uses):					
Transfer in	<u>1,966,452</u>	<u>2,052,452</u>	<u>2,048,203</u>	<u>(4,249)</u>	<u>2,076,381</u>
Total Other Financing Sources (Uses)	<u>1,966,452</u>	<u>2,052,452</u>	<u>2,048,203</u>	<u>(4,249)</u>	<u>2,076,381</u>
Net Change in Fund Balance	(29,793)	(32,393)	-	32,393	(32,939)
Fund Balance - Beginning of Year	<u>29,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,939</u>
Fund Balance - End of Year	<u>-</u>	<u>(32,393)</u>	<u>-</u>	<u>32,393</u>	<u>-</u>

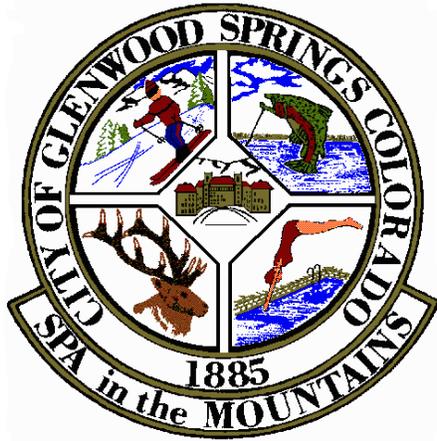
The accompanying notes are an integral part of these financial statements.

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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>2013</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Property taxes	87,099	87,099	72,937	(14,162)	106,441
Sales taxes	315,474	315,474	286,785	(28,689)	290,551
Intergovernmental:					
Grants	-	-	800,000	800,000	-
Other:					
Interest income	2,000	2,000	3,989	1,989	5,170
Miscellaneous	-	-	3,287	3,287	-
Total Revenues	<u>404,573</u>	<u>404,573</u>	<u>1,166,998</u>	<u>762,425</u>	<u>402,162</u>
Expenditures:					
General Government:					
Capital outlay	1,235,000	1,324,220	1,309,328	14,892	486,469
Other	174,937	146,187	145,035	1,152	146,681
Debt service:					
Interest	61,441	61,441	61,441	-	65,905
Total Expenditures	<u>1,471,378</u>	<u>1,531,848</u>	<u>1,515,804</u>	<u>16,044</u>	<u>699,055</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,066,805)	(1,127,275)	(348,806)	778,469	(296,893)
Other Financing Sources (Uses):					
Interfund loan proceeds	-	-	-	-	2,000,000
Interfund repayments	-	-	(243,275)	(243,275)	-
Transfer in	50,000	50,000	50,000	-	50,000
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>(193,275)</u>	<u>(243,275)</u>	<u>2,050,000</u>
Net Change in Fund Balance - Budget Basis	(1,016,805)	<u>(1,077,275)</u>	(542,081)	<u>535,194</u>	1,753,107
Reconciliation to GAAP Basis:					
Adjustments:					
Interfund loan proceeds			-		(2,000,000)
Interfund loan repayments			243,275		-
Net Income - GAAP Basis			<u>(298,806)</u>		<u>(246,893)</u>
Fund Balance (Deficit) - Beginning of Year	<u>(321,214)</u>		<u>(244,995)</u>		<u>1,898</u>
Fund Balance (Deficit) - End of Year	<u>(1,338,019)</u>		<u>(543,801)</u>		<u>(244,995)</u>

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

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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>2013</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>	
Revenues:					
Taxes:					
Sales tax	1,949,675	1,949,675	2,088,508	138,833	1,946,463
Use tax	20,541	20,541	38,744	18,203	49,339
Total Taxes	<u>1,970,216</u>	<u>1,970,216</u>	<u>2,127,252</u>	<u>157,036</u>	<u>1,995,802</u>
Fees and Charges:					
Park land fees	-	-	7,464	7,464	18,634
Other:					
Interest income	2,500	2,500	13,561	11,061	8,103
Other income	6,757	6,757	30,942	24,185	14,611
Total Other	<u>9,257</u>	<u>9,257</u>	<u>44,503</u>	<u>35,246</u>	<u>22,714</u>
Total Revenues	<u>1,979,473</u>	<u>1,979,473</u>	<u>2,179,219</u>	<u>199,746</u>	<u>2,037,150</u>
Expenditures:					
Public Works:					
Work activities team	390,974	390,974	385,108	5,866	497,527
Sewer improvements	48,310	48,310	224,243	(175,933)	324,891
Other expenditures	1,114,753	1,114,753	186,014	928,739	480,774
Total Expenditures	<u>1,554,037</u>	<u>1,554,037</u>	<u>795,365</u>	<u>758,672</u>	<u>1,303,192</u>
Excess (Deficiency) of Revenues Over Expenditures	425,436	425,436	1,383,854	958,418	733,958
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	990,157
Transfers (out)	(806,757)	(1,672,827)	(1,672,827)	-	(1,006,757)
Total Other Financing Sources (Uses)	<u>(806,757)</u>	<u>(1,672,827)</u>	<u>(1,672,827)</u>	<u>-</u>	<u>(16,600)</u>
Net Change in Fund Balance	(381,321)	(1,247,391)	(288,973)	958,418	717,358
Fund Balance - Beginning of Year	<u>3,718,719</u>	<u>4,344,927</u>	<u>4,344,927</u>	<u>-</u>	<u>3,627,569</u>
Fund Balance - End of Year	<u>3,337,398</u>	<u>3,097,536</u>	<u>4,055,954</u>	<u>958,418</u>	<u>4,344,927</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues:				
Taxes:				
General sales tax	3,899,349	3,899,349	4,177,016	277,667
Use tax	41,080	41,080	77,488	36,408
Total Taxes	<u>3,940,429</u>	<u>3,940,429</u>	<u>4,254,504</u>	<u>314,075</u>
Intergovernmental:				
Grants	270,000	270,000	305,885	35,885
Other:				
Interest income	33,000	33,000	39,339	6,339
Donations	-	-	20,452	20,452
Other income	13,514	13,514	61,783	48,269
Total Other	<u>46,514</u>	<u>46,514</u>	<u>121,574</u>	<u>75,060</u>
Total Revenues	<u>4,256,943</u>	<u>4,256,943</u>	<u>4,681,963</u>	<u>425,020</u>
Expenditures:				
General Government:				
General and administrative	466,404	466,404	467,896	(1,492)
Bond fees	41,438	41,438	41,438	-
Total General Government	<u>507,842</u>	<u>507,842</u>	<u>509,334</u>	<u>(1,492)</u>
Culture and Recreation:				
Frontier Historical Museum	4,143	4,143	2,129	2,014
River trail system	50,000	50,000	15,000	35,000
Arts Center	-	-	32,631	(32,631)
Other projects	1,100,000	1,950,000	1,266,924	683,076
Total Culture and Recreation	<u>1,154,143</u>	<u>2,004,143</u>	<u>1,316,684</u>	<u>687,459</u>
Public Works:				
Streets and sidewalks	42,000	42,000	45,096	(3,096)
Other projects	827,098	3,527,098	2,879,860	647,238
Total Public Works	<u>869,098</u>	<u>3,569,098</u>	<u>2,924,956</u>	<u>644,142</u>
Debt Service:				
Principal - 1999 Sales and Use Tax bonds	1,155,000	1,155,000	1,155,000	-
Interest - 1999 Sales and Use Tax bonds	264,888	264,888	264,888	-
Principal - 1999 Government Agency bonds	302,317	302,317	302,316	1
Interest - 1999 Government Agency bonds	16,802	16,802	16,802	-
Total Debt Service	<u>1,739,007</u>	<u>1,739,007</u>	<u>1,739,006</u>	<u>1</u>
Total Expenditures	<u>4,270,090</u>	<u>7,820,090</u>	<u>6,489,980</u>	<u>1,330,110</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,147)	(3,563,147)	(1,808,017)	1,755,130
Other Financing Sources (Uses):				
Transfers in	-	2,639,026	2,639,026	-
Transfers (out)	(93,514)	(93,514)	(93,514)	-
Total Other Financing Sources (Uses)	<u>(93,514)</u>	<u>2,545,512</u>	<u>2,545,512</u>	<u>-</u>
Net Change in Fund Balance	(106,661)	(1,017,635)	737,495	1,755,130
Fund Balance - Beginning of Year	<u>2,916,886</u>	<u>3,737,462</u>	<u>3,737,462</u>	<u>-</u>
Fund Balance - End of Year	<u>2,810,225</u>	<u>2,719,827</u>	<u>4,474,957</u>	<u>1,755,130</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, 2014

	<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>
Assets:								
Cash and investments - Unrestricted	559,454	2,365,441	86,699	293,863	513,636	12,322	1,482,417	5,313,832
Taxes receivable	53,725	230,387	-	-	92,148	36,947	-	413,207
Accounts receivable, net of allowance	-	-	-	-	1,173	-	-	1,173
Interest receivable	345	4,161	-	724	-	-	2,363	7,593
Due from other governments	-	32,796	-	-	-	-	-	32,796
Prepaid items	-	-	-	-	2,333	-	-	2,333
Total Assets	<u>613,524</u>	<u>2,632,785</u>	<u>86,699</u>	<u>294,587</u>	<u>609,290</u>	<u>49,269</u>	<u>1,484,780</u>	<u>5,770,934</u>
Liabilities and Fund Balance:								
Liabilities:								
Accounts payable	38,374	327,611	-	478	174,131	-	9,727	550,321
Total Liabilities	<u>38,374</u>	<u>327,611</u>	<u>-</u>	<u>478</u>	<u>174,131</u>	<u>-</u>	<u>9,727</u>	<u>550,321</u>
Deferred Inflows of Resources:								
Property Taxes	-	-	-	-	-	36,730	-	36,730
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,730</u>	<u>-</u>	<u>36,730</u>
Fund Balances:								
Nonspendable	-	-	-	-	2,333	-	-	2,333
Restricted	26,190	65,771	989	294,109	30,301	1,207	3,657	422,224
Committed	121,898	149,933	-	-	-	-	-	271,831
Assigned	427,062	2,089,470	85,710	-	402,525	11,332	1,471,396	4,487,495
Total Fund Balance	<u>575,150</u>	<u>2,305,174</u>	<u>86,699</u>	<u>294,109</u>	<u>435,159</u>	<u>12,539</u>	<u>1,475,053</u>	<u>5,183,883</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>613,524</u>	<u>2,632,785</u>	<u>86,699</u>	<u>294,587</u>	<u>609,290</u>	<u>49,269</u>	<u>1,484,780</u>	<u>5,770,934</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, 2014

	<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>	
Revenues:								
Taxes	870,902	2,127,252	-	-	850,838	40,030	-	3,889,022
Intergovernmental	-	333,484	-	93,874	239,001	-	64,748	731,107
Charges for services	-	-	31,872	-	125,159	-	-	157,031
Interest income	1,103	8,708	1,100	1,135	622	190	3,833	16,691
Other	993	56,404	-	-	18,556	-	27,032	102,985
Total Revenues	<u>872,998</u>	<u>2,525,848</u>	<u>32,972</u>	<u>95,009</u>	<u>1,234,176</u>	<u>40,220</u>	<u>95,613</u>	<u>4,896,836</u>
Expenditures:								
General governmental	-	-	48,783	-	-	46,951	-	95,734
Transportation	-	2,772,991	-	-	1,105,426	-	-	3,878,417
Public safety	-	-	2,254	-	-	-	703,939	706,193
Community and economic development	795,926	-	-	-	-	-	-	795,926
Culture and recreation	-	-	-	119,996	-	-	-	119,996
Total Expenditures	<u>795,926</u>	<u>2,772,991</u>	<u>51,037</u>	<u>119,996</u>	<u>1,105,426</u>	<u>46,951</u>	<u>703,939</u>	<u>5,596,266</u>
Excess (Deficiency) of Revenues Over Expenditures	77,072	(247,143)	(18,065)	(24,987)	128,750	(6,731)	(608,326)	(699,430)
Other Financing Sources (Uses):								
Intergovernmental awards	-	-	-	-	-	-	119,533	119,533
Transfers in	-	-	-	-	-	-	186,508	186,508
Sale of assets	-	-	-	-	14,850	-	26,300	41,150
Transfers (out)	-	(6,757)	-	-	(2,702)	-	-	(9,459)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,757)</u>	<u>-</u>	<u>-</u>	<u>12,148</u>	<u>-</u>	<u>332,341</u>	<u>337,732</u>
Net Change in Fund Balance	77,072	(253,900)	(18,065)	(24,987)	140,898	(6,731)	(275,985)	(361,698)
Fund Balance - Beginning of Year	<u>498,078</u>	<u>2,559,074</u>	<u>104,764</u>	<u>319,096</u>	<u>294,261</u>	<u>19,270</u>	<u>1,751,038</u>	<u>5,545,581</u>
Fund Balance - End of Year	<u>575,150</u>	<u>2,305,174</u>	<u>86,699</u>	<u>294,109</u>	<u>435,159</u>	<u>12,539</u>	<u>1,475,053</u>	<u>5,183,883</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>2013</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Accommodations tax	739,578	739,578	870,902	131,324	756,542
Other:					
Interest income	300	300	1,103	803	758
Other income	-	-	993	993	1,713
Total Revenues	<u>739,878</u>	<u>739,878</u>	<u>872,998</u>	<u>133,120</u>	<u>759,013</u>
Expenditures:					
Economic Development:					
Salary and benefits	86,250	98,250	98,637	(387)	83,601
Administrative	19,553	19,553	19,553	-	19,553
Consulting services	15,000	52,500	54,652	(2,152)	11,663
Visitor services	75,947	75,947	75,947	-	77,301
Central reservations/watts line	11,485	11,485	10,933	552	15,411
Public relations	39,000	39,000	38,999	1	37,622
Printing and distribution (brochures, postcards, etc.)	172,465	162,465	157,501	4,964	139,105
Database and internet marketing	135,375	135,375	134,169	1,206	124,744
Advertising and promotion	158,918	171,918	162,071	9,847	183,541
Travel and booth expenses	19,585	19,585	17,700	1,885	19,261
Equipment	-	-	5,000	(5,000)	-
Special event	6,000	12,500	20,764	(8,264)	5,356
Total Expenditures	<u>739,578</u>	<u>798,578</u>	<u>795,926</u>	<u>2,652</u>	<u>717,158</u>
Net Change in Fund Balance	300	(58,700)	77,072	135,772	41,855
Fund Balance - Beginning of Year	<u>340,524</u>	<u>498,078</u>	<u>498,078</u>	<u>-</u>	<u>456,223</u>
Fund Balance - End of Year	<u>340,824</u>	<u>439,378</u>	<u>575,150</u>	<u>135,772</u>	<u>498,078</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
General sales tax	1,949,675	1,949,675	2,088,508	138,833	1,946,463
Use tax	20,541	20,541	38,744	18,203	49,339
Other:					
Miscellaneous income	6,757	6,757	56,404	49,647	18,795
Interest income	50	50	8,708	8,658	2,759
Total Revenues	<u>1,977,023</u>	<u>1,977,023</u>	<u>2,192,364</u>	<u>215,341</u>	<u>2,017,356</u>
Expenditures:					
Transportation:					
TDM contract	30,000	30,000	1,693	28,307	12,854
Transit program	2,502,500	2,502,500	2,219,293	283,207	414,678
Other expenses	509,857	509,857	552,005	(42,148)	210,833
Total Expenditures	<u>3,042,357</u>	<u>3,042,357</u>	<u>2,772,991</u>	<u>269,366</u>	<u>638,365</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,065,334)	(1,065,334)	(580,627)	484,707	1,378,991
Other Financing Sources (Uses):					
Intergovernmental awards	950,000	950,000	333,484	(616,516)	149,067
Transfers in	-	-	-	-	200,000
Transfers (out)	(6,757)	(6,757)	(6,757)	-	(6,757)
Total Other Financing Sources (Uses)	<u>943,243</u>	<u>943,243</u>	<u>326,727</u>	<u>(616,516)</u>	<u>342,310</u>
Net Change in Fund Balance	(122,091)	(122,091)	(253,900)	(131,809)	1,721,301
Fund Balance - Beginning of Year	<u>1,030,470</u>	<u>1,030,470</u>	<u>2,559,074</u>	<u>1,528,604</u>	<u>837,773</u>
Fund Balance - End of Year	<u>908,379</u>	<u>908,379</u>	<u>2,305,174</u>	<u>1,396,795</u>	<u>2,559,074</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Charges for Services:				
Assessments	40,000	31,872	(8,128)	37,714
Other:				
Interest income	300	1,100	800	271
Total Revenues	<u>40,300</u>	<u>32,972</u>	<u>(7,328)</u>	<u>37,985</u>
Expenditures:				
General Government:				
Victim/witness assistance	45,000	48,193	(3,193)	15,447
Training	500	-	500	-
Professional fees	-	496	(496)	534
Office supplies	1,000	94	906	406
Capital Outlay:				
Police equipment	15,000	2,254	12,746	-
Total Expenditures	<u>61,500</u>	<u>51,037</u>	<u>10,463</u>	<u>16,387</u>
Net Change in Fund Balance	(21,200)	(18,065)	3,135	21,598
Fund Balance - Beginning of Year	<u>61,966</u>	<u>104,764</u>	<u>42,798</u>	<u>83,166</u>
Fund Balance - End of Year	<u><u>40,766</u></u>	<u><u>86,699</u></u>	<u><u>45,933</u></u>	<u><u>104,764</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental:					
Colorado Lottery	70,000	70,000	93,874	23,874	103,497
Other:					
Interest income	300	300	1,135	835	619
Total Other	<u>300</u>	<u>300</u>	<u>1,135</u>	<u>835</u>	<u>619</u>
Total Revenues	<u>70,300</u>	<u>70,300</u>	<u>95,009</u>	<u>24,709</u>	<u>104,116</u>
Expenditures:					
Culture and Recreation:					
Community center equipment	-	-	-	-	16,158
Park improvement and equipment	30,000	35,000	23,134	11,866	26,946
Ice rink locker rooms	-	188,000	88,000	100,000	-
Whitewater park	5,000	5,000	5,076	(76)	-
Other projects	30,000	25,000	3,786	21,214	-
Total Expenditures	<u>65,000</u>	<u>253,000</u>	<u>119,996</u>	<u>133,004</u>	<u>43,104</u>
Net Change in Fund Balance	5,300	(182,700)	(24,987)	157,713	61,012
Fund Balance - Beginning of Year	<u>164,315</u>	<u>319,096</u>	<u>319,096</u>	<u>-</u>	<u>258,084</u>
Fund Balance - End of Year	<u><u>169,615</u></u>	<u><u>136,396</u></u>	<u><u>294,109</u></u>	<u><u>157,713</u></u>	<u><u>319,096</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014		Variance Positive (Negative)	2013
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
General sales tax	779,812	835,341	55,529	778,528
Use tax	8,216	15,497	7,281	19,734
Intergovernmental:				
Grants and awards	220,000	239,001	19,001	283,680
Charges for Services:				
Bus fares	126,000	117,015	(8,985)	125,229
Advertising fees	7,000	8,144	1,144	4,142
Other:				
Interest income	50	622	572	445
Miscellaneous	2,702	18,556	15,854	5,755
Total Revenues	1,143,780	1,234,176	90,396	1,217,513
Expenditures:				
Transportation:				
Fixed labor	311,220	318,796	(7,576)	342,879
Direct labor	368,396	322,374	46,022	236,319
Employee bus pass	1,770	62	1,708	1,849
Direct mileage cost	238,168	196,361	41,807	216,361
Training	51,044	42,957	8,087	49,986
Capital costs	9,450	-	9,450	34,930
Other	238,681	224,876	13,805	242,490
Total Expenditures	1,218,729	1,105,426	113,303	1,124,814
Excess (Deficiency) of Revenues Over Expenditures	(74,949)	128,750	203,699	92,699
Other Financing Sources (Uses):				
Sale of assets	-	14,850	14,850	-
Transfer (out)	(2,702)	(2,702)	-	(2,702)
Total Other Financing Sources (Uses)	(2,702)	12,148	14,850	(2,702)
Net Change in Fund Balance	(77,651)	140,898	218,549	89,997
Fund Balance - Beginning of Year	157,872	294,261	136,389	204,264
Fund Balance - End of Year	80,221	435,159	354,938	294,261

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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>				<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)	<u>Actual</u>
Revenues:					
Taxes:					
Property taxes	38,062	38,062	37,818	(244)	43,570
Specific ownership taxes	2,200	2,200	2,212	12	2,190
Total Taxes	<u>40,262</u>	<u>40,262</u>	<u>40,030</u>	<u>(232)</u>	<u>45,760</u>
Other:					
Interest income	100	100	190	90	174
Total Revenues	<u>40,362</u>	<u>40,362</u>	<u>40,220</u>	<u>(142)</u>	<u>45,934</u>
Expenditures:					
General Government:					
Miscellaneous and Treasurer's fees	950	950	756	194	874
Other	45,988	47,988	46,195	1,793	44,335
Total Expenditures	<u>46,938</u>	<u>48,938</u>	<u>46,951</u>	<u>1,987</u>	<u>45,209</u>
Net Change in Fund Balance	(6,576)	(8,576)	(6,731)	1,845	725
Fund Balance - Beginning of Year	<u>18,502</u>	<u>19,270</u>	<u>19,270</u>	-	<u>18,545</u>
Fund Balance - End of Year	<u><u>11,926</u></u>	<u><u>10,694</u></u>	<u><u>12,539</u></u>	<u><u>1,845</u></u>	<u><u>19,270</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>		<u>Variance Positive (Negative)</u>	<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Rural Fire District contribution	65,795	64,748	(1,047)	63,426
Interest income	1,500	3,833	2,333	2,521
Impact fees	3,000	12,020	9,020	33,257
Other	104,179	15,012	(89,167)	-
Total Revenues	<u>174,474</u>	<u>95,613</u>	<u>(78,861)</u>	<u>99,204</u>
Expenditures:				
Public Safety:				
Equipment purchases	705,000	703,939	1,061	80,347
Total Expenditures	<u>705,000</u>	<u>703,939</u>	<u>1,061</u>	<u>80,347</u>
Excess (Deficiency) of Revenues Over Expenditures	(530,526)	(608,326)	(77,800)	18,857
Other Financing Sources (Uses):				
Intergovernmental awards	-	119,533	119,533	16,758
Sale of assets	-	26,300	26,300	-
Transfer in	184,219	186,508	2,289	185,375
Total Other Financing Sources	<u>184,219</u>	<u>332,341</u>	<u>148,122</u>	<u>202,133</u>
Net Change in Fund Balance	(346,307)	(275,985)	70,322	220,990
Fund Balance - Beginning of Year	<u>1,743,995</u>	<u>1,751,038</u>	<u>7,043</u>	<u>1,530,048</u>
Fund Balance - End of Year	<u>1,397,688</u>	<u>1,475,053</u>	<u>77,365</u>	<u>1,751,038</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014			Final Budget Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Charges and Fees:					
Water user fees	2,467,380	2,467,380	2,348,450	(118,930)	2,345,228
Sewer user fees	2,852,826	2,852,826	2,839,641	(13,185)	2,726,051
Water connection fees	1,000	1,000	-	(1,000)	828
Sewer connection fees	1,000	1,000	-	(1,000)	155
Meter sales	10,000	10,000	10,165	165	5,865
Other	7,500	7,500	11,823	4,323	5,686
Water improvement fees	30,000	30,000	104,289	74,289	12,756
Sewer improvement fees	10,000	10,000	76,233	66,233	7,643
Total Operating Revenues	<u>5,379,706</u>	<u>5,379,706</u>	<u>5,390,601</u>	<u>10,895</u>	<u>5,104,212</u>
Operating Expenses:					
Administration	662,064	717,733	700,330	17,403	638,991
Water plant operation	551,739	691,739	579,216	112,523	577,352
Water transmission and distribution	709,707	709,707	540,315	169,392	367,359
Wastewater plant operation	726,245	736,141	756,901	(20,760)	744,116
Wastewater collection and transmission	307,035	359,470	338,297	21,173	320,804
Customer service	162,136	162,136	158,799	3,337	251,811
Depreciation	1,876,512	1,758,512	1,745,929	12,583	1,683,407
Capital outlay	1,921,000	1,921,000	181,868	1,739,132	167,660
Debt service - Principal	1,123,575	1,123,575	1,123,575	-	1,091,925
Total Operating Expenses	<u>8,040,013</u>	<u>8,180,013</u>	<u>6,125,230</u>	<u>2,054,783</u>	<u>5,843,425</u>
Operating Income (Loss) - Budget Basis	<u>(2,660,307)</u>	<u>(2,800,307)</u>	<u>(734,629)</u>	<u>2,065,678</u>	<u>(739,213)</u>
Non-Operating Revenues (Expenses):					
Gain (loss) on disposition of assets	-	-	997	997	2,048
Investment income	10,000	10,000	25,560	15,560	43,120
Intergovernmental awards	-	-	176,415	176,415	1,109,139
Amortization of bond costs	-	-	-	-	(6,013)
Interest expense	(835,133)	(835,133)	(824,517)	10,616	(850,356)
Total Non-Operating Revenues (Expenses):	<u>(825,133)</u>	<u>(825,133)</u>	<u>(621,545)</u>	<u>203,588</u>	<u>297,938</u>
Transfers in	800,000	800,000	800,000	-	800,000
Transfers (out)	(319,212)	(319,212)	(319,212)	-	(1,303,111)
Change in Net Position - Budget Basis	<u>(3,004,652)</u>	<u>(3,144,652)</u>	<u>(875,386)</u>	<u>2,269,266</u>	<u>(944,386)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Capital contributions			293,788		2,880,253
Debt service - Principal			1,123,575		1,091,925
Capital outlay			181,868		167,660
Total Adjustments			<u>1,599,231</u>		<u>4,139,838</u>
Net Income - GAAP Basis			<u>723,845</u>		<u>3,195,452</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>2013</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Operating Revenues:					
Charges and fees:					
Commercial	7,059,888	7,059,888	8,193,479	1,133,591	7,391,377
Residential	3,035,614	3,035,614	3,510,626	475,012	3,242,123
Municipal	87,893	87,893	114,923	27,030	100,390
Security lights	11,651	11,651	11,843	192	11,109
Service connect fees	14,000	14,000	15,390	1,390	15,600
Other	458,150	458,150	480,791	22,641	493,096
Total Operating Revenues	<u>10,667,196</u>	<u>10,667,196</u>	<u>12,327,052</u>	<u>1,659,856</u>	<u>11,253,695</u>
Expenses:					
Purchased power	8,100,400	9,800,400	9,150,017	650,383	8,131,454
Maintenance - Distribution	1,573,845	1,423,845	1,320,352	103,493	1,415,634
Customer accounts	338,903	338,903	341,448	(2,545)	412,387
General and administrative	1,039,513	914,513	830,426	84,087	750,816
Capital improvements	5,000,200	5,000,200	597,322	4,402,878	354,439
Depreciation	1,000,769	1,000,769	900,026	100,743	876,929
Total Operating Expenses	<u>17,053,630</u>	<u>18,478,630</u>	<u>13,139,591</u>	<u>5,339,039</u>	<u>11,941,659</u>
Operating Income (Loss) Budget Basis	(6,386,434)	(7,811,434)	(812,539)	6,998,895	(687,964)
Non-Operating Revenues (Expenses):					
Gain (loss) on disposition of assets	(10,000)	(10,000)	9,028	19,028	(10,682)
Investment income	7,000	7,000	12,711	5,711	14,396
Intergovernmental awards	-	-	4,960	4,960	-
Interest expense	(200)	(200)	(160)	40	(167)
Total Non-Operating Revenues (Expenses):	<u>(3,200)</u>	<u>(3,200)</u>	<u>26,539</u>	<u>29,739</u>	<u>3,547</u>
Capital contributions	400,000	400,000	19,701	(380,299)	229,141
Transfers (out)	(638,148)	(1,630,979)	(1,630,979)	-	(626,004)
Change in Net Position - Budget Basis	<u>(6,627,782)</u>	<u>(9,045,613)</u>	<u>(2,397,278)</u>	<u>6,648,335</u>	<u>(1,081,280)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Capital outlay			597,322		354,439
Total Adjustments			<u>597,322</u>		<u>354,439</u>
Net Income - GAAP Basis			<u>(1,799,956)</u>		<u>(726,841)</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Operating Revenues:				
Rentals:				
Airport/land lease	24,910	25,440	530	26,500
Hanger lease	1,060	-	(1,060)	-
Charges and fees:				
Annual user fees	2,820	2,710	(110)	3,533
Long-term tie downs	8,610	6,600	(2,010)	3,720
Transient tie downs	2,955	1,354	(1,601)	1,034
Fuel sales	92,500	108,671	16,171	91,154
Other income	50	1	(49)	1,124
Intergovernmental:				
State fuel tax refund	600	943	343	560
Total Operating Revenues	<u>133,505</u>	<u>145,719</u>	<u>12,214</u>	<u>127,625</u>
Operating Expenses:				
Administration	38,893	23,823	15,070	22,072
Operations	121,108	107,455	13,653	97,537
Improvements	400,000	-	400,000	-
Depreciation	9,648	6,063	3,585	6,063
Total Expenses	<u>569,649</u>	<u>137,341</u>	<u>432,308</u>	<u>125,672</u>
Operating Income (Loss) - Budget Basis	(436,144)	8,378	444,522	1,953
Non-Operating Revenues (Expenses):				
Investment income	100	105	5	80
Intergovernmental awards	360,000	-	(360,000)	-
Total Non-Operating Revenues	<u>360,100</u>	<u>105</u>	<u>(359,995)</u>	<u>80</u>
Change in Net Position - Budget Basis	<u>(76,044)</u>	<u>8,483</u>	<u>84,527</u>	<u>2,033</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Capital outlay		-		-
Total Adjustments		-		-
Net Income - GAAP Basis		<u>8,483</u>		<u>2,033</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Operating Revenues:				
Disposal fees	2,885,000	2,199,222	(685,778)	2,235,156
Composting fees	729,000	721,935	(7,065)	652,292
Other Income	80,000	39,631	(40,369)	54,955
Total Operating Revenues	<u>3,694,000</u>	<u>2,960,788</u>	<u>(733,212)</u>	<u>2,942,403</u>
Operating Expenses:				
Personnel costs	262,530	274,432	(11,902)	264,405
Operating costs	2,964,550	2,775,092	189,458	3,145,687
Composting fees	50,000	-	50,000	-
Utilities	8,100	5,993	2,107	5,836
Insurance	52,940	49,632	3,308	55,368
Allocated costs	144,430	144,430	-	144,430
Landfill compliance costs	107,027	53,807	53,220	-
Depreciation	42,444	10,916	31,528	8,632
Capital outlay	567,500	64,196	503,304	66,920
Total Operating Expenses	<u>4,199,521</u>	<u>3,378,498</u>	<u>821,023</u>	<u>3,691,278</u>
Operating Income (Loss) Budget Basis	(505,521)	(417,710)	87,811	(748,875)
Non-Operating Revenues (Expenses):				
Interest income	60,760	61,107	347	62,204
Gain (loss) on disposition of asset	(2,000)	7,385	9,385	240
Landfill compliance cost recovery	-	-	-	204,129
Total Non-Operating Revenues (Expenses)	<u>58,760</u>	<u>68,492</u>	<u>9,732</u>	<u>266,573</u>
Change in Net Position - Budget Basis	<u>(446,761)</u>	<u>(349,218)</u>	<u>97,543</u>	<u>(482,302)</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Capital outlay		64,196		66,920
Total Adjustments		<u>64,196</u>		<u>66,920</u>
Net Income - GAAP Basis		<u>(285,022)</u>		<u>(415,382)</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:					
Charges and fees	636,844	636,844	554,253	(82,591)	613,985
Other operating revenue	10,000	10,000	5,973	(4,027)	4,356
Total Operating Revenues	<u>646,844</u>	<u>646,844</u>	<u>560,226</u>	<u>(86,618)</u>	<u>618,341</u>
Expenses:					
General government:					
Operations	998,846	998,846	877,281	121,565	873,965
Depreciation	554,634	554,634	420,152	134,482	453,410
Capital outlay	479,000	479,000	248,122	230,878	360,210
Total Operating Expenses	<u>2,032,480</u>	<u>2,032,480</u>	<u>1,545,555</u>	<u>486,925</u>	<u>1,687,585</u>
Operating Income (Loss) - Budget Basis	(1,385,636)	(1,385,636)	(985,329)	400,307	(1,069,244)
Non-Operating Revenues (Expenses):					
Investment income	44,200	44,200	47,306	3,106	53,556
Sale of asset	50,000	50,000	41,146	(8,854)	39,157
Transfers (out)	-	(780,125)	(780,125)	-	-
Total Non-Operating Revenues (Expenses)	<u>94,200</u>	<u>(685,925)</u>	<u>(691,673)</u>	<u>(5,748)</u>	<u>92,713</u>
Change in Net Position - Budget Basis	<u>(1,291,436)</u>	<u>(2,071,561)</u>	<u>(1,677,002)</u>	<u>394,559</u>	<u>(976,531)</u>
Reconciliation to GAAP Basis:					
Capital outlay			248,122		360,210
Operating Income (Loss) - GAAP Basis			(1,428,880)		(616,321)
Net Position - Beginning of Year			6,790,818		7,407,139
Net Position - End of Year			<u>5,361,938</u>		<u>6,790,818</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, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014		Variance Positive (Negative)	2013
	Original and Final Budget	Actual		Actual
Additions:				
Perpetual care fees	1,000	2,250	1,250	1,750
Interest income	50	57	7	55
	1,050	2,307	1,257	1,805
Total Additions				
Deductions:				
Cemetery maintenance	-	-	-	-
	-	-	-	-
Total Deductions				
Change in Net Position	1,050	2,307	1,257	1,805
Net Position - Beginning of Year	32,291	33,046	755	31,241
Net Position - End of Year	33,341	35,353	2,012	33,046

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.

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Glenwood Springs
	YEAR ENDING : December 2014
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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,620,112
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	891,783
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	64,527
2. General fund appropriations	1,191,531	b. Snow and ice removal	123,894
3. Other local imposts (from page 2)	2,894,454	c. Other	0
4. Miscellaneous local receipts (from page 2)	514,337	d. Total (a. through c.)	188,421
5. Transfers from toll facilities		4. General administration & miscellaneous	111,327
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,059,143
a. Bonds - Original Issues		6. Total (1 through 5)	4,870,786
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	4,600,322	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	270,464	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	4,870,786	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	4,870,786

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	925,704	0	145,348	780,356
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		4,870,786	4,870,786		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	8,708
b. Other local imposts:		b. Traffic Fines & Penalties	112,583
1. Sales Taxes	2,809,913	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	4,789	d. Parking Meter Fees	48,162
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	79,752	g. Other Misc. Receipts: Garfield County	32,796
6. Total (1. through 5.)	2,894,454	h. Other GARCO Mineral Lease Gran	312,088
c. Total (a. + b.)	2,894,454	i. Total (a. through h.)	514,337
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	284,874	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	35,590	d. Federal Transit Admin	0
d. Other (Specify) - EIAF Grant De-obligated	(50,000)	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	(14,410)	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	270,464	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	223,921	223,921
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	2,241,616	2,241,616
(3). System Preservation	0	97,676	97,676
(4). System Enhancement & Operation	0	56,899	56,899
(5). Total Construction (1) + (2) + (3) + (4)	0	2,396,191	2,396,191
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,620,112	2,620,112
			(Carry forward to page 1)

Notes and Comments: