

TOWN OF EAGLE, COLORADO

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2014

TOWN OF EAGLE, COLORADO
FOR THE YEAR ENDED
December 31, 2014

TOWN BOARD OF TRUSTEES

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- Anne McKibbin – Mayor Pro-Tem
- Kevin Brubeck, Trustee
- Sarah Baker, Trustee
- Luis Benitez, Trustee
- Doug Seabury, Trustee
- Andy Jessen, Trustee

ADMINISTRATIVE STAFF

- Jon Stavney – Town Manager/Treasurer
- Jenny Ellringer – Town Clerk
- Jill Ewing – Finance Director

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**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, 2014, 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, 2014 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.

A handwritten signature in black ink that reads "Hays, Maggard & Hood, P.C." in a cursive style.

HAYS, MAGGARD & HOOD, P.C.

Glenwood Springs, Colorado

July 10, 2015

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, 2014

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, 2014 are as follows:

- In total, the Town's *overall* net position increased \$396,130 (or 0.06%) from the previous fiscal year.
- The Town's *overall* General Revenues accounted for \$4,216,253 (or 41%) 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 \$6,171,773 (59%) of the Town's total revenues of \$10,388,026.
- *Overall* the Town had \$9,991,896 in expenses, of which \$5,414,509 were offset by program specific charges for services, as well as grants and contributions of \$757,264.

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, 2014

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, 2014

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, 2014

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:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
ASSETS:						
Current Assets	\$ 7,012	\$ 7,482	\$ 10,788	\$ 10,032	\$ 17,800	\$ 17,514
Noncurrent Assets (EHOP)	168	168	-	-	168	168
Capital Assets, Net	29,605	27,913	40,056	40,301	69,661	68,214
Total Assets	36,785	35,563	50,844	50,333	87,629	85,896
LIABILITIES:						
Current & Other Liabilities	2,525	237	1,699	1,670	4,224	1,907
Long-term Liabilities	102	106	13,037	14,012	13,139	14,118
Total Liabilities	2,627	343	14,736	15,682	17,363	16,025
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue						
from Property Taxes	248	250	176	175	424	425
Total Deferred Inflows	248	250	176	175	424	425
NET POSITION :						
Non-Spendable	168	168	-	-	168	168
Invested in Capital Assets, Net of Related Debt	29,605	27,913	26,075	25,365	55,680	53,278
Restricted	329	479	162	170	491	649
Unrestricted	3,808	6,410	9,695	8,941	13,503	15,351
Total Net Position	\$ 33,910	\$ 34,970	\$ 35,932	\$ 34,476	\$ 69,842	\$ 69,446

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 \$69,841,718 at December 31, 2014. Current liabilities have increased over the prior year primarily from amounts due on the Town's 1-70 interchange project.

By far the largest portion of the Town's Net Position (80%) reflects its net investment of \$56 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, \$491 thousand (0.7%), 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, 2014

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:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services/Sales	\$ 661	\$ 540	\$ 4,754	\$ 4,390	\$ 5,415	\$ 4,930
Operating Grants & Contrib.	352	371	-	-	352	371
Capital Grants & Contrib.	-	-	405	281	405	281
Total Program Revenues	1,013	911	5,159	4,671	6,172	5,582
General Revenues:						
Taxes	3,972	3,945	174	172	4,146	4,117
Intergovernmental Revenue	108	113	-	-	108	113
Interest/Investment Earnings	13	14	4	6	17	20
Other General Revenues	(28)	23	(27)	24	(55)	47
Total General Revenues	4,065	4,095	151	202	4,216	4,297
Total Revenues	5,078	5,006	5,310	4,873	10,388	9,879
<u>PROGRAM EXPENSES:</u>						
General Government	1,456	1,617	-	-	1,456	1,617
Public Safety	1,299	1,305	-	-	1,299	1,305
Public Works - Streets	1,248	1,151	-	-	1,248	1,151
Public Works - Bldg/Grounds	519	513	-	-	519	513
Information Center	181	187	-	-	181	187
Marketing	126	-	-	-	126	-
Open Space Preservation	73	77	-	-	73	77
Interest - Gen'l. Obligations	-	3	-	-	-	3
Depreciation - Unallocated	1,237	1,238	-	-	1,237	1,238
Water Utility	-	-	1,360	1,443	1,360	1,443
Wastewater Utility	-	-	1,912	1,899	1,912	1,899
Refuse Utility	-	-	581	523	581	523
Total Expenses	6,139	6,091	3,853	3,865	9,992	9,956
INCREASE (DECREASE)						
IN NET POSITION	\$ (1,061)	\$ (1,085)	\$ 1,457	\$ 1,008	\$ 396	\$ (77)

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2014

THE TOWN AS A WHOLE – CONTINUED

Governmental Activities

Revenues

Revenues approximated those of the prior year with the exception of additional building permit revenues and a new marijuana tax in governmental activities, and additional capital grants via tap and improvement fees in business-type activities.

Expenses

Program expenses for governmental activities increased \$48 thousand (or 0.8%) from the prior fiscal year, primarily due to increases in expenses for noncapital street resurfacing and maintenance.

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>	
	2014	2013	2014	2013
General Government	\$ 1,456	\$ 1,617	\$ 1,015	\$ 1,284
Public Safety	1,299	1,305	1,245	1,255
Public Works - Streets	1,248	1,151	928	816
Public Works - Bldgs/Grounds	519	513	486	481
Information Center	181	187	16	26
Marketing	126	-	126	-
Open Space Preservation	73	77	73	77
Interest - General Obligation Debt	-	3	-	3
Unallocated Depreciation	<u>1,237</u>	<u>1,238</u>	<u>1,237</u>	<u>1,238</u>
Total Expenses	<u>\$ 6,139</u>	<u>\$ 6,091</u>	<u>\$ 5,126</u>	<u>\$ 5,180</u>

The dependence on general revenues for governmental activities is apparent. Approximately 84% of fiscal 2014 program services were supported through taxes and other general revenues and 85% in 2013. 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 2014</u>	<u>Fiscal Year 2013</u>
Program Revenues	\$ 5,159	\$ 4,671
Taxes and Other General Revenues	<u>151</u>	<u>202</u>
Total Revenues	5,310	4,873
Expenses	<u>3,853</u>	<u>3,865</u>
Net Income (Loss)	<u>\$ 1,457</u>	<u>\$ 1,008</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2014

THE TOWN AS A WHOLE – CONTINUED

Business-Type Activities, continued

Revenues

Charges for services for business-type activities increased \$364 thousand while Capital Grants (primarily Tap fees) increased \$124 thousand. General revenues include taxes levied to service the wastewater fund debt for the Town's new wastewater treatment plant.

Expenses

Enterprise operating expenditures decreased approximately \$12 thousand (0.3%), from the previous fiscal year, primarily from decreases in personnel 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 \$5,123,224 and expenditures and other financing uses of \$7,879,767.

Governmental fund revenues increased approximately \$117 thousand from the prior fiscal year, primarily due to increased building permits and a new marijuana tax.

Expenditures increased approximately \$2,265 thousand from the prior fiscal year, which includes increases in capital expenditures for transportation projects.

Overall governmental fund balances decreased \$2,757 thousand from the prior fiscal year. The ending fund balance of \$4,405,920 represents the amount available for future spending, which is represented as follows:

General Fund	\$ 1,734,266
Debt Service	-
Capital Projects Fund	1,367,100
Special Revenue Funds	<u>1,304,554</u>
 Total Governmental Fund Balances	 <u>\$ 4,405,920</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2014

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 \$24,884,233 to \$26,111,531.
- The Wastewater Enterprise Fund ending net position increased from \$9,318,075 to \$9,614,421.
- The Refuse Enterprise Fund ending net position decreased from \$273,378 to \$206,430.

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 I(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	\$ 4,590,065	\$ 4,794,589	\$ 204,524
Debt Service Fund	304,464	423,222	118,758
Capital Projects Fund	4,649,565	3,305,182	(1,344,383)
Conservation Trust Fund	73,000	13,000	(60,000)
Open Space Preservation Fund	300,980	223,605	(77,375)
Water Fund	3,968,712	2,805,821	(1,162,891)
Wastewater Fund	2,319,000	2,490,524	171,524
Refuse Fund	597,000	578,543	(18,457)

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, 2014

GENERAL FUND BUDGETING HIGHLIGHTS - CONTINUED

General Fund Resources (Inflows)

The Town's final budgetary revenues and other financing sources in the amount of \$4,780,727 exceeded budgetary expectations of \$4,690,563 by \$90,164. 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 \$4,449,516 were \$345,073 less than the final appropriated fund balance of \$4,794,589. Positive variances were found throughout the majority of the Town's functional expenditure categories. Savings primarily occurred from unused personnel and streets/building maintenance appropriations. Contingency expenditures for streets consisted of unbudgeted hauling costs. 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 2014, the Town had a total of \$69,661,314 invested in capital assets, consisting of \$29,605,153 in governmental activities and \$40,056,161 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			
	2014	2013	2014	2013	2014	2013
<i>Net of Depreciation:</i>						
Land/Easements	\$ 3,261	\$ 3,261	\$ 171	\$ 171	\$ 3,432	\$ 3,432
Water Rights	-	-	9,144	9,143	9,144	9,143
Parks/Improvements	2,590	2,607	-	-	2,590	2,607
Buildings/Improvements	3,067	3,043	43	43	3,110	3,086
Rec Center/Pool/Ice Rink	3,989	4,094	-	-	3,989	4,094
Equipment	550	525	124	118	674	643
Infrastructure	11,624	12,824	28,160	27,594	39,784	40,418
Construction-in-Progress	4,524	1,559	2,414	3,233	6,938	4,792
	<u>\$ 29,605</u>	<u>\$ 27,913</u>	<u>\$ 40,056</u>	<u>\$ 40,302</u>	<u>\$ 69,661</u>	<u>\$ 68,215</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, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION - CONTINUED

Debt

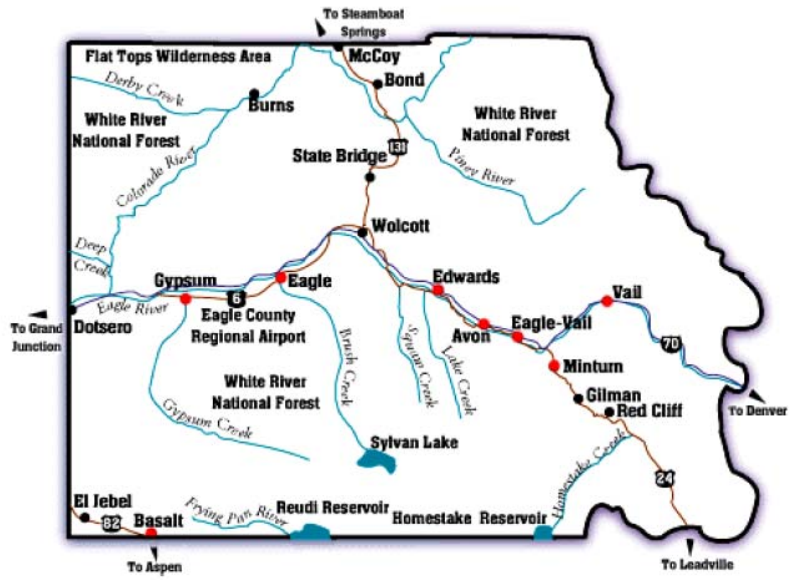
At December 31, 2014 the Town had total outstanding long-term debt of \$14,117,438. Of this amount, governmental activities carry compensated absences of \$101,737. Business-type activities carry \$11,641,406 of notes payable, \$2,339,264 of bonds payable and compensated absences of \$35,031. See *Note 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

The Town has a recent history of tight budgeting to achieve major projects. Some of the budget items that have been deferred include merit wage adjustments, planned vehicle and equipment replacement, investment in information technology infrastructure, and other major capital projects and facility improvements. Because of major capital projects, a number of funds have incurred deficit spending in recent years. This is not problematic for the enterprise funds and the open space fund which have accumulated fund balances for many years to be able to do so as major projects arise. In the Capital Improvements Fund, expenditures for the Eby Creek Road/1-70 interchange project and recent funding of deferred maintenance costs has put the fund at a historic low. In order to mitigate the impact of these decreases, during 2014 the Town transferred remaining fund balance reserves that were being held in the Debt Service Fund to the Capital Improvements Fund, since the general obligation debt that was being serviced by the Debt Service Fund was paid off in December of 2013. There are currently 5-year plans for capital improvements and open space, and the staff is intending to have similarly developed 10-year plans for streets, wastewater and facilities for the 2016 budget period. These 10-year plans should assist the board to identify upcoming needs and items that cannot be deferred indefinitely. Planned construction of the Lower Basin Water Treatment Plant has been postponed until the 2016 budget period.

The Town levied property tax in 2014 to be collected in 2015 in the amount of \$248,379 for the General Fund and \$176,187 for debt service in the Wastewater Fund. The 2015 budget projects a 2% increase in sales tax revenues over 2014 in anticipation of revenues rebounding following the completion of the Eby Creek Road/1-70 interchange project, and the addition of some retail sales businesses. Other revenues associated with growth are again not expected to make up as significant portion of the general budget as they did in peak years, although there have been modest increases during 2014.

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GOVERNMENT - WIDE FINANCIAL STATEMENTS

TOWN EAGLE, COLORADO
STATEMENT OF NET POSITION
December 31, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 6,354,632	\$ 10,175,685	\$ 16,530,317
Restricted Cash and Investments	210	-	210
Receivables – Net			
Due from County Treasurer	9,244	-	9,244
Taxes and Other Receivables	477,184	-	477,184
Property Taxes	248,379	176,187	424,566
Accounts	-	358,034	358,034
Prepaid Expenses	409	-	409
Internal Balances	(78,110)	78,110	-
Total Current Assets	<u>7,011,948</u>	<u>10,788,016</u>	<u>17,799,964</u>
Noncurrent Assets:			
Funds Held by Fiscal Agent (EHOP)	72,756	-	72,756
Notes Receivable (EHOP)	94,850	-	94,850
Non-Depreciable Capital Assets	7,784,149	11,728,851	19,513,000
Depreciable Capital Assets, Net	<u>21,821,004</u>	<u>28,327,310</u>	<u>50,148,314</u>
Total Noncurrent Assets	<u>29,772,759</u>	<u>40,056,161</u>	<u>69,828,920</u>
TOTAL ASSETS	<u>36,784,707</u>	<u>50,844,177</u>	<u>87,628,884</u>
LIABILITIES			
Accounts Payable	2,361,954	370,650	2,732,604
Accrued Liabilities	139,176	157,291	296,467
Unearned Revenues	447	191,966	192,413
Deposits	23,678	-	23,678
Long-term Debt:			
Portion Due or Payable within One Year:			
Loans Payable, Net of Premium	-	775,216	775,216
Bonds Payable	-	204,152	204,152
Portion Due or Payable After One Year:			
Compensated Absences	101,737	35,031	136,768
Loans Payable, Net of Premium	-	10,866,190	10,866,190
Bonds Payable	<u>-</u>	<u>2,135,112</u>	<u>2,135,112</u>
TOTAL LIABILITIES	<u>2,626,992</u>	<u>14,735,608</u>	<u>17,362,600</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue –			
From Property Taxes	<u>248,379</u>	<u>176,187</u>	<u>424,566</u>
Total Deferred Inflows of Resources	<u>248,379</u>	<u>176,187</u>	<u>424,566</u>
Net Position:			
Invested in Capital Assets, Net of Related Debt	29,605,153	26,075,491	55,680,644
Restricted	328,892	162,000	490,892
Unrestricted (Deficit)	<u>3,975,291</u>	<u>9,694,891</u>	<u>13,670,182</u>
TOTAL NET POSITION	<u>\$ 33,909,336</u>	<u>\$ 35,932,382</u>	<u>\$ 69,841,718</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, 2014

	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	\$ 1,456,407	\$ 410,365	\$ 31,295	\$ -
Public Safety	1,299,057	53,388	-	-
Public Works – Streets	1,248,378	-	320,569	-
Public Works – Buildings/Grounds	518,492	32,318	-	-
Information Center	180,671	164,950	-	-
Marketing	125,694	-	-	-
Open Space Preservation	73,349	-	-	-
Interest on General Long-term Debt	-	-	-	-
Depreciation – Unallocated (<i>See Note 1(G)</i>)	1,236,730	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	6,138,778	661,021	351,864	-
BUSINESS-TYPE ACTIVITIES:				
Water Utility	1,360,507	2,401,452	-	182,400
Wastewater Utility	1,912,089	1,787,492	-	223,000
Refuse Utility	580,522	564,544	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	3,853,118	4,753,488	-	405,400
TOTAL PRIMARY GOVERNMENT	\$ 9,991,896	\$ 5,414,509	\$ 351,864	\$ 405,400

GENERAL REVENUES:

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
- Marijuana 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
- Loss on Fixed Asset Dispositions
- Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR

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
\$ (1,014,747)		\$ (1,014,747)
(1,245,669)		(1,245,669)
(927,809)		(927,809)
(486,174)		(486,174)
(15,721)		(15,721)
(125,694)		(125,694)
(73,349)		(73,349)
-		-
(1,236,730)		(1,236,730)
(5,125,893)		(5,125,893)
	\$ 1,223,345	1,223,345
	98,403	98,403
	(15,978)	(15,978)
	1,305,770	1,305,770
(5,125,893)	1,305,770	(3,820,123)
247,552	-	247,552
-	173,997	173,997
21,612	-	21,612
3,013,020	-	3,013,020
42,078	-	42,078
112,474	-	112,474
217,245	-	217,245
112,474	-	112,474
50,000	-	50,000
154,806	-	154,806
794	-	794
11,145	-	11,145
96,133	-	96,133
712	-	712
12,770	4,589	17,359
(45,012)	(51,188)	(96,200)
17,524	23,528	41,052
4,065,327	150,926	4,216,253
(1,060,566)	1,456,696	396,130
34,969,902	34,475,686	69,445,588
\$ 33,909,336	\$ 35,932,382	\$ 69,841,718

FUND FINANCIAL STATEMENTS

TOWN OF EAGLE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	General Fund	Debt Service	Capital Projects	Non-Major Special Revenue Funds
<u>ASSETS:</u>				
Cash and Investments	\$ 1,458,833	\$ -	\$ 3,606,135	\$ 1,289,664
Restricted Cash and Investments	-	-	210	-
Receivables – Net:				
Due from County Treasurer	9,244	-	-	-
Taxes and Other Receivables	410,568	-	42,077	24,539
Property Taxes	248,379	-	-	-
Prepaid Expenses	409	-	-	-
Internal Balances	(78,110)	-	-	-
Funds Held by Fiscal Agent (EHOP)	72,756	-	-	-
Notes Receivable (EHOP)	94,850	-	-	-
	<u>\$ 2,216,929</u>	<u>\$ -</u>	<u>\$ 3,648,422</u>	<u>\$ 1,314,203</u>
<u>LIABILITIES, DEFERRED INFLOWS</u>				
<u>OF RESOURCES AND FUND BALANCES:</u>				
Liabilities:				
Accounts Payable	\$ 71,675	\$ -	\$ 2,281,322	\$ 8,957
Accrued Liabilities	138,484	-	-	692
Unearned Revenues	447	-	-	-
Deposits	23,678	-	-	-
	<u>234,284</u>	<u>-</u>	<u>2,281,322</u>	<u>9,649</u>
Deferred Inflows of Resources:				
Unavailable Revenues -				
From Property Taxes	248,379	-	-	-
	<u>248,379</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Non-Spendable	168,015	-	-	-
Restricted for –				
Community Enhancement	-	-	210	-
Conservation Trust	-	-	-	100,182
Emergency Reserves	132,000	-	96,500	-
Committed for –				
Open-space Preservation	-	-	-	1,204,372
Assigned for –				
Capital Projects	-	-	1,270,390	-
Unassigned	1,434,251	-	-	-
	<u>1,734,266</u>	<u>-</u>	<u>1,367,100</u>	<u>1,304,554</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,216,929</u>	<u>\$ -</u>	<u>\$ 3,648,422</u>	<u>\$ 1,314,203</u>

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

Total
Governmental
Funds

\$ 6,354,632
210

9,244

477,184

248,379

409

(78,110)

72,756

94,850

\$ 7,179,554

\$ 2,361,954
139,176

447

23,678

2,525,255

248,379

248,379

168,015

210

100,182

228,500

1,204,372

1,270,390

1,434,251

4,405,920

\$ 7,179,554

TOWN OF EAGLE, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2014

TOTAL GOVERNMENTAL FUND BALANCES		\$ 4,405,920
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	\$ 48,715,697	
Less Accumulated Depreciation	<u>(19,110,544)</u>	29,605,153
Long-term liabilities are not due and payable in the current year-end and therefore, are not reported in the governmental funds.		
		<u>(101,737)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 33,909,336</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, 2014

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Special Revenue Funds</u>
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 3,662,697	\$ -	\$ 196,883	\$ 112,474
Licenses and Permits	215,855	-	-	-
Intergovernmental	428,559	-	-	31,295
Charges for Services	216,010	-	-	-
Fines, Forfeits and Penalties	53,388	-	-	-
Information Center Sales	164,950	-	-	-
Interest	5,926	526	4,546	1,773
Grants/Contributions	2,847	-	-	-
Miscellaneous	25,495	-	-	-
	<u>4,775,727</u>	<u>526</u>	<u>201,429</u>	<u>145,542</u>
<u>Expenditures:</u>				
General Government	1,185,194	-	-	10,172
Public Safety	1,298,088	-	-	-
Public Works – Streets	1,164,799	-	-	-
Public Works – Bldg & Grounds	496,205	-	-	-
Information Center	179,536	-	-	-
Marketing	125,694	-	-	-
Open-Space Preservation	-	-	-	208,839
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Projects	-	-	3,211,240	-
	<u>4,449,516</u>	<u>-</u>	<u>3,211,240</u>	<u>219,011</u>
Excess Revenues Over (Under) Expenditures	326,211	526	(3,009,811)	(73,469)
<u>Other Financing Sources and (Uses):</u>				
Transfers (to) from Other Funds	5,000	(423,222)	418,222	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	331,211	(422,696)	(2,591,589)	(73,469)
Fund Balances – Beginning	<u>1,403,055</u>	<u>422,696</u>	<u>3,958,689</u>	<u>1,378,023</u>
Fund Balances – Ending	<u>\$ 1,734,266</u>	<u>\$ -</u>	<u>\$ 1,367,100</u>	<u>\$ 1,304,554</u>

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

Total
Governmental
Funds

\$ 3,972,054
215,855
459,854
216,010
53,388
164,950
12,771
2,847
25,495

5,123,224

1,195,366
1,298,088
1,164,799
496,205
179,536
125,694
208,839

-
-

3,211,240

7,879,767

(2,756,543)

-

(2,756,543)

7,162,463

\$ 4,405,920

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, 2014

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (2,756,543)

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	\$ 3,262,393	
Easements / Dedications	-	
Depreciation	<u>(1,525,644)</u>	1,736,749

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. (45,012)

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. 4,240

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (1,060,566)

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

TOWN OF EAGLE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2014

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Wastewater Fund	Refuse Fund	
<u>ASSETS:</u>				
Current Assets:				
Cash and Investments	\$ 8,630,499	\$ 1,316,420	\$ 228,766	\$ 10,175,685
Receivables (Net)				
Property Taxes	-	176,187	-	176,187
Accounts	112,309	186,665	59,060	358,034
Internal Balances	18,872	59,238	-	78,110
Total Current Assets	<u>8,761,680</u>	<u>1,738,510</u>	<u>287,826</u>	<u>10,788,016</u>
Non-Current Assets:				
Capital Assets, Net	<u>20,022,384</u>	<u>19,984,387</u>	<u>49,390</u>	<u>40,056,161</u>
Total Non-Current Assets	<u>20,022,384</u>	<u>19,984,387</u>	<u>49,390</u>	<u>40,056,161</u>
Total Assets	<u>\$ 28,784,064</u>	<u>\$ 21,722,897</u>	<u>\$ 337,216</u>	<u>\$ 50,844,177</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION:</u>				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 218,875	\$ 64,400	\$ 87,375	\$ 370,650
Accrued Liabilities	25,222	132,069	-	157,291
Unearned Revenues	-	148,555	43,411	191,966
Current Maturities of Long-term Debt, Net	213,289	766,079	-	979,368
Total Current Liabilities	<u>457,386</u>	<u>1,111,103</u>	<u>130,786</u>	<u>1,699,275</u>
Non-Current Liabilities:				
Compensated Absences	29,785	5,246	-	35,031
Notes Payable, Net of Premium	50,250	10,815,940	-	10,866,190
Bonds Payable	2,135,112	-	-	2,135,112
Total Non-Current Liabilities	<u>2,215,147</u>	<u>10,821,186</u>	<u>-</u>	<u>13,036,333</u>
Total Liabilities	<u>2,672,533</u>	<u>11,932,289</u>	<u>130,786</u>	<u>14,735,608</u>
Deferred Inflows of Resources:				
Unavailable Revenues -				
From Property Taxes	-	176,187	-	176,187
Total Deferred Inflows of Resources	<u>-</u>	<u>176,187</u>	<u>-</u>	<u>176,187</u>
Net Position:				
Invested in Capital Assets,				
Net of Related Debt	17,623,733	8,402,368	49,390	26,075,491
Restricted for Debt Service	-	162,000	-	162,000
Unrestricted	8,487,798	1,050,053	157,040	9,694,891
Total Net Position	<u>26,111,531</u>	<u>9,614,421</u>	<u>206,430</u>	<u>35,932,382</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 28,784,064</u>	<u>\$ 21,722,897</u>	<u>\$ 337,216</u>	<u>\$ 50,844,177</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, 2014

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Wastewater Fund	Refuse Fund	
<u>OPERATING REVENUES:</u>				
Service Fees	\$ 2,332,388	\$ 1,787,492	\$ 564,544	\$ 4,684,424
Meters and Materials	<u>69,064</u>	<u>-</u>	<u>-</u>	<u>69,064</u>
Total Operating Revenues	<u>2,401,452</u>	<u>1,787,492</u>	<u>564,544</u>	<u>4,753,488</u>
<u>OPERATING EXPENSES:</u>				
Personnel Services	478,768	226,671	-	705,439
Supplies	139,641	87,281	-	226,922
Purchased Services	305,303	302,123	560,602	1,168,028
Insurance	26,456	26,457	-	52,913
Noncapitalized Outlay/Repairs	1,696	-	-	1,696
Depreciation	<u>281,464</u>	<u>773,219</u>	<u>1,420</u>	<u>1,056,103</u>
Total Operating Expenses	<u>1,233,328</u>	<u>1,415,751</u>	<u>562,022</u>	<u>3,211,101</u>
Operating Income (Loss)	<u>1,168,124</u>	<u>371,741</u>	<u>2,522</u>	<u>1,542,387</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Tap and Improvements Fees	182,400	223,000	-	405,400
Property Taxes	-	173,997	-	173,997
Interest and Earnings on Investments	4,053	418	118	4,589
Accretion of Bond Premium	-	23,528	-	23,528
Loss on Disposition of Fixed Assets	(100)	-	(51,088)	(51,188)
Interest Expense and Fiscal Charges	(77,179)	(446,338)	-	(523,517)
Administrative Fee – General Fund	<u>(50,000)</u>	<u>(50,000)</u>	<u>(18,500)</u>	<u>(118,500)</u>
Total Non-Operating Revenues (Expenses)	<u>59,174</u>	<u>(75,395)</u>	<u>(69,470)</u>	<u>(85,691)</u>
Income (Loss) Before Transfers	1,227,298	296,346	(66,948)	1,456,696
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,227,298	296,346	(66,948)	1,456,696
Fund Net Position – Beginning	<u>24,884,233</u>	<u>9,318,075</u>	<u>273,378</u>	<u>34,475,686</u>
Fund Net Position – Ending	<u>\$ 26,111,531</u>	<u>\$ 9,614,421</u>	<u>\$ 206,430</u>	<u>\$ 35,932,382</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, 2014

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Wastewater Fund	Refuse Fund	
	Water Fund	Wastewater Fund	Refuse Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 2,407,715	\$ 1,792,930	\$ 568,501	\$ 4,769,146
Cash Received from Intergovernmental	-	174,681	-	174,681
Cash Payments for Personnel Services	(473,055)	(225,889)	-	(698,944)
Cash Payments for Goods and Services	<u>(456,289)</u>	<u>(496,064)</u>	<u>(505,413)</u>	<u>(1,457,766)</u>
NET CASH PROVIDED OPERATING ACTIVITIES	<u>1,478,371</u>	<u>1,245,658</u>	<u>63,088</u>	<u>2,787,117</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property and Specific Ownership Taxes –Net	-	173,997	-	173,997
Inter-fund (Advances) Repayments	(61,507)	74,726	(18,000)	(4,781)
Inter-fund Administrative Fees – General Fund	<u>(50,000)</u>	<u>(50,000)</u>	<u>(18,500)</u>	<u>(118,500)</u>
NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>(111,507)</u>	<u>198,723</u>	<u>(36,500)</u>	<u>50,716</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Tap and Improvement Fees	182,400	223,000	-	405,400
Acquisition and Construction of Capital Assets	(492,612)	(369,332)	-	(861,944)
Principal Paid on Long-Term Debt	(207,114)	(748,777)	-	(955,891)
Interest Paid on Long-Term Debt	<u>(77,672)</u>	<u>(431,618)</u>	<u>-</u>	<u>(509,290)</u>
NET CASH PROVIDED FROM CAPITAL FINANCING ACTIVITIES	<u>(594,998)</u>	<u>(1,326,727)</u>	<u>-</u>	<u>(1,921,725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Investments	<u>4,053</u>	<u>418</u>	<u>118</u>	<u>4,589</u>
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>4,053</u>	<u>418</u>	<u>118</u>	<u>4,589</u>
NET INCREASE (DECREASE) IN CASH	775,919	118,072	26,706	920,697
CASH AT BEGINNING OF YEAR	<u>7,854,580</u>	<u>1,198,348</u>	<u>202,060</u>	<u>9,254,988</u>
CASH AT END OF YEAR	<u>\$ 8,630,499</u>	<u>\$ 1,316,420</u>	<u>\$ 228,766</u>	<u>\$ 10,175,685</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 1,168,124	\$ 371,741	\$ 2,522	\$ 1,542,387
Non-Cash Expenses Included in Operating Income – Depreciation	281,464	773,219	1,420	1,056,103
Change in Assets and Liabilities – Decrease (Increase) Receivables	6,263	166,171	(2,036)	170,398
Increase (Decrease) in Unearned Revenues	-	13,948	5,993	19,941
Increase (Decrease) in Accrued Payroll/Payables	<u>22,520</u>	<u>(79,421)</u>	<u>55,189</u>	<u>(1,712)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,478,371</u>	<u>\$ 1,245,658</u>	<u>\$ 63,088</u>	<u>\$ 2,787,117</u>

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014

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 and reports all financial and capital resources of the Town. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Town is reported as net position.

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, 2014

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, 2014

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, 2014

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, 2014

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, 2014

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 2013 were collected in 2014 and taxes certified in 2014 will be collected in 2015. 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, 2014

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, 2014 are as follows:

	Receivables	Payables
General Fund	\$ -	\$ 78,110
Water Fund	22,872	4,000
Wastewater Fund	59,238	-

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, 2014

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, 2014

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, 2014, 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, 2014

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, 2014 the Town had invested \$15,091,360 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, 2014, the Town had \$0 invested in COLOTRUST PRIME, and \$15,091,360 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, 2014

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, 2014 are classified below:

Checking/Savings/Certificates of Deposit	\$ 1,511,007
Local Government Investment Pool	<u>15,091,360</u>
Total Balances	16,602,367
Net Outstanding Items	<u>(71,840)</u>
Total Cash and Cash Equivalents	<u>\$ 16,530,527</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 \$1,452,699 of which \$255,316 was covered by FDIC insurance and \$1,197,383 by PDPA described above. As of December 31, 2014 the Town had invested \$58,308 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)	\$ 15,091,360	AAAm	Standard & Poors
<i><u>Subject to Public Depository Protection Act</u></i>			
Certificates of Deposit	\$ 58,308	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, 2014

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)	\$ 44,606	05/21/15
Certificate of Deposit (PDPA)	\$ 13,702	02/21/15

The Town was not subject to foreign currency risk as of December 31, 2014.

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, including earnings, 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, 2014 follows:

	Balances 01/01/14	Additions	Dispositions/ Reclassif.	Balances 12/31/14
<i>GOVERNMENTAL ACTIVITIES</i>				
Non-depreciable Assets:				
Land and Easements	\$ 3,260,423	\$ -	\$ -	\$ 3,260,423
Construction in Progress	1,559,450	2,964,276	-	4,523,726
Depreciable Capital Assets:				
Park/Land Improvements	3,054,499	20,390	-	3,074,889
Buildings/Improvements	4,554,490	115,100	-	4,669,590
Rec Center/Pool/Ice Rink	5,235,122	-	-	5,235,122
Equipment	2,687,748	162,627	(196,307)	2,654,068
Infrastructure	<u>25,297,879</u>	<u>-</u>	<u>-</u>	<u>25,297,879</u>
Total at Historical Cost	45,649,611	3,262,393	(196,307)	48,715,697
<i>Less Accumulated</i>				
<i>Depreciation:</i>	<u>(17,736,195)</u>	<u>(1,525,644)</u>	<u>151,295</u>	<u>(19,110,544)</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$27,913,416</u>	<u>\$1,736,749</u>	<u>\$ (45,012)</u>	<u>\$29,605,153</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 4 - CAPITAL ASSETS – continued

For the fiscal year ending December 31, 2014, depreciation expense for governmental activities was recorded on the statement of activities as follows:

General Government	\$ 189,913
Public Safety	15,460
Public Works – Streets	62,568
Public Works – Buildings/Grounds	19,838
Information Center	1,135
Unallocated Depreciation	<u>1,236,730</u>
Total Governmental Depreciation	<u>\$ 1,525,644</u>

Capital asset activity for Business-Type Activities for the year ended December 31, 2014 follows:

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>Balances</u> 01/01/14	<u>Additions</u>	<u>Dispositions/ Reclassif.</u>	<u>Balances</u> 12/31/14
Non-depreciable Assets:				
Land and Easements	\$ 170,571	\$ -	\$ -	\$ 170,571
Water Rights	9,143,260	1,116	-	9,144,376
Construction in Progress	3,232,639	790,828	(1,609,563)	2,413,904
Depreciable Capital Assets:				
Buildings/Improvements	133,511	-	(15,610)	117,901
Equipment	490,021	70,000	(131,850)	428,171
Infrastructure-Plant/Facility	427,399	-	-	427,399
Infrastructure-Utility System	<u>37,444,325</u>	<u>-</u>	<u>1,579,219</u>	<u>39,023,544</u>
Total at Historical Cost	51,041,726	861,944	(177,804)	51,725,866
<i>Less Accumulated Depreciation</i>	<u>(10,740,218)</u>	<u>(1,056,103)</u>	<u>126,616</u>	<u>(11,669,705)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$40,301,508</u>	<u>\$ (194,159)</u>	<u>\$ (51,188)</u>	<u>\$40,056,161</u>

For the fiscal year ending December 31, 2014, depreciation expense for business-type activities was recorded on the statement of activities as follows:

Water Utility	\$ 281,464
Wastewater Utility	773,219
Refuse Utility	<u>1,420</u>
Total Business-type Depreciation	<u>\$ 1,056,103</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 5 - LONG-TERM OBLIGATIONS

Changes in the Town's long-term obligations during the fiscal year ended December 31, 2014 were as follows:

	<u>Balances</u> <u>01/01/14</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>12/31/14</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<i>GOVERNMENTAL ACTIVITIES</i>					
Compensated Absences –	105,977	130,333	(134,573)	101,737	-
<i>GOVERNMENTAL LONG-TERM OBLIGATIONS</i>					
	<u>\$ 105,977</u>	<u>\$ 130,333</u>	<u>\$ (134,573)</u>	<u>\$ 101,737</u>	<u>\$ -</u>
<i>BUSINESS-TYPE ACTIVITIES</i>					
Notes Payable					
CWCB Loan	\$ 68,060	\$ -	\$ (8,773)	\$ 59,287	\$ 9,037
'97 CWRPDA	601,059	-	(139,532)	461,527	144,898
'07 CWRPDA	10,190,796	-	(530,376)	9,660,420	541,200
'07 Premium	352,920	-	(23,528)	329,392	23,528
'11 CWRPDA	1,186,021	-	(55,341)	1,130,680	56,453
Bonds					
Series 2004	2,537,705	-	(198,341)	2,339,364	204,252
Compensated Absences –	31,665	36,506	(33,140)	35,031	-
<i>BUSINESS-TYPE LONG-TERM OBLIGATIONS</i>					
	<u>\$14,968,226</u>	<u>\$ 36,506</u>	<u>\$ (989,031)</u>	<u>\$14,015,701</u>	<u>\$ 979,368</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, 2014

NOTE 5 - LONG-TERM OBLIGATIONS - continued

GOVERNMENTAL ACTIVITIES – LONG-TERM OBLIGATIONS

Long term obligations of the Town’s governmental activities are comprised of the following:

Accrued Liabilities:

Accrued liabilities consist of the accrual for compensated absences – vacations earned by the Town’s employees but not taken by December 31, 2014. Total accrued compensated absences as of year-end for governmental activities were \$101,737.

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 issued on December 31, 1996 in the original amount of \$183,569, 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, 2014 is \$59,287. 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>
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	10,171	644	10,815
2020	11,311	340	11,651
	<u>\$ 59,287</u>	<u>\$ 6,439</u>	<u>\$ 65,726</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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 in the original amount of \$2,345,204. 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, 2014 is \$461,527. 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>
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>\$ 461,527</u>	<u>\$ 33,262</u>	<u>\$ 494,789</u>

<u>Year Ended</u> <u>December 31,</u>	<u>Service Fee</u>
2015	\$ 18,762
2016	16,416
2017	<u>7,036</u>
	<u>\$ 42,214</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 \$4,577 in 2014, 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</u> <u>December 31,</u>	<u>Anticipated</u> <u>Savings</u>
2015	\$ 3,678
2016	4,423
2017	<u>2,245</u>
	<u>\$ 10,346</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014 is \$9,660,420. 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>
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	611,556	213,366	824,922
2020-2024	3,458,268	771,376	4,229,644
2025-2028	<u>3,312,144</u>	<u>217,357</u>	<u>3,529,501</u>
	<u>\$ 9,660,420</u>	<u>\$ 2,232,303</u>	<u>\$11,892,723</u>

<u>Year Ended</u> <u>December 31,</u>	<u>Service Fee</u>
2015	\$ 92,047
2016	92,047
2017	92,047
2018	92,047
2019	92,047
2020-2024	460,237
2025-2028	<u>264,637</u>
	<u>\$ 1,185,109</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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 in the original amount of \$1,288,966. 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, 2014 is \$1,130,680. The loan is carried in the Wastewater Fund. The annual requirements to amortize the loan and service fee are as follows:

Year Ended December 31,	Principal	Interest	Total
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	61,130	2,655	63,785
2020-2024	324,585	23,344	347,929
2025-2029	358,543	22,651	381,194
2030-2031	153,710	3,861	157,571
	<u>\$ 1,130,680</u>	<u>\$ 63,443</u>	<u>\$ 1,194,123</u>

Year Ended December 31,	Service Fee
2015	\$ 19,500
2016	18,000
2017	17,500
2018	16,500
2019	15,000
2020-2024	46,000
2025-2029	12,735
2030-2031	-
	<u>\$ 145,235</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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 total outstanding balance at December 31, 2014 is \$2,339,364. 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>
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	229,709	44,256	273,965
2020-2024	<u>1,255,395</u>	<u>114,430</u>	<u>1,369,825</u>
	<u>\$ 2,339,364</u>	<u>\$ 400,286</u>	<u>\$ 2,739,650</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>
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, 2014

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, 2014. Total accrued compensated absences as of year-end for business-type activities were \$35,031.

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 \$1,879,294 compared to total payroll of \$2,563,519. The Town’s retirement contribution for the year ended December 31, 2014 was \$131,551. 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	\$ 2,428,305	\$ 2,401,452	\$ (26,853)
GAAP Non-Operating Revenues	344,879	186,353	(158,526)
Add: Loss on Asset Disposition	-	100	100
Total Budgetary Revenues	2,773,184	2,587,905	(185,279)
<u>Expenses:</u>			
GAAP Operating Expenses	1,107,183	1,233,328	(126,145)
GAAP Non-Operating Expenses	127,666	127,179	487
Add: Debt Service Principal	207,114	207,114	-
Add: Capital Outlay	1,363,858	492,612	871,246
Change In: Accrued Interest	-	493	(493)
Change In: Vacation/Comp Time	-	(1,859)	1,859
Less: Depreciation & Amortization	-	(281,464)	281,464
Total Budgetary Expenditures	2,805,821	1,777,403	1,028,418
Net Income (Loss)-Budgetary	\$ (32,637)	\$ 810,502	\$ 843,139

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 7 - PROPRIETARY FUND BUDGETS - continued

WASTEWATER ENTERPRISE FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 1,798,985	\$ 1,787,492	\$ (11,493)
GAAP Non-Operating Revenues	575,244	420,943	(154,301)
Less: Accretion of Bond Premium	-	(23,528)	(23,528)
Total Budgetary Revenues	2,374,229	2,184,907	(189,322)
<u>Expenses:</u>			
GAAP Operating Expenses	615,697	1,415,751	(800,054)
GAAP Non-Operating Expenses	481,369	496,338	(14,969)
Add: Debt Service Principal	748,777	748,777	-
Add: Capital Outlay	644,681	369,332	275,349
Change In: Accrued Interest	-	8,809	(8,809)
Change In: Vacation/Comp Time	-	(1,506)	1,506
Less: Depreciation	-	(773,219)	773,219
Total Budgetary Expenditures	2,490,524	2,264,282	226,242
Net Income (Loss)-Budgetary	\$ (116,295)	\$ (79,375)	\$ 36,920

REFUSE ENTERPRISE FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	571,000	564,544	(6,456)
GAAP Non-Operating Revenues	115	(50,970)	(51,085)
Add: Loss on Asset Disposition	-	51,088	51,088
Total Budgetary Revenues	571,115	564,662	(6,453)
<u>Expenses:</u>			
GAAP Operating Expenses	560,043	562,022	(1,979)
GAAP Non-Operating Expenses	18,500	18,500	-
Less: Depreciation	-	(1,420)	1,420
Total Budgetary Expenditures	578,543	579,102	(559)
Net Income (Loss)-Budgetary	\$ (7,428)	\$ (14,440)	\$ (7,012)

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014.

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, 2014 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, 2014

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, 2014, four employees have enrolled in this program of which two have remaining balances. Total notes receivable in the total amount of \$94,850 and available repaid balances of \$72,756 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, 2014 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, 2014, the Town was in compliance with such covenants.

C. The Town's Refuse Fund budgetary expenditures of \$579,102 exceeded budgetary appropriations of \$578,543 by \$559. This may not be in compliance with Colorado Revised Statutes.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014 is \$132,000 in the General Fund and \$96,500 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, 2014 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, 2014

NOTE 16 - CHANGES IN PENSION REPORTING STANDARDS

The Governmental Accounting Standards Board (GASB) approved two new statements that will change the way an entity discloses its pension information. GASB Statement No. 67, *Financial Reporting for Pension Plans*, affects the financial statement reporting by pension plans in 2014. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, affects the Town's defined contribution pension reporting in the Town's financial statements effective the year ending December 31, 2015. The new statements relate to accounting and financial reporting issues and how pension costs and obligations are measured and reported in audited external financial reports. While there has been a close relationship between how governments fund pensions and how they account and report information until now, the new guidance establishes a decided shift from a funding-based approach to an accounting-based approach. This shift is designed to improve pension reporting and increase the transparency, consistency and comparability of pension information across governments.

GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. GASB Statement No. 68 provides guidance on how governments measure and report long-term obligations and annual costs associated with pension benefits they provide for their employees. Defined contribution pensions stipulate the contributions a government must make to an active employee's account each year. (A defined benefit pension plan, by contrast, specifies the benefits to be provided to the employees after the end of their employment.) Defined contribution employers are obligated only to pay (or credit) a certain amount to an employee's pension plan account in return for employee service, based on the terms of the plan. The amount of benefit payment that the employee receives when retired depends primarily on contributions to their accounts and earnings on the investment of those contributions.

The Town participates in a defined contribution plan. Under the new reporting requirements effective for the year ending December 31, 2015, the Town will recognize a pension expense in its accrual-based financial statements that is equal to the contributions and/or credits that the terms of the plan require in return for employee service in that year. The pension expense will be reduced by amounts forfeited from employee accounts, if applicable. As under the prior standards, if the pension expense exceeds the amount the Town pays to the pension plan, the difference will be reported as a liability in the accrual accounting based financial statements. Differences between expense and payments in subsequent years will increase or decrease the liability (if the expense is higher or the payment is higher, respectively). The notes to the Town's financial statements will include: 1) descriptions of the pension plan and benefits features; 2) the contribution or crediting rates for the defined contribution employer and its employees; 3) the amounts of pension expense and forfeitures for the year; and, 4) the amount of the employer's outstanding liability.

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 3,573,339	\$ 3,588,834	\$ 3,662,697	\$ 73,863
Licenses and Permits	114,560	205,278	215,855	10,577
Intergovernmental	452,000	429,757	428,559	(1,198)
Charges for Services	192,200	222,630	216,010	(6,620)
Fines, Forfeits and Penalties	48,000	48,847	53,388	4,541
Information Center Sales	182,762	155,554	164,950	9,396
Interest	5,003	6,000	5,926	(74)
Grants/Contributions	600	1,350	2,847	1,497
Miscellaneous	22,913	27,313	25,495	(1,818)
Total Revenues	<u>4,591,377</u>	<u>4,685,563</u>	<u>4,775,727</u>	<u>90,164</u>
<u>Expenditures:</u>				
General Government	1,293,971	1,226,093	1,185,194	40,899
Public Safety	1,368,462	1,460,494	1,298,088	162,406
Public Works – Streets	1,180,975	1,249,807	1,164,799	85,008
Public Works – Buildings & Grounds	555,529	552,193	496,205	55,988
Information Center	191,128	178,964	179,536	(572)
Marketing	-	127,038	125,694	1,344
Total Expenditures	<u>4,590,065</u>	<u>4,794,589</u>	<u>4,449,516</u>	<u>345,073</u>
Excess Revenues Over (Under) Expenditures	1,312	(109,026)	326,211	435,237
<u>Other Financing Sources and (Uses):</u>				
Transfers (to) Other Funds	-	5,000	5,000	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,312	(104,026)	331,211	435,237
Fund Balances – Beginning	<u>871,376</u>	<u>1,403,055</u>	<u>1,403,055</u>	<u>-</u>
Fund Balances – Ending	<u>\$ 872,688</u>	<u>\$ 1,299,029</u>	<u>\$ 1,734,266</u>	<u>\$ 435,237</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental	\$ 32,500	\$ 31,500	\$ 31,295	\$ (205)
Interest	<u>150</u>	<u>98</u>	<u>108</u>	<u>10</u>
Total Revenues	<u>32,650</u>	<u>31,598</u>	<u>31,403</u>	<u>(195)</u>
<u>Expenditures:</u>				
General Government	63,000	13,000	10,172	2,828
Contingency	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>73,000</u>	<u>13,000</u>	<u>10,172</u>	<u>2,828</u>
Excess Revenues Over (Under) Expenditures	(40,350)	18,598	21,231	2,633
<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	(40,350)	18,598	21,231	2,633
Fund Balances – Beginning	<u>78,859</u>	<u>78,951</u>	<u>78,951</u>	<u>-</u>
Fund Balances – Ending	<u>\$ 38,509</u>	<u>\$ 97,549</u>	<u>\$ 100,182</u>	<u>\$ 2,633</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Taxes-Local	\$ 105,000	\$ 94,500	\$ 112,474	\$ 17,974
Intergovernmental Grants	-	41,015	-	(41,015)
Contributions/Miscellaneous	-	2,465	-	(2,465)
Interest	<u>2,000</u>	<u>1,629</u>	<u>1,665</u>	<u>36</u>
Total Revenues - Budgetary	<u>107,000</u>	<u>139,609</u>	<u>114,139</u>	<u>(25,470)</u>
<u>Expenditures:</u>				
Open - space Preservation	<u>300,980</u>	<u>223,605</u>	<u>208,839</u>	<u>14,766</u>
Total Expenditures - Budgetary	<u>300,980</u>	<u>223,605</u>	<u>208,839</u>	<u>14,766</u>
Excess Revenues Over (Under) Expenditures	(193,980)	(83,996)	(94,700)	(10,704)
Fund Balances–Beginning	<u>1,274,163</u>	<u>1,299,072</u>	<u>1,299,072</u>	<u>-</u>
Fund Balances–Ending	<u>\$ 1,080,183</u>	<u>\$ 1,215,076</u>	<u>\$ 1,204,372</u>	<u>\$ (10,704)</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, 2014

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES & OTHER FINANCING SOURCES:			
TAXES – LOCAL:			
Real Property Taxes	\$ 249,639	\$ 247,552	\$ (2,087)
Specific Ownership Taxes	20,200	21,612	1,412
Sales Taxes – General	2,971,701	3,013,020	41,319
Severance Tax Refund	794	794	-
Franchise Taxes	202,000	217,245	15,245
Marketing Taxes	94,500	112,474	17,974
Marijuana Taxes	50,000	50,000	-
TOTAL TAXES - LOCAL	<u>3,588,834</u>	<u>3,662,697</u>	<u>73,863</u>
LICENSES & PERMITS:			
Business and Liquor Licenses	27,688	30,832	3,164
Marketing Fee	7,260	7,390	130
Building and Sign Permits	170,200	177,183	6,983
Roadcut Permits	150	450	300
TOTAL LICENSES & PERMITS	<u>205,278</u>	<u>215,855</u>	<u>10,577</u>
INTERGOVERNMENTAL			
Motor Vehicle License Fee	26,100	28,714	2,614
Highway Users Tax	202,285	210,662	8,377
Cigarette Tax	11,252	11,145	(107)
Road & Bridge Tax	92,843	81,193	(11,650)
County Sales Tax	96,565	96,133	(432)
Federal Mineral Lease Revenues	712	712	-
TOTAL INTERGOVERNMENTAL	<u>429,757</u>	<u>428,559</u>	<u>(1,198)</u>
CHARGES FOR SERVICES			
Planning and Zoning Fees & Reimbursements	65,000	56,358	(8,642)
Facility Usage Fees & Deposits	30,500	32,318	1,818
Other Reimbursable Income/Developer Contributions	8,630	8,834	204
Administrative Services – Enterprise Funds	118,500	118,500	-
TOTAL CHARGES FOR SERVICES	<u>222,630</u>	<u>216,010</u>	<u>(6,620)</u>
FINES, FORFEITS & PENALTIES – TOTAL	<u>48,847</u>	<u>53,388</u>	<u>4,541</u>
INFORMATION CENTER SALES – TOTAL	<u>155,554</u>	<u>164,950</u>	<u>9,396</u>
INTEREST INCOME – TOTAL	<u>6,000</u>	<u>5,926</u>	<u>(74)</u>
MISCELLANEOUS/OTHER			
Rental Income	12,313	10,818	(1,495)
Other	16,350	17,524	1,174
TOTAL MISCELLANEOUS/OTHER	<u>28,663</u>	<u>28,342</u>	<u>(321)</u>
OTHER FINANCIAL SOURCES:			
Operating Transfers In-TOTAL	5,000	5,000	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 4,690,563</u>	<u>\$ 4,780,727</u>	<u>\$ 90,164</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, 2014

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES & OTHER FINANCING USES:			
GENERAL GOVERNMENT:			
Personnel Services	\$ 814,091	\$ 779,832	\$ 34,259
Supplies	21,151	19,474	1,677
Purchased Services	263,021	257,104	5,917
Insurance	52,830	52,774	56
Community Requests	75,000	75,200	(200)
Contingency	-	810	(810)
TOTAL GENERAL GOVERNMENT	<u>1,226,093</u>	<u>1,185,194</u>	<u>40,899</u>
PUBLIC SAFETY:			
Personnel Services	1,103,248	966,344	136,904
Supplies	56,065	46,331	9,734
Purchased Services	277,181	267,134	10,047
Insurance	19,000	18,279	721
Contingency	5,000	-	5,000
TOTAL PUBLIC SAFETY	<u>1,460,494</u>	<u>1,298,088</u>	<u>162,406</u>
PUBLIC WORKS – STREETS:			
Personnel Services	671,380	629,263	42,117
Supplies	161,995	145,239	16,756
Purchased Services	397,432	320,472	76,960
Insurance	19,000	18,253	747
Contingency	-	51,572	(51,572)
TOTAL PUBLIC WORKS - STREETS	<u>1,249,807</u>	<u>1,164,799</u>	<u>85,008</u>
PUBLIC WORKS – BUILDINGS & GROUNDS:			
Personnel Services	298,571	274,096	24,475
Supplies	81,000	72,276	8,724
Purchased Services	160,622	138,288	22,334
Insurance	12,000	11,545	455
TOTAL PUBLIC WORKS – BLDGS & GROUNDS	<u>552,193</u>	<u>496,205</u>	<u>55,988</u>
INFORMATION CENTER:			
Personnel Services	61,210	64,842	(3,632)
Supplies	3,100	3,120	(20)
Purchased Services	8,600	9,494	(894)
Goods for Resale/Consignment and Sales Tax	106,054	101,854	4,200
Contingency	-	226	(226)
TOTAL INFORMATION CENTER	<u>178,964</u>	<u>179,536</u>	<u>(572)</u>
Marketing:			
Personnel Services	34,085	32,660	1,425
Supplies	10,686	9,165	1,521
Purchased Services	82,267	83,869	(1,602)
TOTAL MARKETING	<u>127,038</u>	<u>125,694</u>	<u>1,344</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,794,589</u>	<u>\$ 4,449,516</u>	<u>\$ 345,073</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Interest	\$ 525	\$ 526	\$ 1
Total Revenues	<u>525</u>	<u>526</u>	<u>1</u>
<u>Expenditures:</u>			
Contingency Reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	<u>525</u>	<u>526</u>	<u>1</u>
<u>Other Financing Sources and (Uses):</u>			
Transfer from General Fund			
Transfer (to) Capital Projects Fund	<u>(423,222)</u>	<u>(423,222)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(423,222)</u>	<u>(423,222)</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(422,697)	(422,696)	1
Fund Balances – Beginning	<u>422,697</u>	<u>422,696</u>	<u>(1)</u>
Fund Balances – Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Use Tax	\$ 108,247	\$ 154,806	\$ 46,559
Community Enhancement Tax	41,982	42,078	96
Impact Fees and Assessments	20,672	-	(20,672)
Interest and Miscellaneous	<u>4,000</u>	<u>4,545</u>	<u>545</u>
Total Revenues	<u>174,901</u>	<u>201,429</u>	<u>26,528</u>
<u>Expenditures:</u>			
General Government:			
Bus Shelter	-	77	(77)
Pool & Ice Rink Maintenance Fund	40,000	40,000	-
Castle Peak Senior Center	25,000	25,000	-
Public Safety:			
Patrol Vehicles	68,075	68,285	(210)
Public Works – Streets:			
Monument Reader Board	14,400	5,762	8,638
Transportation/ROW Improvements	3,058,365	2,977,774	80,591
Building and Grounds:			
Cinder Spreader	14,000	14,000	-
Flail Mower	19,922	19,922	-
4 x 4 Pickup	60,420	60,420	-
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,300,182</u>	<u>3,211,240</u>	<u>88,942</u>
Excess Revenues Over (Under) Expenditures	<u>(3,125,281)</u>	<u>(3,009,811)</u>	<u>115,470</u>
<u>Other Financing Sources and (Uses):</u>			
Transfer (to) General Fund	(5,000)	(5,000)	-
Transfer from Debt Service Fund	<u>304,364</u>	<u>423,222</u>	<u>118,858</u>
Total Other Financing Sources	<u>299,364</u>	<u>418,222</u>	<u>118,858</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,825,917)	(2,591,589)	234,328
Fund Balances – Beginning (Restated)	<u>3,958,690</u>	<u>3,958,689</u>	<u>(1)</u>
Fund Balances – Ending	<u>\$ 1,132,773</u>	<u>\$ 1,367,100</u>	<u>\$ 234,327</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, 2014

	Special Revenue Funds		
	Conservation Trust Fund	Open Space Preservation Fund	Total
<u>Assets:</u>			
Current Assets:			
Cash and Investments	\$ 100,182	\$ 1,189,482	\$ 1,289,664
Taxes and Other Receivables	-	24,539	24,539
 Total Assets	 100,182	 \$ 1,214,021	 \$ 1,314,203
<u>Liabilities and Fund Equity</u>			
Current Liabilities:			
Accounts Payable	\$ -	\$ 8,957	\$ 8,957
Accrued Payroll	-	692	692
 Total Liabilities	 -	 9,649	 9,649
Fund Equity:			
Fund Balances – Committed	-	1,204,372	1,204,372
Fund Balances – Restricted	100,182	-	100,182
 Total Liabilities and Fund Equity	 \$ 100,182	 \$ 1,214,021	 \$ 1,314,203

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, 2014

	Special Revenue Funds		
	Conservation Trust Fund	Open Space Preservation Fund	Total
<u>Revenues:</u>			
Taxes - Local	\$ -	\$ 112,474	\$ 112,474
Intergovernmental	31,295	-	31,295
Interest	108	1,665	1,773
	31,403	114,139	145,542
<u>Expenditures:</u>			
General Government	10,172	-	10,172
Open-space Preservation	-	208,839	208,839
	10,172	208,839	219,011
Excess Revenues Over (Under) Expenditures	21,231	(94,700)	(73,469)
<u>Other Financing Sources and (Uses):</u>			
Transfers (to) Other Funds	-	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	21,231	(94,700)	(73,469)
Fund Balances – Beginning	78,951	1,299,072	1,378,023
Fund Balances – Ending	\$ 100,182	\$ 1,204,372	\$ 1,304,554

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, 2014

	Water Enterprise Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>			
GAAP Operating Revenues:			
Service Fees	\$ 2,361,816	\$ 2,332,388	\$ (29,428)
Meters and Materials	66,489	69,064	2,575
GAAP Non-Operating Revenues:			
Tap and Improvement Fees	340,800	182,400	(158,400)
Loss on Asset Disposition	-	(100)	(100)
Interest & Earnings on Investments	4,079	4,053	(26)
Add: Loss on Asset Disposition	-	100	100
 Total Budgetary Revenues	<u>2,773,184</u>	<u>2,587,905</u>	<u>(185,279)</u>
<u>Budgetary Expenditures:</u>			
GAAP Operating Expenses:			
Personnel Services	537,759	478,767	58,992
Supplies	154,500	139,642	14,858
Purchased Services	364,924	305,303	59,621
Insurance	30,000	26,456	3,544
Noncapitalized Outlay/Repairs	-	1,696	(1,696)
Depreciation	-	281,464	(281,464)
Contingency	20,000	-	20,000
GAAP Non-Operating Expenses:			
Interest and Fiscal Charges	77,666	77,179	487
Administrative Fee - General Fund	50,000	50,000	-
Debt Service Principal	207,114	207,114	-
Capital Outlay	1,363,858	492,612	871,246
Change in Accrued Interest Adjustment	-	493	(493)
Change in Vacation/Comp Time Accrual	-	(1,859)	1,859
Less: Depreciation	-	(281,464)	281,464
 Total Budgetary Expenditures	<u>2,805,821</u>	<u>1,777,403</u>	<u>1,028,418</u>
 Budgetary Net Income (Loss)	<u>\$ (32,637)</u>	<u>\$ 810,502</u>	<u>\$ 843,139</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, 2014

	Wastewater Enterprise Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>			
GAAP Operating Revenues:			
Service Fees	\$ 1,798,985	\$ 1,787,492	\$ (11,493)
Meters and Materials	-	-	-
GAAP Non-Operating Revenues:			
Tap and Improvement Fees	400,000	223,000	(177,000)
Property Taxes	174,804	173,997	(807)
Interest & Earnings on Investments	440	418	(22)
Accretion of Bond Premium	-	23,528	23,528
Less: Accretion of Bond Premium	-	(23,528)	(23,528)
 Total Budgetary Revenues	 <u>2,374,229</u>	 <u>2,184,907</u>	 <u>(189,322)</u>
<u>Budgetary Expenditures:</u>			
GAAP Operating Expenses:			
Personnel Services	195,547	226,671	(31,124)
Supplies	86,450	87,281	(831)
Purchased Services	306,200	302,123	4,077
Insurance	27,500	26,457	1,043
Depreciation	-	773,219	(773,219)
GAAP Non-Operating Expenses:			
Interest and Fiscal Charges	431,369	446,338	(14,969)
Administrative Fee – General Fund	50,000	50,000	-
Debt Service Principal	748,777	748,777	-
Capital Outlay	644,681	369,332	275,349
Change in Accrued Interest	-	8,809	(8,809)
Change in Vacation/Comp Time	-	(1,506)	1,506
Less: Depreciation	-	(773,219)	773,219
 Total Budgetary Expenditures	 <u>2,490,524</u>	 <u>2,264,282</u>	 <u>226,242</u>
 Budgetary Net Income (Loss)	 <u>\$ (116,295)</u>	 <u>\$ 79,375</u>	 <u>\$ 36,920</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, 2014

	Refuse Enterprise Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>			
GAAP Operating Revenues:			
Service Fees	\$ 571,000	\$ 564,544	\$ (6,456)
GAAP Non-Operating Revenues:			
Loss on Asset Disposition	-	(51,088)	(51,088)
Interest & Earnings on Investments	115	118	3
Add: Loss on Asset Disposition	-	51,088	51,088
Total Budgetary Revenues	571,115	564,662	(6,453)
<u>Budgetary Expenditures:</u>			
GAAP Operating Expenses:			
Purchased Services	560,043	560,602	559
Depreciation	-	1,420	(1,420)
GAAP Non-Operating Expenses:			
Administrative Fee – General Fund	18,500	18,500	-
Less: Depreciation	-	(1,420)	1,420
Total Budgetary Expenditures	578,543	579,102	(559)
Budgetary Net Income (Loss)	\$ (7,428)	\$ (14,440)	\$ (7,012)

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 2014
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This Information From The Records Of Town of Eagle, Colorado	Prepared By: Jill E. Ewing Phone: 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)	2,977,750
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	735,290
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	10,000
2. General fund appropriations	0	b. Snow and ice removal	250,000
3. Other local imposts (from page 2)	3,225,465	c. Other	35,000
4. Miscellaneous local receipts (from page 2)	668,200	d. Total (a. through c.)	295,000
5. Transfers from toll facilities	0	4. General administration & miscellaneous	100,000
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	25,000
a. Bonds - Original Issues	0	6. Total (1 through 5)	4,133,040
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)	3,893,664	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	239,376	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	4,133,040	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	4,133,040

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	4,133,040	4,133,040	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING:
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	36,807
1. Sales Taxes & Use Tax	3,109,153	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	116,312	g. Other Misc. Receipts	0
6. Total (1. through 5.)	3,225,465	h. Other Road & Bridge Tax	631,393
c. Total (a. + b.)	3,225,465	i. Total (a. through h.)	668,200
	(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	210,662	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	28,714	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.)	28,714	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	239,376	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	100,000	0	100,000
b. Engineering Costs	170,000	0	170,000
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	2,407,750	0	2,407,750
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	300,000	0	300,000
(5). Total Construction (1) + (2) + (3) + (4)	2,707,750	0	2,707,750
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	2,977,750	0	2,977,750
			(Carry forward to page 1)

Notes and Comments: