

**TOWN OF MINTURN, COLORADO**

**FINANCIAL STATEMENTS**

**December 31, 2013**

## TABLE OF CONTENTS

### PAGE

#### **FINANCIAL SECTION**

Independent Auditors' Report

Management's Discussion and Analysis i - xii

#### **Basic Financial Statements**

Statement of Net Position 1

Statement of Activities 2

Balance Sheet - Governmental Funds 3

Statement of Revenues, Expenditures and Changes in Fund Balance -  
Governmental Funds 4

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balance of Governmental Funds to the Statement of Activities 5

Statement of Net Position - Proprietary Fund 6

Statement of Revenues, Expenses and Changes in Net Position -  
Proprietary Fund 7

Statement of Cash Flows - Proprietary Fund 8

Statement of Fiduciary Assets and Liabilities - Agency Fund 9

Notes to Financial Statements 10 - 23

#### **Required Supplementary Information**

Budgetary Comparison Schedule - General Fund 24

Budgetary Comparison Schedule - Battle Mountain Resort Fund 25

Notes to Required Supplementary Information 26

#### **Supplementary Information**

Combining Balance Sheet - Nonmajor Governmental Funds 27

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -  
Nonmajor Governmental Funds 28

Budgetary Comparison Schedule - Conservation Trust Fund 29

Budgetary Comparison Schedule - Minturn Market Fund 30

**TABLE OF CONTENTS**  
(Continued)

	<b><u>PAGE</u></b>
<b>FINANCIAL SECTION (Continued)</b>	
<b>Supplementary Information (Continued)</b>	
Budgetary Comparison Schedule - Minturn GID	31
Budgetary Comparison Schedule - Debt Service Fund	32
Budgetary Comparison Schedule - Capital Projects Fund	33
Budgetary Comparison Schedule - Water, Sanitation and Recreation Fund	34
Statement of Changes in Assets and Liabilities - Agency Fund	35
<b>COMPLIANCE SECTION</b>	
Local Highway Finance Report	36 - 37

## **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 remaining fund information of the Town of Minturn as of and for the year ended December 31, 2013, 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 remaining fund information of the Town of Minturn as of December 31, 2013, 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.

**Emphasis of Matter**

As discussed in Note 12 to the financial statements, in the year ended December 31, 2013, the Town of Minturn adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

**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.



May 29, 2014

# **Town of Minturn**

## **Management's Discussion and Analysis**

### **Fiscal Year Ending December 31, 2013**

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, 2013. The following discussion is intended to assist in understanding the results of operations and our current financial condition. Our consolidated 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 2013, we continued to experience weak, but stabilizing conditions as the State and local economic recovery remained tentative. This recovery has subsequently had a negative impact locally on overall economic conditions and customer and consumer confidence. The Town's 2012 assessed valuation (for collection of taxes in 2013) was \$25,890,250. This represents an approximate 4.8% increase in actual property tax collections from the prior 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 2012 sales tax receipts totaled \$468,034 and in 2013 totaled \$521,360; a 11.4% increase. The 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 2013. 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. 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 revenues through a more rigorous marketing campaign. Early indicators, such as sales tax collections, have been very positive.
- Worked closely with the Minturn businesses 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.

<b>FUND</b>	<b>BEGINNING EQUITY</b>	<b>ENDING EQUITY</b>	<b>VARIANCE</b>
General Fund	\$1,272,249	1,091,996	(\$180,253)
Enterprise Fund	\$2,658,702	2,674,771	\$16,069
Conservation Trust	\$10,037	10,223	\$186
Debt Service Fund	\$205,493	205,797	\$304
Market Fund	\$5,985	(7,502)	(\$13,487)
Capital Projects Fund	\$2,256,569	1,512,310	(\$744,259)
General Improvement Dist	\$3,773	3,397	(\$376)
Scholarship Fund	\$358,430	9,536	(\$348,894)
Battle Mtn Resort Fund	\$1,232,127	996,516	(235,611)

The variance in the General Fund is a result of the reconditioning of the 100 Block of Eagle Street. The Town's General Fund balance has been reduced a total of over \$344,000 over two years. Much of this reduction is attributable to the recondition of small sections of both Eagle and Pine Streets. The Market Fund reduction was due to the purchase of assets for operations. It should be anticipated that the Town will contribute



financially to this program annually. The reduction in the Capital Fund is due to construction expenditures for the Minturn Fitness Center and land acquisition. The project specifies the Town to contribute up to \$1,250,000 for the development of the project. The reduction in the Scholarship Fund reflects the transfer of assets to the Minturn Education Fund whereby \$340,000 will operate as revolving annuity endowments for future scholarship funding. The decrease in the Battle Mountain Resort Fund represents legal, professional, and administrative expenses inherent in this operation.

In 2013, the Town accomplished several major asset improvements. In the General Fund, the 100 and a portion of the 200 block of Eagle Street were rebuilt at a cost of over \$412,000. This improvement was accomplished using surplus savings in the General Fund. Several major improvements were made in the Enterprise Fund on the Town water system using a 50/50 match Department of Local Affairs grant. These improvements included safety upgrades, two valves were installed on the main line, and the Master Meter was replaced. This grant was not completed on time and required the Town to request an extension to June 30, 2014, which was granted. Items to be completed in 2014 using the grant include an additional main line valve and a water system loop from Main Street to Pine Street on Harrison Ave. In the Capital Projects Fund the Town purchased open space/park area located along the Eagle River at 1354 Hwy 24 in conjunction with the Eagle County Open Space program. Also in the Capital Projects Fund, the Town joined forces with the Ski and Snowboard Club Vail for the purpose of constructing a \$2,500,000 fitness center. The Minturn Fitness Center is scheduled to open in late June 2014.

2013 proved difficult for the Town's employee needs. In February, the Police Chief resigned, in June two Public Works employees resigned, in August the Town Planner resigned, in October a Police Officer resigned, and in mid January the replacement Police Chief resigned after an extended time on Administrative Leave.

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 eleven employees, although limiting, is sufficient to maintain our short term service needs and still conforms to the Town Council instituted hiring freeze. 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 allows 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.

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 2013 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. Additionally, the committee requested a pro forma to be run by the Eagle River Water and Sanitation District 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 an annual transfer 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 Event Coordinator.

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 mill levy is 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 tax revenue has seen a significant decline as a result of the economic conditions from an assessed valuation decrease of 23.4% for revenues collected in 2011 compared to 2012 and a flat collection budgeted in 2013. It is anticipated in 2013 that property tax assessments to be collected in 2014 will decrease by 15%. Although the real estate market is showing signs of recovery 2014 is a non-assessment year. Therefore, it is reasonable to assume that our property tax revenues will be flat for 2015. This should be considered when as the 2015 budget is developed. Our 2013 City and County sales tax collections continue to slowly recover from the aforementioned recessionary dip and the outlook is promising for this trend to continue in 2014. 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 81.7% of our General Fund Revenues, not including Developer Fees charged to the Battle Mountain project. 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. A review of this statement over several years indicates the Town's net position is improving.

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 and 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. These are also referred to as Enterprise Funds.

### ***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, Capital Projects, Battle Mountain Resort, and a General Improvement District. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds. The nonmajor funds are combined in the *Other Governmental Funds* 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. It is management's intent to use the investment earnings for the purpose of awarding scholarships for post secondary education. The original annuity of \$350,000 was funded by Battle Mountain Resort. As a result of the aforementioned escrow agreement confirmed in 2012, disbursements have begun to be made through this fund.

### ***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, 2013, the Town's combined assets exceeded liabilities by \$11,858,380. This represents an increase in net position of \$1,633,591. This is a result of a one-time contribution from Eagle County Government of \$2 million for the purchase of land for open space. Of this amount \$4,745,715 is unrestricted and is available to meet the Town's ongoing financial obligations.

# NET ASSETS

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL 2013	TOTAL 2012
<b>ASSETS</b>				
Cash and Investments	3,623,205	1,105,791	4,728,996	5,844,110
Restricted Cash	201,500		201,500	201,500
Accounts Receivable		64,813	64,813	121,711
Grants Receivable		47,952	47,952	
Property Taxes Receivable	392,029		392,029	464,316
Other Receivables	88,640		88,640	105,124
Debt Issuance Costs, Net of Accum Amortization				76,400
Capital Assets, Not Being Depreciated	3,579,470	20,429	3,599,899	1,275,000
Capital Assets, Net of Accumulated Depreciation	3,307,634	1,950,654	5,258,288	4,975,021
<b>TOTAL ASSETS</b>	<b>11,192,478</b>	<b>3,189,639</b>	<b>14,382,117</b>	<b>13,063,182</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Debt Refunding, Net of Accumulated Amortization	16,569		16,569	18,936
<b>LIABILITIES</b>				
Accounts Payable	91,308	14,875	106,183	29,507
Deposits	9,300		9,300	9,300
Noncurrent Liabilities				
Due Within One Year	202,441	46,692	249,133	240,164
Due in More Than One Year	1,330,360	453,301	1,783,661	2,037,642
<b>TOTAL LIABILITIES</b>	<b>1,633,409</b>	<b>514,868</b>	<b>2,148,277</b>	<b>2,316,613</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	392,029		392,029	464,316
<b>NET POSITION</b>				
Invested in Capital Assets	5,374,354	1,475,588	6,849,942	4,102,738
Restricted for Parks	10,223		10,223	10,037
Restricted for Debt Service	201,500		201,500	201,500
Restricted for Emergencies	51,000		51,000	156,000
Unrestricted	3,546,532	1,199,183	4,745,715	5,830,914
<b>Total Net Assets</b>	<b>9,183,609</b>	<b>2,674,771</b>	<b>11,858,380</b>	<b>10,301,189</b>

## Change in Net Position

FUNCTIONS/PROGRAMS	GOVERNMENTAL	BUSINESS-TYPE	TOTALS	
	ACTIVITIES	ACTIVITIES	2013	2012
PRIMARY GOVERNMENT				
PROGRAM REVENUES				
Charges for Services	278,255	801,152	1,079,407	1,196,120
Operating Grants and Contributions	120,838		120,838	105,317
Capital Grants and Contributions	2,068,000	57,452	2,125,452	6,500
GENERAL REVENUES				
Property Taxes	466,306		466,306	431,413
Specific Ownership Taxes	19,024		19,024	17,059
Sales and Use Taxes	521,361		521,361	468,034
Franchise Taxes	61,207		61,207	56,466
Other Taxes	126,114		126,114	58,568
Intergovernmental Revenues not Restricted	2,165		2,165	2,198
Annexation Reimbursement				3,762,000
Investment Income	6,717		6,717	10,811
Other Revenues	89,593		89,593	101,445
TOTAL REVENUES	3,759,580	858,604	4,618,184	6,215,931
EXPENSES				
General Government	708,500		708,500	961,468
Planning and Zoning	113,976		113,976	110,562
Municipal Court	16,208		16,208	14,923
Police	344,507		344,507	327,337
Public Works	264,640		264,640	430,430
Parks and Recreation	600,988		600,988	82,823
Economic Development	64,757		64,757	58,749
Interest on Long-Term Debt	59,881		59,881	62,590
Water, Sanitation and Recreation		811,136	811,136	722,929
TOTAL EXPENSES	2,173,457	811,136	2,984,593	2,771,811
Excess Before Transfers	1,586,123	47,468	1,633,591	3,444,120
Transfers	31,399	(31,399)	0	0
CHANGE IN NET POSITION				
NET POSITION, Beginning	7,566,087	2,658,702	10,224,789	6,857,089
NET POSITION, Ending	9,183,609	2,674,771	11,858,380	10,301,189

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.

In 2013, the Town realized \$119,788 in Real Estate Transfer Taxes (RETT) revenues. This amount was almost double the budgeted expectation of \$60,000 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.

Eagle County (in accordance with State Statute) assesses property bi-annually in odd years. By way of example, 2013 is an assessment year based on values as of June 2012. 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. Over the past two years the senior manager has advanced projects that have caused stress to our cash reserves. At the end of 2012 the fiscal balance decreased by \$164,167 due in large part to the Pine Street paving project and our 2013 General Fund balance is down yet again by \$180,253 in large part due to the Eagle St. project. Additionally, several projects are continuing or slated for 2014. 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**

In 2013 the Town undertook the redevelopment of Eagle Street. This project was not anticipated by the senior manager in the 2013 budget thus requiring significant supplemental budget appropriations in the amount of \$453,340 in the General Fund. 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.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Town's investment in capital assets as of December 31, 2013, amounts to \$8,858,187. The net increase from 2012 is a result of the purchase of open space from the United States Forest Service and the upgrades to the roads and water systems. The detail of capital assets is in Note 6 to the financial statements.

### **Long-term Debt.**

As of December 31, 2013, 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:

	FY2013 Beginning Balance	FY2013 Principal Additions	FY2013 Principal Reduction	FY2013 Ending Balance
Water Fund	544,687	7,399	52,093	499,993
Debt Service Fund	1,625,000	-	170,000	1,445,000
General Fund	48,930	-	15,855	33,075

The Town refinanced a Caterpillar loader in January, 2013. It is anticipated this refinancing will save the Town over \$8,000 during the remaining few years of the contract. The detail of long-term debt is presented in Note 7 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 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 is projected that because property tax values were assessed in 2013, taxes collected in 2014 will fall again by over 15% and that they will 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 2013 has increased almost 19%. National and international markets continue in recession 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 2013 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 original Battle Mountain Resort annexation request was approved. The Town of Minturn currently awaits further submittals including a development plan. 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 2013, the Town employed 10 full time employees. Interestingly, although we have had minor short term fluctuations, this is the same full time equivalent staffing we had in 2000. 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 and that trend continues due to

recessionary economic conditions throughout the world and a slow and uncertain recovery from those conditions. 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.
- Wage Freeze: During 2009, 2010, 2011, and 2012, our wage freezes have resulted in wage savings in excess of \$83,000 annually. Additionally, the Town management has maintained a conservative workforce allowance.
- Hiring Freeze: over the past several years Council has maintained a hiring freeze on new staff. Existing positions have been filled as they become vacant but no new positions have been created. Further, the Town Manager has contracted for services outside of Staff expertise such as engineering, water system management, and additional police officer needs.

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 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 2014 fiscal year and as we look beyond 2014 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, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
<b>ASSETS</b>			
Cash and Investments	\$ 3,623,205	\$ 1,105,791	\$ 4,728,996
Restricted Cash and Investments	201,500	-	201,500
Accounts Receivable	-	64,813	64,813
Grants Receivable	-	47,952	47,952
Property Taxes Receivable	392,029	-	392,029
Other Receivables	88,640	-	88,640
Capital Assets, Not Being Depreciated	3,579,470	20,429	3,599,899
Capital Assets, Net of Accumulated Depreciation	<u>3,307,634</u>	<u>1,950,654</u>	<u>5,258,288</u>
 TOTAL ASSETS	 <u>11,192,478</u>	 <u>3,189,639</u>	 <u>14,382,117</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on Debt Refunding, Net of Accumulated Amortization	<u>16,569</u>	<u>-</u>	<u>16,569</u>
<b>LIABILITIES</b>			
Accounts Payable	91,308	14,875	106,183
Deposits	9,300	-	9,300
Noncurrent Liabilities			
Due Within One Year	202,441	46,692	249,133
Due in More Than One Year	<u>1,330,360</u>	<u>453,301</u>	<u>1,783,661</u>
 TOTAL LIABILITIES	 <u>1,633,409</u>	 <u>514,868</u>	 <u>2,148,277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>392,029</u>	<u>-</u>	<u>392,029</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,374,354	1,475,588	6,849,942
Restricted for Parks	10,223	-	10,223
Restricted for Debt Service	201,500	-	201,500
Restricted for Emergencies	51,000	-	51,000
Unrestricted	<u>3,546,532</u>	<u>1,199,183</u>	<u>4,745,715</u>
 TOTAL NET POSITION	 <u>\$ 9,183,609</u>	 <u>\$ 2,674,771</u>	 <u>\$ 11,858,380</u>

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

## TOWN OF MINTURN, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 708,500	\$ 236,274	\$ -	\$ -
Planning and Zoning	113,976	25,421	-	-
Municipal Court	16,208	-	-	-
Police	344,507	16,560	16,106	-
Public Works	264,640	-	93,625	-
Parks and Recreation	600,988	-	11,107	2,068,000
Economic Development	64,757	-	-	-
Interest on Long-Term Debt	59,881	-	-	-
Total Governmental Activities	2,173,457	278,255	120,838	2,068,000
Business-Type Activities				
Water, Sanitation and Recreation	811,136	801,152	-	57,452
Total Business-Type Activities	811,136	801,152	-	57,452
TOTAL PRIMARY GOVERNMENT	\$ 2,984,593	\$ 1,079,407	\$ 120,838	\$ 2,125,452

**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

<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTALS</u>
\$ (472,226)	\$ -	\$ (472,226)
(88,555)	-	(88,555)
(16,208)	-	(16,208)
(311,841)	-	(311,841)
(171,015)	-	(171,015)
1,478,119	-	1,478,119
(64,757)	-	(64,757)
(59,881)	-	(59,881)
<u>293,636</u>	<u>-</u>	<u>293,636</u>
<u>-</u>	<u>47,468</u>	<u>47,468</u>
<u>-</u>	<u>47,468</u>	<u>47,468</u>
<u>293,636</u>	<u>47,468</u>	<u>341,104</u>
466,306	-	466,306
19,024	-	19,024
521,361	-	521,361
61,207	-	61,207
126,114	-	126,114
2,165	-	2,165
6,717	-	6,717
89,593	-	89,593
31,399	(31,399)	-
<u>1,323,886</u>	<u>(31,399)</u>	<u>1,292,487</u>
1,617,522	16,069	1,633,591
<u>7,566,087</u>	<u>2,658,702</u>	<u>10,224,789</u>
\$ <u><u>9,183,609</u></u>	\$ <u><u>2,674,771</u></u>	\$ <u><u>11,858,380</u></u>

TOWN OF MINTURN, COLORADO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013

	<u>GENERAL</u>	<u>BATTLE MOUNTAIN RESORT</u>	<u>CAPITAL PROJECTS</u>
<b>ASSETS</b>			
Cash and Investments	\$ 1,096,462	\$ 996,516	\$ 1,512,310
Restricted Cash and Investments	-	-	-
Property Taxes Receivable	392,029	-	-
Other Receivables	88,640	-	-
Interfund Receivables	<u>7,502</u>		
<b>TOTAL ASSETS</b>	<u><u>\$ 1,584,633</u></u>	<u><u>\$ 996,516</u></u>	<u><u>\$ 1,512,310</u></u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 91,308	\$ -	\$ -
Deposits	9,300	-	-
Interfund Payables	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>100,608</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>392,029</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Restricted for Parks	-	-	-
Restricted for Debt Service	-	-	-
Restricted for Emergencies	51,000	-	-
Committed to Battle Mountain Resort	-	996,516	-
Committed to Capital Projects	-	-	1,493,321
Assigned to GID Activities	-	-	-
Assigned to Debt Service	-	-	-
Assigned to Capital Projects	-	-	18,989
Unrestricted, Unassigned	<u>1,040,996</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCE</b>	<u>1,091,996</u>	<u>996,516</u>	<u>1,512,310</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u><u>\$ 1,584,633</u></u>	<u><u>\$ 996,516</u></u>	<u><u>\$ 1,512,310</u></u>

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 \$16,569, 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.

NONMAJOR GOVERNMENTAL		
FUNDS	TOTALS	
\$ 17,917	\$ 3,623,205	
201,500	201,500	
-	392,029	
-	88,640	
	7,502	
\$ 219,417	\$ 4,312,876	
\$ -	\$ 91,308	
-	9,300	
7,502	7,502	
7,502	108,110	
-	392,029	
10,223	10,223	
201,500	201,500	
-	51,000	
-	996,516	
-	1,493,321	
3,397	3,397	
4,297	4,297	
-	18,989	
(7,502)	1,033,494	
211,915	3,812,737	
\$ 219,417	\$ 4,312,876	

\$ 3,812,737

6,887,104

(1,516,232)

\$ 9,183,609



## TOWN OF MINTURN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
Year Ended December 31, 2013

	<u>GENERAL</u>	<u>BATTLE MOUNTAIN RESORT</u>	<u>CAPITAL PROJECTS</u>
REVENUES			
Taxes	\$ 1,194,012	\$ -	\$ -
Licenses and Permits	43,681	-	-
Fines and Forfeitures	16,560	-	-
Intergovernmental	111,896	-	-
Investment Income	2,598	3,737	323
Miscellaneous	92,684	-	-
	<u>1,461,431</u>	<u>3,737</u>	<u>323</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
General Government	544,588	59,348	-
Planning and Zoning	113,976	-	-
Municipal Court	16,208	-	-
Police	344,507	-	-
Public Works	636,629	-	-
Parks and Recreation	-	-	744,582
Economic Development	64,757	-	-
Debt Service			
Principal	15,855	-	-
Interest and Fiscal Charges	1,401	-	-
	<u>1,737,921</u>	<u>59,348</u>	<u>744,582</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(276,490)</u>	<u>(55,611)</u>	<u>(744,259)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	180,000	-	-
Transfers Out	(83,763)	(180,000)	-
	<u>96,237</u>	<u>(180,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCE	(180,253)	(235,611)	(744,259)
FUND BALANCE, Beginning	<u>1,272,249</u>	<u>1,232,127</u>	<u>2,256,569</u>
FUND BALANCE, Ending	\$ <u><u>1,091,996</u></u>	\$ <u><u>996,516</u></u>	\$ <u><u>1,512,310</u></u>

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

NONMAJOR GOVERNMENTAL FUNDS		TOTALS
\$	-	\$ 1,194,012
	-	43,681
	-	16,560
	11,107	123,003
	59	6,717
	<u>214,923</u>	<u>307,607</u>
	<u>226,089</u>	<u>1,691,580</u>
	32,110	636,046
	-	113,976
	-	16,208
	-	344,507
	-	636,629
	92,876	837,458
	-	64,757
	170,000	185,855
	<u>59,638</u>	<u>61,039</u>
	<u>354,624</u>	<u>2,896,475</u>
	<u>(128,535)</u>	<u>(1,204,895)</u>
	115,162	295,162
	<u>-</u>	<u>(263,763)</u>
	<u>115,162</u>	<u>31,399</u>
	(13,373)	(1,173,496)
	<u>225,288</u>	<u>4,986,233</u>
\$	<u><u>211,915</u></u>	\$ <u><u>3,812,737</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, 2013

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

Net Change in Fund Balance of Governmental Funds	\$ (1,173,496)
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 capital outlay \$658,039 and capital contributions \$2,068,000 exceeded depreciation expense (\$132,972) in the current year.	2,593,067
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.	185,855
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>10,938</u>
Change in Net Position of Governmental Activities	<u>\$ 1,617,522</u>

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

## TOWN OF MINTURN, COLORADO

STATEMENT OF NET POSITIONPROPRIETARY FUND

December 31, 2013

	WATER, SANITATION AND RECREATION
ASSETS	
CURRENT ASSETS	
Cash and Investments	\$ 1,105,791
Accounts Receivable	64,813
Grants Receivable	47,952
	<hr/>
TOTAL CURRENT ASSETS	1,218,556
	<hr/>
NONCURRENT ASSETS	
Capital Assets, Not Being Depreciated	20,429
Capital Assets, Net of Accumulated Depreciation	1,950,654
	<hr/>
TOTAL NONCURRENT ASSETS	1,971,083
	<hr/>
TOTAL ASSETS	3,189,639
	<hr/>
CURRENT LIABILITIES	
Accounts Payable	14,875
Notes Payable, Current Portion	30,389
Lease Payable, Current Portion	16,303
	<hr/>
TOTAL CURRENT LIABILITIES	61,567
	<hr/>
NONCURRENT LIABILITIES	
Accrued Paid Time Off	4,498
Notes Payable	432,031
Lease Payable	16,772
	<hr/>
TOTAL NONCURRENT LIABILITIES	453,301
	<hr/>
TOTAL LIABILITIES	514,868
	<hr/>
NET POSITION	
Net Investment in Capital Assets	1,475,588
Unrestricted	1,199,183
	<hr/>
TOTAL NET POSITION	\$ 2,674,771
	<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, 2013

	<u>WATER, SANITATION AND RECREATION</u>
OPERATING REVENUES	
Charges for Services	\$ 782,913
Miscellaneous	<u>18,239</u>
TOTAL OPERATING REVENUES	<u>801,152</u>
OPERATING EXPENSES	
Operating and Maintenance	695,799
Depreciation	<u>90,393</u>
TOTAL OPERATING EXPENSES	<u>786,192</u>
NET OPERATING INCOME	14,960
NONOPERATING REVENUES (EXPENSES)	
Interest Expense	<u>(24,944)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(9,984)
Tap Fees	9,500
Grants	47,952
Transfers Out	<u>(31,399)</u>
CHANGE IN NET POSITION	16,069
NET POSITION, Beginning	<u>2,658,702</u>
NET POSITION, Ending	<u>\$ 2,674,771</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, 2013

Increase (Decrease) in Cash and Cash Equivalents

	<u>WATER, SANITATION AND RECREATION</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 839,811
Cash Received from Others	18,239
Cash Paid to Suppliers	(518,755)
Cash Paid to Employees	<u>(166,704)</u>
Net Cash Provided by Operating Activities	<u>172,591</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Tap Fees Received	9,500
Acquisition and Construction of Capital Assets	(105,492)
Debt Principal Payments	(44,994)
Debt Interest Payments	(24,944)
Transfers to Other Funds	<u>(31,399)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(197,329)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(24,738)
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>1,130,529</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u><u>\$ 1,105,791</u></u>
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Net Operating Income	\$ 14,960
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	90,393
Changes in Assets and Liabilities Related to Operations	
Accounts Receivable	56,898
Accounts Payable	10,040
Accrued Paid Time Off	<u>300</u>
Net Cash Provided by Operating Activities	<u><u>\$ 172,591</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, 2013

	<u>SCHOLARSHIPS</u>
ASSETS	
Cash and Investments	\$ <u>9,536</u>
LIABILITIES	
Held for Student Scholarships	\$ <u>9,536</u>

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

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**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. 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, 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. During the year ended December 31, 2013, the Town transferred \$300,000 previously held in a fiduciary capacity to the Minturn Education Fund. The Minturn Education Fund is governed by a Board of Directors. Because no financial accountability exists, the financial activities of the Minturn Education Fund are not reported 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, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-Wide and Fund Financial Statements (Continued)**

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, 2013

**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 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 *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 a contribution from the developer of the Battle Mountain Resort and other individual contributions used to create a scholarship program for qualified students. During the year ended December 31, 2013, a significant amount of the cash balance was transferred to a separate non-profit organization. The Town holds the remaining 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.

*Interfund Receivables and Payables* - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables*.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**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 and discounts 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 actual debt proceeds received, are reported as current expenses or expenditures.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**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 balance 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, 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, 2013, the Minturn Market Fund had a negative fund balance of \$7,502. Management expects the negative balance to be eliminated with revenues from future events and sponsorships.

**NOTE 3: CASH AND INVESTMENTS**

At December 31, 2013, cash and investments consisted of the following:

Deposits	\$ 635,462
Investments	<u>4,304,570</u>
Total	<u><u>\$ 4,940,032</u></u>

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**NOTE 3: CASH AND INVESTMENTS (Continued)**

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

Cash and Investments	\$ 4,728,996
Restricted Cash and Investments	201,500
Agency Fund Cash and Investments	<u>9,536</u>
Total	<u><b>\$ 4,940,032</b></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, 2013, the Town had bank deposits of \$250,545 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, 2013, the Town's investment of \$201,546 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, 2013

**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, 2013, the Town had \$4,079,147 and \$23,877 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: INTERFUND BALANCES AND TRANSACTIONS**

At December 31, 2013, the General Fund had temporarily subsidized the negative cash balance of the Minturn Market Fund in the amount of \$7,502.

Interfund transfers during the year ended December 31, 2013, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Battle Mountain Resort	\$ 180,000
Minturn Market	General	10,500
Debt Service	General	73,263
Debt Service	Water, Sanitation and Recreation	<u>31,399</u>
Total		<u><b>\$ 295,162</b></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, 2013, the General Fund subsidized the operations of the Minturn Market Fund.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**NOTE 5: 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 intend to form a separate non-profit entity to own and operate the facility. This entity will be governed by a board of directors that will jointly and equally represent the parties. Each party has agreed to contribute \$1 million for initial construction of the facility.

During the year ended December 31, 2013, the Town contributed \$497,729 for construction of the facility in accordance with the memorandum of understanding.

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2013, is summarized below.

	Balances 12/31/12	Additions	Deletions	Balances 12/31/13
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 1,275,000	\$ 2,304,470	\$ -	\$ 3,579,470
Total Capital Assets, Not Being Depreciated	<u>1,275,000</u>	<u>2,304,470</u>	<u>-</u>	<u>3,579,470</u>
Capital Assets, Being Depreciated				
Streets	-	421,569	-	421,569
Buildings and Improvements	3,905,603	-	-	3,905,603
Machinery and Equipment	<u>519,938</u>	<u>-</u>	<u>-</u>	<u>519,938</u>
Total Capital Assets, Being Depreciated	<u>4,425,541</u>	<u>421,569</u>	<u>-</u>	<u>4,847,110</u>
Less Accumulated Depreciation				
Streets	-	(2,108)	-	(2,108)
Buildings and Improvements	(1,004,279)	(97,846)	-	(1,102,125)
Machinery and Equipment	<u>(402,225)</u>	<u>(33,018)</u>	<u>-</u>	<u>(435,243)</u>
Total Accumulated Depreciation	<u>(1,406,504)</u>	<u>(132,972)</u>	<u>-</u>	<u>(1,539,476)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,019,037</u>	<u>288,597</u>	<u>-</u>	<u>3,307,634</u>
Governmental Activities Capital Assets, Net	<u><b>\$ 4,294,037</b></u>	<u><b>\$ 2,593,067</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 6,887,104</b></u>
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ -	\$ 20,429	\$ -	\$ 20,429
Capital Assets, Being Depreciated				
Water and Sanitation Systems	3,342,632	85,063	-	3,427,695
Recreation Systems	79,009	-	-	79,009
Equipment	<u>183,711</u>	<u>-</u>	<u>-</u>	<u>183,711</u>
Total Capital Assets, Being Depreciated	<u>3,605,352</u>	<u>85,063</u>	<u>-</u>	<u>3,690,415</u>

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**NOTE 6: CAPITAL ASSETS (Continued)**

	Balances 12/31/12	Additions	Deletions	Balances 12/31/13
<b>Business-Type Activities (Continued)</b>				
Less Accumulated Depreciation				
Water and Sanitation Systems	(1,512,650)	(66,259)	-	(1,578,909)
Recreation Systems	(36,111)	(2,257)	-	(38,368)
Equipment	(100,607)	(21,877)	-	(122,484)
Total Accumulated Depreciation	<u>(1,649,368)</u>	<u>(90,393)</u>	<u>-</u>	<u>(1,739,761)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>1,955,984</u>	 <u>(5,330)</u>	 <u>-</u>	 <u>1,950,654</u>
 Business-Type Activities Capital Assets, Net	 <u><b>\$ 1,955,984</b></u>	 <u><b>\$ 15,099</b></u>	 <u><b>\$ -</b></u>	 <u><b>\$ 1,971,083</b></u>

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

Governmental Activities	
General Government	\$ 83,392
Public Works	<u>49,580</u>
 Total	 <u><b>\$ 132,972</b></u>

**NOTE 7: LONG-TERM DEBT**

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2013:

	Balance 12/31/12	Additions	Payments	Balance 12/31/13	Due Within One Year
<b>Governmental Activities</b>					
Accrued Paid Time Off	\$ 30,989	\$ 43,987	\$ 54,925	\$ 20,051	\$ 1,138
2010 Certificates of Participation	1,625,000	-	170,000	1,455,000	185,000
Debt Premium	28,200	-	3,525	24,675	-
Capital Lease	<u>48,930</u>	<u>-</u>	<u>15,855</u>	<u>33,075</u>	<u>16,303</u>
 Total	 <u><b>\$ 1,733,119</b></u>	 <u><b>\$ 43,987</b></u>	 <u><b>\$ 244,305</b></u>	 <u><b>\$ 1,532,801</b></u>	 <u><b>\$ 202,441</b></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.



TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**NOTE 7: LONG-TERM DEBT (Continued)**

**Certificates of Participation (Continued)**

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>
2014	\$ 185,000	\$ 52,538	\$ 237,538
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 - 2020	<u>455,000</u>	<u>26,262</u>	<u>481,262</u>
Total	<u><b>\$ 1,455,000</b></u>	<u><b>\$ 226,538</b></u>	<u><b>\$ 1,681,538</b></u>

**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 \$73,544 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.

<u>Year Ended December 31,</u>	
2014	\$ 34,513
2015	<u>34,513</u>
Total Minimum Lease Payments	69,026
Less: Interest Portion	<u>(2,876)</u>
Present Value of Future Minimum Lease Payments	<u><b>\$ 66,150</b></u>

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**NOTE 7: LONG-TERM DEBT (Continued)**

Following are the changes to long-term debt of the business-type activities for the year ended December 31, 2013:

	Balance 12/31/12	Additions	Payments	Balance 12/31/13	Due Within One Year
<b>Business-Type Activities</b>					
Accrued Paid Time Off	\$ 4,198	\$ 7,399	\$ 7,099	\$ 4,498	\$ -
CWRPDA Note	67,546	-	19,747	47,799	20,651
1997A Rural Development Note	214,683	-	4,699	209,984	4,885
1997B Rural Development Note	209,330	-	4,693	204,637	4,853
Capital Lease	48,930	-	15,855	33,075	16,303
	<u>\$ 544,687</u>	<u>\$ 7,399</u>	<u>\$ 52,093</u>	<u>\$ 499,993</u>	<u>\$ 46,692</u>
Total					

**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, 2013, net revenues of \$96,822 were available to pay annual debt service of \$22,456. Remaining debt service at December 31, 2013, was \$50,527.

**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>
2014	\$ 30,389	\$ 22,294	\$ 52,683
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 - 2023	68,667	82,464	151,131
2024 - 2028	87,637	63,494	151,131
2029 - 2033	111,846	39,285	151,131
2034 - 2037	92,662	11,129	103,791
	<u>\$ 462,420</u>	<u>\$ 296,423</u>	<u>\$ 758,843</u>
Total			

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**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, 2013, follows.

	<u>Water</u>	<u>Sanitation</u>	<u>Totals</u>
Operating Revenues			
Charges for Services	\$ 678,433	\$ 104,480	\$ 782,913
Miscellaneous	<u>18,239</u>	<u>-</u>	<u>18,239</u>
Total Operating Revenues	<u>696,672</u>	<u>104,480</u>	<u>801,152</u>
Operating Expenses			
Operating and Maintenance	609,350	86,449	695,799
Depreciation	<u>90,393</u>	<u>-</u>	<u>90,393</u>
Total Operating Expenses	<u>699,743</u>	<u>86,449</u>	<u>786,192</u>
Net Operating Income (Loss)	(3,071)	18,031	14,960
Nonoperating Revenues (Expenses)			
Interest Expense	<u>(24,944)</u>	<u>-</u>	<u>(24,944)</u>
Net Income Before Capital Contributions and Transfers	(28,015)	18,031	(9,984)
Tap Fees	9,500	-	9,500
Grants	47,952	-	47,952
Transfers Out	<u>(31,399)</u>	<u>-</u>	<u>(31,399)</u>
Change in Net Position	<u><u>\$ (1,962)</u></u>	<u><u>\$ 18,031</u></u>	<u><u>\$ 16,069</u></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, 2013, the Town and employee contributions were \$10,538 each, equal to the required contributions.

TOWN OF MINTURN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**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, 2013, the Town and employee contributions to the Plan were \$16,791 and \$28,326, 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, 2013

**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, 2013, the emergency reserve of \$51,000 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.

**NOTE 12: CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2013, the Town adopted the standards of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result, the Town's net position at December 31, 2012, was restated to remove debt issuance costs capitalized in previous years, as follows.

	<u>Governmental Activities</u>
Net Position, December 31, 2012, as Originally Stated	\$ 7,642,487
Debt Issuance Costs, Net of Accumulated Amortization	<u>(76,400)</u>
Net Position, December 31, 2012, as Restated	<u><u>\$ 7,566,087</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

## TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULEGENERAL FUND

Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes	\$ 1,070,263	\$ 1,141,763	\$ 1,194,012	\$ 52,249
Licenses and Permits	46,800	48,471	43,681	(4,790)
Fines and Forfeitures	26,500	30,500	16,560	(13,940)
Intergovernmental	99,010	124,510	111,896	(12,614)
Investment Income	9,000	9,000	2,598	(6,402)
Miscellaneous	125,733	125,733	92,684	(33,049)
TOTAL REVENUES	1,377,306	1,479,977	1,461,431	(18,546)
EXPENDITURES				
Current				
General Government	534,937	568,307	544,588	23,719
Planning and Zoning	118,576	123,326	113,976	9,350
Municipal Court	22,095	22,095	16,208	5,887
Police	407,900	429,929	344,507	85,422
Public Works	256,690	614,690	636,629	(21,939)
Economic Development	66,148	67,868	64,757	3,111
Debt Service				
Principal	15,612	15,612	15,855	(243)
Interest and Fiscal Charges	2,153	2,153	1,401	752
TOTAL EXPENDITURES	1,424,111	1,843,980	1,737,921	106,059
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(46,805)	(364,003)	(276,490)	87,513
OTHER FINANCING SOURCES (USES)				
Transfers In	180,000	180,000	180,000	-
Transfers Out	(48,274)	(81,745)	(83,763)	(2,018)
TOTAL OTHER FINANCING SOURCES (USES)	131,726	98,255	96,237	(2,018)
NET CHANGE IN FUND BALANCE	84,921	(265,748)	(180,253)	85,495
FUND BALANCE, Beginning	1,325,298	1,325,298	1,272,249	(53,049)
FUND BALANCE, Ending	\$ 1,410,219	\$ 1,059,550	\$ 1,091,996	\$ 32,446

See the accompanying Independent Auditors' Report.

## TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULEBATTLE MOUNTAIN RESORT FUND

Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Investment Income	\$ 9,500	\$ 9,500	\$ 3,737	\$ (5,763)
TOTAL REVENUES	9,500	9,500	3,737	(5,763)
EXPENDITURES				
Current				
General Government	300,000	300,000	59,348	240,652
Capital Outlay	1,232,000	1,236,500	-	1,236,500
TOTAL EXPENDITURES	1,532,000	1,536,500	59,348	1,477,152
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,522,500)	(1,527,000)	(55,611)	1,471,389
OTHER FINANCING SOURCES (USES)				
Transfers Out	(180,000)	(180,000)	(180,000)	-
NET CHANGE IN FUND BALANCE	(1,702,500)	(1,707,000)	(235,611)	1,471,389
FUND BALANCE, Beginning	3,257,000	3,257,000	1,232,127	(2,024,873)
FUND BALANCE, Ending	\$ 1,554,500	\$ 1,550,000	\$ 996,516	\$ (553,484)

See the accompanying Independent Auditors' Report.



TOWN OF MINTURN, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2013

**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 data 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, 2013, the Capital Projects Fund expenditures exceeded the amounts budgeted by \$484,582. This may be a violation of State statutes.

## **SUPPLEMENTARY INFORMATION**

TOWN OF MINTURN, COLORADO

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2013

	CONSERVATION TRUST	MINTURN MARKET	MINTURN GID	DEBT SERVICE	TOTALS
ASSETS					
Cash and Investments	\$ 10,223	\$ -	\$ 3,397	\$ 4,297	\$ 17,917
Restricted Cash and Investments	-	-	-	201,500	201,500
<b>TOTAL ASSETS</b>	<b>\$ 10,223</b>	<b>\$ -</b>	<b>\$ 3,397</b>	<b>\$ 205,797</b>	<b>\$ 219,417</b>
LIABILITIES					
Interfund Payables	\$ -	\$ 7,502	\$ -	\$ -	\$ 7,502
FUND BALANCE					
Restricted for Parks	10,223	-	-	-	10,223
Restricted for Debt Service	-	-	-	201,500	201,500
Assigned to GID Activities	-	-	3,397	-	3,397
Assigned to Debt Service	-	-	-	4,297	4,297
Unrestricted, Unassigned	-	(7,502)	-	-	(7,502)
<b>TOTAL FUND BALANCE</b>	<b>10,223</b>	<b>(7,502)</b>	<b>3,397</b>	<b>205,797</b>	<b>211,915</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 10,223</b>	<b>\$ -</b>	<b>\$ 3,397</b>	<b>\$ 205,797</b>	<b>\$ 219,417</b>

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, 2013

	CONSERVATION TRUST	MINTURN MARKET	MINTURN GID	DEBT SERVICE	TOTALS
REVENUES					
Intergovernmental	\$ 11,107	\$ -	\$ -	\$ -	\$ 11,107
Investment Income	34	1	-	24	59
Miscellaneous	-	57,933	-	156,990	214,923
TOTAL REVENUES	11,141	57,934	-	157,014	226,089
EXPENDITURES					
Current					
General Government	-	-	376	31,734	32,110
Parks and Recreation	10,955	81,921	-	-	92,876
Debt Service					
Principal	-	-	-	170,000	170,000
Interest and Fiscal Charges	-	-	-	59,638	59,638
TOTAL EXPENDITURES	10,955	81,921	376	261,372	354,624
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	186	(23,987)	(376)	(104,358)	(128,535)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	10,500	-	104,662	115,162
NET CHANGE IN FUND BALANCE	186	(13,487)	(376)	304	(13,373)
FUND BALANCE, Beginning	10,037	5,985	3,773	205,493	225,288
FUND BALANCE, Ending	\$ 10,223	\$ (7,502)	\$ 3,397	\$ 205,797	\$ 211,915

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE

CONSERVATION TRUST FUND

Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 11,107	\$ 1,107
Investment Income	500	500	34	(466)
TOTAL REVENUES	10,500	10,500	11,141	641
EXPENDITURES				
Parks and Recreation	10,500	12,600	10,955	1,645
TOTAL EXPENDITURES	10,500	12,600	10,955	1,645
NET CHANGE IN FUND BALANCE	-	(2,100)	186	2,286
FUND BALANCE, Beginning	4,917	4,917	10,037	5,120
FUND BALANCE, Ending	\$ 4,917	\$ 2,817	\$ 10,223	\$ 7,406

See the accompanying Independent Auditors' Report.

## TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULEMINTURN MARKET FUND

Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Investment Income	\$ -	\$ -	\$ 1	\$ 1
Minturn Market	64,500	67,700	57,933	(9,767)
TOTAL REVENUES	64,500	67,700	57,934	(9,766)
EXPENDITURES				
Minturn Market	64,500	86,000	81,921	4,079
TOTAL EXPENDITURES	64,500	86,000	81,921	4,079
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(18,300)	(23,987)	(5,687)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	10,500	10,500	-
NET CHANGE IN FUND BALANCE	-	(7,800)	(13,487)	(5,687)
FUND BALANCE, Beginning	15,760	15,760	5,985	(9,775)
FUND BALANCE, Ending	\$ 15,760	\$ 7,960	\$ (7,502)	\$ (15,462)

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE

MINTURN GID

Year Ended December 31, 2013

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
EXPENDITURES			
General Government	\$ 1,000	\$ 376	\$ 624
TOTAL EXPENDITURES	1,000	376	624
NET CHANGE IN FUND BALANCE	(1,000)	(376)	624
FUND BALANCE, Beginning	2,855	3,773	918
FUND BALANCE, Ending	\$ 1,855	\$ 3,397	\$ 1,542

See the accompanying Independent Auditors' Report.

## TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULEDEBT SERVICE FUND

Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Investment Income	\$ 25	\$ 25	\$ 24	\$ (1)
Rental Income	159,000	159,000	156,990	(2,010)
TOTAL REVENUES	159,025	159,025	157,014	(2,011)
EXPENDITURES				
Current				
General Government	-	31,800	31,734	66
Debt Service				
Principal	170,000	170,000	170,000	-
Interest and Fiscal Charges	60,388	60,388	59,638	750
TOTAL EXPENDITURES	230,388	262,188	261,372	816
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(71,363)	(103,163)	(104,358)	(1,195)
OTHER FINANCING SOURCES				
Transfers In	71,363	104,662	104,662	-
NET CHANGE IN FUND BALANCE	-	1,499	304	(1,195)
FUND BALANCE, Beginning	204,494	204,494	205,493	999
FUND BALANCE, Ending	\$ 204,494	\$ 205,993	\$ 205,797	\$ (196)

See the accompanying Independent Auditors' Report.



TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE

CAPITAL PROJECTS FUND

Year Ended December 31, 2013

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Investment Income	\$ 500	\$ 323	\$ (177)
TOTAL REVENUES	500	323	(177)
EXPENDITURES			
Parks and Recreation	260,000	744,582	(484,582)
TOTAL EXPENDITURES	260,000	744,582	(484,582)
NET CHANGE IN FUND BALANCE	(259,500)	(744,259)	(484,759)
FUND BALANCE, Beginning	292,850	2,256,569	1,963,719
FUND BALANCE, Ending	\$ 33,350	\$ 1,512,310	\$ 1,478,960

See the accompanying Independent Auditors' Report.

## TOWN OF MINTURN, COLORADO

BUDGETARY COMPARISON SCHEDULE  
WATER, SANITATION AND RECREATION FUND  
Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Water Charges	\$ 659,042	\$ 659,042	\$ 678,433	\$ 19,391
Water Tap Fees	7,500	7,500	9,500	2,000
Garbage Charges	105,000	105,000	104,480	(520)
Grants	-	-	47,952	47,952
Miscellaneous	-	-	18,239	18,239
TOTAL REVENUES	771,542	771,542	858,604	87,062
EXPENSES				
Operating and Maintenance	560,877	640,792	695,799	(55,007)
Depreciation	95,000	95,000	90,393	4,607
Capital Outlay	6,750	207,100	105,492	101,608
Debt Service				
Principal	44,634	44,634	44,994	(360)
Interest	25,815	25,815	24,944	871
Transfers Out	21,409	31,399	31,399	-
TOTAL EXPENSES	754,485	1,044,740	993,021	51,719
CHANGE IN NET POSITION, Budgetary Basis	\$ 17,057	\$ (273,198)	(134,417)	\$ 138,781
RECONCILIATION TO GAAP BASIS				
Capital Outlay			105,492	
Debt Service Principal			44,994	
CHANGE IN NET POSITION, GAAP Basis			\$ 16,069	

See the accompanying Independent Auditors' Report.

TOWN OF MINTURN, COLORADO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended December 31, 2013

	BALANCE 12/31/12	ADDITIONS	DEDUCTIONS	BALANCE 12/31/13
ASSETS				
Cash and Investments	\$ <u>358,430</u>	\$ <u>106</u>	\$ <u>349,000</u>	\$ <u>9,536</u>
LIABILITIES				
Held for Student Scholarships	\$ <u>358,430</u>	\$ <u>106</u>	\$ <u>349,000</u>	\$ <u>9,536</u>

See the accompanying Independent Auditors' Report.

## **COMPLIANCE SECTION**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:
		YEAR ENDING : December 2013
This Information From The Records Of (example - City of _ or County of Town of Minturn County of Eagle	Prepared By: Phone:	Jay Brunvand 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**

ITEM	AMOUNT
<b>A. Receipts from local sources:</b>	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	672,160
3. Other local imposts (from page 2)	47,323
4. Miscellaneous local receipts (from page 2)	9,892
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	729,375
<b>B. Private Contributions</b>	
<b>C. Receipts from State government</b> (from page 2)	38,326
<b>D. Receipts from Federal Government</b> (from page 2)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	767,701

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	0
2. Maintenance:	430,470
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	206,153
c. Other	
d. Total (a. through c.)	206,153
4. General administration & miscellaneous	
5. Highway law enforcement and safety	131,078
6. Total (1 through 5)	767,701
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
<b>C. Payments to State for highways</b>	
<b>D. Payments to toll facilities</b>	
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	767,701

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	767,701	767,701	0	0

Notes and Comments:

