

TOWN OF MINTURN, COLORADO

FINANCIAL STATEMENTS

December 31, 2014

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FINANCIAL SECTION



Honorable Mayor and Members of the Town Council
Town of Minturn
Minturn, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Town of Minturn as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Minturn, 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.

Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Town of Minturn'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 Town of Minturn'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 discretely presented component unit and remaining fund information of the Town of Minturn as of December 31, 2014, and the respective changes in financial position and the cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters (Required Supplementary Information)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed 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 information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Supplementary Information)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Minturn's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



April 30, 2015

Town of Minturn

Management's Discussion and Analysis Fiscal Year Ending December 31, 2014

As management for The Town of Minturn, we offer readers this narrative of the Town's basic financial statements and analysis of the financial activities of the Town of Minturn for the year ended December 31, 2014. The following discussion is intended to assist in understanding the results of operations and our current financial condition. Our financial statements and the accompanying notes included elsewhere in this document contain additional information that should be referred to when reviewing this material.

Overview

The Town was incorporated in 1904, became a home rule municipality in 1982, and is a duly organized and existing political subdivision under the Constitution and laws of the State of Colorado. The Town is located in the central portion of Colorado approximately one hundred miles west of Denver, two miles south of Interstate 70 on State Highway 24 and four miles west of the Town of Vail and the Vail Ski Resort.

Financial Highlights

In 2014, we began to see the economic recovery make positive although tentative strides. This recovery is showing signs of economic growth in revenues that historically recover faster than the real estate markets such as retail sales. This growth is representative of improving growth in local sectors and on overall economic conditions and customer and consumer confidence. The Town's 2014 assessed valuation (for collection of taxes in 2015) was \$21,859,000. Although the economy continues to turn around, this value represents no increase as 2014 was a non-assessment year. In light of various and differentiating economic programs, the Town has seen relatively stable and even increasing sales tax revenues in the General Fund. During 2013 sales tax receipts totaled \$521,360 and in 2014 totaled \$536,792; a slight increase over 2013 and a 15% increase since 2012. The relatively strong increase in sales tax revenue is a welcome site over recent years and it is a leading factor in growing optimism in the recovering economy.

The Town has been able to complete several projects and move others along resulting in fund equity changes as indicated in the table below. With this economic picture in mind, the Town of Minturn made direct and specific financial moves that assisted in lessening this economic impact on the residents of the Town while still maintaining our historically provided service levels. We acted to address the continuing uncertain economic environment by implementing several strategic initiatives aimed at permitting us to take advantage of even slightly improved economic conditions and be able to emerge stronger in the future. These strategic initiatives included:

- Maintained a reasonable and conservative budget again in 2014. Efforts in this initiative include a focus on cash flows and the maintenance of our reserves, continuing an employee hire freeze instituted by the Town Council in 2009, and associated cost controls by the utilization of specific consulting contracts. Through these measures, the Town was able to foresee and adjust to a continued decrease in revenue well in advance of the ultimate results.

- Continued consistent and ongoing monitoring of the budget and our monthly and year to date review of expenses on a department level. This monitoring allowed the Town’s management team the opportunity to forecast and adjust for the downward cycle of the economy in real-time. Because we have not ever approached the point of spending our restricted cash, we are able to maintain a strict and consistent conservative budget and financial picture without the need for drastic measures that would adversely affect our residents or our cashflow while still allowing the Town the ability to complete deferred maintenance projects.
- Worked diligently through the invigorated Events Department to enlarge our community marketing options through Town wide events and county wide involvement in regional events. These events included expanded family friendly programming, a strong association with the Minturn Concert Series, and increased community involvement with the annual Minturn Summer Market. This increased engagement was developed to strengthen our financial position through a more rigorous marketing campaign. Early indicators, such as sales tax collections, have been very positive.
- Worked closely with the Minturn businesses through the newly organized Economic Development Committee on how the economy was affecting our business community and how the Town could improve our involvement. This action allowed the Town to better understand the needs of our commercial businesses and help them to be successful during difficult times and it allowed us to recognize new businesses as they entered the market. As a result, it allowed us a finger on the pulse of what the Town could anticipate in revenue collections.
- Strived to maintain or improve our customer service levels for the community to include snow removal, water treatment and water delivery service, trash removal, roads, and administrative services.

Throughout the recent generally difficult economic years, Minturn has endeavored to support our residents and to maintain our community service levels predominantly without increasing costs to the Town. We are happy to report that, to a large extent, our efforts toward fiscal responsibility were well founded and successful.

FUND	BEGINNING EQUITY	ENDING EQUITY	VARIANCE
General Fund	\$1,091,996	1,276,706	184,710
Enterprise Fund	\$2,674,771	2,881,267	206,496
Conservation Trust	\$10,223	8,646	(1,577)
Debt Service Fund	\$205,797	205,800	\$3
Market Fund	(\$7,502)	(3,071)	4,431
Capital Projects Fund	\$1,512,310	764,595	(\$747,715)
General Improvement Dist	\$3,397	3,372	(\$25)
Scholarship Fund	\$9,536	547	(\$8,989)
Battle Mtn Resort Fund	\$996,516	604,850	(391,666)

The Town’s General Fund fund balance has been reduced a total of over \$344,000 over 2012 and 2013. Much of this reduction is attributable to the recondition of small sections of both Eagle and Pine Streets. In 2014, the Town was able to recover some of that

reduction. The Conservation Trust Fund has been used to fund maintenance contracts in the parks. Going forward, this fund will accumulate funds year to year and fund larger improvement projects. The reduction in the Capital Fund is due to construction expenditures for the Minturn Fitness Center. This project was completed in 2014. The Fitness Center agreement specified the Town to contribute up to \$1,250,000 for the development of the facility. The decrease in the Battle Mountain Resort Fund represents legal, professional, and administrative expenses inherent in this operation.

In 2014, the Town accomplished several major asset improvements. In the General Fund, The North Bridge was repaired and resurfaced. The Bellm Bridge (100 Main) was visually repaired and repainted and work was done on the river pylons to repair erosion. The rail crossing at Minturn Road and Taylor St was leveled and the rails asphalted over. The North Bridge deck was repaired and resurfaced. These projects were accomplished using surplus savings in the General Fund. Several major improvements were made in the Enterprise Fund on the Town water system completing a 50/50 match from the Department of Local Affairs grant. In addition a second grant awarded through Eagle County was used to begin the construction of bathrooms and an outdoor learning facility in Eagle River Park. This project will be completed in 2015. In the Capital Projects Fund the Town completed our obligated funding of the Minturn Fitness Center joint venture which opened in August 2014 to the public.

In July the Town signed an Intergovernmental Agreement with the Eagle County Sheriff's Office for police services. This agreement disband the vacant and unstaffed Minturn Police Department shifting all police responsibilities to the Sheriff. Minturn retained the Municipal Court function and the Court Clerk position. However, the costs associated with police service activities continue to maintain a significant cost on the Town.

The Town continued its conservative budget practices, efficient and moderate spending and upkeep, and monitoring of the budget on a monthly basis. Town management has reviewed our labor needs and currently feels the existing nine employees, although limiting, is sufficient to maintain our short term service needs and still conforms to the Town Council instituted hiring freeze policy. In an effort to improve our customer service levels, Town management has utilized contract services for certain engineering needs, water system management, and some limited part time snow removal. The Battle Mountain Resort development has settled into a sustainable long term process with no real infrastructure or construction development anticipated for at least several more years. In 2012 negotiations completed with an agreement to release the funds held in escrow since the Battle Mountain Resort annexation. This agreement allowed for the use of \$250,000 for Little Beach Park, \$350,000 endowment for community student scholarships, and \$3,162,000 remaining for: legal and consulting services, administrative costs, land purchases, and recreation center uses. This agreement will extend essentially unchanged for at least 2015 and will include the \$180,000 Administrative Fee to the Town.

The Enterprise Fund continues to hold its own and make some forward gains on an annual basis. Although the Enterprise Fund is able to maintain a solid reserve balance, it is not financially prepared for any significant system breach or upgrade. During late 2012 a subcommittee was formed to review the existing rate structure. This process involved a

rate study performed by the Colorado Rural Water Association. The Town's adopted budget and the Colorado Rural Water Association study both recommended rate increases in the next few years of approximately 5% annually and called for changes in the rate structure that would more resemble a tiered water rate structure. Additionally, the committee requested a pro forma to be run by the Eagle River Water and Sanitation District using those proposed structure changes to assess our needs and our current rate structure. For the 2014 Budget, the Town Council increased base rates by 3%. This increase was intended to shore up the projected 2014 budget shortfall until such time as rates could be reviewed in light of the pro forma. The Enterprise Fund is comprised of three basic revenue streams: water fees, which pay for the day to day water purification and distribution; debt service fees, which are assessed only to the extent of the annual debt service due during the current year; and trash fees, which pay for the Town wide citizen trash pickup service. Without the inclusion of the Battle Mountain Annexation, the Town is substantially at build out at this time within our current Town boundaries. Therefore, water tap revenue derived from the sale of water taps for new construction is insufficient to pay for needed future system expansion, maintenance and repair. Consideration of this and other funding sources for the ongoing infrastructure repair and maintenance should be considered during the annual budget process as water rates are reviewed. Town Council has directed and encouraged that this should be done in conjunction with annual grant opportunities we may pursue.

The Market Fund revenues and expenses have been significantly strengthened over the past several years. This fund continues to improve its guest appeal and has reinvested money back in to the program in an attempt to maintain a quality experience. It is apparent that the Town will need to fund annual transfers through the General Fund based on budgetary need. The annual summer Minturn Market continues to be a success. Much of this has been due to a more concerted effort by the Town.

The operations of the Town are funded primarily by tax revenue generated by a 17.934 mill levy on the assessed value of property and a 4% sales tax generated by sales within the Town. The revenues produced by the mill levy are not affected by the TABOR law, therefore the Town is allowed to collect, save, and spend all property tax revenues derived from that levy. As previously stated, the Town's property tax revenue has seen a significant decline as a result of the economic conditions from an assessed valuation decrease. Although the real estate market is showing signs of recovery, 2014 is a non-assessment year. All outward signs point to a turn around to some degree with the 2015 re-assessment. Therefore, it is reasonable to assume that our property tax revenues will begin to increase in 2016. This should be considered when as the 2016 budget is developed. Our 2014 sales tax collections continue to slowly recover from the aforementioned recessionary dip and the outlook is promising for this trend to continue in 2015. It is important to note that this recovery is anemic at best and the Town should endeavor to husband our resources for budget purposes in light of the fact that our property and sales tax revenues combined constitute over 66% of our General Fund Revenues, not including administrative fees charged to Battle Mountain Resort. This percentage is a continuing reminder of the need for true diversification in our revenue stream.

The Town collects a lodging tax of 1.5% which is in addition to a 4% sales tax on all short-term rental units. Short-term lodging is defined as a single stay less than 30 days. This lodging tax is collected and allocated in the General Fund and continues to grow.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The **statement of net position** presents information on all the Town's assets and liabilities, with the difference between the two being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The **statement of activities** presents information showing how the Town of Minturn's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused employee paid time off).

The government-wide financial statements distinguish functions of the Town of Minturn that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town of Minturn include General Government, Planning and Zoning, Municipal Court, Police, Public Works, Parks and Recreation, Economic Development, and Interest on Long Term Debt. The Business-type Activities of the Town of Minturn include Water, Trash, and Recreation, referred to as an Enterprise Fund.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants; however the Town Council establishes other funds to help control and manage money for particular purposes. All of the Town's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Agency Funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable*

resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Minturn maintains seven individual governmental funds: General, Conservation Trust, Debt Service, Minturn Market, Battle Mountain Capital Projects, Battle Mountain Resort, and a General Improvement District. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds. The nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – The Town of Minturn maintains one type of proprietary fund: the Enterprise Fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its Water, Trash, and Recreation activities. This fund is considered to be a major fund of the Town of Minturn.

Agency Funds – The Town of Minturn maintains one *Agency Fund*: the Scholarship Fund. *Agency Funds* consist of resources retained by the Town as an agent for another unit in a fiduciary capacity.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2014, the Town's combined assets exceeded liabilities by \$11,199,666. This represents a decrease in net position of \$658,714. This is a result of the Town's final payment required to complete and open the Minturn Fitness Center. Of this amount \$3,878,679 is unrestricted and is available to meet the Town's ongoing financial obligations.

NET POSITION

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL 2014	TOTAL 2013
ASSETS				
Cash and Investments	2,643,936	1,261,746	3,905,682	4,728,996
Restricted Cash	201,500		201,500	201,500
Accounts Receivable		68,000	68,000	64,813
Grants Receivable				47,952
Property Taxes Receivable	392,021		392,021	392,029
Other Receivables	112,542		112,542	88,640
Capital Assets, Not Being Depreciated	3,579,470	75,470	3,654,940	3,599,899
Capital Assets, Net of Accumulated Depreciation	3,185,987	1,962,302	5,148,289	5,258,288
TOTAL ASSETS	10,115,456	3,367,518	13,482,974	14,382,117
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding, Net of Accumulated Amortization	14,202		14,202	16,569
LIABILITIES				
Accounts Payable	97,080	32,328	129,408	106,183
Deposits				9,300
Noncurrent Liabilities				
Due Within One Year	213,772	49,893	263,665	249,113
Due in More Than One Year	1,108,386	404,030	1,512,416	1,783,661
TOTAL LIABILITIES	1,419,238	486,251	1,905,489	2,148,257
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	392,021		392,021	392,029
NET POSITION				
Invested in Capital Assets	5,471,737	1,589,104	7,060,841	6,849,942
Restricted for Parks	8,646		8,646	10,223
Restricted for Debt Service	201,500		201,500	201,500
Restricted for Emergencies	50,000		50,000	51,000
Unrestricted	2,586,516	1,292,163	3,878,679	4,745,715
Total Net Position	8,318,399	2,881,267	11,199,666	11,858,380

Change in Net Position

FUNCTIONS/PROGRAMS	GOVERNMENTAL	BUSINESS-TYPE	TOTALS	
	ACTIVITIES	ACTIVITIES	2014	2013
PRIMARY GOVERNMENT				
PROGRAM REVENUES				
Charges for Services	313,492	820,067	1,133,559	1,079,407
Operating Grants and Contributions	101,490		101,490	120,838
Capital Grants and Contributions		108,129	108,129	2,125,452
GENERAL REVENUES				
Property Taxes	392,780		392,780	466,306
Specific Ownership Taxes	19,997		19,997	19,024
Sales and Use Taxes	536,792		536,792	521,361
Franchise Taxes	64,110		64,110	61,207
Other Taxes	113,535		113,535	126,114
Intergovernmental Revenues not Restricted	2,072		2,072	2,165
Investment Income	4,566		4,566	6,717
Other Revenues	116,182		116,182	89,593
TOTAL REVENUES	1,665,016	928,196	2,593,212	4,618,184
EXPENSES				
General Government	938,674		938,674	708,500
Planning and Zoning	111,945		111,945	113,976
Municipal Court	16,947		16,947	16,208
Police	240,910		240,910	344,507
Public Works	298,450		298,450	264,640
Parks and Recreation	832,106		832,106	600,988
Economic Development	61,349		61,349	64,757
Interest on Long-Term Debt	54,334		54,334	59,881
Water, Sanitation and Recreation		697,211	697,211	811,136
TOTAL EXPENSES	2,554,715	697,211	3,251,926	2,984,593
Excess Before Transfers	(889,699)	230,985	(658,714)	1,633,591
Transfers	24,489	(24,489)	0	0
CHANGE IN NET POSITION				
	(865,210)	206,496	(658,714)	1,633,591
NET POSITION, Beginning	9,183,609	2,674,771	11,858,380	10,224,789
NET POSITION, Ending	8,318,399	2,881,267	11,199,666	11,858,380

During the fiscal year 2012 the Town of Minturn confirmed an agreement for services rendered in the annexation request for Battle Mountain thereby freeing up some of the original escrow funds. This agreement included \$250,000 for Little Beach Park improvements, \$350,000 to be used as a scholarship endowment for the community, and

\$3,162,000 to be used for specific expenses sustained as a result of land purchases, recreational amenities, and expenses that will be incurred as a result of the annexation process still in progress. The agreement covers 36 months starting March 2012 and freed up \$4.3 million dollars in escrow funds to the Town of Minturn. The agreement was extended with the funds in place for 2015 until such time as a new agreement is proposed.

In 2013 the Town utilized a \$2,068,000 grant from the Eagle County Open Space program to purchase The Boneyard Park from the United States Forest Service and explains the variance between 2013 and 2014 in Capital Grants and Contributions. In 2014 the General Government expense increased over 2013 due to an employment payout and settlement with the previous Town Manager and an unanticipated increase in general legal fees resulting from hiring a new legal team upon the death of our previous long time counsel. In 2014, the Town realized \$106,858 in Real Estate Transfer Taxes (RETT) revenues. This amount far exceeded the budgeted expectation of \$90,000 and may be a reflection of the recovering soft real estate market experienced despite the overall economic downturn. With the strong economy realized between 2006 and 2008, the 2010 assessment was proportionately higher as well. It should be noted this revenue stream is extremely fickle and very driven by the economy. When compared to the 2011 assessed valuation, this is evident whereby property values within the Town of Minturn have fallen by \$10,393,810 (32.2%) when compared with our latest assessment of November 2013. With the recent economic downturn, it is anticipated that this assessment will stabilize in 2015 and then begin to increase slightly each year as the recovery gains momentum. The Town continues to watch this revenue stream and budget conservatively in light of the economic downturn.

In 2014, the Town completed significant repairs to the infrastructure at Eagle River Park. This is represented when compared to the same expenses in 2013. Additionally, in 2013 the Town, in conjunction with a Department of Local Affairs grant, completed several infrastructure improvements to the water and water distribution systems. This is also represented in the Change in Net Position worksheet.

Eagle County (in accordance with State Statute) assesses property bi-annually in odd years. By way of example, 2015 is an assessment year based on values as of June 2014. It is reasonable to assume that, excluding completed projects, the Property Tax collections should not change dramatically between assessment periods. Because property values were down in June of 2012 and have only recently begun to stabilize with the economy, Property Tax revenues will not begin to recover until at least the 2015 assessment year for revenues to be collected in 2016.

Financial Analysis of the Town's Funds

Governmental Funds The focus of the Town of Minturn 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, unassigned fund balance may serve as a useful measure of the Town's net resources available at the end of the fiscal year.

The General Fund is the major operating fund of the Town. At the end of 2010 the fiscal year fund balance increased by \$177,739 from \$1,087,942 to \$1,265,681. At the end of 2011 the fund balance increased by \$170,735 to \$1,436,416. At the end of 2012 the fiscal balance decreased by \$164,167 due in large part to the Pine Street paving project and the 2013 General Fund fund balance was down yet again by \$180,253 in large part due to the Eagle St. project. In 2014, the fund balance increased by \$184,710. In 2015 the Town will exhaust the current Battle Mountain Resort funding agreement and it is advisable that we take a “wait and see” approach to new projects until we can measure the strength of our 2015 tax assessment for 2016 collections. It is the direction of the Town Council for the Town to hold an amount equal to 50% of our annual non-developer expenses in a cash reserve. This optimistic reserve target has been met annually for the past eleven years and is designed to better allow the Town to operate during uncertain economic conditions and to begin to address deferred maintenance projects. This ending fund balance and strong reserve policy makes Minturn a leader in fiscal responsibility and the current reserve practice is recommended to be continued.

General Fund Budgetary Highlights

It should be a goal of the Town to make every effort to anticipate projects in advance to allow for budgeting and budget controls in order to maintain our financial stability.

Although attempts have been made to adjust for market growth variances and building cycles in order to smooth out the annual budget, the resort and real estate market in the valley are very changeable and adjustments need to be made as change occurs.

There were budget amendments during the year which reflected additional realized revenues and corresponding expenses. Our General Fund fund balance will continue to ebb and flow as our long list of projects turn in to accomplishments. The Town is looking to complete the restroom project in Eagle River Park, we are planning major improvements to the 100 block of Main Street, and we are in the engineering stages of sidewalk work the entire length of Main St.

Capital Asset and Debt Administration

Capital Assets. The Town’s investment in capital assets as of December 31, 2014, amounts to \$8,803,229. The net increase from 2013 is a result of the construction in progress of the Eagle River restroom project and the completion of the upgrades to the water system. The detail of capital assets is in Note 5 to the financial statements.

Long-term Debt. As of December 31, 2014, the Town had long-term debt that was being paid by the Water, Sanitation, and Recreation Fund, the Debt Service Fund, and the General Fund as follows:

	FY2014 Beginning Balance	FY2014 Principal Additions	FY2014 Principal Reduction	FY2014 Ending Balance
Water Fund	499,993	9,949	56,019	453,923
Debt Service Fund	1,455,000	-	185,000	1,270,000
General Fund	33,075	-	16,303	16,772

The detail of long-term debt is presented in Note 6 to the financial statements.

Economic Factors and Next Year's Budget

- The largest single event since Minturn's inception, the Battle Mountain Resort Annexation was completed in May of 2008. It was anticipated Battle Mountain Resort would submit a petition for the annexation of the remaining 1,000 acres and a development agreement and then proceed with approvals and development in the future. This project, when completed, will include a private community including a ski area and high-end housing. The project will also bring with it employee housing, an estimated 800 full time jobs, an increase in assets and residents, and a vastly increased and stable funding source for the future of Minturn. This project is still in the legal stages rather than the construction stages and it is not anticipated to begin construction for at least several years.
- Sales tax revenues are a major source of revenue to the Town and are an important source for providing funds for the general operations and maintenance of the Town of Minturn. With the improvements in the local economy our community has seen an increase in tourist traffic and store front occupancy which has greatly enhanced our sales tax growth. Currently, the Minturn Market taken as a whole continues to rank as one of the largest sales tax contributors. This market, run by the Town, continues to provide foot traffic for the retail shops and restaurants in Town during the summer weekends.
- Although annually the Town's commercial and residential sectors continue to grow, the budget history and philosophy remains to budget revenues based on the prior year and factor in current patterns. This conservative approach has allowed the Town to accurately estimate our budget to actual revenues and expenditures while keeping a close watch on expenses. It was projected that because property tax values were assessed weak and low in 2013, taxes collected in 2014 would fall again by over 15% and that they would then stabilize in 2015 and rise in 2016. Since the high water mark of assessed values in 2011, property tax revenues will have fallen over 34% by the 2014 property assessment. This estimate will be considered closely as the budget process proceeds.
- Minturn's economy is primarily based on tourism. In 2011, sales tax collections were up over 8% from 2010. The sales tax growth between 2010 and 2014 has increased almost 19%. National and international markets continue in recession mode with only slight improvements although the local and state economies show positive signs of a recovery. With the significant crash of the consumer credit market, continuing economic strife in the Euro dollar and recessionary concerns throughout much of the world, it is difficult to predict the full implication of the current national economy on the local economy. Sales tax revenue projections and real estate growth for 2015 are once again conservatively reflective of that trend. It is not estimated that the Battle Mountain Resort project will have any significant impact upon these revenues streams for several years.
- As stated in this document the Town of Minturn currently awaits further submittals including a development plan from Battle Mountain. With the downturn in the economy Battle Mountain Resort has understandably taken a "wait and see" stance on immediate development. In view of this slowdown of the development, the Town of Minturn has also taken a "wait and see" approach to future staffing needs and revenue expectations. As of the end of 2014, the

Town employed 8 full time employees plus a part time Town Manager (24-30 hours per week). Interestingly, although we have had minor short term fluctuations, this staffing level is below the norm of about ten employees. Again this is representative of our stringent efforts to control our municipal costs.

- Our primary sources of liquidity are: cash generated from property and sales tax, leases of Town owned land, and water fees. We have experienced challenging economic conditions beginning in 2008. Our underlying goal has been to control our expenditures and maintain our fund balances while at the same time not reducing our established service levels to our residents. Given the uncertain economic environment, the Town Council and Town management have undertaken additional internal actions which include:
 - Insurance Review: Annually, the Town management reviews and modifies our employee medical insurance program. Other similar cost control measures were made to the medical and life insurance and the employee pension plan.
 - The Town management has maintained a conservative workforce allowance and no change in this practice is anticipated for 2015.
 - Hiring Freeze: Existing positions have been filled as they become vacant but no new positions have been created. Further, the Town has contracted for services outside of Staff expertise such as engineering, water system management, and police services.

The Town of Minturn is in a relatively good financial position because of our ongoing conservative budgeting, our stable cash reserves, and our realistic spending practices. Our Fund reserves are at a sufficient level to cover the Town's financial policy set by Town Council (equal to six months of operations expenditures). Although we continue to watch all revenue and expense numbers very closely, it is comforting to recognize the diverse service industry tax base we have as well as the growth in our store front businesses. With these factors in mind it remains a guiding touchstone that annual operational expenditures are paid from revenues earned during this same period and generally not paid from reserves. The recent yet infrequent exception to this practice has been made for long term infrastructure needs, such as road maintenance, using our reserves sparingly.

All these factors were considered in preparing the Town of Minturn's budget for the 2015 fiscal year and as we look beyond 2015 to future years.

Requests for Information

The financial report is designed to provide a general overview of the Town of Minturn's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Town of Minturn
Attn.: Jay Brunvand, Town Treasurer
P.O. Box 309
Minturn, CO 81645

BASIC FINANCIAL STATEMENTS

TOWN OF MINTURN, COLORADO

STATEMENT OF NET POSITION

December 31, 2014

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE	TOTALS	UNIT
	ACTIVITIES	ACTIVITIES		EDUCATION
				FUND
ASSETS				
Cash and Investments	\$ 2,643,936	\$ 1,261,746	\$ 3,905,682	\$ 321,973
Restricted Cash and Investments	201,500	-	201,500	-
Accounts Receivable	-	68,000	68,000	-
Property Taxes Receivable	392,021	-	392,021	-
Other Receivables	112,542	-	112,542	-
Capital Assets, Not Being Depreciated	3,579,470	75,470	3,654,940	-
Capital Assets, Net of Accumulated Depreciation	<u>3,185,987</u>	<u>1,962,302</u>	<u>5,148,289</u>	<u>-</u>
TOTAL ASSETS	<u>10,115,456</u>	<u>3,367,518</u>	<u>13,482,974</u>	<u>321,973</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding, Net of Accumulated Amortization	<u>14,202</u>	<u>-</u>	<u>14,202</u>	<u>-</u>
LIABILITIES				
Accounts Payable	97,080	32,328	129,408	-
Noncurrent Liabilities				
Due Within One Year	213,772	49,893	263,665	-
Due in More Than One Year	<u>1,108,386</u>	<u>404,030</u>	<u>1,512,416</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,419,238</u>	<u>486,251</u>	<u>1,905,489</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	<u>392,021</u>	<u>-</u>	<u>392,021</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	5,471,737	1,589,104	7,060,841	-
Restricted for Parks	8,646	-	8,646	-
Restricted for Debt Service	201,500	-	201,500	-
Restricted for Emergencies	50,000	-	50,000	-
Restricted for Scholarships	-	-	-	321,973
Unrestricted	<u>2,586,516</u>	<u>1,292,163</u>	<u>3,878,679</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 8,318,399</u>	<u>\$ 2,881,267</u>	<u>\$ 11,199,666</u>	<u>\$ 321,973</u>

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

TOWN OF MINTURN, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 938,674	\$ 272,762	\$ -	\$ -
Planning and Zoning	111,945	34,796	-	-
Municipal Court	16,947	-	-	-
Police	240,910	5,934	-	-
Public Works	298,450	-	91,519	-
Parks and Recreation	832,106	-	9,971	-
Economic Development	61,349	-	-	-
Interest on Long-Term Debt	54,334	-	-	-
Total Governmental Activities	<u>2,554,715</u>	<u>313,492</u>	<u>101,490</u>	<u>-</u>
Business-Type Activities				
Water, Sanitation and Recreation	<u>697,211</u>	<u>820,067</u>	<u>-</u>	<u>108,129</u>
Total Business-Type Activities	<u>697,211</u>	<u>820,067</u>	<u>-</u>	<u>108,129</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,251,926</u>	<u>\$ 1,133,559</u>	<u>\$ 101,490</u>	<u>\$ 108,129</u>
Component Unit				
Education Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL REVENUES

- Property Taxes
- Specific Ownership Taxes
- Sales and Use Taxes
- Franchise Taxes
- Other Taxes
- Intergovernmental Revenues not Restricted to Specific Programs
- Investment Income
- Miscellaneous

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION

PRIMARY GOVERNMENT			COMPONENT
GOVERNMENTAL	BUSINESS-TYPE		UNIT
ACTIVITIES	ACTIVITIES	TOTALS	EDUCATION
			FUND
\$ (665,912)	\$ -	\$ (665,912)	\$ -
(77,149)	-	(77,149)	-
(16,947)	-	(16,947)	-
(234,976)	-	(234,976)	-
(206,931)	-	(206,931)	-
(822,135)	-	(822,135)	-
(61,349)	-	(61,349)	-
(54,334)	-	(54,334)	-
<u>(2,139,733)</u>	<u>-</u>	<u>(2,139,733)</u>	<u>-</u>
<u>-</u>	<u>230,985</u>	<u>230,985</u>	<u>-</u>
<u>-</u>	<u>230,985</u>	<u>230,985</u>	<u>-</u>
<u>(2,139,733)</u>	<u>230,985</u>	<u>(1,908,748)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
392,780	-	392,780	-
19,997	-	19,997	-
536,792	-	536,792	-
64,110	-	64,110	-
113,535	-	113,535	-
2,072	-	2,072	-
4,566	-	4,566	5,147
116,182	-	116,182	-
24,489	(24,489)	-	-
<u>1,274,523</u>	<u>(24,489)</u>	<u>1,250,034</u>	<u>5,147</u>
(865,210)	206,496	(658,714)	5,147
<u>9,183,609</u>	<u>2,674,771</u>	<u>11,858,380</u>	<u>316,826</u>
<u>\$ 8,318,399</u>	<u>\$ 2,881,267</u>	<u>\$ 11,199,666</u>	<u>\$ 321,973</u>

TOWN OF MINTURN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	GENERAL	BATTLE MOUNTAIN RESORT	DEBT SERVICE
ASSETS			
Cash and Investments	\$ 1,248,384	\$ 612,355	\$ 4,300
Restricted Cash and Investments	-	-	201,500
Property Taxes Receivable	392,021	-	-
Other Receivables	112,542	-	-
TOTAL ASSETS	\$ 1,752,947	\$ 612,355	\$ 205,800
LIABILITIES			
Accounts Payable	\$ 84,220	\$ 7,505	\$ -
TOTAL LIABILITIES	84,220	7,505	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	392,021	-	-
FUND BALANCE			
Restricted for Parks	-	-	-
Restricted for Debt Service	-	-	201,500
Restricted for Emergencies	50,000	-	-
Committed to Battle Mountain Resort	-	604,850	-
Committed to Capital Projects	-	-	-
Assigned to GID Activities	-	-	-
Assigned to Debt Service	-	-	4,300
Assigned to Capital Projects	-	-	-
Unrestricted, Unassigned	1,226,706	-	-
TOTAL FUND BALANCE	1,276,706	604,850	205,800
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,752,947	\$ 612,355	\$ 205,800

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of Governmental Funds

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

Long-term liabilities and related items, including the loss on debt refunding \$14,202, are not due and payable in the current year and, therefore, are not reported in governmental funds.

Total Net Position of Governmental Activities

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

BATTLE MOUNTAIN CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
\$ 764,595	\$ 14,302	\$ 2,643,936
-	-	201,500
-	-	392,021
-	-	112,542
<u>\$ 764,595</u>	<u>\$ 14,302</u>	<u>\$ 3,349,999</u>
<u>\$ -</u>	<u>\$ 5,355</u>	<u>\$ 97,080</u>
-	5,355	97,080
-	-	392,021
-	8,646	8,646
-	-	201,500
-	-	50,000
-	-	604,850
743,321	-	743,321
-	3,372	3,372
-	-	4,300
21,274	-	21,274
-	(3,071)	1,223,635
<u>764,595</u>	<u>8,947</u>	<u>2,860,898</u>
<u>\$ 764,595</u>	<u>\$ 14,302</u>	<u>\$ 3,349,999</u>
		\$ 2,860,898
		6,765,457
		(1,307,956)
		<u>\$ 8,318,399</u>

TOWN OF MINTURN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
 Year Ended December 31, 2014

	<u>GENERAL</u>	<u>BATTLE MOUNTAIN RESORT</u>	<u>DEBT SERVICE</u>
REVENUES			
Taxes	\$ 1,127,214	\$ -	\$ -
Licenses and Permits	49,316	-	-
Fines and Forfeitures	5,934	-	-
Intergovernmental	93,591	-	-
Investment Income	2,418	1,795	24
Miscellaneous	139,591	-	168,424
TOTAL REVENUES	<u>1,418,064</u>	<u>1,795</u>	<u>168,448</u>
EXPENDITURES			
Current			
General Government	650,961	213,461	-
Planning and Zoning	111,945	-	-
Municipal Court	16,947	-	-
Police	240,910	-	-
Public Works	256,845	-	-
Parks and Recreation	-	-	-
Economic Development	61,349	-	-
Debt Service			
Principal	16,303	-	185,000
Interest and Fiscal Charges	954	-	54,538
TOTAL EXPENDITURES	<u>1,356,214</u>	<u>213,461</u>	<u>239,538</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>61,850</u>	<u>(211,666)</u>	<u>(71,090)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	180,000	-	71,093
Transfers Out	(57,140)	(180,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>122,860</u>	<u>(180,000)</u>	<u>71,093</u>
NET CHANGE IN FUND BALANCE	184,710	(391,666)	3
FUND BALANCE, Beginning	<u>1,091,996</u>	<u>996,516</u>	<u>205,797</u>
FUND BALANCE, Ending	<u>\$ 1,276,706</u>	<u>\$ 604,850</u>	<u>\$ 205,800</u>

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

BATTLE MOUNTAIN CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
\$ -	\$ -	\$ 1,127,214
-	-	49,316
-	-	5,934
-	9,971	103,562
285	44	4,566
<u>2,000</u>	<u>64,409</u>	<u>374,424</u>
<u>2,285</u>	<u>74,424</u>	<u>1,665,016</u>
-	25	864,447
-	-	111,945
-	-	16,947
-	-	240,910
-	-	256,845
750,000	82,106	832,106
-	-	61,349
-	-	201,303
-	-	<u>55,492</u>
<u>750,000</u>	<u>82,131</u>	<u>2,641,344</u>
<u>(747,715)</u>	<u>(7,707)</u>	<u>(976,328)</u>
-	10,536	261,629
-	-	<u>(237,140)</u>
-	<u>10,536</u>	<u>24,489</u>
<u>(747,715)</u>	<u>2,829</u>	<u>(951,839)</u>
<u>1,512,310</u>	<u>6,118</u>	<u>3,812,737</u>
\$ <u><u>764,595</u></u>	\$ <u><u>8,947</u></u>	\$ <u><u>2,860,898</u></u>

TOWN OF MINTURN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2014

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Funds	\$ (951,839)
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense (\$134,797) exceeded capital outlay \$13,150 in the current year.	(121,647)
Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	201,303
Debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of debt premium \$3,525, and amortization of loss on refunding (\$2,367).	1,158
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in accrued paid time off.	<u>5,815</u>
Change in Net Position of Governmental Activities	<u>\$ (865,210)</u>

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

TOWN OF MINTURN, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND
 December 31, 2014

	<u>WATER, SANITATION AND RECREATION</u>
ASSETS	
CURRENT ASSETS	
Cash and Investments	\$ 1,261,746
Accounts Receivable	68,000
	<hr/>
TOTAL CURRENT ASSETS	1,329,746
NONCURRENT ASSETS	
Capital Assets, Not Being Depreciated	75,470
Capital Assets, Net of Accumulated Depreciation	1,962,302
	<hr/>
TOTAL NONCURRENT ASSETS	2,037,772
TOTAL ASSETS	<hr/> 3,367,518 <hr/>
CURRENT LIABILITIES	
Accounts Payable	32,328
Accrued Paid Time Off, Current Portion	1,300
Notes Payable, Current Portion	31,821
Lease Payable, Current Portion	16,772
	<hr/>
TOTAL CURRENT LIABILITIES	82,221
NONCURRENT LIABILITIES	
Accrued Paid Time Off	3,955
Notes Payable	400,075
	<hr/>
TOTAL NONCURRENT LIABILITIES	404,030
TOTAL LIABILITIES	<hr/> 486,251 <hr/>
NET POSITION	
Net Investment in Capital Assets	1,589,104
Unrestricted	1,292,163
	<hr/>
TOTAL NET POSITION	\$ <hr/> 2,881,267 <hr/>

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

TOWN OF MINTURN, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND

Year Ended December 31, 2014

	<u>WATER, SANITATION AND RECREATION</u>
OPERATING REVENUES	
Charges for Services	\$ 807,227
Miscellaneous	<u>12,840</u>
TOTAL OPERATING REVENUES	<u>820,067</u>
OPERATING EXPENSES	
Operations	527,915
Maintenance	58,846
Depreciation	<u>87,337</u>
TOTAL OPERATING EXPENSES	<u>674,098</u>
NET OPERATING INCOME	145,969
NONOPERATING REVENUES (EXPENSES)	
Interest Expense	<u>(23,113)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	122,856
Grants	108,129
Transfers Out	<u>(24,489)</u>
CHANGE IN NET POSITION	206,496
NET POSITION, Beginning	<u>2,674,771</u>
NET POSITION, Ending	<u>\$ 2,881,267</u>

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

TOWN OF MINTURN, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

Year Ended December 31, 2014

Increase (Decrease) in Cash and Cash Equivalents

	<u>WATER, SANITATION AND RECREATION</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 804,040
Cash Received from Others	12,840
Cash Paid to Suppliers	(411,225)
Cash Paid to Employees	<u>(172,766)</u>
Net Cash Provided by Operating Activities	<u>232,889</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Grants Received	156,081
Acquisition and Construction of Capital Assets	(138,586)
Debt Principal Payments	(46,827)
Debt Interest Payments	(23,113)
Transfers to Other Funds	<u>(24,489)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(76,934)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	155,955
CASH AND CASH EQUIVALENTS, Beginning	<u>1,105,791</u>
CASH AND CASH EQUIVALENTS, Ending	\$ <u><u>1,261,746</u></u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Income	\$ 145,969
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	87,337
Changes in Assets and Liabilities Related to Operations	
Accounts Receivable	(3,187)
Accounts Payable	2,013
Accrued Paid Time Off	<u>757</u>
Net Cash Provided by Operating Activities	\$ <u><u>232,889</u></u>

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

TOWN OF MINTURN, COLORADO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

December 31, 2014

	<u>SCHOLARSHIPS</u>
ASSETS	
Cash and Investments	\$ <u>547</u>
LIABILITIES	
Held for Student Scholarships	\$ <u>547</u>

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

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Minturn (the “Town”) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on, the Town.

Based on the application of these criteria, the Town includes the Minturn General Improvement District (the “District”) within its reporting entity. The District was formed to finance the construction of infrastructure in the Battle Mountain development using a dedicated property tax on property within the development. The Town Council serves as the governing board of the District and the Town’s management has operational responsibility for the District. The District is blended into the Town’s financial statements as a special revenue fund. The District does not issue separate financial statements.

The Minturn Education Fund (the “Education Fund”), a non-profit organization, was formed in November, 2012, to create a scholarship program for qualified Minturn students who meet merit and financial need criteria. The Education Fund has a separate governing board with members appointed by the Town Council. The Education Fund does not issue separate financial statements and is discretely presented in the Town’s financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than program revenues.

Separate financial statements are provided for governmental funds, the proprietary fund, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The agency fund uses the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for a specific use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the Town reports the following major governmental funds.

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The *Battle Mountain Resort Fund* accounts for revenues received under an agreement between the Town and the developer of the Battle Mountain Resort. The agreement requires the Town to use the revenues for legal and consulting costs directly related to the development of the Battle Mountain Resort and for general administrative costs of the Town.

The *Debt Service Fund* accounts for town hall rental income collected for payment of the Certificates of Participation.

The *Battle Mountain Capital Projects Fund* accounts primarily for revenues received under an agreement between the Town and the developer of the Battle Mountain Resort. The agreement requires the Town to use the revenues for improvements to Little Beach Park, water infrastructure, streets, and trails, and for construction of a recreation center. The fund is also used to account for capital projects financed by transfers from the General Fund.

Additionally, the Town reports the following major proprietary fund:

The *Water, Sanitation and Recreation Fund* is an enterprise fund that accounts for the financial activities associated with the provision of water and garbage services.

In addition, the Town reports the following fund type:

The *Scholarships Agency Fund* accounts for Town and individual contributions for a scholarship program for qualified students. The Town holds the resources in a purely custodial capacity.

Assets, Liabilities and Net Position/Fund Balance

Cash and Investments - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at fair value.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balance (Continued)

Capital Assets - Capital assets, which include land, buildings, plant, infrastructure, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Infrastructure assets, including streets, sidewalks and curbs and gutters, purchased or donated prior to January 1, 2004, are not reported in the financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives.

Water and Sanitation Systems	20 - 50 years
Recreation Systems	35 years
Streets	50 years
Buildings and Improvements	10 - 50 years
Machinery and Equipment	5 - 10 years

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Compensated Absences - Employees of the Town are allowed to accumulate unused paid time off (PTO) for up to two years. Upon termination of employment from the Town, an employee will be compensated for all accrued PTO at 30% to 50% of their pay rate, depending on years of service. Accumulated, unpaid PTO is accrued when earned in the government-wide and proprietary fund financial statements. A liability is reported in the governmental fund financial statements only when payment is due.

Long-Term Obligations - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and refunding losses are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financial uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balance (Continued)

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed.

In the fund financial statements, governmental funds report committed fund balances when the Town Council formally commits resources for a specific purpose through passage of a resolution or approval of contractual agreements with third parties.

The Town Council is authorized to informally assign amounts to a specific purpose, and has assigned this authority to the Town Manager or his designee. Such fund balance assignments are reported in the governmental fund financial statements.

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Town uses restricted fund balance first, followed by committed, assigned and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Accountability

At December 31, 2014, the Minturn Market Fund had a negative fund balance of \$3,071. Management expects the negative balance to be eliminated with revenues from future events and sponsorships.

NOTE 3: CASH AND INVESTMENTS

At December 31, 2014, cash and investments consisted of the following:

Deposits	\$ 646,636
Investments	<u>3,461,093</u>
Total	<u><u>\$ 4,107,729</u></u>

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 3: CASH AND INVESTMENTS (Continued)

Cash and investments were reported in the financial statements as follows:

Cash and Investments	\$ 3,905,682
Restricted Cash and Investments	201,500
Agency Fund Cash and Investments	<u>547</u>
Total	<u>\$ 4,107,729</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2014, the Town had bank deposits of \$251,281 collateralized with securities held by the financial institutions' agents but not in the Town's name.

Investments

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Interest Rate Risk - State statutes generally limit the maturity date of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations. At December 31, 2014, the Town's investment of \$201,523 in the Federated Treasury Obligations Money Market Fund was rated AAAM by Standard & Poor's.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk - State statutes do not limit the amount the Town may invest in one issuer, except for corporate securities.

Local Government Investment Pools - At December 31, 2014, the Town had \$3,235,665 and \$23,905 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively, investment vehicles established by State statutes for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. The pools are rated AAAM by Standard & Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

In accordance with the agreement related to the Certificates of Participation, cash and investments of \$201,500 reported in the Debt Service Fund are restricted to meet future debt service requirements.

NOTE 4: JOINTLY GOVERNED ORGANIZATION

In March, 2013, the Town entered into a memorandum of understanding with the Ski and Snowboard Club Vail, a non-profit organization, to construct the Minturn Fitness Center, a jointly owned and operated facility. The parties formed a separate non-profit entity to own and operate the facility. This entity is governed by a board of directors that will jointly and equally represent the parties. Each party has agreed to contribute \$1.25 million for initial construction of the facility.

During the year ended December 31, 2014, the Town contributed \$750,000 for construction of the facility in accordance with the memorandum of understanding. The contribution is recorded as an expenditure in the Battle Mountain Capital Projects Fund.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, is summarized below.

	Balances 12/31/13	Additions	Deletions	Balances 12/31/14
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 3,579,470	\$ -	\$ -	\$ 3,579,470
Total Capital Assets, Not Being Depreciated	<u>3,579,470</u>	<u>-</u>	<u>-</u>	<u>3,579,470</u>
Capital Assets, Being Depreciated				
Streets	421,569	-	-	421,569
Buildings and Improvements	3,905,603	9,800	-	3,915,403
Machinery and Equipment	519,938	3,350	22,773	500,515
Total Capital Assets, Being Depreciated	<u>4,847,110</u>	<u>13,150</u>	<u>22,773</u>	<u>4,837,487</u>
Less Accumulated Depreciation				
Streets	(2,108)	(8,431)	-	(10,539)
Buildings and Improvements	(1,102,125)	(98,826)	-	(1,200,951)
Machinery and Equipment	(435,243)	(27,540)	(22,773)	(440,010)
Total Accumulated Depreciation	<u>(1,539,476)</u>	<u>(134,797)</u>	<u>(22,773)</u>	<u>(1,651,500)</u>
Capital Assets, Being Depreciated, Net	<u>3,307,634</u>	<u>(121,647)</u>	<u>-</u>	<u>3,185,987</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,887,104</u>	<u>\$ (121,647)</u>	<u>\$ -</u>	<u>\$ 6,765,457</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ 20,429	\$ 150,676	\$ 95,635	\$ 75,470
Capital Assets, Being Depreciated				
Water and Sanitation Systems	3,427,695	95,635	-	3,523,330
Recreation Systems	79,009	-	-	79,009
Equipment	183,711	3,350	-	187,061
Total Capital Assets, Being Depreciated	<u>3,690,415</u>	<u>98,985</u>	<u>-</u>	<u>3,789,400</u>
Less Accumulated Depreciation				
Water and Sanitation Systems	(1,578,909)	(72,181)	-	(1,651,090)
Recreation Systems	(38,368)	(2,257)	-	(40,625)
Equipment	(122,484)	(12,899)	-	(135,383)
Total Accumulated Depreciation	<u>(1,739,761)</u>	<u>(87,337)</u>	<u>-</u>	<u>(1,827,098)</u>
Capital Assets, Being Depreciated, Net	<u>1,950,654</u>	<u>11,648</u>	<u>-</u>	<u>1,962,302</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,971,083</u>	<u>\$ 162,324</u>	<u>\$ 95,635</u>	<u>\$ 2,037,772</u>

Depreciation expense was charged to programs of the Town as follows:

Governmental Activities	
General Government	\$ 83,392
Public Works	<u>51,405</u>
Total	<u>\$ 134,797</u>

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2014:

	<u>Balance</u> <u>12/31/13</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/14</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Accrued Paid Time Off	\$ 20,051	\$ 29,176	\$ 34,991	\$ 14,236	\$ 2,000
2010 Certificates of Participation	1,455,000	-	185,000	1,270,000	195,000
Debt Premium	24,675	-	3,525	21,150	-
Capital Lease	<u>33,075</u>	<u>-</u>	<u>16,303</u>	<u>16,772</u>	<u>16,772</u>
Total	<u>\$ 1,532,801</u>	<u>\$ 29,176</u>	<u>\$ 239,819</u>	<u>\$ 1,322,158</u>	<u>\$ 213,772</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

Certificates of Participation - Certificates of Participation (COPs), Series 2010A, in the original amount of \$1,860,000, and Series 2010B, in the amount of \$155,000, were issued to refund the Certificates of Participation (COPs), Series 2000A and Series 2000B, which were originally issued to construct a building for use as a town hall, employee housing, and a post office. The Town subleases the employee housing portion of the building to individuals and another portion of the building to the U.S. Postal Service.

The Series 2010A COPs accrue interest at rates ranging from 2% to 4% per annum, with payments due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, from 2011 through 2020. The Series 2010B COPs were paid in full during the year ended December 31, 2012.

Future debt service payments are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 195,000	\$ 46,988	\$ 241,988
2016	200,000	40,650	240,650
2017	205,000	34,150	239,150
2018	215,000	25,950	240,950
2019	225,000	17,350	242,350
2020	<u>230,000</u>	<u>8,912</u>	<u>238,912</u>
Total	<u>\$ 1,270,000</u>	<u>\$ 174,000</u>	<u>\$ 1,444,000</u>

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Capital Lease - During 2010, the Town entered into a lease agreement for \$183,856 to purchase a Caterpillar loader. Annual payments of \$35,530 were due under the lease agreement, through January, 2016, with interest accruing at 4% per annum. In January, 2013, the Town refinanced this lease. Under the terms of the new lease agreement, annual payments of \$34,513 are due beginning in December, 2013, through 2015. Interest accrues on the outstanding balance of the lease at 2.89% per annum. Capital assets totaling \$183,856 less accumulated depreciation of \$91,930 are reported in the financial statements as a result of this transaction. The lease obligation is paid equally by the General and Water, Sanitation and Recreation Funds. Following is a schedule of the future minimum lease payments required under the agreement.

Year Ended December 31,

2015	\$ 34,513
Less: Interest Portion	<u>(969)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 33,544</u>

In February, 2015, the Town paid the lease in full.

Business-Type Activities

Following are the changes to long-term debt of the business-type activities for the year ended December 31, 2014:

	<u>Balance</u> 12/31/13	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> 12/31/14	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
Accrued Paid Time Off	\$ 4,498	\$ 9,949	\$ 9,192	\$ 5,255	\$ 1,300
CWRPDA Note	47,799	-	20,651	27,148	21,596
1997A Rural Development Note	209,984	-	4,949	205,035	5,132
1997B Rural Development Note	204,637	-	4,924	199,713	5,093
Capital Lease	<u>33,075</u>	<u>-</u>	<u>16,303</u>	<u>16,772</u>	<u>16,772</u>
Total	<u>\$ 499,993</u>	<u>\$ 9,949</u>	<u>\$ 56,019</u>	<u>\$ 453,923</u>	<u>\$ 49,893</u>

CWRPDA Note - During 1995, a loan for \$300,000 was obtained from the Colorado Water Resources and Power Development Authority to upgrade the Town's water system. Payments of \$5,614, including interest accruing at 4.5%, are due quarterly, with the final payment due in 2016. This loan is payable solely from revenues of the Town's water system, net of operations and maintenance expenses. During the year ended December 31, 2014, net revenues of \$217,065 were available to pay annual debt service of \$22,456. Remaining debt service at December 31, 2014, was \$28,071. In March, 2015, the Town paid the loan in full.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Rural Development Notes - 1997A and 1997B Water Revenue Notes were issued to finance improvements to the Town's water system. Principal and interest payments are due semi-annually, through April 1, 2037. Interest accrues at 5% and 4.875%, respectively.

Future Debt Service - Future debt service payments for the notes are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 31,821	\$ 20,862	\$ 52,683
2016	16,288	19,553	35,841
2017	11,273	18,953	30,226
2018	11,837	18,389	30,226
2019	12,427	17,799	30,226
2020 - 2024	72,101	79,030	151,131
2025 - 2029	92,018	59,113	151,131
2030 - 2034	117,437	33,694	151,131
2035 - 2037	<u>66,694</u>	<u>6,736</u>	<u>73,430</u>
Total	<u>\$ 431,896</u>	<u>\$ 274,129</u>	<u>\$ 706,025</u>

NOTE 7: INTERFUND TRANSACTIONS

Interfund transfers during the year ended December 31, 2014, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Battle Mountain Resort	\$ 180,000
Minturn Market	General	10,536
Debt Service	General	46,604
Debt Service	Water, Sanitation and Recreation	<u>24,489</u>
Total		<u>\$ 261,629</u>

The terms of the agreement with the developer of the Battle Mountain Resort allow the Town to use developer reimbursements of \$180,000 each year for administrative costs. This amount was transferred from the Battle Mountain Resort Fund to the General Fund. The General and Water, Sanitation and Recreation Funds make annual payments to the Debt Service Fund for debt service on the Certificates of Participation. During the year ended December 31, 2014, the General Fund subsidized the operations of the Minturn Market Fund.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 8: SEGMENT INFORMATION

Financial information for the water and sanitation segments of the Water, Sanitation and Recreation Fund for the year ended December 31, 2014, follows.

	<u>Water</u>	<u>Sanitation</u>	<u>Totals</u>
Operating Revenues			
Charges for Services	\$ 703,012	\$ 104,215	\$ 807,227
Miscellaneous	<u>12,840</u>	<u>-</u>	<u>12,840</u>
Total Operating Revenues	<u>715,852</u>	<u>104,215</u>	<u>820,067</u>
Operating Expenses			
Operations and Maintenance	498,787	87,974	586,761
Depreciation	<u>87,337</u>	<u>-</u>	<u>87,337</u>
Total Operating Expenses	<u>586,124</u>	<u>87,974</u>	<u>674,098</u>
Net Operating Income	129,728	16,241	145,969
Nonoperating Revenues (Expenses)			
Interest Expense	<u>(23,113)</u>	<u>-</u>	<u>(23,113)</u>
Net Income Before Capital Contributions and Transfers	106,615	16,241	122,856
Grants	108,129	-	108,129
Transfers Out	<u>(24,489)</u>	<u>-</u>	<u>(24,489)</u>
Change in Net Position	<u>\$ 190,255</u>	<u>\$ 16,241</u>	<u>\$ 206,496</u>

NOTE 9: RETIREMENT COMMITMENTS

Police Plan

The Town contributes to a single-employer defined contribution money purchase pension plan on behalf of its full-time police officers. The contribution requirements of Plan participants and the Town are established and may be amended by the Town Council.

The Town is required to contribute 8% of each participating employee's compensation, and each employee must contribute a matching amount. All contributions to the Plan become partially vested to the employee upon completion of one year of service and fully vested after five years of service. During the year ended December 31, 2014, the Town and employee contributions were \$1,334 each, equal to the required contributions.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 9: RETIREMENT COMMITMENTS (Continued)

General Employee Plan

All employees, other than police officers, are eligible to participate in an Internal Revenue Code Section 401(a) plan beginning six months from date of hire. The contribution requirements of Plan participants and the Town are established and may be amended by the Town Council. Employees may contribute up to 4% of base salary to the Plan. The Town is required to match each employee's contributions up to 4% of base salary. In addition, employees may make voluntary contributions to the Plan within certain limits. The Town's contributions vest immediately, except for employees hired after February, 1, 2009, for which contributions vest at 25% each year. During the year ended December 31, 2014, the Town and employee contributions to the Plan were \$14,077 and \$19,849, respectively, equal to the required contributions.

NOTE 10: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has purchased commercial insurance for workers compensation benefits.

Public Entity Risk Pool

For its property and liability risks, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of CIRSA.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 11: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 5, 1994, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2014, the emergency reserve of \$50,000 was reported as restricted fund balance in the General Fund.

Litigation

The Town is involved in various litigation. The outcome of this litigation cannot be determined at this time. However, management believes that any outcome will not have a significant adverse affect on the Town's financial condition.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes	\$ 1,061,227	\$ 1,128,427	\$ 1,127,214	\$ (1,213)
Licenses and Permits	46,500	50,800	49,316	(1,484)
Fines and Forfeitures	27,500	27,500	5,934	(21,566)
Intergovernmental	98,750	98,750	93,591	(5,159)
Investment Income	5,000	5,000	2,418	(2,582)
Miscellaneous	115,230	140,155	139,591	(564)
TOTAL REVENUES	<u>1,354,207</u>	<u>1,450,632</u>	<u>1,418,064</u>	<u>(32,568)</u>
EXPENDITURES				
Current				
General Government	578,913	712,634	650,961	61,673
Planning and Zoning	107,805	122,128	111,945	10,183
Municipal Court	22,095	22,095	16,947	5,148
Police	300,183	391,697	240,910	150,787
Public Works	262,094	278,124	256,845	21,279
Economic Development	56,733	59,883	61,349	(1,466)
Debt Service				
Principal	16,303	16,303	16,303	-
Interest and Fiscal Charges	954	954	954	-
TOTAL EXPENDITURES	<u>1,345,080</u>	<u>1,603,818</u>	<u>1,356,214</u>	<u>247,604</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9,127</u>	<u>(153,186)</u>	<u>61,850</u>	<u>215,036</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	180,000	180,000	180,000	-
Transfers Out	(56,884)	(56,884)	(57,140)	(256)
TOTAL OTHER FINANCING SOURCES (USES)	<u>123,116</u>	<u>123,116</u>	<u>122,860</u>	<u>(256)</u>
NET CHANGE IN FUND BALANCE	132,243	(30,070)	184,710	214,780
FUND BALANCE, Beginning	<u>1,078,034</u>	<u>1,078,034</u>	<u>1,091,996</u>	<u>13,962</u>
FUND BALANCE, Ending	<u>\$ 1,210,277</u>	<u>\$ 1,047,964</u>	<u>\$ 1,276,706</u>	<u>\$ 228,742</u>

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE
BATTLE MOUNTAIN RESORT FUND
 Year Ended December 31, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Investment Income	\$ 9,500	\$ 1,795	\$ (7,705)
TOTAL REVENUES	<u>9,500</u>	<u>1,795</u>	<u>(7,705)</u>
EXPENDITURES			
General Government	<u>300,000</u>	<u>213,461</u>	<u>86,539</u>
TOTAL EXPENDITURES	<u>300,000</u>	<u>213,461</u>	<u>86,539</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(290,500)	(211,666)	78,834
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(470,500)	(391,666)	78,834
FUND BALANCE, Beginning	<u>525,157</u>	<u>996,516</u>	<u>471,359</u>
FUND BALANCE, Ending	<u>\$ 54,657</u>	<u>\$ 604,850</u>	<u>\$ 550,193</u>

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures.

The Town follows these procedures in establishing the budgetary information reflected in the financial statements:

- Management submits to the Town Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- All appropriations lapse at year end.

Legal Compliance

For the year ended December 31, 2014, the supplemental budget adopted for the Minturn Market Fund allowed for expenditures in excess of the resources available. This may be a violation of State statutes.

SUPPLEMENTARY INFORMATION

TOWN OF MINTURN, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2014

	<u>CONSERVATION TRUST</u>	<u>MINTURN MARKET</u>	<u>MINTURN GID</u>	<u>TOTALS</u>
ASSETS				
Cash and Investments	\$ 8,646	\$ 2,284	\$ 3,372	\$ 14,302
 TOTAL ASSETS	 <u>\$ 8,646</u>	 <u>\$ 2,284</u>	 <u>\$ 3,372</u>	 <u>\$ 14,302</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 5,355	\$ -	\$ 5,355
FUND BALANCE				
Restricted for Parks	8,646	-	-	8,646
Assigned to GID Activities	-	-	3,372	3,372
Unrestricted, Unassigned	<u>-</u>	<u>(3,071)</u>	<u>-</u>	<u>(3,071)</u>
 TOTAL FUND BALANCE	 <u>8,646</u>	 <u>(3,071)</u>	 <u>3,372</u>	 <u>8,947</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 8,646</u>	 <u>\$ 2,284</u>	 <u>\$ 3,372</u>	 <u>\$ 14,302</u>

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2014

	<u>CONSERVATION TRUST</u>	<u>MINTURN MARKET</u>	<u>MINTURN GID</u>	<u>TOTALS</u>
REVENUES				
Intergovernmental	\$ 9,971	\$ -	\$ -	\$ 9,971
Investment Income	43	1	-	44
Miscellaneous	<u>-</u>	<u>64,409</u>	<u>-</u>	<u>64,409</u>
 TOTAL REVENUES	 <u>10,014</u>	 <u>64,410</u>	 <u>-</u>	 <u>74,424</u>
EXPENDITURES				
Current				
General Government	-	-	25	25
Parks and Recreation	<u>11,591</u>	<u>70,515</u>	<u>-</u>	<u>82,106</u>
 TOTAL EXPENDITURES	 <u>11,591</u>	 <u>70,515</u>	 <u>25</u>	 <u>82,131</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (1,577)	 (6,105)	 (25)	 (7,707)
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>10,536</u>	<u>-</u>	<u>10,536</u>
 NET CHANGE IN FUND BALANCE	 (1,577)	 4,431	 (25)	 2,829
FUND BALANCE, Beginning	<u>10,223</u>	<u>(7,502)</u>	<u>3,397</u>	<u>6,118</u>
FUND BALANCE, Ending	<u>\$ 8,646</u>	<u>\$ (3,071)</u>	<u>\$ 3,372</u>	<u>\$ 8,947</u>

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
 Year Ended December 31, 2014

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 10,800	\$ 10,800	\$ 9,971	\$ (829)
Investment Income	50	50	43	(7)
TOTAL REVENUES	<u>10,850</u>	<u>10,850</u>	<u>10,014</u>	<u>(836)</u>
EXPENDITURES				
Parks and Recreation	<u>10,500</u>	<u>11,595</u>	<u>11,591</u>	<u>4</u>
TOTAL EXPENDITURES	<u>10,500</u>	<u>11,595</u>	<u>11,591</u>	<u>4</u>
NET CHANGE IN FUND BALANCE	350	(745)	(1,577)	(832)
FUND BALANCE, Beginning	<u>10,037</u>	<u>10,037</u>	<u>10,223</u>	<u>186</u>
FUND BALANCE, Ending	<u>\$ 10,387</u>	<u>\$ 9,292</u>	<u>\$ 8,646</u>	<u>\$ (646)</u>

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE

MINTURN MARKET FUND

Year Ended December 31, 2014

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Investment Income	\$ -	\$ -	\$ 1	\$ 1
Minturn Market	<u>64,500</u>	<u>64,500</u>	<u>64,409</u>	<u>(91)</u>
TOTAL REVENUES	<u>64,500</u>	<u>64,500</u>	<u>64,410</u>	<u>(90)</u>
EXPENDITURES				
Minturn Market	<u>64,500</u>	<u>72,500</u>	<u>70,515</u>	<u>1,985</u>
TOTAL EXPENDITURES	<u>64,500</u>	<u>72,500</u>	<u>70,515</u>	<u>1,985</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(8,000)	(6,105)	1,895
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>-</u>	<u>10,536</u>	<u>10,536</u>
NET CHANGE IN FUND BALANCE	-	(8,000)	4,431	12,431
FUND BALANCE, Beginning	<u>5,985</u>	<u>5,985</u>	<u>(7,502)</u>	<u>(13,487)</u>
FUND BALANCE, Ending	<u>\$ 5,985</u>	<u>\$ (2,015)</u>	<u>\$ (3,071)</u>	<u>\$ (1,056)</u>

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE

MINTURN GID

Year Ended December 31, 2014

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
EXPENDITURES			
General Government	\$ 50	\$ 25	\$ 25
TOTAL EXPENDITURES	<u>50</u>	<u>25</u>	<u>25</u>
NET CHANGE IN FUND BALANCE	(50)	(25)	25
FUND BALANCE, Beginning	<u>3,398</u>	<u>3,397</u>	<u>(1)</u>
FUND BALANCE, Ending	<u>\$ 3,348</u>	<u>\$ 3,372</u>	<u>\$ 24</u>

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

Year Ended December 31, 2014

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Investment Income	\$ 25	\$ 25	\$ 24	\$ (1)
Rental Income	<u>159,000</u>	<u>170,823</u>	<u>168,424</u>	<u>(2,399)</u>
TOTAL REVENUES	<u>159,025</u>	<u>170,848</u>	<u>168,448</u>	<u>(2,400)</u>
EXPENDITURES				
Debt Service				
Principal	185,000	185,000	185,000	-
Interest and Fiscal Charges	<u>55,288</u>	<u>55,288</u>	<u>54,538</u>	<u>750</u>
TOTAL EXPENDITURES	<u>240,288</u>	<u>240,288</u>	<u>239,538</u>	<u>750</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(81,263)	(69,440)	(71,090)	(1,650)
OTHER FINANCING SOURCES				
Transfers In	<u>81,263</u>	<u>81,263</u>	<u>71,093</u>	<u>(10,170)</u>
NET CHANGE IN FUND BALANCE	-	11,823	3	(11,820)
FUND BALANCE, Beginning	<u>205,494</u>	<u>205,494</u>	<u>205,797</u>	<u>303</u>
FUND BALANCE, Ending	<u>\$ 205,494</u>	<u>\$ 217,317</u>	<u>\$ 205,800</u>	<u>\$ (11,517)</u>

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE
BATTLE MOUNTAIN CAPITAL PROJECTS FUND
 Year Ended December 31, 2014

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Investment Income	\$ 500	\$ 500	\$ 285	\$ (215)
Miscellaneous	-	2,000	2,000	-
TOTAL REVENUES	<u>500</u>	<u>2,500</u>	<u>2,285</u>	<u>(215)</u>
EXPENDITURES				
Parks and Recreation	<u>1,010,000</u>	<u>1,010,000</u>	<u>750,000</u>	<u>260,000</u>
TOTAL EXPENDITURES	<u>1,010,000</u>	<u>1,010,000</u>	<u>750,000</u>	<u>260,000</u>
NET CHANGE IN FUND BALANCE	(1,009,500)	(1,007,500)	(747,715)	259,785
FUND BALANCE, Beginning	<u>2,006,569</u>	<u>2,006,569</u>	<u>1,512,310</u>	<u>(494,259)</u>
FUND BALANCE, Ending	<u>\$ 997,069</u>	<u>\$ 999,069</u>	<u>\$ 764,595</u>	<u>\$ (234,474)</u>

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE
WATER, SANITATION AND RECREATION FUND

Year Ended December 31, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Water Charges	\$ 670,720	\$ 705,720	\$ 703,012	\$ (2,708)
Water Tap Fees	9,500	9,500	-	(9,500)
Garbage Charges	105,000	105,000	104,215	(785)
Grants	-	108,129	108,129	-
Miscellaneous	12,000	12,000	12,840	840
TOTAL REVENUES	<u>797,220</u>	<u>940,349</u>	<u>928,196</u>	<u>(12,153)</u>
EXPENSES				
Operations	558,750	583,090	527,915	55,175
Maintenance	71,000	152,232	58,846	93,386
Depreciation	95,000	95,000	87,337	7,663
Capital Outlay	48,000	173,000	154,026	18,974
Debt Service				
Principal	46,691	46,691	46,827	(136)
Interest	23,249	23,249	23,113	136
Transfers Out	24,379	24,379	24,489	(110)
TOTAL EXPENSES	<u>867,069</u>	<u>1,097,641</u>	<u>922,553</u>	<u>175,088</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ (69,849)</u>	<u>\$ (157,292)</u>	5,643	<u>\$ 162,935</u>
RECONCILIATION TO GAAP BASIS				
Capital Outlay			154,026	
Debt Service Principal			<u>46,827</u>	
CHANGE IN NET POSITION, GAAP Basis			<u>\$ 206,496</u>	

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended December 31, 2014

	<u>BALANCE</u> <u>12/31/13</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/14</u>
ASSETS				
Cash and Investments	\$ <u>9,536</u>	\$ <u>111</u>	\$ <u>9,100</u>	\$ <u>547</u>
LIABILITIES				
Held for Student Scholarships	\$ <u>9,536</u>	\$ <u>111</u>	\$ <u>9,100</u>	\$ <u>547</u>

See the accompanying Independent Auditors' Report.

COMPLIANCE SECTION

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

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 2014
This Information From The Records Of (example - City of _ or County of Town of Minturn County of Eagle	Prepared By: Jay Brunvand Phone: 970/827-5645

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)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	14,630
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	198,386	b. Snow and ice removal	186,350
3. Other local imposts (from page 2)	38,736	c. Other	
4. Miscellaneous local receipts (from page 2)	2,397	d. Total (a. through c.)	186,350
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	84,319
a. Bonds - Original Issues		6. Total (1 through 5)	285,299
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	239,519	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	45,780	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	285,299	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	285,299

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	285,299	285,299	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	2,397
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership & R&B	38,736	g. Other Misc. Receipts	
6. Total (1. through 5.)	38,736	h. Other	
c. Total (a. + b.)	38,736	i. Total (a. through h.)	2,397
	(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	39,314	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	6,466	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	6,466	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	45,780	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: