
**TOWN OF MOUNTAIN VILLAGE
COLORADO**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2013

ABOUT MOUNTAIN VILLAGE

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

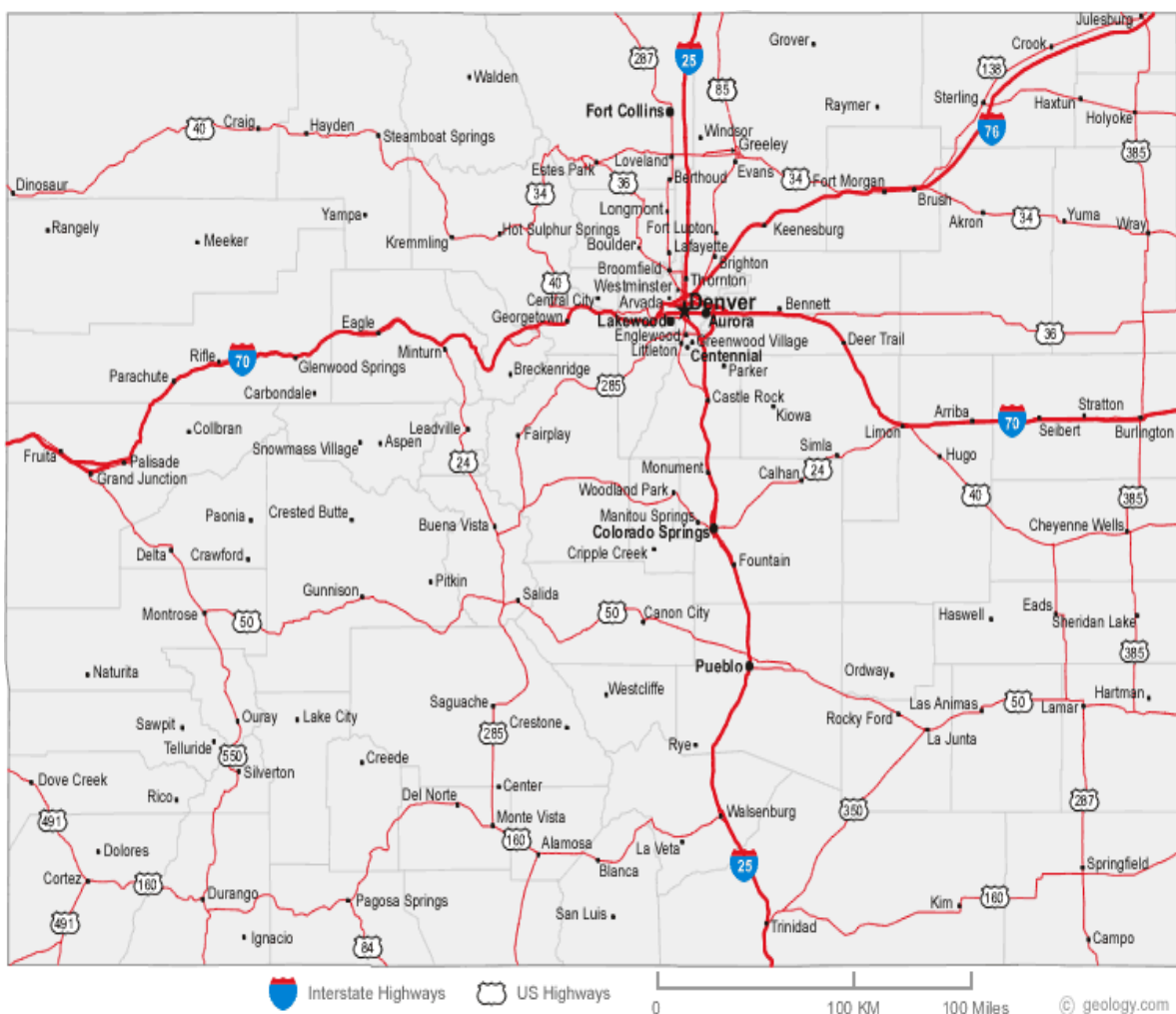


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Mayor, Dan Jansen
Mayor Pro Tem, Cath Jett
Council Members: Richard Child, John Howe, Jonette Bronson,
Dave Schillaci, Michelle Sherry
Town Manager, Kim Montgomery

Prepared by:
The Finance Department of The Town of Mountain Village
Kevin Swain, Treasurer and Finance Director
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Sheri Mahoney, Payroll Technician



June 30, 2014

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

The Comprehensive Annual Financial Report of the Town of Mountain Village (the "Town") for the year ended December 31, 2013, is hereby submitted as mandated by the Town's home rule charter and state statutes. The charter and statutes require that the Town of Mountain Village issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures, rests with the Town's management. We believe the information as presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Governmental Structure, Local Economic Condition and Outlook

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

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

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

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

The Town is a body corporate and politic with all of the powers of a public or quasi-municipal corporation and is a political subdivision of the State of Colorado. The Town was organized for the purpose of providing for its residents various governmental services including, but not limited to, general governmental services, (affordable housing, building code enforcement, planning, zoning and design review) and law enforcement. The Town is empowered to levy taxes subject to voter authorization and may issue bonds. The Town imposes certain fees and charges upon its residents and users for design review, plan review, inspection, planning and zoning. The Town has a zoned population of approximately 8,000 and is approximately 70.44% developed with an additional 48 units or 1.5% of density either under construction or in the DRB review process. The estimated current permanent population is 1,340 people, and the 2013 assessed valuation of the Town is \$265,515,290.

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

The continued strong financial condition of the Town is creating both opportunities and challenges for the organization and its constituents. Although the Town's finances have stabilized recently, the Town is faced with new challenges to meet increased demand for services, facilities and amenities triggered by the local growth. As the Village grows, demand for more affordable housing and childcare services and facilities are of primary concern. It will require significant financial resources to address these deficiencies in the upcoming years.

Financial Information

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

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

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

Long Term Financial Planning

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

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the year ended December 31, 2012. This

was the fourteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Respectfully submitted,



Kevin Swain
Town Finance Director

Town of Mountain Village Organizational Chart Voters/Electorate Town Council (Legislative) Mayor (Executive)		
<u>Town Offices</u> Town Manager Town Attorney Town Clerk Town Treasurer	<u>Departments</u> Community Development, Public Safety, Road & Bridge, Transportation, Recreation, Public Works, Vehicle and Property Maintenance, Community Relations, Human Relations	<u>(Judicial)</u> Municipal Court
	<u>Enterprise Operations</u> Cable Television Water & Sanitary Sewer Conference Center Child Development Communications System Rental Housing Parking Services	

**List of Elected and Appointed Officials
December 31, 2013**

Elected Officials

Council Member-At large	Dan Jansen
Council Member-At large	Cath Jett
Council Member-At large	Jonette Bronson
Council Member-At large	David Schillaci
Council Member-At large	Richard Child
Council Member-At large	Michelle Sherry
Council Member-At large	John Howe

Appointed Officials

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

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Government Finance Officers Association

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

Presented to

**Town of Mountain Village
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

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Independent Auditors Report

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Independent Auditor's Report

June 30, 2014

Town Council
Town of Mountain Village
Mountain Village, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mountain Village, Colorado (the Town), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mountain Village, Colorado, as of December 31, 2013, 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*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7-15 and 65-66 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.



Town Council
Town of Mountain Village

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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

Management's Discussion and Analysis

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TOWN OF MOUNTAIN VILLAGE, COLORADO

Management's Discussion and Analysis

For the Year Ended December 31, 2013

As management of the Town of Mountain Village (the Town), we offer readers of these financial statements this summary overview and analysis of the financial activities and position through and as of December 31, 2013. We encourage readers to consider the information presented in conjunction with the additional information furnished in our basic financial statements to more thoroughly understand the financial activities and position of the Town.

A. Financial Highlights

- Net Position (excess assets/deferred outflows over liabilities/deferred inflows) increased \$2.86 million from \$49.1 to \$52 million.
- New development property valuation, originally budgeted at \$35,000,000 ended the year at about \$67,800,000
- Sales taxes collections set records for month over prior and March 2013 set a single month collection record.

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

B. Overview of Financial Statements

This discussion and analysis is intended to serve as the introduction to the Town's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, economic development, debt service, capital projects, culture and recreation, and transportation. The business-type activities include affordable housing rental and development, cable television, water and sewer, conference center, child development, parking services, and regional communications.

Fund Financial Statements- A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The Town funds are separated into two classifications: governmental funds and enterprise (proprietary) funds.

Governmental Funds- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may more thoroughly understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds are separated into the following major funds: General Fund, Gondola Special Revenue Fund, and as a unit of The Town, Debt Service Fund. All non-major funds (Capital Projects Fund, Vehicle and Equipment Acquisition, Historical Museum and Tourism Funds) are combined as other governmental funds.

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

Enterprise Funds- Enterprise funds (proprietary) are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The enterprise funds are used to account for child development, regional communications and affordable housing programs. The Town's major enterprise funds are the Housing Authority Fund, Cable, Telluride Conference Center, and the Water and Sewer Fund. All non-major funds (Child Development, Parking Services, and Communication System Funds) are combined as other enterprise funds.

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

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

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

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

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

C. Government-wide Financial Analysis

At the close of 2013, the total Net Position was \$52 million, an increase of \$2,858,149 from prior year which is primarily a result of increased development revenues and a record breaking sales tax collection year.

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

Statements of Net Position December 31, 2013 and 2012

	Governmental Activities		Business - Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$18,055,399	\$15,763,190	\$ 5,188,060	\$ 4,877,176	\$ 23,243,459	\$ 20,640,366
Capital Assets	49,225,821	50,698,628	26,275,646	27,397,369	75,501,467	78,095,997
Total Assets	67,281,220	66,461,818	31,463,706	32,274,545	98,744,925	98,736,363
Deferred Outflow of Resources	177,422	208,655	319,734	477,447	497,156	686,102
Current Liabilities	3,979,035	3,517,289	825,618	1,297,927	4,804,654	4,815,215
Non - Current Liabilities						
Due Within One Year	2,728,477	2,537,387	235,116	223,901	2,963,593	2,761,288
Due In More Than One Year	19,142,439	21,884,323	13,257,131	13,492,350	32,399,570	35,376,673
Total Liabilities	25,849,951	27,938,998	14,317,866	15,014,178	40,167,817	42,953,176
Deferred Inflow of Resources	6,762,607	7,335,515	319,734	-	7,082,341	7,335,515
Net Position						
Net Investment in Capital Assets	27,532,327	26,700,785	13,318,565	13,681,119	40,850,892	40,381,904
Restricted for Debt Service	734,651	1,033,003	450,000	450,077	1,184,651	1,483,080
Restricted for Emergencies	532,144	501,617	-	-	532,144	501,617
Unrestricted	6,046,962	3,160,555	3,377,277	3,606,621	9,424,239	6,767,176
Total Net Position	\$34,846,084	\$31,395,960	\$ 17,145,842	\$ 17,737,817	\$ 51,991,926	\$ 49,133,777

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

Statements of Changes in Net Position
For the Years Ended December 31, 2013 and 2012

	Governmental Activities		Business - Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$ 1,864,272	\$ 1,299,371	\$ 6,474,417	\$ 6,029,411	\$ 8,338,689	\$ 7,328,782
Operating Grants and Contributions	3,520,479	3,477,497	59,043	64,518	3,579,521	3,542,015
Capital Grants and Contributions	537,244	291,709	176,725	272,281	713,968	563,990
Total Program Revenues	<u>5,921,995</u>	<u>5,068,578</u>	<u>6,710,184</u>	<u>6,366,210</u>	<u>12,632,179</u>	<u>11,434,787</u>
General Revenues						
Property and Specific Ownership Taxes	7,968,282	8,064,491	-	-	7,968,282	8,064,491
Sales and Use Taxes	4,196,071	2,780,228	-	-	4,196,071	2,780,228
Lodging and Restaurant Taxes	1,357,417	1,118,586	-	-	1,357,417	1,118,586
Miscellaneous	126,629	116,976	384,538	352,202	511,167	469,178
Investment Earnings	9,122	65,634	470	931	9,592	66,565
Gain on Sale of Assets	-	-	-	-	-	-
Total General Revenues	<u>13,657,521</u>	<u>12,145,916</u>	<u>385,008</u>	<u>353,133</u>	<u>14,042,530</u>	<u>12,499,049</u>
Total Revenues	19,579,516	17,214,493	7,095,192	6,719,343	26,674,708	23,933,836
Expenses						
General Government	4,054,627	4,391,143	-	-	4,054,627	4,391,143
Gondola Operations and Capital Expenditures	3,382,884	3,547,366	-	-	3,382,884	3,547,366
Public Safety	1,211,029	930,812	-	-	1,211,029	930,812
Roads and Bridges	2,259,809	1,676,398	-	-	2,259,809	1,676,398
Culture and Recreation	430,976	623,271	-	-	430,976	623,271
Equipment & Property Maintenance	1,948,923	2,326,831	-	-	1,948,923	2,326,831
Transportation	1,170,322	1,451,595	-	-	1,170,322	1,451,595
Water & Sewer	-	-	2,013,911	1,989,756	2,013,911	1,989,756
Cable Television	-	-	1,361,458	1,317,112	1,361,458	1,317,112
Telluride Conference Center	-	-	416,067	449,473	416,067	449,473
Economic Development	2,220,203	1,433,224	-	-	2,220,203	1,433,224
Housing Authority	-	-	2,347,284	2,526,775	2,347,284	2,526,775
Parking Services	-	-	288,821	259,665	288,821	259,665
Daycare Program	-	-	563,955	574,001	563,955	574,001
Regional Communications System	-	-	193,646	210,346	193,646	210,346
Total Expenses	<u>16,678,773</u>	<u>16,380,641</u>	<u>7,185,143</u>	<u>7,327,128</u>	<u>23,863,916</u>	<u>23,707,769</u>
Change in Net Position before Transfers	2,900,743	833,852	(89,951)	(607,785)	2,810,792	226,067
Transfers	<u>549,382</u>	<u>25,455</u>	<u>(549,381)</u>	<u>(25,455)</u>	<u>-</u>	<u>-</u>
Change in Net Position	3,450,125	859,307	(639,332)	(633,241)	2,810,792	226,067
Beginning Net Position	31,395,960	30,536,653	17,785,174	18,371,057	49,181,134	48,907,710
Prior Period Adjustment	-	-	-	47,358	-	47,358
Beginning Net Position - As Re-stated	<u>31,395,960</u>	<u>30,536,653</u>	<u>17,785,174</u>	<u>18,418,415</u>	<u>49,181,134</u>	<u>48,955,068</u>
Ending Net Position	<u>\$ 34,846,085</u>	<u>\$31,395,960</u>	<u>\$ 17,145,842</u>	<u>\$17,785,174</u>	<u>\$ 51,991,927</u>	<u>\$49,181,134</u>

D. Financial Analysis of the Town's Funds

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

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

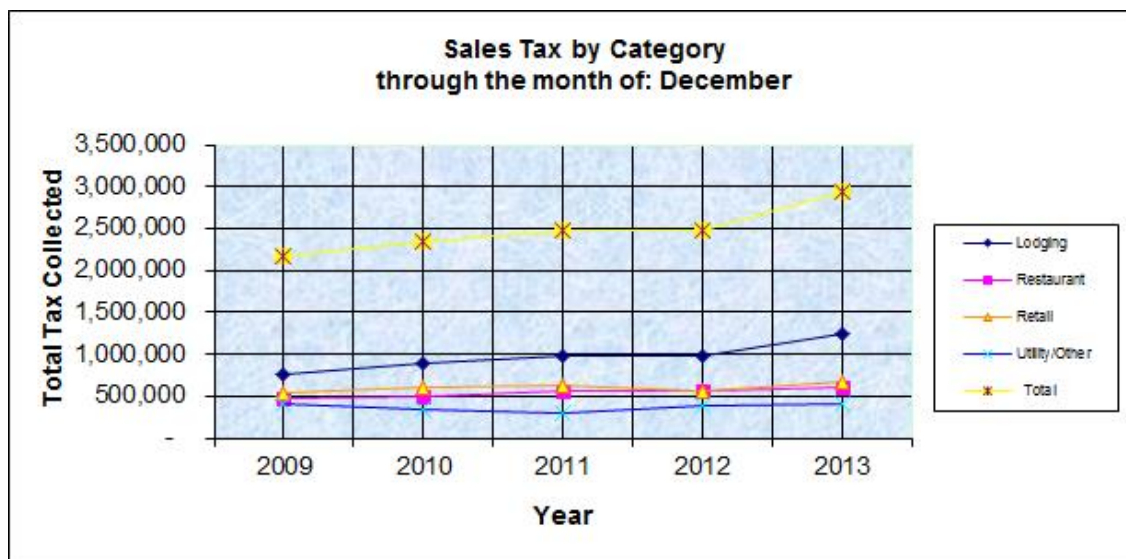
General Fund

Revenues of \$10.3 million were over budgeted expectations by \$189,000. Expenditures came in below budget by \$609,000 leaving the general fund a surplus of \$2.8 million after inter-fund transfers. Budget savings were primarily due to the continued conscientiousness of staff in controlling expenditures. Total fund balance remains adequate at \$6.6 million.

Sales Tax

Sales tax revenues of \$2.94 million increased from prior year by \$456,000 or 18.4%, with record breaking collections including the highest collection month on record, March 2013. Sales tax increases were noticed most heavily in the lodging and retail categories. Please see detailed analysis that follows.

Actual Sales Tax Base By Class, Through December 2013										
Category	Actual 2009	Actual 2010	PY % Increase	Actual 2011	PY % Increase	Actual 2012	PY % Increase	Actual 2013	PY \$ Variance	PY % Increase
	4.5%	4.5%	2009 to 2010	4.5%	2010 to 2011	4.5%	2011 to 2012	4.5%	2012 to 2013	2012 to 2013
Lodging	16,667,064	19,663,485	18%	21,860,293	11%	21,813,629	0%	27,745,883	5,932,253	27.20%
Restaurant	10,606,332	11,223,839	6%	12,411,676	11%	12,717,690	2%	13,631,180	913,490	7.18%
Retail	11,947,237	13,406,936	12%	13,711,348	2%	12,293,787	-10%	14,864,000	2,570,214	20.91%
Utility/Other	8,861,304	7,625,308	-14%	6,776,839	-11%	8,323,303	23%	9,047,900	724,597	8.71%
Total	48,081,937	51,919,568	8%	54,760,157	5%	55,148,409	1%	65,288,964	10,140,554	18.39%



Tourism Fund

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

Lodging tax receipts of \$1.08 million were up 35% from prior year, and restaurant tax receipts of \$274,300 show an increase of 11.7% from prior year. 2013 receipts include prior year taxes which are shown in the proper periods in the tables below. Business license fees of \$268,235 increased over prior year activity by 8% due mainly to enhanced enforcement. Tourism activity generated approximately \$799,971 for the airline guaranty program and \$787,940 for regional marketing programs and group sales efforts. Overall, the town's tourism fund reinvested over \$1.7 million back into the region to support the various businesses operating in the community which includes additional funding of \$100,000 to airline guaranty. Please see the lodging and restaurant tax revenue summary below for further information.

Town of Mountain Village Colorado Lodging Tax Summary								
	2009	2010	2011	2012	2013	2012	2013	Budget
	Activity	Activity	Activity	Activity	Activity	Var %	Budget	Var %
	(4%)	(4%)	(4%)	(4%)	(4%)			
Total	658,513	781,594	870,717	865,780	1,081,554	24.92%	856,392	20.82%
Tax Base	16,462,830	19,539,844	21,767,932	21,644,491	27,038,841		21,409,800	

Town of Mountain Village Colorado Restaurant Tax Summary								
	2009	2010	2011	2012	2013	2012	2013	Budget
	Activity	Activity	Activity	Activity	Activity	Var %	Budget	Var %
	(2%)	(2%)	(2%)	(2%)	(2%)			
Total	204,788	224,278	244,750	245,593	274,295	11.69%	233,384	14.91%
Tax Base	10,239,378	11,213,910	12,237,496	12,279,634	13,714,754		11,669,199	

Vehicle and Equipment Acquisition Fund

The Road and Bridge, Police, and Plaza and Environmental Services departments purchased new vehicles to replace older vehicles in the fleet. The Parks and Recreation department purchased a new snowmobile.

Capital Projects Fund

Activity in the Capital Projects Fund was the receipt of interest on notes payable, radio technology expenditures, paid for with grant funds, a settlement payment for the Sunset Plaza project and finishing the parking deck sealants for the Gondola Parking Garage.

Historical Museum Fund

The Town instituted a voter approved mill levy January 1, 2005 for the purpose of providing funding to the Telluride Historical Museum for operating costs. The property taxes generated for this purpose in 2013 were approximately \$105,429.

Gondola Fund

The Gondola Fund is used to account for the activity of financing, improving and operating the Gondola and Chondola transit system. The costs for this program are funded through contributions from TMVOA, Telluride Ski and Golf Company (Telski), as well as contributions and charges for extended operating hours. Current year funding of \$3.39 million was mainly comprised of contributions from TMVOA (\$3.16 million or 91%), Telski (\$136,939 or 4%), charges for extended operating hours and miscellaneous revenues (\$11,779 or less than 1%), grant funding of \$131,800 or 4% and other regional government contributions (\$36,000 or less than 1%). Fund expenditures of \$3.39 million decreased from prior year by \$153,683. Decreases from prior year are primarily the result of major repairs and replacements.

Debt Service Fund

Current year debt service activity reflected \$2,495,000 in debt reduction (or 10.6%) from the prior year's outstanding bond level. The total general obligation bond debt outstanding at 12/31/2013 was \$21,070,000.

	2010	2011	2012	2013
Assessed Valuation	370,033,758	373,861,120	317,578,720	265,515,290
Tax Supported Bonds Outstanding	25,080,000	23,065,000	20,765,000	18,370,000
% of Tax Supported Bonds Outstanding vs. AV	7%	7%	7%	7%
Mill Levy	7.478	8.05	10.75	10.823
Self Supported Bonds Outstanding	3,025,000	2,900,000	2,800,000	2,700,000

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

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

Village Court Apartments

VCA net operating income of \$910,473 (before capital and debt service obligations) increased over prior year by \$27,157. Operating revenues of \$2.1 million increased over prior year primarily as a result of increased occupancy, utility billings and other miscellaneous revenues. Operating costs of \$1.22 million increased from prior year. A transfer from the affordable housing development fund of \$13,663 was made in 2013. Budgeted capital costs were made to replace current lighting in units to energy efficient LED lighting.

Affordable Housing Development Fund

Starting in 2007, The Town pledged 11.11% of sales taxes to the affordable housing development fund, 2013 contributions were \$327,349. The Town sold a deed restricted unit in 2013. Expenses of \$26,689 were for HOA dues and other small repair items for the units the Town owns. Transfers to Village Court Apartments of \$13,663 and to the Mortgage Assistance Fund of \$14,000 were made to offset deficits in those funds.

Mortgage Assistance Pool Fund

Assistance of \$74,000 for two employees housing purchases were extended in 2013.

Child Development Fund

Effective the beginning of 2004, the Town assumed the daycare activities, also known as Mountain Munchkins from TMVOA. Mountain Munchkins provides affordable daycare service to the Village residents as well as the regional community. The current economics of providing affordable daycare, combined with the cost of staffing a quality service results in the program historically operating at a deficit. In September of 2009, the director launched a preschool, in addition to the daycare and the fund is now called the Child Development Fund with daycare and preschool activities as individual departments. The daycare program provides services for

approximately 21 children (6 infants and 15 toddlers) and the preschool accommodates up to 15 children. The preschool showed a surplus of \$27,651 which offset the 2013 General Fund subsidy requirement of \$72,216, a \$33,427 decrease from 2012 funding requirements.

Parking Services Fund

In 2010, in recognition of a growing parking services impact on town operations, a new fund was established to track the costs of parking. Operating costs in 2013 of approximately \$281,300 include personnel, utilities, and maintenance was offset by parking fees of \$291,888, receipts from other entities for shared expenses of \$19,567 and fines and permits of \$11,940. In 2013, no capital costs were incurred. Any deficit is funded by transfer from the general fund. In 2013, mainly the result of Increased revenues and controlled spending, the parking fund transferred \$42,057, which includes the overhead allocation to the General Fund. The gondola intercept parking bonds are not accounted for in this fund, rather it is in the Debt Service Fund.

Communications System Fund

Operating costs in 2013 of approximately \$11,300 primarily comprised of equipment repairs and maintenance. These costs were offset by user and service fees of \$15,800 resulting in a \$4,500 surplus.

Water and Sewer Fund

Beginning in 2008, Town Council approved retaining tap fee contributions in the water and sewer fund for future system repairs and improvements. Tap fees of \$176,725 in 2013 added to the 2012 tap fee reserve balance of \$532,866 leaves \$709,591 in the tap fees reserve for future capital expenditures. A surplus of \$17,909 was retained in the fund for upcoming capital expenses. \$600,000 was transferred to the General Fund for additional paving expenses, completing a project originally projected to take three years. Operating expenditures of \$1.7 million were \$205,000 more than prior year in large part due to capital expenditures. Capital investment of \$401,400 was for regional sewer system improvements, repair and replacement of wells and pumps, and a vehicle purchase.

Cable Television Fund

Revenues of \$1.57 million surpassed prior year performance by \$50,400 due mainly to growth in internet and digital telephone subscribers. Expenses totaling \$1.32 million were \$144,600 more than prior year due to an upgrade to the system, paid for with prior year reserves, and programming costs, up \$24,700 over prior year. The cable fund was able to return to the General Fund a transfer of \$277,900 which includes an overhead administrative allocation of \$106,000.

Telluride Conference Center

In October 2009, the conference center operations were turned over to an outside local party under a 5 year agreement, that agreement has since been terminated and assigned to another party. The required transfer from the general fund of \$198,300 in 2013 was for HOA dues, marketing, and some capital items. Under the agreement, the town continues to pay HOA dues, marketing, and major repairs and replacements, and upon certain thresholds, will share in a portion of the revenues garnered.

E. General Fund Budgetary Results

The General Fund finished the fiscal year with a surplus of \$2.7 million. The budgeted surplus was \$1.8 million. The budgetary variance was the result of total expenditures coming in under budget by \$608,600 and revenues over budget by \$188,700 and other sources and uses over budget by \$148,200.

F. Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental activities decreased by \$1,472,807, from \$50,698,628 to \$49,225,821, due mainly to depreciation expense. The Town's investment in capital assets for its business-type activities, which include Village Court Apartments, other affordable housing endeavors, the water and sewer system, and the regional communication system decreased \$1,121,723 from \$27,397,369 to \$26,275,646 primarily as a result of the annual depreciation charge of \$1,121,723.

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

Long-Term Debt

Total outstanding debt at the beginning of the fiscal year amounted to \$23,565,000. Throughout the year, \$2,495,000 was retired bringing the outstanding bond debt down to \$21,070,000 at year end.

On June 2, 2005, the Town entered into an interest rate swap agreement, effective January 2, 2007, which fixed the interest rate at 3.485%. That agreement terminated on September 1, 2010. A new agreement was entered into beginning on December 31, 2010. That agreement matures on August 31, 2015. The synthetic interest rate for the bonds was fixed at 1.7% by the new agreement. This negotiated arrangement has served to cap interest costs for the project during times of rising interest rates and has allowed additional funds to go towards debt reduction.

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

Economic

Prior to 2008 the Town enjoyed several years of favorable economic conditions which resulted in operating surpluses allowing investments in affordable housing and the growth of fund reserves. While the Town has grown and begun to mature as a stable resort destination, it is still very much reliant on real estate development. As the national economy entered into a global recession in 2008 the pace of real estate development and property sales slowed dramatically and the result has been a devalued property tax base. In recognition of these factors, the Town has taken budgetary measures for 2014 that will offset expected revenue shortfalls in the current fiscal year and has begun to make preliminary plans for adjustments to operations for 2015 and beyond as the economic uncertainty continues however with **continued** improvement being noted in the first quarter of 2014. Budget measures taken include a policy established for 2015 and 2016 whereby an established set-aside of current property tax revenue will be retained against falling revenue resulting from the reduced property tax base.

Request for Information

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

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

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Basic Financial Statements

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Government-Wide Financial Statements

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Town of Mountain Village
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Cash (See Note 5)	\$ 1,123,747	\$ 2,788,714	\$ 3,912,461
Investments (See Note 5)	5,514,957	900,676	6,415,633
Receivables			
Taxes	7,522,755	-	7,522,755
Accounts	1,166,361	354,622	1,520,983
Interest	17,232	-	17,232
Notes (See Note 6)	753,636	181,358	934,994
Internal Balances	33,938	(33,938)	-
Prepaid Items	395,370	10,192	405,562
Deposits (See Note 5)	701,203	1,272	702,475
Restricted Investments (See Note 5)			
Housing Authority	-	706,896	706,896
Bond Reserve Fund	826,201	-	826,201
Development Property Held for Sale (See Note 8)	-	278,268	278,268
Deferred Charges, Net of Amortization	-	-	-
Capital Assets			-
Non-depreciable Capital Assets (See Note 9)	2,727,512	287,732	3,015,244
Depreciable Capital Assets (See Note 9)	46,498,309	25,987,914	72,486,222
Total assets	<u>67,281,220</u>	<u>31,463,706</u>	<u>98,744,925</u>
Deferred Outflow of Resources	<u>177,422</u>	<u>319,734</u>	<u>497,156</u>
Liabilities			
Accounts Payable	649,088	431,422	1,080,510
Accrued Expenses	363,907	70,106	434,013
Deposits	218,329	276,349	494,677
Due to Pooled Cash (See Note 5)	1,826,235	8,555	1,834,790
Accrued Interest Payable	78,436	-	78,436
Deferred Revenue	1,059	7,407	8,466
Unearned Revenue	841,984	31,780	873,763
Noncurrent Liabilities (See Note 10)			
Due within one year	2,728,477	235,116	2,963,593
Due in more than one year	19,142,439	13,257,131	32,399,570
Total liabilities	<u>25,849,951</u>	<u>14,317,866</u>	<u>40,167,817</u>
Deferred Inflow of Resources	<u>6,762,607</u>	<u>319,734</u>	<u>7,082,341</u>
Net Position			
Net Investment in Capital Assets	27,532,327	13,318,565	40,850,892
Restricted For			
Debt Service	734,651	450,000	1,184,651
Emergencies	532,144	-	532,144
Unrestricted	6,046,962	3,377,277	9,424,239
Total Net Position	<u>\$34,846,084</u>	<u>\$17,145,842</u>	<u>\$51,991,926</u>

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

Town of Mountain Village
Statement of Activities
For the Year Ended December 31, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,885,019	\$ 235,486	\$ 292,362	\$ -	\$ (2,357,171)	\$ -	\$ (2,357,171)
Administration	221,403	-	-	-	(221,403)	-	(221,403)
Public Safety	1,211,029	4,150	-	362,402	(844,477)	-	(844,477)
Roads & Bridges	2,259,809	357,348	-	-	(1,902,462)	-	(1,902,462)
Equipment & Property Maintenance	1,948,923	946	20,074	-	(1,927,902)	-	(1,927,902)
Culture & Recreation	430,976	5,010	-	-	(425,966)	-	(425,966)
Parking & Transportation	4,553,206	11,779	3,208,042	174,842	(1,158,543)	-	(1,158,543)
Economic Development	2,220,203	1,249,554	-	-	(970,649)	-	(970,649)
Interest on Long Term Debt	948,205	-	-	-	(948,205)	-	(948,205)
Total Governmental Activities	<u>16,678,773</u>	<u>1,864,272</u>	<u>3,520,479</u>	<u>537,244</u>	<u>(10,756,778)</u>	<u>-</u>	<u>(10,756,778)</u>
Business-type Activities:							
Housing Authority	2,347,284	1,766,045	-	-	-	(581,239)	(581,239)
Cable TV	1,361,458	1,572,602	-	-	-	211,144	211,144
Regional Communications System	193,646	15,767	-	-	-	(177,879)	(177,879)
Child Development	563,955	429,238	39,475	-	-	(95,242)	(95,242)
Parking Services	288,821	311,311	19,567	-	-	42,057	42,057
Telluride Conference Center	416,067	-	-	-	-	(416,067)	(416,067)
Water and Sewer	2,013,911	2,379,454	-	176,725	-	542,267	542,267
Total Business-type Activities	<u>7,185,143</u>	<u>6,474,417</u>	<u>59,043</u>	<u>176,725</u>	<u>-</u>	<u>(474,959)</u>	<u>(474,959)</u>
Total	<u>\$ 23,863,916</u>	<u>\$ 8,338,689</u>	<u>\$ 3,579,521</u>	<u>\$ 713,968</u>			

General Revenues:		
Taxes:		
Property	7,709,941	7,709,941
Specific Ownership	258,341	258,341
Sales & Use	4,196,071	4,196,071
Lodging	1,082,424	1,082,424
Restaurant	274,993	274,993
Miscellaneous	126,629	384,538
Investment Earnings	9,122	470
Gain or (loss) on Sale of Assets	-	-
Transfers	549,382	(549,381)
Total General Revenues and Transfers	<u>14,206,903</u>	<u>14,042,530</u>
Change in Net Position	3,450,124	(639,332)
Net Position - Beginning	31,395,960	17,737,816
Prior Period Adjustment	-	47,358
Net Position - Beginning as Re-stated	<u>31,395,960</u>	<u>17,785,174</u>
Net Position - Ending	<u>\$ 34,846,084</u>	<u>\$ 17,145,842</u>

Fund Financial Statements

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Town of Mountain Village
Balance Sheet - Governmental Funds
December 31, 2013

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Assets					
Cash	\$ 412,167	\$ 141,116	\$ 418,088	\$ 152,376	\$ 1,123,747
Investments	5,514,957	-	-	-	5,514,957
Receivables					
Taxes	3,828,878	-	3,370,326	323,552	7,522,755
Accounts	1,085,963	37,702	-	42,696	1,166,361
Notes	-	-	-	753,636	753,636
Interest	10,074	-	7,158	-	17,232
Due from Other Funds	573,631	-	-	-	573,631
Prepaid Items	395,370	-	-	-	395,370
Deposits	701,203	-	-	-	701,203
Restricted Bond Reserve	-	-	826,201	-	826,201
Total Assets	<u><u>\$ 12,522,242</u></u>	<u><u>\$ 178,819</u></u>	<u><u>\$ 4,621,772</u></u>	<u><u>\$ 1,272,259</u></u>	<u><u>\$ 18,595,091</u></u>
Liabilities, Deferred Inflows, and Fund Balance					
Liabilities:					
Accounts Payable	\$ 268,957	\$ 79,988	\$ -	\$ 300,142	\$ 649,088
Accrued Payables	265,076	98,830	-	-	363,907
Due to Other Funds	13,663	-	526,029	-	539,692
Deposits	218,329	-	-	-	218,329
Due to Pooled Cash	1,800,443	-	-	25,791	1,826,235
Unearned Revenue	-	-	-	841,984	841,984
Deferred Revenue	1,059	-	-	-	1,059
Total Liabilities	<u><u>2,567,528</u></u>	<u><u>178,819</u></u>	<u><u>526,029</u></u>	<u><u>1,167,917</u></u>	<u><u>4,440,292</u></u>
Deferred Inflows, Property Tax	<u><u>3,317,520</u></u>	<u><u>-</u></u>	<u><u>3,361,091</u></u>	<u><u>83,996</u></u>	<u><u>6,762,607</u></u>
Fund Balances:					
Nonspendable	395,397	-	-	-	395,397
Restricted for:					
Debt Service	-	-	734,651	-	734,651
Emergencies	532,144	-	-	-	532,144
Assigned	-	-	-	20,346	20,346
Unassigned	5,709,655	-	-	-	5,709,655
Total Fund Balances	<u><u>6,637,196</u></u>	<u><u>-</u></u>	<u><u>734,651</u></u>	<u><u>20,346</u></u>	<u><u>7,392,193</u></u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u><u>\$ 12,522,243</u></u>	<u><u>\$ 178,819</u></u>	<u><u>\$ 4,621,772</u></u>	<u><u>\$ 1,272,259</u></u>	<u><u>\$ 18,595,092</u></u>

Town of Mountain Village

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**
December 31, 2013

Total Fund Balance - Governmental Funds	\$ 7,392,193
Amounts reported for governmental activities in the statement of Net Position are difference because:	
Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in the governmental funds:	
Cost of Capital Assets	\$ 64,682,333
Less Accumulated Depreciation	<u>(15,456,513)</u> 49,225,820
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
General Obligation Bonds	(21,070,000)
Compensated Absences	<u>(434,774)</u> (21,504,774)
Long-term debt premiums and discounts are reported in the governmental funds when first incurred, but deferred and amortized in the statement of Net Position.	(366,142)
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(78,436)
The difference between the net proceeds from the issuance of the refunding bonds and the carrying amount of refunded bonds is not reported in the governmental funds, but is deferred and amortized in the statement of Net Position.	<u>177,422</u>
Total Net Position - Governmental Activities	<u>\$ 34,846,084</u>

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

Town of Mountain Village
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Revenues					
Taxes	\$ 8,517,245	\$ -	\$ 3,541,680	\$ 1,462,846	\$ 13,521,770
Licenses & Permits	494,317	-	-	268,235	762,552
Intergovernmental	440,285	-	-	-	440,285
Contributions from Other Entities	9,810	3,241,275	203,425	-	3,454,510
Charges for Services	724,927	11,779	-	-	736,705
Fines & Forfeitures	2,725	-	-	-	2,725
Miscellaneous	89,642	3,775	-	15,372	108,789
Interest Income	(534)	-	9,655	32,030	41,151
Grants & Contributions	20,074	131,799	-	362,402	514,275
Total Revenues	<u>10,298,491</u>	<u>3,388,628</u>	<u>3,754,759</u>	<u>2,140,884</u>	<u>19,582,763</u>
Expenditures					
Current:					
General Government	2,618,092	-	-	2,113	2,620,205
Public Safety	765,603	-	-	-	765,603
Roads & Bridges	1,537,840	-	-	-	1,537,840
Equipment & Property Maintenance	1,839,527	-	-	-	1,839,527
Culture & Recreation	330,900	-	-	103,316	434,215
Parking & Transportation	419,280	3,305,188	-	-	3,724,468
Economic Development	512,562	-	-	1,707,642	2,220,203
Debt Service:					
Administrative Charges	-	-	114,780	-	114,780
Principal	-	-	2,495,000	-	2,495,000
Interest	-	-	1,033,300	-	1,033,300
Capital Outlay:					
General Government	-	-	-	878,943	878,943
Culture & Recreation	27,747	-	-	-	27,747
Equipment & Property Maintenance	19,149	-	-	-	19,149
Parking & Transportation	-	27,152	-	-	27,152
Total Expenditures	<u>8,070,699</u>	<u>3,332,340</u>	<u>3,643,080</u>	<u>2,692,013</u>	<u>17,738,132</u>
Excess (Deficiency) of					
Revenues Over (Under) Expenditures	<u>2,227,792</u>	<u>56,289</u>	<u>111,679</u>	<u>(551,129)</u>	<u>1,844,631</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	1,685	-	-	-	1,685
Issuance of Refunding Bonds	-	-	-	-	-
Payment to Refunding Bonds Escrow	-	-	-	-	-
Transfers In	1,318,595	-	-	468,764	1,787,359
Transfers Out	(771,657)	(56,289)	(410,030)	-	(1,237,977)
Total Other Financing Sources (Uses)	<u>548,623</u>	<u>(56,289)</u>	<u>(410,030)</u>	<u>468,764</u>	<u>551,067</u>
Net Change in Fund Balances	<u>2,776,415</u>	<u>-</u>	<u>(298,351)</u>	<u>(82,365)</u>	<u>2,395,698</u>
Fund balance - Beginning of Year	<u>3,860,781</u>	<u>-</u>	<u>1,033,004</u>	<u>102,711</u>	<u>4,996,496</u>
Fund balance - End of Year	<u>\$ 6,637,196</u>	<u>\$ -</u>	<u>\$ 734,652</u>	<u>\$ 20,346</u>	<u>\$ 7,392,193</u>

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

Town of Mountain Village

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance to the Statement of Activities**
December 31, 2013

Net Change in Fund Balance - Governmental Funds \$ 2,395,698

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

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

Capital Outlay	\$ 655,415	
Capital Assets Deletions, Net	(12,835)	
Depreciation	<u>(2,115,387)</u>	(1,472,807)

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

Compensated Absences	(10,908)	
Accrued Interest Payable	<u>7,673</u>	(3,235)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction has any effect on Net Position in the government-wide statements. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of Long Term Debt Principal	2,495,000	
Amortization of Deferred Loss on Refunding	(31,233)	
Premium on Bonds Payable	<u>66,701</u>	<u>2,530,468</u>

Change in Net Position of Governmental Funds \$ 3,450,124

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

Town of Mountain Village
Statement of Net Position - Enterprise Funds
December 31, 2013

	Housing Authority	Water and Sewer	Telluride Conference Center	Cable TV	Non-Major Enterprise Funds	Total
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 452,338	\$ 2,057,628	\$ 79,749	\$ 182,666	\$ 16,333	\$ 2,788,714
Investments	900,676	-	-	-	-	900,676
Accounts Receivable	2,214	309,828	-	11,752	30,828	354,622
Prepaid Expenses	-	-	-	4,290	5,902	10,192
Accrued Revenues	-	-	-	-	-	-
Deposits	-	636	-	636	-	1,272
Due From Other Funds	13,663	-	-	-	-	13,663
Total Current Assets	1,368,891	2,368,092	79,749	199,344	53,063	4,069,139
Noncurrent Assets:						
Restricted Investments	706,896	-	-	-	-	706,896
Notes Receivable	181,358	-	-	-	-	181,358
Development Property Held for Sale:						
Buildings	278,268	-	-	-	-	278,268
Capital Assets:						
Land	160,499	-	-	-	-	160,499
Buildings and Improvements	17,714,959	3,279,745	6,211,007	-	190,128	27,395,840
Construction in Progress	-	90,820	36,413	-	-	127,233
Furniture and Fixtures	-	-	192,551	-	-	192,551
Communications System	-	-	-	2,013,273	1,780,558	3,793,830
Vehicles & Equipment	111,639	10,408,162	186,293	167,359	27,650	10,901,103
Less: Accumulated Depreciation	(6,686,819)	(4,235,432)	(2,208,658)	(1,399,526)	(1,764,974)	(16,295,409)
Total Noncurrent Assets	12,466,801	9,543,295	4,417,605	781,106	233,362	27,442,169
Total Assets	13,835,692	11,911,387	4,497,355	980,450	286,425	31,511,308
Deferred Outflow of Resources	319,734	-	-	-	-	319,734
Liabilities						
Current Liabilities:						
Accounts Payable	58,047	224,600	54,367	87,266	7,142	431,422
Accrued Expenses	13,963	18,455	9,263	7,155	21,270	70,106
Due to Pooled Cash	-	-	-	-	8,555	8,555
Deposits	264,326	-	-	12,023	-	276,349
Unearned Revenue	31,780	-	-	-	-	31,780
Deferred Revenue	-	-	-	-	7,407	7,407
Due to Other Funds	47,602	-	-	-	-	47,602
Current Portion of Notes and Bonds Payable	235,116	-	-	-	-	235,116
Total Current Liabilities	650,833	243,055	63,630	106,444	44,374	1,108,336
Noncurrent Liabilities:						
Notes Payable	1,017,131	-	-	-	-	1,017,131
Revenue Bond Payable	12,240,000	-	-	-	-	12,240,000
Total Noncurrent Liabilities	13,257,131	-	-	-	-	13,257,131
Total Liabilities	13,907,963	243,055	63,630	106,444	44,374	14,365,467
Deferred Inflow of Resources	319,734	-	-	-	-	319,734
Net Position						
Net Investment in Capital Assets	(1,656,804)	9,543,295	4,417,605	781,106	233,362	13,318,565
Restricted for Debt Service	450,000	-	-	-	-	450,000
Unrestricted	1,134,532	2,125,037	16,119	92,900	8,688	3,377,277
Total Net Position	\$ (72,271)	\$ 11,668,332	\$ 4,433,725	\$ 874,006	\$ 242,051	\$ 17,145,842

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

Town of Mountain Village
Statement of Revenues, Expenses, and Changes in Net Position
Enterprise Funds
For the Year Ended December 31, 2013

	<u>Housing Authority</u>	<u>Water and Sewer</u>	<u>Telluride Conference Center</u>	<u>Cable TV Fund</u>	<u>Non-major Enterprise Funds</u>	<u>Total</u>
Operating Revenues:						
Charges for Sales & Services	\$ 1,766,985	\$ 2,379,454	\$ -	\$ 1,572,602	\$ 756,316	\$ 6,475,357
Operating Grants and Contributions	-	-	-	-	59,043	59,043
Other	384,538	-	-	-	-	384,538
Total Operating Revenues	<u>2,151,523</u>	<u>2,379,454</u>	<u>-</u>	<u>1,572,602</u>	<u>815,358</u>	<u>6,918,937</u>
Operating Expenses:						
Cost of Sales & Services	1,076,244	1,417,847	120,926	1,214,275	841,046	4,670,338
Depreciation and Amortization	575,349	596,065	295,141	147,183	205,376	1,819,113
Total Operating Expenses	<u>1,651,593</u>	<u>2,013,911</u>	<u>416,067</u>	<u>1,361,458</u>	<u>1,046,422</u>	<u>6,489,451</u>
Operating Income (Loss)	<u>499,931</u>	<u>365,543</u>	<u>(416,067)</u>	<u>211,144</u>	<u>(231,064)</u>	<u>429,486</u>
Nonoperating Revenues (Expenses):						
Interest Income	470	-	-	-	-	470
Gain on Sale of Assets	-	-	-	-	-	-
Loss on Disposal of Assets	(47,625)	-	-	-	-	(47,625)
Major Repairs and Replacements	(169,861)	-	-	-	-	(169,861)
Interest Expense	(266,903)	-	-	-	-	(266,903)
Loan Fees	(212,244)	-	-	-	-	(212,244)
Total Nonoperating Revenue (Expenses)	<u>(696,162)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(696,162)</u>
Income (Loss) Before Transfers	<u>(196,232)</u>	<u>365,543</u>	<u>(416,067)</u>	<u>211,144</u>	<u>(231,064)</u>	<u>(266,676)</u>
Transfers In	355,012	-	198,329	-	72,216	625,557
Transfers Out	(135,969)	(719,016)	-	(277,895)	(42,057)	(1,174,938)
Net Transfers From (To) Other Funds	<u>219,043</u>	<u>(719,016)</u>	<u>198,329</u>	<u>(277,895)</u>	<u>30,158</u>	<u>(549,381)</u>
Capital Grants & Contributions	-	176,725	-	-	-	176,725
Change in Net Position	22,811	(176,749)	(217,738)	(66,751)	(200,905)	(639,333)
Total Net Position - Beginning of Year	(142,441)	11,845,081	4,651,463	940,757	442,956	17,737,816
Prior Period Adjustment	47,358	-	-	-	-	47,358
Total Net Position - Beginning of Year as Re-stated	<u>(95,083)</u>	<u>11,845,081</u>	<u>4,651,463</u>	<u>940,757</u>	<u>442,956</u>	<u>17,785,174</u>
Total Net Position - End of Year	<u>\$ (72,272)</u>	<u>\$ 11,668,332</u>	<u>\$ 4,433,725</u>	<u>\$ 874,006</u>	<u>\$ 242,051</u>	<u>\$ 17,145,841</u>

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

Town of Mountain Village

Statement of Cash Flows - Enterprise Funds

December 31, 2013

	Housing Authority	Water and Sewer	Telluride Conference Center	Cable TV Fund	Non-Major Enterprise Funds	Total
Cash Flows from Operating Activities						
Receipts from Customers	\$ 1,797,308	\$ 2,458,762	\$ -	\$ 1,590,920	\$ 780,955	\$ 6,627,945
Operating Contributions	-	-	-	-	59,043	59,043
Payments to Suppliers	(932,368)	(1,017,531)	(57,296.08)	(973,590.68)	(481,733)	(3,462,518)
Payments to Employees	(241,283)	(309,721)	-	(217,452)	(394,995)	(1,163,451)
Other Receipts	362,903	-	-	-	-	362,903
Net Cash Provided by (Used in) Operating Activities	<u>986,559</u>	<u>1,131,510</u>	<u>(57,296)</u>	<u>399,877</u>	<u>(36,730)</u>	<u>2,423,921</u>
Cash Flows from Non-capital Financing Activities						
Interfund Borrowings	255,593	-	-	-	-	255,593
Transfers to Other Funds	(135,969)	(719,016)	-	(277,895)	-	(1,132,880)
Transfers from Other Funds	355,012	-	198,329	-	30,158	583,499
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>474,636</u>	<u>(719,016)</u>	<u>198,329</u>	<u>(277,895)</u>	<u>30,158</u>	<u>(293,788)</u>
Cash Flows from Capital and Related Financing Activities						
Principal Payments - Bonds	(224,004)	-	-	-	-	(224,004)
Interest Expense	(266,902)	-	-	-	-	(266,902)
Loan Fees	(212,244)	-	-	-	-	(212,244)
Proceeds from Sale of Housing Inventory	(256,896)	-	-	-	-	(256,896)
Purchase of Major Repairs and Replacements	(169,861)	-	-	-	-	(169,861)
Purchase of Capital Assets	(113,150)	(401,407)	(77,403)	(105,431)	-	(697,391)
Capital Grants and Contributions	-	176,725	-	-	-	176,725
Net Cash Used in Capital and Related Financing Activities	<u>(1,243,057)</u>	<u>(224,682)</u>	<u>(77,403)</u>	<u>(105,431)</u>	<u>-</u>	<u>(1,650,573)</u>
Cash Flows from Investing Activities						
Proceeds from Sale of Development Properties	356,955	-	-	-	-	356,955
Purchase of Investments	(449,785)	-	-	-	-	(449,785)
Interest Received	470	-	-	-	-	470
Net Cash Used in Investing Activities	<u>(92,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,360)</u>
Net Increase in Cash and Cash Equivalents	125,779	187,812	63,630	16,551	(6,572)	387,200
Cash and Cash Equivalents, Beginning of Year	<u>326,558</u>	<u>1,869,816</u>	<u>16,120</u>	<u>166,115</u>	<u>22,904</u>	<u>2,401,513</u>
Cash and Cash Equivalents, End of Year	<u>\$ 452,337</u>	<u>\$ 2,057,628</u>	<u>\$ 79,750</u>	<u>\$ 182,666</u>	<u>\$ 16,332</u>	<u>\$ 2,788,713</u>

Note: Totals may not foot due to rounding.

(Continued)

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

Town of Mountain Village

Statement of Cash Flows - Enterprise Funds
December 31, 2013

	Housing Authority	Water and Sewer	Telluride Conference Center	Cable TV Fund	Non-Major Enterprise Funds	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 499,931	\$ 365,543	\$ (416,067)	\$ 211,144	\$ (231,064)	\$ 429,486
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Depreciation and Amortization	575,349	596,065	295,141	147,183	205,376	1,819,113
Changes in Assets and Liabilities:						
Increase (Decrease) in Accounts Receivable	(93,719)	79,308	-	16,568	25,014	27,172
Increase (Decrease) in Deferred Revenue	19,888	-	-	-	(375)	19,513
Increase (Decrease) in Inventory	-	-	-	-	-	-
Increase (Decrease) in Prepaid Items	-	-	-	(600)	(5,902)	(6,502)
Increase (Decrease) in Accounts Payable	(23,021)	147,502	63,630	23,087	(29,780)	181,418
Increase (Decrease) in Accrued Expenses	(386)	(56,907)	-	746	-	(56,547)
Increase (Decrease) in Deposits	8,518	-	-	1,750	-	10,268
	<u>\$ 486,629</u>	<u>\$ 765,968</u>	<u>\$ 358,771</u>	<u>\$ 188,734</u>	<u>\$ 194,334</u>	<u>\$ 1,994,435</u>
Total						
Net Cash Provided by (Used in) Operating Activities	<u>\$ 986,559</u>	<u>\$ 1,131,510</u>	<u>\$ (57,296)</u>	<u>\$ 399,877</u>	<u>\$ (36,730)</u>	<u>\$ 2,423,921</u>

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

Notes to Basic Financial Statements

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TOWN OF MOUNTAIN VILLAGE, COLORADO

Notes to Basic Financial Statements

December 31, 2013

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

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

- Domestic water system
- Wastewater treatment system
- Road and bridge system
- Transportation (Gondola, Chondola and Dial a Ride)
- Public parks and recreational facilities
- Telluride Conference Center
- Television relay and translator facilities
- Water rights

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

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on user charges for support.

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

C. Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

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

Note 1 - Summary of Significant Accounting Policies (Continued)

- The *Debt Service Fund* is used to account for the accumulation of resources and payment of general obligation bond principal and interest.

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

- The *Capital Projects Fund*, which accounts for the acquisition and construction of major capital facilities other than those financed by enterprise funds.
- The *Historical Museum Fund*, which accounts for the proceeds of a .333 property tax mill levy as authorized by the Town's electorate for remittance to the Telluride Historical Museum, a nonprofit entity.
- The *Tourism Fund*, which accounts for lodging taxes, restaurant taxes, and business license revenues remitted to Marketing Telluride, Inc. (MTI) to promote tourism in the Telluride and Mountain Village Communities, and the Telluride/Montrose Regional Air Organization to fund the Airline Guaranty Program.
- The *Vehicle and Equipment Acquisition Fund*, which accounts for the acquisition of vehicles and other capital equipment for the general government.

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

Enterprise funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for apartment rental, charges to users for water and sewer, Broadband Services, conference center sales and services, and preschool and daycare fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town's major enterprise funds consist of:

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

- The *Child Development Fund*, which accounts for a daycare and preschool program in the Town.
- The *Communications System Fund*, which accounts for a public safety communications system, funded by subscriber fees from other governmental entities.
- The *Parking Services Fund*, which accounts for all parking related expenses and revenues.

D. Measurement Focus and Basis of Accounting

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

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

E. Cash and Cash Equivalents

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

F. Investments

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

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Property Taxes

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

I. Restricted Assets

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

J. Capital Assets

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

All assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

<u>Asset Class</u>	<u>Useful Life</u>
Buildings and Improvements	30 - 31.5 years
Vehicles and Equipment	5 years
Gondola	50 years
Water System	40 years
Sewer System	50 years
Cable TV System	20 years
Regional Communications System	10 years
Other Infrastructure	50 years

K. Deferred Charges

Deferred charges consist of finance issuance costs that are amortized on the straight-line method over the term of the related debt.

L. Accrued Liabilities for Compensated Absences

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

M. Net Position

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

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

N. Inter-fund Transactions

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

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

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

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

Note 3 - Tax, Spending and Debt Limitations

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

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

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

Note 4 - Budgets

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

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

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

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

Note 4 – Budgets (Continued)

If during the year the Mayor determines that there are revenues in excess of those estimated in the budget, the Council by ordinance may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the year it appears probable to the Mayor that the revenues available will be insufficient to meet the amount appropriated, he or she shall report to the Council without delay, indicating the estimated amount of deficit, any remedial action already taken, and his or her recommendation as to any further steps to be taken. Any time during the year the Mayor may transfer part or all of any unencumbered appropriation balance among programs within a department, within an office or within a fund. The Council may also, by ordinance, transfer part or all of any unencumbered appropriated balance from one department, office, or fund to another. The Town amended its original 2013 budget by increasing budgeted expenditures for the various funds by \$35,208. Budget appropriations lapse at the end of each year.

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

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

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

	VCA	Communication System	Child Development	Telluride Conference Center	Cable	Water and Sewer	Parking Services
GAAP Basis	\$ 2,104,050	\$ 193,646	\$ 563,955	\$ 416,067	\$ 1,361,458	\$ 2,013,911	\$ 288,821
Add (Deduct)							
Depreciation	(575,349)	(182,350)	(23,026)	(295,141)	(147,183)	(596,065)	
Capital Outlay	169,861				105,431	401,407	
Debt Principal Payments	224,004						
Budgetary Basis	1,922,566	11,297	540,929	120,926	1,319,707	1,819,254	288,821
Final Budget	1,960,795	34,995	570,951	135,754	1,307,677	1,954,610	347,400
Variance	\$ 38,229	\$ 23,698	\$ 30,022	\$ 14,828	\$ (12,030)	\$ 135,356	\$ 58,579

Budgeted Expenditures in Excess of Appropriations

Expenditures for the Tourism Fund exceeded budget by \$41,193, which may be a violation of the Town's Charter. The budget overage resulted from improved lodging and restaurant taxes, which funds MTI and the Airline Guaranty by contractual agreement.

Expenditures for the Cable Fund exceeded budget by \$12,030, which may be a violation of the Town's Charter. The budget overage resulted from cable cost of sales based on subscribers which exceeded budgeted expectations resulting in revenue budget overages of \$22,713.

Note 5 - Deposits and Investments

A. Deposits

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

At December 31, 2013, the carrying amount of the Town's deposits was \$1,663,574 and the bank balances were \$2,355,591. Of this amount, \$250,000 is covered by federal depository insurance and \$2,105,591 is collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of a number of government accounts of which the Town is a part.

B. Investments**Credit Risk**

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

Interest Rate Risk

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

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

Cash and Investments:		
Cash on hand		\$ 2,050
Carrying amount of deposits		1,663,574
Carrying amount of investments		9,063,251
		<u>\$ 10,728,875</u>
Statement of Net Position:		
Cash		\$ 4,813,137
Due to pooled Cash		(1,834,790)
Deposits		702,475
Investments		5,514,957
Debt service reserve fund		706,896
Bond reserve fund		826,201
		<u>\$ 10,728,875</u>

Note 5 - Deposits and Investments (continued)

The following summarizes the Town's investments and maturities as of December 31, 2013:

Investment Type	Fair Value	Maturity Date
US Treasury Note (Unrated)	249,948	2014
Freddie Mac UNNT (Rated AAA)	250,390	2014
Federal Farm Credit Bank (Rated AAA)	249,904	2015
Freddie Mac UNSECRDNT CALL (Rated AAA)	250,046	2015
Freddie Mac (Rated AAA)	250,421	2015
Federal Farm Credit Bank (Rated AAA)	250,006	2015
FED Home Loan Bank (Rated AAA)	249,972	2015
Fannie Mae Note (Rated AAA)	250,160	2016
FED Home Loan Banks Bnd (Rated AAA)	252,437	2016
US Treasury Note (Rated AAA)	246,776	2016
Fannie Mae Note (Rated AAA)	248,771	2016
Fannie Mae Note (Rated AAA)	248,677	2016
FED National Mortgage (Rated AAA)	248,575	2017
Freddie Mac (Rated AAA)	250,340	2017
FED Home Loan Banks Bnd (Rated AAA)	252,588	2017
Freddie Mac UNNT (Rated AAA)	248,163	2017
Federal Farm Credit Bank (Rated AAA)	247,610	2017
Fannie Mae Note (Rated AAA)	244,092	2018
Fannie Mae Note (Rated AAA)	250,882	2018
Freddie Mac (Rated AAA)	243,590	2018
FED Home Loan Banks Bnd (Rated AAA)	242,960	2018
FED Home Loan Banks Bnd (Rated AAA)	243,674	2018
FED Home Loan Bank (Rated AAA)	50,004	2014
FED Home Loan Banks Bnd (Rated AAA)	50,331	2014
Fannie Mae (Rated AAA)	50,007	2015
Federal Farm Credit Bank (Rated AAA)	49,981	2015
Federal Farm Credit Bank (Rated AAA)	50,009	2015
Federal Farm Credit Bank (Rated AAA)	50,084	2015
Total	<u>5,770,399</u>	
Municipal Obligations Rated AAA/A+1	295,000	2025
CSAF	92	n/a
COLOTRUST	9,755	n/a
Money Market Funds (Unrated)	<u>2,988,006</u>	n/a
Total	<u>\$ 9,063,251</u>	

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

Note 6 - Note Receivable

The note receivable in the amount of \$181,358 consists of notes from employees participating in the *Town of Mountain Village Housing Authority Employer Assisted Housing Program with Shared Appreciation*. The program is to assist employees who are unable to qualify for a conventional

Note 6 - Note Receivable (continued)

mortgage on various affordable for sale housing projects located in the Town or the community. The notes are payable upon the sale of the real property or 30 days following resignation or termination.

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

Note 7 – Inter-fund Receivables, Payables and Transfers

Inter-fund receivables and payables consist of the following as of December 31, 2013:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service	\$ 526,029
General Fund	Housing Authority	\$ 33,938

The outstanding balances between funds result mainly from the time lag between the dates payments between funds are made and borrowings from the pooled cash account.

Transfers between funds for the year ended December 31, 2013, were as follows:

Transfer From	Transfer To					Total
	General	Non-Major Governmental Funds	Telluride Conference Center	Housing Authority	Non-Major Enterprise Funds	
General Fund	\$ -	\$ 173,764	\$ 198,329	\$ 327,349	\$ 72,216	\$ 771,657
Gondola	56,290	-	-	-	-	56,290
Debt Service	115,031	295,000	-	-	-	410,031
Non-Major Enterprise Funds	42,057	-	-	-	-	42,057
Housing Authority	108,306	-	-	27,663	-	135,969
Cable	277,895	-	-	-	-	277,895
Water and Sewer	719,016	-	-	-	-	719,016
Total	\$ 1,318,595	\$ 468,764	\$ 198,329	\$ 355,012	\$ 72,216	\$ 2,412,915

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

Note 8 - Development Property Held for Sale

After the sale of a deed restricted condo the Town now owns 1 deed restricted condominium. Following is a summary of cumulative costs incurred as of December 31, 2013:

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

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 2,347,944	\$ -	\$ -	\$ 2,347,944
Construction in Progress	30,000	362,403	(12,835)	379,568
Total Capital Assets Not Being Depreciated	2,377,944	362,403	(12,835)	2,727,512
Capital Assets Being Depreciated				
Buildings and Improvements	9,805,751	-	-	9,805,751
Gondola Transit System	20,562,829	26,477	-	20,589,306
Vehicles and Equipment	3,060,579	133,611	(33,425)	3,160,765
Infrastructure	28,266,076	132,924	-	28,399,000
Total	61,695,235	293,012	(33,425)	61,954,822
Less Accumulated Depreciation:				
Buildings and Improvements	(2,431,725)	(317,743)	-	(2,749,468)
Gondola Transit System	(3,104,007)	(522,317)	-	(3,626,323)
Infrastructure	(5,356,541)	(1,053,044)	-	(6,409,585)
Vehicles and Equipment	(2,482,278)	(222,283)	33,425	(2,671,137)
Total	(13,374,551)	(2,115,387)	33,425	(15,456,513)
Capital Assets Being Depreciated, Net	48,320,684	(1,822,375)	-	46,498,309
Total Governmental Activities Capital Assets	\$ 50,698,628	\$ (1,459,972)	\$ (12,835)	\$ 49,225,821

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

General Government	\$ 235,205
Administration	85,326
Public Safety	75,892
Roads & Bridges	697,389
Equipment & Property Maintenance	218,049
Parking & Transportation	803,527
Total	\$ 2,115,387

Note 9 - Capital Assets (Continued)

		Balance 12/31/12	Additions	Deletions	Balance 12/31/13
Business-type Activities					
Capital Assets Not Being Depreciated:					
	Land	\$ 160,499	\$ -	\$ -	\$ 160,499
	Construction in Progress	28,249	98,984	-	127,233
	Total	188,748	98,984	-	287,732
Capital Assets Being Depreciated:					
	Buildings and Improvements	24,002,945	113,150	-	24,116,095
	Water Systems	6,003,841	176,992	-	6,180,833
	Sewer Systems	7,288,567	120,509	-	7,409,076
	Regional Communication System	1,780,558	-	-	1,780,558
	Cable TV Systems	1,914,541	98,731	-	2,013,272
	Vehicles and Equipment	694,464	89,025	-	783,489
	Total	41,684,917	598,407	-	42,283,324
Less Accumulated Depreciation:					
	Buildings and Improvements	(7,774,951)	(860,382)	-	(8,635,333)
	Water Systems	(2,083,437)	(334,960)	-	(2,418,397)
	Sewer Systems	(1,488,637)	(252,481)	-	(1,741,118)
	Regional Communication System	(1,483,781)	(182,350)	-	(1,666,131)
	Cable TV Systems	(1,108,610)	(139,566)	-	(1,248,176)
	Vehicles and Equipment	(536,880)	(49,375)	-	(586,255)
	Total	(14,476,296)	(1,819,114)	-	(16,295,410)
	Capital Assets Being Depreciated, Net	27,208,621	(1,220,707)	-	25,987,914
	Total Business-type Activities Capital Assets	\$ 27,397,369	\$ (1,121,723)	\$ -	\$ 26,275,646

Note 10 - Long-term Liabilities

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2013 was as follows:

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Tax Supported:					
Series 2005	3,170,000	-	(645,000)	2,525,000	585,000
Series 2007	7,610,000	-	(1,230,000)	6,380,000	1,495,000
Series 2009	1,485,000	-	(310,000)	1,175,000	280,000
Series 2006A	8,500,000	-	(210,000)	8,290,000	220,000
Self Supported:					
Series 2011	2,800,000	-	(100,000)	2,700,000	105,000
Total General Obligation Bonds	23,565,000	-	(2,495,000)	21,070,000	2,685,000
Discount/Premiums, Net	432,843	-	(66,701)	366,142	-
Deferred Loss on Refunding	(208,655)	-	31,233	(177,422)	-
Compensated Absences	423,866	615,597	(604,689)	434,774	43,477
Total Governmental	24,213,054	615,597	(3,135,157)	21,693,494	2,728,477
Business-type Activities					
Note Payable	1,066,251	-	(24,004)	1,042,247	25,116
Revenue Bonds	12,650,000	-	(200,000)	12,450,000	210,000
Total Business-type	13,716,251	-	(224,004)	13,492,247	235,116
Total Long-term Liabilities	\$ 37,929,305	\$ 615,597	\$ (3,359,161)	\$ 35,185,741	\$ 2,963,593

The compensated absences liabilities are liquidated by the General Fund.

General Obligation Bonds

Series 2001

On November 20, 2001, the District issued \$3,600,000 in General Obligation Bonds, Series 2001, to advance refund the remaining \$3,155,000 of outstanding 1995 bonds. On January 1, 2007, the Town assumed this debt. TMVOA and TSGC agreed to fund all debt service costs related to the Series 2001 bonds. In addition, the District established a reserve fund with a portion of the proceeds of the bond issue. Principal on the bonds is payable annually on December 1 with interest at 3.75% to 5.375%, payable semi-annually on June 1, and December 1 through 2032.

Series 2002

On August 23, 2002, the District issued \$6,695,000 in General Obligation Refunding Bonds, Series 2002, dated September 1, 2002, to call the remaining \$5,880,000 of outstanding Series 1992 refunded bonds and advance refund the remaining \$1,710,000 of outstanding Series 1993 bonds. On January 1, 2007, the Town assumed this debt. Principal on the bonds is payable annually on December 1, with interest at 2.5% to 3.8% payable semi-annually on June 1, and December 1 through 2012. The bonds are not subject to redemption prior to maturity.

Series 2005

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

Series 2006A

On September 28, 2006, the District issued \$8,900,000 in General Obligation Bonds to finance construction of a public parking facility. Bonds maturing on or after December 1, 2017 are subject to optional redemption on December 1, 2016, and any date thereafter prior to maturity without a redemption premium. Principal on the bonds is payable annually on December 1 with interest at 4.00% to 5.00%, payable semi-annually on June 1 and December 1 through 2036. On January 1, 2007, the Town assumed this debt.

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

Series 2007

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

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

Series 2009

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

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

Series 2011

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

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

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

Note 10 - Long-term Liabilities (Continued)

Debt Service Requirements

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

Debt Service Requirements			
Year	Total	Principal	Interest
2014	3,626,226	2,685,000	941,226
2015	3,635,563	2,800,000	835,563
2016	3,633,638	2,920,000	713,638
2017	3,631,226	3,060,000	571,226
2018	797,438	375,000	422,438
2019	798,588	390,000	408,588
2020	794,188	400,000	394,188
2021	799,388	420,000	379,388
2022	797,225	435,000	362,225
2023	794,075	450,000	344,075
2024	800,288	475,000	325,288
2025	795,463	490,000	305,463
2026	790,000	505,000	285,000
2027	793,913	530,000	263,913
2028	796,788	555,000	241,788
2029	798,613	580,000	218,613
2030	794,400	600,000	194,400
2031	801,200	635,000	166,200
2032	791,350	655,000	136,350
2033	595,500	490,000	105,500
2034	596,000	515,000	81,000
2035	595,250	540,000	55,250
2036	593,250	565,000	28,250
	<u>\$ 28,849,570</u>	<u>\$ 21,070,000</u>	<u>\$ 7,779,570</u>

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

Note 10 - Long-term Liabilities (Continued)

Authorized Unissued Debt

On November 1, 2005, the electorate approved the issuance of general long-term debt in the amount of \$14,000,000 for the purpose of the acquisition, construction, and equipping a Family Adventure Sports Facility. \$12,900,000 was issued in 2006 leaving the District \$1,100,000 authorized but unissued general obligation debt.

Note Payable

The Town entered into a construction loan agreement, dated June 12, 2006, in the amount of \$1,500,000 for the purpose of constructing Phase III of the Village Court Apartments. The remaining balance of \$1,200,000 was converted to a permanent loan January 1, 2007, requiring monthly payments of \$6,369, including interest at 4.90%. The loan terminates June 1, 2016, with a balloon payment of \$979,340. The loan is secured by an amended letter of credit agreement, deed of trust, and assignment of leases and rents.

Following is the debt service requirements to maturity:

Year	Principal	Interest	Total
2014	25,116	51,308	76,424
2015	26,393	50,032	76,425
2016	990,738	24,587	1,015,325
Total	\$ 1,042,247	\$ 125,927	\$ 1,168,174

Revenue Bonds

On December 29, 2000, the Town issued \$16,325,000 in Revenue Bonds, Series 2000, due November 1, 2033, for the purpose of acquiring the Village Court Apartments (VCA), an affordable rental housing complex, and to finance the construction collateralized by a pledge of the revenues of VCA and by a letter of credit from a bank. The letter of credit is collateralized by a security interest in VCA, assignment of revenues and profits, a pledge of the debt service reserve fund funded with a portion of the proceeds of the bonds, and is collateralized with certain revenues of and guaranteed by TMVOA. The letter of credit was renewed on September 1, 2010 and expires August 31, 2015. If the letter of credit is not extended or replaced, the bonds are subject to mandatory tender prior to the expiration of the letter of credit. Letter of credit fees paid in 2013 were \$192,994. The Revenue Bonds were reissued on September 1, 2010 and are due November 1, 2040.

Note 10 - Long-term Liabilities (Continued)

Following is the debt service requirements to the end of the letter of credit enhancement contract:

Revenue Bonds Debt Service Requirements			
Year	Total	Principal	Interest
2014	419,568	210,000	209,568
2015	421,943	225,000	196,943
2016	12,211,943	12,015,000	196,943
	\$ 13,053,454	\$ 12,450,000	\$ 603,454

Interest Rate Swap

Objective of the Interest Rate Swap As a means to fixing its borrowing costs, the Town entered into an interest rate swap agreement effective January 2, 2007 in connection with its \$16,325,000, 2000 variable-rate revenue bonds secured by a letter of credit. The intention of the swap was to effectively change the District’s variable interest rate on the bonds to a synthetic fixed rate of 3.485%. That agreement matured on December 31, 2010 and was replaced by a new agreement dated September 1, 2010 and maturing on August 31, 2015. The new agreement fixes the rate of the bonds at a synthetic rate of 1.7%.

Terms The swap agreement’s current notional amount is \$12,450,000. Under the swap, the Town pays the counterparty a fixed payment of 1.7% and conversely, the bond's variable-rate coupons are determined by the remarketing agent based on the SIFMA Municipal Swap Index, on a weekly rate basis not to exceed 12%.

Fair Value Because interest rates have declined since execution of the swap, the swap had a negative fair value of \$319,734 as of December 31, 2013. The value is determined as the net present value of the expected cash flows resulting from the difference between the contracted swap rate and the current market swap rate for a contract with similar terms.

Using rates as of January 3, 2014, interest requirements to the termination date of the swap agreement, assuming no principal payments, are as follows:

	SWAP Rate	Fixed Rate	
	Interest	Interest	Net
2014	\$ 7,470	\$ 209,568	\$(202,098)
2015	\$ 7,344	\$ 205,849	\$(198,505)
2016	\$ -	\$ -	\$ -

Credit Risk As of December 31, 2013, the Town was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Town would be exposed to credit risk in the amount of the derivative's fair value.

Note 10 - Long-term Liabilities (Continued)

Termination Risk The Town or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate.

Basis Risk Basis Risk This is the risk that the interest paid by the Town on underlying variable rate bonds to bondholders differs from the variable swap rate received from the counterparty. The Town bears basis risk on this swap since the Town receives an amount to offset the actual variable bond rate the Town pays on its bonds. The Town is exposed to basis risk should the floating rate that it receives on the swap be less than the actual variable rate the Town pays on the bonds. Depending upon the magnitude and duration of any basis risk shortfall, the expected cost savings from the swap may not be realized.

Pledged Revenues

The Town has issued General Obligation and Housing Facility Revenue Bonds which are outstanding through year end. These bonds were issued to finance various projects within each of the issuing funds, with pledged revenues coming from each respective fund.

	Amount Pledged	Term of Commitment
Governmental Activities:		
Series 05	\$ 2,848,500	2017
Series 06A	\$ 13,669,819	2036
Series 07	\$ 7,190,001	2017
Series 09	\$ 1,285,800	2017
Series 11	\$ 3,855,450	2032
Business-type Activities:		
Series 00	\$ 13,052,040	2040
Construction 06	\$ 1,246,564	2016

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

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

Note 11 - Relationship with Other Entities

The Telluride Fire Protection District (Fire District) and the Town have an intergovernmental agreement for the ownership of a joint service facility. The Fire District is responsible for administration of the joint service facility. The Town reports its percentage interest in the joint facility as a capital asset and its percentage of the joint service facility's operating costs as an operating expense. The Town's carrying value of its interest in the joint facility was \$579,694 as of December 31, 2013.

Marketing Telluride, Inc. (MTI) provides services to promote the communities of Telluride and Mountain Village. During 2012, the Town contributed 100% of the Town's business license revenues, net of a 6% administrative fee and ½ of a 4% lodging tax, net of a 2% administrative fee, imposed on the rental of accommodations within the Town to assist in funding these services. The total amount expended related to the funding to MTI during 2013 was \$807,671, which includes prior period funding of \$19,730.

Beginning in 2004, the Town imposed a 2% sales tax on bar and restaurant sales to fund the Airline Guaranty Program administered by the TMRAO. The objective of the Airline Guaranty Program is to increase air service into the Telluride and Montrose regional airports. In addition, in 2003, the lodging tax was increased to 4%, with 2% of the tax to fund services provided by MTI above. The additional 2% is to fund the Airline Guaranty Program. The amount remitted to TMRAO during 2013 was \$899,971, which includes an additional funding request of \$100,000.

Note 12 - Transfer of Assets and Assumption of Services

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

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

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

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

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

In exchange for contributing certain water and sewer systems to the District in 1984, TSGC was to be given free water and sewer services and taps up to \$36,000 annually, increasing by 4% each year. The Town assumed the obligation effective January 1, 2007. In 2013, \$112,271 was refunded to TSGC.

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

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

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

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

Note 13 - Risk Management

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

The Town belongs to the Colorado Intergovernmental Risk Sharing Agency (CIRSA) property and casualty pool, a public entity risk pool currently operating as a common risk management and insurance program for members. CIRSA is to be self-sustaining through member premiums and reinsures through commercial companies for claims in excess of certain limits for each insured

Note 13 - Risk Management (continued)

event. CIRSA members are subject to a supplemental assessment in the event of a deficiency. Claims settlements have not exceeded coverage in the last three years.

Effective January 1, 2007, the Town changed its health insurance program from a self-insured program to a government pooled plan with the non-profit Colorado Employer Benefit Trust (CEBT). The CEBT is a multiple employer trust for Colorado public institutions, comprised of approximately 17,000 employees and over 200 participating groups. The purpose of the CEBT is to spread risk of adverse claims over a larger base of members and to recognize reduced administrative costs through economies of scale. Under this program the Town takes on no additional risk beyond monthly premiums. If claim costs should exceed the Town's monthly plan premiums, CEBT will take on the additional cost associated with those claims. In 2013, claims from the Town employees and family members were 43.7% of premiums submitted.

Note 14 - Retirement Plans

A. Defined Benefit Pension Plan

Plan Description. The Town contributes to the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The LGDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the Town are members of the LGDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the LGDTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy Plan members and the Town are required to contribute to PERA at a rate set by statute. The contribution requirements of plan members and the Town are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the Town it is 13.7% of covered salary. A portion of the Town's contribution (1.02% of covered salary for 2012) is allocated for the HCTF. The Town is also required to pay an amortization equalization disbursement (AED) equal to 2.20% of the total payroll a supplemental amortization equalization disbursement (SAED) equal to 1.50% of the total payroll for the calendar year 2013. If the Town rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay the employer contribution rate, the AED and the SAED on the amounts paid for the retiree; in 2012 member contributions are also required. The Town's contributions to PERA for the years ending December 31, 2011, 2012 and 2013 were \$794,676, \$772,745, and \$718,153 respectively, equal to their required contributions for each year. The contributions for the year ended December 31, 2013 were allocated as \$470,731, \$53,468, \$115,324 and \$78630, for the LGDTF, the HCTF, AED, and the SAED, respectively.

B. Postemployment Healthcare Benefits

Plan Description. The Town contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy The Town is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The Town's contributions to HCTF for the years ending December 31, 2011, 2012, and 2013 were \$59,166, \$57,533, and \$45,102 respectively, equal to their required contributions for each year.

C. Voluntary Investment Program

The LGDTF members of the Town may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. The 401(k) Plan is funded by voluntary member contributions up to a maximum limit set by the IRS. The contribution requirements for the Town are established under Title 24, Article 51, Section 1402 of the Colorado Revised Statutes, as amended. The 401(k) Plan member contributions from the Town for the year ended December 31, 2013, were \$289,552. The employer contributions to the 401(k) Plan from the Town for the year ended December 2012 were \$215,698.

The Town offers employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Service Code Section 457, administered by ICMA Retirement Corporation. The Plan is available to all permanent full-time employees, and permits them to defer a portion of their salary until future years. The Plan allows the Town to make discretionary contributions of each eligible employee's salary up to the amount allowed by law. The Town has no matching contribution. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The assets under this plan are not property of the Town, and are held by a second party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The Town has little administrative involvement and does not perform the investing function for this plan. Therefore, these assets are not included as part of the Town's financial statements.

Note 14 - Retirement Plans (Continued)

D. Law Enforcement Pension Plans

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

Following is a summary of 2013 FPPA money purchase plan contributions:		
Total payroll		\$ 5,679,716
Covered payroll		320,444
Contributions:		
Town		45,102
Employees		25,636
Total		<u>\$ 70,737</u>

The Town offers its law enforcement employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in the Deferred Compensation Plan Trusts for the exclusive benefit of participants and their beneficiaries. FPPA is trustee of the trusts. The Town has no ownership interest in the plan nor is the Town liable for losses under the deferred compensation plan. The Town matches the employee's contributions anywhere from 1% to 9%, depending on the employee's years of service. This is a discretionary match. For the year ended December 31, 2013, the Town contributed \$16,626 on \$16,626 of employee contributions.

Note 15 – Fund Balance Classifications

General Fund

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

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

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

The remaining fund balance in the General Fund is unassigned.

Debt Service Fund

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

Vehicle & Equipment Acquisition Fund

Town Council is authorized to assign amounts to a specific purpose. The assigned fund balance in the Vehicle & Equipment Acquisition Fund is to be used for future vehicle or equipment acquisitions via a resolution as adopted by Town Council.

Special Revenue Funds

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

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

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

Note 16 – Prior Year Adjustments and Accounting Changes

In 2007 the Town provided mortgage assistance to an employee in an exchange for a mortgage backed note receivable. The transaction was expensed but the note receivable was not recorded. The following discloses the restatement of the Mortgage Assistance Fund net position as of the beginning of the fiscal year resulting from the adjustment to record the note receivable from a prior accounting period:

Net Position, beginning of year, as previously stated:	\$120,000
Increase due to the recording of a note receivable	<u>47,358</u>
Net Position, beginning of year, as restated:	<u>\$167,358</u>

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Required Supplementary Information

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Town of Mountain Village
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 7,490,227	\$ 8,394,790	\$ 8,517,245	\$ 122,455
Licenses & Permits	240,705	456,823	494,317	37,494
Intergovernmental	417,389	443,988	440,285	(3,703)
Contributions from Other Entities	31,725	17,643	9,810	(7,833)
Charges for Services	446,473	656,109	724,927	68,818
Fines & Forfeitures	6,077	6,077	2,725	(3,352)
Earnings on Deposits & Investments	13,500	13,000	(534)	(13,534)
Miscellaneous	109,539	111,382	89,642	(21,740)
Grants & Contributions	-	10,000	20,074	10,074
Total Revenues	<u>8,755,635</u>	<u>10,109,812</u>	<u>10,298,491</u>	<u>188,679</u>
Expenditures				
General Government	2,684,919	2,621,973	2,618,092	(3,881)
Public Safety	823,479	826,635	765,603	(61,032)
Roads & Bridges	1,014,381	1,594,416	1,537,840	(56,576)
Equipment & Property Maintenance	2,015,706	2,149,771	1,839,527	(310,244)
Culture & Recreation	443,371	376,515	330,900	(45,615)
Parking & Transportation	555,514	449,352	419,280	(30,072)
Economic Development	561,506	560,174	512,562	(47,612)
Capital Outlay	205,500	100,500	46,895	(53,605)
Total Expenditures	<u>8,304,376</u>	<u>8,679,336</u>	<u>8,070,699</u>	<u>(608,637)</u>
Excess of Revenues Over Expenditures	<u>451,259</u>	<u>1,430,476</u>	<u>2,227,792</u>	<u>797,316</u>
Other Financing Sources (Uses)				
Gain on Sale of Assets	-	-	1,685	1,685
Transfers In	668,531	1,263,282	1,318,595	55,313
Transfers Out	(1,001,921)	(862,815)	(771,657)	91,158
Total Other Financing Sources (Uses)	<u>(333,390)</u>	<u>400,467</u>	<u>548,623</u>	<u>148,156</u>
Net Change in Fund Balance	117,869	1,830,943	2,776,415	945,472
Fund Balance - Beginning of Year	<u>3,483,464</u>	<u>3,354,877</u>	<u>3,860,781</u>	<u>505,904</u>
Fund Balance - End of Year	<u>\$ 3,601,333</u>	<u>\$ 5,185,820</u>	<u>\$ 6,637,196</u>	<u>\$1,451,376</u>

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

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Special Revenue Fund -
Gondola Fund**
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions:				
Mountain Village Owner's Association	\$ 3,697,343	\$ 3,228,536	\$ 3,068,337	\$ (160,199)
Telluride Ski and Golf Company	134,230	134,230	136,939	2,709
Other Revenues:				
Event Operating Hours Subsidies	-	-	11,779	11,779
Grant Funding	-	131,800	131,799	(1)
Miscellaneous	-	-	3,775	3,775
Operating Contributions	36,000	36,000	36,000	-
Total Revenues	<u>3,867,573</u>	<u>3,530,566</u>	<u>3,388,628</u>	<u>(141,938)</u>
Expenditures				
Gondola:				
Grant Success Fees	-	27,463	27,463	-
Operations	1,590,969	1,565,419	1,510,052	(55,367)
MARRS	77,307	73,209	67,701	(5,508)
Maintenance	1,158,844	1,147,264	1,109,723	(37,541)
Fixed Costs	483,551	451,017	423,846	(27,171)
Major Repairs and Maintenance	194,376	15,892	15,892	-
Capital Outlay	159,600	29,600	27,152	(2,448)
Chondola:				
Operations	156,947	162,702	150,512	(12,190)
Total Expenditures	<u>3,821,594</u>	<u>3,472,566</u>	<u>3,332,340</u>	<u>(140,226)</u>
Excess of Revenues Over Expenditures	<u>45,979</u>	<u>58,000</u>	<u>56,289</u>	<u>1,711</u>
Other Financing Uses				
Transfers To Other Funds	<u>(45,979)</u>	<u>(58,000)</u>	<u>(56,289)</u>	<u>1,711</u>
Other Financing Uses	<u>(45,979)</u>	<u>(58,000)</u>	<u>(56,289)</u>	<u>1,711</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

See the accompanying independent auditors report.

Other Supplementary Information

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Town of Mountain Village

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2013

	<u>Special Revenue Funds</u>			Vehicle and Equipment Acquisition Fund	Total
	Historical Museum	Tourism	Capital Projects Fund		
Assets					
Cash	\$ -	\$ 132,030	\$ -	\$ 20,346	\$ 152,376
Receivables:					
Notes	-	-	753,636	-	753,636
Taxes	84,655	238,896	-	-	323,552
Grants	-	-	42,696	-	42,696
Total Assets	<u>84,655</u>	<u>370,926</u>	<u>796,332</u>	<u>20,346</u>	<u>1,272,259</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	-	282,578	17,564	-	300,142
Due to Pooled Cash	659	-	25,132	-	25,791
Unearned Revenue	-	88,348	753,636	-	841,984
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>659</u>	<u>370,926</u>	<u>796,332</u>	<u>-</u>	<u>1,167,917</u>
Deferred Inflows of Resources, Property Tax	<u>83,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,996</u>
Fund Balances:					
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,346</u>	<u>20,346</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,346</u>	<u>\$ 20,346</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds**
For the Year Ended December 31, 2013

	<u>Special Revenue Funds</u>			Vehicle and Equipment Acquisition Fund	Total
	Historical Museum	Tourism	Capital Projects Fund		
Revenues					
Taxes	\$ 105,429	\$ -	\$ -	\$ -	\$ 105,429
Lodging Taxes	-	1,082,424	-	-	1,082,424
Restaurant Taxes	-	274,993	-	-	274,993
Business License Fees	-	268,235	-	-	268,235
Grant Revenues	-	-	362,402	-	362,402
Penalties & Interest	-	15,372	32,030	-	47,402
Total Revenues	<u>105,429</u>	<u>1,641,024</u>	<u>394,432</u>	<u>-</u>	<u>2,140,884</u>
Expenditures					
Culture and Recreation	103,316	-	-	-	103,316
Marketing	-	807,671	-	-	807,671
Economic Development	-	899,971	-	-	899,971
Vehicles and Equipment	-	-	-	86,716	86,716
Capital Outlay	-	-	792,227	-	792,227
Grant Success Fees	-	-	-	-	-
Administrative Costs	2,113	-	-	-	2,113
Total Expenditures	<u>105,429</u>	<u>1,707,642</u>	<u>792,227</u>	<u>86,716</u>	<u>2,692,013</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(66,618)</u>	<u>(397,795)</u>	<u>(86,716)</u>	<u>(551,129)</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	-	-	-	-	-
Transfers In (Out)	-	66,618	365,765	36,381	468,764
Total Other Financing Sources (Uses)	<u>-</u>	<u>66,618</u>	<u>365,765</u>	<u>36,381</u>	<u>468,764</u>
Net Change in Fund Balance	-	-	(32,030)	(50,335)	(82,365)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>32,030</u>	<u>70,681</u>	<u>102,711</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,346</u>	<u>\$ 20,346</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Special Revenue Fund -
Historical Museum Fund**
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 105,769	\$ 105,769	\$ 105,429	\$ (340)
Expenditures				
Administrative Costs	2,115	2,115	2,113	(2)
Culture and Recreation	103,654	103,654	103,316	(339)
Total Expenditures	105,769	105,769	105,429	(340)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

Town of Mountain Village

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

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales and Marketing:				
Lodging Taxes	\$ 856,392	\$ 1,045,082	\$ 1,082,424	\$ 37,342
Restaurant Taxes	233,384	267,817	274,993	7,176
Business License Fees	232,138	268,460	268,235	(226)
Penalties and Interest	3,000	15,000	15,372	372
Total Revenues	1,324,914	1,596,359	1,641,024	44,665
Expenditures				
Other Economic Development Contributions	55,833	-	-	-
Administrative Expense	2,500	2,500	-	(2,500)
Contract Sales and Marketing Services	637,842	789,398	807,671	18,273
Airline Guaranty	748,349	874,551	899,971	25,420
Total Expenditures	1,444,524	1,666,449	1,707,642	41,193
Revenues Over				
Expenditures Before Transfers	(119,610)	(70,090)	(66,618)	3,472
Operating Transfers				
Transfer In (Out)	119,610	70,090	66,618	(3,472)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Vehicle and Equipment Acquisition Fund
For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grant Revenues	\$ 220,000	\$ 120,000	\$ -	\$ (120,000)
Total Revenues	<u>220,000</u>	<u>120,000</u>	<u>-</u>	<u>(120,000)</u>
Expenditures				
Vehicles and Equipment	377,200	264,200	86,716	(177,484)
Total Expenditures	<u>377,200</u>	<u>264,200</u>	<u>86,716</u>	<u>(177,484)</u>
Revenue Under Expenditures Before Transfers and Other Financing Sources	(157,200)	(144,200)	(86,716)	57,484
Other Financing Sources				
Gain on Sale of Assets	35,000	35,000	-	(35,000)
Insurance Proceeds	-	-	-	-
Transfers In	<u>53,281</u>	<u>36,381</u>	<u>36,381</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>88,281</u>	<u>71,381</u>	<u>36,381</u>	<u>(35,000)</u>
Net Change in Fund Balance	(68,919)	(72,819)	(50,335)	22,484
Fund Balance, Beginning of Year	<u>70,769</u>	<u>70,681</u>	<u>70,681</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,850</u>	<u>\$ (2,138)</u>	<u>\$ 20,346</u>	<u>\$ 22,484</u>

See the accompanying independent auditors report.

Town of Mountain Village
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$3,516,736	\$3,516,736	\$3,541,680	\$ 24,944
Contributions from Other Entities	202,740	202,740	203,425	685
Interest Income	6,835	6,835	9,655	2,820
Miscellaneous Income	-	-	-	-
Total Revenues	<u>3,726,311</u>	<u>3,726,311</u>	<u>3,754,759</u>	<u>28,448</u>
Expenditures				
Debt Service:				
Administrative Charges	118,067	118,067	114,780	(3,287)
Principal	2,495,000	2,495,000	2,495,000	-
Interest	1,033,301	1,033,301	1,033,300	(1)
Total Expenditures	<u>3,646,368</u>	<u>3,646,368</u>	<u>3,643,080</u>	<u>(3,288)</u>
Income (Loss) Before Transfers	<u>79,943</u>	<u>79,943</u>	<u>111,679</u>	<u>31,736</u>
Other Financing Uses				
Issuance of Refunding Bonds	-	-	-	-
Payment to Refunding Bonds Escrow	-	-	-	-
Transfers Out	(374,970)	(374,970)	(410,031)	(35,061)
Total Other Financing Uses	<u>(374,970)</u>	<u>(374,970)</u>	<u>(410,031)</u>	<u>(35,061)</u>
Net Change in Fund Balances	(295,027)	(295,027)	(298,352)	(3,325)
Fund Balance - Beginning of Year	<u>1,033,004</u>	<u>1,033,004</u>	<u>1,033,004</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 737,977</u>	<u>\$ 737,977</u>	<u>\$ 734,652</u>	<u>\$ (3,325)</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Capital Projects Fund**
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grant Revenues	\$ 500,000	\$ 500,000	\$ 362,402	\$ (137,598)
Interest Income	32,030	32,030	32,030	-
Total Revenues	<u>532,030</u>	<u>532,030</u>	<u>394,432</u>	<u>(137,598)</u>
Expenditures				
Capital Outlay	945,000	929,900	792,227	(137,673)
Transfer In (Out)	<u>380,940</u>	<u>365,840</u>	<u>365,765</u>	<u>(75)</u>
Net Change in Fund Balance	(32,030)	(32,030)	(32,030)	-
Fund Balance, Beginning of Year	<u>32,030</u>	<u>32,030</u>	<u>32,030</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors report.

Town of Mountain Village

Combining Schedule of Net Position -
Housing Authority Enterprise Fund
December 31, 2013

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 223,656	\$ 228,681	\$ -	\$ 452,338
Investments	900,676	-	-	900,676
Accounts Receivable	2,214	-	-	2,214
Due from Other Funds	13,663	-	-	13,663
Prepaid Expenses	-	-	-	-
Deposits	-	-	-	-
Total Current Assets	<u>1,140,210</u>	<u>228,681</u>	<u>-</u>	<u>1,368,891</u>
Non Current Assets				
Restricted Investments	450,000	256,896	-	706,896
Notes Receivable	-	-	181,358	181,358
Development Property Held for Sale				
Buildings and Improvements	-	278,268	-	278,268
Capital Assets				
Land	160,499	-	-	160,499
Buildings and Improvements	17,714,959	-	-	17,714,959
Vehicles and Equipment	111,639	-	-	111,639
Less Accumulated Depreciation	(6,686,819)	-	-	(6,686,819)
Bond Issue Costs	-	-	-	-
Less Accumulated Amortization	-	-	-	-
Total Noncurrent Assets	<u>11,750,278</u>	<u>535,164</u>	<u>181,358</u>	<u>12,466,801</u>
Total Assets	<u>12,890,488</u>	<u>763,846</u>	<u>181,358</u>	<u>13,835,692</u>
Deferred Outflow of Resources	<u>319,734</u>	<u>-</u>	<u>-</u>	<u>319,734</u>
Liabilities				
Current Liabilities				
Accounts Payable	57,929	118	-	58,047
Accrued Expenses	13,963	-	-	13,963
Due to Other Funds	47,602	-	-	47,602
Deposits	264,326	-	-	264,326
Unearned Revenue	31,780	-	-	31,780
Current Portion of Notes and Bond Payable	235,116	-	-	235,116
Total Current Liabilities	<u>650,714</u>	<u>118</u>	<u>-</u>	<u>650,833</u>
Noncurrent Liabilities				
Notes Payable	1,017,131	-	-	1,017,131
Revenue Bonds Payable	12,240,000	-	-	12,240,000
Total Liabilities	<u>13,907,845</u>	<u>118</u>	<u>-</u>	<u>13,907,963</u>
Deferred Inflow of Resources	<u>319,734</u>	<u>-</u>	<u>-</u>	<u>319,734</u>
Net Position				
Net Investment in Capital Assets	(2,191,968)	535,164	-	(1,656,804)
Restricted for Debt Service	450,000	-	-	450,000
Unrestricted	724,611	228,563	181,358	1,134,532
Total Net Position	<u>\$ (1,017,357)</u>	<u>\$ 763,727</u>	<u>\$ 181,358</u>	<u>\$ (72,271)</u>

See the accompanying independent auditors' report.

Town of Mountain Village

**Combining Schedule of Revenues, Expenses, and Changes in Net Position -
Housing Authority Enterprise Fund**
December 31, 2013

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Operating Revenues				
Rental Income	\$ 1,766,985	\$ -	\$ -	\$ 1,766,985
Other	362,903	21,635	-	384,538
Total Operating Revenues	<u>2,129,888</u>	<u>21,635</u>	<u>-</u>	<u>2,151,523</u>
Operating Expenses				
Office Operations	181,697	-	-	181,697
General and Administrative	118,131	-	-	118,131
Utilities	387,210	-	-	387,210
Repair and Maintenance	362,517	26,689	-	389,206
Depreciation and Amortization	575,349	-	-	575,349
Total Operating Expenses	<u>1,624,904</u>	<u>26,689</u>	<u>-</u>	<u>1,651,593</u>
Operating Income (Loss)	<u>504,984</u>	<u>(5,053)</u>	<u>-</u>	<u>499,931</u>
Nonoperating Revenue (Expense)				
Interest Income	470	-	-	470
Major Repairs and Replacements	(169,861)	-	-	(169,861)
Loss on Disposal of Assets	-	(47,625)	-	(47,625)
Interest Expense	(266,902)	-	-	(266,902)
Loan Fees	(212,244)	-	-	(212,244)
Total Nonoperating Revenues (Expenses)	<u>(648,537)</u>	<u>(47,625)</u>	<u>-</u>	<u>(696,162)</u>
Loss Before Transfers	<u>(143,553)</u>	<u>(52,678)</u>	<u>-</u>	<u>(196,231)</u>
Transfers In	13,663	327,349	14,000	355,012
Transfers Out	(108,306)	(27,663)	-	(135,969)
Total Transfers In (Out)	<u>(94,643)</u>	<u>299,686</u>	<u>14,000</u>	<u>219,043</u>
Capital Grant and Contributions	-	-	-	-
Changes in Net Position	<u>(238,195)</u>	<u>247,007</u>	<u>14,000</u>	<u>22,812</u>
Net Position, Beginning of Year	(779,161)	516,720	120,000	(142,441)
Prior Period Adjustment, unrecorded note receivable	-	-	47,358	47,358
Net Position - Beginning of Year as Re-stated	<u>(779,161)</u>	<u>516,720</u>	<u>167,358</u>	<u>(95,083)</u>
Net Position, End of Year	<u>\$ (1,017,356)</u>	<u>\$ 763,727</u>	<u>\$ 181,358</u>	<u>\$ (72,271)</u>

See the accompanying independent auditors' report.

Town of Mountain Village

**Combining Schedule of Cash Flows -
Housing Authority Enterprise Fund
December 31, 2013**

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Cash Flows from Operating Activities				
Receipts from Renters	\$ 1,775,672	\$ 21,635	\$ -	\$ 1,797,308
Payments to Suppliers	(814,385)	(43,983)	(74,000)	(932,368)
Payments to Employees	(241,283)	-	-	(241,283)
Other Receipts	362,903	-	-	362,903
Net Cash Provided by (Used in) Operating Activities	1,082,907	(22,348)	(74,000)	986,559
Cash Flows from Non-capital Financing Activities				
Interfund Borrowings	255,593	-	-	255,593
Transfers to Other Funds	(108,306)	(27,663)	-	(135,969)
Transfers from Other Funds	13,663	327,349	14,000	355,012
Net Cash Provided by Noncapital Financing Activities	160,950	299,686	14,000	474,636
Cash Flows from Capital and Related Financing Activities				
Principal Payments	(224,004)	-	-	(224,004)
Interest Expense	(266,902)	-	-	(266,902)
Major Repairs and Replacements	(169,861)	-	-	(169,861)
Purchase of Capital Asset	(113,150)	-	-	(113,150)
Proceeds from Sale of Housing Inventory	-	(256,896)	-	(256,896)
Loan Fees	(212,244)	-	-	(212,244)
Net Cash Used in Capital and Related Financing Activities	(986,161)	(256,896)	-	(1,243,057)
Cash Flows from Investing Activities				
Proceeds from Sale of Development Properties	-	356,955	-	356,955
Purchase of Investments	(449,785)	-	-	(449,785)
Interest Received	470	-	-	470
Net Cash Used in Investing Activities	(449,315)	356,955	-	(92,360)
Net Increase (Decrease) in Cash and Cash Equivalents				
	(191,618)	377,397	(60,000)	125,779
Cash, Beginning of Year				
	415,274	(148,716)	60,000	326,558
Cash, End of Year				
	\$ 223,656	\$ 228,681	\$ -	\$ 452,337
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 504,984	\$ (5,053)	\$ -	\$ 499,931
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	575,349	-	-	575,349
Changes in Assets and Liabilities:				
Increase (Decrease) in Accounts Receivable	(19,719)	-	(74,000)	(93,719)
Increase (Decrease) in Prepaid Expenses	-	-	-	-
Increase (Decrease) in Accounts Payable	(5,727)	(17,294)	-	(23,021)
Increase (Decrease) in Accrued Expenses	(386)	-	-	(386)
Increase (Decrease) in Unearned Revenues	19,888	-	-	19,888
Increase (Decrease) in Deposits	8,518	-	-	8,518
Total Adjustments	577,923	(17,294)	(74,000)	486,629
Net Cash Provided by (Used in) Operating Activities	\$ 1,082,907	\$ (22,348)	\$ (74,000)	\$ 986,559

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Village Court Apartments**
For the Fiscal Year ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Rental Income	\$ 1,893,150	\$ 1,743,151	\$ 1,766,985	\$ 23,834
Other	323,062	323,062	362,903	39,841
Total Operating Income	<u>2,216,212</u>	<u>2,066,213</u>	<u>2,129,888</u>	<u>63,675</u>
Operating Expenditures				
Office Operations	177,439	178,960	181,697	2,737
General and Administrative	119,788	120,255	118,131	(2,124)
Utilities	393,595	399,937	387,210	(12,727)
Repairs and Maintenance	378,658	373,906	362,517	(11,389)
Contingency	11,999	11,999	-	(11,999)
Total Operating Expenditures	<u>1,081,479</u>	<u>1,085,057</u>	<u>1,049,555</u>	<u>(35,502)</u>
Excess of Operating Revenues Over Operating Expenditures	<u>1,134,733</u>	<u>981,156</u>	<u>1,080,333</u>	<u>99,177</u>
Nonoperating Revenues (Expenditures)				
Interest Revenue	19,125	1,500	470	(1,030)
Interest Expense	(272,523)	(268,523)	(266,902)	1,621
Loan Fees	(210,321)	(213,453)	(212,244)	1,209
Loss on Disposal of Assets	-	-	-	-
Major Repairs and Replacements	(130,434)	(130,434)	(169,861)	(39,427)
Capital Outlay	(210,000)	(180,000)	(113,150)	66,850
Debt Principal Reduction	(223,901)	(223,901)	(224,004)	(103)
Total Nonoperating Revenues (Expenditures)	<u>(1,028,054)</u>	<u>(1,014,811)</u>	<u>(985,690)</u>	<u>29,121</u>
Transfers Out	(107,144)	(108,306)	(108,306)	-
Transfers In	465	141,961	13,663	(128,298)
Total Operating Transfers	<u>(106,679)</u>	<u>33,655</u>	<u>(94,643)</u>	<u>(128,298)</u>
Net Change in Working Capital	-	-	-	-
Working Capital, Beginning of Year	<u>75,861</u>	<u>75,353</u>	<u>59,130</u>	<u>(16,223)</u>
Working Capital, End of Year	<u>\$ 75,861</u>	<u>\$ 75,353</u>	<u>59,130</u>	<u>\$ (16,223)</u>
Add (Deduct):				
Depreciation and Amortization			(575,349)	
Debt Principal			224,004	
Capital Outlay			113,150	
Carryover from Prior Years			<u>(838,291)</u>	
Net Position, End of Year, GAAP Basis			<u>\$ (1,017,356)</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Affordable Housing Development Fund**
For the Fiscal Year ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sale/Rental Proceeds	\$ -	\$ 376,505	\$ 21,635	\$ (354,870)
Expenditures				
Operating Expenditures	24,200	30,000	26,689	(3,311)
Total Expenditures	24,200	30,000	26,689	(3,311)
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers	(24,200)	346,505	(5,053)	(351,558)
Operating Transfers				
Transfers In	277,889	320,396	327,349	6,953
Transfer Out	(464)	(155,964)	(27,663)	128,301
Total Transfers In (Out)	277,425	164,432	299,686	135,254
Nonoperating (Expenditures) Revenues				
Loss from Sale of Assets	-	-	(47,625)	(47,625)
Net Change in Working Capital	253,225	510,937	247,007	(263,930)
Working Capital, Beginning of Year	(30,723)	(436,086)	(1,830,013)	(1,393,927)
Working Capital, End of Year	<u>\$ 222,502</u>	<u>\$ 74,851</u>	(1,583,006)	<u>\$ (1,657,857)</u>
Add (Deduct):				
Carryover from Prior Years			2,346,733	
Net Position, End of Year, GAAP Basis			<u>\$ 763,727</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Mortgage Assistance Pool**
For the Fiscal Year ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Mortgage Assistance	60,000	74,000	74,000	-
Deficiency of Revenues Under Expenditures Before Transfers	(60,000)	(74,000)	(74,000)	-
Transfers				
Transfers In	-	14,000	14,000	-
Net Change in Working Capital	(60,000)	(60,000)	(60,000)	-
Working Capital, Beginning of Year	60,000	60,000	60,000	-
Working Capital, End of Year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Add (Deduct):				
Prior Period Adjustment - Record Note Receivable			47,358	
Notes Receivable			74,000	
Carryover from Prior Years			<u>60,000</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 181,358</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Water and Sewer Fund**
For the Fiscal Year ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues				
Charges for Services	\$ 2,188,717	\$ 2,188,717	\$ 2,379,454	\$ 190,737
Operating Expenditures				
Operating Costs	1,519,253	1,447,962	1,417,847	(30,115)
Excess of Operating Revenues Over Operating Expenditures	669,464	740,755	961,607	220,852
Nonoperating Revenues (Expenditures)				
Capital Outlay	(470,648)	(506,648)	(401,407)	105,241
Grants and Contributions	38,500	192,396	176,725	(15,671)
Total Nonoperating Revenues (Expenditures)	(432,148)	(314,252)	(224,682)	89,570
Transfers Out	(124,390)	(719,016)	(719,016)	-
Net Change in Working Capital	112,926	(292,513)	17,909	310,422
Working Capital, Beginning of Year	1,309,653	1,322,837	2,152,216	829,379
Working Capital, End of Year	<u>\$ 1,422,579</u>	<u>\$ 1,030,324</u>	2,170,125	<u>\$ 1,139,801</u>
Add (Deduct):				
Depreciation			(596,065)	
Capital Outlay			401,407	
Carryover from Prior Years			9,692,865	
Net Position, End of Year, GAAP Basis			<u>\$ 11,668,332</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Telluride Conference Center**
For the Fiscal Year ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues				
Operating Contributions	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Operating Expenditures				
Operating Costs	141,595	135,754	120,926	(14,828)
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	(141,595)	(135,754)	(120,926)	14,828
Nonoperating Expenditures				
Non-Routine Repairs	20,000	73,948	77,403	3,455
Operating Transfers				
Transfer In	161,595	209,702	198,329	(11,373)
Transfer Out	-	-	-	-
Total Operating Transfers	161,595	209,702	198,329	(11,373)
Net Change in Working Capital	-	-	-	-
Working Capital, Beginning of Year	1,318	1,318	1,318	-
Working Capital, End of Year				
End of Year	<u>\$ 1,318</u>	<u>\$ 1,318</u>	1,318	<u>\$ -</u>
Add (Deduct):				
Depreciation			(295,141)	
Capital Outlay			77,403	
Carryover from Prior Years			<u>4,650,145</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 4,433,725</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Cable TV Enterprise Fund**
For the Fiscal Year ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for Sales and Services	\$ 1,546,172	\$ 1,549,889	\$ 1,572,602	\$ 22,713
Total Revenues	<u>1,546,172</u>	<u>1,549,889</u>	<u>1,572,602</u>	<u>22,713</u>
Operating Expenditures				
Cost of Sales and Services	1,203,754	1,204,927	1,214,275	9,348
Contingency	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
Total Expenditures	<u>1,206,754</u>	<u>1,207,927</u>	<u>1,214,275</u>	<u>6,348</u>
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	<u>339,418</u>	<u>341,962</u>	<u>358,326</u>	<u>16,364</u>
Nonoperating Expenditures				
Capital Outlay	(15,000)	(99,750)	(105,431)	(5,681)
Gain on Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Expenditures	<u>(15,000)</u>	<u>(99,750)</u>	<u>(105,431)</u>	<u>(5,681)</u>
Operating Transfers				
Transfers Out	<u>(274,418)</u>	<u>(267,212)</u>	<u>(277,895)</u>	<u>(10,683)</u>
Net Change in Working Capital	50,000	(25,000)	(25,000)	-
Working Capital, Beginning of Year	<u>91,042</u>	<u>116,042</u>	<u>116,042</u>	<u>-</u>
Working Capital, End of Year	<u>\$ 141,042</u>	<u>\$ 91,042</u>	91,042	<u>\$ -</u>
Add (Deduct):				
Capital Outlay			105,431	
Depreciation			(147,183)	
Carryover from Prior Years			<u>824,715</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 874,006</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Combining Statement of Net Position -
Nonmajor Enterprise Funds**
December 31, 2013

	Child Development	Communications System	Parking Services	Total
Current Assets				
Cash	\$ 7,595	\$ 8,688	\$ 50	\$ 16,333
Accounts Receivable	17,320	-	13,508	30,828
Prepaid Expenses	-	-	5,902	5,902
Accrued Revenues	-	-	-	-
Total Current Assets	24,915	8,688	19,459	53,063
Capital Assets				
Buildings and Improvements	190,128	-	-	190,128
Vehicles and Equipment	27,650	-	-	27,650
Regional Communications System	-	1,780,558	-	1,780,558
Less Accumulated Depreciation	(98,843)	(1,666,131)	-	(1,764,974)
Total Capital Assets	118,935	114,427	-	233,362
Total Assets	143,850	123,115	19,459	286,425
Current Liabilities				
Accounts Payable	1,737	-	5,405	7,142
Due to Pooled Cash	-	-	8,555	8,555
Accrued Expenses	15,771	-	5,499	21,270
Deferred Revenue	7,407	-	-	7,407
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	24,915	-	19,459	44,374
Net Position				
Net Investment in Capital Assets	118,935	114,427	-	233,362
Unrestricted	-	8,688	-	8,688
Total Net Position	\$ 118,935	\$ 123,115	\$ -	\$ 242,050

See the accompanying independent auditor's report.

Town of Mountain Village

Combining Statement of Revenues, Expenses, and Changes
in Net Position - Nonmajor Enterprise Funds
For the Year Ended December 31, 2013

	<u>Child Development</u>	<u>Communications System</u>	<u>Parking Services</u>	<u>Total</u>
Operating Revenues				
Charges for Sales and Services	\$ 429,238	\$ 15,767	\$ 311,311	\$ 756,316
Operating Grants and Contributions	39,475	-	19,567	59,043
Total Operating Revenues	<u>468,713</u>	<u>15,767</u>	<u>330,878</u>	<u>815,358</u>
Operating Expenses				
Cost of Sales and Services	540,929	11,297	288,821	841,046
Depreciation Expense	23,026	182,350	-	205,376
Total Operating Expenses	<u>563,955</u>	<u>193,646</u>	<u>288,821</u>	<u>1,046,422</u>
Operating Gain (Loss)	<u>(95,242)</u>	<u>(177,879)</u>	<u>42,057</u>	<u>(231,064)</u>
Operating Transfers				
Transfers In	72,216	-	-	72,216
Transfers Out	-	-	(42,057)	(42,057)
Total Operating Transfers	<u>72,216</u>	<u>-</u>	<u>(42,057)</u>	<u>30,158</u>
Changes in Net Position	(23,026)	(177,879)	-	(200,905)
Net Position, Beginning of Year	<u>141,961</u>	<u>300,994</u>	<u>-</u>	<u>442,955</u>
Net Position, End of Year	<u>\$ 118,935</u>	<u>\$ 123,115</u>	<u>\$ -</u>	<u>\$ 242,050</u>

See the accompanying independent auditor's report.

Town of Mountain Village

**Combining Statement of Cash Flows -
Nonmajor Enterprise Funds**
For the Year Ended December 31, 2013

	<u>Child Development</u>	<u>Communications System</u>	<u>Parking Services</u>	<u>Total</u>
Cash Flows From Operating Activities:				
Operating Contributions	\$ 39,475	\$ -	\$ 19,567	\$ 59,043
Cash Receipts	416,877	15,767	348,311	780,955
Payments to Suppliers	(228,663)	(11,529)	(241,541)	(481,733)
Payments to Employees	(310,715)	-	(84,280)	(394,995)
Net Cash Used in Operating Activities	<u>(83,026)</u>	<u>4,238</u>	<u>42,057</u>	<u>(36,730)</u>
Cash Flows from Non-capital Financing Activities:				
Transfers (to)/from Other Funds	<u>72,216</u>	<u>-</u>	<u>(42,057)</u>	<u>30,158</u>
Net Cash Provided by Noncapital Financing Activities	<u>72,216</u>	<u>-</u>	<u>(42,057)</u>	<u>30,158</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(10,810)	4,238	0	(6,572)
Cash and Cash Equivalents, Beginning of Year	<u>18,405</u>	<u>4,450</u>	<u>50</u>	<u>22,905</u>
End of Year	<u>\$ 7,595</u>	<u>\$ 8,688</u>	<u>\$ 50</u>	<u>\$ 16,333</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities				
Operating Gain (Loss)	(95,242)	(177,879)	42,057	(231,064)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities				
Depreciation	23,026	182,350	-	205,376
(Increase) Decrease in Accounts Receivable	(11,986)	-	37,000	25,014
(Increase) Decrease in Prepaid Items	-	-	(5,902)	(5,902)
Increase (Decrease) in Deposits	-	-	-	-
Increase (Decrease) in Deferred Revenues	(375)	-	-	(375)
Increase (Decrease) in Accounts Payable and Accrued Expenses	<u>1,551</u>	<u>(232)</u>	<u>(31,098)</u>	<u>(29,780)</u>
Net Cash Used in Operating Activities	<u>\$ (83,026)</u>	<u>\$ 4,238</u>	<u>\$ 42,057</u>	<u>\$ (36,730)</u>

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Parking Services Fund**
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions:				
Contributions/Shared Expense from Other Entities	\$ -	\$ 18,500	\$ 19,567	\$ 1,067
Other Revenues:				
Parking Permits	12,001	12,001	11,580	(421)
Parking Fines	13,000	13,000	7,843	(5,157)
Parking Revenues	254,499	283,499	291,888	8,389
Total Revenues	<u>279,500</u>	<u>327,000</u>	<u>330,878</u>	<u>3,878</u>
Expenditures				
Parking Services	414,309	347,400	288,821	(58,579)
Gondola Parking Garage	-	-	-	-
Surface Lots	-	-	-	-
Heritage Parking Garage	-	-	-	-
Total Expenditures	<u>414,309</u>	<u>347,400</u>	<u>288,821</u>	<u>(58,579)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(134,809)</u>	<u>(20,400)</u>	<u>42,057</u>	<u>62,457</u>
Nonoperating (Expenditures) Revenues				
Capital Outlay	-	-	-	-
Sale of Assets	-	-	-	-
Transfers from Other Funds	171,438	51,177	-	(51,177)
Transfers to Other Funds	(36,629)	(30,777)	(42,057)	(11,280)
Other Financing Sources (Uses), Net	<u>134,809</u>	<u>20,400</u>	<u>(42,057)</u>	<u>(62,457)</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Child Development Enterprise Fund**
For the Fiscal Year ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for Services	\$ 429,455	\$ 429,455	\$ 429,238	\$ (217)
Grant Proceeds	40,319	41,019	39,475	(1,544)
Total Revenues	<u>469,774</u>	<u>470,474</u>	<u>468,713</u>	<u>(1,761)</u>
Operating Expenditures				
Operating Costs	<u>601,944</u>	<u>570,951</u>	<u>540,929</u>	<u>(30,022)</u>
Deficiency of Operating Revenues Under Operating Expenditures	(132,170)	(100,477)	(72,216)	28,261
Operating Transfers				
Transfers In	<u>132,170</u>	<u>100,477</u>	<u>72,216</u>	<u>(28,261)</u>
Net Change in Working Capital				
Working Capital, Beginning of Year	<u>4,692</u>	<u>4,692</u>	<u>4,692</u>	<u>-</u>
Working Capital, End of Year	<u>\$ 4,692</u>	<u>\$ 4,692</u>	4,692	<u>\$ -</u>
Add (Deduct):				
Depreciation			(23,026)	
Carryover from Prior Years			<u>137,269</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 118,935</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Communications System Enterprise Fund
For the Fiscal Year ended December 31, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues				
Charges for Services	\$ 27,024	\$ 27,024	\$ 15,767	\$ (11,257)
Operating Expenditures				
Operating Costs	34,995	34,995	11,297	(23,698)
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	(7,971)	(7,971)	4,470	12,441
Transfers In (Out)	-	3,753	-	(3,753)
Working Capital, Beginning of Year	304,654	291,022	300,994	9,972
Working Capital, End of Year	<u>\$ 296,683</u>	<u>\$ 286,804</u>	305,464	<u>\$ 18,660</u>
Deduct:				
Depreciation			(182,350)	
Net Position, End of Year, GAAP Basis			<u>\$ 123,115</u>	

See the accompanying independent auditor's report.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Mountain Village
		YEAR ENDING : December 2013
This Information From The Records Of Town of Mountain Village	Prepared By: Phone: (970)369-6448	Julie Vergari

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

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)	-
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,437,214
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	-
2. General fund appropriations	1,040,501	b. Snow and ice removal	100,626
3. Other local imposts (from page 2)	436,357	c. Other	-
4. Miscellaneous local receipts (from page 2)	-	d. Total (a. through c.)	100,626
5. Transfers from toll facilities	-	4. General administration & miscellaneous	-
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	-
a. Bonds - Original Issues	-	6. Total (1 through 5)	1,537,840
b. Bonds - Refunding Issues	-	B. Debt service on local obligations:	
c. Notes	-	1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	-
7. Total (1 through 6)	1,476,858	b. Redemption	-
B. Private Contributions	-	c. Total (a. + b.)	-
C. Receipts from State government (from page 2)	60,982	2. Notes:	
D. Receipts from Federal Government (from page 2)	-	a. Interest	-
E. Total receipts (A.7 + B + C + D)	1,537,840	b. Redemption	-
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	-
		C. Payments to State for highways	-
		D. Payments to toll facilities	-
		E. Total disbursements (A.6 + B.3 + C + D)	1,537,840

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	1,537,840	1,537,840	-	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2013	
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	296,366	a. Interest on investments	-
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	139,992	d. Parking Meter Fees	-
3. Liens	-	e. Sale of Surplus Property	-
4. Licenses	-	f. Charges for Services	-
5. Specific Ownership &/or Other	-	g. Other Misc. Receipts	-
6. Total (1. through 5.)	139,992	h. Other	-
c. Total (a. + b.)	436,357	i. Total (a. through h.)	-
	(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	56,031	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	-
a. State bond proceeds		b. FEMA	-
b. Project Match		c. HUD	-
c. Motor Vehicle Registrations	4,952	d. Federal Transit Admin	-
d. Other (Specify) - DOLA Grant	-	e. U.S. Corps of Engineers	-
e. Other (Specify)	-	f. Other Federal	-
f. Total (a. through e.)	4,952	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	60,982	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	-	-	-
b. Engineering Costs	-	-	-
c. Construction:			
(1). New Facilities	-	-	-
(2). Capacity Improvements	-	-	-
(3). System Preservation	-	-	-
(4). System Enhancement & Operation	-	-	-
(5). Total Construction (1) + (2) + (3) + (4)	-	-	-
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	-	-
			(Carry forward to page 1)
Notes and Comments:			

See the accompanying independent auditor's report.

TOWN OF MOUNTAIN VILLAGE

Statistical Section

December 31, 2013

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

Contents

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

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

Operating Information

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

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

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

TOWN OF MOUNTAIN VILLAGE
Net Position by Component
Last Ten Years

TABLE A-1

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 27,532,327	\$ 26,700,785	26,241,771	\$ 26,634,411	\$ 25,897,608	\$ 11,359,109	\$ 9,108,621	\$ 1,959,065	\$ 963,790	\$ 956,736
Restricted for:										
Debt Service	734,651	1,033,003	1,056,461	1,023,210	1,293,186	1,097,281	1,107,026	-	-	-
Emergencies	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800	210,500	174,100
Unrestricted	6,046,962	3,160,555	2,819,313	1,115,565	2,002,857	17,238,544	19,825,893	1,502,124	2,750,454	1,709,314
Total Net Position	<u>34,846,084</u>	<u>31,395,960</u>	<u>30,619,811</u>	<u>29,295,936</u>	<u>29,522,956</u>	<u>30,232,674</u>	<u>30,579,280</u>	<u>3,708,989</u>	<u>3,924,744</u>	<u>2,840,150</u>
Business-type Activities:										
Net Investment in Capital Assets	13,318,565	13,681,119	15,789,269	19,000,536	22,002,632	21,023,208	23,291,366	2,414,872	963,808	900,635
Restricted for:										
Capital Projects	-	-	-	-	295,466	974,936	-	-	-	-
Debt Service	450,000	450,077	450,062	453,806	449,231	-	450,958	449,057	488,987	449,254
Unrestricted	3,377,277	3,606,621	2,679,130	2,108,087	(498,199)	1,969,932	1,393,073	2,171,435	636,544	618,577
Total Net Position	<u>17,145,842</u>	<u>17,737,817</u>	<u>18,918,460</u>	<u>21,562,429</u>	<u>22,249,130</u>	<u>23,968,076</u>	<u>25,135,397</u>	<u>5,035,364</u>	<u>2,089,339</u>	<u>1,968,466</u>
Primary Government:										
Net Investment in Capital Assets	40,850,892	40,381,904	42,031,039	45,634,947	47,900,240	32,382,317	32,399,987	4,373,937	1,927,598	1,857,371
Restricted for:										
Debt Service	1,184,651	1,483,080	1,506,523	1,477,016	1,742,417	1,097,281	1,557,984	449,057	488,987	449,254
Capital Projects	-	-	-	-	295,466	974,936	-	-	-	-
Emergencies	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800	210,500	174,100
Unrestricted	9,424,239	6,767,176	5,498,443	3,223,652	1,504,658	19,208,476	21,218,966	3,673,559	3,386,998	2,327,891
Total Net Position	<u>51,991,925</u>	<u>49,133,777</u>	<u>49,538,271</u>	<u>50,858,365</u>	<u>51,772,085</u>	<u>54,200,750</u>	<u>55,714,677</u>	<u>8,744,353</u>	<u>6,014,083</u>	<u>4,808,616</u>

TOWN OF MOUNTAIN VILLAGE
Changes in Net Position
Last Ten Years

TABLE A-2

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Primary Government:										
Program Expenses:										
Governmental Activities:										
General Government	\$ 12,816,565	\$ 13,393,334	\$ 13,532,429	\$ 12,544,856	\$ 15,695,455	\$ 19,096,466	\$ 16,369,922	\$ 1,661,676	\$ 1,390,447	\$ 1,231,449
Public Safety	1,211,029	930,812	941,734	956,624	1,002,641	991,345	859,608	1,020,769	964,977	729,870
Culture and Recreation	430,976	623,271	673,324	685,898	491,755	349,280	800,525	94,912	73,869	9,983
Economic Development	2,220,203	1,433,224	1,307,533	1,173,179	1,072,877	961,059	1,153,452	1,212,690	1,037,162	937,687
Intergovernmental	-	-	-	-	-	441,801	-	2,576,666	2,478,731	2,167,361
Total Governmental Activities Expenses	<u>16,678,773</u>	<u>16,380,641</u>	<u>16,455,020</u>	<u>15,360,557</u>	<u>18,262,728</u>	<u>21,839,951</u>	<u>19,183,507</u>	<u>6,566,713</u>	<u>5,945,186</u>	<u>5,076,350</u>
Business-type Activities:										
Housing Authority	2,347,284	2,526,775	4,893,022	2,311,278	4,004,065	2,983,112	2,445,802	1,879,034	1,770,045	1,799,217
Water & Sewer	2,013,911	1,989,756	2,048,121	1,860,514	1,730,240	1,798,936	1,544,351	-	-	-
Telluride Conference Center	416,067	449,473	442,267	539,740	1,042,216	1,149,843	1,277,256	-	-	-
Daycare Program	563,955	574,001	569,756	582,369	433,154	371,074	312,071	261,337	234,906	214,379
Parking Services	288,821	259,665	354,796	307,891	-	-	-	-	-	-
Cable TV	1,361,458	1,317,112	1,324,139	1,447,972	1,155,889	1,130,893	1,065,175	-	-	-
Regional Communication System	193,646	210,346	216,768	273,699	202,597	220,961	230,840	209,797	218,752	74,106
Total Business-type Activities Expenses	<u>7,185,143</u>	<u>7,327,128</u>	<u>9,848,870</u>	<u>7,323,463</u>	<u>8,568,162</u>	<u>7,654,818</u>	<u>6,875,495</u>	<u>2,350,168</u>	<u>2,223,703</u>	<u>2,087,702</u>
Total Primary Government Expenses	<u>23,863,916</u>	<u>23,707,769</u>	<u>26,303,890</u>	<u>22,684,020</u>	<u>26,830,890</u>	<u>29,494,769</u>	<u>26,059,002</u>	<u>8,916,881</u>	<u>8,168,889</u>	<u>7,164,052</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	598,790	686,119	820,898	756,085	679,083	1,353,068	1,321,481	2,154,506	1,684,992	1,060,098
Public Safety	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580	80,714	79,132	80,713
Transportation	11,779	9,380	2,880	35,854	87,728	78,473	-	-	-	-
Economic Development	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396	174,225	173,280	158,041
Total Charges for Services	<u>1,864,272</u>	<u>1,299,371</u>	<u>1,398,226</u>	<u>1,494,389</u>	<u>1,581,050</u>	<u>2,447,496</u>	<u>2,753,457</u>	<u>2,409,445</u>	<u>1,937,404</u>	<u>1,298,852</u>
Operating Grants and Contributions	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228	611,878	298,699	251,150	335,768
Capital Grants and Contributions	537,244	291,709	391,258	568,732	541,458	3,762,081	7,035,980	53,160	273,878	-
Total Governmental Activities Program Revenues	<u>5,921,995</u>	<u>5,068,578</u>	<u>5,262,515</u>	<u>5,123,809</u>	<u>5,130,690</u>	<u>9,619,805</u>	<u>10,401,315</u>	<u>2,761,304</u>	<u>2,462,432</u>	<u>1,634,620</u>
Business-type Activities:										
Housing Authority:										
Charges for Services	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780	1,977,744	1,730,042	1,654,622	1,550,387
Operating Grants and Contributions	-	-	-	-	-	-	-	291,807	-	308,282
Capital Grants and Contributions	-	147,708	732,292	-	-	-	1,100,000	872,200	226,321	-
Water & Sewer										
Charges for Services	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626	1,649,841	-	-	-
Capital Grants and Contributions	176,725	124,573	20,356	92,472	(69,436)	182,761	665,386	-	-	-
Telluride Conference Center										
Charges for Services	-	-	-	76	421,774	494,103	815,187	-	-	-
Operating Grants and Contributions	-	-	14,200	-	-	-	-	-	-	-
Child Development:										
Charges for Services	429,238	404,664	352,011	344,450	220,175	189,145	142,242	129,478	127,796	132,218
Operating Grants and Contributions	39,475	40,099	40,798	40,586	33,560	96,252	400	131,859	103,348	82,161
Capital Grants and Contributions	-	-	-	32,050	159,724	-	-	-	-	3,762
Cable TV										
Charges for Services	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726	1,072,134	-	-	-
Parking Services:										
Charges for Services	311,311	272,803	251,935	170,877	-	-	-	-	-	-
Operating Grants and Contributions	19,567	24,419	25,124	30,590	-	-	-	-	-	-
Regional Communication System:										
Charges for Services	15,767	27,024	36,000	37,344	38,208	47,508	31,322	40,574	49,760	72,789
Capital Grants and Contributions	-	-	-	-	-	-	-	-	74,515	164,390
Total Business-type Activities Program Revenues	<u>6,710,184</u>	<u>6,366,210</u>	<u>6,771,247</u>	<u>5,801,848</u>	<u>5,602,027</u>	<u>5,851,901</u>	<u>7,454,256</u>	<u>3,195,960</u>	<u>2,236,362</u>	<u>2,313,989</u>
Total Primary Government Program Revenues	<u>12,632,179</u>	<u>11,434,787</u>	<u>12,033,761</u>	<u>10,925,657</u>	<u>10,732,717</u>	<u>15,471,706</u>	<u>17,855,571</u>	<u>5,957,264</u>	<u>4,698,794</u>	<u>3,948,609</u>

Table A-2 (Continued)

Net (Expense)/Revenues:										
Governmental Activities	(10,756,778)	(11,312,063)	(11,192,505)	(10,236,748)	(13,132,038)	(12,220,146)	(8,782,192)	(3,805,409)	(3,482,754)	(3,441,730)
Business-type Activities	(474,959)	(960,918)	(3,077,623)	(1,521,615)	(2,966,135)	(1,802,917)	578,761	845,792	12,659	226,287
Total Primary Government Net Expense	<u>(11,231,737)</u>	<u>(12,272,982)</u>	<u>(14,270,128)</u>	<u>(11,758,363)</u>	<u>(16,098,173)</u>	<u>(14,023,063)</u>	<u>(8,203,432)</u>	<u>(2,959,617)</u>	<u>(3,470,095)</u>	<u>(3,215,443)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	7,709,941	7,845,065	8,357,159	7,635,783	6,517,003	6,539,508	7,205,552	855,700	708,680	631,741
Specific Ownership	258,341	219,426	211,892	211,838	227,304	261,106	283,270	35,559	31,346	29,230
Sales and Use	4,196,071	2,780,228	2,745,202	2,807,409	2,635,121	3,984,012	2,380,152	3,546,322	2,827,039	2,397,829
Lodging	1,082,424	872,113	871,063	782,576	661,853	767,514	718,457	765,480	696,788	619,827
Restaurant	274,993	246,473	243,948	224,278	205,006	207,566	200,032	205,520	188,250	177,272
Miscellaneous	126,629	116,976	152,874	107,955	471,785	175,243	121,898	13,672	12,723	11,695
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	2,575,862	-	99,616	98,458	96,519	97,206
Interest Earnings	9,122	65,634	56,860	87,025	55,183	924,678	1,215,081	120,589	60,138	21,574
Gain on Sale of Capital Assets	-	-	7,807	-	95,000	81,459	165,913	8,400	-	-
Transfers	549,382	25,455	(130,424)	(587,322)	(1,021,800)	(604,644)	1,409,843	(2,060,046)	(54,135)	(1,489,809)
Total Governmental Activities General Revenues	<u>14,206,903</u>	<u>12,171,370</u>	<u>12,516,382</u>	<u>11,269,542</u>	<u>12,422,317</u>	<u>12,336,442</u>	<u>13,799,814</u>	<u>3,589,654</u>	<u>4,755,598</u>	<u>2,673,837</u>
Business-type Activities:										
Miscellaneous	384,538	352,202	308,442	246,270	210,632	-	50,721	-	-	-
Investment Earnings	470	931	905	1,321	7,429	45,466	39,622	40,187	-	18,062
Gain (Loss) on Sale of Capital Assets	-	-	(6,117)	-	7,306	7,122	200	-	44,100	(406,687)
Contributions	-	-	-	-	-	-	-	-	9,979	-
Transfers	(549,381)	(25,455)	130,424	587,322	1,021,800	604,644	(1,409,843)	2,060,046	54,135	1,489,809
Total Business-type Activities General Revenues	<u>(164,373)</u>	<u>327,678</u>	<u>433,654</u>	<u>834,913</u>	<u>1,247,167</u>	<u>657,232</u>	<u>(1,319,300)</u>	<u>2,100,233</u>	<u>108,214</u>	<u>1,101,184</u>
Total Primary Government General Revenues and Transfers	<u>14,042,530</u>	<u>12,499,048</u>	<u>12,950,036</u>	<u>12,104,455</u>	<u>13,669,484</u>	<u>12,993,674</u>	<u>12,480,514</u>	<u>5,689,887</u>	<u>4,863,812</u>	<u>3,775,021</u>
Change in Net Position:										
Governmental Activities	3,450,125	859,307	1,323,876	1,032,794	(709,721)	116,296	5,017,622	(215,755)	1,272,844	(767,893)
Business-type Activities	(639,332)	(633,241)	(2,643,969)	(686,702)	(1,718,968)	(1,145,685)	(740,540)	2,946,025	120,873	1,327,471
Total Primary Government	<u>\$ 2,810,793</u>	<u>\$ 226,066</u>	<u>\$ (1,320,093)</u>	<u>\$ 346,093</u>	<u>\$ (2,428,689)</u>	<u>\$ (1,029,388)</u>	<u>\$ 4,277,083</u>	<u>\$ 2,730,270</u>	<u>\$ 1,393,717</u>	<u>\$ 559,578</u>

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

TABLE A-3

Function/Program:	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:										
General Government	\$ 598,790	\$ 686,119	\$ 820,898	\$ 756,085	\$ 679,083	\$ 1,353,068	\$ 1,321,481	\$ 2,154,506	\$ 1,684,992	\$ 1,060,098
Public Safety	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580	80,714	79,132	80,713
Parking & Transportation	11,779	9,380	2,880	35,854	87,728	78,473	-	-	-	-
Economic Development	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396	174,225	173,280	158,041
Operating Grants and Contributions	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228	611,878	298,699	251,150	335,768
Capital Grants and Contributions	174,842	291,709	391,258	568,732	541,458	3,762,081	7,035,980	53,160	273,878	-
Total Governmental Activities	<u>5,559,593</u>	<u>5,068,578</u>	<u>5,262,515</u>	<u>5,123,809</u>	<u>5,130,690</u>	<u>9,619,805</u>	<u>10,401,315</u>	<u>2,761,304</u>	<u>2,462,432</u>	<u>1,634,620</u>
Business-type Activities:										
Housing Authority:										
Charges for Services	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780	1,977,744	1,730,042	1,654,622	1,550,387
Operating Grants and Contributions	-	-	-	-	-	-	-	291,807	-	308,282
Capital Grants and Contributions	-	147,708	732,292	-	-	-	1,100,000	872,200	226,321	-
Water & Sewer										
Charges for Services	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626	1,649,841	-	-	-
Operating Grants and Tap Fee Contributions	176,725	124,573	20,356	92,472	(69,436)	182,761	665,386	-	-	-
Telluride Conference Center										
Charges for Services	-	-	-	76	421,774	494,103	815,187	-	-	-
Operating Grants and Tap Fee Contributions	-	-	14,200	-	-	-	-	-	-	-
Daycare Program:										
Charges for Services	429,238	404,664	352,011	344,450	220,175	189,145	142,242	129,478	127,796	132,218
Operating Grants and Contributions	39,475	40,099	40,798	40,586	33,560	96,252	400	131,859	103,348	82,161
Capital Grants and Contributions	-	-	-	32,050	159,724	-	-	-	-	-
Cable TV										
Charges for Services	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726	1,072,134	-	-	-
Parking Services:										
Charges for Services	311,311	272,803	251,935	170,877	-	-	-	-	-	-
Operating Grants and Contributions	19,567	24,419	25,124	30,590	-	-	-	-	-	-
Regional Communication System:										
Charges for Services	15,767	27,024	36,000	37,344	38,208	47,508	31,322	40,574	49,760	72,789
Capital Grants and Contributions	-	-	-	-	-	-	-	-	74,515	164,390
Total Business-type Activities	<u>6,710,184</u>	<u>6,366,210</u>	<u>6,771,247</u>	<u>5,801,848</u>	<u>5,602,027</u>	<u>5,851,901</u>	<u>7,454,256</u>	<u>3,195,960</u>	<u>2,236,362</u>	<u>2,310,227</u>
Total Primary Government	<u>\$ 12,269,777</u>	<u>\$ 11,434,787</u>	<u>\$ 12,033,761</u>	<u>\$ 10,925,657</u>	<u>\$ 10,732,717</u>	<u>\$ 15,471,706</u>	<u>\$ 17,855,571</u>	<u>\$ 5,957,264</u>	<u>\$ 4,698,794</u>	<u>\$ 3,944,847</u>

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

TABLE A-4

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007 (1)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:										
Restricted for:										
Long-term Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,837	\$ -	\$ -	\$ -
Emergencies	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800	210,500	174,100
Non-spendable	395,397	34,385	251,876	325,498	-	-	-	-	-	-
Unassigned	5,709,655	3,324,779	2,612,323	1,448,541	2,002,857	3,563,981	3,439,076	1,568,633	2,804,502	1,754,416
Total Fund Balance	<u>6,637,196</u>	<u>3,860,781</u>	<u>3,366,466</u>	<u>2,296,789</u>	<u>2,332,161</u>	<u>4,101,721</u>	<u>4,142,653</u>	<u>1,816,433</u>	<u>3,015,002</u>	<u>1,928,516</u>
All Other Governmental Funds:										
Restricted for:										
Debt Service	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280	1,177,640	-	-	-
Capital Projects	-	-	-	-	-	(1,588,877)	18,886,087	-	-	-
Assigned	20,346	102,710	48,623	11,424	-	-	-	-	-	-
Unassigned, Reported in:										
Capital Projects Funds	-	-	-	-	-	15,428,143	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>754,997</u>	<u>1,135,713</u>	<u>1,105,084</u>	<u>1,138,093</u>	<u>1,293,186</u>	<u>14,936,546</u>	<u>20,063,727</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Funds										
Restricted for:										
Long-term Receivables	-	-	-	-	-	-	165,837	-	-	-
Debt Service	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280	1,177,640	-	-	-
Capital Projects	-	-	-	-	-	(1,588,877)	18,886,087	-	-	-
Emergencies	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800	210,500	174,100
Non-spendable	395,397	34,385	251,876	325,498	-	-	-	-	-	-
Assigned	20,346	102,710	48,623	11,424	-	-	-	-	-	-
Unassigned, Reported in:										
General Fund	5,709,655	3,324,779	2,612,323	1,448,541	2,002,857	3,563,981	3,439,076	1,568,633	2,804,502	1,754,416
Other Funds	-	-	-	-	-	15,428,143	-	-	-	-
Total Fund Balances	<u>\$ 7,392,193</u>	<u>\$ 4,996,494</u>	<u>\$ 4,471,550</u>	<u>\$ 3,434,882</u>	<u>\$ 3,625,347</u>	<u>\$ 19,038,267</u>	<u>\$ 24,206,380</u>	<u>\$ 1,816,433</u>	<u>\$ 3,015,002</u>	<u>\$ 1,928,516</u>
Percent change from previous year	<u>47.9%</u>	<u>11.7%</u>	<u>30.2%</u>	<u>-5.3%</u>	<u>-81.0%</u>	<u>-21.4%</u>	<u>1232.6%</u>	<u>-39.8%</u>	<u>56.3%</u>	<u>37.4%</u>

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

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

TABLE A-5

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues:										
Taxes	\$ 13,521,770	\$ 11,963,305	\$ 12,429,265	\$ 11,661,884	\$ 10,246,286	\$ 11,759,707	\$ 6,856,892	\$ 5,422,253	\$ 4,464,826	\$ 3,867,594
Licenses and Permits	762,552	417,710	432,166	464,527	549,088	961,058	1,190,759	1,341,110	1,060,682	752,511
Intergovernmental	440,285	415,315	455,538	445,252	401,778	441,801	413,890	450,317	621,547	597,382
Charges for Services	736,705	441,139	494,218	554,579	509,067	1,036,903	1,029,581	1,037,114	772,427	482,107
Fines and Forfeitures	2,725	(558)	5,156	25,578	121,117	54,896	79,975	17,370	96,214	29,996
Investment Earnings	41,151	65,634	56,860	87,025	55,183	919,904	144,589	120,589	60,138	21,574
Grants and Contributions	3,968,785	3,769,206	3,875,430	3,861,383	6,125,502	7,121,147	-	-	-	-
Miscellaneous	108,789	142,742	152,874	115,770	471,785	179,243	461,723	13,851	8,081	34,220
Total Revenue	<u>19,582,763</u>	<u>17,214,493</u>	<u>17,901,506</u>	<u>17,215,998</u>	<u>18,479,806</u>	<u>22,474,659</u>	<u>10,177,408</u>	<u>8,402,604</u>	<u>7,083,915</u>	<u>5,785,384</u>
Expenditures:										
Current:										
General Government	9,722,040	10,073,500	10,014,456	10,472,575	11,057,927	14,917,454	8,305,813	1,659,142	1,405,885	1,207,274
Public Safety	765,603	838,821	850,149	870,536	1,002,641	954,082	768,222	1,014,081	873,647	673,055
Culture and Recreation	434,215	574,777	673,324	685,898	491,755	347,373	604,961	94,912	73,869	9,983
Economic Development	2,220,203	1,433,224	1,307,533	1,176,543	1,072,877	1,209,993	36,716	1,212,690	1,037,162	937,687
Intergovernmental	-	-	-	-	-	-	-	2,576,666	2,273,609	2,167,361
Capital Outlay	952,990	163,233	425,183	376,793	3,558,299	3,317,780	620,862	1,045,196	279,122	164,408
Debt service:										
Administrative Charges	114,780	114,912	140,822	90,412	-	-	-	-	-	-
Principal	2,495,000	2,400,000	2,140,000	1,840,000	14,200,000	2,000,000	298,250	-	-	-
Interest	1,033,300	1,122,098	1,190,754	1,306,384	1,079,230	2,055,093	-	-	-	-
Total Expenditures	<u>17,738,132</u>	<u>16,720,567</u>	<u>16,742,221</u>	<u>16,819,141</u>	<u>32,462,728</u>	<u>24,801,774</u>	<u>10,634,823</u>	<u>7,602,687</u>	<u>5,943,294</u>	<u>5,159,768</u>
Excess of Revenues Over (Under) Expenditures	<u>1,844,631</u>	<u>493,927</u>	<u>1,159,285</u>	<u>396,857</u>	<u>(13,982,922)</u>	<u>(2,327,115)</u>	<u>(457,415)</u>	<u>799,917</u>	<u>1,140,621</u>	<u>625,616</u>
Other Financing Sources (Uses):										
Transfers In	1,787,359	856,571	890,208	611,163	1,677,264	2,340,072	2,670,177	76,564	30,148	17,453
Transfers Out	(1,237,977)	(831,117)	(1,020,632)	(1,198,485)	(2,699,064)	(2,702,151)	(1,749,655)	(2,083,450)	(84,283)	(18,770)
Payments of Refunded Bonds	-	-	(3,025,000)	-	-	-	-	-	-	-
Issuance of Refunded Bonds	-	-	3,025,000	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	1,685	5,563	7,807	-	95,000	81,459	157,913	8,400	-	-
Total Other Financing Sources (Uses)	<u>551,067</u>	<u>31,018</u>	<u>(122,617)</u>	<u>(587,322)</u>	<u>(926,800)</u>	<u>(280,620)</u>	<u>1,078,435</u>	<u>(1,998,486)</u>	<u>(54,135)</u>	<u>(1,317)</u>
Net Change in Fund Balances	<u>\$ 2,395,698</u>	<u>\$ 524,944</u>	<u>\$ 1,036,668</u>	<u>\$ (190,465)</u>	<u>\$ (14,909,722)</u>	<u>\$ (2,607,735)</u>	<u>\$ 621,020</u>	<u>\$ (1,198,569)</u>	<u>\$ 1,086,486</u>	<u>\$ 624,299</u>
Debt Service as a Percent of										
Non-capital Expenditures	<u>26.6%</u>	<u>27.0%</u>	<u>25.6%</u>	<u>23.7%</u>	<u>112.1%</u>	<u>23.3%</u>	<u>3.1%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

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

TABLE A-6

<u>Year</u>	<u>Property</u>	<u>Specific Ownership</u>	<u>Sales</u>	<u>Use and Cigarette</u>	<u>Lodging</u>	<u>Restaurant</u>	<u>Penalties and Interest</u>	<u>Total</u>
2004	\$ 631,741	\$ 29,230	\$ 1,836,576	\$ 570,427	\$ 619,826	\$ 177,272	\$ 2,522	\$ 3,867,594
2005	708,680	31,346	2,027,543	809,295	696,788	188,250	2,924	4,464,826
2006	855,700	35,559	2,284,260	1,272,125	765,480	205,520	3,609	5,422,253
2007	6,440,326 (1)	283,270	2,374,104	948,051	718,457	200,032	81,422	11,045,662
2008	6,400,527	261,105	2,429,211	1,552,182	767,481	207,566	45,410	11,663,481
2009	6,517,003	227,304	2,148,018	436,324	659,226	205,006	53,406	10,246,286
2010	7,613,001	211,838	2,314,439	487,124	782,576	224,278	29,157	11,662,414
2011	8,315,474	211,892	2,474,576	268,297	871,063	243,948	44,014	12,429,264
2012	7,790,254 (2)	219,426	2,496,731	279,374	872,113	246,473	60,423	11,964,795
2013	7,694,069	258,341	2,955,474	1,229,436	1,082,424	274,993	27,032	13,521,770
Change								
2004-2013	1117.9%	783.8%	60.9%	115.5%	74.6%	55.1%	971.9%	249.6%
2004-2011	1216.3%	624.9%	34.7%	-53.0%	40.5%	37.6%	1645.2%	221.4%
2009-2013	18.1%	13.7%	37.6%	181.8%	64.2%	34.1%	-49.4%	32.0%

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

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

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

TABLE A-7

Year	Water and Sewer User Fees	Water System Development User Fees	Cable and Internet User Fees	Child Development Fund User Fees	Telluride Conference Center User Fees	Total User Fees
2004	\$ 1,538,770	\$ 467,920	\$ 760,548	\$ 132,218	\$ 513,059	\$ 3,412,514
2005	1,701,026	1,088,523	874,930	127,796	584,585	4,376,860
2006	1,660,198	1,644,570	963,840	129,479	663,328	5,061,414
2007	1,649,840	665,386	1,072,134	143,210	785,085	4,315,655
2008	1,703,626	268,931	1,205,726	187,079	491,662	3,857,023
2009	1,914,913	26,534	1,297,013	220,175	421,795	3,880,429
2010	1,896,887	92,472	1,410,430	344,450	76	3,744,315
2011	2,116,620	20,356	1,472,986	352,011	-	3,961,973
2012	2,125,578	124,573	1,522,159	393,119	-	4,165,429
2013	2,267,183	176,725	1,572,602	415,121	-	4,431,630

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

TABLE A-8

	Operations				Capital Outlay				Total Expenses
	Water and Sewer	Cable and Internet	Child Development Fund	Telluride Conference Center	Water and Sewer	Cable and Internet	Child Development Fund	Telluride Conference Center	
2004	\$ 1,008,313	\$ 521,914	\$ 214,379	\$ 770,587	\$ 194,444	\$ 196,610	\$ -	\$ 67,030	\$ 2,973,277
2005	1,050,677	545,459	231,144	986,822	182,247	283,146	-	76,594	3,356,089
2006	1,117,035	700,802	261,337	1,008,835	14,268	424,239	-	5,163	3,531,679
2007	951,915	971,183	312,071	931,684	115,642	57,473	-	57,708	3,397,676
2008	1,136,342	990,614	369,854	931,684	44,646	231,246	3,795	57,708	3,765,889
2009	1,219,265	919,664	427,817	706,585	42,608	247,541	175,433	6,631	3,745,544
2010	1,247,676	1,207,522	560,678	222,319	11,841	54,898	32,050	-	3,336,984
2011	1,403,872	1,086,474	546,161	130,749	27,284	10,057	-	-	3,204,597
2012	1,380,534	1,155,171	550,406	139,959	121,563	19,897	-	15,525	3,383,056
2013	1,305,576	1,214,275	540,929	105,542	401,407	105,431	-	92,787	3,765,947

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

TABLE B-1

Collection Year	Assessment Year	Vacant Property	Residential Property	Commercial Property	Personal Property	State Assessed	Less: Tax-Exempt Property	Total Taxable Actual Value	Total Direct Tax Rate	Estimated Assessed Taxable Value	Taxable Estimated Assessed Value as a % of Actual Total Taxable Value
2005	2004	\$ 236,843,117	\$ 1,420,263,983	\$ 69,289,836	\$ 14,510,287	\$ N/A	\$ 34,945,660	\$ 1,705,961,563	3.443	\$ 206,128,480	12.1%
2006	2005	324,007,744	1,600,074,784	80,234,689	17,282,227	297,170	21,842,520	2,000,054,094	3.443	249,694,660	12.5%
2007	2006	290,783,830	1,724,029,259	80,054,583	17,927,575	260,463	17,077,397	2,095,978,313	13.697	247,050,670	11.8%
2008	2007	319,168,782	2,075,687,795	90,622,567	18,093,978	310,759	31,443,024	2,472,440,857	13.446	289,401,880	11.7%
2009	2008	309,444,713	2,236,232,301	96,019,648	16,835,620	664,069	31,185,284	2,628,011,067	13.443	309,559,030	11.8%
2010	2009	352,810,365	2,914,840,872	120,616,538	19,392,657	678,808	32,849,849	3,375,489,391	13.448	370,033,758	11.0%
2011	2010	340,682,083	2,979,575,525	102,003,092	28,002,801	664,919	31,938,566	3,418,989,854	13.604	373,861,120	10.9%
2012	2011	285,890,645	2,564,807,411	81,866,265	26,986,021	743,724	31,912,149	2,928,597,597	13.691	318,849,890	10.9%
2013	2012	225,264,565	2,177,223,916	117,188,460	21,971,079	N/A	34,225,675	2,507,422,345	13.479	265,515,290	10.6%
2014	2013	213,148,847	2,147,342,272	90,787,423	21,529,847	712,289	33,739,055	2,439,781,623	13.485	265,515,290	10.9%

N/A - information is not available.

Source: San Miguel County Assessor's Office

TOWN OF MOUNTAIN VILLAGE
Property Tax Rates
Direct and Overlapping Governments

TABLE B-2

Fiscal Year	Town Direct Rates				Overlapping Rates							
	Operations *	Debt (1)	Mountain Village Historical Museum	Total Direct	Mountain Village Metropolitan District	Telluride Fire District	San Miguel County	Library District R-1	Telluride School District	Lone Tree Cemetery District	Southwestern Water Conservation District	Telluride Hospital District
2004	3.110	-	-	3.110	24.476	2.197	2.197	4.194	14.230	0.079	0.305	2.756
2005	3.110	-	0.333	3.443	24.210	3.119	3.119	4.193	14.186	0.079	0.254	2.653
2006	3.110	-	0.333	3.443	23.598	2.513	2.513	3.835	12.746	0.061	0.225	2.577
2007	13.364	-	0.333	13.697	11.704	2.670	10.120	3.690	13.568	0.063	0.205	2.603
2008	13.113	-	0.333	13.446	9.159	2.350	10.120	3.661	13.246	0.053	0.207	2.291
2009	13.110	-	0.333	13.443	8.050	2.454	10.120	3.629	10.887	0.054	0.216	2.288
2010	13.115	-	0.333	13.448	7.478	2.344	10.120	3.492	10.647	0.049	0.020	2.284
2011	13.271	-	0.333	13.604	8.794	2.498	10.120	3.492	10.290	0.051	0.272	2.294
2012	13.358	-	0.333	13.691	10.750	2.947	10.120	3.587	10.113	0.051	0.291	2.304
2013	13.146	-	0.333	13.479	10.823	2.967	10.120	3.630	8.678	0.051	0.307	2.288
2014	13.152	-	0.333	13.485	13.325	3.038	10.120	3.710	8.989	0.051	0.368	2.286

Source: San Miguel County Treasurer's Office

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

* The mill levy for general operating expenses has remained stable - the small variances are caused by refunds and abatements.
(1) The debt for the town is still serviced through the district.

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

2005	27.653	2010	20.926
2006	27.041	2011	22.398
2007	25.401	2012	24.441
2008	22.605	2013	24.302
2009	21.493	2014	26.810

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

TABLE B-3

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2013</u>			<u>2004</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Town's Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Town's Taxable Assessed Value</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	\$ 19,324,400	1	7.2%	\$ 11,821,030	1	5.8%
Ektornet US Telluride LLC (1)	Hotel/Condominium Units	9,218,940	2	3.4%	2,549,250	5	1.3%
Peaks Resort and Spa (Telluride Resort and Spa LLC)	Hotel and Spa	4,644,070	4	1.7%	5,488,560	2	2.7%
Yellow Brick Road Company LLC	Private Property Owner	2,320,000	4	0.9%	-		0.0%
GC MV Condominiums LLC	Real Estate Developer	2,044,750	5	0.8%	-		0.0%
AMMV Investments, LLC / Club Telluride LLC	Residential Ownership Club	1,893,490	6	0.7%	4,397,880	4	2.2%
Butler, Alice L as Trustee	Private Property Owner	1,870,110	7	0.7%	1,242,840	9	0.6%
MV Colorado Development	Real Estate Developer	1,634,230	8	0.6%	-		0.0%
CO Lot 161C R Mountain	Real Estate Developer	1,522,500	9	0.6%	-		0.0%
Telluride LLC	Private Property Owner	1,261,730	10	0.5%	-		0.0%
Barnett, Hoyt and Carol	Private Property Owner	-		0.0%	1,497,570	8	0.7%
St. Sophia Partners, LLLP	Real Estate Developer	-		-	4,430,660	3	2.2%
Stonegate Sundance Partners, LLC	Real Estate Developer	-		-	1,852,610	6	0.9%
Telluride Mtn Village Ventures LLC	Real Estate Developer	-		-	1,601,270	7	0.8%
Genesee Properties Inc	Developer	-		-	1,158,870	10	0.6%
Subtotal Principal Taxpayers		<u>45,734,220</u>		<u>17.1%</u>	<u>36,040,540</u>		<u>17.8%</u>
All Other Taxpayers		<u>221,651,180</u>		<u>82.9%</u>	<u>166,263,370</u>		<u>82.2%</u>
Total Taxpayers		<u>\$ 267,385,400</u>		<u>100.0%</u>	<u>\$ 202,303,910</u>		<u>100.0%</u>

Source: San Miguel County Assessor's Office

(1) Formerly Lost Creek Associates & RAL Mountain Village Lodging

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

TABLE B-4

Collection Year	Assessment Year		Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date				
				Amount	% of Levy		Amount	% of Levy			
2004	2003	\$	629,165	\$	626,849	99.6%	\$	1,516	\$	628,365	99.9%
2005	2004		709,700		707,962	99.8%		-		707,962	99.8%
2006	2005		859,574		856,223	99.6%		-		856,223	99.6%
2007	2006	(1)	6,351,519		6,350,226	100.0%		4,832		6,354,058	100.0%
2008	2007		6,522,491		6,496,245	99.6%		(44)		6,496,201	99.6%
2009	2008		6,463,656		6,458,377	99.9%		-		6,458,377	99.9%
2010	2009		7,743,049		7,613,326	98.3%		(5,731)		7,607,595	98.3%
2011	2010		8,368,027		\$8,330,119	99.5%		(12,169)		\$8,317,950	99.4%
2012	2011		7,793,017		\$7,742,011	99.3%		(1,076)		\$7,740,935	99.3%
2013	2012		7,717,798		\$7,697,744	99.7%		163		\$7,697,907	99.7%

Source: San Miguel County Treasurer Office

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

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

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

TABLE C-1

Year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Actual Property Value (1)	Per Capita (2)	Per Personal Income
	General Obligation Bonds, Net (1)	Revenue Bonds	Note Payable				
2002	\$ 33,537,000	\$ 15,300,000	\$ 486,000 (4)	\$ 49,323,000	3.8%	\$ 44,717	1,431
2003	32,039,000	15,090,000	2,543,120	49,672,120	3.6%	42,821	1,390
2004	30,460,000	14,220,000	-	44,680,000	2.7%	38,818	1,269
2005	28,795,000	13,585,000	-	42,380,000	2.5%	36,534	1,018
2006	48,485,000	13,265,000	1,200,000 (5)	62,950,000	3.1%	54,644	1,241
2007	46,145,000	13,265,000	1,171,056	60,581,056	2.9%	50,908	1,188
2008	44,145,000	13,265,000	1,152,591	58,562,591	2.4%	45,645	1,137
2009	29,945,000	13,020,000	1,132,898	44,097,898	1.7%	33,637	922
2010	28,105,000	13,020,000	1,110,691	42,235,691	1.3%	32,070	1,104
2011	26,090,000	12,840,000	1,088,946	40,018,946	1.2%	29,954	1,026
2012	23,565,000	12,650,000	1,066,251	37,281,251	1.3%	27,657	937
2013	21,070,000	12,450,000	1,042,247	34,562,247	1.4%	25,336	852

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

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

**Town Of Mountain Village
Direct and Overlapping Bond Debt
December 31, 2013**

TABLE C-2

<u>Governmental Unit</u>	<u>2014 Valuation</u>	<u>Bond Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Library District R-1	670,366,350	26,050,000	39.6%	10,317,751
Telluride Fire District	670,366,350	3,475,022	39.6%	1,376,369
Subtotal		<u>29,525,022</u>		<u>11,694,120</u>
Mountain Village Metropolitan District, a unit of the Town of Mountain Village	265,515,290	21,070,000 (1)	100.0%	21,070,000
Total Direct and Overlapping Debt		<u>\$ 50,595,022</u>		<u>\$ 32,764,120</u>

Sources: San Miguel County Assessor's Office for the 2014 valuation; each governmental unit for the debt outstanding data.

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

TOWN OF MOUNTAIN VILLAGE

Pledged-Revenue Coverage

Last Ten Years

TABLE C-3

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

<u>Year</u>	<u>Less:</u>		<u>Net</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Gross Revenue</u>	<u>Operating Expenses</u>	<u>Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	
2004	\$ 1,760,931	\$ 742,138	\$ 1,018,793	\$ 870,000	\$ 337,716	0.84
2005	1,911,843	759,225	1,152,618	635,000	300,873	1.23
2006	2,062,036	830,836	1,231,200	320,000	261,335	2.12
2007	2,034,595	870,328	1,164,267	30,690	506,439	2.17
2008	1,974,545	1,014,551	959,994	18,468	697,628	1.34
2009	1,808,333	1,484,950	323,383	264,610	552,620	0.40
2010	1,986,020	1,121,823	864,197	22,298	486,158	1.70
2011	1,996,266	1,095,394	900,872	201,745	293,179	1.82
2012	2,007,358	1,003,534	1,003,824	214,502	272,229	2.06
2013	2,129,888	1,049,555	1,080,333	224,004	266,902	2.20

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

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

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

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

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed Value	\$ <u>202,303,910</u>	\$ <u>206,128,480</u>	\$ <u>249,694,660</u>	\$ <u>250,050,970</u>	\$ <u>288,548,790</u>	\$ <u>370,033,758</u>	\$ <u>373,861,120</u>	\$ <u>318,849,890</u>
Debt Limit (1)	101,151,955	103,064,240	124,847,330	125,025,485	144,274,395	185,016,879	186,930,560	159,424,945
Total Net Debt Applicable to Limit	<u>27,030,000</u>	<u>25,425,000</u>	<u>36,280,000</u>	<u>34,005,000</u>	<u>32,075,000</u>	<u>26,845,000</u>	<u>25,080,000</u>	<u>23,065,000</u>
Legal debt margin	\$ <u>74,121,955</u>	\$ <u>77,639,240</u>	\$ <u>88,567,330</u>	\$ <u>91,020,485</u>	\$ <u>112,199,395</u>	\$ <u>158,171,879</u>	\$ <u>161,850,560</u>	\$ <u>136,359,945</u>
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	26.7%	24.7%	29.1%	27.2%	22.2%	14.5%	13.4%	14.5%

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

(1) Greater of 50% of assessed valuation or \$2,000,000.

TOWN OF MOUNTAIN VILLAGE
Demographic and Economic Statistics
Last Ten Years

TABLE D-1

Town of Mountain Village

Year	Population	Per Capita Personal Income	Per Capita Total Income	Zoned Population
2004	1,160	\$ -	\$ -	8,027
2005	1,152	-	-	8,027
2006	1,190	-	-	8,027
2007	1,283	-	-	8,027
2008	1,311	-	-	8,027
2009	1,274	-	-	8,027
2010	1,317	45,520	59,949,195	8,027
2011	1,336	-	-	8,027
2012	1,348	-	-	8,027
2013	1,364	-	-	8,027

San Miguel County Area

Population	Per Capita Personal Income	Per Capita Total Income	School Enrollment	Unemployment Rate
7,027	\$ 35,207	\$ 247,399,589	853	4.8%
7,045	41,617	293,191,765	901	4.3%
7,059	50,721	358,039,539	929	3.5%
7,276	50,987	370,981,412	1,011	3.2%
7,304	51,525	376,338,600	1,010	4.3%
7,267	47,827	347,558,809	973	5.5%
7,356	38,247	358,998,071	954	6.3%
7,496	39,012	288,524,311	1,032	6.3%
7,588	39,792	301,943,053	738	6.3%
7,910	40,588	321,051,257	863	5.0%

Source: Population and income data provided by the Colorado Division of local Government, State Demography Office; school enrollment data provided by Colorado Department of Education; unemployment data provided by the US Bureau of Labor Statistics. Personal per capita income for the Town of Mountain Village is only calculated every ten years during the U.S. Census.

TOWN OF MOUNTAIN VILLAGE

Principal Employers

Last Eight Years

TABLE D-2

2013

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company (& Inn at Lost Creek)	Ski Area Owner and Operator	965	73.25%	1
Town of Mountain Village	Government	130	9.90%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	121	9.18%	3
Ektornet (Hotel Madeline)	Hotel and Restaurants	101	7.67%	4
Total		<u>1,317</u>		

2012

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,050	69.12%	1
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	180	11.85%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	145	9.55%	2
Town of Mountain Village	Government	144	9.48%	4
Total		<u>1,519</u>		

2011

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,010	68.93%	1
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	157	10.71%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	150	10.24%	2
Town of Mountain Village	Government	148	10.12%	4
Total		<u>1,465</u>		

2010

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	970	67.08%	1
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	175	12.10%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	153	10.58%	2
Town of Mountain Village	Government	148	10.24%	4
Total		<u>1,446</u>		

2009

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	950	69.90%	1
Town of Mountain Village	Government	156	11.48%	2
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	130	9.57%	3
Telluride Resort and Spa	Hotel, Restaurants, and Spa	123	9.05%	4
Total		<u>1,359</u>		

2008

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,079	75.09%	1
Telluride Resort and Spa	Hotel, Restaurants, and Spa	205	14.27%	2
Town of Mountain Village	Government	153	10.65%	3
Total		<u>1,437</u>		

2007

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,194	74.39%	1
Town of Mountain Village	Government	221	13.77%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	190	11.84%	3
Total		<u>1,605</u>		

2006

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	908	65.84%	1
Town of Mountain Village	Government	291	21.10%	2
Telluride Resort and Spa	Hotel, Restaurants, and Spa	180	13.05%	3
Total		<u>1,379</u>		

Source: Human Resource departments for various agencies.

Note: Data for five years prior not currently available.

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

TABLE E-1

Former MVMD Employees - Functions/Programs (1)

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Development</u>	<u>Housing Authority</u>	<u>Daycare Program</u>	<u>Administration</u>	<u>Road & Bridge</u>	<u>Parking & Transit</u>	<u>Plaza Services Parks & Recreation</u>	<u>Gondola</u>	<u>Water & Sewer</u>	<u>Cable TV</u>	<u>Conference Center</u>	<u>Total</u>
2004	4.00	7.00	7.00	5.00	4.50	10.00	12.60	16.00	12.90	47.00	7.60	2.30	7.20	143.10
2005	5.00	10.00	7.00	5.00	5.00	9.00	14.00	18.00	16.00	49.00	7.00	3.00	8.00	156.00
2006	4.70	10.00	8.40	5.00	5.50	8.50	13.80	17.80	22.30	51.00	7.40	2.90	9.10	166.40
2007	5.00	10.00	9.00	5.00	5.00	9.00	15.00	22.00	17.00	51.00	6.00	3.00	9.00	166.00
2008	6.00	10.00	9.00	5.00	7.00	10.00	16.00	18.00	18.00	47.00	6.00	4.00	9.00	165.00
2009	4.00	10.00	6.00	5.00	10.00	8.00	14.00	17.00	18.00	45.00	7.00	4.00	8.00	156.00
2010	3.80	10.70	6.00	5.50	9.20	8.50	13.00	18.15	17.25	45.00	7.00	4.00	0.00	148.10
2011	3.80	10.70	7.00	6.00	8.55	9.20	13.00	18.15	17.25	44.10	6.50	4.00	0.00	148.25
2012	3.50	9.70	6.85	6.15	8.55	9.50	12.50	17.90	15.00	44.25	6.50	4.00	0.00	144.40
2013	3.50	8.70	5.00	6.15	8.50	9.50	12.50	6.95	15.10	44.05	6.50	4.00	0.00	130.45

N/A - information is not available.

Source: Town of Mountain Village Human Resources Department

(1) Mountain Village Metropolitan District merged into the Town of Mountain Village 1/1/2007-Prior year statistics are included for former MVMD departments.

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

Function/Program:	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General:										
Business Licenses Issued (6)	1,038	1,035	944	778	640	648	670	636	616	518
Business Licenses Revenue	\$ 268,235	\$ 245,933	\$ 228,506	201,719	\$ 187,160	\$ 185,476	196,126	\$ 171,930	\$ 171,396	\$ 158,041
Skier Days (1)	454,259	424,822	423,927	420,621	454,257	450,730	426,244	390,346	411,396	367,775
Real Estate Transfer Assessments (RETA)	\$ 3,962,093	\$ 4,873,158	\$ 2,684,481	4,318,347	\$ 3,400,333	\$ 4,721,320	\$ 8,312,927	\$ 9,038,755	\$ 10,490,204	\$ 7,535,901
Community Development:										
Construction Permits Issued	128	127	303	87	75	192	209	190	213	188
Building Permits Valuation	\$ 56,574,803	\$ 37,471,121	\$ 18,130,969	27,388,886	\$ 32,562,444	\$ 86,183,479	\$ 158,362,440	\$ 210,394,175	\$ 133,249,837	\$ 94,939,337
Housing Authority										
Occupancy Rate	87.16%	81.56%	81.36%	85.92%	81.82%	90.68%	N/A	N/A	N/A	N/A
Public Works:										
Street Resurfacing (miles)	3.30	1.50	0.00	5.00	1.80	1.90	1.73	2.40	6.30	3.70
Water:										
Average Daily Consumption (gallons)	644,682	686,717	695,070	545,099	479,431	439,688	427,441	504,638	494,490	456,451
Wastewater:										
Average Daily Sewage Treatment (gallons)	223,572	212,085	218,071	212,312	222,784	232,342	236,534	232,921	246,353	272,837
Transit:										
Gondola Passengers	2,283,778	2,171,113	2,148,977	2,298,067	2,264,662	2,435,322	2,349,442	2,152,548	1,898,905	1,995,506
Dial A Ride Passengers	26,887	59,280	66,973	61,411	52,439	63,935	63,097	55,163	51,914	43,459
Cable TV & Broadband Services:										
Cable Subscribers	1,423	1,412	1,448	1,501	1,489	1,542	1,401	1,356	1,225	1,160
Phone Subscribers	88	84	77	37	N/A	N/A	N/A	N/A	N/A	N/A
Internet Subscribers	952	955	954	910	823	621	718	624	577	367
Daycare Services: (3)										
Average # of Resident Infants Tended Per Day	3.92	4.57	2.57	2.02	3.16	5.10	5.08	4.13	4.65	N/A
Average # of Resident Toddlers Tended Per Day	12.45	9.10	8.52	9.95	10.43	12.95	12.72	12.29	11.89	N/A
Average # of Non-resident Infants Tended Per Day	0.73	0.92	1.19	1.15	1.84	0.65	N/A	N/A	N/A	N/A
Average # of Non-resident Toddlers Tended Per Day	1.83	2.18	3.57	5	3.36	3.74	N/A	N/A	N/A	N/A
Preschool Services: (4)										
Average # of Resident Students Tended Per Day	8.55	9.80	9.11	8.67	7.72	N/A	N/A	N/A	N/A	N/A
Average # of Non-resident Students Tended Per Day	4.98	4.30	3.60	2.81	1.44	N/A	N/A	N/A	N/A	N/A
Conference Center: (2)										
Attendance at Events	13,321	11,839	11,530	24,309	19,792	27,694	N/A	N/A	N/A	N/A
Number of Event Days	129	87	103	131	90	131	187	147	178	157
Percentage of Possible Event Days	35.34%	23.84%	28.22%	35.89%	24.66%	35.84%	51.23%	40.27%	48.77%	43.01%

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

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

- (1) Skier Days represents the number of skiers visits.
- (2) In October of 2009, the operations of the Conference Center was contracted out to a management company.
- (3) In 2008, new rates were established for resident and non-resident children.
- (4) In October of 2009, a preschool program was started.

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

TABLE E-3

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Function/Program:										
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	18	18	18	18	18	18	18	18	18	18
Water Mains (miles)	30	30	30	30	30	30	30	30	30	30
Sewer Lines (miles)	19	19	19	19	19	19	19	19	19	19
Fleet:										
Vehicles (1)	79	78	79	80	77	76	78	75	81	62
Cable TV & Broadband Services:										
Cable TV Line (miles)	33	33	33	33	33	28	20	20	20	20
Parks and Recreation:										
Acreage of Parks and Open Space	1,169	1,169	1,169	1,169	1,169	1,169	1,129	1,129	1,129	1,129
Miles of Maintained Trails (Winter)	15	13	13	13	13	13	13	13	13	13
Miles of Maintained Trails (Summer)	16	10	8	8	8	8	8	8	8	8
Ponds	3	3	3	4	4	4	4	4	4	4
Outdoor Ice Skating Rink	1	1	1	1	1	0	0	0	0	0
Outdoor Ice Skating Pond	0	0	0	1	1	1	1	1	1	1
Conference Center	1	1	1	1	1	1	1	1	1	1

Sources: Various town departments.

(1) Because of the merger of the Town and Mountain Village Metropolitan District, the vehicle fleets have been combined for comparison purposes.

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