

TOWN OF EAGLE, COLORADO

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2015

TOWN OF EAGLE, COLORADO
FOR THE YEAR ENDED
December 31, 2015

TOWN BOARD OF TRUSTEES

- Yuri Kostick – Mayor
- Anne McKibbin – Mayor Pro-Tem
- Kevin Brubeck, Trustee
- Sarah Baker, Trustee
- Doug Seabury, Trustee
- Andy Jessen, Trustee
- Geoffrey Grimmer, Trustee

ADMINISTRATIVE STAFF

- Jenny Ellringer – Town Clerk / Interim Town Manager & Treasurer
- 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, 2015, 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, 2015 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information

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



HAYS, MAGGARD & HOOD, P.C.

Glenwood Springs, Colorado

June 27, 2016

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, 2015

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, 2015 are as follows:

- In total, the Town's *overall* net position increased \$1,376,989 (or 1.97%) from the previous fiscal year.
- The Town's *overall* General Revenues accounted for \$4,908,974 (or 39.77%) 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 \$7,434,487 (60.23%) of the Town's total revenues of \$12,343,461.
- *Overall* the Town had \$10,966,472 in expenses, of which \$6,077,154 were offset by program specific charges for services, as well as grants and contributions of \$1,357,333.

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, 2015

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, and when applicable, general long-term 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), 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, 2015

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.

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, 2015

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	
	2015	2014	2015	2014	2015	2014
ASSETS:						
Current Assets	\$ 4,554	\$ 7,012	\$ 11,263	\$ 10,788	\$ 15,817	\$ 17,800
Noncurrent Assets (EHOP)	168	168	-	-	168	168
Capital Assets, Net	29,212	29,605	40,360	40,056	69,572	69,661
Total Assets	33,934	36,785	51,623	50,844	85,557	87,629
LIABILITIES:						
Current & Other Liabilities	258	2,525	1,515	1,699	1,773	4,224
Long-term Liabilities	116	102	12,024	13,037	12,140	13,139
Total Liabilities	374	2,627	13,539	14,736	13,913	17,363
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue						
from Property Taxes	255	248	170	176	425	424
Total Deferred Inflows	255	248	170	176	425	424
NET POSITION :						
Non-Spendable	168	168	-	-	168	168
Invested in Capital Assets, Net of Related Debt	29,212	29,605	27,579	26,075	56,791	55,680
Restricted	237	329	189	162	426	491
Unrestricted	3,688	3,808	10,146	9,695	13,834	13,503
Total Net Position	\$ 33,305	\$ 33,910	\$ 37,914	\$ 35,932	\$ 71,219	\$ 69,842

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 \$71,218,707 at December 31, 2015.

By far the largest portion of the Town's Net Position (80%) reflects its net investment of \$57 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 \$167,606 (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, \$425,415 (0.6%), 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, 2015

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	
	2015	2014	2015	2014	2015	2014
	REVENUES:					
Program Revenues:						
Charges for Services/Sales	\$ 900	\$ 661	\$ 5,178	\$ 4,754	\$ 6,078	\$ 5,415
Operating Grants & Contrib.	370	352	-	-	370	352
Capital Grants & Contrib.	-	-	987	405	987	405
Total Program Revenues	1,270	1,013	6,165	5,159	7,435	6,172
General Revenues:						
Taxes	4,479	3,972	176	174	4,655	4,146
Intergovernmental Revenue	123	108	-	-	123	108
Impact Fees & Assessments	40	-	-	-	40	-
Interest/Investment Earnings	13	13	11	4	24	17
Other General Revenues	43	(28)	23	(27)	66	(55)
Total General Revenues	4,698	4,065	210	151	4,908	4,216
Total Revenues	5,968	5,078	6,375	5,310	12,343	10,388
PROGRAM EXPENSES:						
General Government	1,603	1,456	-	-	1,603	1,456
Public Safety	1,303	1,299	-	-	1,303	1,299
Public Works - Streets	1,270	1,248	-	-	1,270	1,248
Public Works - Bldg/Grounds	619	519	-	-	619	519
Information Center	225	181	-	-	225	181
Marketing	194	126	-	-	194	126
Open Space Preservation	124	73	-	-	124	73
Interest - Gen'l. Obligations	-	-	-	-	-	-
Depreciation - Unallocated	1,234	1,237	-	-	1,234	1,237
Water Utility	-	-	1,746	1,360	1,746	1,360
Wastewater Utility	-	-	2,025	1,912	2,025	1,912
Refuse Utility	-	-	623	581	623	581
Total Expenses	6,572	6,139	4,394	3,853	10,966	9,992
INCREASE (DECREASE)						
IN NET POSITION	\$ (604)	\$ (1,061)	\$ 1,981	\$ 1,457	\$ 1,377	\$ 396

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2015

THE TOWN AS A WHOLE – CONTINUED

Governmental Activities

Revenues

Revenues increased over the prior year which reflects the Town's continuing recovery over the previous several recessionary years. This reflects the overall improvement of the U.S. economy.

Expenses

Program expenses for governmental activities increased \$974 thousand (or 9.7%) from the prior fiscal year, primarily due to increased costs of utility operations, overall personnel costs, information center operations (which were offset by information center revenues increases), and marketing. In addition, this includes the write-off of previously estimated salvage values of Capital Assets of \$63 thousand (see Note 4).

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>	
	2015	2014	2015	2014
General Government	\$ 1,603	\$ 1,456	\$ 1,034	\$ 1,015
Public Safety	1,303	1,299	1,212	1,245
Public Works - Streets	1,270	1,248	942	928
Public Works - Bldgs/Grounds	619	519	587	486
Information Center	225	181	(23)	16
Marketing	194	126	194	126
Open Space Preservation	124	73	123	73
Interest - General Obligation Debt	-	-	-	-
Unallocated Depreciation	<u>1,234</u>	<u>1,237</u>	<u>1,234</u>	<u>1,237</u>
Total Expenses	<u>\$ 6,572</u>	<u>\$ 6,139</u>	<u>\$ 5,303</u>	<u>\$ 5,126</u>

The dependence on general revenues for governmental activities is apparent. Approximately 81% of fiscal 2015 program services were supported through taxes and other general revenues and 84% in 2014. 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</u> 2015	<u>Fiscal Year</u> 2014
Program Revenues	\$ 6,165	\$ 5,159
Taxes and Other General Revenues	<u>210</u>	<u>151</u>
Total Revenues	6,375	5,310
Expenses	<u>4,394</u>	<u>3,853</u>
Net Income (Loss)	<u>\$ 1,981</u>	<u>\$ 1,457</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2015

THE TOWN AS A WHOLE – CONTINUED

Business-Type Activities, continued

Revenues

Charges for services for business-type activities increased \$424 thousand while Capital Grants (primarily Tap fees) increased \$582 thousand. General revenues include taxes levied to service the wastewater fund debt for the Town's wastewater treatment plant.

Expenses

Enterprise operating expenditures increased approximately \$541 thousand (0.3%), from the previous fiscal year, which includes the write-off of previously estimated salvage values of Capital Assets of \$260 thousand which is included in current period Depreciation expense (*see Note 4*).

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 \$5,968,089 and expenditures and other financing uses of \$6,165,441.

Governmental fund revenues increased approximately \$845 thousand from the prior fiscal year, primarily due to increased sales and other tax revenues, information center sales, and the sale of capital assets. These increases reflect the continued economic recovery of the Town from the nationwide recessionary years.

Expenditures decreased approximately \$1.7 million from the prior fiscal year. This is primarily year-to-year changes in the amount of capital projects which were \$3.2 million in 2014 and down to \$1.1 million in 2015. Non-capital expenditures increased approximately \$380 thousand from the previous fiscal year.

Overall governmental fund balances decreased \$197 thousand from the prior fiscal year. The ending fund balance of \$4,208,568 represents the amount available for future spending, which is represented as follows:

General Fund	\$ 2,562,939
Capital Projects Fund	560,597
Special Revenue Funds	<u>1,085,032</u>
Total Governmental Fund Balances	<u>\$ 4,208,568</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2015

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 \$26,111,531 to \$27,421,654.
- The Wastewater Enterprise Fund ending net position increased from \$9,614,421 to \$10,316,148.
- The Refuse Enterprise Fund ending net position decreased from \$206,430 to \$176,073.

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

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

	<u>Original</u>	<u>Revised</u>	<u>Increase (Decrease)</u>
General Fund	\$ 4,875,103	\$ 5,076,701	\$ 201,598
Capital Projects Fund	1,501,638	1,264,095	(237,543)
Conservation Trust Fund	99,500	104,775	5,275
Open Space Preservation Fund	303,976	297,726	(6,250)
Water Fund	3,323,655	3,507,609	183,954
Wastewater Fund	2,098,454	2,088,591	(9,863)
Refuse Fund	699,000	622,033	(76,967)

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, 2015

GENERAL FUND BUDGETING HIGHLIGHTS - CONTINUED

General Fund Resources (Inflows)

The Town's final budgetary revenues and other financing sources in the amount of \$5,501,264 exceeded budgetary expectations of \$5,423,630 by \$77,634. 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 \$4,672,591 were \$404,110 less than the final appropriated fund balance of \$5,076,701. Positive variances were found throughout the majority of the Town's functional expenditure categories. Savings primarily occurred from unused personnel and purchased services appropriations. Excess expenditures for the Town's Information Center operations were fully offset by current year increases in Information Center revenues. 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 2015, the Town had a total of \$69,572,701 invested in capital assets, consisting of \$29,212,350 in governmental activities and \$40,360,351 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			
	2015	2014	2015	2014	2015	2014
<i>Net of Depreciation:</i>						
Land/Easements	\$ 3,263	\$ 3,261	\$ 171	\$ 171	\$ 3,434	\$ 3,432
Water Rights	-	-	9,144	9,144	9,144	9,144
Parks/Improvements	2,928	2,590	-	-	2,928	2,590
Buildings/Improvements	3,160	3,067	42	43	3,202	3,110
Rec Center/Pool/Ice Rink	3,885	3,989	-	-	3,885	3,989
Equipment	879	550	63	124	942	674
Infrastructure	10,427	11,624	27,808	28,160	38,235	39,784
Construction-in-Progress	4,670	4,524	3,133	2,414	7,803	6,938
	<u>\$ 29,212</u>	<u>\$ 29,605</u>	<u>\$ 40,361</u>	<u>\$ 40,056</u>	<u>\$ 69,573</u>	<u>\$ 69,661</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, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION - CONTINUED

Debt

At December 31, 2015 the Town had total outstanding long-term debt of \$13,153,588. Of this amount, governmental activities carry compensated absences of \$116,086. Business-type activities carry \$10,866,190 of notes payable, \$2,135,112 of bonds payable and compensated absences of \$36,200. 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 2015 year has been a year of steady growth with revenues trending upward towards pre-recession totals. There were modest increases in operating expenditures along with a few more significant capital expenditures that were necessary due to the lack of revenue and spending during recession years. The Town anticipates a return to building reserves during 2016 for upcoming capital projects. The 2016 adopted budget proposes a significant transfer from the General Fund to the Capital Fund in the amount of \$650,000 which will leave a year-end unassigned general fund balances of not less than 20% of annual operating expenditures (excluding transfers).

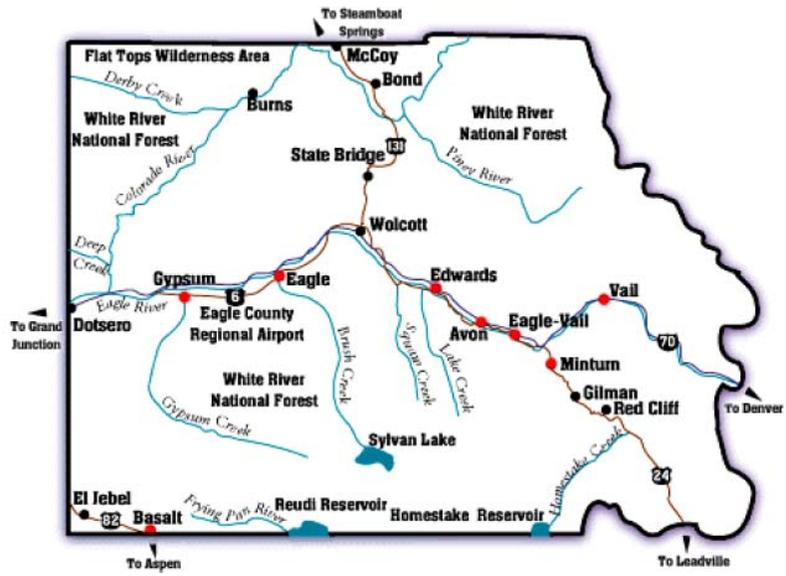
For the 2016 fiscal year, the Town plans to continue the Board's strategic direction on pursuing Eagle River improvements through the development of the Eagle River Corridor Plan and development of the In-Stream Engineering RFP. The engineering scope is proposed to be funded through the Open Space Fund and the next level design of the landscape architecture, including all site planning for renovations to Chambers Park, is budgeted in the Capital Projects Fund. The Board will also continue economic development discussions regarding the next steps of implementation. Funds are set aside in the Capital Projects Fund to begin work or to assist with private development for Central Business District parking. In addition, the Town will also continue to pursue "devolution" of Highway 6 from the Eby Creek round-a-bout to roughly one mile past the Brush Creek Bridge currently being maintained by CDOT, whereupon CDOT is anticipated to give a significant one-time payment to the Town in order to take over the maintenance of the heavily travelled regional roadway. Although a financial burden for maintenance of the roadway, the Town will have significantly more control and lower costs when eventually implementing major access changes and right-of-way improvements from Sylvan Lake Road to Eby Creek Road.

In the Utility Funds, the Town has again budgeted increased fees for services in the Water and Wastewater Funds which will help build fund balances to an appropriate level in anticipation of the Lower Basin Water Treatment Plant bonding and upcoming capital projects for the Town's aging sewer lines.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

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



GOVERNMENT - WIDE FINANCIAL STATEMENTS

TOWN EAGLE, COLORADO
STATEMENT OF NET POSITION
December 31, 2015

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 3,740,898	\$ 10,680,000	\$ 14,420,898
Restricted Cash and Investments	37,662	-	37,662
Receivables – Net			
Due from County Treasurer	4,904	-	4,904
Taxes and Other Receivables	499,431	-	499,431
Property Taxes	255,456	170,033	425,489
Accounts	-	413,037	413,037
Prepaid Expenses	16,008	-	16,008
Total Current Assets	4,554,359	11,263,070	15,817,429
Noncurrent Assets:			
Funds Held by Fiscal Agent (EHOP)	72,756	-	72,756
Notes Receivable (EHOP)	94,850	-	94,850
Non-Depreciable Capital Assets	8,033,058	12,447,450	20,480,508
Depreciable Capital Assets, Net	21,179,292	27,912,901	49,092,193
Total Noncurrent Assets	29,379,956	40,360,351	69,740,307
 TOTAL ASSETS	 33,934,315	 51,623,421	 85,557,736
LIABILITIES			
Accounts Payable	177,858	161,176	339,034
Retainage Payable	6,960	11,833	18,793
Accrued Liabilities	38,481	129,648	168,129
Unearned Revenues	99	199,354	199,453
Deposits	34,543	-	34,543
Long-term Debt:			
Portion Due or Payable within One Year:			
Loans Payable, Net of Premium	-	803,535	803,535
Bonds Payable	-	210,339	210,339
Portion Due or Payable After One Year:			
Compensated Absences	116,086	36,200	152,286
Loans Payable, Net of Premium	-	10,062,655	10,062,655
Bonds Payable	-	1,924,773	1,924,773
TOTAL LIABILITIES	374,027	13,539,513	13,913,540
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue –			
From Property Taxes	255,456	170,033	425,489
Total Deferred Inflows of Resources	255,456	170,033	425,489
Net Position:			
Invested in Capital Assets, Net of Related Debt	29,212,350	27,578,695	56,791,045
Restricted	236,415	189,000	425,415
Unrestricted (Deficit)	3,856,067	10,146,180	14,002,247
 TOTAL NET POSITION	 \$ 33,304,832	 \$ 37,913,875	 \$ 71,218,707

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

TOWN EAGLE, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2015

		PROGRAM REVENUES		
FUNCTION/PROGRAM ACTIVITIES	EXPENSES	Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 1,602,555	\$ 537,493	\$ 31,295	\$ -
Public Safety	1,303,479	81,923	9,302	-
Public Works – Streets	1,270,316	-	328,476	-
Public Works – Buildings/Grounds	619,298	32,829	-	-
Information Center	224,703	246,923	935	-
Marketing	193,775	-	-	-
Open Space Preservation	123,988	570	-	-
Interest on General Long-term Debt	-	-	-	-
Depreciation – Unallocated (<i>See Note 1(G)</i>)	<u>1,234,479</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>6,572,593</u>	<u>899,738</u>	<u>370,008</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES:				
Water Utility	1,745,527	2,602,972	-	443,325
Wastewater Utility	2,025,333	1,982,068	-	544,000
Refuse Utility	<u>623,019</u>	<u>592,376</u>	<u>-</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>4,393,879</u>	<u>5,177,416</u>	<u>-</u>	<u>987,325</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 10,966,472</u>	<u>\$ 6,077,154</u>	<u>\$ 370,008</u>	<u>\$ 987,325</u>

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

Impact Fees and Assessments

Unrestricted Interest and Investment Earnings

Gain on Fixed Asset Sale/Disposition

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
\$ (1,033,767)		\$ (1,033,767)
(1,212,254)		(1,212,254)
(941,840)		(941,840)
(586,469)		(586,469)
23,155		23,155
(193,775)		(193,775)
(123,418)		(123,418)
-		-
<u>(1,234,479)</u>		<u>(1,234,479)</u>
<u>(5,302,847)</u>		<u>(5,302,847)</u>
	\$ 1,300,770	1,300,770
	500,735	500,735
	<u>(30,643)</u>	<u>(30,643)</u>
	<u>1,770,862</u>	<u>1,770,862</u>
<u>(5,302,847)</u>	<u>1,770,862</u>	<u>(3,531,985)</u>
248,966	-	248,966
-	175,813	175,813
21,743	-	21,743
3,350,365	-	3,350,365
41,665	-	41,665
121,626	-	121,626
213,650	-	213,650
121,626	-	121,626
134,142	-	134,142
224,447	-	224,447
668	-	668
10,805	-	10,805
111,378	-	111,378
504	-	504
40,388	-	40,388
12,822	11,290	24,112
32,520	-	32,520
11,028	23,528	34,556
<u>4,698,343</u>	<u>210,631</u>	<u>4,908,974</u>
(604,504)	1,981,493	1,376,989
<u>33,909,336</u>	<u>35,932,382</u>	<u>69,841,718</u>
<u>\$ 33,304,832</u>	<u>\$ 37,913,875</u>	<u>\$ 71,218,707</u>

FUND FINANCIAL STATEMENTS

TOWN OF EAGLE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General Fund	Capital Projects	Non-Major Special Revenue Funds	Total Governmental Funds
<u>ASSETS:</u>				
Cash and Investments	\$ 2,100,332	\$ 535,993	\$ 1,104,573	\$ 3,740,898
Restricted Cash and Investments	-	37,662	-	37,662
Receivables – Net:				
Due from County Treasurer	4,904	-	-	4,904
Taxes and Other Receivables	443,076	41,665	14,690	499,431
Property Taxes	255,456	-	-	255,456
Prepaid Expenses	16,008	-	-	16,008
Funds Held by Fiscal Agent (EHOP)	72,756	-	-	72,756
Notes Receivable (EHOP)	94,850	-	-	94,850
	<u>\$ 2,987,382</u>	<u>\$ 615,320</u>	<u>\$ 1,119,263</u>	<u>\$ 4,721,965</u>
Total Assets				
	<u>\$ 2,987,382</u>	<u>\$ 615,320</u>	<u>\$ 1,119,263</u>	<u>\$ 4,721,965</u>
<u>LIABILITIES, DEFERRED INFLOWS</u>				
<u>OF RESOURCES AND FUND BALANCES:</u>				
Liabilities:				
Accounts Payable	\$ 96,083	\$ 47,763	\$ 34,012	\$ 177,858
Retainage Payable	-	6,960	-	6,960
Accrued Liabilities	38,311	-	170	38,481
Unearned Revenues	50	-	49	99
Deposits	34,543	-	-	34,543
	<u>168,987</u>	<u>54,723</u>	<u>34,231</u>	<u>257,941</u>
Total Liabilities				
	<u>168,987</u>	<u>54,723</u>	<u>34,231</u>	<u>257,941</u>
Deferred Inflows of Resources:				
Unavailable Revenues -				
From Property Taxes	255,456	-	-	255,456
	<u>255,456</u>	<u>-</u>	<u>-</u>	<u>255,456</u>
Total Deferred Inflows				
	<u>255,456</u>	<u>-</u>	<u>-</u>	<u>255,456</u>
Fund Balances:				
Non-Spendable	183,614	-	-	183,614
Restricted for –				
Community Enhancement	-	37,662	-	37,662
Conservation Trust	-	-	27,253	27,253
Emergency Reserves	137,500	34,000	-	171,500
Committed for –				
Open-space Preservation	-	-	1,057,779	1,057,779
Assigned for –				
Capital Projects	-	488,935	-	488,935
Unassigned	2,241,825	-	-	2,241,825
	<u>2,562,939</u>	<u>560,597</u>	<u>1,085,032</u>	<u>4,208,568</u>
Total Fund Balances				
	<u>2,562,939</u>	<u>560,597</u>	<u>1,085,032</u>	<u>4,208,568</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances				
	<u>\$ 2,987,382</u>	<u>\$ 615,320</u>	<u>\$ 1,119,263</u>	<u>\$ 4,721,965</u>

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

TOWN OF EAGLE, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2015

TOTAL GOVERNMENTAL FUND BALANCES \$ 4,208,568

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.

	\$ 49,864,889	
Governmental Capital Assets		
Less Accumulated Depreciation	<u>(20,652,539)</u>	29,212,350

Long-term liabilities are not due and payable in the current year-end and therefore, are not reported in the governmental funds. (116,086)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 33,304,832

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, 2015

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Non-Major Special Revenue Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 4,091,160	\$ 306,500	\$ 121,626	\$ 4,519,286
Licenses and Permits	304,906	-	-	304,906
Intergovernmental	451,163	-	31,295	482,458
Charges for Services	264,215	-	570	264,785
Fines, Forfeits and Penalties	81,923	-	-	81,923
Information Center Sales	246,924	-	-	246,924
Interest	5,988	4,246	2,588	12,822
Miscellaneous	54,985	-	-	54,985
	<u>5,501,264</u>	<u>310,746</u>	<u>156,079</u>	<u>5,968,089</u>
<u>Expenditures:</u>				
General Government	1,329,467	-	104,368	1,433,835
Public Safety	1,264,482	-	-	1,264,482
Public Works – Streets	1,123,069	-	-	1,123,069
Public Works – Bldg & Grounds	539,780	-	-	539,780
Information Center	223,568	-	-	223,568
Marketing	192,225	-	-	192,225
Open-Space Preservation	-	-	271,233	271,233
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Projects	-	1,117,249	-	1,117,249
	<u>4,672,591</u>	<u>1,117,249</u>	<u>375,601</u>	<u>6,165,441</u>
Excess Revenues Over (Under) Expenditures	828,673	(806,503)	(219,522)	(197,352)
<u>Other Financing Sources and (Uses):</u>				
Transfers (to) from Other Funds	-	-	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	828,673	(806,503)	(219,522)	(197,352)
Fund Balances – Beginning	<u>1,734,266</u>	<u>1,367,100</u>	<u>1,304,554</u>	<u>4,405,920</u>
Fund Balances – Ending	<u>\$ 2,562,939</u>	<u>\$ 560,597</u>	<u>\$ 1,085,032</u>	<u>\$ 4,208,568</u>

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

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, 2015

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (197,352)

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	\$ 1,290,759	
Easements / Dedications	-	
Depreciation	<u>(1,683,562)</u>	(392,803)

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 increased this year. (14,349)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (604,504)

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

TOWN OF EAGLE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Wastewater Fund	Refuse Fund	
<u>ASSETS:</u>				
Current Assets:				
Cash and Investments	\$ 8,497,034	\$ 2,032,229	\$ 150,737	\$ 10,680,000
Receivables (Net)				
Property Taxes	-	170,033	-	170,033
Accounts	146,421	206,839	59,777	413,037
Total Current Assets	8,643,455	2,409,101	210,514	11,263,070
Non-Current Assets:				
Capital Assets, Net	21,118,712	19,193,669	47,970	40,360,351
Total Non-Current Assets	21,118,712	19,193,669	47,970	40,360,351
Total Assets	\$ 29,762,167	\$ 21,602,770	\$ 258,484	\$ 51,623,421
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION:</u>				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 99,239	\$ 17,409	\$ 44,528	\$ 161,176
Retainage Payable	11,833	-	-	11,833
Accrued Liabilities	11,266	118,382	-	129,648
Unearned Revenues	-	161,471	37,883	199,354
Current Maturities of Long-term Debt, Net	219,646	794,228	-	1,013,874
Total Current Liabilities	341,984	1,091,490	82,411	1,515,885
Non-Current Liabilities:				
Compensated Absences	32,813	3,387	-	36,200
Notes Payable, Net of Premium	40,943	10,021,712	-	10,062,655
Bonds Payable	1,924,773	-	-	1,924,773
Total Non-Current Liabilities	1,998,529	10,025,099	-	12,023,628
Total Liabilities	2,340,513	11,116,589	82,411	13,539,513
Deferred Inflows of Resources:				
Unavailable Revenues -				
From Property Taxes	-	170,033	-	170,033
Total Deferred Inflows of Resources	-	170,033	-	170,033
Net Position:				
Invested in Capital Assets,				
Net of Related Debt	19,152,996	8,377,729	47,970	27,578,695
Restricted for Debt Service	-	189,000	-	189,000
Unrestricted	8,268,658	1,749,419	128,103	10,146,180
Total Net Position	27,421,654	10,316,148	176,073	37,913,875
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 29,762,167	\$ 21,602,770	\$ 258,484	\$ 51,623,421

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, 2015

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Wastewater Fund	Refuse Fund	
<u>OPERATING REVENUES:</u>				
Service Fees	\$ 2,557,631	\$ 1,982,068	\$ 592,376	\$ 5,132,075
Meters and Materials	<u>45,341</u>	<u>-</u>	<u>-</u>	<u>45,341</u>
Total Operating Revenues	<u>2,602,972</u>	<u>1,982,068</u>	<u>592,376</u>	<u>5,177,416</u>
<u>OPERATING EXPENSES:</u>				
Personnel Services	556,095	170,007	-	726,102
Supplies	130,776	104,138	-	234,914
Purchased Services	321,650	415,576	571,502	1,308,728
Insurance	34,610	27,300	-	61,910
Noncapitalized Outlay/Repairs	6,759	32,691	22,097	61,547
Depreciation	<u>564,603</u>	<u>790,718</u>	<u>1,420</u>	<u>1,356,741</u>
Total Operating Expenses	<u>1,614,493</u>	<u>1,540,430</u>	<u>595,019</u>	<u>3,749,942</u>
Operating Income (Loss)	<u>988,479</u>	<u>441,638</u>	<u>(2,643)</u>	<u>1,427,474</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Tap and Improvements Fees	443,325	544,000	-	987,325
Property Taxes	-	175,813	-	175,813
Interest and Earnings on Investments	9,353	1,651	286	11,290
Accretion of Bond Premium	-	23,528	-	23,528
Interest Expense and Fiscal Charges	(71,034)	(424,903)	-	(495,937)
Administrative Fee – General Fund	<u>(60,000)</u>	<u>(60,000)</u>	<u>(28,000)</u>	<u>(148,000)</u>
Total Non-Operating Revenues (Expenses)	<u>321,644</u>	<u>260,089</u>	<u>(27,714)</u>	<u>554,019</u>
Income (Loss) Before Transfers	1,310,123	701,727	(30,357)	1,981,493
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,310,123	701,727	(30,357)	1,981,493
Fund Net Position – Beginning	<u>26,111,531</u>	<u>9,614,421</u>	<u>206,430</u>	<u>35,932,382</u>
Fund Net Position – Ending	<u>\$ 27,421,654</u>	<u>\$ 10,316,148</u>	<u>\$ 176,073</u>	<u>\$ 37,913,875</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, 2015

	Business-Type Activities Enterprise Funds			
	Water Fund	Wastewater Fund	Refuse Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 2,568,860	\$ 1,974,810	\$ 586,131	\$ 5,129,801
Cash Payments for Personnel Services	(566,516)	(176,528)	-	(743,044)
Cash Payments for Goods and Services	<u>(601,598)</u>	<u>(626,696)</u>	<u>(636,446)</u>	<u>(1,864,740)</u>
NET CASH PROVIDED OPERATING ACTIVITIES	<u>1,400,746</u>	<u>1,171,586</u>	<u>(50,315)</u>	<u>2,522,017</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property and Specific Ownership Taxes –Net	-	175,813	-	175,813
Inter-fund (Advances) Repayments	18,872	59,238	-	78,110
Inter-fund Administrative Fees – General Fund	<u>(60,000)</u>	<u>(60,000)</u>	<u>(28,000)</u>	<u>(148,000)</u>
NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>(41,128)</u>	<u>175,051</u>	<u>(28,000)</u>	<u>105,923</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Tap and Improvement Fees	443,325	544,000	-	987,325
Acquisition and Construction of Capital Assets	(1,660,931)	-	-	(1,660,931)
Principal Paid on Long-Term Debt	(213,289)	(766,079)	-	(979,368)
Interest Paid on Long-Term Debt	<u>(71,541)</u>	<u>(410,400)</u>	<u>-</u>	<u>(481,941)</u>
NET CASH PROVIDED FROM CAPITAL FINANCING ACTIVITIES	<u>(1,502,436)</u>	<u>(632,479)</u>	<u>-</u>	<u>(2,134,915)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Investments	<u>9,353</u>	<u>1,651</u>	<u>286</u>	<u>11,290</u>
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>9,353</u>	<u>1,651</u>	<u>286</u>	<u>11,290</u>
NET INCREASE (DECREASE) IN CASH	(133,465)	715,809	(78,079)	504,315
CASH AT BEGINNING OF YEAR	<u>8,630,499</u>	<u>1,316,420</u>	<u>228,766</u>	<u>10,175,685</u>
CASH AT END OF YEAR	<u>\$ 8,497,034</u>	<u>\$ 2,032,229</u>	<u>\$ 150,737</u>	<u>\$ 10,680,000</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR)				
OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 988,479	\$ 441,638	\$ (2,643)	\$ 1,427,474
Non-Cash Expenses Included in Operating Income – Depreciation	564,603	790,718	1,420	1,356,741
Change in Assets and Liabilities – Decrease (Increase) Receivables	(34,112)	(20,174)	(717)	(55,003)
Increase (Decrease) in Unearned Revenues	-	12,916	(5,528)	7,388
Increase (Decrease) in Accrued Payroll/Payables	<u>(118,224)</u>	<u>(53,512)</u>	<u>(42,847)</u>	<u>(214,583)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,400,746</u>	<u>\$ 1,171,586</u>	<u>\$ (50,315)</u>	<u>\$ 2,522,017</u>

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015

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, 2015

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.

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, 2015

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, 2015

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, 2015

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, 2015

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 2014 were collected in 2015 and taxes certified in 2015 will be collected in 2016. 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, 2015

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. Any internal inter-fund balances that exist within governmental activities are eliminated on the government-wide statement of net position. At December 31, 2015 there were no outstanding internal inter-fund balances.

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, 2015

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, 2015

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, 2015, 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, 2015

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, 2015 the Town had invested \$14,005,132 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, 2015, the Town had \$0 invested in COLOTRUST PRIME, and \$14,005,132 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, 2015

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, 2015 are classified below:

Checking/Savings	\$ 677,662
Local Government Investment Pool	<u>14,005,132</u>
Total Balances	14,682,794
Net Outstanding Items	<u>(224,234)</u>
Total Cash and Cash Equivalents	<u>\$ 14,458,560</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 \$677,662 of which \$254,636 was covered by FDIC insurance and \$423,026 by PDPA described above.

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)	\$ 14,005,132	AAAm	Standard & Poors

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, 2015

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. There were no investments subject to interest rate risk disclosure as of December 31, 2015.

The Town was not subject to foreign currency risk as of December 31, 2015.

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, 2015 follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Balances</u> 01/01/15	<u>Additions</u>	<u>Dispositions/ Reclassif.</u>	<u>Balances</u> 12/31/15
Non-depreciable Assets:				
Land and Easements	\$ 3,260,423	\$ 2,484	\$ -	\$ 3,262,907
Construction in Progress	4,523,726	146,425	-	4,670,151
Depreciable Capital Assets:				
Park/Land Improvements	3,074,889	375,343	-	3,450,232
Buildings/Improvements	4,669,590	193,144	-	4,862,734
Rec Center/Pool/Ice Rink	5,235,122	-	-	5,235,122
Equipment	2,654,068	573,363	(141,567)	3,085,864
Infrastructure	<u>25,297,879</u>	<u>-</u>	<u>-</u>	<u>25,297,879</u>
Total at Historical Cost	48,715,697	1,290,759	(141,567)	49,864,889
<i>Less Accumulated Depreciation:</i>	<u>(19,110,544)</u>	<u>(1,683,562)</u>	<u>141,567</u>	<u>(20,652,539)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 29,605,153</u>	<u>\$ (392,803)</u>	<u>\$ -</u>	<u>\$ 29,212,350</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 4 - CAPITAL ASSETS – continued

For the fiscal year ending December 31, 2015, depreciation expense for governmental activities was recorded on the statement of activities as follows:

General Government	\$ 210,770
Public Safety	39,515
Public Works – Streets	122,458
Public Works – Buildings/Grounds	75,205
Information Center	1,135
Unallocated Depreciation	<u>1,234,479</u>
Total Governmental Depreciation	<u>\$ 1,683,562</u>

The above governmental activities depreciation amount includes the write-off of \$63,313 of previously estimated salvage values that are no longer estimated as recoverable (\$8,924 in General Government, \$48,837 in Streets and \$5,552 in Buildings/Grounds).

Capital asset activity for Business-Type Activities for the year ended December 31, 2015 follows:

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>Balances</u> 01/01/15	<u>Additions</u>	<u>Dispositions/ Reclassif.</u>	<u>Balances</u> 12/31/15
Non-depreciable Assets:				
Land and Easements	\$ 170,571	\$ -	\$ -	\$ 170,571
Water Rights	9,144,376	-	-	9,144,376
Construction in Progress	2,485,419	647,084	-	3,132,503
Depreciable Capital Assets:				
Buildings/Improvements	117,901	-	-	117,901
Equipment	428,171	-	-	428,171
Infrastructure-Plant/Facility	427,399	-	-	427,399
Infrastructure-Utility System	<u>38,952,029</u>	<u>1,013,847</u>	<u>-</u>	<u>39,965,876</u>
Total at Historical Cost	51,725,866	1,660,931	-	53,386,797
Less Accumulated Depreciation	<u>(11,669,705)</u>	<u>(1,356,741)</u>	<u>-</u>	<u>(13,026,446)</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 40,056,161</u>	<u>\$ 304,190</u>	<u>\$ -</u>	<u>\$ 40,360,351</u>

For the fiscal year ending December 31, 2015, depreciation expense for business-type activities was recorded on the statement of activities as follows:

Water Utility	\$ 564,603
Wastewater Utility	790,718
Refuse Utility	<u>1,420</u>
Total Business-type Depreciation	<u>\$ 1,356,741</u>

The above business-type activities depreciation amount includes the write-off of \$260,189 of previously estimated salvage values that are no longer estimated as recoverable (\$249,516 in the Water Utility Fund and \$10,673 in the Wastewater Utility Fund).

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 5 - LONG-TERM OBLIGATIONS

Changes in the Town's long-term obligations during fiscal year ended December 31, 2015 were as follows:

	<u>Balances</u> <u>01/01/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>12/31/15</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<i>GOVERNMENTAL ACTIVITIES</i>					
Compensated Absences –	\$ 101,737	\$ 127,866	\$ (113,517)	\$ 116,086	\$ -
GOVERNMENTAL LONG-TERM OBLIGATIONS	<u>\$ 101,737</u>	<u>\$ 127,866</u>	<u>\$ (113,517)</u>	<u>\$ 116,086</u>	<u>\$ -</u>
<i>BUSINESS-TYPE ACTIVITIES</i>					
Notes Payable					
CWCB Loan	\$ 59,287	\$ -	\$ (9,037)	\$ 50,250	\$ 9,307
'97 CWRPDA	461,527	-	(144,898)	316,629	150,264
'07 CWRPDA	9,660,420	-	(541,200)	9,119,220	562,848
'07 Premium	329,392	-	(23,528)	305,864	23,528
'11 CWRPDA	1,130,680	-	(56,453)	1,074,227	57,588
Bonds					
Series 2004	2,339,364	-	(204,252)	2,135,112	210,339
Compensated Absences –	<u>35,031</u>	<u>21,540</u>	<u>(20,371)</u>	<u>36,200</u>	<u>-</u>
BUSINESS-TYPE LONG-TERM OBLIGATIONS	<u>\$14,015,701</u>	<u>\$ 21,540</u>	<u>\$ (999,739)</u>	<u>\$ 13,037,502</u>	<u>\$1,013,874</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, 2015

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, 2015. Total accrued compensated absences as of year-end for governmental activities were \$116,086.

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, 2015 is \$50,250. 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>
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	<u>11,311</u>	<u>340</u>	<u>11,651</u>
	<u>\$ 50,250</u>	<u>\$ 4,661</u>	<u>\$ 54,911</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015 is \$316,629. The loan is carried in the Wastewater Fund. The annual requirements to amortize the loan and service fee are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 150,264	\$ 11,173	\$ 161,437
2017	166,365	5,870	172,235
	<u>\$ 316,629</u>	<u>\$ 17,043</u>	<u>\$ 333,672</u>

<u>Year Ended December 31,</u>	<u>Service Fee</u>
2016	\$ 16,416
2017	7,036
	<u>\$ 23,452</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 \$3,678 in 2015, which was recognized as an adjustment to interest expense. The remaining anticipated savings over the term of the loan is as follows:

<u>Year Ended December 31,</u>	<u>Anticipated Savings</u>
2016	\$ 4,423
2017	2,245
	<u>\$ 6,668</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015 is \$9,119,220. 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>
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	633,204	194,683	827,887
2021-2025	3,593,568	665,728	4,259,296
2026-2028	<u>2,543,640</u>	<u>128,323</u>	<u>2,671,963</u>
	<u>\$ 9,119,220</u>	<u>\$ 1,949,333</u>	<u>\$ 11,068,553</u>

<u>Year Ended</u> <u>December 31,</u>	<u>Service Fee</u>
2016	\$ 92,047
2017	92,047
2018	92,047
2019	92,047
2020	92,047
2021-2025	460,237
2026-2028	<u>172,590</u>
	<u>\$ 1,093,062</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015 is \$1,074,227. 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>
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	62,359	1,427	63,786
2021-2025	331,109	27,320	358,429
2026-2030	365,750	19,944	385,694
2031	77,620	1,166	78,786
	<u>\$ 1,074,227</u>	<u>\$ 60,611</u>	<u>\$ 1,134,838</u>

<u>Year Ended</u> <u>December 31,</u>	<u>Service Fee</u>
2016	\$ 18,000
2017	17,500
2018	16,500
2019	15,000
2020	15,000
2021-2025	35,500
2026-2030	8,235
2031	-
	<u>\$ 125,735</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015 is \$2,135,112. 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>
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	236,554	37,411	273,965
2021-2024	<u>1,018,841</u>	<u>77,019</u>	<u>1,095,860</u>
	<u>\$ 2,135,112</u>	<u>\$ 330,573</u>	<u>\$ 2,465,685</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, 2015 to July 31, 2016	101%
August 1, 2016 and thereafter	100%

Compensated Absences

Compensated absences consist of the accrual for vacation and comp time earned by the Town’s employees but not taken by December 31, 2015. Total accrued compensated absences as of year-end for business-type activities were \$32,813.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 6 - DEFINED CONTRIBUTION PLAN

The Town of Eagle provides a defined contribution pension plan for full time employees adopted as a prototype money purchase plan. Pension expense is recognized in accrual-based financial statements equal to the contributions and/or credits that the terms of the plan require in return for employee service in that year, as reduced by forfeitures under the 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. There are no forfeiture provisions from employee accounts under the plan beyond vesting as described in the following paragraph.

Total covered payroll for the year subject to participation was \$1,978,403 compared to total payroll of \$2,685,695. The Town's retirement contribution for the year ended December 31, 2015 was \$138,488. All employees are vested at 20% per year and are 100% vested after 5 years. There was no outstanding employer liability at year-end.

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	\$ 2,469,348	\$ 2,602,972	\$ 133,624
GAAP Non-Operating Revenues	336,570	452,678	116,108
Total Budgetary Revenues	2,805,918	3,055,650	249,732
<u>Expenses:</u>			
GAAP Operating Expenses	1,194,329	1,614,493	(420,164)
GAAP Non-Operating Expenses	131,491	131,034	457
Add: Debt Service Principal	213,289	213,289	-
Add: Capital Outlay	1,968,500	1,660,931	307,569
Change In: Accrued Interest	-	507	(507)
Change In: Vacation/Comp Time	-	(3,028)	3,028
Less: Depreciation & Amortization	-	(564,603)	564,603
Total Budgetary Expenditures	3,507,609	3,052,623	454,986
Net Income (Loss)-Budgetary	\$ (701,691)	\$ 3,027	\$ 704,718

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 7 - PROPRIETARY FUND BUDGETS - continued

WASTEWATER ENTERPRISE FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 1,990,055	\$ 1,982,068	\$ (7,987)
GAAP Non-Operating Revenues	569,242	744,992	175,750
Less: Accretion of Bond Premium	-	(23,528)	(23,528)
Total Budgetary Revenues	2,559,297	2,703,532	144,235
<u>Expenses:</u>			
GAAP Operating Expenses	851,885	1,540,430	(688,545)
GAAP Non-Operating Expenses	470,627	484,903	(14,276)
Add: Debt Service Principal	766,079	766,079	-
Change In: Accrued Interest	-	9,025	(9,025)
Change In: Vacation/Comp Time	-	1,859	(1,859)
Less: Depreciation	-	(790,718)	790,718
Total Budgetary Expenditures	2,088,591	2,011,578	77,013
Net Income (Loss)-Budgetary	\$ 470,706	\$ 691,954	\$ 221,248

REFUSE ENTERPRISE FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 581,456	\$ 592,376	\$ 10,920
GAAP Non-Operating Revenues	248	286	38
Total Budgetary Revenues	581,704	592,662	10,958
<u>Expenses:</u>			
GAAP Operating Expenses	593,333	595,019	(1,686)
GAAP Non-Operating Expenses	28,700	28,000	700
Less: Depreciation	-	(1,420)	1,420
Total Budgetary Expenditures	622,033	621,599	434
Net Income (Loss)-Budgetary	\$ (40,329)	\$ (28,937)	\$ 11,392

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015.

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, 2015 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, 2015

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, 2015, 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, 2015 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, 2015, the Town was in compliance with such covenants.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015 is \$137,500 in the General Fund and \$34,000 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, 2015 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.

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 3,715,254	\$ 4,083,572	\$ 4,091,160	\$ 7,588
Licenses and Permits	141,895	240,160	304,906	64,746
Intergovernmental	437,432	442,545	451,163	8,618
Charges for Services	210,500	276,215	264,215	(12,000)
Fines, Forfeits and Penalties	49,450	73,145	81,923	8,778
Information Center Sales	167,586	233,060	246,924	13,864
Interest	6,500	5,900	5,988	88
Miscellaneous – Rental Income	1,200	1,200	1,200	-
Miscellaneous – Gain on Sale of Assets	-	32,520	32,520	-
Miscellaneous – Other	20,600	35,313	21,265	(14,048)
	<u>4,750,417</u>	<u>5,423,630</u>	<u>5,501,264</u>	<u>77,634</u>
 <u>Expenditures:</u>				
General Government	1,233,730	1,419,369	1,329,467	89,902
Public Safety	1,401,392	1,400,614	1,264,482	136,132
Public Works – Streets	1,293,608	1,275,727	1,123,069	152,658
Public Works – Buildings & Grounds	581,847	566,827	539,780	27,047
Information Center	167,803	214,993	223,568	(8,575)
Marketing	196,723	199,171	192,225	6,946
	<u>4,875,103</u>	<u>5,076,701</u>	<u>4,672,591</u>	<u>404,110</u>
Excess Revenues Over (Under) Expenditures	(124,686)	346,929	828,673	481,744
 <u>Other Financing Sources and (Uses):</u>				
Transfers (to) Other Funds	-	-	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(124,686)	346,929	828,673	481,744
Fund Balances – Beginning	<u>1,299,028</u>	<u>1,734,266</u>	<u>1,734,266</u>	<u>-</u>
Fund Balances – Ending	<u>\$ 1,174,342</u>	<u>\$ 2,081,195</u>	<u>\$ 2,562,939</u>	<u>\$ 481,744</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, 2015

	<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	42	136	144	8
Total Revenues	<u>32,542</u>	<u>31,636</u>	<u>31,439</u>	<u>(197)</u>
<u>Expenditures:</u>				
General Government	<u>99,500</u>	<u>104,775</u>	<u>104,368</u>	<u>407</u>
Total Expenditures	<u>99,500</u>	<u>104,775</u>	<u>104,368</u>	<u>407</u>
Excess Revenues Over (Under) Expenditures	(66,958)	(73,139)	(72,929)	210
<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	(66,958)	(73,139)	(72,929)	210
Fund Balances – Beginning	<u>97,549</u>	<u>100,182</u>	<u>100,182</u>	<u>-</u>
Fund Balances – Ending	<u>\$ 30,591</u>	<u>\$ 27,043</u>	<u>\$ 27,253</u>	<u>\$ 210</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Taxes-Local	\$ 109,000	\$ 124,000	\$ 121,626	\$ (2,374)
Intergovernmental Grants	-	41,015	-	(41,015)
Charges for Services	-	263	570	307
Interest	1,350	2,150	2,444	294
Total Revenues - Budgetary	110,350	167,428	124,640	(42,788)
<u>Expenditures:</u>				
Open - space Preservation	303,975	297,726	271,233	26,493
Total Expenditures - Budgetary	303,975	297,726	271,233	26,493
Excess Revenues Over (Under) Expenditures	(193,625)	(130,298)	(146,593)	(16,295)
Fund Balances–Beginning	1,215,075	1,204,372	1,204,372	-
Fund Balances–Ending	\$ 1,021,450	\$ 1,074,074	\$ 1,057,779	\$ (16,295)

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, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES & OTHER FINANCING SOURCES:			
TAXES – LOCAL:			
Real Property Taxes	\$ 248,379	\$ 248,966	\$ 587
Specific Ownership Taxes	23,630	21,743	(1,887)
Sales Taxes – General	3,357,880	3,350,365	(7,515)
Severance Tax Refund	667	668	1
Franchise Taxes	215,016	213,650	(1,366)
Marketing Taxes	124,000	121,626	(2,374)
Marijuana Taxes	114,000	134,142	20,142
TOTAL TAXES - LOCAL	<u>4,083,572</u>	<u>4,091,160</u>	<u>7,588</u>
LICENSES & PERMITS:			
Business and Liquor Licenses	47,920	47,146	(774)
Marketing Fee	8,140	8,140	-
Building and Other Permits	184,100	249,620	65,520
TOTAL LICENSES & PERMITS	<u>240,160</u>	<u>304,906</u>	<u>64,746</u>
INTERGOVERNMENTAL			
Motor Vehicle License Fee	27,100	27,317	217
Highway Users Tax	209,941	220,174	10,233
Cigarette Tax	10,900	10,805	(95)
Road & Bridge Tax	82,440	80,985	(1,455)
County Sales Tax	111,661	111,378	(283)
Federal Mineral Lease Revenues	503	504	1
TOTAL INTERGOVERNMENTAL	<u>442,545</u>	<u>451,163</u>	<u>8,618</u>
CHARGES FOR SERVICES			
Planning and Zoning Fees & Reimbursements	95,000	82,256	(12,744)
Facility Usage Fees & Deposits	30,315	32,829	2,514
Other Reimbursable Income/Developer Contributions	2,200	1,130	(1,070)
Administrative Services – Enterprise Funds	148,700	148,000	(700)
TOTAL CHARGES FOR SERVICES	<u>276,215</u>	<u>264,215</u>	<u>(12,000)</u>
FINES, FORFEITS & PENALTIES – TOTAL	<u>73,145</u>	<u>81,923</u>	<u>8,778</u>
INFORMATION CENTER SALES – TOTAL	<u>233,060</u>	<u>246,924</u>	<u>13,864</u>
INTEREST INCOME – TOTAL	<u>5,900</u>	<u>5,988</u>	<u>88</u>
MISCELLANEOUS/OTHER			
Rental Income	1,200	1,200	-
Gain on Sale of Assets	32,520	32,520	-
Other	35,313	21,265	(14,048)
TOTAL MISCELLANEOUS/OTHER	<u>69,033</u>	<u>54,985</u>	<u>(14,048)</u>
OTHER FINANCIAL SOURCES:			
Operating Transfers In-TOTAL	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 5,423,630</u>	<u>\$ 5,501,264</u>	<u>\$ 77,634</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, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES & OTHER FINANCING USES:			
GENERAL GOVERNMENT:			
Personnel Services	\$ 858,211	\$ 844,176	\$ 14,035
Supplies	16,220	11,922	4,298
Purchased Services	322,117	267,131	54,986
Insurance	52,821	53,129	(308)
Capital Outlay	25,000	25,000	-
Community Requests/Grants	70,000	70,600	(600)
Contingency	75,000	57,509	17,491
TOTAL GENERAL GOVERNMENT	<u>1,419,369</u>	<u>1,329,467</u>	<u>89,902</u>
PUBLIC SAFETY:			
Personnel Services	1,055,044	949,518	105,526
Supplies	58,372	39,869	18,503
Purchased Services	263,723	254,620	9,103
Insurance	20,975	20,475	500
Contingency	2,500	-	2,500
TOTAL PUBLIC SAFETY	<u>1,400,614</u>	<u>1,264,482</u>	<u>136,132</u>
PUBLIC WORKS – STREETS:			
Personnel Services	762,698	716,346	46,352
Supplies	143,159	119,066	24,093
Purchased Services	344,843	263,130	81,713
Insurance	20,000	19,500	500
Capital Outlay	5,027	5,027	-
TOTAL PUBLIC WORKS - STREETS	<u>1,275,727</u>	<u>1,123,069</u>	<u>152,658</u>
PUBLIC WORKS – BUILDINGS & GROUNDS:			
Personnel Services	315,311	296,181	19,130
Supplies	94,604	92,828	1,776
Purchased Services	145,412	139,561	5,851
Insurance	11,500	11,210	290
TOTAL PUBLIC WORKS – BLDGS & GROUNDS	<u>566,827</u>	<u>539,780</u>	<u>27,047</u>
INFORMATION CENTER:			
Personnel Services	63,833	68,713	(4,880)
Supplies	3,300	3,009	291
Purchased Services	10,300	11,991	(1,691)
Goods for Resale/Consignment and Sales Tax	136,560	139,855	(3,295)
Contingency	1,000	-	1,000
TOTAL INFORMATION CENTER	<u>214,993</u>	<u>223,568</u>	<u>(8,575)</u>
MARKETING:			
Personnel Services	81,669	76,883	4,786
Supplies	14,550	14,196	354
Purchased Services	102,952	101,146	1,806
TOTAL MARKETING	<u>199,171</u>	<u>192,225</u>	<u>6,946</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 5,076,701</u>	<u>\$ 4,672,591</u>	<u>\$ 404,110</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Use Tax	\$ 150,000	\$ 224,447	\$ 74,447
Community Enhancement Tax	42,821	41,665	(1,156)
Impact Fees and Assessments	49,435	40,388	(9,047)
Intergovernmental Revenues	25,000	-	(25,000)
Developer Contributions	185,000	-	(185,000)
Interest and Miscellaneous	<u>3,568</u>	<u>4,246</u>	<u>678</u>
Total Revenues	<u>455,824</u>	<u>310,746</u>	<u>(145,078)</u>
<u>Expenditures:</u>			
General Government:			
Bus Shelter	245,000	160,861	84,139
Pool & Ice Rink Maintenance Fund	40,000	40,000	-
Castle Peak Senior Center	25,000	25,000	-
Skate Park	18,000	4,461	13,539
Town Park Redevelopment	5,000	-	5,000
Public Safety:			
Patrol Vehicles	69,025	67,804	1,221
Public Works – Streets:			
Street Sweeper	191,307	191,306	1
Transportation/ROW Improvements	357,969	318,590	39,379
Building and Grounds:			
Snow Removal Equipment	241,000	240,625	375
Multi-Purpose Truck	10,995	10,994	1
4 x 4 Pickup	50,000	46,809	3,191
Lawnmower	<u>10,799</u>	<u>10,799</u>	<u>-</u>
Total Expenditures	<u>1,264,095</u>	<u>1,117,249</u>	<u>146,846</u>
Excess Revenues Over (Under) Expenditures	(808,271)	(806,503)	1,768
Fund Balances – Beginning (Restated)	<u>1,367,100</u>	<u>1,367,100</u>	<u>-</u>
Fund Balances – Ending	<u>\$ 558,829</u>	<u>\$ 560,597</u>	<u>\$ 1,768</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, 2015

	Special Revenue Funds		
	Conservation Trust Fund	Open Space Preservation Fund	Total
<u>Assets:</u>			
Current Assets:			
Cash and Investments	\$ 27,253	\$ 1,077,320	\$ 1,104,573
Taxes and Other Receivables	-	14,690	14,690
 Total Assets	 \$ 27,253	 \$ 1,092,010	 \$ 1,119,263
<u>Liabilities and Fund Equity</u>			
Current Liabilities:			
Accounts Payable	\$ -	\$ 34,012	\$ 34,012
Accrued Payroll	-	170	170
Unearned Revenues	-	49	49
 Total Liabilities	 -	 34,231	 34,231
Fund Equity:			
Fund Balances – Committed	-	1,057,779	1,057,779
Fund Balances – Restricted	27,253	-	27,253
 Total Liabilities and Fund Equity	 \$ 27,253	 \$ 1,092,010	 \$ 1,119,263

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, 2015

	Special Revenue Funds		
	Conservation Trust Fund	Open Space Preservation Fund	Total
<u>Revenues:</u>			
Taxes - Local	\$ -	\$ 121,626	\$ 121,626
Intergovernmental	31,295	-	31,295
Charges for Services	-	570	570
Interest	144	2,444	2,588
	31,439	124,640	156,079
<u>Expenditures:</u>			
General Government	104,368	-	104,368
Open-space Preservation	-	271,233	271,233
	104,368	271,233	375,601
Excess Revenues Over (Under) Expenditures	(72,929)	(146,593)	(219,522)
Fund Balances – Beginning	100,182	1,204,372	1,304,554
Fund Balances – Ending	\$ 27,253	\$ 1,057,779	\$ 1,085,032

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, 2015

	Water Enterprise Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>			
GAAP Operating Revenues:			
Service Fees	\$ 2,412,898	\$ 2,557,631	\$ 144,733
Meters and Materials	56,450	45,341	(11,109)
GAAP Non-Operating Revenues:			
Tap and Improvement Fees	328,525	443,325	114,800
Interest & Earnings on Investments	8,045	9,353	1,308
	<u>2,805,918</u>	<u>3,055,650</u>	<u>249,732</u>
<u>Budgetary Expenditures:</u>			
GAAP Operating Expenses:			
Personnel Services	562,280	556,095	6,185
Supplies	167,519	130,776	36,743
Purchased Services	372,270	321,650	50,620
Insurance	35,110	34,610	500
Noncapitalized Outlay/Repairs	7,150	6,759	391
Depreciation	-	564,603	(564,603)
Contingency	50,000	-	50,000
GAAP Non-Operating Expenses:			
Interest and Fiscal Charges	71,491	71,034	457
Administrative Fee – General Fund	60,000	60,000	-
Debt Service Principal	213,289	213,289	-
Capital Outlay	1,968,500	1,660,931	307,569
Change in Accrued Interest Adjustment	-	507	(507)
Change in Vacation/Comp Time Accrual	-	(3,028)	3,028
Less: Depreciation	-	(564,603)	564,603
	<u>3,507,609</u>	<u>3,052,623</u>	<u>454,986</u>
Budgetary Net Income (Loss)	<u>\$ (701,691)</u>	<u>\$ 3,027</u>	<u>\$ 704,718</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, 2015

	Wastewater Enterprise Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>			
GAAP Operating Revenues:			
Service Fees	\$ 1,990,055	\$ 1,982,068	\$ (7,987)
Meters and Materials	-	-	-
GAAP Non-Operating Revenues:			
Tap and Improvement Fees	392,000	544,000	152,000
Property Taxes	176,092	175,813	(279)
Interest & Earnings on Investments	1,150	1,651	501
Accretion of Bond Premium	-	23,528	(23,528)
Less: Accretion of Bond Premium	-	(23,528)	23,528
 Total Budgetary Revenues	<u>2,559,297</u>	<u>2,703,532</u>	<u>144,235</u>
<u>Budgetary Expenditures:</u>			
GAAP Operating Expenses:			
Personnel Services	188,387	170,007	18,380
Supplies	115,700	104,138	11,562
Purchased Services	467,265	415,576	51,689
Insurance	27,800	27,300	500
Noncapitalized Outlay/Repairs	32,733	32,691	42
Depreciation	-	790,718	(790,718)
Contingency	20,000	-	20,000
GAAP Non-Operating Expenses:			
Interest and Fiscal Charges	410,627	424,903	(14,276)
Administrative Fee – General Fund	60,000	60,000	-
Debt Service Principal	766,079	766,079	-
Change in Accrued Interest	-	9,025	(9,025)
Change in Vacation/Comp Time	-	1,859	(1,859)
Less: Depreciation	-	(790,718)	790,718
 Total Budgetary Expenditures	<u>2,088,591</u>	<u>2,011,578</u>	<u>77,013</u>
 Budgetary Net Income (Loss)	<u>\$ 470,706</u>	<u>\$ 691,954</u>	<u>\$ 221,248</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, 2015

	Refuse Enterprise Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>			
GAAP Operating Revenues:			
Service Fees	\$ 581,456	\$ 592,376	\$ 10,920
GAAP Non-Operating Revenues:			
Interest & Earnings on Investments	248	286	38
Total Budgetary Revenues	581,704	592,662	10,958
<u>Budgetary Expenditures:</u>			
GAAP Operating Expenses:			
Purchased Services	567,389	571,502	(4,113)
Noncapitalized Outlay/Repairs	21,944	22,097	(153)
Depreciation	-	1,420	(1,420)
Contingency	4,000	-	4,000
GAAP Non-Operating Expenses:			
Administrative Fee – General Fund	28,700	28,000	700
Less: Depreciation	-	(1,420)	1,420
Total Budgetary Expenditures	622,033	621,599	434
Budgetary Net Income (Loss)	\$ (40,329)	\$ (28,937)	\$ 11,392

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 2015
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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)	253,251
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	625,212
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	12,500
2. General fund appropriations	0	b. Snow and ice removal	230,000
3. Other local imposts (from page 2)	900,920	c. Other	40,000
4. Miscellaneous local receipts (from page 2)	132,552	d. Total (a. through c.)	282,500
5. Transfers from toll facilities	0	4. General administration & miscellaneous	70,000
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	50,000
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,280,963
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	1,033,472	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	247,491	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	1,280,963	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	1,280,963

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,280,963	1,280,963	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING:
December 2015

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	51,567
1. Sales Taxes & Use Tax	838,789	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	40,387	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	21,744	g. Other Misc. Receipts	0
6. Total (1. through 5.)	900,920	h. Other Road & Bridge Tax	80,985
c. Total (a. + b.)	900,920	i. Total (a. through h.)	132,552
	(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	220,174	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	27,317	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.)	27,317	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	247,491	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	5,625	0	5,625
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	111,239	0	111,239
(3). System Preservation	136,387	0	136,387
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	247,626	0	247,626
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	253,251	0	253,251
			(Carry forward to page 1)

Notes and Comments: