

*City of Black Hawk, Colorado*

*Comprehensive Annual Financial Report  
For The Year  
Ended December 31, 2008*

*City of Black Hawk, Colorado*

*Comprehensive Annual Financial Report  
For The Year  
Ended December 31, 2008*

*Prepared By*

*Finance Department*

*Dana Wood, Assistant to the City  
Manager For Finance*

INTRODUCTORY  
SECTION

**Black Hawk, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2008**

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BLACK HAWK®

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**Mayor**  
David D. Spellman

**Aldermen**  
Linda Armbright  
Paul G. Bennett  
Diane Cales  
Kathleen Doles  
Tom Kerr  
Greg Moates

**City Attorney**  
Corey Y. Hoffmann

**City Manager**  
Michael Copp

**Assistant to the City Manager  
for Administration**  
Melissa Greiner

**Assistant to the City Manager  
for Finance**  
Dana Wood

**City Clerk**  
Jeanie M. Magno

**Fire Chief**  
Robert Norris

**IT Director**  
Jeffrey L. Young

**Police Chief**  
Stephen N. Cole

**Public Works Director**  
Thomas Isbester

June 15, 2009

To the Honorable Mayor and Members of the City Council,  
Citizens of the City of Black Hawk, Colorado and the Financial Community:

We are pleased to transmit the Comprehensive Annual Financial Report (CAFR) of the City of Black Hawk for the year ended December 31, 2008. This submittal is in accordance with Colorado State Statutes and the City of Black Hawk Charter provisions. This report of the financial condition of the City as of December 31, 2008, and the activity which brought about that condition meets the City Charter requirements as well as provides full financial disclosure in accordance with generally accepted accounting principles (GAAP).

The Finance Department prepared this report in conformance with standards of the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the Government Finance Officers Association (GFOA) and the Colorado State Auditor. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management.

The purpose of the CAFR is to provide citizens, investors, grantor agencies and other interested parties with reliable information concerning the financial condition of the City. The City management believes the data as presented is accurate in all material respects. The data is presented in a manner designed to set forth fairly the financial position and results of City operations as measured by the financial activity of its various funds. Also, all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

State law requires that the financial statements of the City of Black Hawk be audited by independent certified public accountants selected by the City Council. The independent auditing firm of John Cutler & Associates, whose report is included herein, has audited the basic financial statements and related notes.

GAAP require that the City's management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a "*Management's Discussion and Analysis*" (MD&A). This transmittal letter should be read in conjunction with MD&A.

#### REPORTING ENTITY DEFINITION

The financial reporting entity, the City, includes all the funds of the primary government as well as all of its component units. Additional financial information concerning the blended component units may be obtained through the Finance Department of the City of Black Hawk, Colorado.

There is competition for gaming revenues. Currently, limited gaming is authorized in only three cities in the State, our City, Central City and Cripple Creek. Increases in the relative levels of gaming activity in the other two existing gaming towns in the state, the introduction of gaming to any additional Colorado local governments or the limiting of any fees imposed by the City on limited gaming may have a negative impact upon the economy and property values of the City and fees and taxes generated by the City.

## FINANCIAL MANAGEMENT

### *Internal Control Structure*

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is 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, 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.

All accounting records for general governmental operations at the fund level are maintained on a modified accrual basis with the revenues recorded when measurable and available, and expenditures recorded when the services or goods are received and the liabilities incurred.

### *Cash Management*

The City maintains a common checking account and investment pool with separate accounting for each fund. Cash otherwise temporarily idle during the year was invested in money market accounts, the State of Colorado investment pool, debt instruments of federal agencies and government securities.

### *Legislative Development*

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, (often referred to as TABOR) which has several limitations including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

### *Awards and Acknowledgements*

One objective measure of the quality of the City's financial management is the City's receipt of the annual GFOA Certificate of Achievement for Excellence in Financial Reporting. The 2007 Certificate is the 2nd annual award received by the City. We believe that this 2008 CAFR 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.

The preparation of this CAFR would not have been possible without the efficient and dedicated service of the Finance Department. Dana Wood, the Assistant to the City Manager for Finance and her accounting staff are to be especially thanked for preparing this report.

# *City of Black Hawk, Colorado*

## *Elected Officials*

(In Office as of December 31, 2008)

### Mayor and Alderman

#### **David Spellman**

*In office since July 2006*

*Current term expires April 2012*

#### **Diane Cales**

*In office since April 2006*

*Current term expires April  
2010*

#### **Kathleen Doles**

*In office since April 1994*

*Current term expires April  
2010*

#### **Tom Kerr**

*In office since April 1994*

*Current term expires April  
2012*

#### **Greg Moates**

*In office since April 2008*

*Current term expires April  
2012*

#### **Paul Bennett**

*In office since April 2004*

*Current term expires April  
2012*

#### **Linda Armbright**

*In office since April 2006*

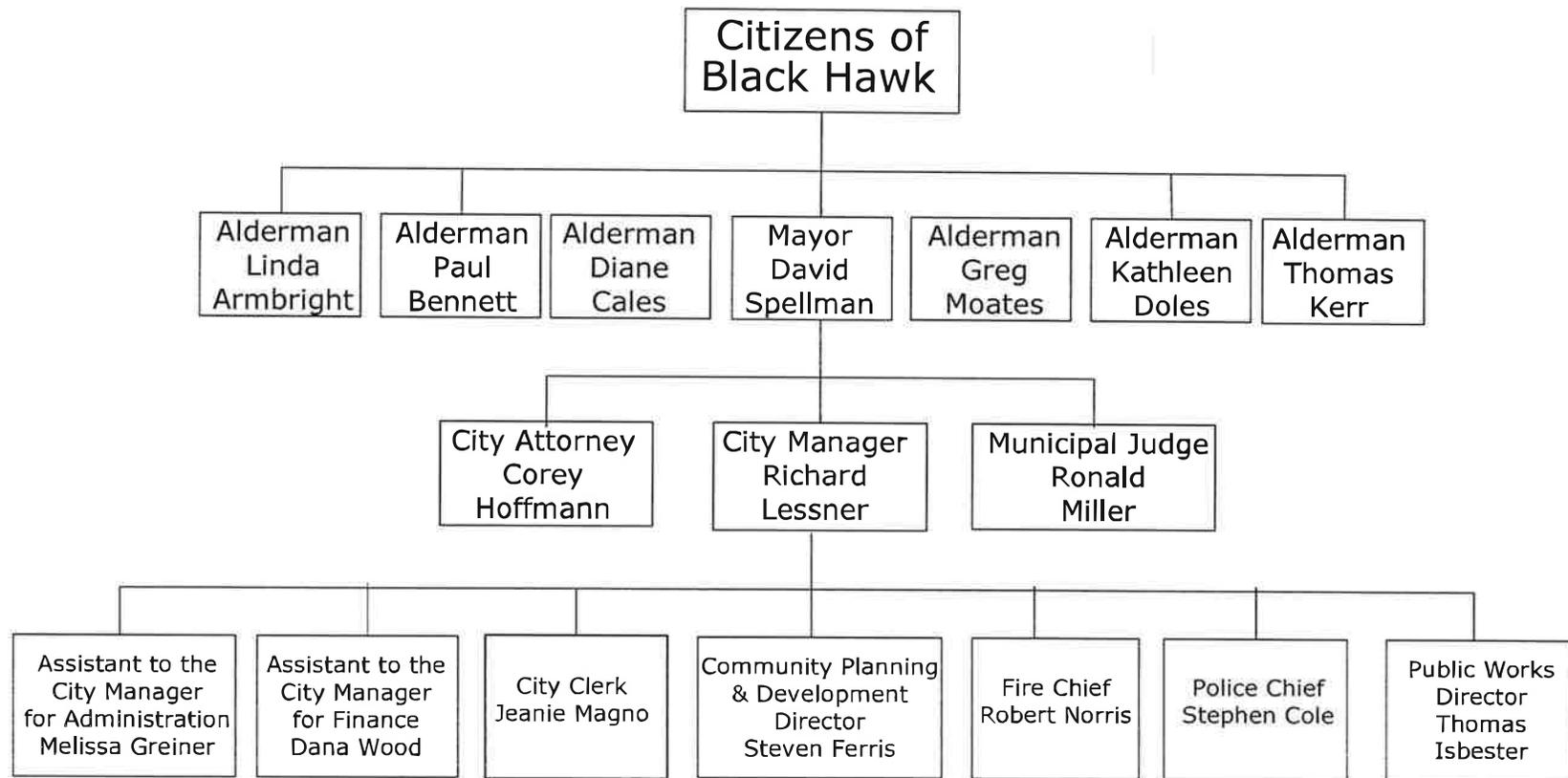
*Current term expires April  
2010*

# *City of Black Hawk, Colorado*

## *Appointed Principal Officials*

*December 31, 2008*

<u>Name</u>	<u>Position</u>
Richard F. Lessner	City Manager (resigned April 1, 2009)
Michael Copp	City Manager (appointed June 15, 2009)
Melissa Greiner	Assistant to the City Manager For Administration
Dana Wood	Assistant to the City Manager For Finance
Jeanie Magno	City Clerk
Robert Norris	Fire Chief
Stephen N. Cole	Police Chief
Steven C. Ferris	Community Planning and Development Director
Thomas Isbester	Public Works Director
Ronald L. Miller	Judge, Municipal Court



As of December 31, 2008

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Black Hawk  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL  
SECTION



**JOHN CUTLER  
& ASSOCIATES**

To the City Council  
City of Black Hawk, Colorado

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of the governmental activities, business-type activities and the aggregate remaining fund information of the City of Black Hawk, Colorado as of and for the year ended December 31, 2008, which collectively comprise the basic financial statements of the District, as listed in the table of contents. These financial statements are the responsibility of City of Black Hawk, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Black Hawk Business Improvement District, which represent 6.9% percent, 9.1% percent, respectively, of the assets, and revenues of the governmental activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Black Hawk Business Improvement District, is based on the report of the other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and the aggregate remaining fund information of the City of Black Hawk, Colorado, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Black Hawk, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*John Cutler & Associates, LLC*

June 11, 2009

MANAGEMENT'S DISCUSSION  
AND ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Black Hawk, Colorado (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the calendar year ended December 31, 2008. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements, schedules and note disclosures following this section.

### Financial Highlights

- The City's assets exceeded its liabilities by \$87,163,301 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$62,395,435 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net assets of \$11,235,375 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net assets of \$13,532,491 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$20,934,860 this year. This compares to the prior year ending fund balance of \$23,004,456 showing a decrease of \$2,069,596 during the current year. Unreserved fund balance of \$13,942,355 at December 31, 2008 shows a \$3,447,969 decrease from the prior year.
- At the end of the current calendar year, unreserved, undesignated fund balance for the general fund was \$7,628,780, or 60.7% of total general fund expenditures.
- Overall, the City continues to maintain a strong financial position, in spite of a less than stable economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

### Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements.

#### *Government-wide Financial Statements*

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*.

Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by gaming taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, planning, public safety, and public works. Business-type activities include the water system.

The government-wide financial statements are presented on pages 17 & 18 of this report.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 19 - 22 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

The *proprietary fund* is reported in the fund financial statements and generally report water service for which the City charges customers a fee. The City's proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 23 - 26 of this report.

### ***Notes to the Basic Financial Statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 27 of this report.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison schedules are included as "required supplementary information" for the general fund and the major special revenue funds. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These schedules demonstrate compliance with the City's adopted and final revised budget. These budget comparison schedules are presented on pages 50 - 54.

**Supplementary Information**

Combining and comparative individual statements and schedules for nonmajor funds are presented as supplementary information in this report beginning on page 55.

**Financial Analysis of the City as a Whole**

The City's net assets at calendar year-end are \$87,163,301. The following table provides a summary of the City's net assets:

**Summary of Net Assets**

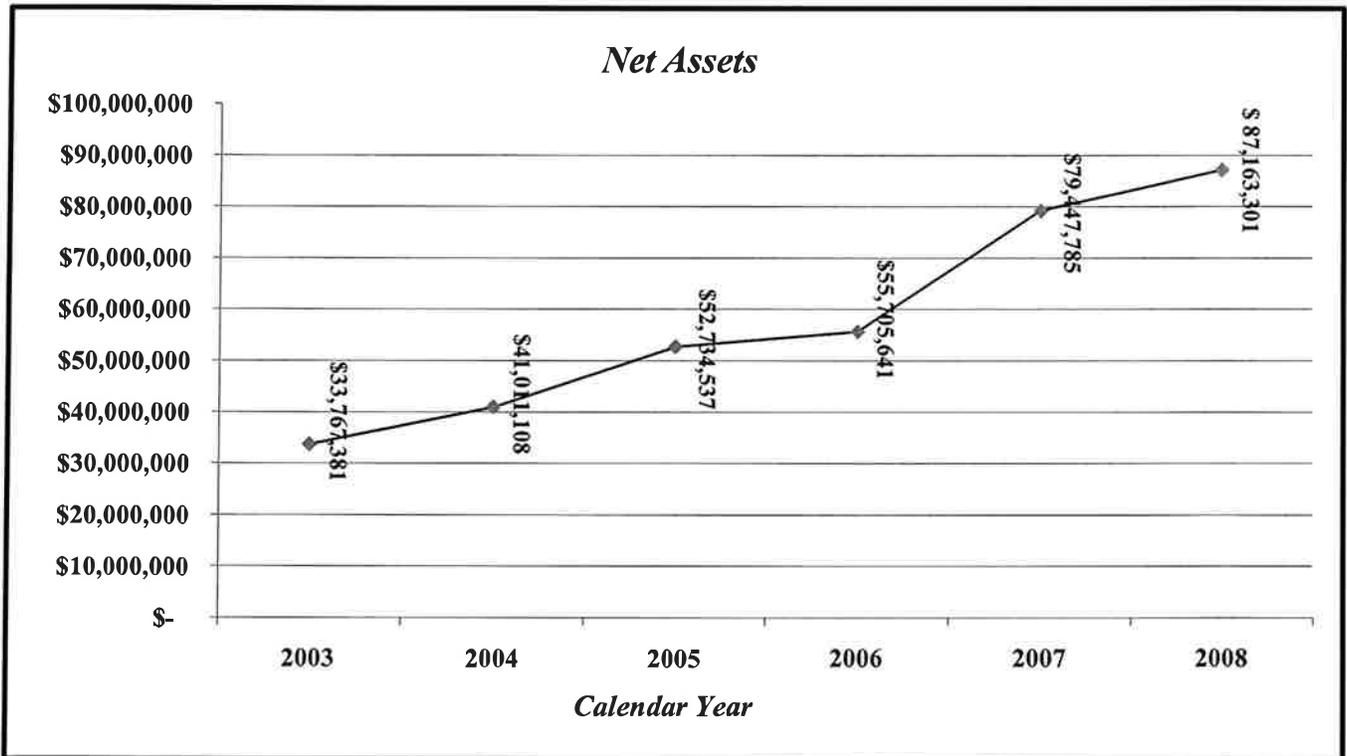
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Assets:</b>						
Current assets	\$ 22,642,160	\$ 24,816,715	\$ 3,985,125	\$ 4,427,939	\$ 26,627,285	\$ 29,244,654
Other assets	1,197,786	435,392	503,667	515,796	1,701,453	951,188
Capital assets	57,019,566	53,551,747	25,373,006	22,790,440	82,392,572	76,342,187
<b>Total assets</b>	<b>80,859,512</b>	<b>78,803,854</b>	<b>29,861,798</b>	<b>27,734,175</b>	<b>110,721,310</b>	<b>106,538,029</b>
<b>Liabilities:</b>						
Current liabilities	3,874,812	4,027,611	2,812,530	2,468,046	6,687,342	6,495,657
Long-term liabilities	4,448,700	6,922,433	12,421,967	13,672,153	16,870,667	20,594,586
<b>Total liabilities</b>	<b>8,323,512</b>	<b>10,950,044</b>	<b>15,234,497</b>	<b>16,140,199</b>	<b>23,558,009</b>	<b>27,090,243</b>
<b>Net assets:</b>						
Invested in capital assets, net of debt	50,752,082	44,818,459	11,643,353	8,291,732	62,395,435	53,110,191
Restricted	9,999,900	8,973,493	1,235,475	1,317,800	11,235,375	10,291,293
Unrestricted	11,784,018	14,061,858	1,748,473	1,984,444	13,532,491	16,046,302
<b>Total net assets</b>	<b>\$ 72,536,000</b>	<b>\$ 67,853,810</b>	<b>\$ 14,627,301</b>	<b>\$ 11,593,976</b>	<b>\$ 87,163,301</b>	<b>\$ 79,447,786</b>

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 5.8 to 1 as compared to a 6.2 to 1 at December 31, 2007. The current ratio for the business type activities at December 31, 2008 is 1.4 to 1. At December 31, 2007, the current ratio was 1.8 to 1. For the City overall, the current ratio is 4 to 1 as compared to 4.5 to 1 at December 31, 2007. These ratios are strong.

The City reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$4,682,190 for governmental activities and increased by \$3,033,325 for business-type activities. The City's overall financial position improved during calendar year 2008.

Note that approximately 70% of the governmental activities' net assets are tied up in capital. This compares to 66.2% at December 31, 2007. The City uses these capital assets to provide services to its citizens. However, with business type activities, the City has spent approximately 79.6% of its net assets on capital as compared to 71.5% at December 31, 2007. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund. 71.6% of the City's total net assets are included in capital assets as compared to 66.8% at December 31, 2007.

The following chart reports the total net asset balances from calendar year 2003 - 2008.



(This page continued on the subsequent page)

The following table provides a summary of the City's changes in net assets:

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program:						
Charges for services	\$ 691,791	\$ 864,381	\$ 1,427,314	\$ 729,783	\$ 2,119,105	\$ 1,594,164
Operating grants	6,230,709	6,554,477	-	-	6,230,709	6,554,477
Capital grants & contributions	50,000	12,070,480	1,276,201	1,110,941	1,326,201	13,181,421
General:						
Taxes	10,888,190	11,880,819	-	-	10,888,190	11,880,819
Intergovernmental	7,172,188	7,530,055	-	-	7,172,188	7,530,055
Other	1,842,447	3,684,244	142,883	83,822	1,985,330	3,768,066
Total revenues	<u>26,875,325</u>	<u>42,584,456</u>	<u>2,846,398</u>	<u>1,924,546</u>	<u>29,721,723</u>	<u>44,509,002</u>
Program Expenses:						
General government	4,349,581	3,578,935	-	-	4,349,581	3,578,935
Planning	368,509	446,144	-	-	368,509	446,144
Public safety	6,396,298	6,245,176	-	-	6,396,298	6,245,176
Public works	7,171,578	5,177,834	-	-	7,171,578	5,177,834
Culture and recreation	10,940	-	-	-	10,940	-
Interest	524,620	618,596	-	-	524,620	618,596
Water	-	-	3,184,682	3,250,519	3,184,682	3,250,519
Total expenses	<u>18,821,526</u>	<u>16,066,685</u>	<u>3,184,682</u>	<u>3,250,519</u>	<u>22,006,208</u>	<u>19,317,204</u>
Excess (deficiency)	8,053,799	26,517,771	(338,284)	(1,325,973)	7,715,515	25,191,798
Transfers	(3,371,609)	(4,628,642)	3,371,609	4,628,642	-	-
Net changes in net assets	4,682,190	21,889,129	3,033,325	3,302,669	7,715,515	25,191,798
Beginning net assets	<u>67,853,810</u>	<u>45,964,681</u>	<u>11,593,976</u>	<u>8,291,307</u>	<u>79,447,786</u>	<u>54,255,988</u>
Ending net assets	<u>\$ 72,536,000</u>	<u>\$ 67,853,810</u>	<u>\$ 14,627,301</u>	<u>\$ 11,593,976</u>	<u>\$ 87,163,301</u>	<u>\$ 79,447,786</u>

**GOVERNMENTAL REVENUES**

Gaming revenues provide the City's largest revenue stream. In 2008, the City recognized \$8,761,539 in device taxes levied on gaming devices located within the City's casinos. This amount compares to \$8,930,631 in 2007, or a decrease of just 1.9%. The City also received \$7,172,188 from the State of Colorado for their share of the state gaming tax. This amount compares to \$7,530,055 in 2007. The 2008 amount is 4.8% below 2007. Finally, the City received \$4,016,425 from the State of Colorado for preservation and restoration. This amount is paid to the City, through the State of Colorado, from casino gaming taxes paid to the State of Colorado. This amount compares to \$4,216,831 in 2007.

In addition, the City relies on sales and use taxes to support governmental operations and capital. Sales and use taxes provided just 5.2% of the City's total governmental revenues as compared to 4% in 2007. The 2008 amount is \$470,155 less than the 2007 amount. This decrease relates to major casino construction in 2007 that was not duplicated in 2008. Because of the City's healthy financial position, we have been able to earn \$522,039 in interest earnings to support governmental activities as compared to \$1,217,219 in 2007. In 2008, program revenues covered just 37% of operating costs. This means that the government's taxpayers and the City's other general governmental revenues (e.g., device taxes) fund 63% of the governmental activities as compared. As a result, the general economy and the City businesses (i.e., primarily casinos) have a major impact on the City's revenue streams.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

72.1% of the total costs relates to public safety and public works. Note that general government reported more program revenues in 2008 than program costs. This revenue includes both preservation and restoration state funding and special assessments.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

**Governmental Activities**

	2008		2007	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 4,349,581	\$ (2,472,639)	\$ 3,578,935	\$ (3,581,026)
Planning	368,509	338,005	446,144	266,849
Public safety	6,396,298	6,363,822	6,245,176	6,200,611
Public works	7,171,578	7,084,278	5,177,834	(6,927,683)
Culture and recreation	10,940	10,940	-	-
Interest	524,620	524,620	618,596	618,596
<b>Total</b>	<b>\$ 18,821,526</b>	<b>\$ 11,849,026</b>	<b>\$ 16,066,685</b>	<b>\$ (3,422,653)</b>

**BUSINESS-TYPE ACTIVITIES**

The City's only enterprise fund is the water fund. The Water Fund's net assets are \$14,627,301 at December 31, 2008 are \$11,593,976 at December 31, 2007 and are \$8,291,307 at December 31, 2006.

The following table compares the water fund's statements of net assets for the last three years:

Summary of Net Assets

	December 31, 2008		December 31, 2007		December 31, 2006	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
<b>Assets:</b>						
Current assets	\$ 3,985,125	13%	\$ 4,427,939	16%	\$ 1,826,445	7%
Other noncurrent assets	503,667	2%	515,796	2%	1,349,509	6%
Capital assets	25,373,006	85%	22,790,440	82%	21,231,807	87%
<b>Total assets</b>	<b>29,861,798</b>	<b>100%</b>	<b>27,734,175</b>	<b>100%</b>	<b>24,407,761</b>	<b>101%</b>
<b>Liabilities:</b>						
Current liabilities	2,812,530	18%	2,468,046	15%	938,325	6%
Noncurrent liabilities	12,421,967	82%	13,672,153	85%	15,178,129	94%
<b>Total liabilities</b>	<b>15,234,497</b>	<b>100%</b>	<b>16,140,199</b>	<b>100%</b>	<b>16,116,454</b>	<b>100%</b>
<b>Net assets:</b>						
Invested in capital assets, net of debt	11,643,353	80%	8,291,732	72%	6,845,299	83%
Restricted	1,235,475	8%	1,317,800	11%	1,295,851	16%
Unrestricted	1,748,473	12%	1,984,444	17%	150,157	1%
<b>Total net assets</b>	<b>\$ 14,627,301</b>	<b>100%</b>	<b>\$ 11,593,976</b>	<b>100%</b>	<b>\$ 8,291,307</b>	<b>100%</b>

(This page continued on the subsequent page)

The following table compares the water fund operations for the last three years:

	Summary of Changes in Net Assets					
	2008		2007		2006	
	Business-type Activities	Percentage of Total	Business-type Activities	Percentage of Total	Business-type Activities	Percentage of Total
<b>Revenues:</b>						
Charges for services:	\$ 1,427,314	50.1%	\$ 729,783	37.9%	\$ 699,648	91.2%
Capital contributions	1,276,201	44.8%	1,110,941	57.7%	27,356	3.6%
Investment earnings	142,859	5.0%	83,822	4.4%	9,071	1.2%
Other	24	0.0%	-	0.0%	30,991	4.0%
<b>Total revenues</b>	<b>2,846,398</b>	<b>100.0%</b>	<b>1,924,546</b>	<b>100.0%</b>	<b>767,066</b>	<b>100.0%</b>
<b>Expenses:</b>						
Personal services	794,635	25.0%	828,625	25.5%	778,535	26.0%
Professional services	353,953	11.1%	253,933	7.8%	252,204	8.4%
General services	296,712	9.3%	335,336	10.3%	174,910	5.8%
Purchased services	8,917	0.3%	6,586	0.2%	12,097	0.4%
Program services	3,496	0.1%	8,906	0.3%	-	0.0%
Supplies	32,368	1.0%	39,810	1.2%	48,382	1.6%
Repairs and maintenance	19,655	0.6%	22,087	0.7%	124,809	4.2%
Capital outlay - non-capitalized	338	0.0%	27,458	0.8%	136,740	4.6%
Depreciation	833,613	26.2%	799,878	24.6%	746,585	24.9%
Amortization	62,879	2.0%	171,403	5.3%	122,879	4.1%
Interest	778,116	24.4%	756,497	23.3%	597,198	19.9%
<b>Total expenses</b>	<b>3,184,682</b>	<b>100.0%</b>	<b>3,250,519</b>	<b>100.0%</b>	<b>2,994,339</b>	<b>100.0%</b>
Excess (deficiency)	(338,284)		(1,325,973)		(2,227,273)	
Transfers	3,371,609		4,628,642		3,104,995	
Net change	3,033,325		3,302,669		877,722	
Beginning net assets	11,593,976		8,291,307		7,413,585	
Ending net assets	\$ 14,627,301		\$ 11,593,976		\$ 8,291,307	

### BUSINESS-TYPE ACTIVITIES

**2008 Analysis** – The charges for services increased \$697,531 or a 95.6% increase over 2007. Total operating expenses increased approximately \$21,068 or .9% over 2007. Personal services decreased \$33,990 or 4.4% due to vacancies in two water plant operator positions. Professional services increased approximately \$100,000 over the 2007 amount, because of legal fees relating to water rights.

In 2008, the operating loss was down 42.5% due primarily to the increase in charges for services. In 2008, the water fund constructed a pre-treatment facility (Vortex) and restored and old water tank by the restoration and preservation fund at a cost of \$1,276,201.

This fund also received the following transfers;

- General fund - \$2.1 million to cover operations and capital
- Debt service fund - \$1.3 million to assist with the debt service payments.

**2007 Analysis** – The charges for services increased approximately \$30,000 or 4.2% over 2006, relating primarily to increased usage. Total operating expenses increased approximately \$48,357, or 2.1% over 2006. Personal services increased approximately \$50,000 or 6.4%. The City had a vacant position for much of 2006, which was filled in 2007, and additional overtime wages, causing most of this increase. General services increased substantially due to additional utility costs and an increase in a variety of other expenses.

In 2007, the operating loss was up 3.2% from 2006. To cover the majority of the operating and total losses, the City transferred in \$3.1 million from the general fund to the water fund

### ***Financial Analysis of the City's Funds***

#### ***Governmental Funds***

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$20,934,860 as compared to \$23,004,456 at December 31, 2007. The majority of this decrease relates to the general fund, or \$2.3 million, restoration and preservation, about \$1 million, the transportation authority, \$1.9 million (see discussion below) and increase of \$2.5 million in the capital projects fund, relating to transfers in from the general fund.

Of this year-end total, \$13,942,355 is unreserved indicating availability for continuing City service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include: \$1,999,894 legally restricted to preservation and restoration, \$4,523,407 restricted to debt service, and \$397,204 set aside for emergencies.

The total ending fund balances of governmental funds show a decrease of \$2,069,596 or 9% from the prior year. This compares to an increase of \$7,431,321 or 47.7% at December 31, 2007.

#### ***Major Governmental Funds***

**General Fund** - The general fund is the City's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance decreased by \$2,276,990 or 22.1%. In calendar year 2007, the fund balance increased \$3,537,528. Of course, the amount of fund balance is contingent upon the amount of transfers to other funds.

Total revenues decreased about \$3.8 million or 18% in 2008 as compared to a 7% increase in 2007. Total taxes decreased approximately \$614,857 or 6%. The sales and use tax was down substantially, or \$470,155. In 2007, sales and use taxes were substantially higher due to major casino construction.

The majority of the City's revenues relates to the gaming industry. As the economy begins a downward plunge, the population has less spendable income, which converts to less gaming activity. From 2007 to 2008, the average number of devices in the City was reduced from 10,036 to 9,816 or 2.2%. There is one less casino at the end of 2008. Finally, in the City's casinos, the amount of money wagered minus the amount paid out in prizes was reduced by approximately 12.5%.

Because of a shrinking economy, device fee revenue decreased \$152,851 or 1.9%, as compared to an 8.2% increase in 2007. As discussed above, sales and use taxes decreased \$470,155. Both building permits and plan review fees were below the 2007 amount, due to less construction. The City's share of the gaming tax on casinos is 10% of the total taxes, split between the three Colorado gaming cities, in proportion to the respective gaming revenue. The amount recognized in 2008 was \$7,172,188 or a 4.8% reduction from 2007.

Investment earnings were down approximately \$490,000 from 2007 due to less money to invest and lower interest rates. In 2007, miscellaneous revenue includes \$2.2 million relating to the recovery of an eminent domain settlement paid in 2006.

Most other revenue streams were consistent with that of 2007.

Expenditures in total increased \$769,777 or 6.5%. Professional services expenditures in the City's manager's office increased by \$581,749, primarily related to:

- Legal fees (\$107,000)
- Marketing (\$450,000 for funding of the Black Hawk/Central City Convention Bureau)

Management information systems' expenditures increased approximately \$50,000 due to the hiring of a full-time management information systems' director. Finance department expenditures decreased \$40,951, \$18,049 in personal cost savings and approximately \$10,000 relating to professional services, primarily the audit fee and consulting services.

Planning expenditures were down approximately \$70,000, primarily related to reductions in professional services (i.e., consultants). Police expenditures were just approximately \$10,000 over the 2007 amount. Professional services increased \$11,583 and supply costs decreased \$16,553. Expenditures for fire services increased \$138,014 or 5.8% over the 2007 amount. Most of the increased costs relates to supplies relating to the firehouse kitchen renovation.

In total, the expenditures for the public works function increased \$228,322. The majority of this increase relates to general services. This increase relates to the resurfacing of Main Street.

The general fund transferred \$2,118,897 to the water fund for capital projects, \$2,632,103 to the capital projects for capital projects and \$3,157,222 to the debt service fund to retire debt.

After transfers out to other funds, the fund balance decrease approximately \$2.3 million over 2007. The ending unreserved fund balance is considered very adequate, representing the equivalent of 60.7% of annual expenditures.

**Preservation and Restoration Fund** – During 2008, the City awarded preservation and restoration grants to City property owners totaling \$451,511, as compared to \$438,332 in 2007. The City expended approximately \$4.2 million on City owned preservation projects as compared to \$924,313 in 2007. The City received preservation and restoration funding from the state totaling approximately \$4 million as compared to \$4.2 million in 2007. Also during 2008, the City built a foundation and a rock wall to provide a new site for the "Lace House." This house is a historical house the City owns and it was relocated from land owned by a casino. The total costs, including the relocation of the house were approximately \$976,000. This cost will be reimbursed by the Horseshoe Casino, LLC over the next five years, with interest at 5%. At December 31, 2008, the fund balance was a little over \$2 million.

**Transportation Authority Fund** – This fund received device fees of \$755,856 and charges for transportation services totaling \$582,326. This fund also received grant funds to assist with the construction of a bus barn. In 2008, the City expended over \$1 million towards the bus barn.

In 2008, the bus barn was completed at a total cost of \$3,228,794. \$984,000 was spent in 2007 and the remaining \$2,244,000 was spent in 2008. The general fund financed \$1,706,130 of these costs, which is being repaid over 10 years. This fund repaid \$281,813 in 2008 and an amortization schedule for principal was developed, resulting in the remaining balance being repaid over the next nine years.

At December 31, 2008, this fund reported a fund balance deficit of \$1,751,855. However, because of federal grants and estimated excess revenues in this fund, the deficit will be eliminated over the next nine years.

**Business Improvement District Fund** – This fund reported property tax revenue of approximately \$457 thousand and special assessment revenue of approximately \$1.8 million. During 2008, this fund retired both general obligation bonds and special assessment bonds totaling \$2,170,000. At December 31, 2008, this fund reported a fund balance of \$1,324,719.

**Capital Projects Fund** – This fund reported investment earnings of \$100,822 and transfers in totaling \$2,632,103. The fund only spent \$254,386 on capital outlay, resulting in a year-end fund balance of \$4,363,066.

**Impact Fees Fund** – In 2008, there were no impact fees recognized as revenue. The fund spent \$416,719 on various capital projects including the renovation of the kitchen in the fire department. At year-end, the December 31, 2008 fund balance was \$2,896,786.

### **Budgetary Highlights**

**The General Fund** – The general fund's budget was amended during 2008. Note that the budget is adopted on a non-GAAP budgetary basis, which means that capital assets acquired through capital leases are not reflected with the general fund's budget.

Because of the shrinking economy, the City amended the revenue budget downward \$517,542. The majority of this reduction relates to lesser than anticipated sales and use taxes and device fees.

The City recognized \$70,114 over the revenue budget for the year ended December 31, 2008. Ultimately, both sales and use taxes and device fees exceeded the amended budget by \$282,434. Services billed were \$144,596 below budget as well as miscellaneous that was \$215,810, short of the final budget.

On the expenditure side, the budget was amended downward by \$584,389. The mayor and council budget was amended downward by \$583,291. In the original budget, all salary increases are budgeted within this function. These budgeted personal costs were transferred to personal costs in other functions in the amended budget. The police department's personal costs original budget was amended downward, due to a council directed staff reduction.

The total general government function was under spent by \$193,772. The under spending of \$90,401 relates primarily to the discretionary fund in the mayor and council's budget. Finance costs were \$49,208 below budget.

The total planning budget was under spent by \$165,640 or 30.6%. This under spending relates exclusively to professional services.

The police department over spent their personal costs amended budget by \$66,798. This overage relates to overtime wages.

The public works budget was under spent by approximately \$3.7 million. Most of this overage relates to budgeted capital projects that were not undertaken. In addition, professional services were below budget by \$121,299, due to less architectural and engineering fees.

The City spent just 75.6% of the appropriated final budget.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2008, was \$57,019,566 and \$25,373,006 respectively. The total increase in this net investment was 6.5% for governmental activities and a 20% increase for business-type activities. The overall increase was 10.3% for the City as a whole. See Note 3-D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

	Capital Assets					
	Governmental Activities		Business Activities		Total	
	2008	2007	2008	2007	2008	2007
Non-depreciable assets:						
Land	\$ 14,893,857	\$ 12,736,164	\$ 230,786	\$ -	\$ 15,124,643	\$ 12,736,164
Works of art and historical treasures	1,087,309	1,082,141	-	-	1,087,309	1,082,141
Water rights	-	-	3,474,347	1,243,180	3,474,347	1,243,180
Construction in progress	1,001,691	3,647,618	1,902,595	621,826	2,904,286	4,269,444
Total non-depreciable	<u>16,982,857</u>	<u>17,465,923</u>	<u>5,607,728</u>	<u>1,865,006</u>	<u>22,590,585</u>	<u>19,330,929</u>
Depreciable assets:						
Buildings and improvements	19,460,319	16,132,989	-	-	19,460,319	16,132,989
Plant and equipment	-	-	21,571,473	20,295,269	21,571,473	20,295,269
Distribution system	-	-	5,849,886	5,849,886	5,849,886	5,849,886
Vehicles and equipment	4,677,243	4,559,155	341,235	342,640	5,018,478	4,901,795
Infrastructure	30,488,584	28,075,731	-	-	30,488,584	28,075,731
Total depreciable assets	<u>54,626,146</u>	<u>48,767,875</u>	<u>27,762,594</u>	<u>26,487,795</u>	<u>82,388,740</u>	<u>75,255,670</u>
Less accumulated depreciation	<u>14,589,437</u>	<u>12,682,050</u>	<u>7,997,316</u>	<u>7,211,773</u>	<u>22,586,753</u>	<u>19,893,823</u>
Book value - depreciable assets	<u>40,036,709</u>	<u>36,085,825</u>	<u>19,765,278</u>	<u>19,276,022</u>	<u>59,801,987</u>	<u>55,361,847</u>
Percentage depreciated	<u>27%</u>	<u>26%</u>	<u>29%</u>	<u>27%</u>	<u>27%</u>	<u>26%</u>
Book value - all assets	<u>\$ 57,019,566</u>	<u>\$ 53,551,748</u>	<u>\$ 25,373,006</u>	<u>\$ 21,141,028</u>	<u>\$ 82,392,572</u>	<u>\$ 74,692,776</u>

At December 31, 2008, the depreciable capital assets for governmental activities were 27% depreciated. This compares slightly above the December 31, 2007 percentage. This comparison indicates that the City is replacing its assets at almost the same rate as they are depreciating which is a positive indicator.

With the City's business type activities, only 29% of the asset values were depreciated at December 31, 2008 compared to 27% at December 31, 2007.

The increase in the land costs for governmental activities relates to the land acquired and ultimately traded with the Bureau of Land Management for a parcel of land located within the City. The major additions to the governmental activities buildings and improvements classification relates to:

- Bus barn (\$3,228,794)
- Fire station kitchen remodeling (\$98,537)

The major additions to the infrastructure account related to the following:

- Miners Mesa rockwall mitigation (\$220,017)
- The rockwalls and foundation for the above referenced Lace House (\$944,701)
- Rockwalls and stairs for High Street reconstruction (\$872,724)
- A sewer line for High/Church streets (\$183,558)
- Historical street lights and underground wiring for High street (\$191,853)

In the water fund, most of the water rights increase relates to water storage in the Georgetown Lake. The increase to the plant and equipment relates to the water tank restored by the preservation and restoration fund.

**Long-term Debt**

During the year, the City retired \$2,485,876 of governmental activities outstanding bonds and leases. The business-type activities retired \$712,000 of outstanding bonds, excluding the bond refunding.

During 2008, the City refunded the 1997 General Obligation Refunding Bonds totaling \$2,170,000. This resulted in an economic gain of \$55,513.

The following table presents the outstanding debt at December 31, 2008 and 2007.

	<b>Outstanding Borrowings</b>						<b>% Change</b>
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>		
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	
Capital leases	\$ 180,434	\$ 403,310	\$ -	\$ -	\$ 180,434	\$ 403,310	-55%
Device fee revenue bonds	1,935,250	2,028,250	14,179,750	14,986,750	16,115,000	17,015,000	-5%
General obligation bonds	1,125,000	1,425,000	-	2,170,000	1,125,000	3,595,000	-69%
Special assessment bonds	3,005,000	4,965,000	-	-	3,005,000	4,965,000	-39%
Compensated absences	423,964	373,025	-	-	423,964	373,025	14%
<b>Total</b>	<b>\$ 6,669,648</b>	<b>\$9,194,585</b>	<b>\$14,179,750</b>	<b>\$17,156,750</b>	<b>\$ 20,849,398</b>	<b>\$ 26,351,335</b>	<b>-21%</b>

See Note 3-F for additional information about the City's long-term debt.

**Economic Conditions Affecting the City**

The City was incorporated in 1864 and is located in central Colorado in Gilpin County, approximately 35 miles west of the City of Denver. The City has a population of only approximately 100. However in 1990, the City became one of three Colorado cities in which limited gaming is permitted. As a result, the City must provide most of its services to a much higher population base due to gaming. The City receives almost all of its revenue from gaming related sources.

The level of gaming activity with the City can be affected by the amount of disposal income and entertainment expenditures of individuals participating in gaming activities. The number of gaming devices operated within the City is subject to:

- The availability of space within a constitutionally defined area in which limited gaming is legal
- The continued availability of monies to finance the capital investment necessary to acquire, improve, construct or equip gaming establishments
- The continued profitability of operating gaming establishments after the payment of winnings of players, all applicable licenses, taxes and fees and capital and operation expenses.

The City monitors the gaming community very thoroughly to insure a stable revenue base.

**Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City Manager at the City, Post Office 68, Black Hawk, Colorado, 80432.

BASIC FINANCIAL  
STATEMENTS

**City of Black Hawk, Colorado**  
**Statement of Net Assets**  
**December 31, 2008**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents (Note 3A)	\$ 19,997,139	\$ 2,629,978	\$ 22,627,117
Receivables:			
Accounts	232,897	118,341	351,238
Property taxes	454,392	-	454,392
Other taxes	846,714	-	846,714
Notes (Note 1-E-2)	150,036	-	150,036
Inventory	115,659	-	115,659
Prepaid items	22,000	1,331	23,331
Restricted assets	823,323	1,235,475	2,058,798
<b>Total Current Assets</b>	<b>22,642,160</b>	<b>3,985,125</b>	<b>26,627,285</b>
<b>Noncurrent Assets</b>			
Notes receivable (Note 1-E-2)	826,072	-	826,072
Deferred charges	321,714	503,667	825,381
Escrow deposit	50,000	-	50,000
Capital assets (Note 3D)			
Nondepreciable	16,982,857	5,607,728	22,590,585
Depreciable, net	40,036,709	19,765,278	59,801,987
<b>Total Noncurrent Assets</b>	<b>58,217,352</b>	<b>25,876,673</b>	<b>84,094,025</b>
<b>Total Assets</b>	<b>80,859,512</b>	<b>29,861,798</b>	<b>110,721,310</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	312,357	1,387,909	1,700,266
Accrued expenses	344,404	18,123	362,527
Retainage payable	72,857	12,494	85,351
Accrued interest payable	24,800	56,783	81,583
Unearned revenue	452,491	-	452,491
Deposits payable	425,155	-	425,155
Compensated absences payable	254,378	17,721	272,099
Capital leases payable	107,870	-	107,870
General obligation bonds payable	220,000	-	220,000
Special assessment bonds payable	1,475,000	-	1,475,000
Revenue bonds payable	185,500	1,319,500	1,505,000
<b>Total Current Liabilities</b>	<b>3,874,812</b>	<b>2,812,530</b>	<b>6,687,342</b>
<b>Long-Term Liabilities (net of current portion): (Note 3F)</b>			
Compensated absences payable	169,586	11,814	181,400
Capital leases payable	72,564	-	72,564
General obligation bonds payable	946,879	-	946,879
Special assessment bonds payable	1,530,000	-	1,530,000
Revenue bonds payable	1,729,671	12,410,153	14,139,824
<b>Total Long-term Liabilities</b>	<b>4,448,700</b>	<b>12,421,967</b>	<b>16,870,667</b>
<b>Total Liabilities</b>	<b>8,323,512</b>	<b>15,234,497</b>	<b>23,558,009</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt (Note 3H)	50,752,082	11,643,353	62,395,435
Restricted for:			
Capital projects	2,896,786	-	2,896,786
Debt service	4,523,407	1,235,475	5,758,882
Preservation and restoration	2,049,894	-	2,049,894
Emergencies (Note 2D)	397,204	-	397,204
Other program purposes	132,609	-	132,609
Unrestricted	11,784,018	1,748,473	13,532,491
<b>Total Net Assets</b>	<b>\$ 72,536,000</b>	<b>\$ 14,627,301</b>	<b>\$ 87,163,301</b>

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado  
Statement of Activities  
For the Year Ended December 31, 2008

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 4,349,581	\$ 601,366	\$ 6,220,854	\$ -	\$ 2,472,639	\$ -	\$ 2,472,639
Planning	368,509	30,504	-	-	(338,005)	-	(338,005)
Public safety	6,396,298	32,476	-	-	(6,363,822)	-	(6,363,822)
Public works	7,171,578	27,445	9,855	50,000	(7,084,278)	-	(7,084,278)
Culture and recreation	10,940	-	-	-	(10,940)	-	(10,940)
Interest	524,620	-	-	-	(524,620)	-	(524,620)
<b>Total Governmental Activities</b>	<b>18,821,526</b>	<b>691,791</b>	<b>6,230,709</b>	<b>50,000</b>	<b>(11,849,026)</b>	<b>-</b>	<b>(11,849,026)</b>
<b>Business-Type Activities:</b>							
Water	3,184,682	1,427,314	-	1,276,201	-	(481,167)	(481,167)
<b>Total - Primary Government</b>	<b>\$ 22,006,208</b>	<b>\$ 2,119,105</b>	<b>\$ 6,230,709</b>	<b>\$ 1,326,201</b>	<b>(11,849,026)</b>	<b>(481,167)</b>	<b>(12,330,193)</b>
		<b>General Revenues</b>					
		Property and specific ownership taxes			467,385	-	467,385
		Sales and use taxes			1,400,903	-	1,400,903
		Road and bridge taxes			90,055	-	90,055
		Device fee taxes			8,761,539	-	8,761,539
		Franchise taxes			152,460	-	152,460
		Other taxes			15,848	-	15,848
		Intergovernmental - gaming			7,172,188	-	7,172,188
		Investment earnings			522,039	142,859	664,898
		Miscellaneous			1,320,408	24	1,320,432
		<b>Total General Revenues</b>			<b>19,902,825</b>	<b>142,883</b>	<b>20,045,708</b>
		<b>Transfers</b>			<b>(3,371,609)</b>	<b>3,371,609</b>	<b>-</b>
		<b>Change in Net Assets</b>			<b>4,682,190</b>	<b>3,033,325</b>	<b>7,715,515</b>
		<b>Net Assets Beginning of Year</b>			<b>67,853,810</b>	<b>11,593,976</b>	<b>79,447,786</b>
		<b>Net Assets End of Year</b>			<b>\$ 72,536,000</b>	<b>\$ 14,627,301</b>	<b>\$ 87,163,301</b>

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado  
 Balance Sheet  
 Governmental Funds  
 December 31, 2008

	General	Preservation & Restoration	Transportation Authority	Business Improvement District	Capital Projects	Impact Fee	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 5,904,463	\$ 2,305,271	\$ -	\$ 696,812	\$ 4,363,066	\$ 2,896,786	\$ 3,830,741	\$ 19,997,139
Cash and cash equivalents - restricted	-	-	-	629,798	-	-	193,525	823,323
Receivables:								
Accounts	43,746	9,691	179,460	-	-	-	-	232,897
Property taxes	10,000	-	-	444,392	-	-	-	454,392
Other taxes	846,714	-	-	-	-	-	-	846,714
Notes	-	976,108	-	-	-	-	-	976,108
Interfund notes	1,424,317	-	-	-	-	-	-	1,424,317
Interfund	493,224	-	-	-	-	-	-	493,224
Escrow deposit	-	50,000	-	-	-	-	-	50,000
Inventory	72,746	-	42,913	-	-	-	-	115,659
Prepaid items	22,000	-	-	-	-	-	-	22,000
<b>Total Assets</b>	<b>\$ 8,817,210</b>	<b>\$ 3,341,070</b>	<b>\$ 222,373</b>	<b>\$ 1,771,002</b>	<b>\$ 4,363,066</b>	<b>\$ 2,896,786</b>	<b>\$ 4,024,266</b>	<b>\$ 25,435,773</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 159,294	\$ 91,493	\$ 56,687	\$ 4,883	\$ -	\$ -	\$ -	\$ 312,357
Grant tax payable	-	150,718	-	-	-	-	-	150,718
Retainage payable	-	72,857	-	-	-	-	-	72,857
Accrued expenditures	193,686	-	-	-	-	-	-	193,686
Interfund notes payable	-	-	1,424,317	-	-	-	-	1,424,317
Interfund payable	-	-	493,224	-	-	-	-	493,224
Deposits payable	425,155	-	-	-	-	-	-	425,155
Deferred revenue	11,091	976,108	-	441,400	-	-	-	1,428,599
<b>Total Liabilities</b>	<b>789,226</b>	<b>1,291,176</b>	<b>1,974,228</b>	<b>446,283</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,500,913</b>
<b>Fund Balances</b>								
Reserved for:								
Emergencies	377,204	-	-	20,000	-	-	-	397,204
Debt service	-	-	-	631,750	-	-	3,891,657	4,523,407
Preservation and restoration	-	1,999,894	-	-	-	-	-	1,999,894
Escrow deposits	-	50,000	-	-	-	-	-	50,000
Prepaid items	22,000	-	-	-	-	-	-	22,000
Unreserved:								
Undesignated, reported in:								
General fund	7,628,780	-	-	-	-	-	-	7,628,780
Special revenue funds	-	-	(1,751,855)	672,969	-	-	-	(1,078,886)
Capital projects funds	-	-	-	-	4,363,066	2,896,786	132,609	7,392,461
<b>Total Fund Balances</b>	<b>8,027,984</b>	<b>2,049,894</b>	<b>(1,751,855)</b>	<b>1,324,719</b>	<b>4,363,066</b>	<b>2,896,786</b>	<b>4,024,266</b>	<b>20,934,860</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,817,210</b>	<b>\$ 3,341,070</b>	<b>\$ 222,373</b>	<b>\$ 1,771,002</b>	<b>\$ 4,363,066</b>	<b>\$ 2,896,786</b>	<b>\$ 4,024,266</b>	<b>\$ 25,435,773</b>

See accompanying notes to the basic financial statements

**City of Black Hawk, Colorado**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Government-Wide Statement of Net Assets**  
**December 31, 2008**

<b>Total Governmental Fund Balances</b>	<b>\$</b>	<b>20,934,860</b>
 <b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
 Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		
Cost of capital assets	\$ 71,609,003	
Less accumulated depreciation	(14,589,437)	57,019,566
 Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net assets.		
Interfund receivables	\$ (1,917,541)	
Interfund payables	1,917,541	-
 Long-term notes receivable are not available to pay current period expenditures and therefore are deferred in the funds.		
		976,108
 Bond premiums, discounts, refundings and issuance costs are reported as other financing sources and uses and expenditures in the governmental fund financial statements but capitalized on the government-wide statement of net assets.		
Bond issuance costs	\$ 321,714	
Premiums, discounts and refundings	68,200	389,914
 Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net assets.		
Revenue bonds	\$ (1,935,250)	
General obligation bonds	(1,215,000)	
Special assessment bonds	(3,005,000)	
Capital leases	(180,434)	
Accrued interest	(24,800)	
Compensated absences	(423,964)	(6,784,448)
 <b>Net Assets of Governmental Activities</b>	 <b>\$</b>	 <b>72,536,000</b>

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 31, 2008

	General	Preservation & Restoration	Transportation Authority	Business Improvement District	Capital Projects	Impact Fee	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>								
Taxes	\$ 9,666,320	\$ -	\$ 755,856	\$ 456,851	\$ -	\$ -	\$ -	\$ 10,879,027
Special assessments	-	-	-	1,840,892	-	-	-	1,840,892
Intergovernmental	7,191,206	4,016,425	362,431	-	-	-	1,106	11,571,168
Licenses and permits	37,685	-	-	-	-	-	-	37,685
Charges for services	38,804	-	582,326	-	-	-	500	621,630
Fines and forfeitures	32,476	-	-	-	-	-	-	32,476
Investment earnings	159,710	72,810	2,946	56,544	100,822	92,091	37,116	522,039
Miscellaneous	343,396	-	-	-	-	-	900	344,296
<b>Total Revenues</b>	<u>17,469,597</u>	<u>4,089,235</u>	<u>1,703,559</u>	<u>2,354,287</u>	<u>100,822</u>	<u>92,091</u>	<u>39,622</u>	<u>25,849,213</u>
<b>Expenditures</b>								
<b>Current:</b>								
General government	2,879,983	451,511	-	604,320	-	-	-	3,935,814
Planning	376,483	-	-	-	-	-	-	376,483
Public safety	6,199,634	-	-	-	-	-	-	6,199,634
Public works	2,879,265	-	1,127,665	-	-	-	510	4,007,440
Culture and recreation	-	-	-	-	-	-	10,940	10,940
<b>Capital Outlay</b>	-	4,209,426	2,254,939	-	254,386	416,719	-	7,135,470
<b>Debt Service:</b>								
Principal retirement	222,876	-	-	2,170,000	-	-	93,000	2,485,876
Interest and fiscal charges	15,225	-	-	285,530	-	-	94,788	395,543
<b>Total Expenditures</b>	<u>12,573,466</u>	<u>4,660,937</u>	<u>3,382,604</u>	<u>3,059,850</u>	<u>254,386</u>	<u>416,719</u>	<u>199,238</u>	<u>24,547,200</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>4,896,131</u>	<u>(571,702)</u>	<u>(1,679,045)</u>	<u>(705,563)</u>	<u>(153,564)</u>	<u>(324,628)</u>	<u>(159,616)</u>	<u>1,302,013</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	735,101	-	-	-	2,632,103	-	3,157,222	6,524,426
Transfers out	(7,908,222)	(497,000)	(238,101)	-	-	-	(1,252,712)	(9,896,035)
<b>Total Other Financing Sources (Uses)</b>	<u>(7,173,121)</u>	<u>(497,000)</u>	<u>(238,101)</u>	<u>-</u>	<u>2,632,103</u>	<u>-</u>	<u>1,904,510</u>	<u>(3,371,609)</u>
<b>Net Change in Fund Balances</b>	<u>(2,276,990)</u>	<u>(1,068,702)</u>	<u>(1,917,146)</u>	<u>(705,563)</u>	<u>2,478,539</u>	<u>(324,628)</u>	<u>1,744,894</u>	<u>(2,069,596)</u>
<b>Fund Balances Beginning of Year</b>	<u>10,304,974</u>	<u>3,118,596</u>	<u>165,291</u>	<u>2,030,282</u>	<u>1,884,527</u>	<u>3,221,414</u>	<u>2,279,372</u>	<u>23,004,456</u>
<b>Fund Balances End of Year</b>	<u>\$ 8,027,984</u>	<u>\$ 2,049,894</u>	<u>\$ (1,751,855)</u>	<u>\$ 1,324,719</u>	<u>\$ 4,363,066</u>	<u>\$ 2,896,786</u>	<u>\$ 4,024,266</u>	<u>\$ 20,934,860</u>

See accompanying notes to the basic financial statements

**City of Black Hawk, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Government-wide Statement of Activities**  
**For the Year Ended December 31, 2008**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		<b>\$ (2,069,596)</b>
 <b>Amounts reported for governmental activities in the statement of activities are different because</b>		
 Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	\$ (1,966,745)	
Capital outlay	<u>5,532,813</u>	3,566,068
 To write off the book value of capitalized construction in progress amounts on projects discontinued in 2008.		
		(148,250)
 Capital asset received in a trade for a capital asset with no book value.		
		50,000
 Revenue from the long-term notes receivable reported in the government-wide statement of activities does not provide current financial resources and are not reported as revenues in the governmental fund operating statement.		
		976,108
 Accrued interest is reported in the statement of activities, but does not require the use of financial resources and therefore are not reported as reported as expenditures in governmental funds.		
Liability @ 12/31/08	\$ (24,800)	
Liability @ 12/31/07	<u>29,473</u>	4,673
 Deferred bond issue related costs are reported in the governmental fund's operating statement because these transactions require the use of current financial resources but are not capitalized on the government-wide statement of net assets.		
		(133,750)
 Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		2,485,876
 Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/08	\$ (423,964)	
Liability @ 12/31/07	<u>375,025</u>	<u>(48,939)</u>
 <b>Change In Net Assets of Governmental Activities</b>		 <b><u>\$ 4,682,190</u></b>

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado  
*Water Fund*  
**Statement of Net Assets**  
*December 31, 2008*

<b>Assets</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 2,629,978
Accounts receivable	118,341
Prepaid items	1,331
Restricted assets:	
Cash and cash equivalents	<u>1,235,475</u>
<b>Total Current Assets</b>	<u>3,985,125</u>
<b>Noncurrent Assets:</b>	
Deferred charges	503,667
Capital assets:	
Nondepreciable	5,607,728
Depreciable, net	<u>19,765,278</u>
<b>Total Noncurrent Assets</b>	<u>25,876,673</u>
<b>Total Assets</b>	<u>29,861,798</u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts payable	1,387,909
Retainage payable	12,494
Accrued expenses	18,123
Compensated absences payable	<u>17,721</u>
<b>Total Current Liabilities</b>	<u>1,436,247</u>
<b>Current Liabilities Payable from Restricted Assets:</b>	
Revenue bonds payable	1,319,500
Accrued interest payable	<u>56,783</u>
<b>Total Current Liabilities Payable from Restricted Assets</b>	<u>1,376,283</u>
<b>Total Current Liabilities</b>	<u>2,812,530</u>
<b>Long-Term Liabilities (net of current portion):</b>	
Compensated absences payable	11,814
Revenue bonds payable	<u>12,410,153</u>
<b>Total Long-Term Liabilities</b>	<u>12,421,967</u>
<b>Total Liabilities</b>	<u>15,234,497</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	11,643,353
Restricted for revenue bonds	1,235,475
Unrestricted	<u>1,748,473</u>
<b>Total Net Assets</b>	<u>\$ 14,627,301</u>

See accompanying notes to the basic financial statements

**City of Black Hawk, Colorado**  
**Water Fund**  
**Statement of Revenues, Expenses**  
**and Changes in Fund Net Assets**  
**For the Year Ended December 31, 2008**

<hr/> <hr/>	
<b>Operating Revenues</b>	
Charges for services	\$ 1,427,314
Miscellaneous	24
	<hr/>
<b>Total Operating Revenues</b>	<b>1,427,338</b>
<b>Operating Expenses</b>	
Personal services	794,635
Professional services	353,953
General services	296,712
Program services	3,496
Purchased services	8,917
Supplies	32,368
Repairs and maintenance	19,655
Capital outlay - non-capitalized	338
Depreciation	833,613
	<hr/>
<b>Total Operating Expenses</b>	<b>2,343,687</b>
<b>Operating (Loss)</b>	<b>(916,349)</b>
<b>Non-Operating Revenues (Expenses)</b>	
Interest and fiscal charges	(778,116)
Investment earnings	142,859
Amortization	(62,879)
	<hr/>
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(698,136)</b>
<b>(Loss) Before Capital Contributions and Transfers In</b>	<b>(1,614,485)</b>
Capital contributions	1,276,201
Transfers in	3,371,609
	<hr/>
<b>Change in Net Assets</b>	<b>3,033,325</b>
<b>Net Assets Beginning of Year</b>	<b>11,593,976</b>
	<hr/>
<b>Net Assets End of Year</b>	<b>\$ 14,627,301</b>
	<hr/> <hr/>

See accompanying notes to the basic financial statements

**City of Black Hawk, Colorado**  
**Water Fund**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2008**

<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 1,365,307
Cash payments for personal services	(786,514)
Cash payments for goods and services	<u>(854,620)</u>
<b>Net Cash (Used in) Operating Activities</b>	<u>(275,827)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers in	<u>3,371,609</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Principal paid on bonds	(712,000)
Interest paid on bonds	(785,034)
Payments for capital acquisitions	<u>(2,247,783)</u>
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(3,744,817)</u>
<b>Cash Flows from Investing Activities</b>	
Investment earnings	<u>142,859</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(506,176)
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>4,371,629</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 3,865,453</u></u>
<b>Reconciliation to Cash and Cash Equivalents:</b>	
Unrestricted	\$ 2,629,978
Restricted	<u>1,235,475</u>
<b>Total Cash and Cash Equivalents</b>	<u><u>\$ 3,865,453</u></u>

City of Black Hawk, Colorado  
*Water Fund*  
*Statement of Cash Flows*  
*For the Year Ended December 31, 2008*

(Continued)

**Reconciliation of Operating (Loss) to Net Cash  
(Used in) Operating Activities**

<b>Operating (Loss)</b>	\$	(916,349)
<b>Adjustments:</b>		
Depreciation		833,613
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable		(62,031)
Prepaid items		(1,331)
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable		(150,344)
Retainage payable		12,494
Accrued expenses		4,142
Compensated absences payable		3,979
		(275,827)
<b>Net Cash (Used in) Operating Activities</b>	<b>\$</b>	<b>(275,827)</b>

**Noncash Capital Activities:**

Capital asset acquisitions included in accounts payable and retainage payable at December 31	\$	1,363,220
Capital assets contributed		1,276,201
Issuance of refunding debt including premium		2,094,222
Repayment of refunded debt		(2,170,000)
Bond issuance costs and refunding differences		(131,451)

See accompanying notes to the basic financial statements

NOTES TO THE  
BASIC FINANCIAL STATEMENTS

**City of Black Hawk, Colorado**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

The City of Black Hawk, Colorado (the "City") became a home rule city January 16, 2001, as authorized by Article 20 of the Colorado State Constitution. Prior to that date, the City functioned as a territorial charter city. A City Aldermen/Manager form of government governs the City with a Mayor and Board of Aldermen. The City aldermen appoint the City manager. The City provides the following services: public safety, street maintenance, public improvements, culture-recreation, planning and zoning, water services and general administration.

**Note 1 - Summary of Significant Accounting Policies**

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the City's accounting policies are described below.

**1-A. Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City, this entity includes the legal entity of the City and two blended component units.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

Brief descriptions of the blended component units follow:

**Black Hawk Business Improvement District** (the District) – The District was created by ordinance passed by the City's Board of Alderman on July 26, 1995. The purpose of the District is to construct public improvements for gaming and commercial interests within the City. A board of directors, appointed by the City's Board of Alderman, governs the District. The District issues a separate financial report which is available at the offices of L. Paul Goedecke, P.C., 950 Wadsworth Boulevard, Suite 204, Lakewood, Colorado, 80214.

**Black Hawk Transportation Authority** (the Authority) – The Authority was created by an intergovernmental agreement between the Authority and the City. The purpose of the Authority is to affect the planning and development of transportation resource systems and facilities to provide public transportation, parking and all related services. The Authority is governed by a three member Board of Directors of which one member is appointed by the District, one member by the City of Central City with the City's Board of Alderman appointing the balance of the members. The Authority does not issue separate financial statements.

**Black Hawk Urban Renewal Authority** (Renewal Authority) – The Renewal Authority was created by resolution passed by the City's Board of Alderman in July 2007. The purpose of the Renewal Authority is to develop urban renewal projects. The Board of Alderman serves as the Renewal Authority's governing board. The Authority does not issue separate financial statements. During 2008, the Renewal Authority had no financial activity.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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

**1-B. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** - The government-wide financial statements include a statement of net assets and a statement of activities. These statements report financial information for the City as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government.

Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with charges for services to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the City and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges for services to users of the City's services and fines; (2) operating grants and contributions which finance annual operating activities including restricted investment earnings; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying the function to which the program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the City, primarily taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns.

**Fund Accounting** - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

**Governmental Funds** - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City's major governmental funds:

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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

**General Fund** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Colorado.

**Preservation and Restoration Fund** – This fund accounts for the various preservation and restoration programs of the City, which are primarily funded through gaming revenues received from the State of Colorado, earmarked for this purpose.

**Transportation Authority Fund** – This fund accounts for transportation services provided within Gilpin County, primarily to and from casinos.

**Business Improvement District Fund** – This fund accounts for marketing and the construction of public improvements to the casinos.

**Capital Projects Fund** – This fund accounts for the construction of significant City capital projects.

**Impact Fee Fund** – This fund accounts for the parking and related projects of the City which are funded through an impact fee collected from new developments within the City.

**The Proprietary Fund** - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The City's proprietary fund is classified as a major enterprise fund.

**Water Fund** – This fund accounts for the operations of the City's water system.

**1-C. Measurement Focus**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities reports revenues and expenses.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels and the fiduciary fund is accounted for on a flow of economic resources at the fund reporting level. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**1-D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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

**Revenues – Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the calendar year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current calendar year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**Revenues - Non-exchange Transactions** - Non-exchange transactions in which the City receives value without directly giving equal value in return, include property taxes, specific ownership taxes, sales taxes, device fees, grants, and contributions. On an accrual basis, revenue from property taxes and specific ownership taxes is recognized in the calendar year for which the taxes are levied. (Note 3-C) Property taxes are assessed in one year for the subsequent years’ budget. Recognition for the levy made in 2008 is revenue for the 2009 budget year. Therefore, a property tax receivable and a liability of an equal amount are reported as “unearned revenue” on the government-wide statement of net assets and as deferred revenue at the fund financial reporting level. Sales taxes are recognized in the year, in which the underlying event takes place (i.e., the calendar year in which the sale takes place).

Revenue from grants and contributions is recognized in the calendar year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, device taxes and federal and state grants.

**Deferred/Unearned Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Property taxes receivable not collected within 60 days of year-end have been recorded as deferred revenue. Since property taxes are levied in December (i.e., there is a legal claim) for the next calendar year’s operations, the total levy is reported as taxes receivable and deferred revenue as of December 31, 2008.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reclassified as “*unearned revenue*” on the government-wide statement of net assets.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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

**1-E. Assets, Liabilities and Fund Equity**

**1-E-1 Cash, Cash Equivalents, and Investments**

Cash balances of most City funds are pooled and invested. Interest earned from investments purchased with pooled cash is allocated to each fund based on the fund's average equity balance in the pooled fund. For the purpose of the statement of cash flows, the City considers cash and cash equivalents to include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Colorado law authorizes the City to invest in the following type of obligations:

- Obligations of the United States and certain U.S. government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of U.S. local government entities.
- Bankers' acceptances of certain banks.
- Commercial paper limited to securities with highest rating category by at least one nationally recognized rating agency at time of purchase.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.
- Local government investment pools.

**1-E-2 Receivables**

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water charges are accrued as receivables and revenue at December 31, 2008.

At December 31, 2008, the City holds two notes receivable as follows (Note 3-B):

**Horseshoe Casino, LLC** – An original contract was approved in 1997 between the City and Horseshoe Casino, LLC to move the “Lace House” from a site adjacent to the Horseshoe Casino, and owned by the casino to Mountain City, a site owned by the City. The Lace House is an historical house that the City owns. The City initially paid costs, which the City capitalized. The Horseshoe Casino has the responsibility to repay the City for the cost of building the house foundation, building the rock wall and moving the house. The casino began reimbursing the City in March 2009 monthly for a five year period.

**FBA Blackhawk, LLC** – On November 14, 2008 the City and the FBA Blackhawk LLC entered into an agreement for the City to make certain improvements to address and remediate a mine adit discovered under High Street adjacent to the owner's property. The City will pay the cost of improvements, and collect reimbursement from the owner over a term of three years, paid annually. The owner's financial responsibility is limited to \$30,000 with the City's responsibility being any costs in excess of \$30,000.

At the fund reporting level, the notes receivable are reported at the amount outstanding in the preservation and restoration fund and deferred revenue is reported for the portion of the receivable that is not available. All costs related to these projects were reported as expenditures.

At the government-wide financial reporting level, the total amount of the note receivable has been recognized as revenue. The costs for the Lace House were capitalized on the government-wide statement of net assets.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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

***1-E-3 Interfund Balances***

On the fund financial statements, receivables and payables resulting from short-term transactions or interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

***1-E-4 Consumable Inventory***

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while the inventories of enterprise fund are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed. Inventories of the enterprise fund are expensed when consumed.

These inventories consist primarily of fuel and public works parts.

***1-E-5 Restricted Assets***

Cash and investments are restricted for debt service applicable to various debt obligations.

***1-E-6 Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the City fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise fund's statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars for all capital assets other than land. All land is recorded, without regard to its cost. The City's reported infrastructure consists of drainage structures, retaining walls and street lighting. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

The City capitalizes the cost of water rights, which includes the acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

The City capitalizes works of art and historical treasures, consisting primarily of statues and sculptures. These works are not depreciated since they are inexhaustible.

All reported capital assets are depreciated except for land, water rights, works of art and historical treasures and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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

Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Lives	
	Governmental Activities	Business-type Activities
Buildings and improvements	25 - 40 Years	---
Vehicles and equipment	5 - 20 Years	5 - 20 Years
General government infrastructure	15 - 25 Years	---
Water plant and equipment	---	40 Years
Water distribution system	---	10 - 30 Years

At the inception of capital leases at the governmental fund reporting level, expenditures and an “other financing source” of an equal amount are reported at the net present value of future minimum lease payments.

**1-E-7 Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits do not vest.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. The proprietary fund reports the total compensated liability in this fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only “when due.”

**1-E-8 Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

**1-E-9 Bond Premiums, Discounts, Refunding Differences and Issuance Costs**

On the government-wide statement of net assets and the proprietary fund type statement of net assets, unamortized bond premiums and discounts and unamortized bond refunding differences are netted against bonds payable. Unamortized bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bond refunding differences are amortized over the shorter of the life of the refunding debt or refunded debt.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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

**1-E-10 Fund Equity**

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

**Fund Balance** – Generally, fund balance represents the difference between the current assets and current liabilities. The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside unreserved fund balances for specific uses.

**Net Assets** - Net assets represent the difference between assets and liabilities. The "net assets" 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, construction or improvement of those assets (i.e., the unspent portion). This net asset amount also is adjusted by any bond issuance deferred amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**1-E-11 Operating and Nonoperating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for providing water. Operating expenses are necessary costs incurred to provide the water services. All other revenues and expenses are considered nonoperating including investment earnings, interest expense and amortization.

**1-E-12 Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, system develop fees or from grants or outside contributions of resources restricted to capital acquisition and construction (e.g., water lines).

**1-E-13 Device Fees Tax**

The City adopted an ordinance imposing an occupational tax (i.e., a device fee) on gaming devices used within the City. The fee is paid on all gaming devices for which the State of Colorado has issued a device tax stamp. The City annual device fee tax is \$750 per device. The annual transportation device tax is \$77 per device. The annual business improvement district tax is \$89 per device.

**1-E-14 Impact Fees**

The City imposes two types of impact fees.

**Parking Impact Fees** – The City imposes a parking impact fee, charged to developers at the time of application for a building permit. The fee is levied to aid the development of additional parking facilities. The fee is \$2,000 for each required parking space based upon various factors included in the ordinance. Parking impact fees not expended or encumbered within ten years from the date of collection are refunded.

**Fire and Police Impact Fees** - The City imposes a fire and police impact fee, charged to developers at the time of application for a building permit. The fee is levied for the acquisition of facilities and equipment for public safety. The fees are based upon the type and size of the development. These impact fees not expended or encumbered within six years from the date of collection are refunded.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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

**1-E-15 Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported separately after general revenues. Transfers between funds reported in the governmental activities column are eliminated.

**1-E-16 Estimates**

The preparation of the financial statements in conformity with GAAP in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**1-E-17 Comparative Data**

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

**1-E-18 Related Parties**

The Mayor and Board of Alderman and resident City employees may receive preservation and restoration grants to restore their personal property in accordance with City policy and State Statutes.

**Note 2 – Stewardship, Compliance and Accountability**

**2-A. Budgetary Information** – The City adopts an annual operating budget for all governmental funds. The budget resolution reflects the total of each department's appropriation in each fund. The City also adopts an annual budget for its water fund.

Annual budgets are adopted for City funds. The budgets are adopted on a basis consistent with GAAP for all governmental fund types with the following exception:

- Any inceptions of capital leases and related capital outlay are not budgeted
- The budget for the water fund is adopted on the modified accrual basis of accounting (i.e., a non-GAAP budgetary basis)

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the total appropriation within each individual fund. Any change in total to a fund appropriation requires approval of the City's Board of Aldermen.

**City of Black Hawk, Colorado**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

**Note 2 – Stewardship, Compliance and Accountability (Continued)**

**2B. Excess of Expenditures Over Appropriations**

The following funds had expenditures in excess of appropriations at the fund level:

Transportation authority fund	\$2,093,365
Conservation trust fund	3,390
Capital projects fund	17,369
Water fund	51,423

**2-C Fund Deficit**

The transportation authority fund reported a net fund balance deficit of \$1,751,855 at December 31, 2008. This deficit relates to the construction of the bus barn. As the planned funding over the next nine years occurs, this deficit will be eliminated.

**2D. Emergency Reserves**

In 1992, Colorado voters approved an amendment to the Colorado Constitution that placed certain limits on revenue and expenditures of the state and local governments. Although the limit is placed on both revenue and expenditures, the constitutional amendment actually applies to revenue collections. The amendment is complex and subject to judicial interpretation.

However, cities have the option of placing a ballot measure before the voters asking for approval on retaining the revenue over the limit. The City's voters approved a ballot measure on November 7, 1995 that allows the City to exclude all revenues from those included within Article X, Section 20 of the Colorado Constitution.

Article X, Section 20 of the Colorado Constitution requires a reserve of 3% of its fiscal spending for emergencies. The use of this reserve is restricted to the purpose for which it was established and can be used solely for declared emergencies. In accordance with Article X, Section 20 of the Colorado Constitution, the City has reserved all fund balances for future expenditures in the general fund.

On November 5, 2002, the City's electors authorized the Black Hawk Business Improvement District to issue debt not to exceed \$9,600,000 with a repayment cost of \$17,000,000 and to increase taxes \$900,000 annually by the imposition of special assessments against benefited properties for the purpose of financing construction of pedestrian overpasses.

**Note 3 - Detailed Notes on All Funds**

**3-A. Deposits and Investments**

**Deposits**

Colorado State statutes govern the City's deposit of cash. The Public Deposit Protection Act (PDPA) for banks and savings and loans requires the state regulators to certify eligible depositories for public deposits. The Act requires eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the state of Colorado or local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the assets in the pool must be at least equal to 102% of the uninsured deposits.

**Custodial Credit Risk** – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

At December 31, 2008, the carrying amount of the City's deposits was \$804,810 and the bank balance was \$1,083,249. Of the bank balance, \$500,000 was covered by federal deposit insurance and \$583,249 was covered by the provisions of the Colorado Public Deposit Protection Act (i.e., cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name).

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

**Investments**

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City has no formal policy regarding interest rate risk.

Investment Type	Fair Value
Certificates of deposit	\$ 1,171,292
American National Bank - trust account	1,122,773
Money market accounts	3,909,743
Colostrust state investment pool	15,413,172
C-Safe state investment pool	2,258,652
<b>Total</b>	<b>\$ 23,875,632</b>

As of December 31, 2008 the District had invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The weighted average maturity of the Colostrust is less than 60 days.

**Credit Quality Risk** – Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both the Colostrust and C-Safe, are local government investment pools that the City invests in, were rated AAAM by Standard & Poor's. These pools were rated AAA by Fitch and Moody's. The Wells Fargo Bank sponsored money market fund was rated AAA by Standard & Poor's. The American National Bank trust account were rated AAA by Standard & Poor's. The maturity schedules for the above investments are less than one year. The City has no policy regarding credit risk.

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the City's investments may not be recovered. The City's certificates of deposits are insured under FDIC up to \$250,000 per bank, the custodial credit risk for the uninsured deposits are covered under PDPA for the excess of \$671,292.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's certificates of deposits are issued by the following banks:

Bank	Amount	%
Colorado Business Bank	\$ 560,379	48%
Mutual of Omaha	610,913	52%
<b>Total</b>	<b>\$ 1,171,292</b>	<b>100%</b>

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

Cash and Investment Reconciliation

Petty cash	\$ 5,473
Deposits	804,810
Investments	<u>23,875,632</u>
<b>Total Cash and Investments</b>	<b><u>\$ 24,685,915</u></b>

Fund Reporting Level

Governmental fund type - balance sheet	\$ 19,997,139
Governmental fund type - balance sheet - restricted	823,323
Proprietary fund type - statement of net assets	2,629,978
Proprietary fund type - statement of net assets - restricted	<u>1,235,475</u>
<b>Total</b>	<b><u>\$ 24,685,915</u></b>

**3-B. Receivables**

Receivables at December 31, 2008, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

The City holds two notes receivable at December 31, 2008 (Note 1-E-2).

**Notes Receivable - Horseshoe Casino, LLC** – This note receivable to the City is being repaid monthly over a five-year period at an interest rate of 5%. The initial amount of the note receivable was \$955,500. The repayment schedule is as follows:

Year	Principal	Interest	Total
2009	\$ 143,166	\$ 37,149	\$ 180,315
2010	179,845	36,532	216,377
2011	189,047	27,331	216,378
2012	198,719	17,659	216,378
2013	208,884	7,493	216,377
2014	<u>35,839</u>	<u>223</u>	<u>36,062</u>
<b>Total</b>	<b><u>\$ 955,500</u></b>	<b><u>\$ 126,387</u></b>	<b><u>\$ 1,081,887</u></b>

**FBA Blackhawk, LLC** - This note receivable to the City is being repaid annually over a three-year period at no interest. Although the FBA Blackhawk, LLC's maximum exposure is \$30,000, the actual reimbursable costs are \$20,608.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

The repayment schedule is as follows:

Year	Principal
2009	\$ 6,870
2010	6,869
2011	<u>6,869</u>
Total	<u>\$ 20,608</u>

**3-C. Property Taxes**

Annual property taxes are levied by the City on assessed valuation as of January 1, and attached as an enforceable lien on the property at that time. Generally, property taxes are levied on December 15 for the subsequent year's operations. The taxes are payable by April. However, taxpayers may pay property taxes in two equal installments, in February and June.

Delinquent taxpayers are notified in August and generally sales of tax liens on delinquent properties are held in November or December. The County treasurer remits the taxes collected monthly to the City.

**3-D. Capital Assets**

Capital asset activity for governmental activities for the year ended December 31, 2008, was as follows:

	Balance 1/1/2008	Additions	Deductions	Balance 12/31/2008
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 12,736,164	\$ 2,157,693	\$ -	\$ 14,893,857
Works of art and historical treasures	1,082,141	5,168	-	1,087,309
Construction in progress	<u>3,647,618</u>	<u>4,996,933</u>	<u>7,642,860</u>	<u>1,001,691</u>
Total nondepreciable capital assets	<u>17,465,923</u>	<u>7,159,794</u>	<u>7,642,860</u>	<u>16,982,857</u>
Depreciable capital assets:				
Buildings and improvements	16,132,989	3,327,330	-	19,460,319
Vehicles and equipment	4,559,155	177,446	59,358	4,677,243
Infrastructure	<u>28,075,731</u>	<u>2,412,853</u>	<u>-</u>	<u>30,488,584</u>
Total depreciable capital assets	<u>48,767,875</u>	<u>5,917,629</u>	<u>59,358</u>	<u>54,626,146</u>
Total capital assets	<u>66,233,798</u>	<u>13,077,423</u>	<u>7,702,218</u>	<u>71,609,003</u>
Accumulated depreciation:				
Buildings and improvements	3,193,446	651,695	-	3,845,141
Vehicles and equipment	3,303,168	326,203	59,358	3,570,013
Infrastructure	<u>6,185,436</u>	<u>988,847</u>	<u>-</u>	<u>7,174,283</u>
Total accumulated depreciation	<u>12,682,050</u>	<u>1,966,745</u>	<u>59,358</u>	<u>14,589,437</u>
Governmental activities capital assets, net	<u>\$ 53,551,748</u>	<u>\$ 11,110,678</u>	<u>\$ 7,642,860</u>	<u>\$ 57,019,566</u>

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

Governmental activities depreciation expense

General government	\$ 399,854
Public safety	167,273
Public works	<u>1,399,618</u>
 Total governmental activities depreciation expense	 <u><u>\$ 1,966,745</u></u>

Capital asset activities for the water fund for the year ended December 31, 2008, was as follows:

	Balance 1/1/2008	Additions	Deductions	Balance 12/31/2008
Business-type activities:				
Nondepreciable capital assets				
Land	\$ -	\$ 230,786	\$ -	\$ 230,786
Water rights	3,366,870	107,477	-	3,474,347
Construction in progress	121,827	3,431,053	1,650,285	<u>1,902,595</u>
Total nondepreciable capital assets	<u>3,488,697</u>	<u>3,769,316</u>	<u>1,650,285</u>	<u>5,607,728</u>
Depreciable capital assets:				
Plant and equipment	20,295,269	1,276,204	-	21,571,473
Distribution system	5,849,886	-	-	5,849,886
Vehicles and equipment	342,641	46,665	48,071	<u>341,235</u>
Total depreciable capital assets	<u>26,487,796</u>	<u>1,322,869</u>	<u>48,071</u>	<u>27,762,594</u>
Total capital assets	<u>29,976,493</u>	<u>5,092,185</u>	<u>1,698,356</u>	<u>33,370,322</u>
Accumulated depreciation:				
Plant and equipment	4,329,394	572,377	-	4,901,771
Distribution system	2,664,920	233,471	-	2,898,391
Vehicles and equipment	217,459	27,766	48,071	<u>197,154</u>
Total accumulated depreciation	<u>7,211,773</u>	<u>833,614</u>	<u>48,071</u>	<u>7,997,316</u>
Business-type activities capital assets, net	<u>\$ 22,764,720</u>	<u>\$ 4,258,571</u>	<u>\$ 1,650,285</u>	<u>\$ 25,373,006</u>

**3-E. Interfund Balances and Transfers**

**Interfund Balances** - Interfund balances at December 31, 2008, consists of a receivable of \$493,224 in general fund and payable from the transportation authority fund. This interfund balance relates to the reclassification of a cash overdraft in the cash and investment pool. This balance was eliminated on the government-wide statement of net assets. This payable will not likely be repaid in full within the next year.

**Transportation Authority Interfund Note Payable** - In 2008, the construction of a bus barn was completed. In March 2008, the Black Hawk Transportation Authority (a blended component unit of the City) entered into an intergovernmental agreement with the City to partially fund the construction costs of the bus barn in the amount of \$1,706,130. This amount will be repaid over ten years, interest free. In 2008, the transportation authority fund repaid \$281,813 of the original note payable. This balance was eliminated on the government-wide statement of net assets.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

Annual debt service requirements to amortize the above obligation follows:

<u>Year</u>	<u>Principal</u>
2009	\$ 213,813
2010	213,813
2011	213,813
2012	213,813
2013	113,813
2014	113,813
2015	113,813
2016	113,813
2017	<u>113,813</u>
 Total	 <u>\$ 1,424,317</u>

**Interfund Transfers** - Interfund transfers for the year ended December 31, 2008, consisted of the following:

<u>Transfer to</u>	<u>Transfers from:</u>				<u>Total</u>
	<u>General fund</u>	<u>Preservation and restoration fund</u>	<u>Transportation authority fund</u>	<u>Nonmajor governmental funds</u>	
General fund	\$ -	\$ 497,000	\$ 238,101	\$ -	\$ 735,101
Capital projects fund	2,632,103	-	-	-	2,632,103
Water fund	2,118,897	-	-	1,252,712	3,371,609
Nonmajor governmental funds	<u>3,157,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,157,222</u>
 Total	 <u>\$ 7,908,222</u>	 <u>\$ 497,000</u>	 <u>\$ 238,101</u>	 <u>\$ 1,252,712</u>	 <u>\$ 9,896,035</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

**3-F. Long-Term Debt**

**Governmental Activities Bonds** - The following is a summary of the outstanding long-term bonds at December 31, 2008.

**2004 Devise Tax Revenue Refunding Bonds (75% Share)** – On March 15, 2004, the City issued serial tax revenue refunding bonds, in the amount of \$1,031,250 (\$1,375,000 less water fund’s share of this debt) to advance refund \$1,031,250 (\$1,375,000 less water fund’s share of this debt) of the outstanding 1994 Series devise tax revenue bonds. The interest rates on this debt are 2.15% to 4.6%.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

Annual debt service requirements to amortize this debt, as of December 31, 2008 follow:

Year	Principal	Interest	Total
2009	\$ 97,500	\$ 25,787	\$ 123,287
2010	97,500	21,818	119,318
2011	101,250	18,113	119,363
2012	105,000	14,012	119,012
2013	108,750	9,497	118,247
2014	101,250	4,658	105,908
Total	<u>\$ 611,250</u>	<u>\$ 93,885</u>	<u>\$ 705,135</u>

**2004 General Obligation Refunding Bonds** – On December 30, 2004, the Business Improvement District refunded general obligation bonds by issuing \$2,020,000, with interest rates ranging from 2.75% - 5.00%. The final payment is due December 1, 2013. Annual debt service requirements to amortize this debt, as of December 31, 2008 follow:

Year	Principal	Interest	Total
2009	\$ 220,000	\$ 57,350	\$ 277,350
2010	230,000	48,000	278,000
2011	240,000	37,560	277,560
2012	255,000	26,250	281,250
2013	270,000	13,500	283,500
Total	<u>\$ 1,215,000</u>	<u>\$ 182,660</u>	<u>\$ 1,397,660</u>

**2005 Special Assessment Refunding Bonds** – In April 2005, the Business Improvement District refunded all outstanding special assessment debt with special assessment refunding bonds, Series 2005A, Series 2005B and Series 2005C. The refunding debt originally totaled \$8,610,000 with interest rates ranging from 4% - 5% with a final maturity due of June 1, 2011.

Annual debt service requirements to amortize the special assessment refunding debt, as of December 31, 2008 follow:

Year	Principal	Interest	Total
2009	\$ 1,475,000	\$ 150,250	\$ 1,625,250
2010	1,420,000	76,500	1,496,500
2011	110,000	2,750	112,750
Total	<u>\$ 3,005,000</u>	<u>\$ 229,500</u>	<u>\$ 3,234,500</u>

**2004 Capital Lease** - On March 15, 2004, the City entered into a capital lease for three buses. Payments are \$30,834 quarterly, which includes principal and interest. This lease meets the criteria of a capital lease since the lessor transfers benefits and risks of ownership to the lessee at the end of the lease term. This capital lease obligation was fully retired in 2008.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

**2005 Capital Lease** - On May 2, 2005, the City entered into a capital lease for a bus. Payments were \$13,638 quarterly, which included principal and interest. The lease meets the criteria of a capital lease since the lessor transferred benefits and risks of ownership to the lessee at the end of the lease term. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The equipment acquired by the lease is included in governmental activities general capital assets in the amount of \$99,452 (cost of \$232,055 less accumulated depreciation of \$132,603). The lease carries an interest rate of 4.8557%. The outstanding balance of the corresponding liability is included in governmental activities general long-term debt.

Future minimum lease payments as of December 31, 2008 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 52,935	\$ 1,616	\$ 54,551

**2006 Capital Lease** - On March 1, 2006, the City entered into a capital lease for a bus. Payments are \$15,054 quarterly, which includes principal and interest. This lease meets the criteria of a capital lease since the lessor transfers benefits and risks of ownership to the lessee at the end of the lease term. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The equipment acquired by the lease is included in governmental activities general capital assets in the amount of \$151,657 (cost of \$265,400 less accumulated depreciation of \$113,743). The lease carries an interest rate of 4.930%. The outstanding balance of the corresponding liability is included in governmental activities general long-term debt.

Future minimum lease payments as of December 31, 2008 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 54,935	\$ 5,280	\$ 60,215
2010	57,694	2,521	60,215
2011	14,870	184	15,054
Total	\$ 127,499	\$ 7,985	\$ 135,484

**Business-type Activities Bonds** - The following is a summary of the outstanding long-term bond issues related to the water fund at December 31, 2008:

**1997 General Obligation Water Refunding Bonds** - These bonds were refunded in 2008 (see below).

**1998 Device Tax Revenue Bonds** - On January 15, 1998, the City issued serial device tax revenue bonds in the amount of \$1,940,000, and term bonds in the amount of \$2,465,000 due December 1, 2012 and \$9,115,000 due December 1, 2021, with interest rates ranging from 4.25% to 5.625%. On October 26, 2006, the City refunded all callable bonds from this issue (see Series 2006A and Series 2006B above). The bonds not callable originally totaled \$515,000. These bonds were fully retired in 2008.

**2004 Device Tax Revenue Refunding Bonds (25% Share)** - On March 15, 2004, the City issued device tax revenue refunding bonds, in the amount of \$343,750 (\$1,375,000 less governmental activities' share of debt) to advance refund \$343,750 (\$1,375,000 less the governmental activities' share of debt) of outstanding 1994 Series device tax revenue bonds. The interest rates on the refunding debt are 2.15% to 4.6%.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

Annual debt service requirements to amortize this debt, as of December 31, 2008 follow:

Year	Principal	Interest	Total
2009	\$ 32,500	\$ 7,918	\$ 40,418
2010	32,500	7,273	39,773
2011	33,750	6,038	39,788
2012	35,000	4,671	39,671
2013	36,250	3,166	39,416
2014	33,750	1,552	35,302
Total	<u>\$ 203,750</u>	<u>\$ 30,618</u>	<u>\$ 234,368</u>

**General Obligation Refunding Bonds, Series 2008** - On April 29, 2008, the City issued general obligation refunding bonds, in the amount of \$2,075,000, to advance refund the 1997 General Obligation Refunding Bonds in the amount of \$2,170,000 reported in the water fund. The Series 2008 bonds carry interest rates ranging from 3.00% to 3.75%, and an average interest rate of 3.22779% with a final maturity on December 1, 2012.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1997 Series bonds. As a result, these bonds are considered defeased and the liability for those bonds has been removed from the government-wide statement of net assets and from the water fund statement of net assets.

The City increased its aggregate debt service payments for the 1997 Series by \$270,010 over the next four years and obtained an economic gain (i.e., the difference between the present values of the refunded debt and the refunding debt) of \$55,513.

Annual debt service requirements to amortize this debt, as of December 31, 2008 follow:

Year	Principal	Interest	Total
2009	\$ 425,000	\$ 64,038	\$ 489,038
2010	450,000	50,225	500,225
2011	460,000	34,475	494,475
2012	490,000	18,375	508,375
Total	<u>\$ 1,825,000</u>	<u>\$ 167,113</u>	<u>\$ 1,992,113</u>

**Governmental Activities/Business Type Activities Combined Bond** - The following is a summary of the outstanding long-term bond issue which relates to both governmental activities and the water fund.

**2006 Device Tax Revenue Refunding Bonds, Series 2006A and Series 2006B** - On October 26, 2006, the City issued device tax revenue refunding bonds, in the amount of \$13,270,000, Series 2006A and \$300,000, Series B, for a total of \$13,570,000 to advance refund the 1997 Device Tax Revenue Bonds in the amount of \$1,330,000 reported in governmental activities and to partially advance refund the 1998 Device Tax Revenue Bonds in the amount of \$11,580,000 reported in the water fund. The Series 2006A bonds carry a 5% interest rate with a final maturity on December 1, 2021. The Series 2006B bonds carry interest rates ranging from 5.75% to 5.83%, with a final maturity on December 1, 2011.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

Annual debt service requirements to amortize this debt, as of December 31, 2008 follow:

Year	Series A - Water Fund (90%)			Series A - Governmental Activities (10%)		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 792,000	\$ 595,800	\$ 1,387,800	\$ 88,000	\$ 66,200	\$ 154,200
2010	832,500	556,200	1,388,700	92,500	61,800	154,300
2011	868,500	514,575	1,383,075	96,500	57,175	153,675
2012	1,003,500	471,150	1,474,650	111,500	52,350	163,850
2013	760,500	420,975	1,181,475	84,500	46,775	131,275
2014-2018	4,428,000	1,494,450	5,922,450	492,000	166,050	658,050
2019-2021	3,231,000	328,275	3,559,275	359,000	36,475	395,475
Total	<u>\$ 11,916,000</u>	<u>\$ 4,381,425</u>	<u>\$ 16,297,425</u>	<u>\$ 1,324,000</u>	<u>\$ 486,825</u>	<u>\$ 1,810,825</u>

Year	Series A - Total			Series B		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 880,000	\$ 662,000	\$ 1,542,000	\$ 70,000	\$ 13,643	\$ 83,643
2010	925,000	618,000	1,543,000	75,000	9,597	84,597
2011	965,000	571,750	1,536,750	90,000	5,247	95,247
2012	1,115,000	523,500	1,638,500	-	-	-
2013	845,000	467,750	1,312,750	-	-	-
2014-2018	4,920,000	1,660,500	6,580,500	-	-	-
2019-2021	3,590,000	364,750	3,954,750	-	-	-
Total	<u>\$ 13,240,000</u>	<u>\$ 4,868,250</u>	<u>\$ 18,108,250</u>	<u>\$ 235,000</u>	<u>\$ 28,487</u>	<u>\$ 263,487</u>

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**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

**Changes in Long-term Debt** - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2008:

Governmental Activities	Outstanding 1/1/2008	Additions	Reductions	Outstanding 12/31/2008	Amounts Due in One Year
2004 Device Tax Revenue Refunding Bonds	\$ 701,250	\$ -	\$ 90,000	\$ 611,250	\$ 97,500
2006 Device Tax Revenue Refunding Bonds - Series A	1,327,000	-	3,000	1,324,000	88,000
2004 General Obligation Refunding Bonds - BID	1,425,000	-	210,000	1,215,000	220,000
2005 Special Assessment Refunding Bonds - BID	4,965,000	-	1,960,000	3,005,000	1,475,000
2004 Capital Lease	120,126	-	120,126	-	-
2005 Capital Lease	103,377	-	50,442	52,935	52,935
2006 Capital Lease	179,807	-	52,308	127,499	54,935
Bond premiums/discounts	(33,743)	-	(12,467)	(21,276)	-
Bond refunding	(54,529)	-	(7,605)	(46,924)	-
<b>Total Bonds and Capital Leases</b>	<b>8,733,288</b>	<b>-</b>	<b>2,465,804</b>	<b>6,267,484</b>	<b>1,988,370</b>
Compensated Absences	375,025	311,457	262,518	423,964	254,378
<b>Total Governmental Activities</b>	<b>\$ 9,108,313</b>	<b>\$ 311,457</b>	<b>\$ 2,728,322</b>	<b>\$ 6,691,448</b>	<b>\$ 2,242,748</b>
<b>Business-Type Activities</b>					
1997 General Obligation Water Refunding Bonds	\$ 2,170,000	\$ -	2,170,000	\$ -	\$ -
1998 Device Tax Revenue Bonds	340,000	-	340,000	-	-
2004 Device Tax Revenue Refunding Bonds	233,750	-	30,000	203,750	32,500
2006 Device Tax Revenue Refunding Bonds - Series A	11,943,000	-	27,000	11,916,000	792,000
2006 Device Tax Revenue Refunding Bonds - Series B	300,000	-	65,000	235,000	70,000
2008 Device Tax Revenue Refunding Bonds - Series A	-	2,075,000	250,000	1,825,000	425,000
Bond premiums/discounts	162,586	19,222	14,478	167,330	-
Bond refunding	(650,628)	(80,701)	(113,902)	(617,427)	-
<b>Total Bonds</b>	<b>14,498,708</b>	<b>2,013,521</b>	<b>2,782,576</b>	<b>13,729,653</b>	<b>1,319,500</b>
Compensated Absences	25,556	21,868	17,889	29,535	17,721
<b>Total Business-Type Activities</b>	<b>\$ 14,524,264</b>	<b>\$ 2,035,389</b>	<b>\$ 2,800,465</b>	<b>\$ 13,759,188</b>	<b>\$ 1,337,221</b>

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3 - Detailed Notes on All Funds (Continued)**

All bond obligations of the City's governmental activities will be financed through future debt service fund's expendable available financial sources as they become due. All capital lease obligations of the City's governmental activities will be financed through future the general fund's expendable available financial sources as they become due. Principal and interest payments related to the City's water enterprise fund are financed from income derived from the operation of the water system. The compensated absences liability will be paid from the fund in which the employees' salaries are paid, generally the general fund and the water fund.

**Defeasance of Debt** - In 2004, 2006 and 2008 the City defeased certain Device Tax Revenue Bonds and General Obligation Water Bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Approximately \$15.6 million is considered defeased as of December 31, 2008.

**3-H. Pensions**

The City sponsors two pension plans presented below.

**Defined Contribution Plan** - The employees of the City (except for paid firefighters) participate in ICMA Retirement Corporation Prototype Money Purchase Plan, which is a defined contribution plan, which was established by the City and is maintained and administered by ICMA Retirement Corporation. At December 31, 2008, there were 71 plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members upon the start of employment. Under this plan, 5.00% of the plan members' compensation is withheld and remitted to the Plan Administrator along with the matching payment of 10.00% from the City. The City's contributions plus earnings become fully vested after five years with partial vesting beginning after one year. City contributions for plan members who leave employment before they are fully vested are used to reduce the City's current period contribution requirement. There is no liability for benefits under the plan beyond the City's matching payments. Plan provisions and contribution requirements are established and may be amended by the City's Board of Aldermen.

Contributions actually made by plan members and the City for the years ended December 31, 2008, 2007, and 2006 were \$227,927, \$233,284 and \$212,276 and the City's contributions were \$455,853, \$466,583 and \$424,559 respectively.

**State Fire And Police Pension Plan (FPPA Defined Benefit Plan)** - The City contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by FPPA. This is a noncontributory plan. All full-time, paid firefighters of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Colorado Statutes assign the authority to establish benefit provision to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver metro area and 1-800-332-FPPA (3772) from outside the metro area.

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

The contribution requirements of plan members and the City are established by statute. The contribution rate for plan members is 8.0% of covered salary and for the City is 8.0% of covered salary. The City's contributions to the Statewide Defined Benefit Plan for the years ended December 31, 2008, 2007, and 2006 were \$121,019, \$117.362 and \$114.339, respectively, equal to the City's required contributions for each year.

**City of Black Hawk, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**3-I. Invested in Capital Assets, Net of Related Debt**

The "invested in capital assets, net of related debt" amounts reported on the government-wide statement of net assets as of December 31, 2008 are as follows:

	Governmental Activities	Business - Type Activities
Invested in capital assets, net of related debt:		
Cost of capital assets	\$ 71,609,003	\$ 33,370,322
Less accumulated depreciation	14,589,437	7,997,316
Book value	57,019,566	25,373,006
Less capital related debt	6,335,684	14,179,750
Plus net bond premiums, (discounts) and (refunding amounts)	(68,200)	(450,097)
Invested in capital assets, net of related debt	<u>\$ 50,752,082</u>	<u>\$ 11,643,353</u>

**Note 4 - Other Notes**

**4-A. Risk Management**

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity, which was established pursuant to an intergovernmental agreement authorized by Colorado state statutes. The purposes of CIRSA are to provide property and casualty and workers' compensation insurance coverage and risk management services to its municipal members at a reasonable cost.

Members can participate actively in policy-making through the Board of Directors, which are nominated and elected by members; involvement on a number of board committees; and participation at annual general membership meetings. Operations are funded by individual membership contributions.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the by-laws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. Also, it is the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The by-laws shall constitute the substance of the intergovernmental contract among the members. The amount of settlements has not exceeded insurance coverage for any of the three previous years.

The City carries commercial insurance coverage for the other risks of loss including workers compensation and employee health and accident insurance. Settled claims have not exceeded this commercial coverage in any of the past three years.

**4-B. Contingent Liabilities**

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be minimal.

The City is a defendant in various lawsuits at December 31, 2008. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

REQUIRED SUPPLEMENTARY  
INFORMATION

**City of Black Hawk, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues</b>					
Taxes	\$ 10,036,220	\$ 9,359,702	\$ 9,666,320	\$ 306,618	\$ 10,281,177
Intergovernmental	7,087,799	7,092,320	7,191,206	98,886	7,547,250
Licenses and permits	23,035	23,875	37,685	13,810	131,528
Charges for services	85,000	183,400	38,804	(144,596)	95,769
Fines and forfeitures	31,330	30,980	32,476	1,496	29,921
Investment earnings	150,000	150,000	159,710	9,710	649,758
Miscellaneous	503,641	559,206	343,396	(215,810)	2,557,025
<b>Total Revenues</b>	<u>17,917,025</u>	<u>17,399,483</u>	<u>17,469,597</u>	<u>70,114</u>	<u>21,292,428</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	3,521,768	3,073,755	2,879,983	193,772	2,416,344
Planning	447,300	542,123	376,483	165,640	446,488
Public safety	6,370,635	6,217,292	6,199,634	17,658	6,051,813
Public works	6,878,295	6,800,439	3,117,366	3,683,073	2,889,044
<b>Total Expenditures</b>	<u>17,217,998</u>	<u>16,633,609</u>	<u>12,573,466</u>	<u>4,060,143</u>	<u>11,803,689</u>
<b>Excess of Revenues Over Expenditures</b>	<u>699,027</u>	<u>765,874</u>	<u>4,896,131</u>	<u>4,130,257</u>	<u>9,488,739</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	497,000	497,000	735,101	238,101	463,101
Transfers out	(9,908,222)	(9,908,222)	(7,908,222)	2,000,000	(6,394,312)
<b>Total Other Financing Sources (Uses)</b>	<u>(9,411,222)</u>	<u>(9,411,222)</u>	<u>(7,173,121)</u>	<u>2,238,101</u>	<u>(5,931,211)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (8,712,195)</u>	<u>\$ (8,645,348)</u>	<u>(2,276,990)</u>	<u>\$ 6,368,358</u>	<u>3,557,528</u>
<b>Fund Balances Beginning of Year</b>			<u>10,304,974</u>		<u>6,747,446</u>
<b>Fund Balances End of Year</b>			<u>\$ 8,027,984</u>		<u>\$ 10,304,974</u>

See accompanying notes to the required supplementary information

**City of Black Hawk, Colorado**  
**Preservation & Restoration Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues</b>					
Intergovernmental	\$ 3,986,239	\$ 4,016,425	\$ 4,016,425	\$ -	4,216,831
Investment earnings	13,000	50,000	72,810	22,810	81,465
<b>Total Revenues</b>	<u>3,999,239</u>	<u>4,066,425</u>	<u>4,089,235</u>	<u>22,810</u>	<u>4,298,296</u>
<b>Expenditures</b>					
<b>Current:</b>					
Grants	1,791,076	822,021	451,511	370,510	438,332
<b>Capital Outlay</b>	<u>4,503,000</u>	<u>4,863,479</u>	<u>4,209,426</u>	<u>654,053</u>	<u>924,313</u>
<b>Total Expenditures</b>	<u>6,294,076</u>	<u>5,685,500</u>	<u>4,660,937</u>	<u>1,024,563</u>	<u>1,362,645</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,294,837)	(1,619,075)	(571,702)	1,047,373	2,935,651
<b>Other Financing Uses</b>					
Transfers out	(497,000)	(497,000)	(497,000)	-	(225,000)
<b>Net Change in Fund Balances</b>	<u>\$ (2,791,837)</u>	<u>\$ (2,116,075)</u>	(1,068,702)	<u>\$ 1,047,373</u>	2,710,651
<b>Fund Balances Beginning of Year</b>			<u>3,118,596</u>		<u>407,945</u>
<b>Fund Balances End of Year</b>			<u>\$ 2,049,894</u>		<u>\$ 3,118,596</u>

See accompanying notes to the required supplementary information

**City of Black Hawk, Colorado**  
**Transportation Authority Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues</b>					
Taxes	\$ 754,754	\$ 754,754	\$ 755,856	\$ 1,102	\$ 772,097
Intergovernmental	250,721	250,721	362,431	111,710	485,731
Charges for services	544,500	544,500	582,326	37,826	491,792
Investment earnings	-	-	2,946	2,946	27,207
<b>Total Revenues</b>	<u>1,549,975</u>	<u>1,549,975</u>	<u>1,703,559</u>	<u>153,584</u>	<u>1,776,827</u>
<b>Expenditures</b>					
<b>Current:</b>					
Public works	1,244,239	1,244,239	1,127,665	116,574	1,177,475
<b>Capital Outlay</b>	<u>45,000</u>	<u>45,000</u>	<u>2,254,939</u>	<u>(2,209,939)</u>	<u>1,060,109</u>
<b>Total Expenditures</b>	<u>1,289,239</u>	<u>1,289,239</u>	<u>3,382,604</u>	<u>(2,093,365)</u>	<u>2,237,584</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>260,736</u>	<u>260,736</u>	<u>(1,679,045)</u>	<u>(1,939,781)</u>	<u>(460,757)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	19,182
Transfers out	<u>(260,736)</u>	<u>(260,736)</u>	<u>(238,101)</u>	<u>22,635</u>	<u>(238,101)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(260,736)</u>	<u>(260,736)</u>	<u>(238,101)</u>	<u>22,635</u>	<u>(218,919)</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,917,146)</u>	<u>\$ (1,917,146)</u>	<u>(679,676)</u>
<b>Fund Balances Beginning of Year</b>			<u>165,291</u>		<u>844,967</u>
<b>Fund Balances End of Year</b>			<u>\$ (1,751,855)</u>		<u>\$ 165,291</u>

See accompanying notes to the required supplementary information

**City of Black Hawk, Colorado**  
**Business Improvement District Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues</b>					
Taxes	\$ 814,534	\$ 814,534	\$ 456,851	\$ (357,683)	\$ 820,249
Special assessments	1,840,892	1,840,892	1,840,892	-	1,840,892
Investment earnings	46,000	46,000	56,544	10,544	113,271
<b>Total Revenues</b>	<u>2,701,426</u>	<u>2,701,426</u>	<u>2,354,287</u>	<u>(347,139)</u>	<u>2,774,412</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	1,655,256	1,655,256	604,320	1,050,936	310,431
<b>Debt Service:</b>					
Principal	1,775,000	1,775,000	2,170,000	(395,000)	1,715,000
Interest and fiscal charges	293,330	293,330	285,530	7,800	362,810
<b>Total Expenditures</b>	<u>3,723,586</u>	<u>3,723,586</u>	<u>3,059,850</u>	<u>663,736</u>	<u>2,388,241</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (1,022,160)</u>	<u>\$ (1,022,160)</u>	(705,563)	<u>\$ 316,597</u>	386,171
<b>Fund Balances Beginning of Year</b>			<u>2,030,282</u>		<u>1,644,111</u>
<b>Fund Balances End of Year</b>			<u>\$ 1,324,719</u>		<u>\$ 2,030,282</u>

See accompanying notes to the required supplementary information

**City of Black Hawk, Colorado**  
***Notes to the Required Supplementary Information***  
***For the Year Ended December 31, 2008***

***Note 1 – Budgetary Basis of Accounting***

The general fund adopts an annual budget on a basis consistent with generally accepted accounting principles (GAAP) except that the inception of capital leases and the related capital outlay are not budgeted. Also, debt service expenditures related to capital leases are budgeted within the public works function budget, rather than separately as debt service expenditures.

The preservation and restoration, the transportation authority and the business improvement district funds adopt annual budget on a basis consistent with generally accepted accounting principles.

NON-MAJOR  
GOVERNMENTAL FUNDS

**City of Black Hawk, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - by Fund Type**  
**December 31, 2008**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 132,609	\$ 3,698,132	\$ 3,830,741
Cash and cash equivalents - restricted	-	193,525	193,525
<b>Total Assets</b>	<b>\$ 132,609</b>	<b>\$ 3,891,657</b>	<b>\$ 4,024,266</b>
<b>Fund Balances</b>			
Reserved for debt service	\$ -	\$ 3,891,657	\$ 3,891,657
Unreserved, undesignated, reported in:			
Special revenue funds	132,609	-	132,609
<b>Total Fund Balances</b>	<b>\$ 132,609</b>	<b>\$ 3,891,657</b>	<b>\$ 4,024,266</b>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds - by Fund Type**  
**For the Year Ended December 31, 2008**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental	\$ 1,106	\$ -	\$ 1,106
Charges for services	500	-	500
Investment earnings	3,606	33,510	37,116
Miscellaneous	900	-	900
<b>Total Revenues</b>	<b>6,112</b>	<b>33,510</b>	<b>39,622</b>
<b>Expenditures</b>			
<b>Current</b>			
Public works	510	-	510
Culture and recreation	10,940	-	10,940
<b>Debt Service:</b>			
Principal retirement	-	93,000	93,000
Interest and fiscal charges	-	94,788	94,788
<b>Total Expenditures</b>	<b>11,450</b>	<b>187,788</b>	<b>199,238</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(5,338)</b>	<b>(154,278)</b>	<b>(159,616)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	3,157,222	3,157,222
Transfers out	-	(1,252,712)	(1,252,712)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,904,510</b>	<b>1,904,510</b>
<b>Net Change in Fund Balances</b>	<b>(5,338)</b>	<b>1,750,232</b>	<b>1,744,894</b>
<b>Fund Balances Beginning of Year</b>	<b>137,947</b>	<b>2,141,425</b>	<b>2,279,372</b>
<b>Fund Balances End of Year</b>	<b>\$ 132,609</b>	<b>\$ 3,891,657</b>	<b>\$ 4,024,266</b>

See accompanying independent auditor's report

GENERAL FUND

**City of Black Hawk, Colorado**  
**General Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 5,904,463	\$ 9,809,707
Receivables:		
Accounts	43,746	27,708
Property taxes	10,000	10,162
Other taxes	846,714	979,429
Interfund note	1,424,317	-
Interfund	493,224	318,102
Inventory	72,746	62,292
Prepaid items	22,000	-
<b>Total Assets</b>	<u>\$ 8,817,210</u>	<u>\$ 11,207,400</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 159,294	\$ 162,768
Accrued expenditures	193,686	158,359
Refundable deposits	425,155	563,477
Deferred revenue	11,091	17,822
<b>Total Liabilities</b>	<u>789,226</u>	<u>902,426</u>
<b>Fund Balances</b>		
Reserved for:		
Emergencies	377,204	354,111
Prepaid items	22,000	-
Unreserved, undesignated	7,628,780	9,950,863
<b>Total Fund Balances</b>	<u>8,027,984</u>	<u>10,304,974</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,817,210</u>	<u>\$ 11,207,400</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**General Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Revenues</b>		
Taxes	\$ 9,666,320	\$ 10,281,177
Intergovernmental	7,191,206	7,547,250
Licenses and permits	37,685	131,528
Charges for services	38,804	95,769
Fines and forfeitures	32,476	29,921
Investment earnings	159,710	649,758
Miscellaneous	343,396	2,557,025
<b>Total Revenues</b>	<u>17,469,597</u>	<u>21,292,428</u>
<b>Expenditures</b>		
<b>Current:</b>		
General government	2,879,983	2,416,344
Planning	376,483	446,488
Public safety	6,199,634	6,051,813
Public works	2,879,265	2,650,942
<b>Debt Service:</b>		
Principal	222,876	213,025
Interest	15,225	25,077
<b>Total Expenditures</b>	<u>12,573,466</u>	<u>11,803,689</u>
<b>Excess of Revenues Over Expenditures</b>	<u>4,896,131</u>	<u>9,488,739</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in	735,101	463,101
Transfers out	(7,908,222)	(6,394,312)
<b>Total Other Financing Sources (Uses)</b>	<u>(7,173,121)</u>	<u>(5,931,211)</u>
<b>Net Change in Fund Balances</b>	(2,276,990)	3,557,528
<b>Fund Balances Beginning of Year</b>	<u>10,304,974</u>	<u>6,747,446</u>
<b>Fund Balances End of Year</b>	<u>\$ 8,027,984</u>	<u>\$ 10,304,974</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
<b>Taxes</b>					
Property	\$ 10,000	\$ 10,000	\$ 9,969	\$ (31)	\$ 9,904
Specific ownership	750	700	565	(135)	691
Road and bridge	80,000	80,000	90,055	10,055	84,792
Sales and use	1,742,000	1,207,856	1,400,903	193,047	1,871,058
Franchise	140,000	140,000	152,460	12,460	145,338
Device fees	8,058,620	7,916,296	8,005,683	89,387	8,158,534
Occupational	4,850	4,850	6,685	1,835	10,860
<b>Total Taxes</b>	<u>10,036,220</u>	<u>9,359,702</u>	<u>9,666,320</u>	<u>306,618</u>	<u>10,281,177</u>
<b>Licenses and Permits</b>					
Business licenses and permits	11,035	12,575	16,075	3,500	18,058
Building permits	12,000	10,000	19,145	9,145	108,664
Other	-	1,300	2,465	1,165	4,806
<b>Total Licenses and Permits</b>	<u>23,035</u>	<u>23,875</u>	<u>37,685</u>	<u>13,810</u>	<u>131,528</u>
<b>Intergovernmental</b>					
Gaming	7,075,799	7,075,794	7,172,188	96,394	7,530,055
Highway users	9,000	8,526	9,855	1,329	9,899
Cigarette taxes	3,000	8,000	9,163	1,163	7,296
<b>Total Intergovernmental</b>	<u>7,087,799</u>	<u>7,092,320</u>	<u>7,191,206</u>	<u>98,886</u>	<u>7,547,250</u>
<b>Charges for Services</b>					
Plan review fees	50,000	8,400	11,359	2,959	70,631
Services billed	-	150,000	-	(150,000)	-
Shop facilities	35,000	25,000	27,445	2,445	25,138
<b>Total Charges for Services</b>	<u>85,000</u>	<u>183,400</u>	<u>38,804</u>	<u>(144,596)</u>	<u>95,769</u>
<b>Fines and Forfeitures</b>					
Municipal court	17,000	20,000	20,749	749	14,152
County court	2,500	3,942	2,414	(1,528)	4,949
Parking	1,830	500	420	(80)	1,870
Police department services	5,000	1,538	2,109	571	4,194
Victim service surcharge	5,000	5,000	6,784	1,784	4,756
<b>Total Fines and Forfeitures</b>	<u>31,330</u>	<u>30,980</u>	<u>32,476</u>	<u>1,496</u>	<u>29,921</u>
<b>Investment Earnings</b>	<u>150,000</u>	<u>150,000</u>	<u>159,710</u>	<u>9,710</u>	<u>649,758</u>
<b>Miscellaneous</b>	<u>503,641</u>	<u>559,206</u>	<u>343,396</u>	<u>(215,810)</u>	<u>2,557,025</u>
<b>Total Revenue</b>	<u>17,917,025</u>	<u>17,399,483</u>	<u>17,469,597</u>	<u>70,114</u>	<u>21,292,428</u>

(continued)

**City of Black Hawk, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

(continued)

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Expenditures</b>					
<b>General Government</b>					
<b>Mayor and Council</b>					
Personal services	\$ 651,805	\$ 211,636	\$ 177,542	\$ 34,094	\$ 178,650
Program services	424,500	281,378	225,071	56,307	369,360
<b>Total Mayor and Council</b>	<u>1,076,305</u>	<u>493,014</u>	<u>402,613</u>	<u>90,401</u>	<u>548,010</u>
<b>Municipal Court</b>					
Personal services	32,024	50,689	51,487	(798)	33,144
Professional services	8,800	7,730	8,215	(485)	8,066
Purchased services	511	268	-	268	383
Program services	1,000	1,000	170	830	2,539
Supplies	250	300	130	170	316
<b>Total Municipal Court</b>	<u>42,585</u>	<u>59,987</u>	<u>60,002</u>	<u>(15)</u>	<u>44,448</u>
<b>City Manager</b>					
Personal services	363,912	377,903	375,501	2,402	364,820
Professional services	911,000	986,000	942,324	43,676	360,575
General services	-	-	-	-	129
Purchased services	211,800	214,723	216,500	(1,777)	214,725
Program services	4,000	389	1,294	(905)	8,338
Vehicle operation and maintenance	1,300	450	486	(36)	1,482
Supplies	6,500	6,600	5,219	1,381	10,803
<b>Total City Manager</b>	<u>1,498,512</u>	<u>1,586,065</u>	<u>1,541,324</u>	<u>44,741</u>	<u>960,872</u>
<b>City Clerk</b>					
Personal services	91,384	95,806	98,740	(2,934)	107,345
Professional services	2,000	4,500	3,254	1,246	-
General services	4,000	3,000	3,735	(735)	2,630
Purchased services	35,550	79,592	54,554	25,038	46,388
Program services	15,950	8,634	12,215	(3,581)	11,578
Supplies	3,500	3,373	3,752	(379)	4,295
<b>Total City Clerk</b>	<u>152,384</u>	<u>194,905</u>	<u>176,250</u>	<u>18,655</u>	<u>172,236</u>
<b>Total carried forward</b>	<u>2,769,786</u>	<u>2,333,971</u>	<u>2,180,189</u>	<u>153,782</u>	<u>1,725,566</u>

(continued)

City of Black Hawk, Colorado  
 General Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Amounts for the Year Ended December 31, 2007)

(continued)

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Total brought forward	\$ 2,769,786	\$ 2,333,971	\$ 2,180,189	\$ 153,782	\$ 1,725,566
<b>Expenditures</b>					
<b>General Government</b>					
<b>MIS</b>					
Personal services	126,930	134,177	134,509	(332)	-
Professional services	10,000	-	6,642	(6,642)	94,224
General services	33,000	33,000	28,527	4,473	29,357
Purchased services	108,000	99,000	97,541	1,459	96,970
Program services	-	1,500	1,008	492	-
Supplies	40,000	33,580	42,248	(8,668)	39,957
<b>Total MIS</b>	<b>317,930</b>	<b>301,257</b>	<b>310,475</b>	<b>(9,218)</b>	<b>260,508</b>
<b>Finance</b>					
Personal services	223,467	224,484	206,231	18,253	224,280
Professional services	169,000	186,561	174,879	11,682	186,212
General services	-	-	135	(135)	-
Purchased services	2,635	3,100	1,265	1,835	2,814
Program services	15,200	15,200	-	15,200	1,750
Supplies	23,750	9,182	6,809	2,373	15,214
<b>Total Finance</b>	<b>434,052</b>	<b>438,527</b>	<b>389,319</b>	<b>49,208</b>	<b>430,270</b>
<b>Total General Government</b>	<b>3,521,768</b>	<b>3,073,755</b>	<b>2,879,983</b>	<b>193,772</b>	<b>2,416,344</b>
<b>Planning</b>					
Personal services	344,400	350,773	357,610	(6,837)	352,471
Professional services	65,500	172,200	6,402	165,798	75,604
General services	1,500	1,000	-	1,000	-
Vehicle operation and maintenance	2,850	1,000	1,103	(103)	675
Purchased services	9,550	3,350	1,536	1,814	8,536
Program services	8,000	3,500	1,607	1,893	2,523
Supplies	15,500	10,300	8,225	2,075	6,679
<b>Total Planning</b>	<b>447,300</b>	<b>542,123</b>	<b>376,483</b>	<b>165,640</b>	<b>446,488</b>
<b>Public Safety</b>					
<b>Police</b>					
Personal services	3,412,275	3,195,579	3,262,377	(66,798)	3,248,746
Professional services	37,000	29,455	42,179	(12,724)	30,596
General services	27,000	15,000	6,667	8,333	14,889
Vehicle operation and maintenance	68,500	56,500	44,465	12,035	53,660
Purchased services	15,300	14,600	11,313	3,287	15,112
Program services	30,600	27,000	24,049	2,951	24,755
Supplies	109,800	90,200	84,799	5,401	101,352
Capital outlay	-	37,980	35,853	2,127	12,785
<b>Total Police</b>	<b>3,700,475</b>	<b>3,466,314</b>	<b>3,511,702</b>	<b>(45,388)</b>	<b>3,501,895</b>
<b>Total carried forward</b>	<b>7,669,543</b>	<b>7,082,192</b>	<b>6,768,168</b>	<b>314,024</b>	<b>6,364,727</b>

(continued)

**City of Black Hawk, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

(continued)

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Total brought forward	\$ 7,669,543	\$ 7,082,192	\$ 6,768,168	\$ 314,024	\$ 6,364,727
<b>Expenditures</b>					
<b>Public Safety</b>					
<b>Fire</b>					
Personal services	2,341,160	2,329,381	2,288,923	40,458	2,260,850
Professional services	3,000	3,000	1,618	1,382	-
General services	13,000	14,000	9,896	4,104	8,925
Vehicle operation and maintenance	30,000	30,000	20,336	9,664	19,853
Purchased services	5,000	3,865	3,609	256	3,171
Program services	22,000	21,500	18,762	2,738	18,444
Supplies	59,000	164,232	159,788	4,444	53,675
<b>Total Fire</b>	<u>2,473,160</u>	<u>2,565,978</u>	<u>2,502,932</u>	<u>63,046</u>	<u>2,364,918</u>
<b>Ambulance Division</b>					
Professional services	197,000	185,000	185,000	-	185,000
<b>Total Public Safety</b>	<u>6,370,635</u>	<u>6,217,292</u>	<u>6,199,634</u>	<u>17,658</u>	<u>6,051,813</u>
<b>Public Works</b>					
Personal services	1,823,689	1,789,639	1,784,417	5,222	1,811,456
Professional services	238,000	170,500	49,201	121,299	36,499
General services	513,000	728,500	657,785	70,715	437,160
Vehicle operation and maintenance	127,505	163,500	118,162	45,338	134,826
Purchased services	12,000	12,500	8,721	3,779	11,014
Program services	159,500	150,200	118,511	31,689	97,785
Supplies	111,500	117,500	82,681	34,819	96,560
Capital outlay	3,893,101	3,668,100	297,888	3,370,212	263,744
<b>Total Public Works</b>	<u>6,878,295</u>	<u>6,800,439</u>	<u>3,117,366</u>	<u>3,683,073</u>	<u>2,889,044</u>
<b>Total Expenditures</b>	<u>17,217,998</u>	<u>16,633,609</u>	<u>12,573,466</u>	<u>4,060,143</u>	<u>11,803,689</u>
<b>Excess of Revenues Over Expenditures</b>	<u>699,027</u>	<u>765,874</u>	<u>4,896,131</u>	<u>4,130,257</u>	<u>9,488,739</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	497,000	497,000	735,101	238,101	463,101
Transfers out	(9,908,222)	(9,908,222)	(7,908,222)	2,000,000	(6,394,312)
<b>Total Other Financing Sources (Uses)</b>	<u>(9,411,222)</u>	<u>(9,411,222)</u>	<u>(7,173,121)</u>	<u>2,238,101</u>	<u>(5,931,211)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (8,712,195)</u>	<u>\$ (8,645,348)</u>	<u>(2,276,990)</u>	<u>\$ 6,368,358</u>	<u>3,557,528</u>
<b>Fund Balances Beginning of Year</b>			<u>10,304,974</u>		<u>6,747,446</u>
<b>Fund Balances End of Year</b>			<u>\$ 8,027,984</u>		<u>\$ 10,304,974</u>

See accompanying independent auditor's report

SPECIAL REVENUE  
FUNDS

**City of Black Hawk, Colorado**  
**Preservation and Restoration Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,305,271	\$ 3,349,352
Receivables:		
Accounts	9,691	-
Notes	976,108	-
Escrow deposit	<u>50,000</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 3,341,070</u>	<u>\$ 3,349,352</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 91,493	\$ 114,689
Grant tax payable	150,718	110,040
Retainage payable	72,857	6,027
Deferred revenue	<u>976,108</u>	<u>-</u>
<b>Total Liabilities</b>	<u>1,291,176</u>	<u>230,756</u>
<b>Fund Balances</b>		
Reserved for:		
Preservation and restoration	1,999,894	3,118,596
Escrow deposit	<u>50,000</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>2,049,894</u>	<u>3,118,596</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,341,070</u>	<u>\$ 3,349,352</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Transportation Authority Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 297,859
Accounts receivable	179,460	355,208
Inventory	42,913	58,451
<b>Total Assets</b>	<u>\$ 222,373</u>	<u>\$ 711,518</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 56,687	\$ 141,797
Retainage payable	-	86,328
Interfund notes payable	1,424,317	-
Interfund payable	493,224	318,102
<b>Total Liabilities</b>	1,974,228	546,227
<b>Fund Balances</b>		
Unrserved	(1,751,855)	165,291
<b>Total Liabilities and Fund Balances</b>	<u>\$ 222,373</u>	<u>\$ 711,518</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Business Improvement District Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 696,812	\$ 2,043,486
Cash and cash equivalents - restricted	629,798	-
Receivables:		
Accounts	-	6,148
Property taxes	444,392	431,600
<b>Total Assets</b>	<u>\$ 1,771,002</u>	<u>\$ 2,481,234</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 4,883	\$ 19,352
Deferred revenue	441,400	431,600
<b>Total Liabilities</b>	<u>446,283</u>	<u>450,952</u>
<b>Fund Balances</b>		
Reserved for:		
Emergencies	20,000	18,000
Debt service	631,750	915,028
Unreserved	672,969	1,697,254
<b>Total Fund Balances</b>	<u>1,324,719</u>	<u>2,630,282</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,771,002</u>	<u>\$ 3,081,234</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2008**

	<u>Conservation Trust</u>	<u>Dory Hill Cemetery</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 17,411	\$ 115,198	\$ 132,609
<b>Fund Balances</b>			
Unreserved, undesignated	\$ 17,411	\$ 115,198	\$ 132,609

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2008**

	<b>Conservation Trust</b>	<b>Dory Hill Cemetery</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>			
Intergovernmental	\$ 1,106	\$ -	\$ 1,106
Charges for services	-	500	500
Investment earnings	295	3,311	3,606
Miscellaneous	-	900	900
<b>Total Revenues</b>	<u>1,401</u>	<u>4,711</u>	<u>6,112</u>
<b>Expenditures</b>			
<b>Current</b>			
Public works	-	510	510
Culture and recreation	10,940	-	10,940
<b>Total Expenditures</b>	<u>10,940</u>	<u>510</u>	<u>11,450</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(9,539)	4,201	(5,338)
<b>Fund Balances Beginning of Year</b>	<u>26,950</u>	<u>110,997</u>	<u>137,947</u>
<b>Fund Balances End of Year</b>	<u>\$ 17,411</u>	<u>\$ 115,198</u>	<u>\$ 132,609</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Conservation Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

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	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	<u>\$ 17,411</u>	<u>\$ 26,950</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>\$ 17,411</u>	<u>\$ 26,950</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Conservation Fund**  
**Schedule of Revenues and Changes in Fund Balances - Budget to Actual**  
**For the Year Ended December 31, 2008**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2007)**

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues</b>					
Intergovernmental	\$ 1,124	\$ 1,124	\$ 1,106	\$ (18)	\$ 1,124
Investment earnings	500	200	295	95	1,635
<b>Total Revenues</b>	1,624	1,324	1,401	77	2,759
<b>Expenditures</b>					
<b>Current</b>					
Culture and recreation	-	7,550	10,940	(3,390)	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 1,624</u>	<u>\$ (6,226)</u>	(9,539)	<u>\$ (3,313)</u>	2,759
<b>Fund Balances Beginning of Year</b>			<u>26,950</u>		<u>24,191</u>
<b>Fund Balances End of Year</b>			<u>\$ 17,411</u>		<u>\$ 26,950</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
***Dory Hill Cemetery Fund***  
***Comparative Balance Sheet***  
***December 31, 2008 and 2007***

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	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	<u>\$ 115,198</u>	<u>\$ 110,997</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>\$ 115,198</u>	<u>\$ 110,997</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Dory Hill Cemetery Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues</b>					
Charges for services	\$ 400	\$ 200	\$ 500	\$ 300	\$ 400
Investment earnings	4,000	2,500	3,311	811	5,605
Miscellaneous	-	900	900	-	-
<b>Total Revenues</b>	4,400	3,600	4,711	1,111	6,005
<b>Expenditures</b>					
<b>Current</b>					
Public works	-	510	510	-	-
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 4,400</u>	<u>\$ 3,090</u>	4,201	<u>\$ 1,111</u>	6,005
<b>Fund Balances Beginning of Year</b>			<u>110,997</u>		<u>104,992</u>
<b>Fund Balances End of Year</b>			<u>\$ 115,198</u>		<u>\$ 110,997</u>

See accompanying independent auditor's report

DEBT SERVICE  
FUND

**City of Black Hawk, Colorado**  
**Debt Service Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,698,132	\$ 1,938,600
Cash and cash equivalents - restricted	<u>193,525</u>	<u>202,825</u>
<b>Total Assets</b>	<u>\$ 3,891,657</u>	<u>\$ 2,141,425</u>
<b>Fund Balances</b>		
Reserved for debt service	<u>\$ 3,891,657</u>	<u>\$ 2,141,425</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Debt Service Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues</b>					
Investment earnings	\$ -	\$ 28,000	\$ 33,510	\$ 5,510	\$ 82,035
<b>Expenditures</b>					
<b>Debt Service:</b>					
Principal retirement	472,416	433,000	93,000	340,000	370,000
Interest and fiscal charges	114,299	113,299	94,788	18,511	107,256
<b>Total Expenditures</b>	<u>586,715</u>	<u>546,299</u>	<u>187,788</u>	<u>358,511</u>	<u>477,256</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(586,715)</u>	<u>(518,299)</u>	<u>(154,278)</u>	<u>364,021</u>	<u>(395,221)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	3,157,222	3,157,222	3,157,222	-	3,244,312
Transfers out	(1,252,712)	(1,260,504)	(1,252,712)	7,792	(1,478,642)
<b>Total Other Financing Sources (Uses)</b>	<u>1,904,510</u>	<u>1,896,718</u>	<u>1,904,510</u>	<u>7,792</u>	<u>1,765,670</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,317,795</u>	<u>\$ 1,378,419</u>	<u>1,750,232</u>	<u>\$ 371,813</u>	<u>1,370,449</u>
<b>Fund Balances Beginning of Year</b>			<u>2,141,425</u>		<u>770,976</u>
<b>Fund Balances End of Year</b>			<u>\$ 3,891,657</u>		<u>\$ 2,141,425</u>

See accompanying independent auditor's report

CAPITAL PROJECTS  
FUNDS

**City of Black Hawk, Colorado**  
***Impact Fee Fund***  
***Comparative Balance Sheet***  
***December 31, 2008 and 2007***

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	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	<u>\$ 2,896,786</u>	<u>\$ 3,221,414</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>\$ 2,896,786</u>	<u>\$ 3,221,414</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Impact Fee Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues</b>					
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ 14,644
Investment earnings	110,000	66,000	92,091	26,091	166,243
<b>Total Revenues</b>	110,000	66,000	92,091	26,091	180,887
<b>Expenditures</b>					
Capital Outlay	255,400	416,719	416,719	-	113,738
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (145,400)</u>	<u>\$ (350,719)</u>	(324,628)	<u>\$ 26,091</u>	67,149
<b>Fund Balances Beginning of Year</b>			<u>3,221,414</u>		<u>3,154,265</u>
<b>Fund Balances End of Year</b>			<u>\$ 2,896,786</u>		<u>\$ 3,221,414</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Capital Projects Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

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	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	<u>\$ 4,363,066</u>	<u>\$ 1,884,527</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>\$ 4,363,066</u>	<u>\$ 1,884,527</u>

See accompanying independent auditor's report

**City of Black Hawk, Colorado**  
**Capital Projects Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Investment earnings	\$ 84,000	\$ 71,000	\$ 100,822	\$ 29,822	\$ 100,327
<b>Expenditures</b>					
<b>Capital Outlay</b>	<u>3,986,103</u>	<u>237,017</u>	<u>254,386</u>	<u>(17,369)</u>	<u>70,860</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(3,902,103)	(166,017)	(153,564)	12,453	29,467
<b>Other Financing Sources</b>					
Transfers in:					
General fund	<u>2,632,103</u>	<u>2,632,103</u>	<u>2,632,103</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,270,000)</u>	<u>\$ 2,466,086</u>	2,478,539	<u>\$ 12,453</u>	29,467
<b>Fund Balances Beginning of Year</b>			<u>1,884,527</u>		<u>1,855,060</u>
<b>Fund Balances End of Year</b>			<u>\$ 4,363,066</u>		<u>\$ 1,884,527</u>

See accompanying independent auditor's report

ENTERPRISE FUND

**City of Black Hawk, Colorado**  
**Water Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 2,629,978	\$ 3,053,829
Accounts receivable	118,341	56,310
Prepaid items	1,331	-
Restricted assets:		
Cash and cash equivalents	1,235,475	1,317,800
<b>Total Current Assets</b>	<u>3,985,125</u>	<u>4,427,939</u>
<b>Noncurrent Assets:</b>		
Deferred charges	503,667	515,796
Capital assets:		
Nondepreciable	5,607,728	3,514,417
Depreciable, net	19,765,278	19,276,023
<b>Total Noncurrent Assets</b>	<u>25,876,673</u>	<u>23,306,236</u>
<b>Total Assets</b>	<u>29,861,798</u>	<u>27,734,175</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	1,387,909	1,538,253
Retainage payable	12,494	-
Accrued expenses	18,123	13,981
Compensated absences payable	17,721	5,111
General obligation bonds payable	-	385,000
<b>Total Current Liabilities</b>	<u>1,436,247</u>	<u>1,942,345</u>
<b>Current Liabilities Payable from Restricted Assets:</b>		
Revenue bonds payable	1,319,500	462,000
Accrued interest payable	56,783	63,701
<b>Total Current Liabilities Payable from Restricted Assets</b>	<u>1,376,283</u>	<u>525,701</u>
<b>Total Current Liabilities</b>	<u>2,812,530</u>	<u>2,468,046</u>
<b>Long-Term Liabilities (net of current portion):</b>		
Compensated absences payable	11,814	20,445
General obligation bonds payable	-	1,624,344
Revenue bonds payable	12,410,153	12,027,364
<b>Total Long-Term Liabilities</b>	<u>12,421,967</u>	<u>13,672,153</u>
<b>Total Liabilities</b>	<u>15,234,497</u>	<u>16,140,199</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	11,643,353	8,291,732
Restricted for revenue bonds	1,235,475	1,317,800
Unrestricted	1,748,473	1,984,444
<b>Total Net Assets</b>	<u>\$ 14,627,301</u>	<u>\$ 11,593,976</u>

See accompanying notes to the basic financial statements

**City of Black Hawk, Colorado**  
**Water Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Operating Revenues</b>		
Charges for services	\$ 1,427,314	\$ 729,783
Miscellaneous	24	-
<b>Total Operating Revenues</b>	<u>1,427,338</u>	<u>729,783</u>
<b>Operating Expenses</b>		
Personal services	794,635	828,625
Professional services	353,953	253,933
General services	296,712	335,336
Program services	3,496	6,586
Purchased services	8,917	8,906
Supplies	32,368	39,810
Repairs and maintenance	19,655	22,087
Capital outlay - non-capitalized	338	27,458
Depreciation	833,613	799,878
<b>Total Operating Expenses</b>	<u>2,343,687</u>	<u>2,322,619</u>
<b>Operating (Loss)</b>	<u>(916,349)</u>	<u>(1,592,836)</u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest and fiscal charges	(778,116)	(756,497)
Investment earnings	142,859	83,822
Amortization	(62,879)	(171,403)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(698,136)</u>	<u>(844,078)</u>
<b>(Loss) Before Capital Contributions and Transfers In</b>	(1,614,485)	(2,436,914)
Capital contributions	1,276,201	1,110,941
Transfers in	3,371,609	4,628,642
<b>Change in Net Assets</b>	3,033,325	3,302,669
<b>Net Assets Beginning of Year</b>	<u>11,593,976</u>	<u>8,291,307</u>
<b>Net Assets End of Year</b>	<u>\$ 14,627,301</u>	<u>\$ 11,593,976</u>

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado  
*Water Fund*  
**Comparative Statement of Cash Flows**  
*For the Years Ended December 31, 2008 and 2007*

	<u>2008</u>	<u>2007</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,365,307	\$ 701,683
Cash payments for personal services	(786,514)	(822,354)
Cash payments for goods and services	(854,620)	(674,169)
<b>Net Cash (Used in) Operating Activities</b>	<u>(275,827)</u>	<u>(794,840)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Increase (decrease) in interfund loan payable	-	(114,274)
Decrease in interfund receivable	-	541
Transfers in	3,371,609	4,628,642
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>3,371,609</u>	<u>4,514,909</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Capital contributions	-	1,110,941
Principal paid on bonds	(712,000)	(575,000)
Interest paid on bonds	(785,034)	(839,941)
Payments for capital acquisitions	(2,247,783)	(913,240)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(3,744,817)</u>	<u>(1,217,240)</u>
<b>Cash Flows from Investing Activities</b>		
Investment earnings	142,859	83,822
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(506,176)	2,586,651
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>4,371,629</u>	<u>1,784,978</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 3,865,453</u>	<u>\$ 4,371,629</u>
<b>Reconciliation to Cash and Cash Equivalents:</b>		
Unrestricted	\$ 2,629,978	\$ 3,053,829
Restricted	1,235,475	1,317,800
<b>Total Cash and Cash Equivalents</b>	<u>\$ 3,865,453</u>	<u>\$ 4,371,629</u>

**City of Black Hawk, Colorado**  
**Water Fund**  
**Comparative Statement of Cash Flows**  
**For the Years Ended December 31, 2008 and 2007**

(continued)

	<u>2008</u>	<u>2007</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities</b>		
<b>Operating (Loss)</b>	\$ (916,349)	\$ (1,592,836)
<b>Adjustments:</b>		
Depreciation	833,613	799,878
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	(62,031)	(26,100)
Prepaid items	(1,331)	10,716
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable	(150,344)	9,231
Retainage payable	12,494	-
Accrued expenses	4,142	2,105
Customer deposits	-	(2,000)
Compensated absences payable	3,979	4,166
<b>Net Cash (Used in) Operating Activities</b>	<u>\$ (275,827)</u>	<u>\$ (794,840)</u>
<b>Noncash Capital Activities:</b>		
Capital asset acquisitions included in accounts payable and retainage payable at December 31	\$ 1,363,220	\$ 1,445,270
Capital assets contributed	1,276,201	-
Issuance of refunding debt including premium	2,094,222	-
Repayment of refunded debt	(2,170,000)	-
Bond issuance costs and refunding differences	(131,451)	-

See accompanying notes to the basic financial statements

**City of Black Hawk, Colorado**  
**Water Fund**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Net Assets - Budget and Actual (Non-GAAP) Budgetary Basis*  
*For the Year Ended December 31, 2008*  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008			2007	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Operating Revenues</b>					
Charges for services	\$ 1,680,550	\$ 1,380,000	\$ 1,427,314	\$ 47,314	\$ 729,783
Miscellaneous	-	-	24	24	-
<b>Total Operating Revenues</b>	<u>1,680,550</u>	<u>1,380,000</u>	<u>1,427,338</u>	<u>47,338</u>	<u>729,783</u>
<b>Operating Expenses</b>					
Personal services	804,704	845,619	794,635	50,984	828,625
Professional services	424,000	465,000	353,953	111,047	458,126
General services	431,000	418,500	296,712	121,788	335,336
Program services	9,000	9,000	3,496	5,504	6,586
Purchased services	11,250	8,750	8,917	(167)	8,906
Supplies	55,501	57,000	32,368	24,632	39,810
Repairs and maintenance	29,001	35,000	19,655	15,345	22,087
Capital outlay	5,511,000	3,495,000	3,478,056	16,944	2,181,775
Debt service - principal	415,000	415,000	712,000	(297,000)	575,000
<b>Total Operating Expenses</b>	<u>7,690,456</u>	<u>5,748,869</u>	<u>5,699,792</u>	<u>49,077</u>	<u>4,456,251</u>
<b>Operating Income (Loss)</b>	<u>(6,009,906)</u>	<u>(4,368,869)</u>	<u>(4,272,454)</u>	<u>96,415</u>	<u>(3,726,468)</u>
<b>Non-Operating Revenues (Expenses)</b>					
Interest and fiscal charges	(837,712)	(845,504)	(778,116)	67,388	(756,497)
Investment earnings	51,000	109,620	142,859	33,239	83,822
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(786,712)</u>	<u>(735,884)</u>	<u>(635,257)</u>	<u>100,627</u>	<u>(672,675)</u>
<b>(Loss) Before Contributions and Transfers In</b>	<u>(6,796,618)</u>	<u>(5,104,753)</u>	<u>(4,907,711)</u>	<u>197,042</u>	<u>(4,399,143)</u>
Capital contributions	65,000	3,138	1,276,201	1,273,063	1,110,941
Transfers in	5,371,609	5,379,401	3,371,609	(2,007,792)	4,628,642
<b>Change in Net Assets - Budgetary Basis</b>	<u><b>\$(1,360,009)</b></u>	<u><b>\$ 277,786</b></u>	<u><b>(259,901)</b></u>	<u><b>\$ (537,687)</b></u>	<u><b>1,340,440</b></u>
<b>Reconciliation to GAAP Basis -</b>					
<b>Change in Net Assets</b>					
<b>Deduct:</b>					
Depreciation			(833,613)		(799,878)
Amortization			(62,879)		(171,403)
<b>Add:</b>					
Capitalized capital outlay			3,477,718		2,358,510
Debt principal			712,000		575,000
<b>Change in Net Assets - GAAP Basis</b>			<u>3,033,325</u>		<u>3,302,669</u>
<b>Net Assets Beginning of Year</b>			<u>11,593,976</u>		<u>8,291,307</u>
<b>Net Assets End of Year</b>			<u><b>\$ 14,627,301</b></u>		<u><b>\$ 11,593,976</b></u>

See accompanying independent auditor's report

STATISTICAL SECTION

# City of Black Hawk, Colorado

## *Introduction to Statistical Section*

*(Unaudited)*

This part of the City of Black Hawk's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent auditor. In 2007, the Black Hawk Transportation Authority and the Black Hawk Business Improvement District, two City component units, were reclassified from discretely presented to blended pursuant to generally accepted accounting principles. Unless otherwise indicated, the years prior to 2007 have not been restated to reflect this reclassification.

### Contents

### Exhibit

#### Financial Trends

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in a historical perspective. Since a significant funding source for the City is state aid relating to the City's share of state gaming taxes, a trend table presenting this revenue has been added.

I - XII

#### Revenue Capacity

These tables contain information that may assist the reader in assessing the viability of the City's two most significant "own-source" revenue sources, gaming device taxes and sales taxes. Property taxes are not a major revenue for the City, therefore, the tables relating to the City's property taxes are not presented.

XIII - XVI

#### Debt Capacity

These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

XVII - XX

#### Demographic and Economic Information

These tables offer economic and demographic indicators that are commonly used for financial analysis and that can inform one's understanding the City's present and ongoing financial status. Since the gaming industry is competitive between three authorized gaming cities within the State of Colorado, selected comparison tables are presented for gaming information.

XXI - XXVII

#### Operating Information

These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.

XXVIII - XXX

#### *Data Source:*

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year include only six years.

#### *Notes:*

The City implemented GASB Statement No. 34 in calendar year 2003, therefore, tables presenting government-wide financial data include only six years.

**City of Black Hawk, Colorado**  
**Changes in Net Assets - Governmental Activities**  
**Last Six Calendar Years <sup>1</sup>**  
**(accrual basis of accounting)**

	For the Calendar Year Ended December 31,					
	2003	2004	2005	2006	2007	2008
<b>Expenses:</b>						
General government <sup>2</sup>	\$ 3,860,525	\$ 7,912,296	\$ 6,178,636	\$ 11,031,421	\$ 3,578,935	\$ 4,349,581
Planning	1,174,887	676,589	722,507	565,561	446,144	368,509
Public safety	5,170,503	5,512,157	5,538,941	6,319,260	6,245,176	6,396,298
Public works	3,648,385	2,744,570	3,598,032	3,991,812	5,177,834	7,171,578
Culture and recreation	-	-	-	-	-	10,940
Interest and fiscal charges	251,960	199,579	202,633	183,006	618,596	524,620
<b>Total Expenses</b>	<b>14,106,260</b>	<b>17,045,191</b>	<b>16,240,749</b>	<b>22,091,060</b>	<b>16,066,685</b>	<b>18,821,526</b>
<b>Program Revenues:</b>						
Charges for services:						
Plan review fees	356,253	258,201	318,357	32,757	70,631	11,359
Building permits	54,563	212,616	169,834	51,312	108,664	19,145
Impact fees	194,184	60,746	125,086	212,216	14,644	-
Sales of houses - historical preservation	-	829,163	291,760	189,107	-	-
Other	80,617	63,803	143,695	171,195	670,442	661,287
Operating grants and contributions <sup>3</sup>	3,705,564	3,856,784	3,703,779	3,993,205	6,554,477	6,230,709
Capital grants and contributions <sup>4</sup>	1,109	88,791	5,858	-	12,070,480	50,000
<b>Total Program Revenues</b>	<b>4,392,290</b>	<b>5,370,104</b>	<b>4,758,369</b>	<b>4,649,792</b>	<b>19,489,338</b>	<b>6,972,500</b>
<b>Net (Expense) Revenue</b>	<b>(9,713,970)</b>	<b>(11,675,087)</b>	<b>(11,482,380)</b>	<b>(17,441,268)</b>	<b>3,422,653</b>	<b>(11,849,026)</b>
<b>General Revenues:</b>						
Taxes:						
Property and specific ownership taxes	8,336	9,979	9,466	9,756	830,844	467,385
Sales and use taxes	1,109,786	2,525,684	2,458,540	4,155,906	1,871,058	1,400,903
Road and bridge taxes	6,841	73,719	71,771	80,428	84,792	90,055
Device taxes	7,971,743	7,637,917	7,108,203	7,541,870	8,930,631	8,761,539
Franchise taxes	93,991	118,676	128,986	132,332	145,338	152,460
Other	-	17,297	13,835	12,971	18,156	15,848
Gaming	6,599,843	6,710,104	6,587,172	7,110,170	7,530,055	7,172,188
Investment earnings	249,841	239,637	506,585	1,316,836	1,127,219	522,039
Miscellaneous <sup>5</sup>	68,464	368,622	2,053,147	621,263	2,557,025	1,320,408
<b>Total General Revenues</b>	<b>16,108,845</b>	<b>17,701,635</b>	<b>18,937,705</b>	<b>20,981,532</b>	<b>23,095,118</b>	<b>19,902,825</b>
<b>Transfers</b>	<b>(2,494,424)</b>	<b>(1,480,915)</b>	<b>(2,683,926)</b>	<b>(3,104,995)</b>	<b>(4,628,642)</b>	<b>(3,371,609)</b>
<b>Total General Revenues and Transfers</b>	<b>13,614,421</b>	<b>16,220,720</b>	<b>16,253,779</b>	<b>17,876,537</b>	<b>18,466,476</b>	<b>16,531,216</b>
<b>Special Item <sup>6</sup></b>	<b>(1,614,558)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>\$ 2,285,893</b>	<b>\$ 4,545,633</b>	<b>\$ 4,771,399</b>	<b>\$ 435,269</b>	<b>\$ 21,889,129</b>	<b>\$ 4,682,190</b>

**Notes:**

<sup>1</sup> The City implement GASB Statement No. 34 in calendar year 2003, therefore, only six years of government-wide financial data is presented.

<sup>2</sup> The 2006 amount includes a payment for land relating to an eminent domain settlement of \$5.3 million.

<sup>3</sup> The 2006 amount includes infrastructure donated by the casinos, primarily a road.

<sup>4</sup> The majority of these revenues are the City's share of State gaming revenue set aside for historical preservation projects.

<sup>5</sup> The 2007 amount includes a recovery of \$2,221,034 relating to the eminent domain settlement referenced below.

<sup>6</sup> The 2003 amount was a write-down to fair value of the cost of historical preservation houses restored by the City and sold in 2004.

**Data Source:**

Applicable years' annual financial report.

**City of Black Hawk, Colorado**  
**Changes in Net Assets - Governmental Activities - Percentage of Total**  
**Last Six Calendar Years <sup>1</sup>**  
**(accrual basis of accounting)**

	For the Calendar Year Ended December 31,					
	2003	2004	2005	2006	2007	2008
<b>Expenses:</b>						
General government <sup>2</sup>	27.4%	46.4%	38.0%	49.9%	22.3%	23.1%
Planning	8.3%	4.0%	4.5%	2.6%	2.8%	2.0%
Public safety	36.6%	32.3%	34.1%	28.6%	38.9%	34.0%
Public works	25.9%	16.1%	22.2%	18.1%	32.2%	38.1%
Interest and fiscal charges	1.8%	1.2%	1.2%	0.8%	3.8%	2.8%
<b>Total Expenses</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Program Revenues:</b>						
Charges for services:						
Plan review fees	8.1%	4.8%	6.7%	0.7%	0.4%	0.2%
Building permits	1.3%	4.0%	3.6%	1.1%	0.6%	0.3%
Impact fees	4.4%	1.1%	2.6%	4.6%	0.1%	0.0%
Sales of houses - historical preservation	0.0%	15.4%	6.1%	4.1%	0.0%	0.0%
Other	1.8%	1.2%	3.0%	3.7%	3.4%	9.4%
Operating grants and contributions <sup>3</sup>	84.4%	71.8%	77.9%	85.9%	33.6%	89.4%
Capital grants and contributions <sup>4</sup>	0.0%	1.7%	0.1%	0.0%	61.9%	0.7%
<b>Total Program Revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>General Revenues:</b>						
Taxes:						
Property and specific ownership taxes	0.1%	0.1%	0.0%	0.0%	3.6%	2.3%
Sales and use taxes	6.9%	14.3%	13.0%	19.8%	8.1%	7.0%
Road and bridge taxes	0.0%	0.4%	0.4%	0.4%	0.4%	0.5%
Device taxes	49.4%	43.1%	37.5%	35.9%	38.7%	44.0%
Franchise taxes	0.6%	0.6%	0.7%	0.6%	0.6%	0.8%
Other	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Gaming	41.0%	37.9%	34.8%	33.9%	32.6%	36.0%
Investment earnings	1.6%	1.4%	2.7%	6.3%	4.9%	2.6%
Miscellaneous <sup>5</sup>	0.4%	2.1%	10.8%	3.0%	11.0%	6.7%
<b>Total General Revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Notes:**

<sup>1</sup> The City implement GASB Statement No. 34 in calendar year 2003, therefore, only six years of government-wide financial data is presented.

<sup>2</sup> The 2006 amount includes a payment for land relating to an eminent domain settlement of \$5.3 million.

<sup>3</sup> The 2006 amount includes infrastructure donated by the casinos, primarily a road.

<sup>4</sup> The majority of these revenues are the City's share of State gaming revenue set aside for historical preservation projects.

<sup>5</sup> The 2007 amount includes a recovery of \$2,221,034 relating to the eminent domain settlement referenced below.

**Data Source:**

Applicable years' annual financial report.

**City of Black Hawk, Colorado**  
**Changes in Net Assets - Business-type Activities**  
**Last Six Calendar Years<sup>1</sup>**  
*(accrual basis of accounting)*

	For the Calendar Year Ended December 31,					
	2003	2004	2005	2006	2007	2008
<b>Expenses:</b>						
Water	\$ 3,517,404	\$ 3,390,240	\$ 3,501,744	\$ 2,994,339	\$ 3,250,519	\$ 3,184,682
<b>Program Revenues:</b>						
Charges for services - water	523,141	523,369	536,025	699,648	729,783	1,427,314
Operating grants and contributions	77,180	-	-	-	-	-
Capital grants and contributions	15,378	632,342	118,856	27,356	1,110,941	1,276,201
<b>Total Program Revenues</b>	<b>615,699</b>	<b>1,155,711</b>	<b>654,881</b>	<b>727,004</b>	<b>1,840,724</b>	<b>2,703,515</b>
<b>Net (Expense) Revenue</b>	<b>(2,901,705)</b>	<b>(2,234,529)</b>	<b>\$ (2,846,863)</b>	<b>\$ (2,267,335)</b>	<b>\$ (1,409,795)</b>	<b>\$ (481,167)</b>
<b>General Revenues:</b>						
Investment earnings	-	15,736	-	9,071	83,822	142,859
Miscellaneous	-	60,439	23,956	30,991	-	24
<b>Total General Revenues</b>	<b>-</b>	<b>76,175</b>	<b>23,956</b>	<b>40,062</b>	<b>83,822</b>	<b>142,883</b>
<b>Transfers In</b>	<b>2,494,424</b>	<b>1,480,915</b>	<b>2,683,926</b>	<b>3,104,995</b>	<b>4,628,642</b>	<b>3,371,609</b>
<b>Total General Revenues and Transfers</b>	<b>2,494,424</b>	<b>1,557,090</b>	<b>2,707,882</b>	<b>3,145,057</b>	<b>4,712,464</b>	<b>3,514,492</b>
<b>Change in Net Assets</b>	<b>\$ (407,281)</b>	<b>\$ (677,439)</b>	<b>\$ (138,981)</b>	<b>\$ 877,722</b>	<b>\$ 3,302,669</b>	<b>\$ 3,033,325</b>

**Notes:**

<sup>1</sup> The City implemented GASB Statement No. 34 in calendar year 2003, therefore, only six years of government-wide financial data is presented.

**Data Source:**

Applicable years' annual financial report.

**City of Black Hawk, Colorado**  
**Changes in Net Assets - Total**  
**Last Six Calendar Years <sup>1</sup>**  
**(accrual basis of accounting)**

	For the Calendar Year Ended December 31,					
	2003	2004	2005	2006	2007	2008
<b>Expenses:</b>						
Governmental activities <sup>2</sup>	\$ 14,106,260	\$ 17,045,191	\$ 16,240,749	\$ 22,091,060	\$ 16,066,685	\$ 18,821,526
Business-type activities <sup>3</sup>	3,517,404	3,390,240	3,501,744	2,994,339	3,250,519	3,184,682
<b>Total Expenses</b>	<u>17,623,664</u>	<u>20,435,431</u>	<u>19,742,493</u>	<u>25,085,399</u>	<u>19,317,204</u>	<u>22,006,208</u>
<b>Program Revenues:</b>						
Governmental activities <sup>2</sup>	4,392,290	5,370,104	4,758,369	4,649,792	19,489,338	6,972,500
Business-type activities <sup>3</sup>	615,699	1,155,711	654,881	727,004	1,840,724	2,703,515
<b>Total Program Revenues</b>	<u>5,007,989</u>	<u>6,525,815</u>	<u>5,413,250</u>	<u>5,376,796</u>	<u>21,330,062</u>	<u>9,676,015</u>
<b>Net (Expense) Revenue</b>	<u>(12,615,675)</u>	<u>(13,909,616)</u>	<u>(14,329,243)</u>	<u>(19,708,603)</u>	<u>2,012,858</u>	<u>(12,330,193)</u>
<b>General Revenues and Transfers:</b>						
Governmental activities <sup>2</sup>	13,614,421	16,220,720	16,253,779	17,876,537	18,466,476	16,531,216
Business-type activities <sup>3</sup>	2,494,424	1,557,090	2,707,882	3,145,057	4,712,464	3,514,492
<b>Total General Revenues and Transfers</b>	<u>16,108,845</u>	<u>17,777,810</u>	<u>18,961,661</u>	<u>21,021,594</u>	<u>23,178,940</u>	<u>20,045,708</u>
<b>Change in Net Assets</b>	<u>\$ 3,493,170</u>	<u>\$ 3,868,194</u>	<u>\$ 4,632,418</u>	<u>\$ 1,312,991</u>	<u>\$ 25,191,798</u>	<u>\$ 7,715,515</u>

**Notes:**

<sup>1</sup> The City implemented GASB Statement No. 34 in calendar year 2003, therefore, only six years of government-wide data is presented.

**Data Source:**

<sup>2</sup> See Exhibit I

<sup>3</sup> See Exhibit III

**City of Black Hawk, Colorado**  
**Government-wide Net Assets by Category<sup>2</sup>**  
**Last Six Calendar Years<sup>1</sup>**  
**(accrual basis of accounting)**

	December 31, 2003	December 31, 2004	December 31, 2005	Restated <sup>6</sup> December 31, 2006	December 31, 2007	December 31, 2008
<b>Governmental Activities</b>						
Invested in capital assets, net of related debt <sup>3,4,5</sup>	\$ 6,731,922	\$ 13,998,360	\$ 30,536,621	\$ 39,998,733	\$ 44,818,459	\$ 50,752,082
Restricted	12,208,422	13,625,132	7,843,324	6,709,556	8,973,493	9,999,900
Unrestricted	6,396,224	5,634,242	6,740,199	706,045	14,061,857	11,784,018
<b>Total Governmental Activities Net Assets</b>	<b>25,336,568</b>	<b>33,257,734</b>	<b>45,120,144</b>	<b>47,414,334</b>	<b>67,853,809</b>	<b>72,536,000</b>
<b>Business-type Activities</b>						
Invested in capital assets, net of related debt	6,592,829	7,280,187	7,275,369	6,845,299	6,642,322	11,643,353
Restricted	1,321,969	711,669	544,240	1,295,851	1,317,800	1,235,475
Unrestricted	516,015	(238,482)	(205,216)	150,157	3,429,661	1,748,473
<b>Total Business-type Activities Net Assets</b>	<b>8,430,813</b>	<b>7,753,374</b>	<b>7,614,393</b>	<b>8,291,307</b>	<b>11,389,783</b>	<b>14,627,301</b>
<b>Primary Government</b>						
Invested in capital assets, net of related debt <sup>3</sup>	13,324,751	21,278,547	37,811,990	46,844,032	51,460,781	62,395,435
Restricted	13,530,391	14,336,801	8,387,564	8,005,407	10,291,293	11,235,375
Unrestricted	6,912,239	5,395,760	6,534,983	856,202	17,491,518	13,532,491
<b>Total Primary Government Net Assets</b>	<b>\$ 33,767,381</b>	<b>\$ 41,011,108</b>	<b>\$ 52,734,537</b>	<b>\$ 55,705,641</b>	<b>\$ 79,243,592</b>	<b>\$ 87,163,301</b>

**Notes:**

<sup>1</sup> The City implement GASB Statement No. 34 in calendar year 2003, therefore only six years of government-wide financial data is presented.

<sup>2</sup> Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of Colorado or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation which is enacted by the City. There are no restrictions currently reported as a result of enabling legislation.

<sup>3</sup> In 2004, includes additional costs for a maintenance facility (\$318,000), relocate CDOT (\$360,000), drainage at Bobtail (\$930,000) and lower main street (\$519,000) projects.

<sup>4</sup> In 2005, includes additional costs for Clear Creek street (\$251,000), relocate CDOT (\$488,000), Church street guardrail (\$461,000), drainage at Bobtail (\$568,000), post office (\$1,040,000), Crooks Palace (\$1,528,000), BLM acquisition (\$1,400,000) and the bank (\$1,870,000) projects. Also, includes a \$7 million prior period adjustment to increase the estimated cost of the City owned land.

<sup>5</sup> In 2006, includes additional costs for the post office (\$388,000), Crooks Palace (\$1,600,000) and the bank (\$1,127,000) projects. Also, includes a \$6.4 million prior period adjustment to report infrastructure retroactively to construction date.

<sup>6</sup> Includes the Black Hawk Transportation Authority and the Black Hawk Business Improvement District.

**Data Source:**

Applicable years' annual financial report.

**Black Hawk, Colorado**  
**General Governmental Revenues by Source**  
**Last Ten Calendar Years**  
*(modified accrual basis of accounting)*

Revenue Source	For the Calendar Year Ended December 31,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	<b>Amounts</b>									
Taxes	\$ 7,439,071	\$ 9,701,324	\$ 9,506,679	\$ 9,508,694	\$ 9,195,399	\$ 10,376,445	\$ 9,785,011	\$ 11,926,812	\$ 11,873,523	\$ 10,879,027
Special assessments	-	-	-	-	-	-	-	-	1,840,892	1,840,892
Intergovernmental	6,792,214	7,428,515	9,221,040	10,126,569	10,320,024	10,573,715	10,296,741	11,109,826	12,250,936	11,571,168
Licenses and permits	104,441	201,140	47,000	59,703	80,378	238,591	197,029	84,352	131,528	37,685
Fines and forfeitures	40,982	35,138	24,230	22,274	18,377	17,000	20,135	16,917	29,921	32,476
Charges for services	112,874	161,859	67,028	131,738	390,278	279,029	414,722	153,995	688,288	621,630
Impact and development fees	362,735	1,374,259	-	90,552	194,184	60,746	125,086	401,323	14,644	-
Investment earnings	493,369	1,058,926	947,656	474,139	249,841	239,637	506,585	1,316,836	1,127,219	522,039
Miscellaneous <sup>4</sup>	691,150	73,038	32,240	25,789	52,654	1,197,785 <sup>2</sup>	2,323,097 <sup>3</sup>	621,263	2,557,025	344,296
<b>Total revenues</b>	<b>\$ 16,036,836</b>	<b>\$ 20,034,199</b>	<b>\$ 19,845,873</b>	<b>\$ 20,439,458</b>	<b>\$ 20,501,135</b>	<b>\$ 22,982,948</b>	<b>\$ 23,668,406</b>	<b>\$ 25,631,324</b>	<b>\$ 30,513,976</b>	<b>\$ 25,849,213</b>
% change from prior year	3.6%	24.9%	-0.9%	3.0%	0.3%	12.1%	3.0%	8.3%	19.0%	-15.3%
	<b>Percentage of Total</b>									
Taxes	46.4%	48.4%	47.9%	46.5%	44.9%	45.1%	41.3%	46.5%	38.9%	42.1%
Special assessments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	7.1%
Intergovernmental	42.4%	37.1%	46.5%	49.5%	50.3%	46.0%	43.5%	43.3%	40.1%	44.8%
Licenses and permits	0.7%	1.0%	0.2%	0.3%	0.4%	1.0%	0.8%	0.3%	0.4%	0.1%
Fines and forfeitures	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Charges for services	0.7%	0.8%	0.3%	0.6%	1.9%	1.2%	1.8%	0.6%	2.3%	2.4%
Impact and development fees	2.3%	6.9%	0.0%	0.4%	0.9%	0.3%	0.5%	1.6%	0.0%	0.0%
Investment earnings	3.1%	5.3%	4.8%	2.3%	1.2%	1.0%	2.1%	5.1%	3.7%	2.0%
Miscellaneous	4.3%	0.4%	0.2%	0.1%	0.3%	5.2%	9.8%	2.4%	8.5%	8.4%
<b>Total revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Notes:**

<sup>1</sup> In 2003, the Dory Hill Cemetery Fund was reclassified from an expendable trust fund to a special revenue fund. The data is restated and included in all years.

<sup>2</sup> The 2004 amount includes \$829,163 for the sale of City owned restored houses.

<sup>3</sup> The 2005 amount includes \$297,760 for the sale of City owned restored houses, a \$328,061 reimbursement for excavating, and \$1,448,175 from the sale of land.

<sup>4</sup> The 2007 amount include a \$2.2 million recovery of an eminent domain settlement paid in 2006.

**Data Source:**

Applicable years' annual financial report.

**City of Black Hawk, Colorado**  
**Tax Revenues by Source - Governmental Funds**  
*Last Six Calendar Years <sup>1</sup>*  
*(modified accrual basis of accounting)*

Calendar Year	Amounts							Total
	Property and Ownership	Road and Bridge	Sales and Use <sup>2</sup>	Franchise	Device	Other <sup>3</sup>		
2003	\$ 8,336	\$ 6,841	\$ 1,109,786	\$ 93,991	\$ 7,971,743	\$ 4,702	\$ 9,195,399	
2004	9,979	73,719	2,525,684	118,676	7,637,917	10,470	10,376,445	
2005	9,466	71,771	2,458,540	128,986	7,108,203	8,045	9,785,011	
2006	9,756	80,428	4,155,906	132,332	7,541,870	6,520	11,926,812	
2007 <sup>4</sup>	830,844	84,792	1,871,058	145,338	8,930,631	10,860	11,873,523	
2008	467,385	90,055	1,400,903	152,460	8,761,539	6,685	10,879,027	
Percentage Change In Dollars Over 5 Years	<u>9866.9%</u>	<u>1075.7%</u>	<u>274.5%</u>	<u>40.8%</u>	<u>-5.4%</u>	<u>38.7%</u>	<u>29.7%</u>	
	Percentage of Total							
2003	0.1%	0.1%	12.1%	1.0%	86.7%	0.1%	100.0%	
2004	0.1%	0.7%	24.3%	1.1%	73.6%	0.1%	100.0%	
2005	0.1%	0.7%	25.1%	1.3%	72.6%	0.1%	100.0%	
2006	0.1%	0.7%	34.8%	1.1%	63.2%	0.1%	100.0%	
2007	7.0%	0.7%	15.8%	1.2%	75.2%	0.1%	100.0%	
2008	4.3%	0.8%	12.9%	1.4%	80.5%	0.1%	100.0%	

**Notes:**

<sup>1</sup> Only six years of detailed tax data is available.

<sup>2</sup> The significant increase in 2006 relates to a substantial increase in casino construction.

<sup>3</sup> Includes occupational taxes, liquor taxes and other taxes.

<sup>4</sup> Beginning in 2007, the business improvement district was included as a blended component unit, which affects the property and device tax amounts.

**Data Source:**

Applicable years' annual financial report.

**City of Black Hawk, Colorado**  
**City's Share of State Gaming Taxes <sup>1</sup>**  
**Last Ten Calendar Years**  
*(modified accrual basis of accounting)*

Calendar Year	Unrestricted <sup>2</sup>	Restricted For Preservation <sup>3</sup> and Restoration	Total	Total Percentage Change
1999	4,308,662	2,412,851	6,721,513	33.49%
2000	4,745,777	2,646,328	7,392,105	9.98%
2001	5,871,402	3,287,985	9,159,387	23.91%
2002	6,472,838	3,624,789	10,097,627	10.24%
2003	6,599,843	3,695,913	10,295,756	1.96%
2004	6,710,174	3,757,658	10,467,832	1.67%
2005	6,587,172	3,689,180	10,276,352	-1.83%
2006	7,110,170	3,981,695	11,091,865	7.94%
2007	7,530,055	4,216,831	11,746,886	5.91%
2008	7,172,188	4,016,425	11,188,613	-4.75%
Percentage Change in Dollars Over 10 Years	<u>66.5%</u>	<u>66.5%</u>	<u>66.5%</u>	

**Notes:**

<sup>1</sup> The State Constitutional amendment that authorized limited gaming in three Colorado cities requires limited gaming establishments to pay up to 40% of their adjusted gross profits (the total amount of all wagers made by players less all payments to players) to the State of Colorado. A portion of these taxes is returned to the gaming cities.

<sup>2</sup> The State of Colorado must distribute 10% of their state gaming taxes to the three gaming cities in Colorado, in proportion to the gaming revenues generated in each respective city.

<sup>3</sup> 20% of the state gaming taxes are distributed to the State of Colorado's state historical fund to be used for restoration and preservation of the three gaming cities in Colorado in proportion to the gaming revenues generated in the respective cities.

**Data Source:**

Applicable years' annual financial report.

City of Black Hawk, Colorado  
 General Governmental Expenditures by Function<sup>1</sup>  
 Last Ten Calendar Years  
 (modified accrual basis of accounting)

For the Calendar Year Ended December 31,										
Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Current:</b>										
General government <sup>2</sup>	\$ 1,928,563	\$ 4,109,233	\$ 5,046,972	\$ 4,306,624	\$ 3,739,799	\$ 4,979,283	\$ 5,330,439	\$ 5,347,801	\$ 3,165,107	\$ 3,935,814
Planning	471,136	664,577	454,512	523,589	1,159,281	668,311	700,510	566,361	446,488	376,483
Public safety	2,865,453	3,285,768	4,040,078	4,703,019	5,034,439	5,256,946	5,366,116	6,018,337	6,051,813	6,199,634
Public works	1,422,515	1,583,518	1,547,911	2,080,349	2,306,217	3,053,618	3,631,126	2,850,987	3,828,417	4,007,440
Culture and recreation	-	24,564	35,221	-	-	-	-	-	-	10,940
<b>Total Current</b>	<b>6,687,667</b>	<b>9,667,660</b>	<b>11,124,694</b>	<b>11,613,581</b>	<b>12,239,736</b>	<b>13,958,158</b>	<b>15,028,191</b>	<b>14,783,486</b>	<b>13,491,825</b>	<b>14,530,311</b>
<b>% Change From Prior Year</b>	<b>11.3%</b>	<b>44.6%</b>	<b>15.1%</b>	<b>4.4%</b>	<b>5.4%</b>	<b>14.0%</b>	<b>7.7%</b>	<b>-1.6%</b>	<b>-8.7%</b>	<b>7.7%</b>
<b>Capital Outlay<sup>3</sup></b>	<b>3,562,438</b>	<b>2,597,675</b>	<b>3,369,370</b>	<b>4,210,590</b>	<b>3,419,925</b>	<b>6,579,654</b>	<b>10,396,919</b>	<b>4,389,185</b>	<b>2,169,020</b>	<b>7,135,470</b>
<b>% Change From Prior Year</b>	<b>15.0%</b>	<b>-27.1%</b>	<b>29.7%</b>	<b>25.0%</b>	<b>-18.8%</b>	<b>92.4%</b>	<b>58.0%</b>	<b>-57.8%</b>	<b>-50.6%</b>	<b>229.0%</b>
<b>Debt Service</b>										
Principal	1,478,439	360,145	376,250	391,250	415,000	518,840	618,132	543,223	2,298,025	2,485,876
Interest and fees	399,332	307,346	297,255	271,398	253,934	307,107	198,356	237,700	495,143	395,543
<b>Total Debt Service</b>	<b>1,877,771</b>	<b>667,491</b>	<b>673,505</b>	<b>662,648</b>	<b>668,934</b>	<b>825,947</b>	<b>816,488</b>	<b>780,923</b>	<b>2,793,168</b>	<b>2,881,419</b>
<b>% Change From Prior Year</b>	<b>112.5%</b>	<b>-64.5%</b>	<b>0.9%</b>	<b>-1.6%</b>	<b>0.9%</b>	<b>23.5%</b>	<b>-1.1%</b>	<b>-4.4%</b>	<b>257.7%</b>	<b>3.2%</b>
<b>Total Expenditures</b>	<b>\$ 12,127,876</b>	<b>\$ 12,932,826</b>	<b>\$ 15,167,569</b>	<b>\$ 16,486,819</b>	<b>\$ 16,328,595</b>	<b>\$ 21,363,759</b>	<b>\$ 26,241,598</b>	<b>\$ 19,953,594</b>	<b>\$ 18,454,013</b>	<b>\$ 24,547,200</b>
<b>% Change From Prior Year</b>	<b>21.4%</b>	<b>6.6%</b>	<b>17.3%</b>	<b>8.7%</b>	<b>-1.0%</b>	<b>30.8%</b>	<b>22.8%</b>	<b>-24.0%</b>	<b>-7.5%</b>	<b>33.0%</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>										
	<b>21.9%</b>	<b>6.5%</b>	<b>5.7%</b>	<b>5.4%</b>	<b>5.2%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>5.0%</b>	<b>17.2%</b>	<b>15.2%</b>

**Notes:**

<sup>1</sup> In 2003, the Dory Hill Cemetery Fund was reclassified from an expendable trust fund to a special revenue fund. This fund is restated and included as a special revenue fund for all years presented.

<sup>2</sup> In 2001, the general government function includes a \$581,392 sales tax refund paid to taxpayers for over payments.

**Data Source:**

Applicable years' annual financial report.

**City of Black Hawk, Colorado**  
**General Governmental Current Expenditures by Function (Unaudited) <sup>1</sup>**  
**Last Ten Calendar Years**  
**(modified accrual basis of accounting)**

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

<b>Function</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
	<b>Amounts</b>									
<b>Current:</b>										
General government	\$ 1,928,563	\$ 4,109,233	\$ 5,046,972	\$ 4,306,624	\$ 3,739,799	\$ 4,979,283	\$ 5,330,439	\$ 5,347,801	\$ 3,165,107	\$ 3,935,814
Planning	471,136	664,577	454,512	523,589	1,159,281	668,311	700,510	566,361	446,488	376,483
Public safety	2,865,453	3,285,768	4,040,078	4,703,019	5,034,439	5,256,946	5,366,116	6,018,337	6,051,813	6,199,634
Public works	1,422,515	1,583,518	1,547,911	2,080,349	2,306,217	3,053,618	3,631,126	2,850,987	3,828,417	4,007,440
Culture and recreation	-	24,564	35,221	-	-	-	-	-	-	10,940
<b>Total Current</b>	<b>\$ 6,687,667</b>	<b>\$ 9,667,660</b>	<b>\$ 11,124,694</b>	<b>\$ 11,613,581</b>	<b>\$ 12,239,736</b>	<b>\$ 13,958,158</b>	<b>\$ 15,028,191</b>	<b>\$ 14,783,486</b>	<b>\$ 13,491,825</b>	<b>\$ 14,530,311</b>
	<b>Percentage of Total</b>									
<b>Current:</b>										
General government	28.8%	42.5%	45.4%	37.1%	30.6%	35.7%	35.5%	36.2%	23.5%	27.0%
Planning	7.0%	6.9%	4.1%	4.5%	9.5%	4.8%	4.7%	3.8%	3.3%	2.6%
Public safety	42.8%	34.0%	36.3%	40.5%	41.1%	37.7%	35.7%	40.7%	44.9%	42.7%
Public works	21.3%	16.4%	13.9%	17.9%	18.8%	21.9%	24.2%	19.3%	28.4%	27.6%
Parks and recreation	0.0%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
<b>Total Current</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Notes:**

<sup>1</sup> Includes all governmental fund types.

**Data Source:**

Applicable years' annual financial report.

**City of Black Hawk, Colorado**  
**Summary of Changes in Fund Balances - Governmental Funds**  
**Last Ten Calendar Years**  
**(modified accrual basis of accounting)**

Source	For the Calendar Year Ended December 31,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Total Revenues</b>	\$ 16,036,836	\$ 20,034,199	\$ 19,845,873	\$ 20,439,458	\$ 20,501,135	\$ 22,982,948	\$ 23,668,406	\$ 25,631,324	\$ 30,513,976	\$ 25,849,213
<b>Total Expenditures</b>	12,127,876	12,932,826	15,167,569	16,486,819	16,328,595	21,363,759	26,241,598	19,953,594	18,454,013	24,547,200
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	3,908,960	7,101,373	4,678,304	3,952,639	4,172,540	1,619,189	(2,573,192)	5,677,730	12,059,963	1,302,013
<b>Other Financing Sources</b>										
Inception of capital lease obligation	-	-	-	-	-	524,075	232,055	265,400	-	-
Issuance of bonds	1,035,000	-	-	-	-	1,031,250	-	1,327,000	-	-
Bond premium	-	-	-	-	-	-	-	31,346	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(991,626)	-	(1,330,000)	-	-
Transfers in	4,273,810	2,834,000	5,023,340	4,514,625	1,793,094	3,394,872	2,383,522	1,661,579	3,726,595	6,524,426
Transfers out	(5,073,810)	(7,332,469)	(8,409,440)	(8,430,838)	(4,287,518)	(4,875,787)	(5,045,638)	(4,766,574)	(8,355,237)	(9,896,035)
<b>Total Other Financing Sources</b>	235,000	(4,498,469)	(3,386,100)	(3,916,213)	(2,494,424)	(917,216)	(2,430,061)	(2,811,249)	(4,628,642)	(3,371,609)
<b>Net Change in Fund Balances</b>	4,143,960	2,602,904	1,292,204	36,426	1,678,116	701,973	(5,003,253)	2,866,481	7,431,321	(2,069,596)
<b>Fund Balances, Beginning of Year</b>	11,837,980	15,981,940	17,465,476	18,757,680	18,794,106	18,857,664	19,559,637	14,556,384	12,884,856	23,004,456
<b>Other Changes <sup>1</sup></b>	-	(1,119,368)	-	-	(1,614,558)	-	-	(4,538,009)	2,688,279	-
<b>Fund Balances, End of Year</b>	\$ 15,981,940	\$ 17,465,476	\$ 18,757,680	\$ 18,794,106	\$ 18,857,664	\$ 19,559,637	\$ 14,556,384	\$ 12,884,856	\$ 23,004,456	\$ 20,934,860

**Notes:**

<sup>1</sup> Consists primarily of restatements and special items. The 2006 special item of \$5,323,543 relates to an eminent domain settlement.

**Data Source:**

Applicable years' annual financial report.

**City of Black Hawk, Colorado**  
**Fund Balances - Governmental Funds**  
**Last Ten Calendar Years**  
**(modified accrual basis of accounting)**

	December 31,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$ 367,043	\$ 818,000	\$ 684,000	\$ 581,000	\$ 475,000	\$ 467,364	\$ 511,906	\$ 474,780	\$ 354,111	\$ 399,204
Unreserved	4,290,418	2,992,258	2,429,503	331,718	2,065,894	4,799,376	6,275,828	6,073,465	9,950,863	7,628,780
<b>Subtotal General Fund</b>	<b>4,657,461</b>	<b>3,810,258</b>	<b>3,113,503</b>	<b>912,718</b>	<b>2,540,894</b>	<b>5,266,740</b>	<b>6,787,734</b>	<b>6,548,245</b>	<b>10,304,974</b>	<b>8,027,984</b>
<b>General Fund Percentage</b>										
Change From Prior Year	-3.2%	-18.2%	-18.3%	-70.7%	178.4%	107.3%	28.9%	-3.5%	57.4%	-22.1%
<b>All Other Governmental Funds</b>										
Reserved <sup>1</sup>	9,375,055	10,875,610	10,448,832	11,961,081	11,733,422	10,787,404	4,389,565	1,178,921	5,260,021	6,593,301
Unreserved										
Special Revenue Funds	1,949,424	2,779,608	1,994,944	2,476,242	106,565	143,009	195,453	148,365	2,333,520	(1,078,886)
Capital Projects Funds	-	-	3,200,401	3,444,065	4,476,783	3,362,484	3,416,965	5,009,325	5,105,941	7,392,461
<b>Subtotal All Other</b>										
<b>Governmental Funds</b>	<b>11,324,479</b>	<b>13,655,218</b>	<b>15,644,177</b>	<b>17,881,388</b>	<b>16,316,770</b>	<b>14,292,897</b>	<b>8,001,983</b>	<b>6,336,611</b>	<b>12,699,482</b>	<b>12,906,876</b>
<b>Total Governmental Funds</b>										
Reserved	9,742,098	11,693,610	11,132,832	12,542,081	12,208,422	11,254,768	4,901,471	1,653,701	5,614,132	6,992,505
Unreserved	6,239,842	556,424	7,624,848	6,252,025	6,649,242	8,304,869	9,888,246	11,231,155	17,390,324	13,942,355
<b>Total Governmental Funds</b>	<b>\$ 15,981,940</b>	<b>\$ 12,250,034</b>	<b>\$ 18,757,680</b>	<b>\$ 18,794,106</b>	<b>\$ 18,857,664</b>	<b>\$ 19,559,637</b>	<b>\$ 14,789,717</b>	<b>\$ 12,884,856</b>	<b>\$ 23,004,456</b>	<b>\$ 20,934,860</b>
<b>All Governmental Funds</b>										
Percentage Change	27.5%	-23.4%	53.1%	0.2%	0.3%	3.7%	-24.4%	-12.9%	78.5%	-9.0%

**Notes:**

<sup>1</sup> For consistency, the fund balance in the debt service fund was reclassified from unreserved to reserved for years 2001 - 2004.

<sup>2</sup> The 2000 - 2003 fund balance for the preservation restoration fund have been reclassified from unreserved to reserved to be consistent with the 2004 - 2006 reporting.

**Data Source:**

Applicable years' annual financial report.

**Black Hawk, Colorado**  
**Number of Devices - By Casino** <sup>1,2</sup>  
**Last Five Calendar Years** <sup>3</sup>

For the Calendar Years December 31,

Major Casino	2004		2005		2006		2007		2008	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Isle of Capri	1,099	11.7%	1,408	14.5%	1,424	14.1%	1,403	14.2%	1,387	14.2%
Ameristar (formerly Mountain High)	1,030	11.0%	902	9.3%	1,662	16.4%	1,664	16.8%	1,634	16.8%
Lodge	949	10.1%	721	7.4%	943	9.3%	998	10.1%	976	10.0%
Riviera	1,012	10.8%	960	9.9%	842	8.3%	870	8.8%	829	8.5%
Mardi Gras	703	7.5%	721	7.4%	743	7.3%	679	6.9%	706	7.2%
Colorado Central	662	7.1%	810	8.3%	685	6.8%	663	6.7%	668	6.9%
Bullwhackers	688	7.3%	687	7.1%	692	6.8%	687	6.9%	664	6.8%
Fitzgeralds	599	6.4%	605	6.2%	600	5.9%	595	6.0%	911	9.3%
Canyon/Grand Plateau	589	6.3%	559	5.8%	433	4.3%	448	4.5%	419	4.3%
Gilpin	448	4.8%	457	4.7%	457	4.5%	458	4.6%	446	4.6%
<b>Total Major Casinos</b> <sup>4</sup>	<b>7,779</b>	<b>82.9%</b>	<b>7,830</b>	<b>80.7%</b>	<b>8,481</b>	<b>83.7%</b>	<b>8,465</b>	<b>85.5%</b>	<b>8,640</b>	<b>88.6%</b>
<b>All Other Casinos</b>	<b>1,609</b>	<b>17.1%</b>	<b>1,872</b>	<b>19.3%</b>	<b>1,649</b>	<b>16.3%</b>	<b>1,439</b>	<b>14.5%</b>	<b>1,111</b>	<b>11.4%</b>
<b>Total All Casinos</b> <sup>5</sup>	<b>9,388</b>	<b>100.0%</b>	<b>9,702</b>	<b>100.0%</b>	<b>10,130</b>	<b>100.0%</b>	<b>9,904</b>	<b>100.0%</b>	<b>9,751</b>	<b>100.0%</b>

**Notes:**

<sup>1</sup> The City adopted an ordinance imposing an occupational tax (i.e., a device fee) on gaming devices used within the City. The fee is paid on all gaming devices for which the State of Colorado has issued a device tax stamp.

<sup>2</sup> Based upon the number of devices at December 31 of each year.

<sup>3</sup> Detailed data only available from 2004-2006.

**Data Source:**

<sup>4</sup> City Finance Department

<sup>5</sup> Colorado Department of Revenue, Gaming Division,  
<http://www.revenue.state.co.us/Gaming/wrap.asp?incl=abstract>

City of Black Hawk, Colorado  
Annual Device Fee Rates  
Last Ten Calendar Years

Year	Regular <sup>1</sup>	Business Improvement District <sup>2</sup>	Transportation Authority <sup>3</sup>	Total
1999	\$ 750	\$ 89	\$ 154	\$ 993
1999	750	89	154	993
2000	750	89	77	916
2001	750	89	77	916
2002	750	89	77	916
2003	750	89	77	916
2004	750	89	77	916
2005	750	89	77	916
2006	750	89	77	916
2008	750	89	77	916

Notes:

<sup>1</sup> From 2001 - 2006, the City waved the regular device fee for the first 50 machines within each casino.

<sup>2</sup> The City collects the device fee for the Business Improvement District, a blended component unit of the City. In addition, the City maintains the device fees and is able to spend these fees on public improvements.

<sup>3</sup> The City collects the device fee for the Transportation Authority, a blended component unit of the City.

Data Source :  
City Finance Department

**City of Black Hawk, Colorado**  
**Principal Device Fee Payers**  
For the Calendar Years Ended December 31, 2008 and 2004 <sup>1</sup>

2008			
<u>Principal Device Fee Payers - Casino</u>	<u>Total Fees <sup>2</sup></u>	<u>Rank</u>	<u>Percentage of Total Fees</u>
Ameristar (formerly Mountain High)	\$ 1,236,375	1	15.44%
Isle of Capri	1,166,196	2	14.57%
Lodge	825,685	3	10.31%
Riviera	718,428	4	8.97%
Mardi Gras	582,224	5	7.27%
Colorado Central	556,703	6	6.95%
Bullwhackers	507,750	7	6.34%
Fitzgeralds	665,638	8	8.31%
Canyon/Grand Plateau	356,522	9	4.45%
Gilpin	377,568	10	4.72%
<b>Total Principal Fee Payers</b>	6,993,089		87.35%
<b>All Other Fee Payers</b>	1,012,594		12.65%
<b>Total</b>	<u>\$ 8,005,683</u>		<u>100.00%</u>

2004			
<u>Principal Device Fee Payers - Casino</u>	<u>Total Fees <sup>2,3</sup></u>	<u>Rank</u>	<u>Percentage of Total Fees</u>
Isle of Capri	\$ 888,459	1	12.79%
Riviera	797,834	2	11.48%
Lodge	756,443	3	10.89%
Ameristar (formerly Mountain High)	737,751	4	10.62%
Mardi Gras	554,583	5	7.98%
Colorado Central	542,207	6	7.80%
Bullwhackers	473,188	7	6.81%
Fitzgeralds	467,044	8	6.72%
Canyon/Grand Plateau	460,820	9	6.63%
Gilpin	332,237	10	4.78%
<b>Total Principal Fee Payers</b>	6,010,566		86.52%
<b>All Other Fee Payers</b>	936,758		13.48%
<b>Total</b>	<u>\$ 6,947,324</u>		<u>100.00%</u>

**Notes:**

<sup>1</sup> The City began accumulating this level of detailed information in 2004.

<sup>2</sup> Total fees based upon the amount of billings for each calendar year for regular and business improvement district device fees. Ameristar and Bullwhackers casinos are not charged the Business Improvement District fee.

<sup>3</sup> The device fees do not include the Black Hawk Business Transportation Authority fees.

**Data Source:**

City Finance Department.

**City of Black Hawk, Colorado**  
*Direct and Overlapping Sales and Use Tax Rates*  
*Last Ten Calendar Years*

<b>Calendar Year</b>	<b>Direct City <sup>1</sup></b>	<b>Overlapping State of Colorado</b>	<b>Total Direct and Overlapping</b>
1999	0.00%	2.90%	2.90%
2000	0.00%	2.90%	2.90%
2001	0.00%	2.90%	2.90%
2002	0.00%	2.90%	2.90%
2003 <sup>1</sup>	4.00%	2.90%	6.90%
2004	4.00%	2.90%	6.90%
2005	4.00%	2.90%	6.90%
2006	4.00%	2.90%	6.90%
2007	4.00%	2.90%	6.90%
2008	4.00%	2.90%	6.90%

**Notes:**

<sup>1</sup> The City began levying a sales and use tax in 2003.

**Data Source :** Colorado Department of Revenue, Sales Tax Information Division,  
<http://www.taxview.state.co.us/>

**City of Black Hawk, Colorado**  
**Ratios of Total Debt Outstanding by Type**  
**Last Ten Calendar Years**

Calendar Year	Governmental Activities					Business-type Activities			Total <sup>1</sup>	Estimated Population <sup>2</sup>	Total Debt Per Capita <sup>3</sup>	Total Debt Per Gaming Device <sup>4, 5</sup>
	Device Tax Revenue Bonds	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Total	Device Tax Revenue Bonds	General Obligation Bonds	Total				
1999	\$ 1,258,895	\$ -	\$ -	\$ 84,750	\$ 1,343,645	\$ 13,766,105	\$ 4,695,000	\$ 18,461,105	\$ 19,804,750	118	\$ 167,837	\$ 2,779
2000	3,960,000	-	-	-	3,960,000	13,576,250	4,420,000	17,996,250	21,956,250	118	186,070	2,559
2001	4,482,500	-	-	-	4,482,500	13,357,500	4,150,000	17,507,500	21,990,000	118	186,356	2,091
2002	4,091,250	-	-	-	4,091,250	13,133,750	3,855,000	16,988,750	21,080,000	117	180,171	2,242
2003	3,676,250	-	-	-	3,676,250	12,913,750	3,535,000	16,448,750	20,125,000	116	173,491	2,116
2004	3,230,000	-	-	451,485	3,681,485	12,660,000	3,220,000	15,880,000	19,561,485	111	176,230	2,084
2005	2,752,500	-	-	542,908	3,295,408	12,387,500	2,890,000	15,277,500	18,572,908	111	167,323	1,914
2006	2,398,250	-	-	616,335	3,014,585	13,021,750	2,540,000	15,561,750	18,576,335	111	167,354	1,834
2007 <sup>6</sup>	2,028,250	1,425,000	4,965,000	403,310	8,821,560	12,816,750	2,170,000	14,986,750	23,808,310	111	214,489	2,404
2008	1,935,250	1,215,000	3,005,000	180,434	6,335,684	14,179,750	-	14,179,750	20,515,434	111	184,824	2,103

**Notes:**

<sup>1</sup> Because of the City's small population, the debt per capita is extremely high. However, because of gaming, the City's daily population is in the range of 10,000 - 15,000.

<sup>4</sup> Using percentage of personal income or percentage of actual taxable value of property would not be meaningful since the City receives an immaterial amount of property taxes. A better measure for the City is the debt per gaming device within the City.

<sup>6</sup> Beginning in 2007, includes debt related to the Black Hawk Business Improvement District. Years prior to 2007 have not been restated.

**Data Source:**

<sup>1</sup> Applicable years' annual financial report.

<sup>2</sup> 1999 and 2001 - 2008 are estimated counts by City management and the Colorado Department of Local Affairs, Division of Local Government. The 2000 count is based upon the United States Department of Commerce, Bureau of Census.

<sup>5</sup> Number of gaming devices. Colorado Department of Revenue, Gaming Division, <http://www.revenue.state.co.us/Gaming/wrap.asp?incl=abstract>

**City of Black Hawk, Colorado**  
**Ratios of General Bonded Debt Outstanding <sup>1</sup>**  
**Last Ten Calendar Years**

Calendar Year	General Obligation Bonds <sup>1</sup>	Estimated Population	Debt Per Capita	Total Debt Per Gaming Device Per Casino <sup>2,3</sup>
1999	\$ 4,695,000	118	\$ 39,788	\$ 659
2000	4,420,000	118	37,458	515
2001	4,150,000	118	35,169	395
2002	3,855,000	117	32,949	410
2003	3,535,000	116	30,474	372
2004	3,220,000	111	29,009	343
2005	2,890,000	111	26,036	298
2006	2,540,000	111	22,883	251
2007	3,595,000	111	32,387	363
2008	1,215,000	111	10,946	124

**Notes:**

<sup>2</sup> Using percentage of personal income or percentage of actual taxable value of property would not be meaningful since the City receives an immaterial amount of property taxes. A better measure for the City is debt per gaming device within the City.

**Data Source:**

<sup>1</sup> Applicable years' annual financial report.

<sup>3</sup> Number of gaming devices. Colorado Department of Revenue, Gaming, Division, <http://www.revenue.state.co.us/Gaming/wrap.asp?incl=abstract>

**City of Black Hawk, Colorado**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2008**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>3</sup>	Estimated Share of Overlapping Debt
<b>City Direct Debt:</b>			
City:			
Device tax revenue bonds	\$ 1,932,250		
Capital leases	180,434		
Black Hawk Business Improvement District: <sup>1</sup>			
General obligation refunding bonds	1,215,000		
Special assessment refunding bonds	<u>3,005,000</u>		
<b>Total direct debt</b>	<u><u>\$ 6,332,684</u></u>	100.00%	<u><u>\$ 6,332,684</u></u>
<b>Overlapping Debt<sup>2, 3, 5, 6</sup></b>			
<b>General Obligation Bonds:<sup>4</sup></b>			
Gilpin County RE-1 School District	\$ 12,035,000	75.38%	9,071,983
Miners Mesa Commercial Metropolitan District	6,291,000	100.00%	6,291,000
Silver Dollar Metropolitan District	24,375,000	100.00%	<u>24,375,000</u>
<b>Total Overlapping Debt</b>			<u><u>39,737,983</u></u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 46,070,667</u></u>

**Notes:**

<sup>1</sup> The Black Hawk Business Improvement District is a blended component unit of the City.

<sup>2</sup> Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

<sup>3</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

<sup>4</sup> Debt as of most current data available.

<sup>5</sup> Although overlapping the City's boundaries, both Black Hawk-Central City Sanitation District and Gilpin County do not have any outstanding governmental activities debt.

**Data Source:**

<sup>6</sup> Each specific government.

**City of Black Hawk, Colorado**  
**Legal Debt Margin**  
**Last Ten Calendar Years**

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Assessed Value</b>	\$ 104,928,390	\$ 126,342,900	\$ 150,651,240	\$ 173,497,740	\$ 176,547,400	\$ 174,912,530	\$ 190,933,200	\$ 204,515,190	\$ 216,585,941	\$ 223,438,722
<b>Legal Debt Margin</b>										
Debt limit (10% of assessed value)	\$ 10,492,839	\$ 12,634,290	\$ 15,065,124	\$ 17,349,774	\$ 17,654,740	\$ 17,491,253	\$ 19,093,320	\$ 20,451,519	\$ 21,658,594	\$ 22,343,872
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	1,425,000	1,215,000
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-	-	-	-	1,425,000	1,215,000
Legal debt margin	\$ 10,492,839	\$ 12,634,290	\$ 15,065,124	\$ 17,349,774	\$ 17,654,740	\$ 17,491,253	\$ 19,093,320	\$ 20,451,519	\$ 20,233,594	\$ 21,128,872
As a percentage of debt limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	93.42%	94.56%

**City of Black Hawk, Colorado**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Calendar Year	County Population <sup>1,2</sup>	(thousands of dollars) County Personal Income <sup>1,2</sup>	County Per Capita Income <sup>1,2</sup>	County Per Capita Personal Income % of U.S. <sup>2</sup>	County Median Age <sup>3</sup>	Unemployment Rate		
						Gilpin County <sup>4</sup>	State of Colorado <sup>4</sup>	United States <sup>5</sup>
1999	4,658	\$ 149,155	\$ 32,021	115%	N/A	2.2%	2.9%	4.2%
2000	4,816	164,233	34,222	114%	38.3	2.5%	2.7%	4.0%
2001	4,831	171,232	35,607	116%	N/A	3.5%	3.8%	4.7%
2002	4,859	174,415	35,873	116%	N/A	5.1%	5.7%	5.8%
2003	4,865	172,825	36,311	113%	N/A	5.9%	6.1%	6.0%
2004	4,859	168,901	38,259	105%	N/A	5.5%	5.6%	5.5%
2005	4,938	186,622	37,793	109%	N/A	4.9%	5.0%	5.1%
2006	5,060	200,003	39,526	108%	N/A	4.1%	4.3%	4.6%
2007	5,186	214,203	41,304	109%	N/A	3.6%	3.8%	4.6%
2008	5,315	229,411	43,163	109%	N/A	4.8%	4.9%	5.8%

**Notes:**

<sup>1</sup> Information available for Gilpin County, not for the City.

**Data Source:**

<sup>2</sup> Gilpin County - 1999 - 2007 - U.S. Bureau of Economic Analysis - <http://www.bea.gov/bea/regional/reis/drill.cfm>, 2008 estimated by management.

<sup>3</sup> Gilpin County - U.S. Census Bureau - [http://factfinder.census.gov/servlet/GCTTable?\\_bm=y&-geo\\_id=04000US08&-ds\\_name=DEC\\_2000\\_SF1\\_U&-lang=en&-redoLog=false&-format=ST-2&-mt\\_name=DEC\\_2000\\_SF1\\_U\\_GCTP5\\_ST2&-CONTEXT=gct](http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=04000US08&-ds_name=DEC_2000_SF1_U&-lang=en&-redoLog=false&-format=ST-2&-mt_name=DEC_2000_SF1_U_GCTP5_ST2&-CONTEXT=gct)

<sup>4</sup> Colorado Department of Labor and Employment, <http://www.coworkforce.com/lmi/ali/lfpage.asp>

<sup>5</sup> United States Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/cps/cpsaat1.pdf>

**City of Black Hawk, Colorado<sup>1</sup>**  
**Principal Employers**  
**For the Calendar Years 2007 and 2005<sup>2</sup>**

<b>2007</b>				
<b>Employer</b>	<b>Product or Service</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total</b>
Isle of Capri	Casino/Hotel	579	1	17.16%
The Lodge	Casino/Hotel	508	2	15.05%
Ameristar	Casino/Hotel	500	3	14.81%
Fortune Valley Hotel and Casino	Casino/Hotel	340	4	10.07%
Mardi Gras	Casino	322	5	9.54%
Rivera	Casino/Hotel	261	6	7.73%
Fitzgerald's	Casino	261	7	7.73%
Colorado Central Station	Casino	224	8	6.64%
Bullwhackers	Casino	194	9	5.75%
Gilpin County	Government	186	10	5.51%
<b>Total Principal Employers</b>		<b>3,375</b>		<b>100.00%</b>

<b>2005</b>				
<b>Employer</b>	<b>Product or Service</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total</b>
Isle of Capri	Casino/Hotel	650	1	20.24%
The Lodge	Casino/Hotel	520	2	16.19%
Rivera	Casino/Hotel	357	3	11.12%
Mardi Gras	Casino	350	4	10.90%
Fitzgerald's	Casino	319	5	9.93%
Colorado Central Station	Casino	315	6	9.81%
Bullwhackers	Casino	240	7	7.47%
The Canyon	Casino	160	8	4.98%
Gilpin County	Government	160	9	4.98%
The Gilpin	Casino	140	10	4.36%
<b>Total Principal Employers</b>		<b>3,211</b>		<b>100.00%</b>

**Notes:**

<sup>1</sup> Total number of employees within the City not available, therefore County information is presented.

<sup>2</sup> 2007 and 2005 is the only information available for the City.

**Data Source :**

Individual employers

**City of Black Hawk, Colorado<sup>1</sup>**  
**Average Number of Employees - By Industry<sup>2</sup>**  
**Calendar Years 1999 - 2007<sup>3</sup>**

Industry	Calendar Year								
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Construction	162	121	96	100	88	93	118	124	76
Manufacturing	16	16	N/A	N/A	N/A	N/A	10	11	13
Transportation, Communications and Public Utilities	16	35	13	16	17	-	-	-	-
Wholesale Trade	N/A	N/A	N/A	N/A	4	2	N/A	1	4
Retail Trade	122	123	27	26	27	26	21	23	17
Finance, Insurance and Real Estate	2	3	8	10	10	9	12	14	11
Services (includes casinos)	4,251	4,843	4,991	5,244	4,781	4,691	4,794	4,651	4,338
Government	340	304	324	362	374	392	417	412	406
<b>Total</b>	<b>4,909</b>	<b>5,445</b>	<b>5,459</b>	<b>5,758</b>	<b>5,301</b>	<b>5,213</b>	<b>5,372</b>	<b>5,236</b>	<b>4,865</b>

**Notes:**

<sup>1</sup> Information is only available for Gilpin County

<sup>3</sup> Information for 2008 not available.

**Data Source:**

<sup>2</sup> State of Colorado, Department of Labor and Employment, Labor Market Information Section, Colorado *Labor Force Review*

**City of Black Hawk, Colorado**  
*Comparison of the Average Number of Gaming Devices by Gaming City*  
*Last Ten Calendar Years*

Calendar Year	Black Hawk, Colorado		Cripple Creek, Colorado		Central City, Colorado		Total	
	Number of Devices	Percentage of Total	Number of Devices	Percentage of Total	Number of Devices	Percentage of Total	Number of Devices	Percentage of Total
1999	7,127	51.0%	4,110	29.4%	2,750	19.7%	13,987	100.0%
2000	8,430	57.8%	4,195	28.8%	1,962	13.5%	14,587	100.0%
2001	8,707	59.6%	4,208	28.8%	1,683	11.5%	14,598	100.0%
2002	9,721	62.5%	4,218	27.1%	1,606	10.3%	15,545	100.0%
2003	9,602	62.1%	4,247	27.5%	1,610	10.4%	15,459	100.0%
2004	9,462	60.3%	4,654	29.7%	1,565	10.0%	15,681	100.0%
2005	9,543	58.0%	4,795	29.2%	2,105	12.8%	16,443	100.0%
2006	10,160	59.5%	4,785	28.0%	2,134	12.5%	17,079	100.0%
2007	10,036	59.6%	4,591	27.3%	2,210	13.1%	16,837	100.0%
2008	9,816	58.6%	4,799	28.6%	2,146	12.8%	16,761	100.0%
Percentage Change In Dollars Over 10 Years	<u>38%</u>		<u>17%</u>		<u>-22%</u>		<u>20%</u>	

**Notes:**

**Data Source:**

Colorado Department of Revenue, [www.revenue.state.co.us/Gaming/wrap.asp?publications](http://www.revenue.state.co.us/Gaming/wrap.asp?publications).

**City of Black Hawk, Colorado**  
*Comparison of the Average Number of Casinos by Gaming City*  
*Last Ten Calendar Years*

<b>Calendar Year</b>	<b>Black Hawk, Colorado</b>		<b>Cripple Creek, Colorado</b>		<b>Central City, Colorado</b>		<b>Total</b>	
	<b>Number of Casinos</b>	<b>Percentage of Total</b>	<b>Number of Casinos</b>	<b>Percentage of Total</b>	<b>Number of Casinos</b>	<b>Percentage of Total</b>	<b>Number of Casinos</b>	<b>Percentage of Total</b>
1999	19	39.6%	18	37.5%	11	22.9%	48	100.0%
2000	19	41.3%	19	41.3%	8	17.4%	46	100.0%
2001	20	46.5%	18	41.9%	5	11.6%	43	100.0%
2002	20	47.6%	17	40.5%	5	11.9%	42	100.0%
2003	22	50.0%	17	38.6%	5	11.4%	44	100.0%
2004	21	46.7%	19	42.2%	5	11.1%	45	100.0%
2005	21	45.7%	19	41.3%	6	13.0%	46	100.0%
2006	19	43.2%	19	43.2%	6	13.6%	44	100.0%
2007	20	46.5%	17	39.5%	6	14.0%	43	100.0%
2008	19	46.3%	16	39.0%	6	14.6%	41	100.0%

**Data Source:**

Colorado Department of Revenue, [www.revenue.state.co.us/Gaming/wrap.asp?publications](http://www.revenue.state.co.us/Gaming/wrap.asp?publications).

**City of Black Hawk, Colorado**  
**Comparison of the Average Number of Casino Employees by Gaming City <sup>1</sup>**  
**Last Ten Calendar Years**

Calendar Year	Black Hawk, Colorado		Cripple Creek, Colorado		Central City, Colorado		Total	
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
1999	3,358	51.1%	2,369	36.1%	840	12.8%	6,567	100.0%
2000	4,105	53.5%	2,766	36.1%	798	10.4%	7,669	100.0%
2001	4,259	59.7%	2,272	31.9%	601	8.4%	7,132	100.0%
2002	4,863	63.4%	2,230	29.1%	582	7.6%	7,675	100.0%
2003	4,541	61.7%	2,274	30.9%	549	7.5%	7,364	100.0%
2004	4,368	56.7%	2,812	36.5%	523	6.8%	7,703	100.0%
2005	4,449	55.4%	2,787	34.7%	793	9.9%	8,029	100.0%
2006	4,379	55.9%	2,702	34.5%	748	9.6%	7,829	100.0%
2007	4,453	55.4%	2,699	33.6%	886	11.0%	8,038	100.0%
2008	5,309	58.5%	2,953	32.5%	811	8.9%	9,073	100.0%
Percentage Change In Dollars Over 10 Years	<u>58%</u>		<u>25%</u>		<u>-3%</u>		<u>38%</u>	

**Notes:**

<sup>1</sup> Includes licensed and not licensed employees.

**Data Source:**

Colorado Department of Revenue, [www.revenue.state.co.us/Gaming/wrap.asp?publications](http://www.revenue.state.co.us/Gaming/wrap.asp?publications).

**City of Black Hawk, Colorado**  
**Comparison of Adjusted Gross Proceeds (AGP) by Gaming City <sup>1</sup>**  
**Last Ten Calendar Years**

Calendar Year	Black Hawk, Colorado			Cripple Creek, Colorado			Central City, Colorado			Total		
	Annual AGP	Percentage of Total	Percentage Change	Annual AGP	Percentage of Total	Percentage Change	Annual AGP	Percentage of Total	Percentage Change	Annual AGP	Percentage of Total	Percentage Change
1999	\$ 354,913,835	64.4%	30.5%	\$ 122,611,399	22.2%	8.3%	\$ 73,793,917	13.4%	-21.5%	\$ 551,319,151	100.0%	15.0%
2000	433,768,947	68.7%	22.2%	134,630,256	21.3%	9.8%	63,452,946	10.0%	-14.0%	631,852,149	100.0%	14.6%
2001	478,326,427	70.7%	10.3%	138,617,688	20.5%	3.0%	59,730,077	8.8%	-5.9%	676,674,192	100.0%	7.1%
2002	524,464,856	72.9%	9.6%	142,436,212	19.8%	2.8%	52,800,335	7.3%	-11.6%	719,701,403	100.0%	6.4%
2003	505,851,055	72.4%	-3.5%	142,525,101	20.4%	0.1%	49,908,926	7.1%	-5.5%	698,285,082	100.0%	-3.0%
2004	524,035,343	72.2%	3.6%	148,689,335	20.5%	4.3%	53,178,879	7.3%	6.6%	725,903,557	100.0%	4.0%
2005	531,878,276	70.4%	1.5%	151,011,042	20.0%	1.6%	72,610,402	9.6%	36.5%	755,499,720	100.0%	4.1%
2006	554,484,627	70.9%	4.3%	153,075,257	19.6%	1.4%	74,538,934	9.5%	2.7%	782,098,818	100.0%	3.5%
2007	581,385,160	71.2%	4.9%	154,962,066	19.0%	1.2%	79,782,553	9.8%	7.0%	816,129,779	100.0%	4.4%
2008	508,685,618	71.1%	-12.5%	140,081,962	19.6%	-9.6%	67,112,131	9.4%	-15.9%	715,879,711	100.0%	-12.3%
Percentage Change In Dollars Over 10 Years	<u>43%</u>			<u>14%</u>			<u>-9%</u>			<u>30%</u>		

**Notes:**

<sup>1</sup> AGP is the amount of money wagered minus the amount paid out in prizes. It is the tax base used by the State of Colorado for taxing gaming casinos.

**Data Source:**

Colorado Department of Revenue, [www.revenue.state.co.us/Gaming/wrap.asp?publications](http://www.revenue.state.co.us/Gaming/wrap.asp?publications).

**City of Black Hawk, Colorado**  
**City Employees by Function/Program**  
**Last Ten Calendar Years**

<u>Function/program</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
City Manager's Office	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.75	3.00	3.00
City Clerk's Office	2.00	2.00	2.50	2.75	3.00	3.00	2.75	1.75	1.75	1.00
Community Planning & Development	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.00	3.00
Finance	2.50	2.50	2.50	2.75	2.75	2.75	2.50	2.00	2.50	2.50
Human Resources	0.00	1.00	1.00	1.00	1.00	1.00	1.50	0.00	0.00	2.50
Information Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Municipal Court Fund	0.50	0.50	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Police	32.00	32.00	32.00	38.00	38.00	38.00	38.00	38.00	40.00	39.75
Facilities Maintenance	2.00	2.00	2.00	1.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire Department	14.00	17.00	21.00	24.00	24.00	24.00	24.00	24.00	23.00	23.00
Fleet	3.00	3.50	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Parks	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Works Administration	4.30	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Streets	5.00	5.00	5.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Water	5.70	10.00	10.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
<b>Total</b>	<u>79.00</u>	<u>85.50</u>	<u>92.25</u>	<u>102.75</u>	<u>104.00</u>	<u>105.00</u>	<u>106.00</u>	<u>102.75</u>	<u>102.50</u>	<u>104.00</u>
Percentage Change Over Prior Year	4.3%	8.2%	7.9%	11.4%	1.2%	1.0%	1.0%	-3.1%	-0.2%	1.5%

**Data Source:**

City Employees Services Division

**City of Black Hawk, Colorado**  
**Operating Statistics by Function/Program**  
**2000 - 2008**

<u>Function/program</u>	<u>For The Year Ended December 31,</u>								
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Fire									
Building inspections <sup>2</sup>	62	49	47	31	55	45	50	50	55
Number of sprinkler inspections	-	-	-	-	-	-	-	-	3
Number of plan reviews	-	-	-	-	-	-	-	-	6

**Notes:**

<sup>1</sup> The City has not been collecting operating statistics but will begin to expand this table in 2009.

<sup>2</sup> 2006 and 2007 are estimated amounts.

**Data Source :**

Fire Department

**City of Black Hawk, Colorado**  
**Capital Asset and Infrastructure Statistics by Function/Program**  
**Last Ten Calendar Years <sup>1</sup>**

Capital Assets	December 31,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Buildings and related structures	-	-	-	-	-	-	35	38	38	40
Number of vehicles	-	-	-	-	-	-	97	101	104	106
Works of art	-	-	-	-	-	-	12	12	14	16
Street lights	-	-	-	-	434	434	434	434	434	449
Streets:										
Asphalt	12	12	12	14	14	14	14	14	16	16
Aggregate	1	1	1	1	1	1	1	1	1	1
Concrete	3	3	3	3	3	3	3	3	4	4
Gravel	1	1	1	1	1	1	1	1	1	1
Dirt	1	1	1	1	1	1	1	1	1	1
Bridges	6	6	6	6	6	6	6	6	6	6
Traffic signals	22	22	22	22	22	22	22	22	30	30

**Notes:**

<sup>1</sup> If the number is blank, this information is not available.

**Data Source :**

City capital asset records.

SPECIAL REPORTS  
SECTION

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

**LOCAL HIGHWAY FINANCE REPORT**

City or County:  
**City of Black Hawk**  
YEAR ENDING :  
December 2008

This Information From The Records Of (example - City of \_ or County of \_) Prepared By: **Dana Wood**  
Phone: **303-582-2294**

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

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	112,504
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	345,469	b. Snow and ice removal	36,624
3. Other local imposts (from page 2)	0	c. Other	
4. Miscellaneous local receipts (from page 2)	23,583	d. Total (a. through c.)	36,624
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	230,344
a. Bonds - Original Issues		6. Total (1 through 5)	379,472
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	369,052	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	10,420	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	379,472	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			379,472

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	379,472	379,472	0	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2008

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	23,583
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		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.)	0	h. Other	
c. Total (a. + b.)	0	i. Total (a. through h.)	23,583
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	9,855	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	565	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	565	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	10,420	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: