

City of Black Hawk, Colorado



*Comprehensive Annual Financial Report
For The Year
Ended December 31, 2013*

City of Black Hawk, Colorado

*Comprehensive Annual Financial Report
For The Year
Ended December 31, 2013*

Prepared By

Finance Department

*Lance Hillis
Finance Director*

Black Hawk, Colorado
Comprehensive Annual Financial Report
For The Year Ended December 31, 2013

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**Administrative Services**

201 Selak Street
P.O. Box 68
Black Hawk, CO 80422
www.cityofblackhawk.org
303-582-2292 Office
303-582-0848 Fax

Mayor

David D. Spellman

Aldermen

Linda Armbricht
Paul G. Bennett
Hal Midcap
Jim Johnson
Greg Moates
Benito Torres

City Attorney

Corey Y. Hoffmann

City Manager

Jack D. Lewis

City Clerk /**Administrative Services Director**

Melissa A. Greiner

Finance Director

Lance R. Hillis

Fire Chief

Donald E. Taylor

Police Chief

Stephen N. Cole

Public Works Director

Thomas Isbester

**Community Planning & Development
Administrator**

Cynthia L. Linker

**CELEBRATING 150 YEARS OF
MUNICIPAL GOVERNMENT**

**COLORADO'S SECOND OLDEST
MUNICIPAL CORPORATION**

July 16, 2014

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, 2013. 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, 2013, 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 requires 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.

PROFILE OF THE CITY

The City is a political subdivision of the State of Colorado which was incorporated on March 11, 1864, under a territorial charter, prior to the time Colorado became a state in 1876. The City is located in central Colorado in Gilpin County, approximately 35 miles west of Denver at the intersection of state highways 119 and Black Hawk Street. The City is located at an altitude of 8,042 feet and covers an area of approximately three square miles. Since 2001, upon the approval by the City's residents of a home rule charter, the City has operated under Colorado law as a home rule municipality. The City charter establishes the powers of the City and describes its system of government.

Although the City had several thousand residents at its peak as a mining town in the late 1800's, the population decreased as the mines were depleted. Prior to the legalization of limited gaming in 1991, the City was generally a seasonal residential area and tourist attraction. Since limited gaming began in 1991, the population has decreased from approximately 227 in 1990 to around 100 residents today.

The City charter creates a Council-Manager form of government and establishes the City Council as the policy-making legislative body of the City. The City council consists of six Aldermen and a Mayor. The members of the City council are elected at large for staggered four-year terms, and the Mayor is elected from the City at large for a four-year term. The Mayor presides at all City council meetings and has the same power, rights and privileges as an alderman, except the mayor shall not vote except in the case of a tie vote. The City council currently meets on the second and fourth Wednesday of each month. Special meetings are held at the request of the Mayor or any two aldermen.

The City provides a wide range of services to its residents and guests including police protection, fire protection, public works, parks, public improvements, planning and zoning, water and general administration. Sanitation services are provided by the Black Hawk/Central City Sanitation District, gas and electric service is provided by Xcel Energy, and telephone service is provided by CenturyLink.

Although the City has a small population, the daily population ranges from 10,000 – 15,000 per day, primarily due to availability of gaming. Therefore, City staffing is much larger than that normally found in a small City.

LOCAL ECONOMY

The City's economy relies almost 100% on gaming for its revenue streams. The level of gaming activity within the City may be affected by, among other things, the amount of disposable income and entertainment expenditures of individuals participating in gaming activities. The number of gaming devices operated within the City is subject to, among other things:

- The availability of space within a constitutionally defined area in which gaming is legal.
- The continued availability of money 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 to players, all applicable licenses, taxes and fees and capital and operation expenses.

Currently, the City has 18 operating casinos with the largest ten accounting for 84.2% of device fee revenues for the City. The five largest casinos generate about 60.1% of device fee revenues. The casinos are continuing to expand; currently they make up over 1.5 million square feet, with the gaming area totaling over 232,000 square feet.

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.

LONG-TERM FINANCIAL PLANNING

The Board of Alderman of the City of Black Hawk have always made decisions and implemented policies that create long-term financial, economic and competitive incentives that benefit businesses within the City. These policies and incentives, many in the form of lower taxes and fees, have attracted and retained significant private investment in the Black Hawk casino market.

RELEVANT FINANCIAL POLICIES

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.

Legislative Development

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, (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.

MAJOR INITIATIVES

The City of Black Hawk has plans to make significant investments in facilities and infrastructure over the next 12-24 months. The City is currently in the design phase of the realignment of Gregory Street, including upgrades to infrastructure in preparation for new amenities.

Recently, the City has received multiple inquiries from the private sector related to the expansion of existing casino properties.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Black Hawk for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the 7th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Finally, credit also must be given to the Mayor and City council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Jack D. Lewis
City Manager



Lance Hillis, CPA
Finance Director

City of Black Hawk, Colorado

Elected Officials

(In Office as of December 31, 2013)

Mayor and Alderman

David Spellman

*In office since July 2006
Current term expires April 2016*

Diane Cales

*In office since April 2006
Current term expires April
2014*

Jim Johnson

*In office since April 2010
Current term expires April
2014*

Benito Torres

*In office since April 2012
Current term expires April
2016*

Greg Moates

*In office since April 2008
Current term expires April
2016*

Paul Bennett

*In office since April 2004
Current term expires April
2016*

Linda Armbright

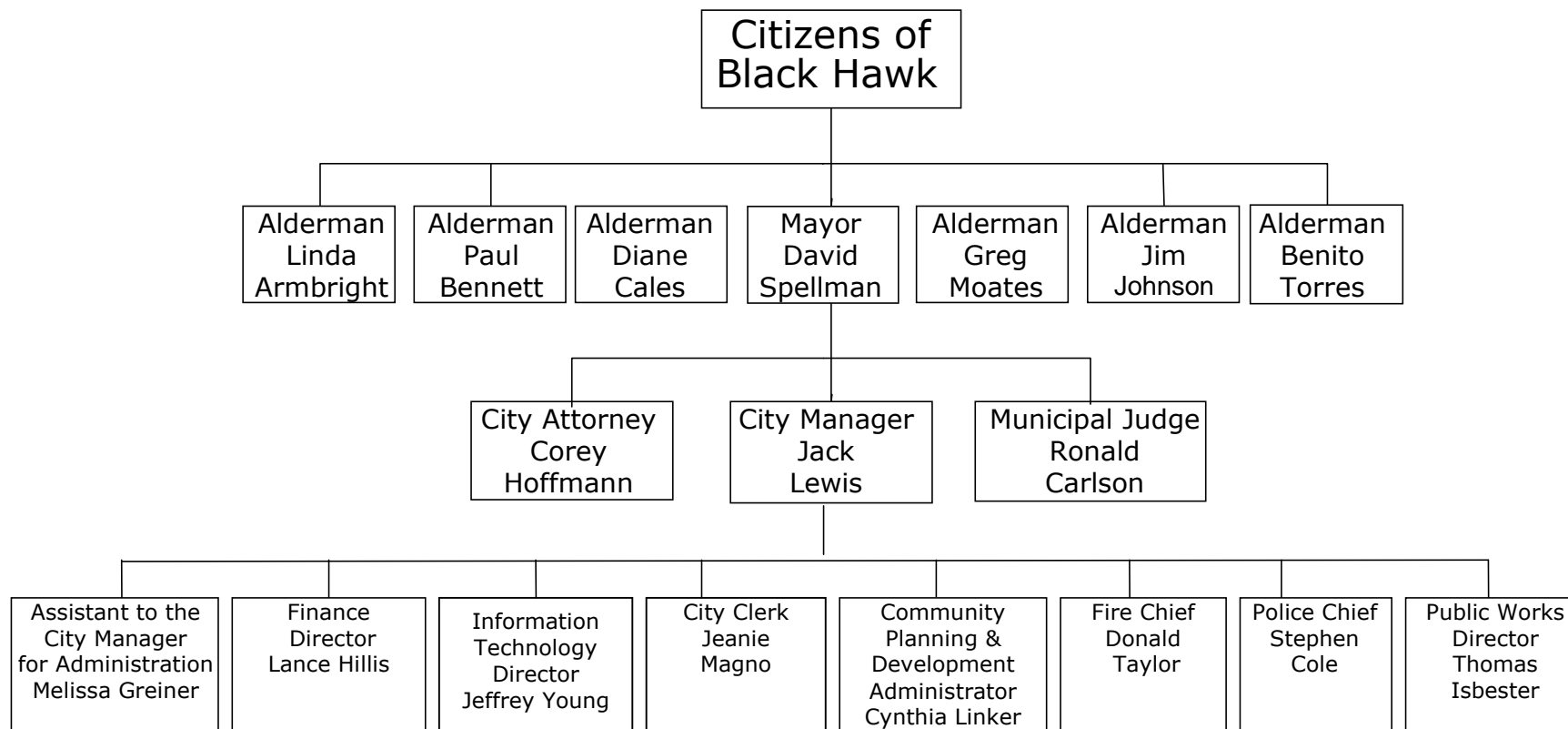
*In office since April 2006
Current term expires April
2014*

City of Black Hawk, Colorado

Appointed Principal Officials

December 31, 2013

<u>Name</u>	<u>Position</u>
Jack D. Lewis	City Manager
Melissa A. Greiner	Assistant to the City Manager For Administration
Lance R. Hillis	Finance Director
Jeanie M. Magno	City Clerk
Jeffrey L. Young	Information Technology Director
Donald E. Taylor	Fire Chief
Stephen N. Cole	Police Chief
Cynthia L. Linker	Community Planning and Development Administrator
Thomas Isbester	Public Works Director
Ronald Carlson	Judge, Municipal Court



As of December 31, 2013



Government Finance Officers Association

**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, 2012

Executive Director/CEO



JOHN CUTLER & ASSOCIATES

City Council
City of Black Hawk
Black Hawk, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Black Hawk, Colorado as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund schedules, and the schedule of expenditures of federal awards, as required by the *Office of Management and Budget Circular A-133, audits of States, Local Governments, and Non-Profit Organizations (Circular A-133)* listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2014 on our consideration of the City of Black Hawk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Black Hawk's internal control over financial reporting and compliance.

John Cutler & Associates, LLC

July 16, 2014

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, 2013. 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 \$119,495,148 (net position) for the calendar year reported.
- Total net position is comprised of the following:
 - (1) Capital assets, net of related debt, of \$110,038,436 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$8,349,208 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) There is unrestricted net position of \$1,107,504.
- The City's governmental funds reported total ending fund balance of \$27,319,817 this year. This compares to the prior year ending fund balance of \$21,525,377 showing an increase of \$5,794,440 during the current year. Unassigned fund balance is \$18,221,384 at December 31, 2013.
- At the end of the current calendar year, unassigned fund balance for the general fund was \$18,221,384, or 125.76% of total general fund expenditures, excluding transfers.
- 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 Position*. 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 position*.

Over time, increases or decreases in net position 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 position 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 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 reports 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 49 - 53.

Supplementary Information

Combining and comparative individual statements and schedules for nonmajor funds are presented as supplementary information in this report beginning on page 54.

Financial Analysis of the City as a Whole

The City's net position at year-end is \$119,495,148. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current assets	\$ 29,484,414	\$ 23,791,188	\$ 792,265	\$ 909,967	\$ 30,276,679	\$ 24,701,155
Other assets	-	35,840	-	-	-	35,840
Capital assets	77,312,732	68,790,607	33,438,158	33,735,236	110,750,890	102,525,843
Total assets	106,797,146	92,617,635	34,230,423	34,645,203	141,027,569	127,262,838
Deferred outflows	348,739	401,620	-	-	348,739	401,620
Liabilities:						
Current liabilities	3,069,406	2,979,475	360,552	197,620	3,429,958	3,177,095
Long-term liabilities	18,145,822	9,121,909	44,099	58,582	18,189,921	9,180,491
Total liabilities	21,215,228	12,101,384	404,651	256,202	21,619,879	12,357,586
Deferred inflows	261,281	280,099	-	-	261,281	280,099
Net position:						
Invested in capital assets, net of debt	76,600,278	67,923,663	33,438,158	33,735,236	110,038,436	101,658,899
Restricted	8,349,208	9,724,273	-	-	8,349,208	9,724,273
Unrestricted	719,890	2,989,476	387,614	653,765	1,107,504	3,643,241
Total net position	\$ 85,669,376	\$ 80,637,412	\$ 33,825,772	\$ 34,389,001	\$ 119,495,148	\$ 115,026,413

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For the Year Ended December 31, 2013

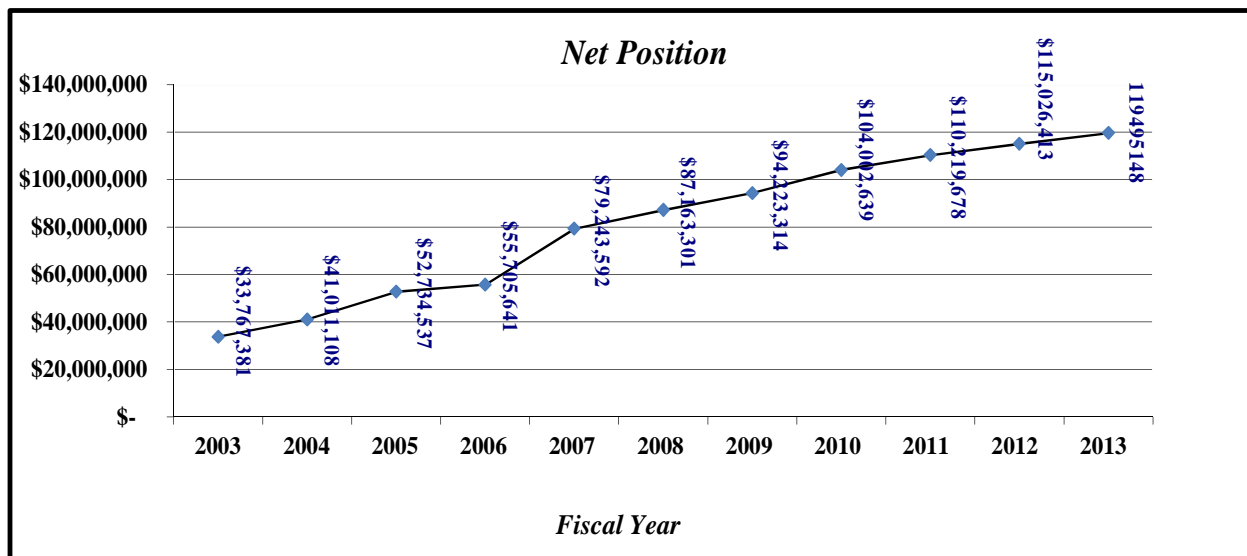
City of Black Hawk, Colorado

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 for 2013 is 9.6 to 1 as compared to a 8.0 to 1 at December 31, 2012. The current ratio for the business type activities at December 31, 2013 is 2.2 to 1. At December 31, 2012 the current ratio was 4.6 to 1. For the City overall, the 2013 current ratio is 8.8 to 1 as compared to 7.8 to 1 at December 31, 2012. These ratios are strong.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased \$5,031,964 for governmental activities and decreased by \$563,229 for business-type activities. The City's overall financial position improved during calendar year 2013.

Note that approximately 89% of the governmental activities' net position is tied up in capital. This compares to 84% at December 31, 2012. The City uses these capital assets to provide services to its citizens. However, with business type activities, the City has spent approximately 98.8% of its net position on capital as compared to 98.1% at December 31, 2012. Capital assets in the business-type activities also provide utility services, but they also generate revenues for the fund. 92.1% of the City's total net position is included in capital assets as compared to 88.4% at December 31, 2012.

The following chart reports the total net asset balances from calendar year 2003 - 2013.



Note that in calendar year 2007, the City began reporting its infrastructure retroactively.

(This page continued on the subsequent page)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For the Year Ended December 31, 2013

City of Black Hawk, Colorado

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

Summary of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program:						
Charges for services	\$ 622,803	\$ 531,481	\$ 2,984,365	\$ 2,982,990	\$ 3,607,168	\$ 3,514,471
Operating grants	3,471,659	3,496,923	-	-	3,471,659	3,496,923
Capital grants & contributions	1,525,291	-	-	-	1,525,291	-
General:						
Taxes	10,732,620	10,986,330	-	-	10,732,620	10,986,330
Intergovernmental	6,864,191	6,770,143	-	-	6,864,191	6,770,143
Other	1,306,333	325,843	17,067	28,558	1,323,400	354,401
Total revenues	<u>24,522,897</u>	<u>22,110,720</u>	<u>3,001,432</u>	<u>3,011,548</u>	<u>27,524,329</u>	<u>25,122,268</u>
Program Expenses:						
General government	6,163,795	4,747,052	-	-	6,163,795	4,747,052
Planning	603,619	497,010	-	-	603,619	497,010
Public safety	6,123,994	5,848,069	-	-	6,123,994	5,848,069
Public works	5,890,849	4,834,937	-	-	5,890,849	4,834,937
Culture and recreation	-	-	-	-	-	-
Interest	708,676	1,026,760	-	-	708,676	1,026,760
Water	-	-	3,564,661	3,361,705	3,564,661	3,361,705
Total expenses	<u>19,490,933</u>	<u>16,953,828</u>	<u>3,564,661</u>	<u>3,361,705</u>	<u>23,055,594</u>	<u>20,315,533</u>
Excess (deficiency)	5,031,964	5,156,892	(563,229)	(350,157)	4,468,735	4,806,735
Transfers	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>
Changes in net position	5,031,964	3,156,892	(563,229)	1,649,843	4,468,735	4,806,735
Beginning net position	<u>80,637,412</u>	<u>77,480,520</u>	<u>34,389,001</u>	<u>32,739,158</u>	<u>115,026,413</u>	<u>110,219,678</u>
Ending net position	<u>\$ 85,669,376</u>	<u>\$ 80,637,412</u>	<u>\$ 33,825,772</u>	<u>\$ 34,389,001</u>	<u>\$ 119,495,148</u>	<u>\$ 115,026,413</u>

GOVERNMENTAL REVENUES

Gaming revenues provide the City's largest revenue stream. In 2013, the City recognized \$6,996,325 in device taxes levied on gaming devices located within the City's casinos. This amount compares to \$7,285,442 in 2012, or a decrease of 3.9%. The City also received \$6,864,191 from the State of Colorado for their share of the state gaming tax. This amount compares to \$6,770,143 in 2012. The 2013 amount is up 1.4% compared to 2012. Finally, the City received \$3,457,536 from the State of Colorado Historical Society 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 \$3,387,232 in 2012 or a 2.1% increase.

In addition, the City relies on sales and use taxes to support governmental operations and capital. Sales and use taxes provided 12.5% of the City's total governmental revenues for 2013 as compared to 12.4% in 2012. The 2013 amount is \$297,170 more than the 2012 amount. Even with the City's healthy financial position improving, we have only been able to earn \$39,931 in interest earnings to support governmental activities as compared to \$73,291 in 2012. In 2013, program revenues covered just 28.8% of operating costs. This means that the government's taxpayers and the City's other general governmental revenues (e.g., device taxes) fund 71.2% of the governmental activities. 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

61.6% of the total costs relates to public safety and public works. Note that general government reported more program costs in 2013 than program revenues. 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 has been placed on the City's taxpayers by each of these functions.

Governmental Activities

	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 6,163,795	\$ 2,525,977	\$ 4,747,052	\$ 1,145,452
Planning	603,619	423,166	497,010	430,788
Public safety	6,123,994	6,076,471	5,848,069	5,716,589
Public works	5,890,849	4,136,890	4,834,937	4,605,835
Culture and recreation	-	-	-	-
Interest	708,676	708,676	1,026,760	1,026,760
Total	<u>\$ 19,490,933</u>	<u>\$ 13,871,180</u>	<u>\$ 16,953,828</u>	<u>\$ 12,925,424</u>

BUSINESS-TYPE ACTIVITIES

The City's only enterprise fund is the water fund. The Water Fund's net positions are \$33,825,772 at December 31, 2013 and \$34,389,001 at December 31, 2012 and were \$32,739,158 at December 31, 2011

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

Summary of Net Position

	December 31, 2013		December 31, 2012		December 31, 2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Assets:						
Current assets	\$ 792,265	2%	\$ 909,967	3%	\$ 5,540,674	17%
Other noncurrent assets	-	0%	-	0%	-	0%
Capital assets	33,438,158	98%	33,735,236	97%	27,399,977	83%
Total assets	34,230,423	100%	34,645,203	100%	32,940,651	100%
Liabilities:						
Current liabilities	360,552	89%	197,620	77%	147,960	73%
Noncurrent liabilities	44,009	11%	58,582	23%	53,533	27%
Total liabilities	404,561	100%	256,202	100%	201,493	100%
Net position:						
Invested in capital assets, net of debt	33,438,158	99%	33,735,236	98%	27,399,977	84%
Restricted	-	0%	-	0%	-	0%
Unrestricted	387,614	1%	653,765	2%	5,339,181	16%
Total net position	\$ 33,825,772	100%	\$ 34,389,001	100%	\$ 32,739,158	100%

(This section is continued on the subsequent page)

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

Summary of Changes in Net Position

	2013		2012		2011	
	Business-type Activities	Percentage of Total	Business-type Activities	Percentage of Total	Business-type Activities	Percentage of Total
Revenues:						
Charges for services:	\$ 2,984,365	99.4%	\$ 2,982,990	99.1%	\$ 2,981,338	98.0%
Capital contributions	-	0.0%	-	0.0%	-	0.0%
Investment earnings	1,448	0.0%	10,658	0.4%	15,036	0.5%
Other	15,619	0.5%	17,900	0.6%	45,003	1.5%
Total revenues	3,001,432	100.0%	3,011,548	100.0%	3,041,377	100.0%
Expenses:						
Personal services	772,612	21.7%	776,187	23.1%	755,213	25.7%
Professional services	1,145,828	32.1%	930,719	27.7%	691,418	23.6%
General services	252,090	7.1%	248,998	7.4%	262,771	9.0%
Purchased services	17,409	0.5%	11,455	0.3%	13,510	0.5%
Program services	2,029	0.1%	4,266	0.1%	3,125	0.0%
Supplies	51,112	1.4%	43,540	1.3%	59,116	2.0%
Repairs and maintenance	286,532	8.0%	255,787	7.6%	163,880	5.6%
Capital outlay - non-capitalized	31,088	0.9%	116,436	3.5%	10,266	0.3%
Depreciation	1,005,961	28.2%	974,317	29.0%	974,313	33.2%
Amortization	-	0.0%	-	0.0%	-	0.0%
Interest	-	0.0%	-	0.0%	-	0.0%
Total expenses	3,564,661	100.0%	3,361,705	100.0%	2,933,612	99.9%
Excess (deficiency)	(563,229)		(350,157)		107,765	
Transfers	-		2,000,000		500,000	
Net change	(563,229)		1,649,843		607,765	
Beginning net position	34,389,001		32,739,158		32,131,393	
Ending net position	\$ 33,825,772		\$ 34,389,001		\$ 32,739,158	

BUSINESS-TYPE ACTIVITIES

2013 Analysis – Base fees and tiered rates on consumption have not changed since 2009. Since 2011, Charges for services have remained flat with no new customers.

Total operating expenses increased approximately \$202,900 or 6.04% compared to 2012. Professional services continue to be high in 2013 due to the exploration of additional water supplies and storage, as well as defending the City's current water rights. Repairs and maintenance expenses experienced an increase from the previous year due to planned and unplanned maintenance.

With the increase in expenses in 2013, this fund reported an operating loss of \$563,229 as compared to an operating loss in 2012 of \$350,157. In total, net position decreased \$563,229 in 2013, primarily due to increased expenses and flat revenue.

2012 Analysis – As mentioned above, the base fees and tiered rates have not changed since 2009. With the exception of the items listed below, the Water fund has experienced little variance in revenues and expenses between 2011 and 2012.

Total operating expenses increased approximately \$428,000 or 14.59% compared to 2011. Professional services increase due to the exploration of additional water supplies and storage, as well as defending the City's current water rights. Repairs and maintenance expenses experienced an increase from the previous year due to planned and unplanned maintenance.

With the increase in expenses in 2012, this fund reported an operating loss of \$350,157 as compared to an operating gain in 2011 of \$107,765. In total, net position increased \$1,649,843 in 2012, primarily due to a transfer from the General fund of \$2,000,000.

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 \$27,319,817 as compared to \$21,525,377 at December 31, 2012. The majority of this increase relates to:

- The general fund reported the receipt of \$10,000,000 from the issuance of Device tax revenue bonds.

Of this year-end total fund balance, \$8,349,208 is restricted (including \$4,332,241 for the preservation & restoration fund, \$1,629,639 for the capital projects fund and \$1,492,759 for the impact fee fund), \$252,487 is nonspendable, \$496,738 is assigned (including \$253,482 for the debt service fund and \$243,256 for Business Improvement District) and \$18,221,384 is unassigned.

The total ending fund balances of governmental funds show an increase of \$5,794,440 or 26.9% from the prior year. This compares to a decrease of \$5,155,282 at December 31, 2012.

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 increased by \$9,926,693 or 106.17% in 2013. In calendar year 2012, the fund balance decreased \$5,685,895.

Total revenues increased by \$338,989 or 1.93% in 2013 as compared to a decrease of \$651,496 or 3.6% in 2012. The two largest revenue categories are Taxes, which increased \$32,466 or 0.33% and Intergovernmental which increased by \$24,031 or 0.35%.

The majority of the City's revenues relate to the gaming industry. On November 4, 2008, Colorado voters approved Amendment 50, giving the electorate in the state's three gaming cities the option to approve raising the maximum wager limit up to \$100, add the games of craps and/or roulette, and allow 24-hour gaming effective July 2, 2009. The City's casinos have implemented these changes.

However, even as the economy slowly improves, the gaming population continues to be a bit reserved, which converts to less gaming activity. From 2012 to 2013, the average number of devices in the City was reduced from 8,527 to 8,470. Part of this decrease relates to the inclusion of the games of craps and roulette, which require more space, although only charged a single fee for each table. Additionally, the amount of money wagered minus the amount paid out in prizes decreased 0.98% in 2013 as compared to 2012. The 2013 amount is 4.87% below the record year set in 2007.

The City's share of the gaming tax on casinos is 10% of the total taxes paid to the State of Colorado, split between the three Colorado gaming cities, in proportion to the respective gaming revenue. The amount recognized in 2013 was \$6,864,191 or a 1.39% increase from 2012.

Most other revenue streams were consistent with that of 2012.

Expenditures in total increased \$1,144,695 or 8.58%.

The Mayor and Council program services increased due to increased funding for the Gregory Street Redevelopment.

Planning expenditures for personal costs were up \$22,678 due to converting a part-time position to full time. Professional fees increased \$73,642 due to the timing of building projects.

Police expenditures for personal services increased \$108,385 due to officer pay grade increases.

Fire expenditures increased slightly due to staff pay increases resulting from market compensation comparisons.

Public Works expenditures did not change much from the previous year in total. Minor changes within certain functions is more the result of timing and one-time expenses as opposed to the addition or deletion of programs or services.

The general fund transferred \$2,354,523 to the debt service fund for debt payments and \$1,750,000 to the capital projects fund for land acquisitions and the construction of the public works facility. In 2012, the general fund transferred \$2,000,000 to the water fund and \$6,850,000 to the capital projects fund and \$1,680,500 to the debt service fund.

After transfers out to other funds, the fund balance increased approximately \$9.927 million from 2012. The ending fund balance is considered adequate, representing the equivalent of 133.04% of annual expenditures, excluding transfers.

Preservation and Restoration Fund – During 2013, the City awarded preservation and restoration grants to City property owners totaling \$802,867, as compared to \$217,221 in 2012. The City expended approximately \$4.87 million on City owned preservation projects as compared to approximately \$2.05 million in 2012. The City received preservation and restoration funding from the state totaling approximately \$3.46 million as compared to \$3.39 million in 2012.

Transportation Device Fee Fund – This fund received device fees of \$646,520 and transfers out of \$643,000 to the general fund.

Business Improvement District Fund – This fund reported property tax revenue of \$155,763. At December 31, 2013, this fund reported a fund balance of \$252,765 as compared to \$172,595 at December 31, 2012.

Capital Projects Fund – This fund reported intergovernmental income of \$1,229,231 representing Federal and State awards for transportation & communications and a transfer from the general fund of \$1,750,000. The fund spent \$6,468,254 on capital outlay, resulting in a year-end fund balance of \$253,482.

Impact Fees Fund – In 2013, there were no impact fees recognized as revenue. This fund incurred capital expenditures in the amount of \$250,000 for parking. At year-end, the December 31, 2013 fund balance was \$1,492,759.

Budgetary Highlights

The General Fund – The general fund's budget was amended three times during 2013. 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.

Actual revenues were \$614,743 more than budgeted. Taxes exceeded budget by \$438,737. On the negative side, the City's intergovernmental revenue was under budget by \$233,529 for 2013.

The total general government function was over spent by \$459,260. The majority of the excess spending was in the mayor and council's budget, specifically program services which was over spent by \$551,824. The mayor and council's program services includes expenditures related to preservation and restoration, and to a lesser degree the council discretionary line item.

The police department was able to stay within budget, despite having to fund professional services related to multiple complex criminal investigations. The savings was the result of multiple officer vacancies.

The fire department exceeded budget due to significant overtime in personal services. Additionally, vehicle operations and maintenance accounts exceeded budget due to unplanned equipment repairs and modifications.

The public works department was under spent by \$666,944 due to savings in personal services, professional services, general services and program services, to name a few.

The City spent 99.34% of the appropriated final budget, not including transfers.

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, 2013, was \$77,312,732 and \$33,438,158 respectively. The total increase in this net investment was 12.39% for governmental activities and a 0.88% decrease for business-type activities. The overall increase was 8.02% 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	
	2013	2012	2013	2012	2013	2012
Non-depreciable assets:						
Land	\$ 22,280,088	\$ 19,616,696	\$ 1,475,299	\$ 1,475,299	\$ 23,755,387	\$ 21,091,995
Works of art & historic treasures	1,099,310	1,099,310	-	-	1,099,310	1,099,310
Intangible assets	2,739,820	1,803,203	9,816,922	9,770,122	12,556,742	11,573,325
Construction in progress	3,332,744	6,321,939	750,652	1,341,843	4,083,396	7,663,782
Total non-depreciable	29,451,962	28,841,148	12,042,873	12,587,264	41,494,835	41,428,412
Depreciable assets:						
Buildings and improvements	29,038,850	19,780,495	-	-	29,038,850	19,780,495
Plant and equipment	-	-	27,829,432	26,621,782	27,829,432	26,621,782
Distribution system	-	-	5,849,886	5,849,886	5,849,886	5,849,886
Vehicles and equipment	7,146,170	6,181,977	446,373	400,749	7,592,543	6,582,726
Infrastructure	37,219,524	36,948,340	-	-	37,219,524	36,948,340
Total depreciable assets	73,404,544	62,910,812	34,125,691	32,872,417	107,530,235	95,783,229
Less accumulated depreciation	25,543,774	22,961,353	12,730,406	11,724,445	38,274,180	34,685,798
Book value - depreciable assets	47,860,770	39,949,459	21,395,285	21,147,972	69,256,055	61,097,431
Percentage depreciated	35%	36%	37%	36%	36%	36%
Book value - all assets	\$ 77,312,732	\$ 68,790,607	\$ 33,438,158	\$ 33,735,236	\$ 110,750,890	\$ 102,525,843

At December 31, 2013, the depreciable capital assets for governmental activities were 35% depreciated. This compares slightly down from the December 31, 2012 percentage of 36%. 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, 37% of the asset values were depreciated at December 31, 2013 compared to 36% at December 31, 2012.

In governmental activities, the intangible assets consist of preservation easements. The decrease in the construction in progress relates to the following projects:

- Public Works Facility - \$2,425,754
- Council Chambers Facility - \$904,727

In the water fund, most of the intangible assets are water rights and water storage in the Georgetown Lake. The decrease in the business-type construction in progress relates to the following projects:

- Hidden Valley Plant Infiltration Gallery - \$1,089,194

Long-term Debt

The following table presents the outstanding debt at December 31, 2013 and 2012.

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		% Change
	2013	2012	2013	2012	2013	2012	
Device fee revenue bonds	\$ 18,645,000	\$ 9,635,000	\$ -	\$ -	\$ 18,645,000	\$ 9,635,000	94%
Compensated absences	582,825	526,819	49,349	62,576	632,174	589,395	7%
Total	\$ 19,227,825	\$10,161,819	\$ 49,349	\$ 62,576	\$ 19,277,174	\$10,224,395	89%

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 larger population base due to gaming. The City receives almost all of its revenue from gaming related sources.

The level of gaming activity within the City can be affected by the amount of disposable 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 Finance Director or City Manager at the City, Post Office 68, Black Hawk, Colorado, 80422.

City of Black Hawk, Colorado
Statement of Net Position
December 31, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents (Note 3A)	\$ 26,299,001	\$ 384,058	\$ 26,683,059
Receivables:			
Accounts	98,721	408,207	506,928
Property taxes	152,338	-	152,338
Other taxes	879,243	-	879,243
Notes (Note 1-E-2)	35,839	-	35,839
Inventory	135,505	-	135,505
Prepaid items	252,487	-	252,487
Restricted assets	1,631,280	-	1,631,280
Total Current Assets	29,484,414	792,265	30,276,679
Noncurrent Assets			
Capital assets (Note 3D)			
Nondepreciable	29,451,962	12,042,873	41,494,835
Depreciable, net	47,860,770	21,395,285	69,256,055
Total Noncurrent Assets	77,312,732	33,438,158	110,750,890
Total Assets	106,797,146	34,230,423	141,027,569
Deferred Outflows of Resources			
Unamortized Debt Refunding Charges	348,739	-	348,739
Total Deferred Outflows of Resources	348,739	-	348,739
Liabilities			
Current Liabilities			
Accounts payable	878,966	321,393	1,200,359
Accrued expenses	647,952	33,909	681,861
Retainage payable	448,502	-	448,502
Accrued interest payable	10,983	-	10,983
Deposits payable	1,000	-	1,000
Compensated absences payable	62,003	5,250	67,253
Revenue bonds payable	1,020,000	-	1,020,000
Total Current Liabilities	3,069,406	360,552	3,429,958
Long-Term Liabilities (net of current portion): (Note 3F)			
Compensated absences payable	520,822	44,099	564,921
Revenue bonds payable	17,625,000	-	17,625,000
Total Long-term Liabilities	18,145,822	44,099	18,189,921
Total Liabilities	21,215,228	404,651	21,619,879
Deferred Inflows of Resources			
Property taxes	152,338	-	152,338
Unamortized Debt Refunding Premiums	108,943	-	108,943
Total Deferred Inflows of Resources	261,281	-	261,281
Net Position			
Invested in capital assets (Note 3H)	76,600,278	33,438,158	110,038,436
Restricted for:			
Capital projects	1,492,759	-	1,492,759
Debt service	1,629,639	-	1,629,639
Preservation and restoration	4,332,241	-	4,332,241
Emergencies (Note 2D)	812,000	-	812,000
Other program purposes	82,569	-	82,569
Unrestricted	719,890	387,614	1,107,504
Total Net Position	\$ 85,669,376	\$ 33,825,772	\$ 119,495,148

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado
Statement of Activities
For the Year Ended December 31, 2013

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 6,163,795	\$ 179,006	\$ 3,458,812	\$ -	\$ (2,525,977)	\$ -	\$ (2,525,977)
Planning	603,619	180,453	-	-	(423,166)	-	(423,166)
Public safety	6,123,994	47,523	-	-	(6,076,471)	-	(6,076,471)
Public works	5,890,849	215,821	12,847	1,525,291	(4,136,890)	-	(4,136,890)
Interest	708,676	-	-	-	(708,676)	-	(708,676)
Total Governmental Activities	19,490,933	622,803	3,471,659	1,525,291	(13,871,180)	-	(13,871,180)
Business-Type Activities:							
Water	3,564,661	2,984,365	-	-	-	(580,296)	(580,296)
Total - Primary Government	<u>\$ 23,055,594</u>	<u>\$ 3,607,168</u>	<u>\$ 3,471,659</u>	<u>\$ 1,525,291</u>	<u>(13,871,180)</u>	<u>(580,296)</u>	<u>(14,451,476)</u>
General Revenues							
Property and specific ownership taxes					164,776	-	164,776
Sales and use taxes					3,278,009	-	3,278,009
Road and bridge taxes					93,116	-	93,116
Device fee taxes					6,996,325	-	6,996,325
Franchise taxes					170,728	-	170,728
Other taxes					29,666	-	29,666
Intergovernmental - gaming					6,864,191	-	6,864,191
Investment earnings					39,931	1,448	41,379
Miscellaneous					1,266,402	15,619	1,282,021
Total General Revenues					<u>18,903,144</u>	<u>17,067</u>	<u>18,920,211</u>
Change in Net Position					5,031,964	(563,229)	4,468,735
Net Position Beginning of Year					80,637,412	34,389,001	115,026,413
Net Position End of Year					<u>\$ 85,669,376</u>	<u>\$ 33,825,772</u>	<u>\$ 119,495,148</u>

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado
Balance Sheet
Governmental Funds
December 31, 2013

	General	Preservation & Restoration	Transportation Device Fee	Business Improvement District	Debt Service	Capital Projects	Impact Fee	Other Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 18,883,178	\$ 5,041,893	\$ 4,857	\$ 242,891	\$ 4,359	\$ 605,864	\$ 1,492,759	\$ 23,200	\$ 26,299,001
Cash and cash equivalents - restricted	-	-	-	6,000	1,625,280	-	-	-	1,631,280
Receivables:									
Accounts	80,074	18,031	-	616	-	-	-	-	98,721
Property taxes	8,600	-	-	143,738	-	-	-	-	152,338
Other taxes	824,731	-	54,512	-	-	-	-	-	879,243
Intergovernmental	-	-	-	-	-	-	-	-	-
Notes	-	35,839	-	-	-	-	-	-	35,839
Inventory	135,505	-	-	-	-	-	-	-	135,505
Prepaid items	248,978	-	-	3,509	-	-	-	-	252,487
Total Assets	\$ 20,181,066	\$ 5,095,763	\$ 59,369	\$ 396,754	\$ 1,629,639	\$ 605,864	\$ 1,492,759	\$ 23,200	\$ 29,484,414
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 525,710	\$ 251,300	\$ -	\$ 251	\$ -	\$ 101,705	\$ -	\$ -	\$ 878,966
Grant tax payable	-	280,208	-	-	-	-	-	-	280,208
Retainage payable	1,650	196,175	-	-	-	250,677	-	-	448,502
Accrued expenditures	367,744	-	-	-	-	-	-	-	367,744
Deposits payable	1,000	-	-	-	-	-	-	-	1,000
Total Liabilities	896,104	727,683	-	251	-	352,382	-	-	1,976,420
Deferred Inflows of Resources									
Property taxes	8,600	-	-	143,738	-	-	-	-	152,338
Notes receivable	-	35,839	-	-	-	-	-	-	35,839
Total Deferred Inflows of Resources	8,600	35,839	-	143,738	-	-	-	-	188,177
Fund Balances (Deficits)									
Restricted	806,000	4,332,241	59,369	6,000	1,629,639	-	\$ 1,492,759	\$ 23,200	8,349,208
Nonspendable	248,978	-	-	3,509	-	-	-	-	252,487
Assigned	-	-	-	243,256	-	253,482	-	-	496,738
Unassigned	18,221,384	-	-	-	-	-	-	-	18,221,384
Total Fund Balances (Deficits)	19,276,362	4,332,241	59,369	252,765	1,629,639	253,482	1,492,759	23,200	27,319,817
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 20,181,066	\$ 5,095,763	\$ 59,369	\$ 396,754	\$ 1,629,639	\$ 605,864	\$ 1,492,759	\$ 23,200	\$ 29,484,414

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 Position
December 31, 2013

Total Governmental Fund Balances	\$	27,319,817
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**Amounts reported for governmental activities in the
statement of net position are different because:**

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.

Cost of capital assets	\$	102,856,507	
Less accumulated depreciation		(25,543,775)	77,312,732

Long-term notes receivable are not available to pay current period expenditures and therefore are deferred in the funds.		35,839
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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 position.

Premiums, discounts and refundings	\$	239,796	239,796
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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 position.

Revenue bonds	\$	(18,645,000)	
General obligation bonds		-	
Capital leases		-	
Accrued interest		(10,983)	
Compensated absences		(582,825)	(19,238,808)

Net Position of Governmental Activities	\$	85,669,376
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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, 2013

	General	Preservation & Restoration	Transportation Device Fee	Business Improvement District	Debt Service	Capital Projects	Impact Fee	Other Governmental Funds	Total Governmental Funds
Revenues									
Taxes	\$ 9,930,337	\$ -	\$ 646,520	\$ 155,763	\$ -	\$ -	\$ -	\$ -	\$ 10,732,620
Special assessments	-	-	-	-	-	-	-	-	-
Intergovernmental	6,887,971	3,457,536	-	-	-	1,229,231	-	1,276	11,576,014
Licenses and permits	118,014	-	-	-	-	-	-	-	118,014
Charges for services	457,016	250	-	-	-	-	-	-	457,266
Fines and forfeitures	47,523	-	-	-	-	-	-	-	47,523
Investment earnings	20,390	11,039	586	194	193	3,928	3,552	49	39,931
Miscellaneous	415,977	216,377	-	-	-	832,000	-	-	1,464,354
Total Revenues	17,877,228	3,685,202	647,106	155,957	193	2,065,159	3,552	1,325	24,435,722
Expenditures									
Current:									
General government	4,714,101	802,867	-	75,787	-	-	-	-	5,592,755
Planning	602,976	-	-	-	-	-	-	-	602,976
Public safety	5,801,721	-	-	-	-	-	-	-	5,801,721
Public works	3,370,214	-	-	-	-	-	-	-	3,370,214
Capital Outlay	-	4,866,395	-	-	-	6,468,254	250,000	-	11,584,649
Debt Service:									
Principal retirement	-	-	-	-	990,000	-	-	-	990,000
Interest and fiscal charges	-	-	-	-	698,967	-	-	-	698,967
Total Expenditures	14,489,012	5,669,262	-	75,787	1,688,967	6,468,254	250,000	-	28,641,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,388,216	(1,984,060)	647,106	80,170	(1,688,774)	(4,403,095)	(246,448)	1,325	(4,205,560)
Other Financing Sources (Uses)									
Transfers in	643,000	-	-	-	2,354,523	1,750,000	-	-	4,747,523
Transfers out	(4,104,523)	-	(643,000)	-	-	-	-	-	(4,747,523)
Device tax bonds issued	10,000,000	-	-	-	-	-	-	-	10,000,000
Total Other Financing Sources (Uses)	6,538,477	-	(643,000)	-	2,354,523	1,750,000	-	-	10,000,000
Net Change in Fund Balances	9,926,693	(1,984,060)	4,106	80,170	665,749	(2,653,095)	(246,448)	1,325	5,794,440
Fund Balances Beginning of Year	9,349,669	6,316,301	55,263	172,595	963,890	2,906,577	1,739,207	21,875	21,525,377
Fund Balances End of Year	\$ 19,276,362	\$ 4,332,241	\$ 59,369	\$ 252,765	\$ 1,629,639	\$ 253,482	\$ 1,492,759	\$ 23,200	\$ 27,319,817

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, 2013

Net Changes In Fund Balances - Total Governmental Funds	\$ 5,794,440
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**Amounts reported for governmental activities in the
statement of activities are different because**

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	\$ (2,630,121)	
Capital outlay	<u>11,152,246</u>	8,522,125

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.

Deferred @ 12/31/12	(244,724)	
Deferred @ 12/31/13	<u>35,839</u>	(208,885)

Accrued interest is reported in the statement of activities, but does not require the use of financial resources and therefore are not reported as expenditures in governmental funds.

Liability @ 12/31/13	\$ (10,983)	
Liability @ 12/31/12	<u>40,034</u>	29,051

Deferred losses, premiums and discounts on bond issues 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 position.	(38,760)
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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 position.	990,000
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Issuance of long-term debt provides current financial resources to governmental funds, however issuance creates additional long-term liabilities in the statement of net position.	(10,000,000)
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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 @ 12/31/13	\$ (582,825)	
Liability @ 12/31/12	<u>526,818</u>	(56,007)

Change In Net Position of Governmental Activities	<u>\$ 5,031,964</u>
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See accompanying notes to the basic financial statements

City of Black Hawk, Colorado
Water Fund
Comparative Statement of Net Position
December 31, 2013 and 2012

	2013	2012
Assets		
Current Assets:		
Cash and cash equivalents	\$ 384,058	\$ 540,329
Accounts receivable	408,207	369,638
Total Current Assets	792,265	909,967
Noncurrent Assets:		
Capital assets:		
Nondepreciable	12,042,873	12,587,264
Depreciable, net	21,395,285	21,147,972
Total Noncurrent Assets	33,438,158	33,735,236
Total Assets	34,230,423	34,645,203
Liabilities		
Current Liabilities:		
Accounts payable	321,393	158,181
Retainage payable	-	4,583
Accrued expenses	33,909	30,862
Compensated absences payable	5,250	3,994
Total Current Liabilities	360,552	197,620
Long-Term Liabilities (net of current portion):		
Compensated absences payable	44,099	58,582
Total Long-Term Liabilities	44,099	58,582
Total Liabilities	404,651	256,202
Net Position		
Invested in capital assets	33,438,158	33,735,236
Unrestricted	387,614	653,765
Total Net Position	\$ 33,825,772	\$ 34,389,001

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado
Water Fund
Statement of Revenues, Expenses
and Changes in Net Position
For the Years Ended December 31, 2013 and 2012

	2013	2012
Operating Revenues		
Charges for services	\$ 2,984,365	\$ 2,982,990
Miscellaneous	15,619	17,900
Total Operating Revenues	2,999,984	3,000,890
Operating Expenses		
Personal services	772,612	776,187
Professional services	1,145,828	930,719
General services	252,090	248,998
Program services	2,029	4,266
Purchased services	17,409	11,455
Supplies	51,112	43,540
Repairs and maintenance	286,532	255,787
Capital outlay - non-capitalized	31,088	116,436
Depreciation	1,005,961	974,317
Total Operating Expenses	3,564,661	3,361,705
Operating Income (Loss)	(564,677)	(360,815)
Non-Operating Revenues (Expenses)		
Investment earnings	1,448	10,658
Total Non-Operating Revenues (Expenses)	1,448	10,658
(Loss) Before Transfers In	(563,229)	(350,157)
Transfers in	-	2,000,000
Change in Net Position	(563,229)	1,649,843
Net Position Beginning of Year	34,389,001	32,739,158
Net Position End of Year	\$ 33,825,772	\$ 34,389,001

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado
Water Fund
Statement of Cash Flows
For the Years Ended December 31, 2013 and 2012

	2013	2012
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 2,961,415	\$ 2,921,432
Cash payments for personal services	(785,839)	(770,794)
Cash payments for goods and services	(1,624,412)	(1,561,885)
Net Cash (Used in) Operating Activities	551,164	588,753
Cash Flows from Noncapital Financing Activities		
Transfers in	-	2,000,000
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions	(708,883)	(7,309,576)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(708,883)	(7,309,576)
Cash Flows from Investing Activities		
Investment earnings	1,448	10,658
Net Increase (Decrease) in Cash and Cash Equivalents	(156,271)	(4,710,165)
Cash and Cash Equivalents Beginning of Year	540,329	5,250,494
Cash and Cash Equivalents End of Year	\$ 384,058	\$ 540,329
Reconciliation to Cash and Cash Equivalents:		
Unrestricted	\$ 384,058	\$ 540,329
Restricted	-	-
Total Cash and Cash Equivalents	\$ 384,058	\$ 540,329

City of Black Hawk, Colorado
Water Fund
Statement of Cash Flows
For the Years Ended December 31, 2013 and 2012

(Continued)

	<u>2013</u>	<u>2012</u>
Reconciliation of Operating Income (Loss) to Net Cash (Used in) Operating Activities		
Operating Income (Loss)	\$ (564,677)	\$ (360,815)
Adjustments:		
Depreciation	1,005,961	974,317
(Increase) Decrease in Assets:		
Accounts receivable	(38,569)	(79,458)
Prepaid items	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	163,212	40,570
Retainage payable	(4,583)	4,583
Accrued expenses	3,047	4,163
Compensated absences payable	(13,227)	5,393
Net Cash (Used in) Operating Activities	<u>\$ 551,164</u>	<u>\$ 588,753</u>

See accompanying notes to the basic financial statements

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 Urban Renewal Authority (Renewal Authority) – The Renewal Authority was created by resolution passed by the City’s Board of Alderman in July 2008. 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 2013, the Renewal Authority had no financial activity.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 position 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 position 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 position 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 and proprietary 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, 2013

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 Device Fee Fund – This fund accounts for the collection of device fees levied on all gaming devices within the City to finance transportation services. All transportation expenditures are reported in the General fund and are funded from transfers from this fund.

Business Improvement District Fund – This fund accounts for marketing and the construction of public improvements to the commercial district and is funded by the imposition of property taxes and device fees on the casinos within its boundaries.

Debt Service Fund – This fund receives transfers from the general fund and retires the governmental activities bonded debt, excluding the District's debt.

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 position, 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 position. 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 position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 2013 is revenue for the 2014 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 position 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.

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, 2013

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, 2013.

At December 31, 2013, the City holds one 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.

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 position.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 position, 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 position 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 position and in the enterprise fund's statement of net position.

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, 2013

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 the 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

On the government-wide statement of net position and the proprietary fund type statement of net position, unamortized bond premiums and discounts and unamortized bond refunding differences are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts 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.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-10 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1-E-11 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 position.” In fiscal year 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Net Position - The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

- **Investment in Capital Assets** is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.
- **Restricted Net Position** are liquid assets, which have third party limitations on their use.
- **Unrestricted Net Position** represent assets that do not have any third party limitation on their use. While City management may have categorized and segmented portion for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

Fund Balance – Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances 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.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Aldermen through the approval of a resolution. Only, the City Aldermen also may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the City Aldermen to be used for a specific purpose.
- **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

1-E-12 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-13 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-14 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 for 2013. The annual transportation device tax is \$77 per device.

1-E-15 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.

1-E-16 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.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-17 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-18 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-19 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.

2-B. 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.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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, 2013, the carrying amount of the City's deposits was \$20,476,189 and the bank balance was \$20,964,824. Of the bank balance, \$315,399 was covered by federal deposit insurance and \$20,649,425 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).

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
Money market accounts	\$ 200,798
Colotrust state investment pool	7,636,252
Total	\$ 7,837,050

The money market accounts are made up of forfeited non-vested employer 401 contributions with ICMA Retirement Corporation. These funds are available to be used towards future employer 401 contributions. As of December 31, 2013 the City 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 Colotrust 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. Colotrust, a local government investment pool that the City invests in, is rated AAAM by Standard & Poor's. This pool is rated AAA by Fitch and Moody's. The money market account is invested exclusively in Colotrust. The maturity schedules for the above investments are less than one year. The City has no policy regarding credit risk.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

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.

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 has all investments in a local government investment pool, Colotrust.

Cash and Investment Reconciliation

Petty cash	\$ 1,100
Deposits	20,476,189
Investments	<u>7,837,050</u>
Total Cash and Investments	<u><u>\$ 28,314,339</u></u>

Fund Reporting Level

Governmental fund type - balance sheet	\$ 26,299,001
Governmental fund type - balance sheet - restricted	1,631,280
Proprietary fund type - statement of net assets	<u>384,058</u>
Total	<u><u>\$ 28,314,339</u></u>

3-B. Receivables

Receivables at December 31, 2013, 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 one note receivable at December 31, 2013 (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
2014	<u>35,839</u>	<u>224</u>	<u>36,063</u>
Total	<u><u>\$ 35,839</u></u>	<u><u>\$ 224</u></u>	<u><u>\$ 36,063</u></u>

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

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, 2013, was as follows:

	Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 19,616,696	\$ 2,663,392	\$ -	\$ 22,280,088
Works of art and historical treasures	1,099,310	-	-	1,099,310
Intangible	1,803,203	936,617	-	2,739,820
Construction in progress	6,321,939	7,212,227	10,201,422	3,332,744
Total nondepreciable capital assets	28,841,148	10,812,236	10,201,422	29,451,962
Depreciable capital assets:				
Buildings and improvements	19,780,495	9,258,355	-	29,038,850
Vehicles and equipment	6,181,977	1,011,893	47,700	7,146,170
Infrastructure	36,948,340	271,184	-	37,219,524
Total depreciable capital assets	62,910,812	10,541,432	47,700	73,404,544
Total capital assets	91,751,960	21,353,668	10,249,122	102,856,506
Accumulated depreciation:				
Buildings and improvements	6,491,052	973,114	-	7,464,166
Vehicles and equipment	4,978,654	510,200	47,700	5,441,154
Infrastructure	11,491,647	1,146,807	-	12,638,454
Total accumulated depreciation	22,961,353	2,630,121	47,700	25,543,774
Governmental activities capital assets, net	\$ 68,790,607	\$ 18,723,547	\$ 10,201,422	\$ 77,312,732

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Governmental activities depreciation expense

General government	\$ 538,065
Public safety	315,059
Public works	<u>1,776,997</u>
Total governmental activities depreciation expense	<u><u>\$ 2,630,121</u></u>

Capital asset activities for the water fund for the year ended December 31, 2013, was as follows:

	Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013
Business-type activities:				
Nondepreciable capital assets				
Land	\$ 1,475,299		\$ -	\$ 1,475,299
Water rights	9,770,122	46,800	-	9,816,922
Construction in progress	<u>1,341,843</u>	<u>616,459</u>	<u>1,207,650</u>	<u>750,652</u>
Total nondepreciable capital assets	<u>12,587,264</u>	<u>663,259</u>	<u>1,207,650</u>	<u>12,042,873</u>
Depreciable capital assets:				
Plant and equipment	26,621,782	1,207,650	-	27,829,432
Distribution system	5,849,886	-	-	5,849,886
Vehicles and equipment	<u>400,749</u>	<u>45,624</u>	<u>-</u>	<u>446,373</u>
Total depreciable capital assets	<u>32,872,417</u>	<u>1,253,274</u>	<u>-</u>	<u>34,125,691</u>
Total capital assets	<u>45,459,681</u>	<u>1,916,533</u>	<u>1,207,650</u>	<u>46,168,564</u>
Accumulated depreciation:				
Plant and equipment	7,701,157	780,374	-	8,481,531
Distribution system	3,711,252	201,012	-	3,912,264
Vehicles and equipment	<u>312,036</u>	<u>24,575</u>	<u>-</u>	<u>336,611</u>
Total accumulated depreciation	<u>11,724,445</u>	<u>1,005,961</u>	<u>-</u>	<u>12,730,406</u>
Business-type activities capital assets, net	<u><u>\$ 33,735,236</u></u>	<u><u>\$ 910,572</u></u>	<u><u>\$ 1,207,650</u></u>	<u><u>\$ 33,438,158</u></u>

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Interfund Transfers

Interfund Transfers - Interfund transfers for the year ended December 31, 2013, consisted of the following:

Transfer to	Transfers from:		
	General fund	Transportation Device Fee fund	Total
Debt service fund	\$ 2,354,523	\$ -	\$ 2,354,523
Water fund	-	-	-
Capital Projects fund	1,750,000		1,750,000
General fund	-	643,000	643,000
Total	<u>\$ 4,104,523</u>	<u>\$ 643,000</u>	<u>\$ 4,747,523</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, 2013.

2004 Device Tax Revenue Refunding Bonds – On March 15, 2004, the City issued serial tax revenue refunding bonds, in the amount of \$1,375,000 to advance refund \$1,375,000 of the outstanding 1994 Series device tax revenue bonds. The interest rates on this debt are 2.15% to 4.6%.

Annual debt service requirements to amortize this debt, as of December 31, 2013 follow:

Year	Principal	Interest	Total
2014	135,000	6,210	141,210
Total	<u>\$ 135,000</u>	<u>\$ 6,210</u>	<u>\$ 141,210</u>

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

2006 Device Tax Revenue Refunding Bonds, Series 2006A - 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 and to partially advance refund the 1998 Device Tax Revenue Bonds in the amount of \$11,580,000. The Series 2006A bonds carry a 5% interest rate with a final maturity on December 1, 2021. The Series 2006 B were retired in 2011.

Annual debt service requirements to amortize this debt, as of December 31, 2013 follow:

Year	Series A		
	Principal	Interest	Total
2014	885,000	425,500	1,310,500
2015	935,000	381,250	1,316,250
2016	980,000	334,500	1,314,500
2017	1,035,000	285,500	1,320,500
2018	1,085,000	233,750	1,318,750
2019-2021	3,590,000	364,750	3,954,750
Total	<u>\$ 8,510,000</u>	<u>\$ 2,025,250</u>	<u>\$ 10,535,250</u>

2013 Device Tax Revenue Bonds, Series 2013 - On December 18, 2013, the City issued device tax revenue bonds, in the amount of \$10,000,000, to acquire certain water rights and replace a water treatment plant. The Series 2013 bonds carry an interest rate of 4.17% with final maturity on December 1, 2033.

Annual debt service requirements to amortize this debt, as of December 31, 2013 follow:

Year	Series A		
	Principal	Interest	Total
2014	-	397,308	397,308
2015	-	417,000	417,000
2016	135,000	417,000	552,000
2017	410,000	411,371	821,371
2018	430,000	394,273	824,273
2019-2021	9,025,000	3,294,092	12,319,092
Total	<u>\$ 10,000,000</u>	<u>\$ 5,331,044</u>	<u>\$ 15,331,044</u>

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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, 2013:

Governmental Activities	Outstanding 1/1/2013	Additions	Reductions	Outstanding 12/31/2013	Amounts Due in One Year
2004 Device Tax Revenue Refunding Bonds	\$ 280,000	\$ -	\$ 145,000	\$ 135,000	\$ 135,000
2006 Device Tax Revenue Refunding Bonds - Series A	9,355,000	-	845,000	8,510,000	885,000
2013 Device Tax Revenue Bonds	-	10,000,000		10,000,000	-
	-	-		-	-
Bond premiums	122,704	-	13,761	108,943	-
Bond discounts	(3,043)	-	(619)	(2,424)	-
Bond refunding	(398,217)	-	(51,902)	(346,315)	-
 Total Bonds	 9,356,444	 10,000,000	 951,240	 18,405,204	 1,020,000
Compensated Absences	526,819	477,286	421,280	582,825	62,003
Total Governmental Activities	<u>\$ 9,883,263</u>	<u>\$ 10,477,286</u>	<u>\$ 1,372,520</u>	<u>\$ 18,988,029</u>	<u>\$ 1,082,003</u>
 Business-Type Activities					
Compensated Absences	62,576	47,651	60,878	49,349	5,250
Total Business-Type Activities	<u>\$ 62,576</u>	<u>\$ 47,651</u>	<u>\$ 60,878</u>	<u>\$ 49,349</u>	<u>\$ 5,250</u>

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 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.

3-G. 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, 2013, 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, up to 6.00% of the plan members' compensation is withheld and remitted to the Plan Administrator along with the matching payment of 6.00% 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 for the years ended December 31, 2013, 2012, and 2011 were \$258,185, \$240,479 and \$247,020 and the City's contributions were \$300,738, \$277,025 and \$281,167 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, 2013, 2012, and 2011 were \$122,644, \$128,790 and \$116,011 respectively, equal to the City's required contributions for each year. At December 31, 2013, there were 19 plan members.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

3-H. 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 position as of December 31, 2013 are as follows:

	Governmental Activities	Business - Type Activities
Invested in capital assets, net of related debt:		
Cost of capital assets	\$ 102,856,507	\$ 46,168,564
Less accumulated depreciation	25,543,775	12,730,406
Book value	77,312,732	33,438,158
Less capital related debt (net of premiums, (discounts) and (refunding amounts))	712,454	-
	<u>\$ 76,600,278</u>	<u>\$ 33,438,158</u>
Invested in capital assets, net of related debt	<u>\$ 76,600,278</u>	<u>\$ 33,438,158</u>

3-I. Fund Equity

Fund Balances - Fund Balance are classified as follows:

- **Nonspendable** - The following fund balances are nonspendable because they are not in a spendable form:

General Fund:

Prepaid Items \$ 248,978

Business Improvement District Fund:

Prepaid Items \$ 3,509

- **Restricted** - The following fund balances are legally restricted to specific purposes:

General Fund:

Emergency purposes \$ 806,000

Major Special Revenue Funds:

Preservation and Restoration Fund:

Preservation and restoration purposes \$ 4,332,241

Transportation Device Fee Trust Fund:

Transportation purposes \$59,369

Business Improvement District Fund:

Emergency purposes \$ 6,000

Nonmajor Special Revenue Funds:

Conservation Trust Fund:

Parks, recreation and open space purposes \$ 23,200

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Major Debt Services Fund:

Debt Service Fund:

Repayment of debt principal and interest \$1,629,639

Major Capital Projects Funds:

Impact Fees Fund:

Parking, Fire and Police purposes \$ 1,492,759

- **Assigned** - The following fund balances are assigned by management for specific purposes:

Major Business Improvement District Funds:

Business Improvement Districts Fund:

District Enhancements..... \$243,256

Major Capital Projects Funds:

Capital Projects Fund:

Capital purposes..... \$253,482

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 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.

City of Black Hawk, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Note 4 – Other Notes (Continued)

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, 2013. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Subsequent Events

On January 9, 2014, the City issued Device Tax Revenue Bonds, Series 2014A in the amount of \$10,000,000 and Device Tax Revenue Bonds, Series 2014B in the amount of \$2,000,000 for certain infrastructure projects.

City of Black Hawk, Colorado
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013			2012	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Taxes	\$ 9,491,600	\$ 9,491,600	\$ 9,930,337	\$ 438,737	\$ 9,897,871
Intergovernmental	7,121,500	7,121,500	6,887,971	(233,529)	6,863,940
Licenses and permits	25,485	25,485	118,014	92,529	47,674
Charges for services	385,400	385,400	457,016	71,616	422,196
Fines and forfeitures	46,200	46,200	47,523	1,323	61,461
Investment earnings	42,000	42,000	20,390	(21,610)	45,742
Miscellaneous	150,300	150,300	415,977	265,677	199,355
Total Revenues	17,262,485	17,262,485	17,877,228	614,743	17,538,239
Expenditures					
Current:					
General government	4,254,841	4,254,841	4,714,101	(459,260)	4,059,003
Planning	541,886	549,386	602,976	(53,590)	498,587
Public safety	5,743,408	5,743,408	5,801,721	(58,313)	5,558,717
Public works	3,997,158	4,037,158	3,370,214	666,944	3,228,010
Total Expenditures	14,537,293	14,584,793	14,489,012	95,781	13,344,317
Excess of Revenues Over Expenditures	2,725,192	2,677,692	3,388,216	710,524	4,193,922
Other Financing Sources (Uses)					
Transfers in	650,650	650,650	643,000	(7,650)	650,683
Transfers out	(5,875,000)	(5,875,000)	(4,104,523)	1,770,477	(10,530,500)
Device tax bonds issued	-	-	10,000,000	10,000,000	-
Total Other Financing Sources (Uses)	(5,224,350)	(5,224,350)	6,538,477	11,762,827	(9,879,817)
Net Change in Fund Balances	\$ (2,499,158)	\$ (2,546,658)	9,926,693	\$ 12,473,351	(5,685,895)
Fund Balances Beginning of Year			9,349,669		15,035,564
Fund Balances End of Year			\$ 19,276,362		\$ 9,349,669

See accompanying notes to the required supplementary information

City of Black Hawk, Colorado
Required Supplementary Information
Preservation & Restoration Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013			2012	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	\$ 3,556,593	\$ 3,556,593	\$ 3,457,536	\$ (99,057)	\$ 3,387,232
Charges for services	100	100	250	150	150
Investment earnings	15,300	15,300	11,039	(4,261)	16,533
Miscellaneous	216,378	216,378	216,377	(1)	216,418
Total Revenues	3,788,371	3,788,371	3,685,202	(103,169)	3,620,333
Expenditures					
Current:					
Grants	919,000	919,000	802,867	116,133	217,221
Capital Outlay	4,518,660	5,452,590	4,866,395	586,195	2,053,793
Total Expenditures	5,437,660	6,371,590	5,669,262	702,328	2,271,014
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,649,289)	(2,583,219)	(1,984,060)	599,159	1,349,319
Other Financing Uses					
Transfers out	-	-	-	-	-
Net Change in Fund Balances	\$ (1,649,289)	\$ (2,583,219)	(1,984,060)	\$ 599,159	1,349,319
Fund Balances Beginning of Year			6,316,301		4,966,982
Fund Balances End of Year			\$ 4,332,241		\$ 6,316,301

See accompanying notes to the required supplementary information

City of Black Hawk, Colorado
Required Supplementary Information
Transportation Device Fee Trust Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Taxes	\$ 650,650	\$ 650,650	\$ 646,520	\$ (4,130)	\$ 650,683
Investment earnings	-	-	586	586	-
Total Revenues	650,650	650,650	647,106	(3,544)	650,683
Expenditures					
Current:					
Public Works	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	650,650	650,650	647,106	(3,544)	650,683
Other Financing Sources (Uses)					
Transfers Out	(650,650)	(650,650)	(643,000)	7,650	(650,683)
Net Change in Fund Balances	\$ -	\$ -	4,106	\$ 4,106	-
Fund Balances Beginning of Year			55,263		55,263
Fund Balances End of Year			\$ 59,369		\$ 55,263

See accompanying notes to the required supplementary information

City of Black Hawk, Colorado
Required Supplementary Information
Business Improvement District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Taxes	\$ 154,395	\$ 154,395	\$ 155,763	\$ 1,368	\$ 437,776
Special assessments	-	-	-	-	-
Investment earnings	2,000	2,000	194	(1,806)	1,312
Miscellaneous	-	-	-	-	25,000
Total Revenues	<u>156,395</u>	<u>156,395</u>	<u>155,957</u>	<u>(438)</u>	<u>464,088</u>
Expenditures					
Current:					
General government	178,855	178,855	75,787	103,068	56,346
Debt Service:					
Principal	-	-	-	-	525,000
Interest and fiscal charges	-	-	-	-	26,400
Total Expenditures	<u>178,855</u>	<u>178,855</u>	<u>75,787</u>	<u>103,068</u>	<u>607,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (22,460)</u>	<u>\$ (22,460)</u>	<u>80,170</u>	<u>\$ 102,630</u>	<u>(143,658)</u>
Fund Balances Beginning of Year			<u>172,595</u>		<u>316,253</u>
Fund Balances End of Year			<u>\$ 252,765</u>		<u>\$ 172,595</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, 2013

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.

City of Black Hawk, Colorado
General Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	\$ 18,883,178	\$ 8,927,065
Receivables:		
Accounts	80,074	107,680
Property taxes	8,600	9,000
Other taxes	824,731	846,954
Inventory	135,505	114,175
Prepaid items	248,978	187,784
Total Assets	\$ 20,181,066	\$ 10,192,658
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 525,710	\$ 544,958
Retainage payable	1,650	1,026
Accrued expenditures	367,744	287,505
Refundable deposits	1,000	500
Total Liabilities	896,104	833,989
Deferred Inflows of Resources		
Property taxes	8,600	9,000
Total Deferred Inflows of Resources	8,600	9,000
Fund Balances		
Restricted	806,000	677,000
Nonspendable	248,978	187,784
Assigned	-	-
Unassigned	18,221,384	8,484,885
Total Fund Balances	19,276,362	9,349,669
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,181,066	\$ 10,192,658

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, 2013 and 2012

	2013	2012
Revenues		
Taxes	\$ 9,930,337	\$ 9,897,871
Intergovernmental	6,887,971	6,863,940
Licenses and permits	118,014	47,674
Charges for services	457,016	422,196
Fines and forfeitures	47,523	61,461
Investment earnings	20,390	45,742
Miscellaneous	415,977	199,355
Total Revenues	17,877,228	17,538,239
Expenditures		
Current:		
General government	4,714,101	4,059,003
Planning	602,976	498,587
Public safety	5,801,721	5,558,717
Public works	3,370,214	3,228,010
Total Expenditures	14,489,012	13,344,317
Excess of Revenues Over Expenditures	3,388,216	4,193,922
Other Financing Sources (Uses)		
Transfers in	643,000	650,683
Transfers out	(4,104,523)	(10,530,500)
Device tax bonds issued	10,000,000	-
Total Other Financing Sources (Uses)	6,538,477	(9,879,817)
Net Change in Fund Balances	9,926,693	(5,685,895)
Fund Balances Beginning of Year	9,349,669	15,035,564
Fund Balances End of Year	\$ 19,276,362	\$ 9,349,669

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, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes					
Property	\$ 9,000	\$ 9,000	\$ 8,740	\$ (260)	\$ 8,835
Specific ownership	500	500	273	(227)	422
Road and bridge	95,000	95,000	93,116	(1,884)	93,920
Sales, use and lodging	2,808,000	2,808,000	3,278,009	470,009	2,964,090
Franchise	155,000	155,000	170,728	15,728	160,027
Device fees	6,384,100	6,384,100	6,349,805	(34,295)	6,634,759
Occupational	40,000	40,000	29,666	(10,334)	35,818
Total Taxes	9,491,600	9,491,600	9,930,337	438,737	9,897,871
Licenses and Permits					
Business licenses	4,485	4,485	6,741	2,256	10,821
Building permits	20,000	20,000	109,823	89,823	36,053
Other	1,000	1,000	1,450	450	800
Total Licenses and Permits	25,485	25,485	118,014	92,529	47,674
Intergovernmental					
Gaming	7,100,000	7,100,000	6,864,191	(235,809)	6,770,143
Highway users	13,000	13,000	12,847	(153)	13,281
Cigarette taxes	8,500	8,500	10,933	2,433	10,497
Public Safety grants	-	-	-	-	70,019
Total Intergovernmental	7,121,500	7,121,500	6,887,971	(233,529)	6,863,940
Charges for Services					
Plan review fees	10,000	10,000	70,630	60,630	30,169
Silver Dollar Metro District	220,000	220,000	215,821	(4,179)	215,821
Black Hawk transportation	-	-	-	-	-
Gilpin Ambulance Authority	35,000	35,000	39,117	4,117	54,373
Rents	120,400	120,400	131,448	11,048	121,833
Total Charges for Services	385,400	385,400	457,016	71,616	422,196
Fines and Forfeitures					
Municipal court	24,000	24,000	28,106	4,106	29,460
County court	7,000	7,000	6,505	(495)	13,935
Parking	6,000	6,000	2,215	(3,785)	6,420
Police department services	1,200	1,200	2,079	879	2,134
Victim service surcharge	8,000	8,000	8,618	618	9,512
Total Fines and Forfeitures	46,200	46,200	47,523	1,323	61,461
Investment Earnings	42,000	42,000	20,390	(21,610)	45,742
Miscellaneous	150,300	150,300	415,977	265,677	199,355
Total Revenue	17,262,485	17,262,485	17,877,228	614,743	17,538,239

(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, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

(continued)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Expenditures					
General Government					
Mayor and Council					
Personal services	\$ 226,544	\$ 226,544	\$ 205,951	\$ 20,593	\$ 199,326
Program services	1,711,100	1,711,100	2,262,924	(551,824)	1,815,063
Total Mayor and Council	<u>1,937,644</u>	<u>1,937,644</u>	<u>2,468,875</u>	<u>(531,231)</u>	<u>2,014,389</u>
Municipal Court					
Personal services	37,788	37,788	37,235	553	36,858
Professional services	8,500	8,500	17,888	(9,388)	11,810
Purchased services	600	600	-	600	200
Program services	6,600	6,600	4,510	2,090	45
Supplies	-	-	-	-	-
Total Municipal Court	<u>53,488</u>	<u>53,488</u>	<u>59,633</u>	<u>(6,145)</u>	<u>48,913</u>
City Manager					
Personal services	406,639	406,639	417,134	(10,495)	368,176
Professional services	528,000	528,000	551,385	(23,385)	459,297
General services	-	-	-	-	-
Purchased services	259,000	259,000	223,225	35,775	206,441
Program services	15,000	15,000	20,940	(5,940)	9,321
Vehicle operation and maintenance	-	-	-	-	-
Supplies	6,200	6,200	7,907	(1,707)	5,872
Total City Manager	<u>1,214,839</u>	<u>1,214,839</u>	<u>1,220,591</u>	<u>(5,752)</u>	<u>1,049,107</u>
City Clerk					
Personal services	164,728	164,728	166,434	(1,706)	158,733
Professional services	2,500	2,500	2,723	(223)	1,094
General services	5,000	5,000	3,435	1,565	3,462
Purchased services	24,180	24,180	28,977	(4,797)	21,331
Program services	11,582	11,582	14,879	(3,297)	10,474
Supplies	11,600	11,600	7,218	4,382	10,376
Total City Clerk	<u>219,590</u>	<u>219,590</u>	<u>223,666</u>	<u>(4,076)</u>	<u>205,470</u>
Total carried forward	<u>3,425,561</u>	<u>3,425,561</u>	<u>3,972,765</u>	<u>(547,204)</u>	<u>3,317,879</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, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

(continued)

	2013			2012	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Total brought forward	\$ 3,425,561	\$ 3,425,561	\$ 3,972,765	\$ (547,204)	\$ 3,317,879
Expenditures					
General Government					
MIS					
Personal services	233,025	233,025	213,624	19,401	145,407
Professional services	6,000	6,000	2,652	3,348	3,679
General services	33,000	33,000	25,740	7,260	25,984
Purchased services	97,500	97,500	112,565	(15,065)	143,068
Program services	2,500	2,500	2,651	(151)	2,847
Supplies	50,600	50,600	49,003	1,597	50,671
Total MIS	422,625	422,625	406,235	16,390	371,656
Finance					
Personal services	332,005	332,005	274,304	57,701	306,321
Professional services	67,000	67,000	55,734	11,266	59,271
General services	500	500	62	438	65
Purchased services	2,250	2,250	2,197	53	1,461
Program services	1,500	1,500	681	819	1,019
Supplies	3,400	3,400	2,123	1,277	1,331
Total Finance	406,655	406,655	335,101	71,554	369,468
Total General Government	4,254,841	4,254,841	4,714,101	(459,260)	4,059,003
Planning					
Personal services	172,546	172,546	190,031	(17,485)	167,353
Professional services	350,000	357,500	394,833	(37,333)	321,191
General services	5,040	5,040	5,762	(722)	-
Vehicle operation and maintenance	4,400	4,400	1,807	2,593	1,251
Purchased services	800	800	1,544	(744)	2,093
Program services	2,000	2,000	1,285	715	1,611
Supplies	7,100	7,100	7,714	(614)	5,088
Total Planning	541,886	549,386	602,976	(53,590)	498,587
Public Safety					
Police					
Personal services	3,246,439	3,246,439	3,186,477	59,962	3,078,092
Professional services	26,900	26,900	62,196	(35,296)	30,702
General services	24,000	24,000	8,824	15,176	26,984
Vehicle operation and maintenance	45,000	45,000	38,767	6,233	42,242
Purchased services	22,300	22,300	25,956	(3,656)	23,628
Program services	-	-	-	-	-
Supplies	85,000	85,000	116,938	(31,938)	110,568
Capital outlay	-	-	-	-	-
Total Police	3,449,639	3,449,639	3,439,158	10,481	3,312,216
Total carried forward	8,246,366	8,253,866	8,756,235	(502,369)	7,869,806

(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, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

(continued)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Total brought forward	\$ 8,246,366	\$ 8,253,866	\$ 8,756,235	\$ (502,369)	\$ 7,869,806
Expenditures					
Public Safety					
Fire					
Personal services	2,094,319	2,094,319	2,180,544	(86,225)	2,105,680
Professional services	10,000	10,000	8,139	1,861	9,192
General services	20,500	20,500	11,782	8,718	21,671
Vehicle operation and maintenance	26,200	26,200	39,992	(13,792)	24,388
Purchased services	49,600	49,600	48,212	1,388	22,285
Program services	2,000	2,000	1,312	688	918
Supplies	82,450	82,450	64,970	17,480	50,564
Capital outlay	8,700	8,700	7,612	1,088	11,803
Total Fire	2,293,769	2,293,769	2,362,563	(68,794)	2,246,501
Total Public Safety	5,743,408	5,743,408	5,801,721	(58,313)	5,558,717
Public Works					
Personal services	1,896,058	1,896,058	1,821,785	74,273	1,755,848
Professional services	185,000	185,000	59,227	125,773	116,999
General services	834,000	864,000	650,450	213,550	546,930
Vehicle operation and maintenance	234,500	234,500	166,273	68,227	181,124
Purchased services	57,500	57,500	10,342	47,158	11,991
Program services	634,000	634,000	554,852	79,148	544,935
Supplies	145,100	145,100	98,615	46,485	70,183
Capital outlay	11,000	21,000	8,670	12,330	-
Total Public Works	3,997,158	4,037,158	3,370,214	666,944	3,228,010
Total Expenditures	14,537,293	14,584,793	14,489,012	95,781	13,344,317
Excess of Revenues Over Expenditures	2,725,192	2,677,692	3,388,216	710,524	4,193,922
Other Financing Sources (Uses)					
Transfers in	650,650	650,650	643,000	(7,650)	650,683
Transfers out	(5,875,000)	(5,875,000)	(4,104,523)	1,770,477	(10,530,500)
Device tax bonds issued	-	-	10,000,000	10,000,000	-
Total Other Financing Sources (Uses)	(5,224,350)	(5,224,350)	6,538,477	11,762,827	(9,879,817)
Net Change in Fund Balances	<u>\$ (2,499,158)</u>	<u>\$ (2,546,658)</u>	9,926,693	<u>\$ 12,473,351</u>	(5,685,895)
Fund Balances Beginning of Year			9,349,669		15,035,564
Fund Balances End of Year			<u>\$ 19,276,362</u>		<u>\$ 9,349,669</u>

See accompanying independent auditor's report

City of Black Hawk, Colorado
Preservation and Restoration Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 5,041,893	\$ 6,855,900
Receivables:		
Accounts	18,031	-
Notes	<u>35,839</u>	<u>244,723</u>
Total Assets	<u><u>\$ 5,095,763</u></u>	<u><u>\$ 7,100,623</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 251,300	\$ 315,350
Grant tax payable	280,208	152,637
Retainage payable	<u>196,175</u>	<u>71,611</u>
Total Liabilities	<u>727,683</u>	<u>539,598</u>
Deferred Inflows of Resources		
Notes receivable	<u>35,839</u>	<u>244,724</u>
Total Deferred Inflows of Resources	<u>35,839</u>	<u>244,724</u>
Fund Balances		
Restricted	<u>4,332,241</u>	<u>6,316,301</u>
Total Fund Balances	<u>4,332,241</u>	<u>6,316,301</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 5,095,763</u></u>	<u><u>\$ 7,100,623</u></u>

See accompanying independent auditor's report

City of Black Hawk, Colorado
Transportation Device Fee Trust Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 4,857	\$ 1,418
Accounts Receivable - Other taxes	<u>54,512</u>	<u>53,845</u>
Total Assets	<u><u>\$ 59,369</u></u>	<u><u>\$ 55,263</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balances		
Restricted	<u>59,369</u>	<u>55,263</u>
Total Liabilities and Fund Balances	<u><u>\$ 59,369</u></u>	<u><u>\$ 55,263</u></u>

See accompanying independent auditor's report

City of Black Hawk, Colorado
Business Improvement District Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	\$ 242,891	\$ 164,664
Cash and cash equivalents - restricted	6,000	6,000
Receivable - County Treasurer	616	1,712
Prepaid expenses	3,509	3,036
Property taxes receivables	143,738	148,395
Total Assets	\$ 396,754	\$ 323,807
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 251	\$ 2,817
Total Liabilities	251	2,817
Deferred Inflows of Resources		
Property taxes	143,738	148,395
Total Deferred Inflows of Resources	143,738	148,395
Fund Balances		
Restricted:		
Emergencies	6,000	6,000
Nonspendable	3,509	3,036
Assigned	243,256	163,559
Total Fund Balances	252,765	172,595
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 396,754	\$ 323,807

See accompanying independent auditor's report

City of Black Hawk, Colorado
Conservation Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	<u>\$ 23,200</u>	<u>\$ 21,875</u>
Fund Balances		
Restricted	<u>\$ 23,200</u>	<u>\$ 21,875</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, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	\$ 1,100	\$ 1,100	\$ 1,276	\$ 176	\$ 1,191
Investment earnings	70	70	49	(21)	66
Total Revenues	1,170	1,170	1,325	155	1,257
Expenditures					
Current					
Culture and recreation	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,170</u>	<u>\$ 1,170</u>	1,325	<u>\$ 155</u>	1,257
Fund Balances Beginning of Year			<u>21,875</u>		<u>20,618</u>
Fund Balances End of Year			<u>\$ 23,200</u>		<u>\$ 21,875</u>

See accompanying independent auditor's report

City of Black Hawk, Colorado
Debt Service Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 4,359	\$ 390
Cash and cash equivalents - restricted	<u>1,625,280</u>	<u>963,500</u>
Total Assets	<u>\$ 1,629,639</u>	<u>\$ 963,890</u>
Fund Balances		
Restricted	<u>\$ 1,629,639</u>	<u>\$ 963,890</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, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013			2012	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	\$ 200	\$ 200	\$ 193	\$ (7)	\$ 210
Expenditures					
Debt Service:					
Principal retirement	990,000	990,000	990,000	-	1,745,000
Interest and fiscal charges	480,413	698,968	698,967	1	560,558
Total Expenditures	1,470,413	1,688,968	1,688,967	1	2,305,558
(Deficiency of Revenues (Under) Expenditures)	(1,470,213)	(1,688,768)	(1,688,774)	(6)	(2,305,348)
Other Financing Sources (Uses)					
Transfers in	1,375,000	1,375,000	2,354,523	979,523	1,680,500
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	1,375,000	1,375,000	2,354,523	979,523	1,680,500
Net Change in Fund Balances	\$ (95,213)	\$ (313,768)	665,749	\$ 979,517	(624,848)
Fund Balances Beginning of Year			963,890		1,588,738
Fund Balances End of Year			\$ 1,629,639		\$ 963,890

See accompanying independent auditor's report

City of Black Hawk, Colorado
Impact Fee Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	<u>\$ 1,492,759</u>	<u>\$ 1,739,207</u>
Liabilities		
Accounts payable	\$ -	\$ -
Retainage payable	<u>-</u>	<u>-</u>
Total Liabilities	-	-
Fund Balances		
Restricted	<u>\$ 1,492,759</u>	<u>\$ 1,739,207</u>
Total Liabilities and Fund Balances	<u>\$ 1,492,759</u>	<u>\$ 1,739,207</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, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	6,500	6,500	3,552	(2,948)	6,134
Total Revenues	6,500	6,500	3,552	(2,948)	6,134
Expenditures					
Capital Outlay	-	250,000	250,000	-	541,536
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 6,500</u>	<u>\$ (243,500)</u>	(246,448)	<u>\$ (2,948)</u>	(535,402)
Fund Balances Beginning of Year			<u>1,739,207</u>		<u>2,274,609</u>
Fund Balances End of Year			<u>\$ 1,492,759</u>		<u>\$ 1,739,207</u>

See accompanying independent auditor's report

City of Black Hawk, Colorado
Capital Projects Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 605,864	\$ 3,404,505
Accounts Receivable	-	25,200
Prepaid Expenses	-	-
Total Assets	<u>\$ 605,864</u>	<u>\$ 3,429,705</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 101,705	\$ 405,709
Retainage payable	<u>250,677</u>	<u>117,419</u>
Total Liabilities	352,382	523,128
Fund Balances		
Assigned	<u>253,482</u>	<u>2,906,577</u>
Total Liabilities and Fund Balances	<u>\$ 605,864</u>	<u>\$ 3,429,705</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, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental	\$ 328,000	\$ 1,282,000	\$ 1,229,231	\$ (52,769)	\$ 25,200
Investment earnings	1,000	1,000	3,928	2,928	3,294
Miscellaneous	-	-	832,000	832,000	-
Total Operating Revenue	329,000	1,283,000	2,065,159	782,159	28,494
Expenditures					
Capital Outlay	1,327,000	6,765,000	6,468,254	296,746	6,394,549
Excess (Deficiency) of Revenues Over (Under) Expenditures	(998,000)	(5,482,000)	(4,403,095)	1,078,905	(6,366,055)
Other Financing Sources					
Transfers in:					
General fund	1,000,000	1,000,000	1,750,000	750,000	6,850,000
Net Change in Fund Balances	\$ 2,000	\$ (4,482,000)	(2,653,095)	\$ 1,828,905	483,945
Fund Balances Beginning of Year			2,906,577		2,422,632
Fund Balances End of Year			\$ 253,482		\$ 2,906,577

See accompanying independent auditor's report

City of Black Hawk, Colorado
Water Fund
Schedule of Revenues, Expenses and Changes
in Fund Net Position - Budget and Actual (Non-GAAP) Budgetary Basis
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Variance With Final Budget Actual
Operating Revenues				
Charges for services	\$ 3,000,200	\$ 3,000,200	\$ 2,984,365	\$ (15,835)
Miscellaneous	2,500	2,500	15,619	13,119
Total Operating Revenues	<u>3,002,700</u>	<u>3,002,700</u>	<u>2,999,984</u>	<u>(2,716)</u>
Operating Expenses				
Personal services	838,080	838,080	772,612	65,468
Professional services	1,005,000	1,005,000	1,145,828	(140,828)
General services	409,500	409,500	252,090	157,410
Program services	10,000	10,000	2,029	7,971
Purchased services	25,400	25,400	17,409	7,991
Supplies	87,300	87,300	51,112	36,188
Repairs and maintenance	475,000	475,000	286,532	188,468
Capital outlay - capitalized and noncapitalized	3,653,000	4,053,000	739,971	3,313,029
Total Operating Expenses	<u>6,503,280</u>	<u>6,903,280</u>	<u>3,267,583</u>	<u>3,635,697</u>
Operating Income (Loss)	<u>(3,500,580)</u>	<u>(3,900,580)</u>	<u>(267,599)</u>	<u>3,632,981</u>
Non-Operating Revenues (Expenses)				
Investment earnings	5,000	5,000	1,448	(3,552)
Total Non-Operating Revenues (Expenses)	<u>5,000</u>	<u>5,000</u>	<u>1,448</u>	<u>(3,552)</u>
(Loss) Before Transfers In	<u>(3,495,580)</u>	<u>(3,895,580)</u>	<u>(266,151)</u>	<u>3,629,429</u>
Transfers in	3,500,000	3,500,000	-	(3,500,000)
Change in Net Position - Budgetary Basis	<u>\$ 4,420</u>	<u>\$ (395,580)</u>	<u>(266,151)</u>	<u>\$ 129,429</u>
Reconciliation to GAAP Basis - Change in Net Position				
Deduct:				
Depreciation			(1,005,961)	(974,317)
Add:				
Capitalized capital outlay			708,883	7,309,576
Change in Net Position - GAAP Basis			<u>(563,229)</u>	<u>1,649,843</u>
Net Position Beginning of Year			<u>34,389,001</u>	<u>32,739,158</u>
Net Position End of Year			<u>\$ 33,825,772</u>	<u>\$ 34,389,001</u>

See accompanying independent auditor's report

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

I - XII

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.

Revenue Capacity

XIII - XVI

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.

Debt Capacity

XVII - XX

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.

Demographic and Economic Information

XXI - XXVII

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.

Operating Information

XXVIII - XXX

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.

Data Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant years included.

Notes:

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

City of Black Hawk, Colorado
Changes in Net Position - Governmental Activities
Last Ten Calendar Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
General government ¹	\$ 7,912,296	\$ 6,178,636	\$ 11,031,421	\$ 3,578,935	\$ 4,349,581	\$ 4,085,428	\$ 5,072,444	\$ 5,340,343	\$ 4,747,052	\$ 6,163,795
Planning	676,589	722,507	565,561	446,144	368,509	281,256	360,064	277,088	497,010	603,619
Public safety	5,512,157	5,538,941	6,319,260	6,245,176	6,396,298	5,255,467	5,382,877	5,728,980	5,848,069	6,123,994
Public works	2,744,570	3,598,032	3,991,812	5,177,834	7,171,578	5,709,460	5,440,673	4,859,138	4,834,937	5,890,849
Culture and recreation	-	-	-	-	10,940	-	-	-	-	-
Interest and fiscal charges	199,579	202,633	183,006	618,596	524,620	432,372	1,053,198	803,364	1,026,760	708,676
Total Expenses	17,045,191	16,240,749	22,091,060	16,066,685	18,821,526	15,763,983	17,309,256	17,008,913	16,953,828	19,490,933
Program Revenues:										
Charges for services:										
Plan review fees	258,201	318,357	32,757	70,631	11,359	14,896	56,596	10,600	30,169	70,630
Building permits	212,616	169,834	51,312	108,664	19,145	24,518	21,417	16,798	36,053	109,823
Impact fees	60,746	125,086	212,216	14,644	-	62,828	-	-	-	-
Sales of houses - historical preservation	829,163	291,760	189,107	-	-	-	-	-	-	-
Transportation fees	-	-	-	-	582,326	904,469	523,282	-	-	-
Other	63,803	143,695	171,195	670,442	78,961	212,653	706,565	505,944	465,259	442,350
Operating grants and contributions ²	3,856,784	3,703,779	3,993,205	6,554,477	6,230,709	5,141,584	5,377,120	3,740,755	3,496,923	3,471,659
Capital grants and contributions ³	88,791	5,858	-	12,070,480	50,000	-	-	-	-	1,525,291
Total Program Revenues	5,370,104	4,758,369	4,649,792	19,489,338	6,972,500	6,360,948	6,684,980	4,274,097	4,028,404	5,619,753
Net (Expense) Revenue	(11,675,087)	(11,482,380)	(17,441,268)	3,422,653	(11,849,026)	(9,403,035)	(10,624,276)	(12,734,816)	(12,925,424)	(13,871,180)
General Revenues:										
Taxes:										
Property and specific ownership taxes	9,979	9,466	9,756	830,844	467,385	445,187	453,069	457,583	447,033	164,776
Sales and use taxes	2,525,684	2,458,540	4,155,906	1,871,058	1,400,903	1,342,501	2,347,346	2,818,100	2,964,090	3,278,009
Road and bridge taxes	73,719	71,771	80,428	84,792	90,055	89,925	105,460	105,044	93,920	93,116
Device taxes	7,637,917	7,108,203	7,541,870	8,930,631	8,761,539	8,395,345	8,015,456	7,673,775	7,285,442	6,996,325
Franchise taxes	118,676	128,986	132,332	145,338	152,460	138,226	163,040	161,485	160,027	170,728
Other	17,297	13,835	12,971	18,156	15,848	6,345	26,682	50,915	35,818	29,666
Gaming	6,710,104	6,587,172	7,110,170	7,530,055	7,172,188	6,056,663	7,180,228	7,112,195	6,770,143	6,864,191
Investment earnings	239,637	506,585	1,316,836	1,127,219	522,039	119,870	104,440	71,048	73,291	39,931
Miscellaneous ⁴	368,622	2,053,147	621,263	2,557,025	1,320,408	129,041	292,173	393,945	252,552	1,266,402
Total General Revenues	17,701,635	18,937,705	20,981,532	23,095,118	19,902,825	16,723,103	18,687,894	18,844,090	18,082,316	18,903,144
Transfers ⁶	(1,480,915)	(2,683,926)	(3,104,995)	(4,628,642)	(3,371,609)	(15,548,440)	(500,000)	(500,000)	(2,000,000)	-
Total General Revenues and Transfers	16,220,720	16,253,779	17,876,537	18,466,476	16,531,216	1,174,663	18,187,894	18,344,090	16,082,316	18,903,144
Special Item ⁵	-	-	-	-	-	-	-	-	-	-
Change in Net Position	\$ 4,545,633	\$ 4,771,399	\$ 435,269	\$ 21,889,129	\$ 4,682,190	\$ (8,228,372)	\$ 7,563,618	\$ 5,609,274	\$ 3,156,892	\$ 5,031,964

Notes:¹ The 2006 amount includes a payment for land relating to an eminent domain settlement of \$5.3 million.² The 2006 amount includes infrastructure donated by the casinos, primarily a road.³ The majority of these revenues are the City's share of State gaming revenue set aside for historical preservation projects.⁴ The 2007 amount includes a recovery of \$2,221,034 relating to the eminent domain settlement.⁵ The 2003 amount was a write-down to fair value of the cost of historical preservation houses restored by the City and sold in 2004.⁶ The 2009 amount includes the assumption of the business-type activities long-term debt, totaling \$12,066,203.**Data Source:**

Applicable years' annual financial report.

City of Black Hawk, Colorado
Changes in Net Position - Governmental Activities - Percentage of Total
Last Ten Calendar Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
General government ¹	46.4%	38.0%	49.9%	22.3%	23.1%	25.9%	29.3%	31.4%	28.0%	31.6%
Planning	4.0%	4.4%	2.6%	2.8%	2.0%	1.8%	2.1%	1.6%	2.9%	3.1%
Public safety	32.3%	34.1%	28.6%	38.9%	34.0%	33.3%	31.1%	33.7%	34.5%	31.4%
Public works	16.1%	22.2%	18.1%	32.2%	38.2%	36.2%	31.4%	28.6%	28.5%	30.2%
Interest and fiscal charges	1.2%	1.2%	0.8%	3.9%	2.8%	2.7%	6.1%	4.7%	6.1%	3.6%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues:										
Charges for services:										
Plan review fees	4.8%	6.7%	0.7%	0.4%	0.2%	0.2%	0.8%	0.2%	0.7%	1.3%
Building permits	4.0%	3.6%	1.1%	0.6%	0.3%	0.4%	0.3%	0.4%	0.9%	2.0%
Impact fees	1.1%	2.6%	4.6%	0.1%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%
Sales of houses - historical preservation	15.4%	6.1%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transportation fees	0.0%	0.0%	0.0%	0.0%	8.4%	14.2%	7.8%	0.0%	0.0%	0.0%
Other	1.2%	3.0%	3.7%	3.4%	1.1%	3.3%	10.6%	11.8%	11.5%	7.9%
Operating grants and contributions ²	71.8%	77.8%	85.9%	33.6%	89.4%	80.8%	80.4%	87.5%	86.8%	61.8%
Capital grants and contributions ³	1.7%	0.1%	0.0%	61.9%	0.7%	0.0%	0.0%	0.0%	0.0%	27.1%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues:										
Taxes:										
Property and specific ownership taxes	0.1%	0.0%	0.0%	3.6%	2.3%	2.7%	2.4%	2.4%	2.5%	0.9%
Sales and use taxes	14.3%	13.0%	19.8%	8.1%	7.0%	8.0%	12.6%	15.0%	16.4%	17.3%
Road and bridge taxes	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.6%	0.6%	0.5%	0.5%
Device taxes	43.1%	37.5%	35.9%	38.7%	44.0%	50.2%	42.9%	40.7%	40.3%	37.0%
Franchise taxes	0.7%	0.7%	0.6%	0.6%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%
Other	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.3%	0.2%	0.2%
Gaming	37.9%	34.8%	33.9%	32.6%	36.0%	36.2%	38.4%	37.7%	37.4%	36.3%
Investment earnings	1.4%	2.7%	6.3%	4.9%	2.6%	0.7%	0.6%	0.4%	0.4%	0.2%
Miscellaneous ⁴	2.1%	10.8%	3.0%	11.1%	6.6%	0.8%	1.6%	2.1%	1.4%	6.7%
Total General Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

¹ The 2006 amount includes a payment for land relating to an eminent domain settlement of \$5.3 million.

² The 2006 amount includes infrastructure donated by the casinos, primarily a road.

³ The majority of these revenues are the City's share of State gaming revenue set aside for historical preservation projects.

⁴ The 2007 amount includes a recovery of \$2,221,034 relating to the eminent domain settlement.

Data Source:

Applicable years' annual financial report.

City of Black Hawk, Colorado
Changes in Net Position - Business-type Activities
Last Ten Calendar Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Water	\$ 3,390,240	\$ 3,501,744	\$ 2,994,339	\$ 3,250,519	\$ 3,184,682	\$ 3,177,139	\$ 3,136,516	\$ 2,933,612	\$ 3,361,705	\$ 3,564,661
Program Revenues:										
Charges for services - water	523,369	536,025	699,648	729,783	1,427,314	2,782,031	3,047,644	2,981,338	2,982,990	2,984,365
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	632,342	118,856	27,356	1,110,941	1,276,201	49,019	-	-	-	-
Total Program Revenues	1,155,711	654,881	727,004	1,840,724	2,703,515	2,831,050	3,047,644	2,981,338	2,982,990	2,984,365
Net (Expense) Revenue	(2,234,529)	\$ (2,846,863)	\$ (2,267,335)	\$ (1,409,795)	\$ (481,167)	\$ (346,089)	\$ (88,872)	\$ 47,726	\$ (378,715)	\$ (580,296)
General Revenues:										
Investment earnings	15,736	-	9,071	83,822	142,859	21,571	14,215	15,036	10,658	1,448
Miscellaneous ²	60,439	23,956	30,991	-	24	64,462	1,790,365	45,003	17,900	15,619
Total General Revenues	76,175	23,956	40,062	83,822	142,883	86,033	1,804,580	60,039	28,558	17,067
Transfers In ¹	1,480,915	2,683,926	3,104,995	4,628,642	3,371,609	15,548,440	500,000	500,000	2,000,000	-
Total General Revenues and Transfers	1,557,090	2,707,882	3,145,057	4,712,464	3,514,492	15,634,473	2,304,580	560,039	2,028,558	17,067
Change in Net Position	\$ (677,439)	\$ (138,981)	\$ 877,722	\$ 3,302,669	\$ 3,033,325	\$ 15,288,384	\$ 2,215,708	\$ 607,765	\$ 1,649,843	\$ (563,229)

Notes:

¹ In 2009, the governmental-activities assumed responsibility for all business-type long-term debt, resulting in a transfer in of \$12,066,203.

² In 2010, the Water Fund Sold \$2,322,000 in Water Rights.

Data Source:

Applicable years' annual financial report.

City of Black Hawk, Colorado
Changes in Net Position - Total
Last Ten Calendar Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental activities ¹	\$ 17,045,191	\$ 16,240,749	\$ 22,091,060	\$ 16,066,685	\$ 18,821,526	\$ 15,763,983	\$ 17,309,256	\$ 17,008,913	\$ 16,953,828	\$ 19,490,933
Business-type activities ²	3,390,240	3,501,744	2,994,339	3,250,519	3,184,682	3,177,139	3,136,516	2,933,612	3,361,705	3,564,661
Total Expenses	<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>	<u>18,941,122</u>	<u>20,445,772</u>	<u>19,942,525</u>	<u>20,315,533</u>	<u>23,055,594</u>
Program Revenues:										
Governmental activities ¹	5,370,104	4,758,369	4,649,792	19,489,338	6,972,500	6,360,948	6,684,980	4,274,097	4,028,404	5,619,753
Business-type activities ²	1,155,711	654,881	727,004	1,840,724	2,703,515	2,831,050	3,047,644	2,981,338	2,982,990	2,984,365
Total Program Revenues	<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>	<u>9,191,998</u>	<u>9,732,624</u>	<u>7,255,435</u>	<u>7,011,394</u>	<u>8,604,118</u>
Net (Expense) Revenue	<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>	<u>(9,749,124)</u>	<u>(10,713,148)</u>	<u>(12,687,090)</u>	<u>(13,304,139)</u>	<u>(14,451,476)</u>
General Revenues and Transfers:										
Governmental activities ¹	16,220,720	16,253,779	17,876,537	18,466,476	16,531,216	1,174,663	18,187,894	18,344,090	16,082,316	18,903,144
Business-type activities ²	1,557,090	2,707,882	3,145,057	4,712,464	3,514,492	15,634,473	2,304,580	560,039	2,028,558	17,067
Total General Revenues and Transfers	<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>	<u>16,809,136</u>	<u>20,492,474</u>	<u>18,904,129</u>	<u>18,110,874</u>	<u>18,920,211</u>
Change in Net Position	<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>	<u>\$ 7,060,012</u>	<u>\$ 9,779,326</u>	<u>\$ 6,217,039</u>	<u>\$ 4,806,735</u>	<u>\$ 4,468,735</u>

Data Source:

¹ See Exhibit I

² See Exhibit III

City of Black Hawk, Colorado
Government-wide Net Position by Category ¹
Last Ten Calendar Years
(accrual basis of accounting)

	2004	2005	Restated ⁶ 2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Invested in capital assets ^{2, 3, 4}	\$ 13,998,360	\$ 30,536,621	\$ 39,998,733	\$ 44,818,459	\$ 50,752,082	\$ 55,721,389	\$ 58,845,435	\$ 60,544,095	\$ 67,923,663	\$ 76,600,278
Restricted	13,625,132	7,843,324	6,709,556	8,973,493	9,999,900	9,371,846	11,573,438	9,665,887	9,724,273	8,349,208
Unrestricted	5,634,242	6,740,199	706,045	14,061,857	11,784,018	(785,606)	1,452,374	7,270,538	2,989,476	719,890
Total Governmental Activities Net Position	33,257,734	45,120,144	47,414,334	67,853,809	72,536,000	64,307,629	71,871,247	77,480,520	80,637,412	85,669,376
Business-type Activities										
Invested in capital assets ⁶	7,280,187	7,275,369	6,845,299	6,642,322	11,643,353	28,891,370	27,674,445	27,399,977	33,735,236	33,438,158
Restricted	711,669	544,240	1,295,851	1,317,800	1,235,475	934,465	-	-	-	-
Unrestricted	(238,482)	(205,216)	150,157	3,429,661	1,748,473	89,850	4,456,948	5,339,181	653,765	387,614
Total Business-type Activities Net Position	7,753,374	7,614,393	8,291,307	11,389,783	14,627,301	29,915,685	32,131,393	32,739,158	34,389,001	33,825,772
Primary Government										
Invested in capital assets ²	21,278,547	37,811,990	46,844,032	51,460,781	62,395,435	84,612,759	86,519,880	87,944,072	101,658,899	110,038,436
Restricted	14,336,801	8,387,564	8,005,407	10,291,293	11,235,375	10,306,311	11,573,438	9,665,887	9,724,273	8,349,208
Unrestricted	5,395,760	6,534,983	856,202	17,491,518	13,532,491	(695,756)	5,909,322	12,609,719	3,643,241	1,107,504
Total Primary Government Net Position	\$ 41,011,108	\$ 52,734,537	\$ 55,705,641	\$ 79,243,592	\$ 87,163,301	\$ 94,223,314	\$ 104,002,640	\$ 110,219,678	\$ 115,026,413	\$ 119,495,148

Notes:

¹ 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.

² 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.

³ 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

⁴ 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.

⁵ Includes the Black Hawk Transportation Authority and the Black Hawk Business Improvement District.

⁶ In 2009, the significant increase in "invested in capital assets, net of related debt" relates to an increase of construction in progress, primarily for the Silver Gulch water tank (\$3.6 million) and the governmental activities assumption of the business-type activities long-term bonded debt in the amount of \$12,066,203.

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Taxes	\$ 9,195,399	\$ 10,376,445	\$ 9,785,011	\$ 11,926,812	\$ 11,873,523	\$ 10,879,027	\$ 10,411,184	\$ 11,104,126	\$ 11,258,878	\$ 10,986,330	\$ 10,732,620
Special assessments ⁵	-	-	-	-	1,840,892	1,840,892	1,536,382	1,542,391	-	-	-
Intergovernmental	10,320,024	10,573,715	10,296,741	11,109,826	12,250,936	11,571,168	9,668,210	11,021,884	10,860,974	10,277,563	11,576,014
Licenses and permits	80,378	238,591	197,029	84,352	131,528	37,685	51,679	26,420	23,266	47,674	118,014
Fines and forfeitures	18,377	17,000	20,135	16,917	29,921	32,476	42,788	38,975	54,566	61,461	47,523
Charges for services	390,278	279,029	414,722	153,995	688,288	621,630	1,062,069	1,242,465	455,510	422,346	457,266
Impact and development fees	194,184	60,746	125,086	401,323	14,644	-	62,828	-	-	-	-
Investment earnings	249,841	239,637	506,585	1,316,836	1,127,219	522,039	119,870	104,440	71,048	73,291	39,931
Miscellaneous ⁴	52,654	1,197,785	2,323,097	621,263	2,557,025	344,296	279,077	485,756	582,991	440,773	1,464,354
Total revenues	\$ 20,501,135	\$ 22,982,948	\$ 23,668,406	\$ 25,631,324	\$ 30,513,976	\$ 25,849,213	\$ 23,234,087	\$ 25,566,457	\$ 23,307,233	\$ 22,309,438	\$ 24,435,722
% change from prior year	#REF!	12.1%	3.0%	8.3%	19.0%	-15.3%	-10.1%	10.0%	-8.8%	-4.3%	9.5%
Taxes	44.9%	45.1%	41.3%	46.5%	38.9%	42.1%	44.8%	43.4%	48.3%	49.2%	43.9%
Special assessments	0.0%	0.0%	0.0%	0.0%	6.0%	7.1%	6.6%	6.0%	0.0%	0.0%	0.0%
Intergovernmental	50.3%	46.0%	43.5%	43.3%	40.1%	44.8%	41.6%	43.1%	46.6%	46.1%	47.4%
Licenses and permits	0.4%	1.0%	0.8%	0.3%	0.4%	0.1%	0.2%	0.1%	0.1%	0.2%	0.5%
Fines and forfeitures	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.3%	0.2%
Charges for services	1.9%	1.2%	1.8%	0.6%	2.3%	2.4%	4.6%	4.9%	2.0%	1.9%	1.9%
Impact and development fees	0.9%	0.3%	0.5%	1.6%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%
Investment earnings	1.2%	1.0%	2.1%	5.1%	3.7%	2.0%	0.5%	0.4%	0.3%	0.3%	0.2%
Miscellaneous	0.3%	5.2%	9.8%	2.4%	8.4%	1.3%	1.2%	1.9%	2.5%	2.0%	6.0%
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

¹ 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 presented.

² The 2004 amount includes \$829,163 for the sale of City

³ 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.

⁴ The 2007 amount include a \$2.2 million recovery of an emminent domain settlement paid in 2006.

⁵ In 2011, 2012 or 2013, the BID did not levy a special assessment.

Data Source:

Applicable years' annual financial report.

City of Black Hawk, Colorado
Tax Revenues by Source - Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)

Calendar Year	Amounts						
	Property and Ownership	Road and Bridge	Sales and Use ¹	Franchise	Device	Other ²	Total
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 ³	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
2009	445,187	89,925	1,342,501	138,226	8,395,345	-	10,411,184
2010	453,069	105,460	2,347,346	163,040	8,015,456	19,755	11,104,126
2011	457,583	105,044	2,818,100	161,485	7,673,775	42,891	11,258,878
2012	446,789	93,920	2,964,090	160,027	7,285,442	35,818	10,986,086
2013	164,776	93,116	3,278,009	170,728	6,996,325	29,666	10,732,620
Percentage Change							
In Dollars Over							
10 Years	1551.2%	26.3%	29.8%	43.9%	-8.4%	183.3%	3.4%
Percentage of Total							
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%
2009	4.3%	0.9%	12.9%	1.3%	80.6%	0.0%	100.0%
2010	4.1%	0.9%	21.1%	1.5%	72.2%	0.2%	100.0%
2011	4.1%	0.9%	25.0%	1.4%	68.2%	0.4%	100.0%
2012	4.1%	0.9%	27.0%	1.5%	66.3%	0.3%	100.0%
2013	1.5%	0.9%	30.5%	1.6%	65.2%	0.3%	100.0%

Notes:

¹ The significant increase in 2006 relates to a substantial increase in casino construction.

² Includes occupational taxes, liquor taxes and other taxes.

³ 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 ¹
Last Ten Calendar Years
(modified accrual basis of accounting)

Calendar Year	Unrestricted ²	Restricted For Preservation ³ and Restoration	Total	Total Percentage Change
2004	\$ 6,710,174	\$ 3,757,658	\$ 10,467,832	n/a
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%
2009	6,056,663	3,391,731	9,448,394	-15.55%
2010	7,180,228	3,649,036	10,829,264	14.61%
2011	7,112,195	3,557,150	10,669,345	-1.48%
2012	6,770,143	3,387,232	10,157,375	-4.80%
2013	6,864,191	3,457,536	10,321,727	1.62%
Percentage Change in Dollars Over 10 Years	2.3%	-8.0%	-1.4%	

Notes:

¹ 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.

² 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.

³ 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
Last Ten Calendar Years
(modified accrual basis of accounting)

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Current:										
General government	\$ 4,979,283	\$ 5,330,439	\$ 5,347,801	\$ 3,165,107	\$ 3,935,814	\$ 3,717,346	\$ 4,665,541	\$ 4,938,760	\$ 4,332,570	\$ 5,592,755
Planning	668,311	700,510	566,361	446,488	376,483	278,414	355,913	273,146	498,587	602,976
Public safety	5,256,946	5,366,116	6,018,337	6,051,813	6,199,634	5,225,582	5,114,851	5,494,572	5,558,717	5,801,721
Public works	3,053,618	3,631,126	2,850,987	3,828,417	4,007,440	3,905,364	3,970,172	3,375,410	3,281,917	3,802,617
Culture and recreation	-	-	-	-	10,940	-	-	-	-	-
Total Current	13,958,158	15,028,191	14,783,486	13,491,825	14,530,311	13,126,706	14,106,477	14,081,888	13,671,791	15,800,069
% Change From Prior Year	n/a	7.7%	-1.6%	-8.7%	7.7%	-9.7%	7.5%	-0.2%	-2.9%	15.6%
Capital Outlay	6,579,654	10,396,919	4,389,185	2,169,020	7,135,470	5,177,599	2,858,093	3,429,946	8,935,971	11,152,246
% Change From Prior Year	n/a	58.0%	-57.8%	-50.6%	229.0%	-27.4%	-44.8%	20.0%	160.5%	24.8%
Debt Service										
Principal	518,840	618,132	543,223	2,298,025	2,485,876	1,993,370	3,392,694	1,904,871	2,270,000	990,000
Interest and fees	307,107	198,356	237,700	495,143	395,543	318,158	816,183	673,756	586,958	698,967
Total Debt Service	825,947	816,488	780,923	2,793,168	2,881,419	2,311,528	4,208,877	2,578,627	2,856,958	1,688,967
% Change From Prior Year	n/a	-1.1%	-4.4%	257.7%	3.2%	-19.8%	82.1%	-38.7%	10.8%	-40.9%
Total Expenditures	\$ 21,363,759	\$ 26,241,598	\$ 19,953,594	\$ 18,454,013	\$ 24,547,200	\$ 20,615,833	\$ 21,173,447	\$ 20,090,461	\$ 25,464,720	\$ 28,641,282
% Change From Prior Year	n/a	22.8%	-24.0%	-7.5%	33.0%	-16.0%	2.7%	-5.1%	26.8%	12.5%
Debt Service as a Percentage of Noncapital Expenditures	5.6%	5.2%	5.0%	17.2%	16.5%	15.0%	23.0%	15.5%	17.3%	9.7%

Data Source:

Applicable years' annual financial report.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
Current:										
General government	\$ 4,979,283	\$ 5,330,439	\$ 5,347,801	\$ 3,165,107	\$ 3,935,814	\$ 3,717,346	\$ 4,665,541	\$ 4,938,760	\$ 4,332,570	\$ 5,592,755
Planning	668,311	700,510	566,361	446,488	376,483	278,414	355,913	273,146	498,587	602,976
Public safety	5,256,946	5,366,116	6,018,337	6,051,813	6,199,634	5,225,582	5,114,851	5,494,572	5,558,717	5,801,721
Public works	3,053,618	3,631,126	2,850,987	3,828,417	4,007,440	3,905,364	3,970,172	3,375,410	3,281,917	3,802,617
Culture and recreation	-	-	-	-	10,940	-	-	-	-	-
Total Current	\$ 13,958,158	\$ 15,028,191	\$ 14,783,486	\$ 13,491,825	\$ 14,530,311	\$ 13,126,706	\$ 14,106,477	\$ 14,081,888	\$ 13,671,791	\$ 15,800,069
Current:										
General government	35.7%	35.5%	36.2%	23.5%	27.1%	28.3%	33.1%	35.1%	31.7%	35.4%
Planning	4.8%	4.7%	3.8%	3.3%	2.6%	2.1%	2.5%	1.9%	3.6%	3.8%
Public safety	37.7%	35.7%	40.7%	44.9%	42.7%	39.8%	36.3%	39.0%	40.7%	36.7%
Public works	21.9%	24.2%	19.3%	28.4%	27.6%	29.8%	28.1%	24.0%	24.0%	24.1%
Parks and recreation	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

¹ 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Revenues	\$ 22,982,948	\$ 23,668,406	\$ 25,631,324	\$ 30,513,976	\$ 25,849,213	\$ 23,234,087	\$ 25,566,457	\$ 23,307,233	\$ 22,309,438	\$ 24,435,722
Total Expenditures	21,363,759	26,241,598	19,953,594	18,454,013	24,547,200	20,615,833	21,173,447	20,090,461	25,464,720	28,641,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,619,189	(2,573,192)	5,677,730	12,059,963	1,302,013	2,618,254	4,393,010	3,216,772	(3,155,282)	(4,205,560)
Other Financing Sources										
Inception of capital lease obligation	524,075	232,055	265,400	-	-	-	-	-	-	-
Issuance of bonds	1,031,250	-	1,327,000	-	-	-	-	-	-	10,000,000
Bond premium	-	-	31,346	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(991,626)	-	(1,330,000)	-	-	-	-	-	-	-
Transfers in	3,394,872	2,383,522	1,661,579	3,726,595	6,524,426	655,000	2,286,913	3,198,000	9,181,183	4,747,523
Transfers out	(4,875,787)	(5,045,638)	(4,766,574)	(8,355,237)	(9,896,035)	(4,137,237)	(2,786,913)	(3,698,000)	(11,181,183)	(4,747,523)
Total Other Financing Sources	(917,216)	(2,430,061)	(2,811,249)	(4,628,642)	(3,371,609)	(3,482,237)	(500,000)	(500,000)	(2,000,000)	10,000,000
Net Change in Fund Balances	701,973	(5,003,253)	2,866,481	7,431,321	(2,069,596)	(863,983)	3,893,010	2,716,772	(5,155,282)	5,794,440
Fund Balances, Beginning of Year	18,857,664	19,559,637	14,556,384	12,884,856	23,004,456	20,934,860	20,070,877	23,963,887	26,680,659	21,525,377
Other Changes¹	-	-	(4,538,009)	2,688,279	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ 19,559,637</u>	<u>\$ 14,556,384</u>	<u>\$ 12,884,856</u>	<u>\$ 23,004,456</u>	<u>\$ 20,934,860</u>	<u>\$ 20,070,877</u>	<u>\$ 23,963,887</u>	<u>\$ 26,680,659</u>	<u>\$ 21,525,377</u>	<u>\$ 27,319,817</u>

Notes:

¹ Consists primarily of restatements and special items. The 2006 special item 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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 684,000	\$ 581,000	\$ 475,000	\$ 467,364	\$ 511,906	\$ 474,780	\$ 354,111	\$ 399,204	\$ 387,620	\$ 509,839
Unreserved	2,429,503	331,718	2,065,894	4,799,376	6,275,828	6,073,465	9,950,863	7,628,780	9,381,452	11,520,703
Subtotal General Fund	3,113,503	912,718	2,540,894	5,266,740	6,787,734	6,548,245	10,304,974	8,027,984	9,769,072	12,030,542
General Fund Percentage Change From Prior Year	-18.3%	-70.7%	178.4%	107.3%	28.9%	-3.5%	57.4%	-22.1%	21.7%	23.1%
All Other Governmental Funds										
Reserved ¹	10,448,832	11,961,081	11,733,422	10,787,404	4,389,565	1,178,921	5,260,021	6,593,301	6,460,366	8,374,197
Unreserved										
Special Revenue Funds	1,994,944	2,476,242	106,565	143,009	195,453	148,365	2,333,520	(1,078,886)	(880,771)	263,356
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	4,722,210	3,295,792
Subtotal All Other Governmental Funds	15,644,177	17,881,388	16,316,770	14,292,897	8,001,983	6,336,611	12,699,482	12,906,876	10,301,805	11,933,345
Total Governmental Funds										
Reserved	11,132,832	12,542,081	12,208,422	11,254,768	4,901,471	1,653,701	5,614,132	6,992,505	6,847,986	8,884,036
Unreserved	7,624,848	6,252,025	6,649,242	8,304,869	9,888,246	11,231,155	17,390,324	13,942,355	13,222,891	15,079,851
Total Governmental Funds	\$ 18,757,680	\$ 18,794,106	\$ 18,857,664	\$ 19,559,637	\$ 14,789,717	\$ 12,884,856	\$ 23,004,456	\$ 20,934,860	\$ 20,070,877	\$ 23,963,887
All Governmental Funds Percentage Change	53.1%	0.2%	0.3%	3.7%	-24.4%	-12.9%	78.5%	-9.0%	-4.1%	19.4%

Notes:

¹ For consistency, the fund balance in the debt service fund was reclassified from unreserved to reserved for years 2001 - 2010.

² The 2000 - 2003 fund balance for the preservation restoration fund have been reclassified from unreserved to reserved to be consistent with the 2004 - 2010 reporting.

³ The City implemented GASB 54 in 2011, which requires significantly different Fund Balance classifications. Please refer to the following page for current information.

Data Source:

Applicable years' annual financial report.

City of Black Hawk, Colorado
Fund Balances - Governmental Funds (Unaudited)
(modified accrual basis of accounting)

	December 31,	December 31,	December 31,
	2011	2012	2013
General Fund:			
Assigned to:			
Emergencies	\$ 512,000	\$ 677,000	\$ 806,000
Subsequent years' expenditures	-	187,784	248,978
Unassigned	14,523,564	8,484,885	18,221,384
Total General Fund	15,035,564	9,349,669	19,276,362
All Other Governmental Funds			
Nonspendable:			
Prepaid items	7,903	3,036	3,509
Restricted for:			
Preservation and Restoration	4,966,982	6,316,301	4,332,241
Debt Service	1,588,738	963,890	1,629,639
Transportation	55,263	55,263	59,369
Parking Impact	2,274,609	1,739,207	1,492,759
Business Improvement District	302,940	6,000	6,000
Cemetery	20,618	21,875	23,200
Assigned to:			
Capital projects	2,417,632	2,906,577	253,482
Business Improvement District	10,410	163,559	243,256
Unassigned:			
Total All Other Governmental Funds	11,645,095	12,175,708	8,043,455
Total Governmental Funds	\$ 26,680,659	\$ 21,525,377	\$ 27,319,817

Notes:

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2011. The City did not restate the prior years.

Data Source:

Applicable years' comprehensive annual financial report.

Black Hawk, Colorado
Number of Devices - By Casino^{1, 2}
Last Ten Calendar Years

Major Casino	For the Calendar Years December 31,																			
	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	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%	1,327	14.3%	1,165	13.5%	1,114	13.0%	1,108	13.1%	1,113	13.0%
Ameristar	1,030	11.0%	902	9.3%	1,662	16.4%	1,664	16.8%	1,634	16.8%	1,581	17.1%	1,548	17.9%	1,519	17.7%	1,519	18.0%	1,529	17.9%
Lodge	949	10.1%	721	7.4%	943	9.3%	998	10.1%	976	10.0%	1,018	11.0%	1,006	11.6%	1,023	11.9%	1,017	12.0%	1,039	12.1%
Riviera	1,012	10.8%	960	9.9%	842	8.3%	870	8.8%	829	8.5%	767	8.3%	753	8.7%	789	9.2%	722	8.5%	698	8.2%
Mardi Gras	703	7.5%	721	7.4%	743	7.3%	679	6.9%	706	7.2%	655	7.1%	676	7.8%	677	7.9%	661	7.8%	822	9.6%
Lady Luck Casino	662	7.1%	810	8.3%	685	6.8%	663	6.7%	668	6.9%	613	6.6%	520	6.0%	537	6.2%	515	6.1%	494	5.8%
Bullwhackers	688	7.3%	687	7.1%	692	6.8%	687	6.9%	664	6.8%	598	6.5%	310	3.6%	290	3.4%	282	3.3%	288	3.4%
Fitzgeralds	599	6.4%	605	6.2%	600	5.9%	595	6.0%	911	9.3%	752	8.1%	734	8.5%	673	7.8%	606	7.2%	563	6.6%
Canyon/Grand Plateau	589	6.3%	559	5.8%	433	4.3%	448	4.5%	419	4.3%	419	4.5%	407	4.7%	410	4.8%	309	3.7%	301	3.5%
Gilpin	448	4.8%	457	4.7%	457	4.5%	458	4.6%	446	4.6%	416	4.5%	405	4.7%	386	4.5%	386	4.6%	383	4.5%
Total Major Casinos ⁴	7,779	82.9%	7,830	80.7%	8,481	83.7%	8,465	85.5%	8,640	88.6%	8,146	87.9%	7,524	87.0%	7,418	86.3%	7,125	84.3%	7,230	84.5%
All Other Casinos	1,609	17.1%	1,872	19.3%	1,649	16.3%	1,439	14.5%	1,111	11.4%	1,125	12.1%	1,120	13.0%	1,180	13.7%	1,328	15.7%	1,325	15.5%
Total All Casinos ⁵	9,388	100.0%	9,702	100.0%	10,130	100.0%	9,904	100.0%	9,751	100.0%	9,271	100.0%	8,644	100.0%	8,598	100.0%	8,453	100.0%	8,555	100.0%

Notes:

¹ 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.

² Based upon the number of devices at December 31 of each year.

Data Source:

⁴ City Finance Department

⁵ Colorado Department of Revenue, Division of Gaming,
<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 ^{1,3}	Main Street	Transportation	Total
		Improvements Fee ²		
2004	\$ 750	\$ 89	\$ 77	\$ 916
2005	750	89	77	916
2006	750	89	77	916
2007	750	89	77	916
2008	750	89	77	916
2009	750	89	77	916
2010	750	89	77	916
2011	750	89	77	916
2012	750	-	77	827
2013	945	-	77	1,022

Notes:

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

² On June 1, 2012, the City repealed the Main Street Improvement Fee.

³ On Nov 5, 2013, the City electors approved an increase of \$195 to offset new debt issuances.

Data Source :

City Finance Department

City of Black Hawk, Colorado
Principal General Device Fee Payers
For the Calendar Years Ended December 31, 2013 and 2004 ¹

2013			
Principal Device Fee Payers - Casinos	Total Fees ^{1, 2}	Rank	Percentage of Total Fees
Ameristar	\$ 1,142,250	1	18.02%
Isle of Capri	831,125	2	13.11%
Lodge	762,625	3	12.03%
Riviera	539,313	4	8.51%
Mardi Gras	537,875	5	8.48%
Fitzgeralds	412,000	6	6.50%
Lady Luck	377,750	7	5.96%
Gilpin	288,000	8	4.54%
Canyon/Grand Plateau	231,125	9	3.65%
Golden Gates	217,625	10	3.43%
Total Principal Fee Payers	5,339,688		84.22%
All Other Fee Payers	1,000,812		15.78%
Total	\$ 6,340,500		100.00%
2004			
Principal Device Fee Payers - Casinos	Total Fees ^{1, 2}	Rank	Percentage of Total Fees
Isle of Capri	\$ 792,000	1	12.61%
Ameristar (formerly Mountain High)	734,498	2	11.70%
Riviera	701,726	3	11.18%
Lodge	671,188	4	10.69%
Mardi Gras	492,125	5	7.84%
Colorado Central	487,063	6	7.76%
Bullwhackers	472,813	7	7.53%
Fitzgeralds	413,688	8	6.59%
Canyon/Grand Plateau	409,688	9	6.52%
Gilpin	293,363	10	4.67%
Total Principal Fee Payers	5,468,152		87.09%
All Other Fee Payers	810,897		12.91%
Total	\$ 6,279,049		100.00%

Notes:

¹ Total fees based upon the amount of billings for each calendar year for regular device fees.

² The device fees do not include the Transportation Fee or the Main Street Improvement fees.

Data Source:

City Finance Department.

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

Calendar Year	Direct City ¹	Overlapping State of Colorado	Total Direct and Overlapping
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%
2009 ¹	5.50%	2.90%	8.40%
2010	5.50%	2.90%	8.40%
2011	5.50%	2.90%	8.40%
2012	5.50%	2.90%	8.40%
2013	5.50%	2.90%	8.40%

Notes:

¹ The additional 1.5% City tax is a dedicated sales tax levied for the school district.

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 ¹	Estimated Population ²	Total Debt Per Capita ³	Total Debt Per Gaming Device ^{4, 5}
	Device Tax Revenue Bonds	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Total	Device Tax Revenue Bonds	General Obligation Bonds	Total				
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 ⁶	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	12,354,750	1,825,000	14,179,750	20,515,434	111	184,824	2,104
2009 ⁷	13,210,000	2,395,000	1,525,000	72,564	17,202,564	-	-	-	17,202,564	111	154,978	1,856
2010	12,080,000	1,715,000	-	14,870	13,809,870	-	-	-	13,809,870	111	124,413	1,598
2011	10,890,000	1,015,000	-	-	11,905,000	-	-	-	11,905,000	115	103,522	1,385
2012	9,635,000	-	-	-	9,635,000	-	-	-	9,635,000	115	83,783	1,140
2013	18,645,000	-	-	-	18,645,000	-	-	-	18,645,000	100	186,450	2,179

Notes:

³ 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.

⁴ 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.

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

⁷ In 2009, all business-type long-term bonded debt was transferred to governmental activities.

Data Source:

¹ Applicable years' annual financial report.

² Are estimated counts by City management and the Colorado Department of Local Affairs, Division of Local Government.

⁵ 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 ¹
Last Ten Calendar Years

Calendar Year	General Obligation Bonds ¹	Estimated Population	Debt Per Capita	Total G.O. Debt Per Gaming Device ^{2, 3}
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	3,040,000	111	27,387	312
2009	2,395,000	111	21,577	258
2010	1,715,000	111	15,450	198
2011	1,015,000	115	8,826	118
2012	-	115	-	-
2013	-	100	-	-

Notes:

² 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:

¹ Applicable years' annual financial report.

³ 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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ³	Estimated Share of Overlapping Debt
City Direct Debt:			
City:			
Device tax revenue bonds	\$ 18,645,000		
General obligation refunding bonds	-		
Capital leases	-		
Black Hawk Business Improvement District: ¹			
General obligation refunding bonds	-		
Total direct debt	<u>\$ 18,645,000</u>	100.00%	<u>\$ 18,645,000</u>
Overlapping Debt ^{2, 3, 5, 6}			
General Obligation Bonds: ⁴			
Gilpin County RE-1 School District			
General obligation bonds	\$ 1,745,000	74.45%	1,299,120
Miners Mesa Commercial Metropolitan District			
General obligation bonds	6,291,000	100.00%	6,291,000
Silver Dollar Metropolitan District			
General obligation bonds	20,260,000	100.00%	<u>20,260,000</u>
Total			<u>27,850,120</u>
Total Direct and Overlapping Debt			<u><u>\$ 46,495,120</u></u>

Notes:

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

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

³ 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.

⁴ Debt as of most current data available.

⁵ 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:

⁶ Each specific government.

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

	For the Calendar Year Ended December 31,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Value ¹	<u>\$ 174,912,530</u>	<u>\$ 190,933,200</u>	<u>\$ 204,515,190</u>	<u>\$ 216,585,941</u>	<u>\$ 223,438,722</u>	<u>\$ 256,051,781</u>	<u>\$ 253,557,450</u>	<u>\$ 226,863,054</u>	<u>\$ 224,650,824</u>	<u>\$ 217,657,989</u>
Legal Debt Margin										
Debt limit (10% of assessed value)	<u>\$ 17,491,253</u>	<u>\$ 19,093,320</u>	<u>\$ 20,451,519</u>	<u>\$ 21,658,594</u>	<u>\$ 22,343,872</u>	<u>\$ 25,605,178</u>	<u>\$ 25,355,745</u>	<u>\$ 22,686,305</u>	<u>\$ 22,465,082</u>	<u>\$ 21,765,799</u>
Debt applicable to limit:										
General obligation bonds	3,220,000	2,890,000	2,540,000	3,595,000	3,040,000	2,395,000	1,715,000	1,015,000	-	-
Less: Amount reserved for repayment of general obligation debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt applicable to limit	<u>3,220,000</u>	<u>2,890,000</u>	<u>2,540,000</u>	<u>3,595,000</u>	<u>3,040,000</u>	<u>2,395,000</u>	<u>1,715,000</u>	<u>1,015,000</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 14,271,253</u>	<u>\$ 16,203,320</u>	<u>\$ 17,911,519</u>	<u>\$ 18,063,594</u>	<u>\$ 19,303,872</u>	<u>\$ 23,210,178</u>	<u>\$ 23,640,745</u>	<u>\$ 21,671,305</u>	<u>\$ 22,465,082</u>	<u>\$ 21,765,799</u>
As a percentage of debt limit	<u>81.59%</u>	<u>84.86%</u>	<u>87.58%</u>	<u>83.40%</u>	<u>86.39%</u>	<u>90.65%</u>	<u>93.24%</u>	<u>95.53%</u>	<u>100.00%</u>	<u>100.00%</u>

Data Source:

¹ Gilpin County Assessor

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

Calendar Year	County Population ^{1, 2}	(thousands of dollars)	County Per Capita Income ^{1, 2}	County Per Capita Personal Income % of U.S. ²	County Median Age ³	Unemployment Rate		
		County Personal Income ^{1, 2}				Gilpin County ⁴	State of Colorado ⁴	United States ⁵
2004	4,861	176,024	36,211	107%	N/A	4.9%	5.4%	5.5%
2005	4,939	194,002	39,280	111%	N/A	5.0%	4.8%	5.1%
2006	5,034	209,058	41,529	110%	N/A	3.5%	3.9%	4.6%
2007	5,070	210,715	41,561	106%	N/A	4.4%	4.3%	4.6%
2008	5,238	217,408	41,506	103%	N/A	5.6%	5.9%	5.8%
2009	5,412	224,313	41,447	103%	N/A	6.3%	7.7%	9.3%
2010	5,604	228,689	40,808	103%	N/A	7.7%	8.9%	9.6%
2011	5,467	229,609	41,999	106%	N/A	6.5%	8.3%	8.9%
2012	5,441	237,511	43,652	105%	N/A	6.0%	7.5%	7.8%
2013	5,491	243,662	44,375	101%	N/A	4.4%	5.6%	6.7%

Notes:

¹ Information available for Gilpin County, not for the City.

Data Source:

² Gilpin County - 2004 - 2013 - U.S. Bureau of Economic Analysis - <http://www.bea.gov/bea/regional/reis/drill.cfm>.

³ Gilpin County - U.S. Census Bureau - <http://factfinder.census.gov>

⁴ Colorado Department of Labor and Employment, <http://www.coworkforce.com/lmi/ali/lfp.asp>, December of each year.

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

City of Black Hawk, Colorado¹
Principal Employers
For the Calendar Years 2007 and 2005²

2007				
Employer	Product or Service	Number of Employees	Rank	Percentage of Total
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%
Total Principal Employers		3,375		100.00%

2005				
Employer	Product or Service	Number of Employees	Rank	Percentage of Total
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%
Total Principal Employers		3,211		100.00%

Notes:

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

² 2007 and 2005 is the only information available for the County.

Data Source :

Individual employers

City of Black Hawk, Colorado¹
Average Number of Employees - By Industry²
Calendar Years 2004 - 2013

Industry	2004	2005	2006	2007	2008	2009	2010	2011
Mining & Logging	-	5	10	9	24	16	-	-
Construction	96	121	128	90	100	61	57	54
Manufacturing	8	10	11	13	12	8	10	-
Trade, Retail & Wholesale	56	52	43	40	45	45	24	31
Information Tech	14	11	6	8	11	7	4	3
Financial Activities	11	16	17	15	13	8	11	6
Professional & Business Services	54	71	76	59	55	88	43	51
Education & Health Services	172	123	119	122	129	140	52	63
Leisure & Hospitality	4,524	4,669	4,555	4,219	4,012	4,358	4,574	4,648
Other Services	27	32	42	36	37	37	35	20
Public Administration	303	326	322	319	321	306	296	310
Total	5,265	5,436	5,329	4,930	4,759	5,074	5,106	5,186

Notes:

¹ Information is only available for Gilpin County

Data Source:

² State of Colorado, Department of Labor and Employment, LMI Gateway,

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
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%
2009	9,386	58.2%	4,679	29.0%	2,071	12.8%	16,136	100.0%
2010	8,906	58.0%	4,364	28.4%	2,085	13.6%	15,355	100.0%
2011	8,570	58.3%	3,879	26.4%	2,240	15.2%	14,689	100.0%
2012	8,527	57.0%	4,089	27.3%	2,347	15.7%	14,963	100.0%
2013	8,589	58.8%	3,998	27.4%	2,008	13.8%	14,595	100.0%
Percentage Change								
Over 10 Years								
	-10.5%		-5.9%		24.7%		-5.6%	

Notes:

Data Source:

Colorado Department of Revenue, 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

Calendar Year	Black Hawk, Colorado		Cripple Creek, Colorado		Central City, Colorado		Total	
	Number of Casinos	Percentage of Total	Number of Casinos	Percentage of Total	Number of Casinos	Percentage of Total	Number of Casinos	Percentage of Total
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%
2009	18	45.0%	16	40.0%	6	15.0%	40	100.0%
2010	18	45.0%	15	37.5%	7	17.5%	40	100.0%
2011	18	45.0%	14	35.0%	8	20.0%	40	100.0%
2012	18	43.9%	15	36.6%	8	19.5%	41	100.0%
2013	18	46.2%	14	35.9%	7	17.9%	39	100.0%

Data Source:

Colorado Department of Revenue, 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 ¹
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
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%
2009	4,276	50.8%	3,261	38.7%	888	10.5%	8,425	100.0%
2010	5,080	53.0%	3,542	36.9%	967	10.1%	9,589	100.0%
2011	4,993	53.9%	3,330	35.9%	941	10.2%	9,264	100.0%
2012	5,165	54.9%	3,236	34.4%	1,001	10.6%	9,402	100.0%
2013	5,339	55.4%	3,296	34.2%	997	10.4%	9,632	100.0%
Percentage Change In Employees Over 10 Years	<u>22.23%</u>		<u>17.21%</u>		<u>90.63%</u>		<u>25.04%</u>	

Notes:

¹ Includes licensed and non-licensed employees.

Data Source:

Colorado Department of Revenue, www.revenue.state.co.us/Gaming/wrap.asp?publications.

City of Black Hawk, Colorado
Comparison of Adjusted Gross Proceeds (AGP) by Gaming City ¹
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
2004	524,035,343	72.2%	n/a	148,689,335	20.5%	n/a	53,178,879	7.3%	n/a	725,903,556	100.0%	n/a
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%
2009	529,976,828	72.1%	4.2%	140,356,304	19.1%	0.2%	64,257,223	8.7%	-4.3%	734,590,354	100.0%	2.6%
2010	559,445,467	73.6%	5.6%	134,437,711	17.7%	-4.2%	65,727,144	8.7%	2.3%	759,610,322	100.0%	3.4%
2011	550,883,660	73.4%	-1.5%	131,405,587	17.5%	-2.3%	67,819,656	9.0%	3.2%	750,108,903	100.0%	-1.3%
2012	558,542,208	72.9%	1.4%	133,160,559	17.4%	1.3%	74,551,241	9.7%	9.9%	766,254,008	100.0%	2.2%
2013	553,082,797	73.9%	-1.0%	128,032,315	17.1%	-3.9%	67,592,801	9.0%	-9.3%	748,707,913	100.0%	-2.3%

**Percentage Change
In Dollars Over
10 Years**

5.5%

-13.9%

27.1%

3.1%

Notes:

¹ 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.

Data Source:

Colorado Department of Revenue, www.revenue.state.co.us/Gaming/wrap.asp?publications.

Exhibit XXVIII

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

<u>Function/program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City Clerk's Office	3.00	2.75	1.75	1.75	1.00	1.25	1.50	2.00	2.00	2.00
City Manager/Administratration	2.00	3.00	2.75	3.00	3.00	2.75	3.00	3.00	3.00	3.00
Community Planning & Development	5.00	5.00	5.00	3.00	3.00	1.00	1.50	2.00	2.00	2.00
Facilities Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	2.75	2.50	2.00	2.50	2.50	3.00	2.50	3.00	3.00	2.00
Fire Department	24.00	24.00	24.00	23.00	23.00	18.00	18.00	19.00	19.00	19.00
Fleet	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00
Human Resources	1.00	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court Fund	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Parks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police	38.00	38.00	38.00	40.00	38.75	30.75	31.75	33.75	33.75	33.75
Public Works Administration	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Streets	8.00	8.00	8.00	8.00	8.00	6.00	6.00	7.00	7.00	7.00
Preservation & Restoration	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
Water	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00
Total	<u>106.00</u>	<u>107.00</u>	<u>103.75</u>	<u>104.50</u>	<u>#####</u>	<u>86.00</u>	<u>89.50</u>	<u>95.00</u>	<u>95.00</u>	<u>94.00</u>
<i>Percentage Change Over Prior Year</i>	n/a	0.9%	-3.0%	0.7%	-1.9%	-16.1%	4.1%	6.1%	0.0%	-1.1%

Data Source:

City of Black Hawk departmental records

City of Black Hawk, Colorado
Operating Statistics by Function/Program
2009-2013 ¹

	2009	2010	2011	2012	2013
<u>Function/program</u>					
Fire					
Rescue & emergency medical service incidents	995	974	900	824	495
Fire incidents	15	5	9	14	17
False alarm & false call incidents	131	135	155	136	138
All other incidents	46	40	43	38	43
Police					
Number of traffic related contacts	2,583	2,243	2352	2678	1488
Number of annual police reports	984	1,075	1147	1301	1166
Dispatch					
Police communications	6,618	6,557	6400	6682	5447
Fire communications	989	1,223	1104	1021	921
EMS communications	793	968	862	841	827

Notes:

¹ The City began to collect operating statistics in 2009.

Data Source :

Fire Department, Police Department

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

Capital Assets	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Buildings and related structures	-	35	38	38	40	40	44	44	44	46
Number of vehicles	-	97	101	104	106	106	109	109	113	123
Works of art	-	12	12	14	16	16	16	17	17	17
Street lights	434	434	434	434	449	449	499	499	499	499
Streets:										
Asphalt	14	14	14	16	16	16	17	17	17	17
Concrete	2	2	2	2	2	2	2	2	2	2
Gravel, Dirt or Aggregate	3	3	3	3	3	3	2	2	2	2
Bridges	6	6	6	6	6	6	6	6	6	6
Traffic signals	22	22	22	30	30	30	30	30	30	30

Notes:

¹ If the number is blank, this information is not available.

Data Source :

City capital asset records.



JOHN CUTLER & ASSOCIATES

To The City Council
City of Black Hawk, Colorado

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Black Hawk, Colorado as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Black Hawk, Colorado's basic financial statements, and have issued our report thereon dated July 16, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Black Hawk, Colorado's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Black Hawk's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Black Hawk, Colorado's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Black Hawk, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

John Cutler & Associates, LLC

July 16, 2014



JOHN CUTLER & ASSOCIATES

To The City Council
Black Hawk, Colorado

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133

Report on Compliance for Each Major Federal Program

We have audited the City of Black Hawk, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Black Hawk, Colorado's major federal programs for the year ended December 31, 2013. The City of Black Hawk, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Black Hawk, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Black Hawk, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Black Hawk, Colorado's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Black Hawk, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the City of Black Hawk, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Black Hawk, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Black Hawk, Colorado's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose

John Luther & Associates, LLC

July 16, 2014

CITY OF BLACK HAWK, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

Summary of Auditors- Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies noted? _____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified? _____ yes x none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ yes x no

Identification of major program:

97.067 State Homeland Security Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?

_____ yes x no

Findings Related to Financial Statements

The audit of the financial statements did not disclose any significant deficiencies in internal control that would be considered a material weakness, and did not disclose any instances of noncompliance with requirements of certain provisions of laws, regulations, and grants that were material to those financial statements.

Findings and Questioned Costs for Federal Awards

The audit of federal awards did not disclose any significant deficiencies in internal control that would be considered a material weakness, and did not disclose any instances of noncompliance with requirements of certain provisions of laws, regulations, and grants that were material to those federal awards.

City of Black Hawk, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

	<u>Major Program ?</u>	<u>CDFA #</u>	<u>Total Expenditures</u>
U.S. Department of Homeland Security			
Passed through Arapahoe County, Colorado			
State Homeland Security Grant Program - 2010	Yes	97.067	232,632
State Homeland Security Grant Program - 2011	Yes	97.067	499,041
Total U.S. Department of Homeland Security			<u>731,673</u>
 U.S. Department of Transportation, Federal Transit Administration			
Passed through Colorado Department of Transportation			
5309 - State of Good Repair Grant Program	No	20.509	164,000
Total U.S. Department of Transportation, Federal Transit Administration			<u>164,000</u>
 Total Federal Financial Assistance			<u>\$ 895,673</u>

NOTES

1. Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the purpose financial statements.

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 2013	
This Information From The Records Of (example - City of _ or County of) City of Black Hawk		Prepared By: Lance Hillis Phone: 303-582-2283	

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	351,334
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	96,028
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	1,530,867	b. Snow and ice removal	49,584
3. Other local imposts (from page 2)	93,389	c. Other	
4. Miscellaneous local receipts (from page 2)	36,826	d. Total (a. through c.)	49,584
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,176,983
a. Bonds - Original Issues		6. Total (1 through 5)	1,673,929
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,661,082	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	12,847	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,673,929	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,673,929

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,673,929	1,673,929		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado City of Black Hawk YEAR ENDING (mm/yy): December 2013	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	93,116	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	36,826
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	273	g. Other Misc. Receipts	
6. Total (1. through 5.)	273	h. Other	
c. Total (a. + b.)	93,389	i. Total (a. through h.)	36,826
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	12,847	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		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	12,847	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		351,334	351,334
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	351,334	351,334
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	351,334	351,334
			(Carry forward to page 1)
Notes and Comments:			