

TOWN OF EAGLE, COLORADO

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2013

TOWN OF EAGLE, COLORADO
FOR THE YEAR ENDED
December 31, 2013

TOWN BOARD OF TRUSTEES

· Yuri Kostick – Mayor
· Scott Turnipseed – Mayor Pro-Tem
· Mikel Kerst, Trustee
· Joe Knabel, Trustee
· Anne McKibbin, Trustee
· Brandi Resa, Trustee
· Scot Webster, Trustee

ADMINISTRATIVE STAFF

· Jon Stavney – Town Manager/Treasurer
· Sarah Braucht – Town Clerk
· Jill Ewing – Finance Director

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	2-11
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities	17
Statement of Fund Net Position – Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Notes to Financial Statements	21-46
Required Supplementary Information –	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	47
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Conservation Trust Fund	48
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Open Space Preservation Fund	49

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Other Supplemental Information –	
Individual Fund Budgetary Comparison and Combining Schedules:	
Governmental Funds –	
Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	50
Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	51
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	52
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Fund	53
Combining Balance Sheet – Special Revenue Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	55
Proprietary (Enterprise) Funds –	
Schedule of Budgetary Based Revenues and Expenditures Expenditures – Budget and Actual – Water Enterprise Fund	56
Schedule of Budgetary Based Revenues and Expenditures Expenditures – Budget and Actual – Wastewater Enterprise Fund	57
Schedule of Budgetary Based Revenues and Expenditures Expenditures – Budget and Actual – Refuse Enterprise Fund	58
Counties, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets	59 - 60

**Hays
Maggard
& Hood, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor and Members
of the Town Board of Trustees
Eagle, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

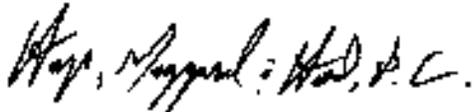
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Eagle as of December 31, 2013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

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, listed as required supplementary information in the table of contents, 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 accounting standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding 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 supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance thereon.

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Eagle's basic financial statements. The combining and individual fund financial statements and schedules, and the County, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets, which are listed as Other Supplemental Information in the table of contents are for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.



HAYS, MAGGARD & HOOD, P.C.

Glenwood Springs, Colorado

June 25, 2014

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Eagle was incorporated on March 17, 1905 as a statutory town pursuant to the constitution and laws of the State of Colorado. The Town serves as the county seat of Eagle County and is located on Interstate 70 approximately 130 miles west of Denver, and 130 miles east of Grand Junction, Colorado. The legislative and corporate authority of the Town is vested in the Board. Because the Town is a statutory town, State law governs in all municipal matters.

The discussion and analysis of the Town of Eagle's financial performance provides an overall review of the Town's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the Town's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2013 are as follows:

- In total, the Town's *overall* net position decreased \$77,516 (or 0.1%) from the previous fiscal year.
- The Town's *overall* General Revenues accounted for \$4,296,380 (or 43.5%) of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and non-program revenues. Program specific revenues, in the form of charges for services and program specific grants and contributions, accounted for \$5,582,596 (56.5%) of the Town's total revenues of \$9,878,976.
- *Overall* the Town had \$9,956,492 in expenses, of which \$4,930,228 were offset by program specific charges for services, as well as grants and contributions of \$652,368.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. These statements are organized so the reader can understand the Town of Eagle as a financial whole, or as an entire operating activity. The basic financial statements include two types of information on the same statement that present different views of the Town.

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's *overall* financial status.
- *Fund financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Additional supplemental information has also been included to enhance the readers understanding of the report.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

REPORTING THE TOWN AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the Town to provide programs and activities, the view of the Town as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the Town. These financial statements are constructed around the concept of a primary government, the Town, and its component units, except for fiduciary funds. The statement of net position and statement of activities provide information about the activities of the whole Town, presenting both an aggregate view of the Town's finances and a longer-term view of those finances.

The statement of net position and the statement of activities report the Town's net position and changes therein. This change in net position is important because it identifies whether the financial position of the Town has improved or diminished for the Town as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Town's property tax base, current property tax laws, statutorily required reserves, facility conditions, and other factors.

In the statement of net position and the statement of activities, the Town is divided into two distinct kinds of activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the Town's programs and services are reported here including general government activities, public safety, public works (for streets, buildings and grounds), open space preservation, debt service and other fiscal charges.

Business-Type Activities – Business-type activities are financed to some degree by charging external parties for the goods or services they acquire. The Town's enterprise funds for water, wastewater and refuse utilities are reported as business-type activities as the service is provided on a charge for goods or services basis to recover the expenses of the goods and services provided.

FUND FINANCIAL STATEMENTS

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about each of the Town's major funds. For the Town of Eagle, the General Fund is the most significant fund. The Town uses many funds to account for a multitude of financial transactions. The Town's governmental funds include the General Fund, Special Revenue Funds (which are the Conservation Trust Fund and Open Space Preservation funds), the Debt Service Fund and the Capital Projects Fund. The Town's proprietary, or enterprise, funds include the Water Fund, the Wastewater Fund and the Refuse Fund. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the Town rather than the Town as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

FUND FINANCIAL STATEMENTS - CONTINUED

The Town's fund financial statements are divided into two broad categories; namely (1) governmental funds; and (2) proprietary funds.

Governmental Funds – The Town's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance the Town's programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements. The Town maintains the following governmental funds:

General Fund – used to account for resources traditionally associated with government which are not required legally or by sound financial management to be account for in another fund.

Debt Service Fund – used to account for financial resources to be used for the payment of principal and interest on general long-term obligation indebtedness.

Capital Projects Fund – used to account for funds for the acquisition of lands, construction of major capital improvements and projects, and acquisition of more expensive pieces of equipment.

Special Revenue Funds – used to account for proceeds of resources that are restricted or committed for purposes other than debt service or capital projects. The special revenue funds include the following:

Conservation Trust Fund – accounts for funds received and restricted for use in parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes.

Open Space Preservation Fund – accounts for funds committed for the acquisition of open space lands, conservation and trail easements and development rights.

Proprietary Funds – The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same. These funds are established to account for operations that are financed and operated in a manner similar to private enterprise, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The proprietary (enterprise) funds include the following:

Water Fund – accounts for activities related to water services to the citizens of the Town.

Wastewater Fund – accounts for activities related to the sewage treatment facilities and sewage transmission lines.

Refuse Fund – accounts for activities related to trash collection and disposal.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

THE TOWN AS A WHOLE

The perspective of the statement of net position is of the Town as a whole. Following is a summary of the Town's net position for the current and prior fiscal year. (2012 restated; see Note 16):

<i>(In Thousands)</i>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS:</u>						
Current Assets	\$ 7,482	\$ 8,168	\$ 10,032	\$ 9,335	\$ 17,514	\$ 17,503
Noncurrent Assets (EHOP)	168	166	-	-	168	166
Capital Assets, Net	<u>27,913</u>	<u>28,525</u>	<u>40,301</u>	<u>40,505</u>	<u>68,214</u>	<u>69,030</u>
Total Assets	<u>35,563</u>	<u>36,859</u>	<u>50,333</u>	<u>49,840</u>	<u>85,896</u>	<u>86,699</u>
<u>LIABILITIES:</u>						
Current & Other Liabilities	237	366	1,670	1,389	1,907	1,755
Long-term Liabilities	<u>106</u>	<u>120</u>	<u>14,012</u>	<u>14,810</u>	<u>14,118</u>	<u>14,930</u>
Total Liabilities	<u>343</u>	<u>486</u>	<u>15,682</u>	<u>16,199</u>	<u>16,025</u>	<u>16,685</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Unavailable Revenue						
from Property Taxes	<u>250</u>	<u>318</u>	<u>175</u>	<u>173</u>	<u>425</u>	<u>491</u>
Total Deferred Inflows	<u>250</u>	<u>318</u>	<u>175</u>	<u>173</u>	<u>425</u>	<u>491</u>
<u>NET POSITION (2011 RESTATED):</u>						
Non-Spendable	168	166	-	-	168	166
Invested in Capital Assets, Net of Related Debt	27,913	28,403	25,365	24,990	53,278	53,393
Restricted	479	928	170	472	649	1,400
Unrestricted	<u>6,410</u>	<u>6,558</u>	<u>8,941</u>	<u>8,006</u>	<u>15,351</u>	<u>14,564</u>
Total Net Position	<u>\$ 34,970</u>	<u>\$ 36,055</u>	<u>\$ 34,476</u>	<u>\$ 33,468</u>	<u>\$ 69,446</u>	<u>\$ 69,523</u>

As indicated earlier, net position may serve over time as a useful indicator of the Town's financial health. The Town's *overall* assets exceeded its liabilities and deferred inflows by \$69 million at December 31, 2013.

The Town's 2012 Net Position has been restated (reduced) by approximately \$206 thousand for previously unrecorded assets. (See Note 16).

By far the largest portion of the Town's Net Position (77%) reflects its net investment of \$53 million in capital assets less the related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Non-spendable resources of \$168 thousand (0.2%) consist of long-term notes and funds held with fiscal agent for the Town's Employee Home Ownership Program (EHOP).

An additional portion of the Town's Net Position, \$649 thousand (0.9%), represents resources that are subject to restrictions as to how they may be used; this includes statutorily required TABOR emergency reserves and monies restricted for community enhancement and conservation trust purposes.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

THE TOWN AS A WHOLE – CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net position for the current and prior fiscal year (2012 restated):

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services/Sales	\$ 540	\$ 590	\$ 4,390	\$ 4,411	\$ 4,930	\$ 5,001
Operating Grants & Contrib.	371	378	-	-	371	378
Capital Grants & Contrib.	-	167	281	53	281	220
Total Program Revenues	911	1,135	4,671	4,464	5,582	5,599
General Revenues:						
Taxes	3,945	3,591	172	170	4,117	3,761
Intergovernmental Revenue	113	524	-	-	113	524
Easements/Dedications	-	380	-	-	-	380
Interest/Investment Earnings	14	21	6	10	20	31
Other General Revenues	23	21	24	24	47	45
Total General Revenues	4,095	4,537	202	204	4,297	4,741
Total Revenues	5,006	5,672	4,873	4,668	9,879	10,340
<u>PROGRAM EXPENSES:</u>						
General Government	1,617	1,515	-	-	1,617	1,515
Public Safety	1,305	1,327	-	-	1,305	1,327
Public Works - Streets	1,151	1,150	-	-	1,151	1,150
Public Works - Bldg/Grounds	513	508	-	-	513	508
Information Center	187	176	-	-	187	176
Open Space Preservation	77	63	-	-	77	63
Interest - Gen'l. Obligations	3	8	-	-	3	8
Depreciation - Unallocated	1,238	1,221	-	-	1,238	1,221
Water Utility	-	-	1,443	1,325	1,443	1,325
Wastewater Utility	-	-	1,899	1,913	1,899	1,913
Refuse Utility	-	-	523	535	523	535
Total Expenses	6,091	5,968	3,865	3,773	9,956	9,741
INCREASE (DECREASE)						
IN NET POSITION	\$ (1,085)	\$ (296)	\$ 1,008	\$ 895	\$ (77)	\$ 599

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

THE TOWN AS A WHOLE – CONTINUED

Governmental Activities

Revenues

Revenues approximated those of the prior year with the exception of prior year dedications received in the amount of \$381 thousand and an intergovernmental revenue sharing agreement which ended in the prior year.

Expenses

Program expenses for governmental activities increased \$123 thousand (or 2%) from the prior fiscal year, primarily due to increases in expenses for personnel, purchased services and open space preservation.

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	<u>Total Cost of Service</u>		<u>Net Cost of Services</u>	
	2013	2012	2013	2012
General Government	\$ 1,617	\$ 1,515	\$ 1,284	\$ 1,132
Public Safety	1,305	1,327	1,255	1,279
Public Works - Streets	1,151	1,150	816	649
Public Works - Bldgs/Grounds	513	508	481	477
Information Center	187	176	26	4
Open Space Preservation	77	63	77	63
Interest - General Obligation Debt	3	8	3	8
Unallocated Depreciation	<u>1,238</u>	<u>1,221</u>	<u>1,238</u>	<u>1,221</u>
Total Expenses	<u>\$ 6,091</u>	<u>\$ 5,968</u>	<u>\$ 5,180</u>	<u>\$ 4,833</u>

The dependence on general revenues for governmental activities is apparent. Approximately 85% of fiscal 2013 program services were supported through taxes and other general revenues and 81% in 2012. The community as a whole is the primary support for the Town's activities.

Business-Type Activities – The results of operations of the business-type activity indicate that the utility funds are generating enough revenues to be self-sustaining without assistance from the general fund:

<i>(In Thousands)</i>	<u>Fiscal Year 2013</u>	<u>Fiscal Year 2012</u>
Program Revenues	\$ 4,671	\$ 4,464
Taxes and Other General Revenues	<u>202</u>	<u>204</u>
Total Revenues	4,873	4,668
Expenses	<u>3,865</u>	<u>3,773</u>
Net Income (Loss)	<u>\$ 1,008</u>	<u>\$ 895</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

THE TOWN AS A WHOLE – CONTINUED

Business-Type Activities, continued

Revenues

Charges for services for business-type activities decreased \$21 thousand while Capital Grants (primarily Tap fees) increased \$228 thousand. General revenues include taxes levied to service the wastewater fund debt for the Town's new wastewater treatment plant.

Expenses

Enterprise operating expenditures increased approximately \$92 thousand (2%), from the previous fiscal year, primarily from routine system maintenance and increases in personnel and insurance expenses.

THE TOWN'S FUNDS

Governmental Funds

The governmental fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. The governmental fund level financial statements are reported on the modified accrual basis of accounting. At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans are presented as a revenue item while outflows for capital outlay and debt service principal payments are presented as an expenditure item, as these items represent current period financial resources and uses.

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

Total governmental funds had revenues and other financing sources of \$5,006,214 and expenditures and other financing uses of \$5,615,002.

Governmental fund revenues decreased approximately \$286 thousand from the prior fiscal year, primarily due to the intergovernmental revenue agreement that ended in the prior year, as well as prior year reimbursements received from Eagle County.

Expenditures increased approximately \$259 thousand from the prior fiscal year, which includes general increases in personnel costs and \$222 thousand of increased capital expenditures for transportation projects.

Overall governmental fund balances decreased \$609 thousand from the prior fiscal year. The ending fund balance of \$7,162,463 represents the amount available for future spending, which is represented as follows:

General Fund	\$ 1,403,055
Debt Service	422,696
Capital Projects Fund	3,958,689
Special Revenue Funds	<u>1,378,023</u>
Total Governmental Fund Balances	<u>\$ 7,162,463</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

THE TOWN'S FUNDS – CONTINUED

Proprietary Funds

The proprietary fund level financial statements, as discussed above, use the same basis of accounting as business-type activities.

- The Water Enterprise Fund ending net position increased from \$23,959,946 to \$24,884,233.
- The Wastewater Enterprise Fund ending net position increased from \$9,228,301 to \$9,318,075.
- The Refuse Enterprise Fund ending net position decreased from \$279,741 to \$273,378.

Positive changes in net position reflect that the enterprise funds are currently generating enough operating and non-operating revenues to offset current year operating and non-operating expenses, whereas negative changes reflect that the activity did not. The ending net position in the enterprise activities represent the amount of net resources, including capital assets, available to provide future utility services and capacity improvements to the general public of the Town of Eagle.

GENERAL FUND BUDGETING HIGHLIGHTS

The Town's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(E)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) with the exception of the Proprietary (Enterprise) Funds. The reconciliation of the budgetary differences of the Proprietary Fund to GAAP is found in *Note 7*.

The budgeting system of the Town uses a line-item based budget, which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. It is the Town's policy to amend the original budget appropriations as additional information is acquired during the fiscal year to more accurately reflect current year operating activity.

During the year, the Town amended its budgeted appropriations as follows:

	<u>Original</u>	<u>Revised</u>	<u>Increase (Decrease)</u>
General Fund	\$ 4,736,396	\$ 4,822,247	\$ 85,851
Debt Service Fund	723,654	527,405	(196,249)
Capital Projects Fund	3,695,000	476,920	(3,218,080)
Conservation Trust Fund	106,417	31,067	(75,350)
Open Space Preservation Fund	259,772	191,189	(68,583)
Water Fund	2,081,983	2,373,373	291,390
Wastewater Fund	2,108,008	2,418,247	310,239
Refuse Fund	519,000	529,500	10,500

The above budget amendments were adopted to adjust for changes in available revenues from original expectations and revised expected year-end expenditures.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

GENERAL FUND BUDGETING HIGHLIGHTS - CONTINUED

General Fund Resources (Inflows)

The Town's final budgetary revenues and other financing sources in the amount of \$4,697,866 exceeded budgetary expectations of \$4,526,627 by \$171,239. It is not anticipated that the variance will have a significant effect on future services or liquidity. Further detail of individual line-item revenues for the general fund can be found in the 'Other Supplemental Information' section following the financial statements.

General Fund Charges to Appropriations (Outflows)

The Town's final budgetary expenditures and other financing uses of \$4,628,058 were \$194,189 less than the final appropriated fund balance of \$4,822,247. Positive variances were found throughout the majority of the Town's functional expenditure categories. Savings primarily occurred from unused capital outlay and contingency appropriations, as well as overall public works expenditures. It is not anticipated that these variances will have a significant effect on future services or liquidity.

Further detail of individual line-item expenditures for the general fund can be found in the 'Other Supplemental Information' section following the financial statements.

* * *

The Board of Trustees and the Town's management continue to strive to budget appropriate amounts for each individual line item. This year's overall savings are indicative of the efforts to provide services in the most economical manner. This year's savings will have a positive impact on future year's fund balances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the Town had a total of \$68,214,924 invested in capital assets, consisting of \$27,913,416 in governmental activities and \$40,301,508 in business-type activities. The following reflects the balances the current fiscal year compared to the prior fiscal year, net of depreciation and amortization:

<i>(In Thousands)</i>	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
<i>Net of Depreciation:</i>						
Land/Easements	\$ 3,261	\$ 3,261	\$ 171	\$ 171	\$ 3,432	\$ 3,432
Water Rights	-	-	9,143	9,143	9,143	9,143
Parks/Improvements	2,607	2,524	-	-	2,607	2,524
Buildings/Improvements	3,043	3,131	43	42	3,086	3,173
Rec Center/Pool/Ice Rink	4,094	4,200	-	-	4,094	4,200
Equipment	525	612	118	128	643	740
Infrastructure	12,824	14,025	27,594	28,589	40,418	42,614
Construction-in-Progress	1,559	772	3,233	2,432	4,792	3,204
	<u>\$ 27,913</u>	<u>\$ 28,525</u>	<u>\$ 40,302</u>	<u>\$ 40,505</u>	<u>\$ 68,215</u>	<u>\$ 69,030</u>

Additional information can be found in *Note 4* of the Financial Statements.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION - CONTINUED

Debt

At December 31, 2013 the Town had total outstanding long-term debt of \$15,074,203. Of this amount, governmental activities carry compensated absences of \$105,977. Business-type activities carry \$12,398,856 of notes payable, \$2,537,705 of bonds payable and compensated absences of \$31,665. See *Note 5 Long-term Debt Obligations* for a detail of the terms and annual debt service requirements to amortize the Town's long-term debt.

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

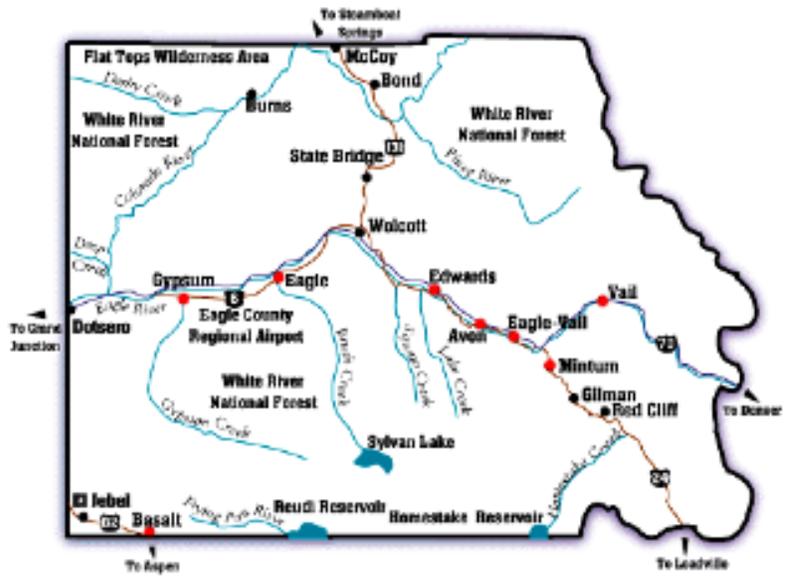
While trends effecting revenues for the Town indicate a stabilized local economy beginning to move out of the downturn that has challenged us since 2008, the actual increased revenues to the Town are so far modest. Staff continues to encourage and pursue various smaller businesses to locate in Eagle and has undertaken to create a proactive district-by-district vacant commercial property analysis tool through the planning department that will be accessible as an on-line database which may be linked to the State Insight system. Co-location and coordination with the Eagle Chamber continues to positively affect perceptions that Eagle is "open for business" and efforts at MEAC and Eagle Outside are cultivating a great deal of visitation interest. The Town anticipates investments in trails and marketing should have a cumulative positive effect for the Town over time. Taxes continue to be the principal revenue source for governmental activities, while enterprise activities will rely on charges for services and sales.

The Town levied property tax in 2013 to be collected in 2014 in the amount of \$249,639 for the General Fund and \$174,804 for debt service in the Wastewater Fund. Thus far in 2014, the planning department has noted a sharp increase in diligence activity from potential builders, developers and retailers, as well as in overall pre-construction activity. However, as increases are anticipated to be recognized over the long-term, the Town is anticipating only a 2% improvement in overall revenues over 2013. As a result, the 2014 budget contains no overall wage increase, and only modest increases in overall budgetary expenditures. Much of what is on the capital funding horizon is upgrades to existing, aging infrastructure. No plant investment fee adjustments are planned for 2014. The Town is anticipating increased fees for services in the utility funds.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Town Eagle, Colorado
P.O. Box 609
Eagle, CO 81631
Phone: (970)328-6354
Fax: (970) 328-5203



GOVERNMENT - WIDE FINANCIAL STATEMENTS

TOWN EAGLE, COLORADO
STATEMENT OF NET POSITION
December 31, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 6,445,601	\$ 9,254,988	\$ 15,700,589
Restricted Cash and Investments	409,039	-	409,039
Receivables – Net			
Due from County Treasurer	4,420	-	4,420
Taxes and Other Receivables	433,162	174,681	607,843
Property Taxes	249,639	174,804	424,443
Accounts	13,484	353,751	367,235
Internal Balances	<u>(73,329)</u>	<u>73,329</u>	<u>-</u>
Total Current Assets	<u>7,482,016</u>	<u>10,031,553</u>	<u>17,513,569</u>
Noncurrent Assets:			
Funds Held by Fiscal Agent (EHOP)	22,756	-	22,756
Notes Receivable (EHOP)	144,850	-	144,850
Non-Depreciable Capital Assets	4,819,873	12,546,470	17,366,343
Depreciable Capital Assets, Net	<u>23,093,543</u>	<u>27,755,038</u>	<u>50,848,581</u>
Total Noncurrent Assets	<u>28,081,022</u>	<u>40,301,508</u>	<u>68,382,530</u>
 TOTAL ASSETS	 <u>35,563,038</u>	 <u>50,333,061</u>	 <u>85,896,099</u>
LIABILITIES			
Accounts Payable	102,778	361,584	464,362
Retainage Payable	-	17,273	17,273
Accrued Liabilities	122,950	163,463	286,413
Unearned Revenues	210	172,025	172,235
Deposits	11,582	-	11,582
Long-term Debt:			
Portion Due or Payable within One Year:			
Loans Payable, Net of Premium	-	757,550	757,550
Bonds Payable	-	198,341	198,341
Portion Due or Payable After One Year:			
Compensated Absences	105,977	31,665	137,642
Loans Payable, Net of Premium	-	11,641,306	11,641,306
Bonds Payable	<u>-</u>	<u>2,339,364</u>	<u>2,339,364</u>
TOTAL LIABILITIES	<u>343,497</u>	<u>15,682,571</u>	<u>16,026,068</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue –			
From Property Taxes	<u>249,639</u>	<u>174,804</u>	<u>424,443</u>
Total Deferred Inflows of Resources	<u>249,639</u>	<u>174,804</u>	<u>424,443</u>
Net Position:			
Invested in Capital Assets, Net of Related Debt	27,913,416	25,364,947	53,278,363
Restricted	646,390	170,000	816,390
Unrestricted (Deficit)	<u>6,410,096</u>	<u>8,940,739</u>	<u>15,350,835</u>
 TOTAL NET POSITION	 <u>\$ 34,969,902</u>	 <u>\$ 34,475,686</u>	 <u>\$ 69,445,588</u>

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

TOWN EAGLE, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2013

	PROGRAM REVENUES		
EXPENSES	Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTION/PROGRAM ACTIVITIES			
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 1,616,657	\$ 297,556	\$ 34,948
Public Safety	1,305,021	49,759	-
Public Works – Streets	1,151,404	-	335,620
Public Works – Buildings/Grounds	513,328	32,725	-
Information Center	186,965	160,445	-
Open Space Preservation	76,698	-	450
Interest on General Long-term Debt	3,247	-	-
Depreciation – Unallocated <i>(See Note 1(G))</i>	1,238,108	-	-
TOTAL GOVERNMENTAL ACTIVITIES	6,091,428	540,485	370,568
BUSINESS-TYPE ACTIVITIES:			
Water Utility	1,443,463	2,234,835	127,850
Wastewater Utility	1,898,954	1,638,795	153,500
Refuse Utility	522,647	516,113	-
TOTAL BUSINESS-TYPE ACTIVITIES	3,865,064	4,389,743	281,350
TOTAL PRIMARY GOVERNMENT	\$ 9,956,492	\$ 4,930,228	\$ 370,568

GENERAL REVENUES AND TRANSFERS:

Taxes:

- Property Taxes, Levied for General Purposes
- Property Taxes, Levied for Debt Service
- Specific Ownership Taxes, for General Purposes
- Sales Tax, for General Purposes
- Community Enhancement Tax
- Lodging Tax
- Franchise Tax
- Marketing Tax
- Use Tax
- Severance Taxes

Grants and Entitlements Not Restricted to Specific Programs:

- Intergovernmental – Cigarette Tax
- Intergovernmental – County Sales Tax
- Federal Mineral Lease Revenues
- Unrestricted Interest and Investment Earnings
- Miscellaneous

Total General Revenues and Transfers

Change in Net Position

NET POSITION – BEGINNING OF YEAR (RESTATED)

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-Type Activities	Total
\$ (1,284,153)		\$ (1,284,153)
(1,255,262)		(1,255,262)
(815,784)		(815,784)
(480,603)		(480,603)
(26,520)		(26,520)
(76,248)		(76,248)
(3,247)		(3,247)
<u>(1,238,108)</u>		<u>(1,238,108)</u>
<u>(5,179,925)</u>		<u>(5,179,925)</u>
	\$ 919,222	919,222
	(106,659)	(106,659)
	<u>(6,534)</u>	<u>(6,534)</u>
	<u>806,029</u>	<u>806,029</u>
<u>(5,179,925)</u>	<u>806,029</u>	<u>(4,373,896)</u>
317,484	-	317,484
-	171,858	171,858
20,207	-	20,207
3,041,308	-	3,041,308
41,023	-	41,023
98,972	-	98,972
202,305	-	202,305
97,802	-	97,802
125,332	-	125,332
321	-	321
11,227	-	11,227
101,262	-	101,262
331	-	331
14,527	6,283	20,810
<u>22,610</u>	<u>23,528</u>	<u>46,138</u>
<u>4,094,711</u>	<u>201,669</u>	<u>4,296,380</u>
(1,085,214)	1,007,698	(77,516)
<u>36,055,116</u>	<u>33,467,988</u>	<u>69,523,104</u>
<u>\$ 34,969,902</u>	<u>\$ 34,475,686</u>	<u>\$ 69,445,588</u>

FUND FINANCIAL STATEMENTS

TOWN OF EAGLE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General Fund	Debt Service	Capital Projects	Non-Major Special Revenue Funds
<u>ASSETS:</u>				
Cash and Investments	\$ 1,327,841	\$ 547,696	\$ 3,192,665	\$ 1,377,399
Restricted Cash and Investments	-	-	409,039	-
Receivables – Net				
Due from County Treasurer	4,420	-	-	-
Taxes and Other Receivables	392,139	-	41,023	-
Property Taxes	249,639	-	-	-
Accounts	-	-	-	13,484
Internal Balances	(278,329)	(125,000)	330,000	-
Funds Held by Fiscal Agent (EHOP)	22,756	-	-	-
Notes Receivable (EHOP)	144,850	-	-	-
	\$ 1,863,316	\$ 422,696	\$ 3,972,727	\$ 1,390,883
 <u>LIABILITIES, DEFERRED INFLOWS</u>				
<u>OF RESOURCES AND FUND BALANCES:</u>				
Liabilities:				
Accounts Payable	\$ 76,962	\$ -	\$ 14,038	\$ 11,778
Accrued Liabilities	122,950	-	-	-
Unearned Revenues	210	-	-	-
Deposits	10,500	-	-	1,082
	210,622	-	14,038	12,860
Deferred Inflows of Resources:				
Unavailable Revenues - From Property Taxes	249,639	-	-	-
	249,639	-	-	-
Fund Balances:				
Non-Spendable	167,606	-	-	-
Restricted for –				
Community Enhancement	-	-	409,039	-
Conservation Trust	-	-	-	78,951
Emergency Reserves	132,250	-	26,150	-
Committed for –				
Open-space Preservation	-	-	-	1,299,072
Assigned for –				
Capital Projects	-	-	3,523,500	-
Unassigned	1,103,199	422,696	-	-
	1,403,055	422,696	3,958,689	1,378,023
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,863,316	\$ 422,696	\$ 3,972,727	\$ 1,390,883

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

Total
Governmental
Funds

\$ 6,445,601
409,039

4,420
433,162
249,639
13,484
(73,329)
22,756
144,850

\$ 7,649,622

\$ 102,778
122,950
210
11,582

237,520

249,639

249,639

167,606

409,039
78,951
158,400

1,299,072

3,523,500
1,525,895

7,162,463

\$ 7,649,622

TOWN OF EAGLE, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2013

TOTAL GOVERNMENTAL FUND BALANCES		\$ 7,162,463
Amounts reported for governmental activities on the statement of net position is different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		
Governmental Capital Assets	\$ 45,649,611	
Less Accumulated Depreciation	<u>(17,736,195)</u>	27,913,416
Long-term liabilities are not due and payable in the current year-end and therefore, are not reported in the governmental funds.		
		<u>(105,977)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 34,969,902</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	General Fund	Debt Service	Capital Projects	Non-Major Special Revenue Funds
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 3,679,427	\$ -	\$ 166,355	\$ 98,972
Licenses and Permits	145,513	-	-	-
Intergovernmental	448,440	-	-	34,948
Charges for Services	172,176	-	-	-
Fines, Forfeits and Penalties	49,759	-	-	-
Information Center Sales	160,445	-	-	-
Interest	6,979	703	4,904	1,941
Grants/Contributions	-	-	-	450
Miscellaneous	35,127	-	75	-
	<u>4,697,866</u>	<u>703</u>	<u>171,334</u>	<u>136,311</u>
<u>Expenditures:</u>				
General Government	1,347,322	-	-	32,417
Public Safety	1,297,277	-	-	-
Public Works – Streets	1,070,079	-	-	-
Public Works – Bldg & Grounds	516,212	-	-	-
Information Center	192,168	-	-	-
Open-Space Preservation	-	-	-	163,465
Debt Service:				
Principal	-	121,348	-	-
Interest	-	3,652	-	-
Capital Projects	-	-	871,062	-
	<u>4,423,058</u>	<u>125,000</u>	<u>871,062</u>	<u>195,882</u>
Excess Revenues Over (Under) Expenditures	274,808	(124,297)	(699,728)	(59,571)
<u>Other Financing Sources and (Uses):</u>				
Transfers (to) from Other Funds	(205,000)	(125,000)	330,000	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	69,808	(249,297)	(369,728)	(59,571)
Fund Balances – Beginning (Restated)	<u>1,333,247</u>	<u>671,993</u>	<u>4,328,417</u>	<u>1,437,594</u>
Fund Balances – Ending	<u>\$ 1,403,055</u>	<u>\$ 422,696</u>	<u>\$ 3,958,689</u>	<u>\$ 1,378,023</u>

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

Total
Governmental
Funds

\$ 3,944,754
145,513
483,388
172,176
49,759
160,445
14,527
450

35,202

5,006,214

1,379,739
1,297,277
1,070,079
516,212
192,168
163,465

121,348
3,652

871,062

5,615,002

(608,788)

-

(608,788)

7,771,251

\$ 7,162,463

TOWN OF EAGLE, COLORADO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2013

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (608,788)

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

Governmental Funds report capital outlays and conveyed easements/dedications as capital expenditures; however, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount by which depreciation exceeded capital outlays.

Capital Outlay	\$ 912,015	
Easements / Dedications	-	
Depreciation	<u>(1,523,793)</u>	(611,778)

The net book value of asset dispositions are not reported in the governmental funds as they are not a current financial use. This is the amount by which the net book value of assets exceeded proceeds received in the current year. -

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of current year debt principal repayments in governmental activities. 121,348

Compensated absences not payable from current resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent expenses of the current year. This is the amount accrued leave decreased this year. 13,599

Interest expense is recognized as an expenditure in the governmental funds when due, and this requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount by which decreases in accrued interest exceeded increases. 405

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (1,085,214)

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

TOWN OF EAGLE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Wastewater Fund	Refuse Fund	
<u>ASSETS:</u>				
Current Assets:				
Cash and Investments	\$ 7,854,580	\$ 1,198,348	\$ 202,060	\$ 9,254,988
Receivables (Net)				
Intergovernmental	-	174,681	-	174,681
Property Taxes	-	174,804	-	174,804
Accounts	118,572	178,155	57,024	353,751
Internal Balances	(42,635)	133,964	(18,000)	73,329
Total Current Assets	<u>7,930,517</u>	<u>1,859,952</u>	<u>241,084</u>	<u>10,031,553</u>
Non-Current Assets:				
Capital Assets, Net	<u>19,811,336</u>	<u>20,388,274</u>	<u>101,898</u>	<u>40,301,508</u>
Total Non-Current Assets	<u>19,811,336</u>	<u>20,388,274</u>	<u>101,898</u>	<u>40,301,508</u>
Total Assets	<u>\$ 27,741,853</u>	<u>\$ 22,248,226</u>	<u>\$ 342,982</u>	<u>\$ 50,333,061</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION:</u>				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 187,983	\$ 141,415	\$ 32,186	\$ 361,584
Retainage Payable	14,085	3,188	-	17,273
Accrued Liabilities	21,861	141,602	-	163,463
Unearned Revenues	-	134,607	37,418	172,025
Current Maturities of Long-term Debt, Net	207,114	748,777	-	955,891
Total Current Liabilities	<u>431,043</u>	<u>1,169,589</u>	<u>69,604</u>	<u>1,670,236</u>
Non-Current Liabilities:				
Compensated Absences	27,926	3,739	-	31,665
Notes Payable, Net of Premium	59,287	11,582,019	-	11,641,306
Bonds Payable	2,339,364	-	-	2,339,364
Total Non-Current Liabilities	<u>2,426,577</u>	<u>11,585,758</u>	<u>-</u>	<u>14,012,335</u>
Total Liabilities	<u>2,857,620</u>	<u>12,755,347</u>	<u>69,604</u>	<u>15,682,571</u>
Deferred Inflows of Resources:				
Unavailable Revenues -				
From Property Taxes	-	174,804	-	174,804
Total Deferred Inflows of Resources	<u>-</u>	<u>174,804</u>	<u>-</u>	<u>174,804</u>
Net Position:				
Invested in Capital Assets,				
Net of Related Debt	17,205,571	8,057,478	101,898	25,364,947
Restricted for Debt Service	-	170,000	-	170,000
Unrestricted	<u>7,678,662</u>	<u>1,090,597</u>	<u>171,480</u>	<u>8,940,739</u>
Total Net Position	<u>24,884,233</u>	<u>9,318,075</u>	<u>273,378</u>	<u>34,475,686</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 27,741,853</u>	<u>\$ 22,248,226</u>	<u>\$ 342,982</u>	<u>\$ 50,333,061</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Wastewater Fund	Refuse Fund	
<u>OPERATING REVENUES:</u>				
Service Fees	\$ 2,171,335	\$ 1,635,527	\$ 516,113	\$ 4,322,975
Meters and Materials	<u>63,500</u>	<u>3,268</u>	<u>-</u>	<u>66,768</u>
Total Operating Revenues	<u>2,234,835</u>	<u>1,638,795</u>	<u>516,113</u>	<u>4,389,743</u>
<u>OPERATING EXPENSES:</u>				
Personnel Services	512,094	248,129	-	760,223
Supplies	118,953	82,661	4,709	206,323
Purchased Services	306,312	308,209	498,518	1,113,039
Insurance	35,415	27,754	-	63,169
Noncapitalized Outlay/Repairs	10,435	-	-	10,435
Depreciation	<u>278,131</u>	<u>724,999</u>	<u>1,420</u>	<u>1,004,550</u>
Total Operating Expenses	<u>1,261,340</u>	<u>1,391,752</u>	<u>504,647</u>	<u>3,157,739</u>
Operating Income (Loss)	<u>973,495</u>	<u>247,043</u>	<u>11,466</u>	<u>1,232,004</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Tap and Improvements Fees	127,850	153,500	-	281,350
Property Taxes	-	171,858	-	171,858
Interest and Earnings on Investments	5,065	1,047	171	6,283
Accretion of Bond Premium	-	23,528	-	23,528
Interest Expense and Fiscal Charges	(132,123)	(467,202)	-	(599,325)
Administrative Fee – General Fund	<u>(50,000)</u>	<u>(40,000)</u>	<u>(18,000)</u>	<u>(108,000)</u>
Total Non-Operating Revenues (Expenses)	<u>(49,208)</u>	<u>(157,269)</u>	<u>(17,829)</u>	<u>(224,306)</u>
Income (Loss) Before Transfers	924,287	89,774	(6,363)	1,007,698
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	924,287	89,774	(6,363)	1,007,698
Fund Net Position – Beginning	<u>23,959,946</u>	<u>9,228,301</u>	<u>279,741</u>	<u>33,467,988</u>
Fund Net Position – Ending	<u>\$ 24,884,233</u>	<u>\$ 9,318,075</u>	<u>\$ 273,378</u>	<u>\$ 34,475,686</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Wastewater Fund	Refuse Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 2,272,755	\$ 1,486,274	\$ 518,538	\$ 4,277,567
Cash Payments to Employees	(503,835)	(247,803)	-	(751,638)
Cash Payments for Goods and Services	<u>(314,107)</u>	<u>(326,744)</u>	<u>(511,901)</u>	<u>(1,152,752)</u>
NET CASH PROVIDED OPERATING ACTIVITIES	<u>1,454,813</u>	<u>911,727</u>	<u>6,637</u>	<u>2,373,177</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property and Specific Ownership Taxes –Net	-	171,857	-	171,857
Inter-fund (Advances) Repayments	50,000	(126,702)	18,000	(58,702)
Inter-fund Administrative Fees – General Fund	<u>(50,000)</u>	<u>(40,000)</u>	<u>(18,000)</u>	<u>(108,000)</u>
NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>5,155</u>	<u>-</u>	<u>5,155</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Tap and Improvement Fees	127,850	153,500	-	281,350
Acquisition and Construction of Capital Assets	(510,576)	(290,157)	-	(800,733)
Proceeds from Issuance of Long-Term Debt	2,605,868	-	-	2,605,868
Principal Paid on Long-Term Debt	(2,631,681)	(726,083)	-	(3,357,764)
Interest Paid on Long-Term Debt	(135,237)	(452,198)	-	(587,435)
Other Costs of Long-Term Financing	<u>(1,750)</u>	<u>-</u>	<u>-</u>	<u>(1,750)</u>
NET CASH PROVIDED FROM CAPITAL FINANCING ACTIVITIES	<u>(545,526)</u>	<u>(1,314,938)</u>	<u>-</u>	<u>(1,860,464)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Investments	<u>5,065</u>	<u>1,047</u>	<u>171</u>	<u>6,283</u>
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>5,065</u>	<u>1,047</u>	<u>171</u>	<u>6,283</u>
NET INCREASE (DECREASE) IN CASH	914,352	(397,009)	6,808	524,151
CASH AT BEGINNING OF YEAR	<u>6,940,228</u>	<u>1,595,357</u>	<u>195,252</u>	<u>8,730,837</u>
CASH AT END OF YEAR	<u>\$ 7,854,580</u>	<u>\$ 1,198,348</u>	<u>\$ 202,060</u>	<u>\$ 9,254,988</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 973,495	\$ 247,043	\$ 11,466	\$ 1,232,004
Non-Cash Expenses Included in Operating Income – Depreciation	278,131	724,999	1,420	1,004,550
Change in Assets and Liabilities – Decrease (Increase) Receivables	37,920	(152,099)	1,786	(112,393)
Increase (Decrease) in Unearned Revenues	-	(422)	639	217
Increase (Decrease) in Accrued Payroll/Payables	<u>165,267</u>	<u>92,206</u>	<u>(8,674)</u>	<u>248,799</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,454,813</u>	<u>\$ 911,727</u>	<u>\$ 6,637</u>	<u>\$ 2,373,177</u>

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Eagle are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Significant accounting policies of the Town of Eagle are described below.

A. Financial Reporting Entity

The Town is a “statutory” organization and as such must follow and obey the statutes of the State of Colorado regarding such entities. The Town operates under a Town Board and provides the following services as authorized by its charter: Public safety (police), streets, sanitation, water, culture-recreation, public improvements, planning and zoning, and general administration services.

The Town of Eagle was originally incorporated in 1905. The Town is governed by an elected mayor and an elected Board of Trustees which is responsible for setting policy, appointing administration personnel and adopting an annual budget in accordance with state statutes.

The financial reporting entity consists of (a) the primary government; i.e., the Town, and (b) any organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific burdens on, the Town. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval of the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the Town is not financially accountable for any other entity and, therefore, the Town’s financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the Town’s reporting entity, nor is the Town a component unit of any other government. The Town’s financial statements include the accounts of all Town operations.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the overall primary government.

The statement of net position presents the financial condition of the governmental activities of the Town at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities.

In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the Town.

FUND FINANCIAL STATEMENTS

During the fiscal year, the Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if applicable, are aggregated and presented in a single column. Enterprise funds are reported by type.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The Town's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or limitations based upon the purposes for which they are to be spent and by means by which spending activities are controlled. The various funds of the Town are outlined in the following paragraphs.

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Town for any purpose provided it is expended or transferred according to general statutory laws.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of special revenue sources that are restricted or committed for purposes other than debt service or capital projects. The Conservation Trust Fund is a special revenue fund used to account for revenue from the Colorado Lottery restricted for use in parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes. The Open Space Preservation Fund is a special revenue fund used to account for revenue from the Town's Lodging and Occupancy Tax committed for the acquisition of open space lands, conservation and trail easements and development rights.

PROPRIETARY FUNDS

Enterprise Funds – The Water Fund, Wastewater Fund and Refuse Fund are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town receives value without directly giving equal value in return, consist of property taxes, other taxes and fines and penalties. All assets and all liabilities associated with the operation of the Town are included on the statement of net position.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect 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 government-wide and governmental fund statements. Under this method, revenues are recognized when measurable and available. The Town considers all revenues available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are property taxes, sales taxes, highway user taxes, and reimbursements from developers for professional fees, because they are both measurable and available to finance expenditures of the current period:

Taxpayer-assessed local property and specific ownership taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for matured principal and interest on general long-term liabilities which are reported as other financing uses.

Like the government-wide financial statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) in total fund net position. The statement of cash flows reflects how the Town finances and meets the cash flow needs of its enterprise fund.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Budgets and Budgetary Accounting

With the exception of its proprietary funds (see Note 7) the Town's budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. The level of control in the budget at which expenditures exceed appropriations is at the fund level. All annual appropriations lapse at fiscal year end.

Budget Calendar

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

1. Prior to August 25, the County Assessor provides the Town the preliminary certified assessed valuation of all taxable property within the Town's boundaries.
2. The Manager, or other qualified persons appointed by the Board of Trustees, submits to the Board of Trustees, on or before October 15, a recommended budget which details the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
3. A public hearing on the proposed budget and capital program is held by the Board of Trustees no later than 45 days prior to the close of the fiscal year.
4. Prior to December 10, the County Assessor sends the Town the final certified assessed valuation of all taxable property within the Town's boundaries.
5. Prior to December 15, the Town Board of Trustees compute and certify to the County Commissioners a rate of levy that derives the necessary property taxes as computed in the proposed budget.
6. After the required public hearing, the Town Board of Trustees adopts the proposed budget by resolution prior to December 15. The ordinance adopting the budget also legally appropriates expenditures for the upcoming year.
7. After adoption of the budget ordinance, the Town may make by ordinance the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the Town Board of Trustees may, by resolution, transfer part or all of any unexpended funds from one department or office to another.
8. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
9. Budget appropriations lapse at the end of each year.

The Town legally adopted annual budgets for all of the Town's funds, and amended the current year appropriations as disclosed in Management's Discussion and Analysis.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Cash and Investments

The Town's policy in determining which items are treated as cash equivalents on the statement of cash flows for the enterprise funds include all cash, demand deposits, treasury bills and other short-term, highly liquid investments (including restricted assets) that are readily convertible to cash and have original maturities of three months or less.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value. See additional required disclosures for cash and investments in Note 2.

G. Capital Assets/Depreciation

Capital assets purchased or acquired with an original cost in excess of a \$5,000 capitalization threshold set by the Town are reported at historical or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Parks/Land Improvements	10-30 years
Buildings/Improvements	20-50 years
Rec Center/Pool/Ice Rink	20-50 years
Equipment	3-15 years
Utility System/Improvements	15-40 years
Other Infrastructure	20-40 years

On the government-wide statement of activities, for governmental funds depreciation expense is included in the various expenses of functions or programs for capital assets that can be specifically identified with a function and for "shared" capital assets generally used by only a few functions that can be specifically identified to those functions. Depreciation expense for capital assets that essentially serve all functions are reported as a separate line in the statement of activities as unallocated depreciation (see Note 4).

H. Customer Accounts Receivable

The Town considers customer accounts receivable for water, sewer and trash services to be fully collectible. The Town is empowered to place a lien on real property in the case of nonpayment. Accordingly, no allowance for doubtful accounts is considered necessary.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Property Taxes Receivable and Deferred Inflows

Property taxes are levied on December 15, and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31, net of an estimated uncollectible portion. However, since the taxes are not available to pay current liabilities, the net receivables are recorded as a deferred inflow of resources. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2012 were collected in 2013 and taxes certified in 2013 will be collected in 2014. Taxes are due on January 1st; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

J. Proprietary Funds – Unearned Revenue

Unearned revenues in the Wastewater Fund and Refuse Fund arise from advance billings for services and have been accrued in these enterprise funds. The Water Fund bills for current services, therefore no unearned revenues from utility billings have been accrued in the Water Fund.

K. Proprietary Funds – Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Town, these revenues are charges for utility services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise funds.

L. Proprietary Funds – Contributed Capital

Grants and contributions in the enterprise funds which may be used for either operations or capital expenditures at the discretion of the Town are recognized as non-operating revenues. If expenditure of funds is the prime factor for determining eligibility for contributed funds, revenue or contributed capital is recognized at the time of making the expenditure.

M. Inter-fund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the fund providing services and as expenditures/expenses in the fund receiving services. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and are non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

N. Internal Balances

During the year, the Town may have transactions between funds to finance operations and provide services and to allocate combined cash balances. To the extent that certain transactions or budget transfers between funds have not been paid or received as of year-end, balances of inter-fund amounts receivable or payable are recorded. All inter-fund balances that exist within governmental activities are eliminated on the government-wide statement of net position. Inter-fund balances at December 31, 2013 are as follows:

	Receivables	Payables
General Fund	\$ 108,000	\$ 386,329
Debt Service Fund	125,000	250,000
Capital Projects Fund	330,000	-
Water Fund	11,365	54,000
Wastewater Fund	173,964	40,000
Refuse Fund	-	18,000

O. Compensated Absences

A total of up to 30 days vacation and unlimited days of sick leave per year may be accumulated by each employee. Employees are not paid for accumulated sick leave upon retirement or termination. The Town accrues a liability for compensated absences which meet the following criteria: 1) The Town's obligation relating to employees' rights to receive compensation for future absences is attributable to employees services already rendered; 2) The obligation relates to rights that vest or accumulate; 3) Payment of the compensation is probable; and, 4) The amount can be reasonably estimated. In accordance with the above criteria the Town has accrued a liability for vacation pay which has been earned but not taken by Town employees. The liability for compensated absences for the governmental funds has been accrued on the government-wide statement of net position since it is anticipated that none of the liability will be liquidated with expendable available financial resources. The liability for compensated absences for the enterprise funds has been accrued within each appropriate enterprise fund.

P. Net Position and Fund Balances

In the government-wide financial statements and proprietary funds, net position is classified as follows:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the Town's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

P. Net Position and Fund Balances - continued

In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation. As discussed in *Note 13*, Colorado voters passed an amendment to the State Constitution, one of the provisions of which requires local governments to establish an emergency reserve which is calculated at 3% of certain expenditures; these funds may only be expended in cases of emergencies as defined by the amendment and are used to fund appropriations only after unrestricted resources are depleted. Special revenue resources in the Conservation Trust Fund are restricted for use in parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes. Accumulated Community Enhancement revenues requiring disbursement approval by Holy Cross Energy are restricted in the Capital Projects Fund.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Directors). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts. Special revenue resources in the Open Space Preservation Fund are committed for the acquisition of open space lands, conservation and trail easements and development rights.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Town considers available fund balances of the Capital Projects Fund as assigned for future capital outlay.

Unassigned – the residual for the general fund.

It is the Town's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available. Committed and assigned amounts are considered to have been spent first when an expenditure is incurred for purposes for which such categories and unassigned amounts are available.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Q. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

R. Fair Values of Financial Instruments

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pool*, requires disclosures of fair value information about financial instruments. The Town has a number of financial instruments, including cash and equivalents, receivables, accounts payable, and notes payable, none of which are held for trading purposes. The Town estimates that the fair values of its financial instruments at December 31, 2013, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

NOTE 2 - CASH AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

It is the policy of the Town to invest public funds in a manner which will provide the highest investment return with the maximum security, meet the daily cash flow demands of the Town, and conform to all federal, state and local statutes governing the investment of public funds. This policy applies to the investment of all financial assets of all funds of the Town over which it exercises financial control.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - CASH AND INVESTMENTS - continued

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee Valley authority, and certain international agency securities, including the World Bank.
- . General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- . Bankers' acceptances of certain banks
- . Certain securities lending agreements
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools
- . The investing local government's own securities including certificates of participation and lease obligations.

Local Government Investment Pool (ColoTrust)

As of December 31, 2013 the Town had invested \$15,478,951 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 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. 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. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. As of December 31, 2013, the Town had \$0 invested in COLOTRUST PRIME, and \$15,478,951 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - CASH AND INVESTMENTS – continued

In order to facilitate the recording of cash transactions and maximize interest earnings, the Town has pooled cash deposits for all funds. The Town maintains accountability for each fund's equity in pooled cash and investments. Interest earnings for combined funds are generally distributed based on monthly cash balances. A summary of the Town's cash and cash equivalents at December 31, 2013 are classified below:

Checking/Savings/Certificates of Deposit	\$ 780,122
Local Government Investment Pool	<u>15,478,951</u>
Total Balances	16,259,073
Net Outstanding Items	<u>(149,445)</u>
Total Cash and Cash Equivalents	<u>\$ 16,109,628</u>

The Town's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had bank balances of \$721,885 of which \$251,116 was covered by FDIC insurance and \$470,769 by PDPA described above. As of December 31, 2013 the Town had invested \$58,238 in certificates of deposit, which were entirely covered by FDIC insurance.

Included in cash and cash equivalents are investments rated as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Colostrust (Local Govt Investment Pool)	\$ 15,478,951	AAAm	Standard & Poors
<i><u>Subject to Public Depository Protection Act</u></i>			
Certificates of Deposit	\$ 58,238	Not rated	

Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The Town has deposits in Colostrust Plus+ with ratings as provided above.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The Town's policy places no limit on the amount the Town may invest in any one issuer; however the Town maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - CASH AND INVESTMENTS – continued

Risk Disclosures - continued

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The Town maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows. Investments subject to interest rate risk disclosures are shown below:

		Maturities
Certificate of Deposit (PDPA)	\$ 44,539	05/21/15
Certificate of Deposit (PDPA)	\$ 13,699	02/21/14

The Town was not subject to foreign currency risk as of December 31, 2013.

NOTE 3 - RESTRICTED CASH

Community Enhancement Funds collected from Holy Cross Energy are restricted to use for beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events, and undergoing of overhead electric and other utility lines. The Town must notify Holy Cross Energy of its intended use of the funds, whereby Holy Cross Energy has the right to object, in writing, prior to such expenditure or otherwise waive its right to objection. Accumulated funds are reflected in the Capital Projects Fund as Restricted for Community Enhancement.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for Governmental Activities for the year ended December 31, 2013 follows:

	Balances 01/01/13	Additions	Dispositions/ Reclassif.	Balances 12/31/13
<i>GOVERNMENTAL ACTIVITIES</i>				
Non-depreciable Assets:				
Land and Easements	\$ 3,260,423	\$ -	\$ -	\$ 3,260,423
Construction in Progress	772,295	787,155	-	1,559,450
Depreciable Capital Assets:				
Park/Land Improvements	2,935,315	119,184	-	3,054,499
Buildings/Improvements	4,554,490	-	-	4,554,490
Rec Center/Pool/Ice Rink	5,235,122	-	-	5,235,122
Equipment	2,765,407	5,676	(83,335)	2,687,748
Infrastructure	<u>25,297,879</u>	<u>-</u>	<u>-</u>	<u>25,297,879</u>
Total at Historical Cost	44,820,931	912,015	(83,335)	45,649,611
<i>Less Accumulated</i>				
<i>Depreciation:</i>	<u>(16,295,737)</u>	<u>(1,523,793)</u>	<u>83,335</u>	<u>(17,736,195)</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$28,525,194</u>	<u>\$ (611,778)</u>	<u>\$ -</u>	<u>\$27,913,416</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 4 - CAPITAL ASSETS – continued

For the fiscal year ending December 31, 2013, depreciation expense for governmental activities was recorded on the statement of activities as follows:

General Government	\$ 188,588
Public Safety	15,830
Public Works – Streets	60,513
Public Works – Buildings/Grounds	20,281
Information Center	473
Unallocated Depreciation	<u>1,238,108</u>
Total Governmental Depreciation	<u>\$ 1,523,793</u>

Capital asset activity for Business-Type Activities for the year ended December 31, 2013 follows:

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>Balances</u> 01/01/13	<u>Additions</u>	<u>Dispositions/ Reclassif.</u>	<u>Balances</u> 12/31/13
Non-depreciable Assets:				
Land and Easements	\$ 170,571	\$ -	\$ -	\$ 170,571
Water Rights	9,143,260	-	-	9,143,260
Construction in Progress	2,431,906	800,733	-	3,232,639
Depreciable Capital Assets:				
Buildings/Improvements	133,511	-	-	133,511
Equipment	492,744	-	(2,723)	490,021
Infrastructure-Plant/Facility	427,399	-	-	427,399
Infrastructure-Utility System	<u>37,444,325</u>	<u>-</u>	<u>-</u>	<u>37,444,325</u>
Total at Historical Cost	50,243,716	800,733	(2,723)	51,041,726
<i>Less Accumulated</i>				
<i>Depreciation</i>	<u>(9,738,391)</u>	<u>(1,004,550)</u>	<u>2,723</u>	<u>(10,740,218)</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$40,505,325</u>	<u>\$ (203,817)</u>	<u>\$ -</u>	<u>\$40,301,508</u>

For the fiscal year ending December 31, 2013, depreciation expense for business-type activities was recorded on the statement of activities as follows:

Water Utility	\$ 278,131
Wastewater Utility	724,999
Refuse Utility	<u>1,420</u>
Total Business-type Depreciation	<u>\$ 1,004,550</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 - LONG-TERM OBLIGATIONS

Changes in the Town's long-term obligations during the fiscal year ended December 31, 2013 were as follows:

	<u>Balances</u> <u>01/01/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>12/31/13</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<i>GOVERNMENTAL ACTIVITIES</i>					
Notes Payable					
- Wells Fargo	\$ 121,348	-	(121,348)	-	-
Compensated Absences -	<u>119,576</u>	<u>133,337</u>	<u>(146,936)</u>	<u>105,977</u>	<u>-</u>
GOVERNMENTAL LONG-TERM OBLIGATIONS	<u>\$ 240,924</u>	<u>\$ 133,337</u>	<u>\$ (268,284)</u>	<u>\$ 105,977</u>	<u>\$ -</u>
<i>BUSINESS-TYPE ACTIVITIES</i>					
Notes Payable					
CWCB Loan	\$ 76,578	\$ -	\$ (8,518)	\$ 68,060	\$ 8,773
'97 CWRPDA	735,224	-	(134,165)	601,059	139,532
'07 CWRPDA	10,704,936	-	(514,140)	10,190,796	530,376
'07 Premium	376,448	-	(23,528)	352,920	23,528
'11 CWRPDA	1,240,271	-	(54,250)	1,186,021	55,341
Bonds					
Bond Premium	1,981	-	(2,555,000)	-	-
Series 2004	2,555,000	2,605,868	(68,163)	2,537,705	198,341
Series 2013	-	-	(1,981)	-	-
Compensated Absences -	<u>24,050</u>	<u>36,338</u>	<u>(28,723)</u>	<u>31,665</u>	<u>-</u>
BUSINESS-TYPE LONG-TERM OBLIGATIONS	<u>\$15,714,488</u>	<u>\$ 2,642,206</u>	<u>\$(3,388,468)</u>	<u>\$14,968,226</u>	<u>\$ 955,891</u>

The premium on the 2007 CWRPDA Note is being accreted over the term of the note. Total current year accretion of note premium of \$23,528 is included in the business-type activities wastewater utility function. The bond premium on the Series 2004 Water Enterprise Revenue Bonds was charged to interest expense upon refunding in the business-type activities water utility function.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 - LONG-TERM OBLIGATIONS - continued

GOVERNMENTAL ACTIVITIES – LONG-TERM OBLIGATIONS

Bonds, notes payable and loan obligations of the Town’s governmental activities are comprised of the following:

Notes Payable:

Lease and Purchase Option

Lease and Purchase Option Agreement, payable to Wells Fargo Brokerage Services, LLC, payable in semiannual installments of \$62,500 at 4% for Town Hall improvements and secured by the Town of Eagle Town Hall. Final payment was made November 2013.

Accrued Liabilities:

Accrued liabilities consist of the accrual for compensated absences – vacations earned by the Town’s employees but not taken by December 31, 2013. Total accrued compensated absences as of year-end for governmental activities were \$105,977.

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS

Bonds, notes payable and loan obligations of the Town’s business-type activities are comprised of the following:

Notes Payable:

CWCB Loan

Water storage tank loan, payable to the Colorado Water Conservation Board in annual installments of \$10,815 through 2020 at 3.00%. The total outstanding balance at December 31, 2013 is \$68,060. The loan is carried in the Water Fund. The annual requirements to amortize the installment note payable are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 8,773	\$ 2,042	\$ 10,815
2015	9,037	1,778	10,815
2016	9,307	1,508	10,815
2017	9,587	1,228	10,815
2018	9,874	941	10,815
2019-2020	<u>21,482</u>	<u>984</u>	<u>22,466</u>
	<u>\$ 68,060</u>	<u>\$ 8,481</u>	<u>\$ 76,541</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Notes Payable - continued:

1997 CWRPDA Loan

The Town entered into a water pollution control revolving fund loan agreement with the Colorado Water Resources and Power Development Authority dated May 1, 1997. The loan carries an interest rate of 4.533% and is payable in 20 annual installments on August 1. The loan includes an administrative fee payable semi-annually. The total outstanding balance at December 31, 2013 is \$601,059. The loan is carried in the Wastewater Fund. The annual requirements to amortize the loan and service fee are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 139,532	\$ 21,077	\$ 160,609
2015	144,898	16,218	161,116
2016	150,265	11,173	161,438
2017	<u>166,364</u>	<u>5,871</u>	<u>172,235</u>
	<u>\$ 601,059</u>	<u>\$ 54,339</u>	<u>\$ 655,398</u>

<u>Year Ended December 31,</u>	<u>Service Fee</u>
2014	\$ 18,762
2015	18,762
2016	16,416
2017	<u>7,036</u>
	<u>\$ 60,979</u>

In 2005, the CRWPDA administered a partial refunding of their bonds and is passing through the anticipated savings to the Town on an annual basis, resulting in a total anticipated savings over the term of the loan of \$64,316 to be recognized in the Wastewater Fund as received. The town recognized savings of \$5,403 in 2013, which was recognized as an adjustment to interest expense. The remaining anticipated savings over the term of the loan is as follows:

<u>Year Ended December 31,</u>	<u>Anticipated Savings</u>
2014	\$ 4,577
2015	3,678
2016	4,423
2017	<u>2,245</u>
	<u>\$ 14,923</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Notes Payable - continued:

2007 CWRPDA Loan

The Town entered into a water pollution control revolving fund loan agreement with the Colorado Water Resources and Power Development Authority dated May 31, 2007. The loan is a 21-year leveraged loan that carries an interest rate of 3.5% and is payable in 43 semi-annual installments on February 1 and August 1. The loan includes an administrative fee payable semi-annually. The loan is for expansion of the extended aeration activated sludge plant conversion to a conventional activated sludge process. Under this loan the town is the subrecipient of Federal assistance from the Environmental Protection Agency Office of Water. In accordance with the Federal Program requirements, the funds are not considered a federal grant, but as a loan under the State Revolving Loan Program. The borrowing consisted of two components; \$10,630,000 allocated to Principal of Authority Bonds and \$875,912 allocated to the Project Loan Subaccount, for a total loan of \$11,505,912. The underlying issues sold at a premium of \$494,088; therefore the total proceeds received by the Town were \$12,000,000. The total outstanding balance at December 31, 2013 is \$10,190,796. The loan is carried in the Wastewater Fund. The annual requirements to amortize the loan and service fee are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 530,376	\$ 299,174	\$ 829,550
2015	541,200	282,971	824,171
2016	562,848	266,438	829,286
2017	579,084	249,243	828,327
2018	595,320	231,552	826,872
2019-2023	3,322,968	872,891	4,195,859
2024-2028	<u>4,059,000</u>	<u>329,208</u>	<u>4,388,208</u>
	<u>\$10,190,796</u>	<u>\$ 2,531,477</u>	<u>\$12,722,273</u>

<u>Year Ended</u> <u>December 31,</u>	<u>Service Fee</u>
2014	\$ 92,047
2015	92,047
2016	92,047
2017	92,047
2018	92,047
2019-2023	460,237
2024-2028	<u>356,684</u>
	<u>\$ 1,277,156</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Notes Payable - continued:

2011 CWRPDA Loan

The Town entered into a water pollution control revolving fund loan agreement with the Colorado Water Resources and Power Development Authority dated January 21, 2011, for rehabilitation of the downtown wastewater collection system. . The loan is a 20-year loan that carries an interest rate of 2.0% and is payable in 40 semi-annual installments (beginning May 1, 2012) on May 1 and November 1. Loan interest repayments include an administrative fee. Under this loan the town is the sub-recipient of Federal assistance from the Environmental Protection Agency. The Authority has created in the Water Pollution Control Revolving Fund a Project Loan Account for this project into which the Authority shall deposit Re-loan Funds to be used to pay the cost of the project, which project loan account shall be disbursed to the Town upon receipt of a requisition executed by an authorized officer and approved by the Authority and the State Department of Public Health and Environment. The total outstanding balance at December 31, 2013 is \$1,186,021. The loan is carried in the Wastewater Fund. The annual requirements to amortize the loan and service fee are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 55,341	\$ 3,445	\$ 58,786
2015	56,453	2,833	59,286
2016	57,588	3,198	60,786
2017	58,745	2,541	61,286
2018	59,926	2,360	62,286
2019-2023	318,189	20,739	338,928
2024-2028	351,479	23,950	375,429
2029-2031	228,300	7,822	236,122
	<u>\$ 1,186,021</u>	<u>\$ 66,888</u>	<u>\$ 1,252,909</u>

<u>Year Ended</u> <u>December 31,</u>	<u>Service Fee</u>
2014	\$ 20,000
2015	19,500
2016	18,000
2017	17,500
2018	16,500
2019-2023	55,000
2024-2028	18,500
2029-2031	235
	<u>\$ 165,235</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Bonds Payable:

2004 Series Water Enterprise Revenue Bonds:

Water Enterprise Revenue Bonds were issued in the amount of \$3,750,000 in 2004. The interest rate varies from 1.55% to 3.95%, payable semi-annually on June 1 and December 1, principal payable December 1. The Bond was refinanced by the 2013 Series Water Enterprise Revenue Refunding Bond issue dated July 26, 2013.

2013 Series Water Enterprise Revenue Refunding Bond:

The Water Enterprise Revenue Refunding Bond was issued in the amount of \$2,605,868 in 2013 in order to refund the outstanding 2004 Series Water Enterprise Revenue Bonds in the amount of \$2,555,000 plus bond issue costs of \$34,029 and accrued interest of \$16,839. The refunding did not result in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,555,000. The Town completed the refunding to reduce its total debt service payments through December 1, 2024 by \$192,803 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$182,301. The net effective interest rate is 2.98%, payable semi-annually on June 1 and December 1, principal payable December 1, with final maturity December 1, 2024. The 2013 Bond does not constitute a general obligation of the Town and is a special, limited obligation of the Town, with the principal and interest payable solely from net revenues of the Town's water system. The Series 2013 Bond is subject to mandatory sinking fund redemption from sinking fund installments as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 198,341	\$ 75,624	\$ 273,965
2015	204,252	69,713	273,965
2016	210,339	63,626	273,965
2017	216,607	57,358	273,965
2018	223,062	50,903	273,965
2019-2023	1,219,068	150,757	1,369,825
2024	266,036	7,929	273,965
	<u>\$ 2,537,705</u>	<u>\$ 475,910</u>	<u>\$ 3,013,615</u>

The Series 2013 Bond is subject to optional redemption on December 1, 2013 and any date thereafter, in whole, at redemption prices equal to the following percentages of the principal amount to be redeemed plus accrued interest to the redemption date:

<u>Optional Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2013 to July 31, 2014	103%
August 1, 2014 to July 31, 2015	102%
August 1, 2015 to July 31, 2016	101%
August 1, 2016 and thereafter	100%

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Compensated absences consist of the accrual for vacation and comp time earned by the Town’s employees but not taken by December 31, 2013. Total accrued compensated absences as of year-end for business-type activities were \$31,665.

NOTE 6 - DEFINED CONTRIBUTION PLAN

The Town of Eagle provides a defined contribution pension plan for full time employees. The employees of the Town participate in a retirement program adopted as a prototype money purchase plan. The Town contributes 6% of gross payroll per eligible employee annually to this plan, plus an additional matching contribution of 1% for contributing employees. Total covered payroll for the year subject to participation was \$1,881,833 compared to total payroll of \$2,453,448. The Town’s retirement contribution for the year ended December 31, 2013 was \$131,728. All employees are vested at 20% per year and are 100% vested after 5 years.

NOTE 7 - PROPRIETARY FUND BUDGETS

Budgets for proprietary funds are adopted on a basis that is not consistent with GAAP but, instead, adopts the spending measurement focus of governmental funds. The additional supplemental information following the notes to the financial statements provides detail budgetary comparisons for the proprietary funds. A summary of the adjustments necessary to convert to the budgetary basis from GAAP follows:

	<u>WATER ENTERPRISE FUND</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 2,275,888	\$ 2,234,835	\$ (41,053)
GAAP Non-Operating Revenues	<u>143,615</u>	<u>132,915</u>	<u>(10,700)</u>
Total Budgetary Revenues	<u>2,419,503</u>	<u>2,367,750</u>	<u>(51,753)</u>
<u>Expenses:</u>			
GAAP Operating Expenses	989,757	1,261,340	(271,583)
GAAP Non-Operating Expenses	135,370	182,123	(46,753)
Add: Debt Service Principal, Net	76,681	25,813	50,868
Add: Capital Outlay	1,171,565	510,576	660,989
Change In: Accrued Interest	-	2,883	(2,883)
Change In: Vacation/Comp Time	-	(7,289)	7,289
Less: Depreciation & Amortization	<u>-</u>	<u>(278,131)</u>	<u>278,131</u>
Total Budgetary Expenditures	<u>2,373,373</u>	<u>1,697,315</u>	<u>676,058</u>
Net Income (Loss)-Budgetary	<u>\$ 46,130</u>	<u>\$ 670,435</u>	<u>\$ 624,305</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 7 - PROPRIETARY FUND BUDGETS - continued

WASTEWATER ENTERPRISE FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 1,640,300	\$ 1,638,795	\$ (1,505)
GAAP Non-Operating Revenues	344,324	349,933	5,609
Add: Release Restricted Funds	174,681	174,646	(35)
Less: Accretion of Bond Premium	-	(23,528)	(23,528)
Total Budgetary Revenues	2,159,305	2,139,846	(19,459)
<u>Expenses:</u>			
GAAP Operating Expenses	625,139	1,391,752	(766,613)
GAAP Non-Operating Expenses	515,872	507,202	8,670
Add: Debt Service Principal	702,555	702,555	-
Add: Capital Outlay	574,681	290,157	284,524
Change In: Accrued Interest	-	8,525	(8,525)
Change In: Vacation/Comp Time	-	(327)	327
Less: Depreciation	-	(724,999)	724,999
Total Budgetary Expenditures	2,418,247	2,174,865	243,382
Net Income (Loss)-Budgetary	\$ (258,942)	\$ (35,019)	\$ 223,923

REFUSE ENTERPRISE FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 513,000	\$ 516,113	\$ 3,113
GAAP Non-Operating Revenues	170	171	1
Total Budgetary Revenues	513,170	516,284	3,114
<u>Expenses:</u>			
GAAP Operating Expenses	509,500	504,647	4,853
GAAP Non-Operating Expenses	20,000	18,000	2,000
Less: Depreciation	-	(1,420)	1,420
Total Budgetary Expenditures	529,500	521,227	8,273
Net Income (Loss)-Budgetary	\$ (16,330)	\$ (4,943)	\$ 11,387

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 8 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self insurance pool created by an intergovernmental agreement of 163 municipalities to provide property, general and automobile liability and public official coverage to its members. CIRSA is governed by a seven member Board elected by and from its members. Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Town continues to carry commercial insurance coverage for 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 fiscal years.

NOTE 9 - CONTINGENCIES

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. Management and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2013.

NOTE 10 - POST-EMPLOYMENT HEALTHCARE COVERAGE

The Town provides post-employment healthcare coverage as an employee benefit for eligible retirees. To be eligible, retirees must have 1) twenty (20) years of service with the Town of Eagle and be sixty (60) years of age; or 2) thirty (30) years of service with the Town of Eagle and be fifty-five (55) years of age. This benefit ends when the retiree becomes eligible for Medicare. As of December 31, 2013 there are no eligible retirees receiving post-employment healthcare coverage benefits.

NOTE 11 - INTERGOVERNMENTAL AGREEMENTS

Eagle Pool and Ice Rink

The Town of Eagle and the Western Eagle County Metropolitan Recreation District entered into an agreement for ownership and operation of a recreation facility, consisting of a community swimming pool and ice rink. The District and Town each have a one-half interest in all fixtures and associated equipment, furnishings and personal property. The District operates and maintains the Recreation Facilities and the Town retains full fee simple title to the ground upon which the Recreation Facilities are constructed.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 12 - EMPLOYEE HOME OWNERSHIP PROGRAM

In 2008, the Town approved an Employee Home Ownership Program (EHOP) to provide for primary residence down payment loan assistance. Regular full-time permanent employees with at least 18 months of service with the Town may be eligible for up to 20% of the purchase price or \$50,000, whichever is less. The employee must make a minimum contribution towards the purchase price and related settlement charges equal to \$3,000. Interest shall not accrue provided employment has been maintained through the term of the loan. In the event of loss of eligibility or default under terms of the Promissory Note and Deed of Trust, interest shall be applied retroactive to the original note date. As of December 31, 2013, four employees have enrolled in this program of which three have remaining balances. Total notes receivable in the total amount of \$144,850 and available repaid balances of \$22,756 held by the program are recorded in the General Fund.

NOTE 13 - COMPLIANCE

A. Contraband

The Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511) addresses the accounting for proceeds from the seizure of contraband. These funds must be used for the specific purpose of law enforcement activities. While these proceeds are exempt from the appropriation process, they are subject to the Local Government Audit Law (C.R.S. 29-1-601 to 608). For the year ended December 31, 2013 no such proceeds were received by the Town and as such are not included in the Town's audited financial statements.

B. CWRPDA Loan Covenants

According to the loan agreement dated May 1, 1997, the Town of Eagle covenants to:

- 1) Levy ad valorem taxes at a sufficient rate to pay the principal and interest due on the loan, but not to exceed \$271,150.
- 2) Maintain a three month operations and maintenance reserve fund.

According to the loan agreement dated January 1, 2011, the Town of Eagle covenants to:

- 1) Establish and collect such rates, fees, and charges for the use or sale of products and services of the system, together with other moneys available therefore, as expected to produce gross revenue for each calendar year at a sufficient rate for to pay the sum of a) operation and maintenance expenses; b) 110% of debt service due for such calendar year (plus amounts due on any additional liens on the pledged property, if applicable).
- 2) Maintain a three month operations and maintenance reserve fund.
- 3) Comply with the requirements of the Davis Bacon Act, 40 USC Sec. 3140-3148.

As of December 31, 2013, the Town was in compliance with such covenants.

- C. The Town's Conservation Trust Fund expenditures of \$32,417 exceeded budget appropriations of \$31,067 by \$1,350 and the Capital Projects Fund expenditures of \$871,062 exceeded budget appropriations of \$476,920 by \$394,142. This may not be in compliance with Colorado Revised Statutes.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 14 - TAX, SPENDING AND DEBT LIMITATION

TABOR Amendment – Revenue and Spending Limitation Agreement

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all Colorado local governments.

The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic condition, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The required reserve at December 31, 2013 is \$132,250 in the General Fund and \$26,150 in the Capital Projects Fund.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments. In 1994 the Town's electorate voted to allow the Town to collect, retain, and expend revenues notwithstanding any of TABOR'S restrictions. The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification of a fund as an Enterprise Fund) will require judicial interpretation.

NOTE 15 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2013 through the issuance date of this report. There has been no material event noted during this period that would impact the results reflected in this report or the Town's results going forward.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 16 - RESTATEMENT OF FUND BALANCES/NET POSITION

The beginning fund balance of the General Fund has been restated in the amount of \$166,250 for previously unrecorded notes receivable related to the Employee Home Ownership Program (see Note 12) and the beginning fund balance of the Capital Improvements Fund has been restated in the amount of \$39,657 for previously unrecorded community enhancement revenues receivable as follows:

	<u>General Fund</u>	<u>Capital Proj. Fund</u>
Beginning Fund Balance (as previously stated)	\$ 1,166,997	\$ 4,288,760
Restatement of Receivables	<u>166,250</u>	<u>39,657</u>
Beginning Fund Balance (Restated)	<u>\$ 1,333,247</u>	<u>\$ 4,328,417</u>

As a result of the above beginning fund balance restatements, the beginning net position of total governmental activities has been restated in the amount of \$205,907 as follows:

	<u>Governmental Activities</u>
Beginning Net Position (as previously stated)	\$ 35,849,209
Restatement of Receivables	<u>205,907</u>
Beginning Net Position (Restated)	<u>\$ 36,055,116</u>

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL & SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULES

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 3,472,952	\$ 3,552,423	\$ 3,679,427	\$ 127,004
Licenses and Permits	87,300	133,319	145,513	12,194
Intergovernmental	444,700	444,889	448,440	3,551
Charges for Services	254,000	166,700	172,176	5,476
Fines, Forfeits and Penalties	51,000	47,000	49,759	2,759
Information Center Sales	166,600	154,470	160,445	5,975
Interest	4,512	5,293	6,979	1,686
Grants/Contributions	3,000	-	-	-
Miscellaneous	30,100	22,533	35,127	12,594
	<u>4,514,164</u>	<u>4,526,627</u>	<u>4,697,866</u>	<u>171,239</u>
<u>Expenditures:</u>				
General Government	1,356,058	1,355,442	1,347,322	8,120
Public Safety	1,344,953	1,317,605	1,297,277	20,328
Public Works – Streets	1,089,589	1,156,208	1,070,079	86,129
Public Works – Buildings & Grounds	540,068	589,620	516,212	73,408
Information Center	200,728	198,372	192,168	6,204
	<u>4,531,396</u>	<u>4,617,247</u>	<u>4,423,058</u>	<u>194,189</u>
Excess Revenues Over (Under) Expenditures	(17,232)	(90,620)	274,808	365,428
<u>Other Financing Sources and (Uses):</u>				
Transfers (to) Other Funds	<u>(205,000)</u>	<u>(205,000)</u>	<u>(205,000)</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(222,232)	(295,620)	69,808	365,428
Fund Balances – Beginning (Restated)	<u>1,033,881</u>	<u>1,166,996</u>	<u>1,333,247</u>	<u>166,251</u>
Fund Balances – Ending	<u>\$ 811,649</u>	<u>\$ 871,376</u>	<u>\$ 1,403,055</u>	<u>\$ 531,679</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CONSERVATION TRUST FUND
For the Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental	\$ 31,000	\$ 33,500	\$ 34,948	\$ 1,448
Interest	<u>150</u>	<u>133</u>	<u>128</u>	<u>(5)</u>
Total Revenues	<u>31,150</u>	<u>33,633</u>	<u>35,076</u>	<u>1,443</u>
<u>Expenditures:</u>				
General Government	-	31,067	32,417	(1,350)
Contingency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>(106,417)</u>	<u>31,067</u>	<u>32,417</u>	<u>(1,350)</u>
Excess Revenues Over (Under) Expenditures	(75,267)	2,566	2,659	93
<u>Other Financing Sources (Uses):</u>				
Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(75,267)	2,566	2,659	93
Fund Balances – Beginning	<u>75,267</u>	<u>76,293</u>	<u>76,292</u>	<u>(1)</u>
Fund Balances – Ending	<u>\$ -</u>	<u>\$ 78,859</u>	<u>\$ 78,951</u>	<u>\$ 92</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – OPEN SPACE PRESERVATION
For the Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Taxes-Local	\$ 107,000	\$ 100,000	\$ 98,972	\$ (1,028)
Contributions/Miscellaneous	-	2,050	450	(1,600)
Interest	<u>3,000</u>	<u>2,000</u>	<u>1,813</u>	<u>(187)</u>
Total Revenues - Budgetary	<u>110,000</u>	<u>104,050</u>	<u>101,235</u>	<u>(2,815)</u>
<u>Expenditures:</u>				
Open - space Preservation	<u>259,772</u>	<u>191,189</u>	<u>163,465</u>	<u>27,724</u>
Total Expenditures - Budgetary	<u>259,772</u>	<u>191,189</u>	<u>163,465</u>	<u>27,724</u>
Excess Revenues Over (Under) Expenditures	(149,772)	(87,139)	(62,230)	24,909
Fund Balances–Beginning	<u>1,347,851</u>	<u>1,361,303</u>	<u>1,361,302</u>	<u>(1)</u>
Fund Balances–Ending	<u>\$ 1,198,079</u>	<u>\$ 1,274,164</u>	<u>\$ 1,299,072</u>	<u>\$ 24,908</u>

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

OTHER SUPPLEMENTAL INFORMATION

GENERAL FUND

TOWN OF EAGLE, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES & OTHER FINANCING SOURCES:			
TAXES – LOCAL:			
Real Property Taxes	\$ 318,402	\$ 317,484	\$ (918)
Specific Ownership Taxes	19,700	20,207	507
Sales Taxes – General	2,910,000	3,041,308	131,308
Severance Tax Refund	321	321	-
Franchise Taxes	204,000	202,305	(1,695)
Marketing Taxes	100,000	97,802	(2,198)
TOTAL TAXES - LOCAL	<u>3,552,423</u>	<u>3,679,427</u>	<u>127,004</u>
LICENSES & PERMITS:			
Business Licenses	30,379	32,261	1,882
Marketing Fee	7,740	7,800	60
Building Permits	95,000	105,102	10,102
Roadcut Permits	200	350	150
TOTAL LICENSES & PERMITS	<u>133,319</u>	<u>145,513</u>	<u>12,194</u>
INTERGOVERNMENTAL			
Motor Vehicle License Fee	24,800	24,947	147
Highway Users Tax	207,000	207,462	462
Cigarette Tax	11,500	11,227	(273)
Road & Bridge Tax	98,258	103,211	4,953
County Sales Tax	103,000	101,262	(1,738)
Federal Mineral Lease Revenues	331	331	-
TOTAL INTERGOVERNMENTAL	<u>444,889</u>	<u>448,440</u>	<u>3,551</u>
CHARGES FOR SERVICES			
Planning and Zoning Fees & Reimbursements	15,500	18,788	3,288
Facility Usage Fees & Deposits	31,000	32,725	1,725
Inspection and Planning Reimbursements	11,200	11,594	394
Other Reimbursable Income	1,000	1,069	69
Administrative Services – Enterprise Funds	108,000	108,000	-
TOTAL CHARGES FOR SERVICES	<u>166,700</u>	<u>172,176</u>	<u>5,476</u>
FINES, FORFEITS & PENALTIES – TOTAL	<u>47,000</u>	<u>49,759</u>	<u>2,759</u>
INFORMATION CENTER SALES – TOTAL	<u>154,470</u>	<u>160,445</u>	<u>5,975</u>
INTEREST INCOME – TOTAL	<u>5,293</u>	<u>6,979</u>	<u>1,686</u>
MISCELLANEOUS			
Rental Income	11,893	12,592	699
Other	10,640	22,535	11,895
TOTAL MISCELLANEOUS	<u>22,533</u>	<u>35,127</u>	<u>12,594</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 4,526,627</u>	<u>\$ 4,697,866</u>	<u>\$ 171,239</u>

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES & OTHER FINANCING USES:			
GENERAL GOVERNMENT:			
Personnel Services	\$ 879,779	\$ 886,759	\$ (6,980)
Supplies	23,650	17,814	5,836
Purchased Services	323,722	320,183	3,539
Insurance	53,291	52,381	910
Community Requests	60,000	59,290	710
Contingency	15,000	10,895	4,105
TOTAL GENERAL GOVERNMENT	<u>1,355,442</u>	<u>1,347,322</u>	<u>8,120</u>
PUBLIC SAFETY:			
Personnel Services	1,001,565	1,004,030	(2,465)
Supplies	49,129	45,700	3,429
Purchased Services	236,047	227,509	8,538
Insurance	20,038	20,038	-
Capital Outlay	5,826	-	5,826
Contingency	5,000	-	5,000
TOTAL PUBLIC SAFETY	<u>1,317,605</u>	<u>1,297,277</u>	<u>20,328</u>
PUBLIC WORKS – STREETS:			
Personnel Services	647,358	674,832	(24,474)
Supplies	148,000	134,190	13,810
Purchased Services	330,850	241,057	89,793
Insurance	20,000	20,000	-
Contingency	10,000	-	10,000
TOTAL PUBLIC WORKS - STREETS	<u>1,156,208</u>	<u>1,070,079</u>	<u>86,129</u>
PUBLIC WORKS – BUILDINGS & GROUNDS:			
Personnel Services	348,015	300,556	47,459
Supplies	82,205	73,052	9,153
Purchased Services	148,400	131,604	16,796
Insurance	11,000	11,000	-
TOTAL PUBLIC WORKS – BLDGS & GROUNDS	<u>589,620</u>	<u>516,212</u>	<u>73,408</u>
INFORMATION CENTER:			
Personnel Services	61,078	62,366	(1,288)
Supplies	525	953	(428)
Purchased Services	9,323	8,214	1,109
Capital Outlay	5,676	5,676	-
Goods for Resale/Consignment and Sales Tax	120,770	114,959	5,811
Contingency	1,000	-	1,000
TOTAL INFORMATION CENTER	<u>198,372</u>	<u>192,168</u>	<u>6,204</u>
OTHER FINANCING USES:			
Operating Transfers Out – TOTAL	<u>205,000</u>	<u>205,000</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,822,247</u>	<u>\$ 4,628,058</u>	<u>\$ 194,189</u>

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

OTHER SUPPLEMENTAL INFORMATION

DEBT SERVICE FUND

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Interest	\$ 715	\$ 703	\$ (12)
Total Revenues	<u>715</u>	<u>703</u>	<u>(12)</u>
<u>Expenditures:</u>			
Town Hall Payment	125,000	125,000	-
Contingency Reserve	<u>152,405</u>	<u>-</u>	<u>152,405</u>
Total Expenditures	<u>277,405</u>	<u>125,000</u>	<u>152,405</u>
Excess Revenues Over (Under) Expenditures	<u>(276,690)</u>	<u>(124,297)</u>	<u>152,393</u>
<u>Other Financing Sources and (Uses):</u>			
Transfer from General Fund	125,000	125,000	-
Transfer (to) Capital Projects Fund	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(401,690)	(249,297)	152,393
Fund Balances – Beginning	<u>811,367</u>	<u>671,993</u>	<u>(139,374)</u>
Fund Balances – Ending	<u>\$ 409,677</u>	<u>\$ 422,696</u>	<u>\$ 13,019</u>

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

OTHER SUPPLEMENTAL INFORMATION

CAPITAL PROJECTS FUND

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Use Tax	\$ 122,000	\$ 125,332	\$ 3,332
Community Enhancement Tax	40,000	41,023	1,023
Interest and Miscellaneous	4,975	4,979	4
Total Revenues	<u>166,975</u>	<u>171,334</u>	<u>4,359</u>
<u>Expenditures:</u>			
General Government:			
Pool & Ice Rink Maintenance Fund	-	60,000	(60,000)
Public Works – Streets:			
Transportation/ROW Improvements	459,000	803,562	(344,562)
Building and Grounds:			
Airport Kiosk Contribution	12,920	7,500	5,420
Contingency	5,000	-	5,000
Total Expenditures	<u>476,920</u>	<u>871,062</u>	<u>(394,142)</u>
Excess Revenues Over (Under) Expenditures	<u>(309,945)</u>	<u>(699,728)</u>	<u>(389,783)</u>
<u>Other Financing Sources and (Uses):</u>			
Transfer from General Fund	80,000	80,000	-
Transfer from Debt Service Fund	250,000	250,000	-
Total Other Financing Sources	<u>330,000</u>	<u>330,000</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	20,055	(369,728)	(389,783)
Fund Balances – Beginning (Restated)	<u>4,288,759</u>	<u>4,328,417</u>	<u>39,658</u>
Fund Balances – Ending	<u>\$ 4,308,814</u>	<u>\$ 3,958,689</u>	<u>\$ (350,125)</u>

OTHER SUPPLEMENTAL INFORMATION

NON-MAJOR SPECIAL REVENUE FUNDS

TOWN OF EAGLE, COLORADO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2013

	Special Revenue Funds		
	Conservation Trust Fund	Open Space Preservation Fund	Total
<u>Assets:</u>			
Current Assets:			
Cash and Investments	\$ 84,301	\$ 1,293,098	\$ 1,377,399
Accounts Receivable	-	13,484	13,484
 Total Assets	 \$ 84,301	 \$ 1,306,582	 \$ 1,390,883
<u>Liabilities and Fund Equity</u>			
Current Liabilities:			
Accounts Payable	\$ 5,350	\$ 6,428	\$ 11,778
Accrued Payroll	-	1,082	1,082
 Total Liabilities	 5,350	 7,510	 12,860
Fund Equity:			
Fund Balances – Committed	-	1,299,072	1,299,072
Fund Balances – Restricted	78,951	-	78,951
 Total Liabilities and Fund Equity	 \$ 84,301	 \$ 1,306,582	 \$ 1,390,883

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

TOWN OF EAGLE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2013

	Special Revenue Funds		
	Conservation Trust Fund	Open Space Preservation Fund	Total
<u>Revenues:</u>			
Taxes - Local	\$ -	\$ 98,972	\$ 98,972
Intergovernmental	34,948	-	34,948
Contributions	-	450	450
Interest	128	1,813	1,941
	<u>35,076</u>	<u>101,235</u>	<u>136,311</u>
<u>Expenditures:</u>			
General Government	32,417	-	32,417
Open-space Preservation	-	163,465	163,465
	<u>32,417</u>	<u>163,465</u>	<u>195,882</u>
Excess Revenues Over (Under) Expenditures	2,659	(62,230)	(59,571)
<u>Other Financing Sources and (Uses):</u>			
Transfers (to) Other Funds	-	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	2,659	(62,230)	(59,571)
Fund Balances – Beginning	<u>76,292</u>	<u>1,361,302</u>	<u>1,437,594</u>
Fund Balances – Ending	<u>\$ 78,951</u>	<u>\$ 1,299,072</u>	<u>\$ 1,378,023</u>

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

OTHER SUPPLEMENTAL INFORMATION

PROPRIETARY (ENTERPRISE) FUNDS

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET AND ACTUAL – WATER ENTERPRISE FUND
For the Year Ended December 31, 2013

	Water Enterprise Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>			
GAAP Operating Revenues:			
Service Fees	\$ 2,203,888	\$ 2,171,335	\$ (32,553)
Meters and Materials	72,000	63,500	(8,500)
GAAP Non-Operating Revenues:			
Tap and Improvement Fees	138,500	127,850	(10,650)
Interest & Earnings on Investments	5,115	5,065	(50)
Total Budgetary Revenues	<u>2,419,503</u>	<u>2,367,750</u>	<u>(51,753)</u>
<u>Budgetary Expenditures:</u>			
GAAP Operating Expenses:			
Personnel Services	456,991	512,094	(55,103)
Supplies	128,750	118,953	9,797
Purchased Services	333,166	306,312	26,854
Insurance	35,415	35,415	-
Noncapitalized Outlay/Repairs	10,435	10,435	-
Depreciation	-	278,131	(278,131)
Contingency	25,000	-	25,000
GAAP Non-Operating Expenses:			
Interest and Fiscal Charges	85,370	132,123	(46,753)
Administrative Fee – General Fund	50,000	50,000	-
Debt Service Principal, Net of Refunding	76,681	25,813	50,868
Capital Outlay	1,171,565	510,576	660,989
Change in Accrued Interest Adjustment	-	2,883	(2,883)
Change in Vacation/Comp Time Accrual	-	(7,289)	7,289
Less: Depreciation	-	(278,131)	278,131
Total Budgetary Expenditures	<u>2,373,373</u>	<u>1,697,315</u>	<u>676,058</u>
 Budgetary Net Income (Loss)	 <u>\$ 46,130</u>	 <u>\$ 670,435</u>	 <u>\$ 624,305</u>

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET AND ACTUAL –WASTEWATER ENTERPRISE FUND
For the Year Ended December 31, 2013

	Wastewater Enterprise Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>			
GAAP Operating Revenues:			
Service Fees	\$ 1,637,000	\$ 1,635,527	\$ (1,473)
Meters and Materials	3,300	3,268	(32)
GAAP Non-Operating Revenues:			
Tap and Improvement Fees	170,000	153,500	(16,500)
Property Taxes	173,274	171,858	(1,416)
Interest & Earnings on Investments	1,050	1,047	(3)
Accretion of Bond Premium	-	23,528	23,528
Add: Release of Restricted Funds	174,681	174,646	(35)
Less: Accretion of Bond Premium	-	(23,528)	(23,528)
	<u>2,159,305</u>	<u>2,139,846</u>	<u>(19,459)</u>
 <u>Budgetary Expenditures:</u>			
GAAP Operating Expenses:			
Personnel Services	204,289	248,129	(43,840)
Supplies	82,500	82,661	(161)
Purchased Services	310,350	308,209	2,141
Insurance	28,000	27,754	246
Depreciation	-	724,999	(724,999)
GAAP Non-Operating Expenses:			
Interest and Fiscal Charges	475,872	467,202	8,670
Administrative Fee – General Fund	40,000	40,000	-
Debt Service Principal	702,555	702,555	-
Capital Outlay	574,681	290,157	284,524
Change in Accrued Interest	-	8,525	(8,525)
Change in Vacation/Comp Time	-	(327)	327
Less: Depreciation	-	(724,999)	724,999
	<u>2,418,247</u>	<u>2,174,865</u>	<u>243,382</u>
 Budgetary Net Income (Loss)	 <u>\$ (258,942)</u>	 <u>\$ (35,019)</u>	 <u>\$ 223,923</u>

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET AND ACTUAL – REFUSE ENTERPRISE FUND
For the Year Ended December 31, 2013

	Refuse Enterprise Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>			
GAAP Operating Revenues:			
Service Fees	\$ 513,000	\$ 516,113	\$ 3,113
GAAP Non-Operating Revenues:			
Interest & Earnings on Investments	170	171	1
Total Budgetary Revenues	513,170	516,284	3,114
<u>Budgetary Expenditures:</u>			
GAAP Operating Expenses:			
Supplies	5,000	4,709	291
Purchased Services	504,500	498,518	5,982
Depreciation	-	1,420	(1,420)
GAAP Non-Operating Expenses:			
Administrative Fee – General Fund	20,000	18,000	2,000
Less: Depreciation	-	(1,420)	1,420
Total Budgetary Expenditures	529,500	521,227	8,273
Budgetary Net Income (Loss)	\$ (16,330)	\$ (4,943)	\$ 11,387

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

ANNUAL STATEMENT OF RECEIPTS AND
EXPENDITURES FOR ROADS, BRIDGES AND STREETS

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Eagle, Colorado
	YEAR ENDING : December 2013

This Information From The Records Of Town of Eagle, Colorado	Prepared By: Phone:	Jill E. Ewing 970-328-6354
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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)	1,086,496
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	497,900
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	7,000
2. General fund appropriations	0	b. Snow and ice removal	170,000
3. Other local imposts (from page 2)	1,638,988	c. Other	25,000
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	202,000
5. Transfers from toll facilities	0	4. General administration & miscellaneous	65,000
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	20,000
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,871,396
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	1,638,988	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	232,408	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	1,871,396	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	1,871,396

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,871,396	1,871,396	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING:
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	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes & Use Tax	1,618,781	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	20,207	g. Other Misc. Receipts	0
6. Total (1. through 5.)	1,638,988	h. Other Road & Bridge Tax	0
c. Total (a. + b.)	1,638,988	i. Total (a. through h.)	0
	(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	207,461	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	24,947	d. Federal Transit Admin	0
d. Other (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	24,947	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	232,408	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	585,154	0	585,154
b. Engineering Costs	165,000	0	165,000
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	202,000	0	202,000
(3). System Preservation	134,342	0	134,342
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	336,342	0	336,342
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	1,086,496	0	1,086,496
			(Carry forward to page 1)

Notes and Comments: