

**CWCB FEASIBILITY STUDY  
FOR  
THE TOWN OF FIRESTONE  
CARBON VALLEY RESOURCE PIT**

**Prepared For:  
Town of Firestone**

**October 2016**



**Town of Firestone  
151 Grant Ave.  
Firestone, CO 80520**

**FEASIBILITY STUDY APPROVAL**  
Pursuant to Colorado Revised Statutes 37-80-121 & 122, and  
in accordance with policies adopted by the Board, the  
CWCB staff has determined this Feasibility Study meets all  
applicable requirements for approval.

Signed

Date

November 16, 2016

*Debra  
Hickman-Persinger*

# **TOWN OF FIRESTONE**

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## INTRODUCTION

The Town of Firestone's boundary encompasses approximately 9,089 acres and has a planning area of approximately 26 square miles. The current town boundary is generally located east of Interstate 25 between Highway 66 and Highway 52, as shown in **Figure 1**. A smaller portion of the town boundary is contained on the west side of I-25, between County Road 26 on the north, Highway 119 on the south, and Union Reservoir on the west. The Town of Firestone provides water and wastewater services to approximately 12,110 residents and operates a water distribution network of approximately 58.5 miles of pipeline and associated facilities. Firestone continues to experience growth and it earned the title of the Fastest Growing Community in Colorado between 2000 and 2010, with a 432% increase. Firestone's irrigation requirement alone at build-out is estimated at 988 acre-feet.

Firestone currently does not operate a water treatment plant and is a wholesale purchaser of potable water. Firestone does not have a dual water supply system. When the economy recovered, the price of the Town's sole source of water, Colorado-Big Thompson (C-BT), skyrocketed. Current-day price for C-BT is approximately \$26,500 per unit or nearly \$38,000 per acre-foot. Firestone's current water dedication policy only allows for C-BT to be dedicated to meet the raw water requirement, although it does allow developers to bring 75% water and 25% cash. Due to the high demand and high cost of C-BT water, development in Firestone has slowed.

Within Firestone's planning area, the Town has approximately 106 irrigated acres, consisting of Town parks, areas surrounding Town government buildings, street right-of-ways, and other areas that the Town currently owns and maintains. It is estimated that the future growth in this area will comprise an additional 233 irrigated acres. A map of the Town's existing and future park sites is included as **Figure 2**.

In addition, there are also privately-owned parks and open space areas within the Town that are typically managed by HOAs. There are approximately 115 irrigated acres in this category. It is estimated that the future growth will add an additional 41 irrigated acres.

Since C-BT is currently the Town's only source of water, the Town is delivering C-BT for all outdoor irrigation. There is a great opportunity for the Town to convert this outdoor irrigation to instead be irrigated with non-potable water, which will free up the Town's C-BT for potable needs and also help to diversify the Town's water rights portfolio. However, to accomplish this, Firestone needs storage and alternative water supplies to C-BT.

## Non-Potable Water Demands

Firestone has a current irrigation demand of approximately 442 acre-feet which will increase to nearly 988 acre-feet based on the Town's Non-Potable Water Rights Master Plan.

### Current Park and Privately Owned Irrigation Demands

Quantification of irrigation water demands at park and privately owned sites is dependent upon the species of turf grass planted at the park, climate conditions, park use and aesthetic quality, and the application uniformity of the specific irrigation system. The quality of Kentucky bluegrass lawns have been described by Metcham.<sup>1</sup> High performance lawns are defined as being heavily used, such as sports fields or lawns where a high aesthetic appearance is desired. Standard lawns are defined as typical lawn areas in residential neighborhoods, businesses, or shopping centers where foot traffic and use of the open space is not excessive. Low maintenance is used to describe areas that are seldom used for activities, yet they provide a green ground cover. For the purpose of this feasibility study, we use the consumptive use values associated with a standard lawn.

**Table 1 – Table 3** list all the Town parks and open spaces, the existing acreages, estimated irrigated acreages, and the estimated irrigation requirements. Irrigation requirements are calculated using 2.0 acre-feet/acre as per an average of Colorado Irrigation Guide (1988) and Colorado's Net Irrigation Requirements (1995).

### Future Park and Privately Owned Irrigation Demands

The Town is planning numerous future parks and open space areas. Additional irrigation will occur from the expansion of existing parks and open spaces and also from new sites both privately owned and those belonging to the Town. The total irrigation requirement at build-out is estimated at 988 acre-feet for the Town. Currently, approximately 442 acre-feet of C-BT water is being utilized for the Town's irrigation needs, and under current policies, the future 546 acre-feet will be as well. As mentioned previously, it is wise-water management to not use high-priced C-BT for irrigation. This is an important reason for the Town to acquire other supplies to meet this irrigation need. **Table 3** is a summary of the Town's future irrigation demands.

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<sup>1</sup> Metcham, B. 2006. Historical Reference ET for Northern Colorado Front Range, Northern Colorado Water Conservancy District.

**Table 1: Irrigation Estimates for Firestone Owned - Existing Parks and Open Space Areas**

Park or Open Space Name	Total Existing Acreage	Estimated Irrigation Percentage	Total Irrigated Existing Acreage	Estimated Irrigation Requirements 2.0 ac-ft/acre (ac-ft)
Adams Bank Entry	0.43	100%	0.43	0.86
Aisik's Meadow	4.00	100%	4.00	8.00
Booth Farms	9.69	100%	9.69	19.38
Detention Pond at 4th St and Buchanan Ave	0.14	100%	0.14	0.28
Firestone Center	1.33	100%	1.33	2.66
Firestone City Centre	1.25	100%	1.25	2.50
Firestone Sports Field Site	11.35	100%	11.35	22.70
Harney Park	4.18	100%	4.18	8.36
Hart Park	6.66	100%	6.66	13.32
High Plains Marketplace	2.58	100%	2.58	5.16
Jacob H Firestone	2.44	100%	2.44	4.88
Miners Park	2.09	100%	2.09	4.18
Mountain Shadows	1.00	100%	1.00	2.00
Mountain Shadows Park	12.91	100%	12.91	25.83
Oak Meadows	1.97	100%	1.97	3.94
Onorato Park	0.45	100%	0.45	0.90
Patterson Park	3.53	100%	3.53	7.06
Prairie Ridge Park	3.81	100%	3.81	7.62
Safeway	3.59	100%	3.59	7.18
Sagebrush	0.46	100%	0.46	0.92
Sagebrush Park	6.50	100%	6.50	13.01
Settlers Park	11.91	100%	11.91	23.82
St Vrain Ranch	2.35	100%	2.35	4.70
Stoneridge	6.75	100%	6.75	13.50
Stoneridge Park	4.32	100%	4.32	8.64
Town Hall	0.42	100%	0.42	0.84
<b>Total Firestone Owned - Existing</b>	<b>106.12</b>		<b>106.12</b>	<b>212.24</b>

**Table 2: Irrigation Estimates for Privately Owned - Existing Parks and Open Space Areas**

Park or Open Space Name	Total Existing Acreage	Estimated Irrigation Percentage	Total Irrigated Existing Acreage	Estimated Irrigation Requirements 2.0 ac-ft/acre (ac-ft)	Shape Letter Designation	Map No.
<b>Privately Owned - Existing</b>						
Booth Farms	9.55	100%	9.55	19.10	BF-H	30
Centennial Elem School	6.57	100%	6.57	13.14	CES-H	31
Coal Ridge Middle School	19.46	100%	19.46	38.92	CRMS-H	12
Del Camino Junction Business Park	13.65	100%	13.65	27.30	DCBP-H	6
Eagle Crest Mobile Home Park	5.77	100%	5.77	11.54	EC-H	26
Firestone City Centre	0.20	100%	0.20	0.40	FCC-H	27
High Plains Marketplace	1.73	100%	1.73	3.46	HPM-H	16
Home Depot	0.20	100%	0.20	0.40	HD-H	28
Imagine Charter School	2.89	100%	2.89	5.78	ICS-H	2
Monarch Est	8.20	100%	8.20	16.40	ME-H	29
Mountain Shadows	0.20	100%	0.20	0.40	MS-H	3
Oak Meadows	2.69	100%	2.69	5.38	OM-H	9
Overlook At Firestone	2.18	100%	2.18	4.36	OAF-H	51
Prairie Ridge Elem School	5.81	100%	5.81	11.62	PRES-H	18
Ridge Crest	7.67	100%	7.67	15.34	RC-H	20
Saddleback Heights	1.58	100%	1.58	3.16	SH-H	38
Sagebrush	5.78	100%	5.78	11.56	SB-H	22
Shores	2.50	100%	2.50	5.00	Shs-H	5
St Vrain Ranch	1.99	100%	1.99	3.97	SVR-H	23
Stoneridge	16.03	100%	16.03	32.06	SR-H	35
<b>Total Privately Owned - Existing</b>	<b>114.65</b>		<b>114.65</b>	<b>229.29</b>		
<b>Total Existing</b>	<b>220.76</b>		<b>220.76</b>	<b>441.53</b>		

**Table 3: Future Parks and Open Space Area Irrigation Estimates**

Park or Open Space Name	Total Existing Acreage	Estimated Irrigation Percentage	Total Irrigated Existing Acreage	Estimated Irrigation Requirements 2.0 ac-ft/acre (ac-ft)	Shape Letter Designation	Map No.
<b>Firestone Owned - Future</b>						
Firestone Central Park	262.00	50%	131.00	262.00	FCP-F	36
Firestone Trail	86.67	50%	43.33	86.67	FT-F	8, 14, 37, 40
Firestone Villas	13.56	50%	6.78	13.56	FV-F	46
Future Park	4.94	50%	2.47	4.94	FP-F	47
Mountain Shadows	2.07	100%	2.07	4.14	MS-F	3
Neighbors Point	29.21	30%	8.76	17.53	NP-F	32
Saddleback Heights	2.70	50%	1.35	2.70	SH-F	38
Unnamed (Booth Farms Minor)	32.41	30%	9.72	19.45	UN(B)-F	24
Unnamed (Firestone Trail NE of Town Limits)	52.77	50%	26.38	52.77	UN(FT)-F	43, 44, 52
Unnamed (Neighbors)	1.57	50%	0.79	1.57	UN(N)-F	33
<b>Total Firestone - Future</b>	<b>487.90</b>		<b>232.66</b>	<b>465.32</b>		
<b>Privately Owned - Future</b>						
American Furniture Warehouse	6.52	30%	1.96	3.91	AFW-H	25
Booth Farms	0.13	100%	0.13	0.26	BF-H	30
Firestone Center	2.99	30%	0.90	1.79	FC-H	1
Firestone City Centre	2.07	100%	2.07	4.14	FCC-H	27
Firestone Meadows	2.64	100%	2.64	5.28	FM-H	7
Grant Brothers Minor	2.88	30%	0.86	1.73	GBM-H	25
Home Depot	0.53	100%	0.53	1.06	HD-H	28
Monarch Est	2.76	100%	2.76	5.52	ME-H	29
Mountain Shadows	2.49	100%	2.49	4.98	MS-H	3
Neighbors Point	0.65	100%	0.65	1.30	NP-H	32
Oak Meadows	6.23	50%	3.11	6.23	OM-H	9
Overlook At Firestone	0.12	100%	0.12	0.24	OAF-H	51
Sagebrush	6.56	100%	6.56	13.12	SB-H	22
Shores	6.21	30%	1.86	3.73	Shs-H	5
St Vrain Ranch	3.17	100%	3.17	6.34	SVR-H	23
Stoneridge	10.69	100%	10.69	21.38	SR-H	35
<b>Total Privately Owned - Future</b>	<b>56.64</b>		<b>40.50</b>	<b>81.01</b>		
<b>Total Future</b>	<b>544.54</b>		<b>273.17</b>	<b>546.33</b>		

## **Non-Potable Water Shortage**

The non-potable water shortage is estimated at 988 acre-feet, which includes future build-out plans. As discussed above, the Town is currently relying on the treated C-BT water from Central Weld to meet its non-potable needs. This is a very precious and expensive commodity for the Town that would be much better reserved for potable system demands. Therefore, the Town needs to develop non-potable water storage and acquire non-potable water supplies to fill this storage.

## **PROJECT SPONSOR**

The Town of Firestone, with a current population of approximately 12,110 people, is located in northern Colorado, approximately 20 minutes north of Denver. Firestone has experienced tremendous growth over the last decade and will continue to attract new people to its wonderful community. The Town is committed to providing amenities such as park and open space areas for its current and future residents and needs both storage and non-potable water to offset their demand on the treated C-BT supply currently being used to irrigate these areas.

## **WATER RIGHTS**

The Town currently owns 5,103 C-BT units. The Town has acquired this water through its raw water dedication policy over the years. Since 1974, water dedication was one C-BT unit per dwelling unit. In the early 2000's, the Town modified the policy and changed multi-family dedication to one-half C-BT unit per dwelling unit. In 2010, Firestone adopted Ordinance 762 that created a graduated dedication for single-family dwelling units based on lot size. In 2014, the Town adopted Ordinance 861 that changes the multi-family dedication requirement. A copy of Ordinance 762 and Ordinance 861 is available in **Appendix A** of this report.

Over the years, Firestone has received C-BT water through dedication and is now capped per Northern Colorado Water Conservancy District (Northern Water) regulations. Resolution D-962-02-95 from Northern Water outlines limitations on ownership issues and is summarized as follows:

*For municipalities and domestic water purveyors, the limitation on unit ownership will be calculated and determined as the lesser of the following:*

1. *(Demand x 2) – (Average Yield of Native Supplies) = Max. No. of C-BT Units Allowed to be Owned*

*or*

2. *(Demand) – (Firm Yield of Native Water Supplies) = Max. Volume of Firm Yield C-BT Water Allowed to be Owned*

*The maximum number of C-BT units allowed to be owned shall be determined by dividing the volume of C-BT water allowed to be owned by 0.5 for variable-quota contracts and 0.7 for fixed-quota contracts.*

*Demand is based on a 10-year average of per-tap usage times the total number of taps currently supplied and taps committed to supply in the future.*

This Resolution was established to preserve the C-BT system and prevent speculative purchases of its water. The C-BT system was originally designed as a supplemental supply to native water rights with agriculture as the primary user. The quota is set based on water demand. In a dry year when water demands are high, the quota would be set higher, up to 100%. In a wet year, when native supplies are plentiful and demands are low, the quota would be set lower, e.g., 50%. The years 2002 and 2003 were an exception when, for the first time in the system's history, the quota was set based on limited supply.

Because Firestone has exceeded its C-BT ownership per the above Resolution, the Town is capped and cannot purchase additional C-BT supplies through the open market. Therefore, the Town must rely on C-BT acquisition through dedication from new development. Because the Town is capped, it has to get creative in efficiently and wisely utilizing the C-BT water it does own.

#### *Northern Integrated Supply Project (NISP)*

NISP is a regional water supply project coordinated by Northern Water on behalf of Firestone and 14 other Northern Front Range water providers. The goal is to provide participating water providers with approximately 40,000 acre-feet of new, reliable water supply each year. The Town originally signed up to participate in 1,000 acre-feet from NISP. Northern Water began the National Environmental Policy Act (NEPA) permitting process with 40,000 acre-feet, which consisted of both yield and firming storage. The

viability of the firming storage component was challenged, and at that stage of the process, the NISP project was converted to solely a yield project versus a yield plus firming storage project. The volume of water originally requested by all participants was 31,000 acre-feet. By this time, Northern Water was deep into the permitting process for 40,000 acre-feet. Accordingly, Northern Water asked participants if they would increase their participation by a pro-rata amount to keep the project at 40,000 acre-feet. Thus, Firestone's participation in NISP has increased to 1,300 acre-feet.

## **PROJECT DESCRIPTION AND ALTERNATIVES**

### **Purpose**

The purpose of this project is to provide a water storage project to help meet the Town's current and future non-potable water needs. The seniority of water rights factors largely into the amount of non-potable storage needed to meet this demand. For junior water rights, three to five times the demand may be the storage volume needed to provide reliability for irrigation. Senior water rights may only need 1.5 to two times the demand. Since Firestone currently does not own any non-potable water supplies, this factor is difficult to determine. For planning purposes, the Town is pursuing a little over two times the demand, or 2,000 acre-feet of non-potable storage for the Town. For budgetary reasons, the Town is requesting funds to acquire 1,092 acre-feet as part of this study. The combination of new water storage and new water supply will sure up the Town's non-potable future and take pressure off the Town's C-BT supply.

In the first part of this section, we discuss three potential non-potable storage sites, plus a no-action alternative, that were considered. In the second part of the section, we discuss potential water rights that could be used to fill a portion of this storage.

### **Storage Alternatives**

Acquiring storage will allow the Town the flexibility to take delivery of the water supply when it is available and store it for later use in times of need. If the storage is properly located, releases of stored water rights can be used for augmentation of wells used to irrigate parks directly. The estimated build-out demand for park and open space irrigation is 988 acre-feet.

The four alternatives Firestone considered are listed below:

1. Central Park Storage
2. Hokestra Pit



3. Carbon Valley Resource Pit
4. No-Action

### Alternative No. 1 – Central Park Storage

The Town's future Central Park has proposed on-site storage. Central Park is located in the N ½ of Section 18, Township 2N, Range 67W, of the 6<sup>th</sup> P.M. in Weld County, Colorado. In the previous non-potable planning effort, it was envisioned that storage at Central Park would serve as a hub to daisy-chain together a Town-wide non-potable system.

#### Advantages

- It is centrally located in a critical area for non-potable water storage.
- Central Park is one of the Town's largest parks, and the irrigation demand could be met more directly with storage at this site.
- The water storage could also be used as a park amenity.

#### Disadvantages

Although storage at Central Park will likely exist and serve a portion of the storage need, non-potable storage along the river will provide a better alternative to meet the broader need for several reasons:

- Central Park will likely become the primary park amenity for the Town of Firestone. Because of this, it will be better to keep on-site storage as full as possible and have the fluctuating reservoir down along the river.
- Storage on the river provides access to many more water rights. Once stored, releases can be made to augment well irrigation at parks or a pipeline could potentially be built to the Town for direct non-potable irrigation.
- In the future, Firestone will be generating fully consumable wastewater at the St. Vrain Sanitation Wastewater Treatment Plant (WWTP). Storage along the river will allow exchange and storage of this fully consumable water, which can be captured and reused.

### Alternative No. 2 – Hokestra Pit Storage – Cells 2 and 4

The Hokestra Pit is located in the N ½ of Section 2, Township 2N, Range 68W and the S ½ of Section 35, Township 3N, Range 68W of the 6<sup>th</sup> P.M. in Weld County, Colorado. The site is generally located northeast of the intersection of Interstate 25 and Highway 119 near Firestone. **Figure 3** is a vicinity map of the Hokestra Pit. Hokestra Pit is

currently owned and operated by Weld County for gravel mining operations. The Hokestra Pit operation consists of twelve cells that were created as part of the mining operations on the property. **Table 4** outlines each cell and some basic information about each one. The cell numbers correspond to the same numbers on the vicinity map.

**Table 4: Hokestra Pit Storage Information**

Cell	Surface Area (acres)	Volume (ac-ft)	Notes
1	8.4	-	Utilized for Weld County's Southwest Services Center, unlined, not available for storage
2	35.0	453	Clay Liner approved: October 7, 2014
3	9.9	~120	Unmined: South Slurry wall liner approved: October 7, 2014
4	20.9	~200	Unmined: North Slurry wall liner approved: October 7, 2014
5	12.6	253	Combined volume – Cells 5 and 6
6	10.8		
7	10.0	-	Unlined, not available for storage
8	4.3	-	
9	2.1	-	
10	5.5	-	
11	3.9	-	
12	12.5	-	

#### Advantages

- Cell 2 of the reservoir is already completed.
- The proposed Cell 4 is already lined.
- Close proximity to the St. Vrain River.
- Location works well for future augmentation obligations that could be associated with the Town installing and using groundwater to meet part of its irrigation demand.
- Storage on the river opens up more water rights that can be purchased and used.
- The estimated 653 acre-feet is a good starting point to meet the Town's current and future non-potable storage needs.

#### Disadvantages

- If the Town acquires 653 acre-feet of storage at the Hokestra Pit, it will still need approximately 1,400 acre-feet of additional non-potable storage in the future.

Ideally this storage would be nearby, but the other cells at Hokestra have been sold.

- Should the Town generate reusable effluent in the future, Firestone would have to rely on an exchange from the St. Vrain Sanitation WWTP back upstream to Hokestra Pit. Although this is likely doable, it provides less surety.
- The cost of this storage was highest among alternatives.

### Alternative No. 3 – Carbon Valley Resource Pit

The Carbon Valley Resource Pit (Carbon Valley Pit) is located in the NW ¼ of Section 6, Township 2N, Range 67W of the 6<sup>th</sup> P.M. in Weld County, Colorado. The site is generally located southeast of the intersection of Colorado Blvd and County Road 11 ¼ in the northern part of Firestone. **Figure 4** is a location map of the Carbon Valley Pit site. Carbon Valley Pit is currently owned and operated by LG Everist, Inc. for gravel mining operations. After mining has been completed, the resulting volume of the proposed Carbon Valley Reservoir is estimated to be approximately 1,092 acre-feet.

#### Advantages

- Close proximity to the St. Vrain River.
- Location works well for future augmentation obligations that could be associated with the Town installing and using groundwater to meet part of its irrigation demand.
- The estimated 1,092 acre-feet is a good starting point to meet the Town's current and future non-potable storage needs. LG Everist, Inc. will be mining the property adjacent to the west that would offer another.
- Storage on the river opens up more water rights that can be purchased and used.
- Infrastructure for this location is right next to the St. Vrain Sanitation WWTP, so getting reusable effluent into the pit is reliable.
- The cost for the storage is within the market for storage in this area.

#### Disadvantages

### Alternative No. 4 – No-Action

A no-action alternative was considered for the Town of Firestone. This alternative means the Town would not currently pursue its own non-potable storage site(s) and would instead continue to rely solely on its ownership of 5103 units of C-BT for its irrigation supply. The treatment and distribution of the C-BT water into the Town's own water distribution system would continue through Central Weld.

### Advantages

- This would be the least expensive alternative and would not require any current effort of the Town staff.
- This would allow the Town to free up funds for other critical infrastructure improvements.

### Disadvantages

- No-Action in regards to the Town's critical need for water storage would just be "kicking the can down the road."
- Due to the ever increasing cost of developing storage facilities, the "No-Action" alternative would most likely result in the Town spending more money in the future to address the issue.
- The Town is already in the negotiation process with potential storage facilities and this effort and expense would be lost with the No-Action alternative.
- Other entities near Firestone are also seeking viable storage options, if the Town does not continue to actively pursue its own storage facilities, the more ideal storage locations may be lost to others.

### **Selected Storage Alternative**

Carbon Valley Pit was the selected alternative due to the many advantages of this storage site listed above.

Firestone hired Acuity, LLC to complete a feasibility study on the Carbon Valley Reservoir as included in the attached Memorandum September 19, 2016 (**Appendix B**). This study outlines the water delivery and river return options for the proposed Carbon Valley Reservoir and provides a detailed cost estimate for construction of such infrastructure.

### **Non-Potable Water Supply Alternatives**

The Town is targeting 1,092 acre-feet of senior water supply to place into Carbon Valley Reservoir. There are many factors that will ultimately govern which water rights will make up this 1,092 acre-feet of water including seniority, location and ability to divert into the Carbon Valley Reservoir, availability of the water right, etc. With these factors in mind, we examine the following water rights and irrigation systems in the vicinity of the Town and selected Carbon Valley Reservoir:

- Coal Ridge Ditch
- Highland South Side Ditch (aka Godding Ditch)

- Last Chance Ditch
- Lower Boulder Ditch (preferred and common shares)
- Rural Ditch
- Carr and Tyler Ditch
- Delehant Ditch
- Godding, Plumb and Dailey Ditch
- Boulder and Weld County Ditch
- Houck No. 2 Ditch

These water sources were also identified as Tier 1 or Tier 2 water rights in the Town of Firestone 2015 Non-Potable Water Rights Master Plan. **Table 5** lists water rights presented in the Non-Potable Water Rights Master Plan.

**Table 5: Recommended Water Rights**

Name of Water Right	Estimated Delivery (ac-ft/share or % interest)	Estimated Consumptive Use Credit (ac-ft/share or % interest)
<b>Tier 1</b>		
Coal Ridge Ditch	2.3	-
Highland South Side Ditch (aka Godding Ditch)	27.2	7.3
Last Chance Ditch	-	-
Lower Boulder Ditch - Preferred	34.5	19.8
Lower Boulder Ditch – Common	11.5	6.6
Rural Ditch	100	50
<b>Tier 2</b>		
Carr and Tyler Ditch	3.1	1.3
Delehant Ditch	3.35	1.36
Godding, Plumb and Dailey Ditch	59.33	-
Boulder and Weld County Ditch	-	-
Houck No. 2 Ditch	255	129

### Alternative No. 1 – Coal Ridge Ditch

#### *Background*

The New Coal Ridge Ditch Company (Coal Ridge) water right shares the Lower Boulder Ditch. Deliveries associated with the Coal Ridge water right are measured in Section 25, Township 2N, Range 68W in the 6<sup>th</sup> P.M., Weld County, Colorado. Coal Ridge owns multiple shares of several ditch companies including the following: 48.67 of 199.9767 preferred shares and 6 out of 197.7793 common capital stock of Lower Boulder Ditch Company, 5/38<sup>th</sup> interest of Dry Creek Davidson Ditch, 5 of 44 shares of Enterprise Ditch, all rights decreed to Central Ditch, and all rights decreed to South

Ditch. There are 2,116 shares in the Coal Ridge Ditch Company. Coal Ridge also owns 114 shares of 553 shares of the capital stock issued and outstanding in the Baseline Land and Reservoir Company, which are reservoir shares and not considered part of the direct flow rights.

#### *Dry Creek Davidson Ditch*

The Dry Creek Davidson Ditch (Dry Creek Ditch) has an appropriation date of May 1, 1863 (Priority No. 7) for 2.6 cubic feet per second (cfs) representing the Coal Ridge interest. Dry Creek Ditch shares the Lower Boulder Ditch headgate.

#### *Enterprise Ditch Company*

The Enterprise Ditch has an appropriation date of February 1, 1865 from South Boulder Creek (Priority No. 12) for 3.872 cfs representing the Coal Ridge interest. Enterprise Ditch shares the Lower Boulder Ditch headgate.

#### *Central Ditch*

All rights decreed to the Central Ditch are from South Boulder Creek. The Central Ditch was decreed in the District Court in Boulder County in Civil Action No. 1282 on June 2, 1882 for 14.36 cfs for irrigation purposes with an appropriation date of May 15, 1866 (Priority No. 16). In Civil Action No. 6524 by decree dated July 22, 1913, the point of diversion for the Central Ditch was changed to the Lower Boulder Ditch headgate and the rate of flow was decreased to 2.667 cfs.

#### *South Ditch*

All rights decreed to the South Ditch are from South Boulder Creek. The South Ditch was decreed by the District Court in Boulder County in Civil Action No. 1282 on June 2, 1882 for 9.16 cfs for irrigation purposes with an appropriation date of June 1, 1866 (Priority No.19). In Civil Action No. 6524 by decree dated July 22, 1913, the point of diversion for the South Ditch was changed to the Lower Boulder Ditch headgate and the rate of flow was reduced to 1.0 cfs. .

The reservoir storage rights for the Baseline Land and Reservoir Company share ownership can be found in **Table 11**. **Table 6** summarizes the ditch shares owned by Coal Ridge.

**Table 6: Coal Ridge Direct Flow Ownership Summary**

Name of Ditch Company	Date of Decree	Priority Date	Max. Flow Rate (cfs)	Coal Ridge Ownership
Lower Boulder Preferred	06-02-1882	10-01-1859	25.0	48.67/200
	06-02-1882	06-01-1870	23.0 <sup>(1)</sup>	48.67/200
Lower Boulder Common	06-02-1882	06-01-1870	48.0	6/200
Lower Boulder Preferred/Common	06-02-1882	06-01-1870	26.0 <sup>(2)</sup>	54.67/400
Dry Creek Davidson	06-02-1882	05-01-1863	2.6	5/38 <sup>ths</sup> interest
Enterprise Ditch	06-02-1882	02-01-1865	3.872	5/44
Central Ditch	06-02-1882	05-15-1866	2.667	All
South Ditch	06-02-1882	06-01-1866	1.0	All

(1) Preferred shareholders receive the first 23.0 cfs under the June 1, 1870 priority.

(2) Preferred and common shareholders share equally the last 26.0 cfs of the June 1, 1870 priority.

### *Historical Service Area*

The Coal Ridge Ditch is essentially an extension of the Lower Boulder Ditch and traverses the southern part of Town near Saddleback Golf Course. The service area of the ditch contained approximately 7,660 acres in 1956 according to the DWR Division 1, CDSS GIS Shapefile, titled “Ditch\_ServiceArea\_1956” (referred to as “1956 Service Area shapefile” for future reference). Its service area extends north of Weld County Road 18 and is mostly contained between Coal Ridge Ditch, Highlands South Side Ditch, Lupton Bottom Ditch, and Slate Ditch. The service area terminates near Coral Ridge Waste Reservoir in Sections 23 and 34, Township 2N, Range 67W, in Weld County.

### *Water Availability*

The delivery season for the Coal Ridge Ditch is dependent on the ditch company shares it consists of. **Table 7** reports the delivery season for each ditch that is part of the decree entered in Case No. 80CW451.

### *Delivery and Consumptive Use*

Per Case No. 90CW108, in which 35 shares of Coal Ridge were changed, the applicants received a maximum allowable delivery of approximately 2.3 acre-feet per share. A consumptive use amount could not be determined from Case No. 90CW108.

**Table 7: Coal Ridge Direct Flow Delivery Seasons**

Ditch Name	Diversion Period
Lower Boulder Preferred/Common	April 15 – October 31
Dry Creek Davidson	May 1 – September 15
Enterprise Ditch	May 1 – September 15
Central Ditch	May 1 – September 15
South Ditch	May 1 – September 15

**Alternative No. 2 – Highland South Side Ditch (aka Godding Ditch)**

***Background***

The Godding Ditch Company owns the Highland South Side Ditch (aka Godding Ditch). The Godding Ditch has an appropriation date of June 1, 1865 for 99.7 cfs and an appropriation date of June 1, 1868 for 52.5 cfs from Boulder Creek. The headgate location is off Idaho Creek in the NE ¼, NW ¼, SW ¼ Section 21, Township 2N, Range 68W of the 6th P.M., Weld County, Colorado. There are 183 shares of stock in the Godding Ditch Company.

**Table 8: Godding Ditch Flow Rights**

Ditch Name	Adjudication Date	Appropriation Date	Decreed Flow Rate (cfs)
Godding Ditch	06-02-1882	06-01-1865	99.7
Godding Ditch	06-02-1882	06-01-1868	52.5

***Historical Service Area***

The Godding Ditch enters the western edge of Firestone near Sable Avenue and flows toward the middle of Town before turning due north. The service area of the Godding Ditch contained approximately 2,379 acres in 1956, according to the 1956 Service Area shapefile. The historical service area is mostly contained between the Godding Ditch, Rural Ditch, and Last chance Ditch, not including most of Section 1, Township 2N, Range 68W, which was historically serviced by the Cole Seep Ditch.



Most of the lands within Firestone are located above the ditch, and thus not historically irrigated with this water. Potential irrigation of future lands within Firestone with Godding Ditch will require pumping and a change of use in Water Court.

### *Water Availability*

The decreed delivery season in Case No. 01CW255 for the Godding Ditch was April 1 to October 31. The ditch right is very senior and should have reliable deliveries every year.

### *Delivery and Consumptive Use*

The Godding Ditch has an average delivery of 27.2 acre-feet per share. In Case No. 01CW255, in which 23 shares of Godding Ditch shares were changed, the average annual consumptive use was determined to be approximately 7.3 acre-feet per share.

### *Alternative No. 3 – Last Chance Ditch*

#### *Background*

The Last Chance Ditch is located north of Town. Its headgate diverts from the St. Vrain River in Section 3, Township 2N, Range 68W in the 6<sup>th</sup> P.M., Weld County, Colorado. The ditch has 20 shares and diverts under two priorities, 3-15-1872 and 6-30-1878.

**Table 9: Last Chance Ditch Flow Rights**

Ditch Name	Adjudication Date	Appropriation Date	Decreed Flow Rate (cfs)
Last Chance Ditch	June 2, 1882	March 15, 1872	96.94
Last Chance Ditch	June 2, 1882	June 30, 1878	10 <sup>1</sup>

(1) This is a supplemental supply from Spring Gulch.

#### *Historical Service Area*

The Last Chance Ditch is one of the last ditches off the St. Vrain Creek before the confluence with the South Platte River. The service area of the Last Chance Ditch contained approximately 2,511 acres in 1956, according to the 1956 Service Area shapefile. The service area starts directly above the Highland South Side Ditch in the

northeast quarter of Section 6, Township 2N, Range 67W in Weld County. It is mostly contained between the Last Chance Ditch (including the affiliated seep drainage ditch and extension ditches), and St. Vrain Creek. The service area terminates in the northeast quarter of Section 21, Township 3N, Range 67W in Weld County.

### *Water Availability*

The typical delivery season for the Last Chance Ditch is from approximately late April to mid-October.

### *Delivery and Consumptive Use*

The Last Chance average yield is 462 acre-feet per share. We were unable to locate any Water Court change cases for this water right.

### *Alternative No. 4 – Lower Boulder Ditch (preferred and common shares)*

#### *Background*

The New Consolidated Lower Boulder Reservoir and Ditch Company owns the Lower Boulder Ditch. Its headgate is on the south bank of Boulder Creek in the SW  $\frac{1}{4}$ , SW  $\frac{1}{4}$ , Section 16, Township 1N, Range 69W in the 6<sup>th</sup> P.M., Boulder County, Colorado. Lower Boulder Ditch was the very first ditch to file for water on Boulder Creek. Lower Boulder Ditch Company built Baseline Reservoir, starting construction in 1911. They also fill several reservoirs in Weld County. Lower Boulder water is valuable, since it is the #1 priority, and many cities have bought shares and transferred them to municipal use.

The Lower Boulder Ditch has both preferred shares and common shares. The preferred shares are very senior. The ditch has 199.9767 preferred shares and 197.7793 common shares. Its most senior priorities (appropriation dates) are October 1, 1859 (Priority No.1) for 25.0 cfs, and June 1, 1870 (Priority No. 32) for 97.0 cfs.

The New Consolidated Lower Boulder Reservoir and Ditch Company owns 460 units of C-BT, which it uses to supplement deliveries for its common shares. Pursuant to the Articles of Incorporation and By-laws of the New Consolidated Lower Boulder Reservoir and Ditch Company, holders of preferred capital stock are entitled to receive all of the water available under the October 1, 1859 priority and the first 23.0 cfs of the water available under the June 1, 1870, priority. Holders of common shares receive all water available in the ditch in excess of 48.0 cfs, but less than 96 cfs. Flows in excess of 96.0

cfs are distributed between all shareholders based on pro-rata stock ownership. The New Consolidated Lower Boulder Reservoir and Ditch Company also owns shares of capital stock issued by the Baseline Land and Reservoir Company and, therefore, its shareholders receive water stored in Baseline Reservoir.

**Table 10: Lower Boulder Ditch Ownership Summary**

Name of Ditch Company	Date of Decree	Priority Date	Max. Flow Rate (cfs)	Lower Boulder Ditch Ownership
Lower Boulder Preferred	06-02-1882	10-01-1859	25.0	All
	06-02-1882	06-01-1870	23.0 <sup>(1)</sup>	All
Lower Boulder Common	06-02-1882	06-01-1870	48.0	All
Lower Boulder Preferred/Common	06-02-1882	06-01-1870	26.0 <sup>(2)</sup>	All
C-BT				460 Units

(2) Preferred shareholders receive the first 23.0 cfs under the June 1, 1870 priority.

(3) Preferred and common shareholders share equally the last 26.0 cfs of the June 1, 1870 priority.

### *Baseline Land and Reservoir Company*

The Baseline Land and Reservoir Company owns Baseline Reservoir, and the storage priorities decreed to the reservoir are listed in **Table 11**:

**Table 11: Baseline Land and Reservoir Company Storage Right**

Date of Decree	Priority Date	Amount (ac-ft)
06-21-1926	11-04-1904	2,930
01-09-1935	11-29-1922	1,672
09-28-1953	12-31-1929	1,395 <sup>(1)</sup>
09-28-1953	11-30-1935	847

(1) Refill priority

### *Historical Service Area*

Lower Boulder has been expanded and lengthened over the years. Today it is 32 miles long and flows out past Frederick to the edge of Firestone. The Lower Boulder Ditch turns into the Coal Ridge Ditch, which traverses the southern part of Town near Saddleback Golf Course.

The service area of the Lower Boulder Ditch contained approximately 6,765 acres in 1956, according to the 1956 Service Area shapefile. The service area starts at the Lower Boulder Ditch headgate and is contained between the Lower Boulder Ditch and the Boulder and Weld County Ditch until the terminus of the Weld County Ditch. From this point it is mostly contained between the Lower Boulder Ditch and the Highland South Side Ditch. The service area ends near the Range line between Range 67 and 68 and also in proximity to Milavec Lake.

### *Water Availability*

Lower Boulder preferred shares are a good water supply option that should be considered to meet the Town's future non-potable water needs. Lower Boulder can be used for non-potable uses as it is a very senior water right. Furthermore, should the Town ever construct a local water treatment plant, Lower Boulder would provide a reliable potable water supply.

### *Delivery and Consumptive Use*

On average, the preferred shares deliver 34.5 acre-feet per share and the common shares delivery 11.5 acre-feet per share. Average consumptive use for the preferred shares are 19.8 acre-feet per share and the consumptive use for the common shares are 6.6 acre-feet per share.

### *Alternative No. 5 – Rural Ditch*

#### *Background*

The Rural Ditch was decreed in Case No. 1336 on June 2, 1882 with an appropriation date of May 10, 1862 (Priority No. 12) for 22.75 cfs and an appropriation date of March 10, 1863 (Priority No. 15) for 175.54 cfs from Boulder Creek. For the 1863 water right, 115.29 cfs of the 175.54 cfs was abandoned by decree in Case No. 84CW412. The decreed use is irrigation. The ditch diverts water from Boulder Creek at a point on the east bank of the creek in the NE ¼ of Section 20, Township 2N, Range 68W, 6th P.M., Weld County, Colorado. Water is carried in the ditch to Idaho Creek, a branch of Boulder Creek, and re-diverted at a point on the east bank of Idaho Creek in the SE ¼ of Section 16, Township 2N, Range 68W, in the 6th P.M., Weld County, Colorado. The general course of the ditch is northeasterly. There are 50 shares of stock in the Rural Ditch Company.

**Table 12: Rural Ditch Flow Rights**

	Priority No.	Adjudication Date	Appropriation Date	Decreed Flow Rate (cfs)
Rural Ditch	12	June 1, 1882	May 10, 1862	22.75
Rural Ditch	15	June 1, 1882	March 10, 1863	60.25

### *Historical Service Area*

The service area of the Rural Ditch contained approximately 2,040 acres in 1956, according to the 1956 Service Area shapefile. The Rural Ditch runs along the northern edge of Firestone's growth boundary. The service area starts at the headgate of the Rural Ditch off Idaho Creek and is contained between the Rural Ditch and Idaho Creek until the terminus of Idaho Creek. From this point, it is contained between the St. Vrain Creek and the Rural Ditch until the terminus of Rural Ditch. After Rural Ditch, the service area stays between the St. Vrain Creek and the Last Chance Ditch and ends in the middle of Section 31, Township 3N, Range 67 West and Section 6, Township 2N, Range 67W in Weld County.

### *Water Availability*

The decreed delivery season for the Rural Ditch in Case No. 01CW255 is April 1 to October 31. Most of the lands within Firestone are located above the ditch, and thus not historically irrigated with this water. Potential irrigation of future lands within Firestone with Rural Ditch will require pumping and a change of use in Water Court.

### *Delivery and Consumptive Use*

The delivery for the Rural Ditch water averages approximately 100 acre-feet of delivery per share with an estimated 50 acre-feet per share consumptive use credit.

### *Alternative No. 6 – Carr and Tyler Ditch*

#### *Background*

The decreed headgate location of the Carr and Tyler Ditch is on the north bank of Idaho Slough (aka Idaho Creek) in Section 29, Township 2N, Range 68W in the 6<sup>th</sup> P.M., Weld County, Colorado. The Carr and Tyler Ditch was originally decreed in Case No. CA1287 with a priority date of June 1, 1864 for 33.73 cfs. In Case No. CA6749, 1.5 cfs

was transferred to the Carr and Tyler Ditch from the N.K. Smith and Tyler Ditch with a priority date of June 1, 1861.

**Table 13: Carr and Tyler Ditch Flow Rights**

	Adjudication Date	Appropriation Date	Decreed Flow Rate (cfs)
Carr and Tyler Ditch	June 2, 1882	June 1, 1864	33.73
N.K. Smith & Tyler Ditch	June 2, 1882	June 1, 1861	1.5

### *Historical Service Area*

The service area of the Carr and Tyler Ditch contained approximately 137 acres in 1956, according to the 1956 Service Area shapefile. The service area starts at the headgate of the Carr and Tyler Ditch off Idaho Creek and to the east of Boulder Creek. The service area stays below the Rural Ditch and has some minor overlap with the Highlands South Side Ditch near the headgate of the Highlands South Side Ditch. Currently, the historical service area contains the Stromquist Ponds.

### *Water Availability*

The decreed diversion season of the ditch in Case No. 06CW0065 is from April 15 through August 31.

### *Delivery and Consumptive Use*

The Carr and Tyler Ditch average yield is 3.1 acre-feet per percentage interest in the Ditch and the average consumptive use is approximately 1.3 acre-feet per percentage interest.

### *Alternative No. 7 – Delehant Ditch*

#### *Background*

The Delehant Ditch (a.k.a. Tom Delehant Ditch) decree describes the headgate location as being on the south bank of Idaho Slough (aka Idaho Creek) in Section 29, Township 2N, Range 68W of the 6th P.M., Weld County, Colorado. The Delehant Ditch was originally decreed in Case No. CA1287 with a priority date of May 1, 1865 for 37.12 cfs.

In Case No. 84CW204, a total of 27.12 cfs was abandoned resulting in a net amount of 10.0 cfs.

**Table 14: Delehant Ditch Flow Rights**

	Adjudication Date	Appropriation Date	Decreed Flow Rate (cfs)
Delehant Ditch	May 2, 1882	May 1, 1865	10.0

### *Historical Service Area*

The service area of the Delehant Ditch contained approximately 93 acres in 1956, according to the 1956 Service Area shapefile. The service area is mostly contained below Idaho Creek and the Highlands South Side Ditch and above Weld County Road 5 and Weld County Road 18 after the intersection of the two roads. It terminates in the southwest quarter of Section 21, Township 2N, Range 68W in Weld County.

### *Water Availability*

The decreed delivery season of the ditch in Case No. 06CW0065 is from April 15 through August 31.

### *Delivery and Consumptive Use*

The Delehant Ditch average yield is 3.35 acre-feet per percentage interest in the Ditch and the average consumptive use is approximately 1.36 acre-feet per percentage interest.

### *Alternative No. 8 – Godding, Plumb and Dailey Ditch*

#### *Background*

The Plumb and Dailey Ditch Company maintains, operates, and owns the water rights to the Godding, Dailey and Plumb Ditch. The headgate of the Godding, Plumb and Dailey Ditch diverts from Boulder Creek in Section 31, Township 2N, Range 68W of the 6th P.M., Weld County, Colorado. The Godding, Plumb and Dailey Ditch was originally decreed in Case No. CA1275 with priority dates of March 3, 1861 and April 1, 1865 for 30.438 cfs. The Plumb and Dailey Ditch Company is a relatively small irrigation company with only 40 shares owned by fewer than two dozen people/entities.

**Table 15: Godding, Plumb and Dailey Ditch Flow Rights**

	Adjudication Date	Appropriation Date	Decreed Flow Rate (cfs)
Godding, Plumb and Dailey Ditch	06-02-1882	03-01-1861	7.24
	06-02-1882	04-01-1865	23.198

### *Historical Service Area*

The service area of the Godding, Plumb and Dailey Ditch contained approximately 1,529 acres in 1956, according to the 1956 Service Area shapefile. The ditch historically irrigated land on the west side of Boulder Creek. The service area is contained between Boulder Creek and the Godding, Plumb and Dailey Ditch from the ditch headgate up through Section 20, Township 2N, Range 68W in Weld County. In Sections 8, 9, and 17, it stays above the ditch and below the Boulder Creek and St. Vrain Creek confluence.

### *Water Availability*

The typical delivery season for the ditch irrigation supply is May through the end of September.

### *Delivery and Consumptive Use*

To date, no change cases have been done for Godding, Plumb and Dailey shares so the average yield and consumptive use are not known at this time.

### *Alternative No. 9 – Boulder and Weld County Ditch*

#### *Background*

The Boulder and Weld County Ditch is located southwest of Town. Its headgate diverts from Boulder Creek in Section 15, Township 1N, Range 69W in the 6<sup>th</sup> P.M., Boulder County, Colorado. The ditch has 20 shares and diverts under two priorities, 4-1-1863, and 5-1-1871.



**Table 16: Boulder and Weld County Ditch Flow Rights**

	Adjudication Date	Appropriation Date	Decreed Flow Rate (cfs)
Boulder & Weld County Ditch	06-02-1882	04-01-1863	2.5
Boulder & Weld County Ditch	06-02-1882	05-01-1871	59.4

### *Historical Service Area*

The service area of the Boulder and Weld County Ditch contained approximately 4,479 acres in 1956, according to the 1956 Service Area shapefile. The historical service area starts in Section 15, Township 1N, Range 69W, in Boulder County and is contained between Boulder and Weld County Ditch and Boulder Creek up until the confluence with Idaho Creek. From this point it stays below Idaho Creek, Carr and Tyler Ditch, Delehant Ditch, and Highlands South Side Ditch. The service area terminates below South Side Ditch, approximately one-half mile into Weld County.

### *Water Availability*

The typical delivery season is from the middle of March to the middle of September.

### *Delivery and Consumptive Use*

We were not able to find any change cases for this water right at this time, but the estimated delivery yield is 45 acre-feet per share.

### *Alternative No. 10 – Houck No. 2 Ditch*

#### *Background*

Houck No. 2 Ditch was previously decreed June 2, 1882 with an appropriation date of April 1, 1861 for 7.16 cfs from Boulder Creek for irrigation purposes. The decreed headgate location is where Idaho Slough (a.k.a. Idaho Creek) leaves Boulder Creek. Idaho Creek leaves Boulder Creek in the SE ¼, Section 30, Township 2N, Range 68W, 6th P.M., Weld County, Colorado.

**Table 17: Houck No. 2 Ditch Flow Rights**

Water Right Name	Adjudication Date	Appropriation Date	Decreed Flow Rate (cfs)
Houck No. 2	06-02-1882	04-01-1861	7.16

### *Historical Service Area*

The service area of the Houck No. 2 Ditch contained approximately 93 acres in 1956, according to the 1956 Service Area shapefile. The ditch was original decreed for the irrigation of 80 acres located between the Houck No. 2 Ditch and Idaho Creek in Sections 20 and 29, Township 2N, Range 68W of the 6<sup>th</sup> P.M., Weld County, Colorado. However, according to an application filed in Case No. 07CW257, the Houck No. 2 Ditch historically irrigated up to 500 acres of land in Sections 20, 21, and 29, Township 2N, Range 68W of the 6<sup>th</sup> P.M., Weld County, Colorado

### *Water Availability*

The ditch is very short, but has a very senior water right. The typical delivery season is April 1 through October 31.

### *Delivery and Consumptive Use*

Currently, the Houck No. 2 Ditch is owned exclusively by one owner and they are applying for a change of water right and plan for augmentation in Division No. 1 Water Court. Based on the Water Court application filed in Case No. 07CW257, the Houck No. 2 water right yields 255 acre-feet per year with a consumptive use of approximately 129 acre-feet per year.

## **SELECTED WATER RIGHTS ALTERNATIVE**

Although the Town will consider all Tier 1 water rights and Tier 2 water rights on a case-by-case basis, the immediate rights of interest are Rural Ditch, Last Chance Ditch, Lower Boulder – both preferred and common shares, and Coalridge Ditch. Rural Ditch and Last Chance Ditch run in close proximity to the proposed Carbon Valley Reservoir and the infrastructure can be installed to deliver both water sources directly into the Reservoir. Coalridge Ditch also runs through a section of town. The Lower Boulder water, particularly the preferred rights, are very senior and can be a useful water right for the Town.

The Town of Firestone has been actively looking for these water rights, and is under contract to purchase 1.41 Rural Ditch Company shares from LG Everist as part of the gravel pit storage transaction. The cost of this water is \$424,800.

Firestone has also submitted a letter of intent on some Lower Boulder water, both preferred and common shares. The estimated cost of these shares is \$1,578,000.

Firestone is also in various stages of discussions for additional water – including Rural Ditch and Coalridge Ditch. We estimate the cost of this additional water is \$1,000,000.

## IMPLEMENTATION SCHEDULE

**Table 18: Implementation Schedule**

Task	Date
Submit Feasibility Study to CWCB	October 2016
Purchase Carbon Valley Reservoir Infrastructure	December 2017
Begin Design of Carbon Valley Reservoir Infrastructure	March 2017
Complete Design of Carbon Valley Reservoir Infrastructure	March 2018
Start Construction of Carbon Valley Reservoir Infrastructure	May 2018
Complete Construction	March 2019

## INSTITUTIONAL CONSIDERATIONS

Entities that are, or may be, involved in the design, permitting, construction, and financing of the project include:

1. Town of Firestone; financing and project management.
2. Acuity, LLC; design and construction of storage, water delivery and outlet infrastructure of Carbon Valley Reservoir.
3. Clear Water Solutions; water rights acquisition, pump station design input, permitting
4. Lawrence Jones Custer Grasmick LLP; water rights acquisition, permitting, and legal support.

The Town of Firestone will be the lead for the financing, design, and construction of the project and will be the entity entering into contracts and agreements with the various entities for the services provided by each.

## **COST ESTIMATE**

The cost estimate is for the selected alternative, Configuration 3, presented in this report. Storage volumes are based on data provided by Acuity, LLC in the attached Memorandum. The cost estimate is in 2016 dollars. The total estimated project cost of \$11,043,150 was broken down into three main items as outlined below and described further in the following table.

1. Lined Storage
2. Non-Potable Water Rights
3. Delivery and Outlet Infrastructure for Carbon Valley Reservoir

**Table 19: Final Cost Estimate Summary**

Item	Cost
Carbon Valley Reservoir Lined Storage	\$3,057,600
Non-Potable Water Rights*	\$3,002,800
Carbon Valley Reservoir Delivery/Outlet Infrastructure	\$4,982,750
<b>Total</b>	<b>\$11,043,150</b>

\* Includes Rural Ditch Carriage Rights (\$30,000)

Firestone is contracted to purchase the lined storage from LG Everist Inc. for \$2,800 per acre-foot. Upon completion, the Carbon Valley Reservoir is estimated to hold 1,092 acre-feet of storage. However, the final volume will need to be determined by a survey of the completed reservoir. Assuming a storage volume of 1,092 acre-feet, the estimated cost for purchasing the lined reservoir is \$3,057,600. As discussed above, the water rights acquisition is estimated at \$3,002,800.

The attached Acuity, LLC Memorandum includes an associated infrastructure cost estimate for the Carbon Valley Reservoir. Two delivery systems are proposed and needed for a successful Carbon Valley Pit storage project: 1) an inlet and pump station

on the St. Vrain River 2) a pump station to deliver water from the pit back to the St. Vrain River, and 3) delivery system from the Last Chance Ditch. The delivery system from the Last Chance Ditch will deliver up to five cfs to Carbon Valley Reservoir. The pump station on the St. Vrain River will allow the Town to divert a junior water right during times of high river flows and free-river conditions.

As outlined in the Acuity, LLC Memorandum, the infrastructure cost estimate was broken down into three Operational Configurations. Configuration 1 includes a delivery from the St. Vrain to the Carbon Valley Reservoir at 20 cfs and a return to the River at 10 cfs. Details for Configuration 1 are included in **Table 20** below. Configuration 2 includes a delivery from the St. Vrain to the Carbon Valley Reservoir at 10 cfs and a return to the River at 5 cfs. Details for Configuration 2 are included in **Table 21** below. Configuration 3 is hybrid of Configurations 1 and 2. It uses pumps that are sized for flow rates of 10 cfs while anticipating the possibility adding pumps in the future. The larger 30" pipe from Configuration 2 is included in Configuration 3 to accept the higher flow rate should a pump be added in the future. Details for Configuration 3 are included in **Table 22** below.

**Table 20: Infrastructure Cost Estimate – Configuration 1 (20 cfs inlet and 10 cfs outlet)**

Item No.	Item	Units	Unit Cost	Estimated Quantity	Cost
1	Site Demolition	LS	\$100,000	1	\$100,000
2	Construction Staking	LS	\$60,000	1	\$60,000
3	River Check Structure	LS	\$151,000	1	\$151,000
4	River Inlet Structure	LS	\$281,000	1	\$281,000
5	Inlet Pump Station*	LS	\$885,000	1	\$885,000
6	Inlet Flow Measurement Manhole	LS	\$65,000	1	\$65,000
7	30" Inlet Piping and Fittings	LF	\$310	150	\$47,000
8	30" Inlet Pressure Piping and Fittings	LF	\$180	2950	\$531,000
9	Inlet Reservoir Headwall and Rundown	LS	\$36,000	1	\$36,000
10	Reservoir Outlet Structure	LS	\$13,000	1	\$13,000
11	Outlet Pump Station*	LS	\$976,000	1	\$976,000
12	Outlet Flow Measurement Manhole	LS	\$50,000	1	\$50,000
13	20" Outlet Piping and Fittings	LF	\$150	375	\$56,000
14	Stormwater Ditch Headwall	LS	\$7,000	1	\$7,000
15	Last Chance Ditch Inlet Structure	LS	\$35,000	1	\$35,000
16	Last Chance Ditch Inlet Piping and Fittings	LF	\$150	160	\$24,000
17	Last Chance Ditch Flume Structure	LS	\$32,000	1	\$32,000
18	Last Chance Ditch Res. Headwall and Rundown	LS	\$36,000	1	\$36,000
19	Site Electrical and Electrical Services	LS	\$210,000	1	\$210,000
20	Easement Acquisition	ACRE	\$15,000	4	\$60,000
21	Site Restoration	LS	\$150,000	1	\$150,000
Subtotal					\$3,805,000
22	Mobilization and Demobilization		5%		\$190,000
23	Engineering		10%		\$381,000
24	Permitting		5%		\$190,000
25	Contingency		20%		\$761,000
Total at 2016 Construction Costs					\$5,327,000

\* Raw water pump station assuming 60% pump efficiency

**Table 21: Infrastructure Cost Estimate – Configuration 2 (10 cfs inlet and 5 cfs outlet)**

Item No.	Item	Units	Unit Cost	Estimated Quantity	Cost
1	Site Demolition	LS	\$206,000	1	\$206,000
2	Construction Staking	LS	\$60,000	1	\$60,000
3	River Check Structure	LS	\$151,000	1	\$151,000
4	River Inlet Structure	LS	\$236,000	1	\$236,000
5	Inlet Pump Station*	LS	\$786,000	1	\$786,000
6	Inlet Flow Measurement Manhole	LS	\$60,000	1	\$60,000
7	30" Inlet Piping and Fittings	LF	\$240	150	\$36,000
8	30" Inlet Pressure Piping and Fittings	LF	\$120	2950	\$354,000
9	Inlet Reservoir Headwall and Rundown	LS	\$36,000	1	\$36,000
10	Reservoir Outlet Structure	LS	\$13,000	1	\$13,000
11	Outlet Pump Station*	LS	\$808,000	1	\$808,000
12	Outlet Flow Measurement Manhole	LS	\$43,000	1	\$43,000
13	20" Outlet Piping and Fittings	LF	\$120	375	\$45,000
14	Stormwater Ditch Headwall	LS	\$7,000	1	\$7,000
15	Last Chance Ditch Inlet Structure	LS	\$35,000	1	\$35,000
16	Last Chance Ditch Inlet Piping and Fittings	LF	\$150	160	\$24,000
17	Last Chance Ditch Flume Structure	LS	\$32,000	1	\$32,000
18	Last Chance Ditch Res. Headwall and Rundown	LS	\$36,000	1	\$36,000
19	Site Electrical and Electrical Services	LS	\$210,000	1	\$210,000
20	Easement Acquisition	ACRE	\$15,000	4	\$60,000
21	Site Restoration	LS	\$103,000	1	\$103,000
Subtotal					\$3,341,000
22	Mobilization and Demobilization	5%			\$167,000
23	Engineering	10%			\$334,000
24	Permitting	5%			\$167,000
25	Contingency	20%			\$668,000
Total at 2016 Construction Costs					\$4,677,000

\* Raw water pump station assuming 60% pump efficiency

**Table 22: Infrastructure Cost Estimate – Configuration 3 (10 cfs inlet and 5 cfs outlet with 30” pipe)**

Item No.	Item	Units	Unit Cost	Estimated Quantity	Cost
1	Site Demolition	LS	\$206,000	1	\$206,000
2	Construction Staking	LS	\$60,000	1	\$60,000
3	River Check Structure	LS	\$151,000	1	\$151,000
4	River Inlet Structure	LS	\$236,000	1	\$236,000
5	Inlet Pump Station*	LS	\$790,000	1	\$790,000
6	Inlet Flow Measurement Manhole	LS	\$60,000	1	\$60,000
7	30" Inlet Piping and Fittings	LF	\$310	150	\$46,500
8	30" Inlet Pressure Piping and Fittings	LF	\$180	2950	\$531,000
9	Inlet Reservoir Headwall and Rundown	LS	\$36,000	1	\$36,000
10	Reservoir Outlet Structure	LS	\$13,000	1	\$13,000
11	Outlet Pump Station*	LS	\$876,000	1	\$876,000
12	Outlet Flow Measurement Manhole	LS	\$50,000	1	\$50,000
13	20" Outlet Piping and Fittings	LF	\$150	375	\$56,250
14	Stormwater Ditch Headwall	LS	\$7,000	1	\$7,000
15	Last Chance Ditch Inlet Structure	LS	\$35,000	1	\$35,000
16	Last Chance Ditch Inlet Piping and Fittings	LF	\$150	160	\$24,000
17	Last Chance Ditch Flume Structure	LS	\$32,000	1	\$32,000
18	Last Chance Ditch Res. Headwall and Rundown	LS	\$36,000	1	\$36,000
19	Site Electrical and Electrical Services	LS	\$150,000	1	\$150,000
20	Easement Acquisition	ACRE	\$15,000	4	\$60,000
21	Site Restoration	LS	\$103,000	1	\$103,000
Subtotal					\$3,558,750
22	Mobilization and Demobilization	5%			\$178,000
23	Engineering	10%			\$356,000
24	Permitting	5%			\$178,000
25	Contingency	20%			\$712,000
Total at 2016 Construction Costs					\$4,982,750

\* Raw water pump station assuming 60% pump efficiency



## FUND REQUIREMENT SCHEDULE

The Town of Firestone is seeking funding through the Colorado Water Conservation Board (CWCB) to finance \$9.9 million of the project. The Town will provide \$1,104,315 with their cash reserves.

The expected fund requirement schedule for the project, with an estimated project total cost of \$11.1 million is as shown below. The loan amount from the CWCB will be \$9.9 million and the portion from the Town of Firestone will be \$1,104,315. The schedule of when the funds will be needed is based on construction starting in 2018.

The Fund Requirement Schedule (**Table 23**) shows the funds required by the Town of Firestone and the CWCB to complete the project. In 2017, funds will be required for the down payment on the storage facility. In 2018, funds will be required for the purchase of water and construction.

**Table 23: Fund Requirement Schedule**

Year	Total Funds Required	CWCB Loan	Town of Firestone Share
2017	\$1,104,315	\$0	\$1,104,315
2018	\$4,956,085	\$4,956,085	\$0
2019	\$4,982,750	\$4,982,750	\$0
<b>Total</b>	<b>\$11,043,150</b>	<b>\$9,938,835</b>	<b>\$1,104,315</b>

## FINANCIAL ANALYSIS

The Town of Firestone proposes to apply for a loan amount of \$9.9 million from the CWCB with a 20-year repayment period and an interest rate of 2.75%. The remaining portion of the project cost of \$1,104,315 will be funded by the Town of Firestone Water Enterprise cash reserves.

The financial summary provides a summary of the project costs, loan amounts, loan payments, and cost per acre-foot of water.

**Table 24: Financial Summary**

Item	Total Funds Required
Estimated Project Cost	\$11,043,150
CWCB Loan Amount	\$9,938,835
Loan Interest Rate	2.75%
Loan Duration	20 years
CWCB Interest	\$3,115,175
Project Cost Including Interest	\$14,158,325
Annual CWCB Loan Payment	\$652,701
Total Storage in acre-feet	1,092

## **OPINION OF FEASIBILITY**

The Town of Firestone has been involved in completing similar projects for water storage, irrigation, and augmentation supply. The Town believes this project is feasible.

## **COLLATERAL**

Based on their 2015 financial statement, the Town of Firestone Water Enterprise had Net Cash Flows from Operating Activities of \$1,308,422. Their annual depreciation was \$380,875. As of December 31, 2015 Cash and Cash Equivalents at the End of the Year were \$7,032,566. As of December 31, 2015 the Town of Firestone Water Enterprise balance sheet lists Current Assets of \$7,326,845, Noncurrent Assets of \$55,637,418, and Total Assets of \$62,964,253. The balance sheet indicates the Total Net Position of \$61,844,091.

## **CREDIT WORTHINESS**

As of December 31, 2015, the Town of Firestone Water Enterprise balance sheet had Total Current Liabilities of \$333,256 and Total Noncurrent Liabilities of \$905,464.

## **SOCIAL AND PHYSICAL IMPACTS**

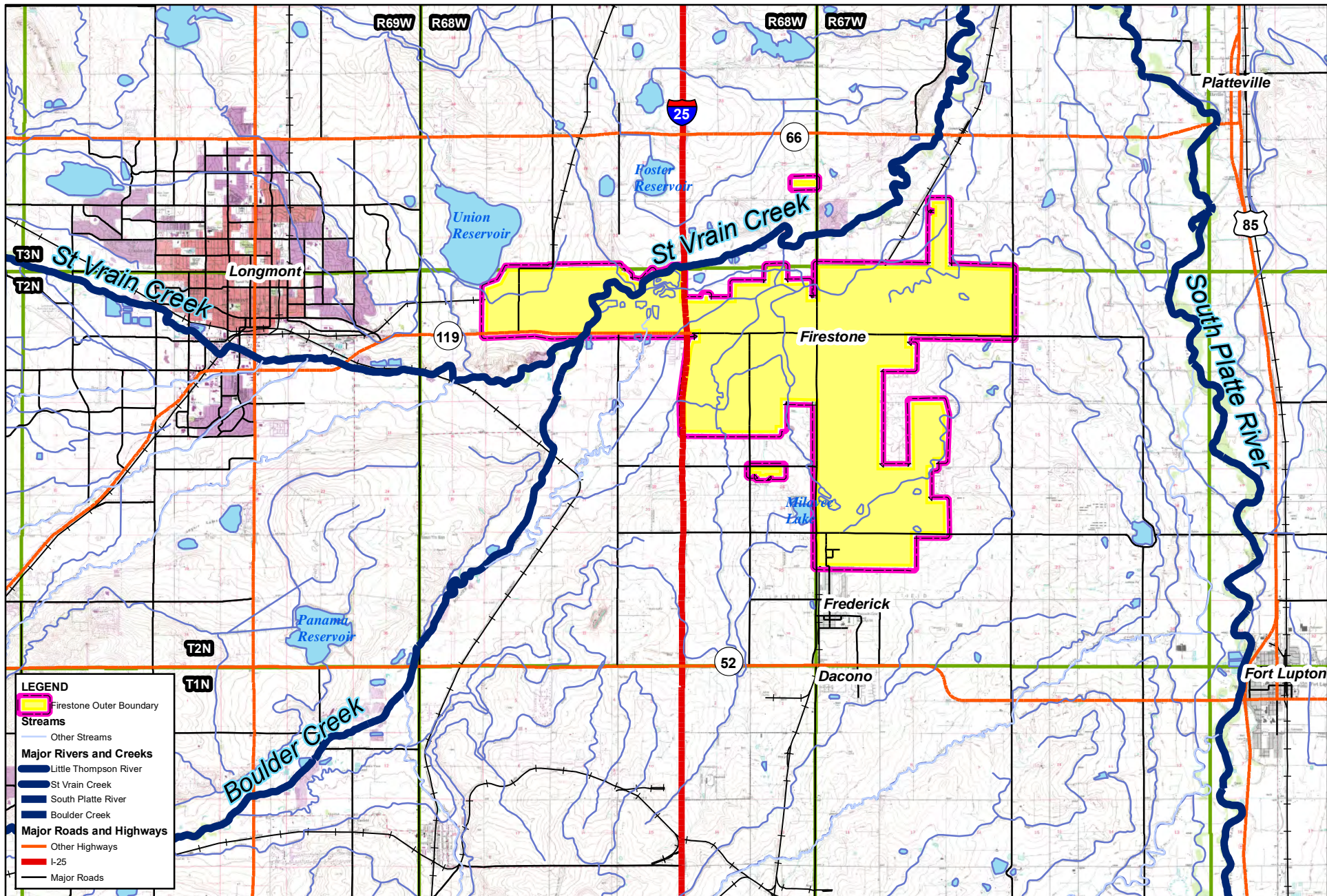
The project will have no significant social impacts at this point other than providing some aesthetical value to the portion of the Town of Firestone located in the vicinity of the Carbon Valley Pit. In the future, the Town may construct a park around Carbon Valley Reservoir for the community, but that is not being considered at this time.

Regarding physical impacts, there will be new infrastructure created in the area. This infrastructure will follow historical easements and completed so finished construction has low physical impacts.

## **CONCLUSIONS**

1. The Town of Firestone is an incorporated entity in the State of Colorado with the ability to enter into a contract with the CWCB for the purpose of obtaining a Construction Fund loan.
2. Easements will be granted as part of the Carbon Valley Pit purchase and are adequate for the construction of the required infrastructure.
3. The project would provide for the continued delivery of irrigation to the Town's parks and help reduce the pressure on the Town's highly valued and limited C-BT supply.
4. The total estimated cost of the project is \$11.1 million. The Town of Firestone is applying for a \$9.9 million loan from CWCB.
5. The project is technically and financially feasible.





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 Drawn By: NEA  
 Scale: As Shown  
 Job No: 15-160

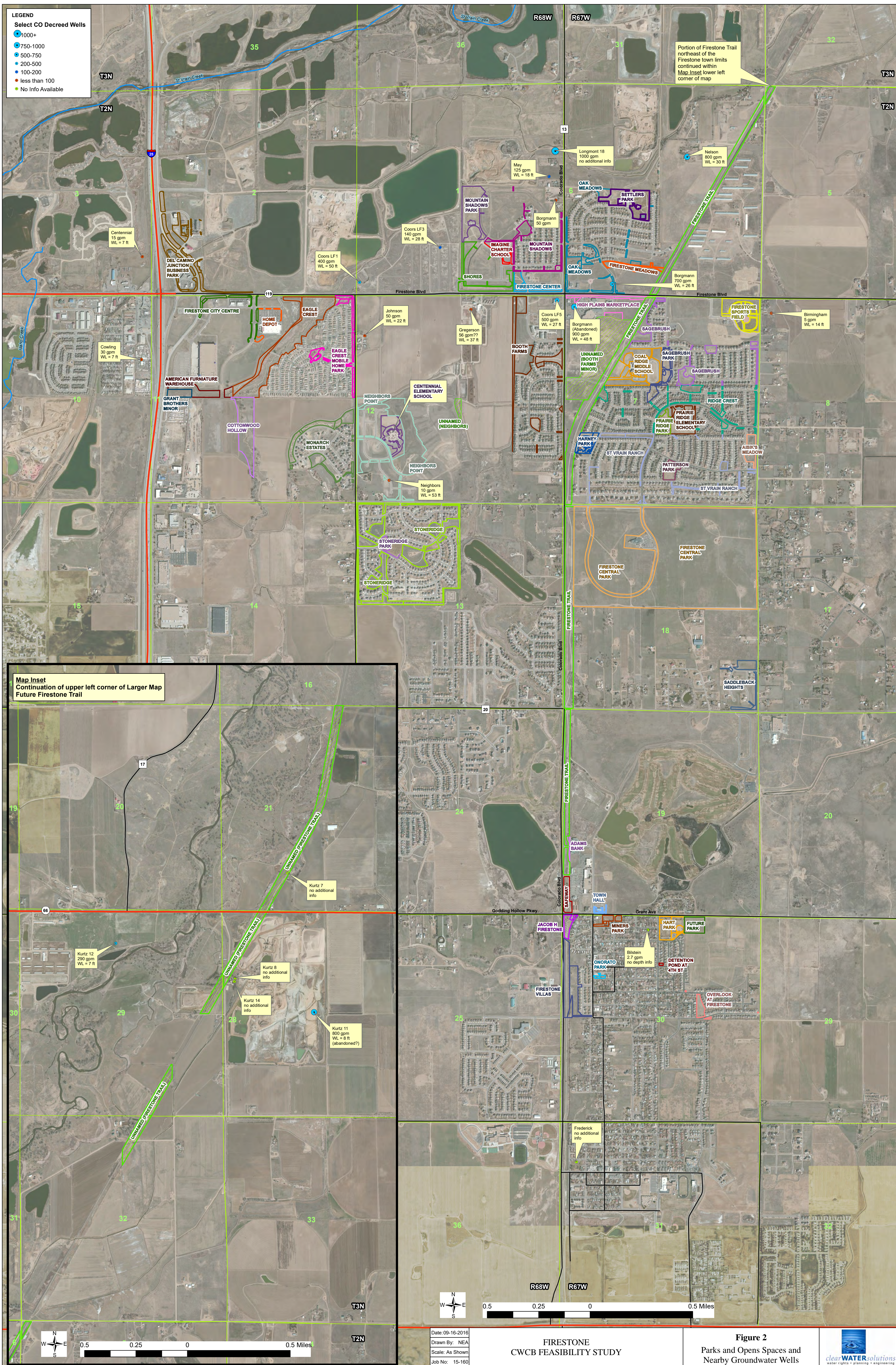
**FIRESTONE  
 CWCB FEASIBILITY STUDY**

**Figure 1**  
 Town of Firestone  
 General Location

0 0.5 1 2  
 Miles



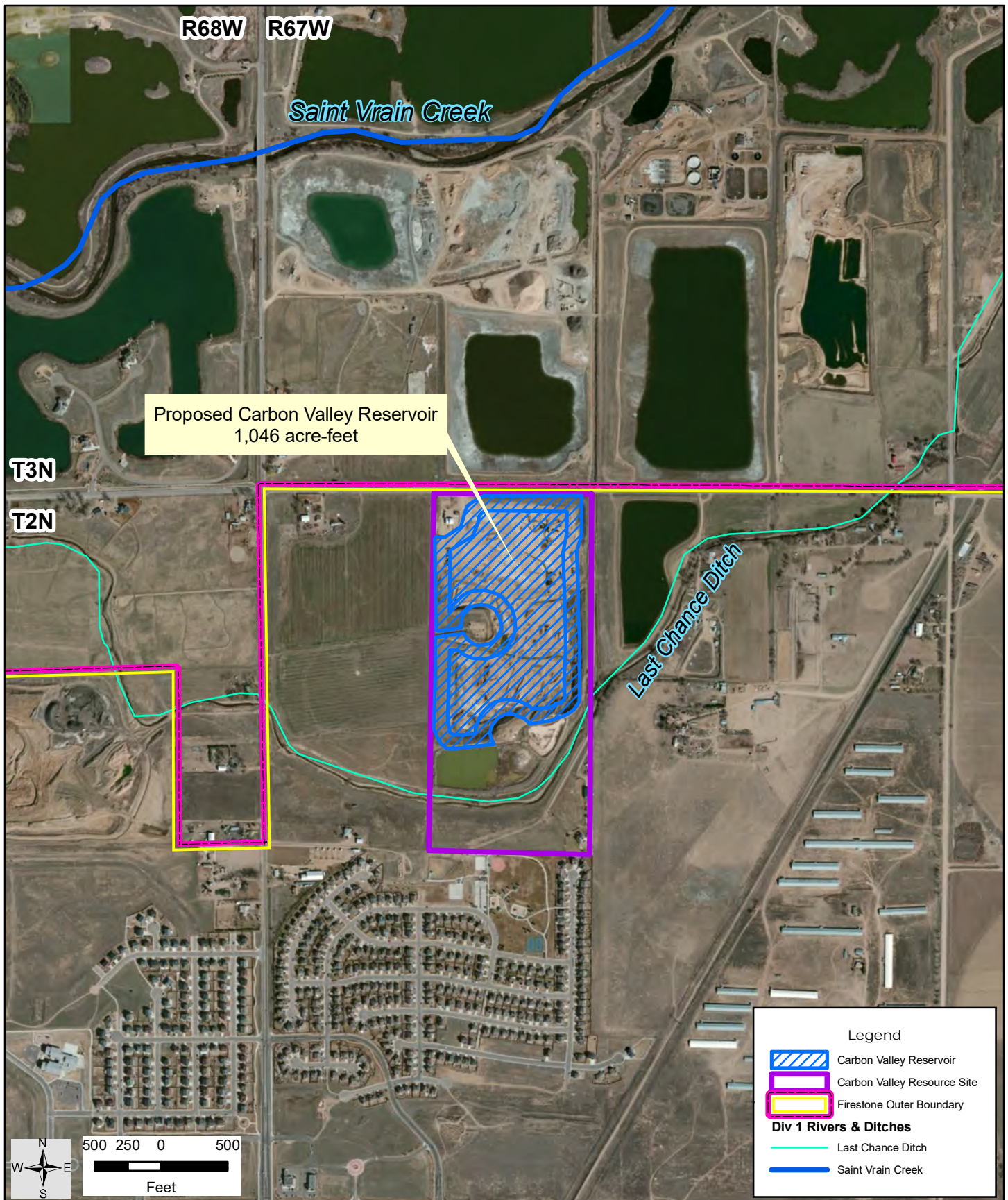












Date: 08-17-2016

Drawn By: NEA

Scale: As Shown

Job No: 15-160

**Figure 4**

**FIRESTONE, FEASIBILITY STUDY**

Carbon Valley Resource Site

Location Map



**APPENDIX A**  
ORDINANCES 762 & 861



ORDINANCE NO. 762

AN ORDINANCE AMENDING SECTIONS 1.08.050(A)(1) AND 13.08.010(B)(1) OF THE FIRESTONE MUNICIPAL CODE REGARDING RAW WATER DEDICATION REQUIREMENTS FOR NEW SINGLE-FAMILY DWELLINGS

WHEREAS, Sections 1.08.050(A) and 13.08.010(B) of the Firestone Municipal Code currently require that there be dedicated to the Town one acre-foot unit of Colorado Big Thompson ("CBT") water for every living unit in a single-family dwelling, in the manner further provided in said Sections; and

WHEREAS, such raw water dedication requirements currently do not include a consideration of the size of the lot upon which the dwelling is located; and

WHEREAS, the Town has completed an evaluation of its raw water dedication requirements taking into account actual water usage and residential lot sizes; and

WHEREAS, based on such evaluation, the Town finds that its raw water dedication requirements for single-family dwellings should be based on lot sizes, as larger lots have increased actual water demand and usage; and

WHEREAS, the Board of Trustees desires to amend Sections 1.08.050(A)(1) and 13.08.010(B)(1) of the Firestone Municipal Code to base its raw water dedication requirements for single-family dwellings on lot size;

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF FIRESTONE, COLORADO:**

**Section 1.** Subsection 1.08.050(A)(1) of the Firestone Municipal Code is hereby amended to read as follows (words to be added are underlined; words to be deleted are ~~stricken through~~):

**1.08.050      Water.**

Unless otherwise provided by the Board of Trustees, the Town and the petitioner shall agree in writing, prior to final adoption of an annexation ordinance, to the transfer of the following minimum water rights to the Town:

**A.      Residential.**

1.      The landowner, its successors or assigns in interest shall dedicate to the Town one for each single-family residential dwelling lot the number of acre-foot units of Colorado Big Thompson ("CBT") water ~~for every living unit in~~

~~a single family dwelling~~, as set forth in the following table, and as set forth in paragraph 6, below:

<u>Lot Size (ft<sup>2</sup>)</u>	<u>Required Dedication – CBT Units</u>
<u>0-10,000</u>	<u>1.00</u>
<u>10,001-12,500</u>	<u>1.25</u>
<u>12,501-15,000</u>	<u>1.50</u>
<u>15,001-17,500</u>	<u>1.75</u>
<u>17,501-20,500</u>	<u>2.00</u>
<u>20,501-23,000</u>	<u>2.25</u>
<u>23,001-25,500</u>	<u>2.50</u>
<u>25,501-28,000</u>	<u>2.75</u>
<u>28,001-30,500</u>	<u>3.00</u>
<u>30,501-33,000</u>	<u>3.25</u>
<u>33,001-35,500</u>	<u>3.50</u>
<u>35,501-38,000</u>	<u>3.75</u>
<u>38,001-41,000</u>	<u>4.00</u>
<u>41,001-43,500</u>	<u>4.25</u>

For lots that are 15,000 square feet or larger, the Town may in its sole discretion agree to reduce the water dedication requirements by an appropriate amount where: (a) irrigated areas on the lot will be limited to a maximum square footage that does not exceed a specified square footage or specified percentage of the lot area; (b) the corresponding final plat and final development plan contain restrictions on the square footage of irrigated areas, and associated restrictions on water use; (c) the associated covenants contain restrictions on the square footage of irrigated areas; and (d) such restrictions and covenants run in favor of and are enforceable by the Town, with the Town's enforcement rights to include, without limitation, the discontinuance of water service or installation of flow restriction devices at the expense of the landowner in the event of noncompliance.

**Section 2.** Subsection 13.08.010(B)(1) of the Firestone Municipal Code is hereby amended to read as follows (words to be added are underlined; words to be deleted are ~~stricken through~~):

**13.08.010 Water connection charges.**

B. In addition to the charges set forth in Subsection A above, there shall be transferred to the town the following:

1. ~~One~~ For each single-family residential dwelling lot, the number of acre-foot units of Colorado Big Thompson ("CBT") water ~~for each single family~~

dwelling and as set forth in the following table, and as set forth in paragraph 6 below:

<u>Lot Size (ft<sup>2</sup>)</u>	<u>CBT Share Dedication</u>
<u>0-10,000</u>	<u>1.00</u>
<u>10,001-12,500</u>	<u>1.25</u>
<u>12,501-15,000</u>	<u>1.50</u>
<u>15,001-17,500</u>	<u>1.75</u>
<u>17,501-20,500</u>	<u>2.00</u>
<u>20,501-23,000</u>	<u>2.25</u>
<u>23,001-25,500</u>	<u>2.50</u>
<u>25,501-28,000</u>	<u>2.75</u>
<u>28,001-30,500</u>	<u>3.00</u>
<u>30,501-33,000</u>	<u>3.25</u>
<u>33,001-35,500</u>	<u>3.50</u>
<u>35,501-38,000</u>	<u>3.75</u>
<u>38,001-41,000</u>	<u>4.00</u>
<u>41,001-43,500</u>	<u>4.25</u>

For lots that are 15,000 square feet or larger, the Town may in its sole discretion agree to reduce the water dedication requirements by an appropriate amount where: (a) irrigated areas on the lot will be limited to a maximum square footage that does not exceed a specified square footage or specified percentage of the lot area; (b) the corresponding final plat and final development plan contain restrictions on the square footage of irrigated areas, and associated restrictions on water use; (c) the associated covenants contain restrictions on the square footage of irrigated areas; and (d) such restrictions and covenants run in favor of and are enforceable by the Town, with the Town's enforcement rights to include, without limitation, the discontinuance of water service or installation of flow restriction devices at the expense of the landowner in the event of noncompliance.

1.5. One-half acre-foot of CBT water for each living unit in a duplex, triplex, fourplex or larger building used for multi-family dwellings, as set forth in Paragraph 6, below.

**Section 3.** The amendments to the Firestone Municipal Code set forth herein shall take effect and be in force thirty (30) days after publication of this ordinance and shall apply to all single-family residential dwelling lots developed after such date; provided, however, that the requirements hereof shall not apply to: (a) any such lot within a subdivision approved by Board of Trustees resolution prior to the effective date hereof, provided the plat for such lot is finalized and presented for recording in compliance with applicable deadlines and requirements, and the water dedication for such lot is made in accordance with the water dedication requirements in effect at the time of approval of such resolution; or (b) any such lot that received a tap permit prior to the effective date

hereof, provided such tap is used in compliance with the deadlines set forth in the Firestone Municipal Code; or (c) any such lot for which other water dedication requirements are specifically set forth in a written agreement that is in full force and effect and binding upon the Town; or (d) any such lot for which "vested rights" for development under other water dedication requirements have been acquired through legal estoppel against the Town.

**Section 4.** If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. The Board of Trustees hereby declares that it would have passed this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

**Section 5.** The repeal or modification of any provision of the Municipal Code of the Town of Firestone by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

**Section 6.** All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

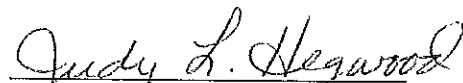
INTRODUCED, READ, ADOPTED, APPROVED, AND ORDERED PUBLISHED IN  
FULL this 9<sup>th</sup> day of September, 2010.

TOWN OF FIRESTONE, COLORADO



Chad Auer, Mayor

ATTEST:

  
Judy Hegwood, Town Clerk



## **ORDINANCE NO. 861**

### **AN ORDINANCE AMENDING SECTIONS 1.08.050 AND 13.08.010.B OF THE FIRESTONE MUNICIPAL CODE REGARDING RAW WATER DEDICATION REQUIREMENTS FOR MULTI-FAMILY DEVELOPMENT AND REPEALING ORDINANCE NO. 860**

WHEREAS, Sections 1.08.050 and 13.08.010.B of the Firestone Municipal Code set forth requirements for the dedication of water rights to the Town for water service for residential, commercial and industrial developments and irrigation of irrigated landscape areas; and

WHEREAS, the Town's existing policy with respect to water rights dedication requirements does not distinguish between various types of multi-family developments; and

WHEREAS, the Board of Trustees desires to amend the water dedication requirements to establish different requirements for different types of multi-family developments; and

WHEREAS, on December 10, 2014, the Board of Trustees adopted Ordinance No. 860, which amended Section 1.08.050 of the Firestone Municipal Code regarding water dedication requirements and establishing different requirements for different types of multi-family developments; and

WHEREAS, after the Board's adoption of Ordinance No. 860, it came to the Town's attention that the ordinance included an error with respect to the calculation of the dedication requirements; and

WHEREAS, Section 13.08.010.B of the Firestone Municipal Code also sets forth water dedication requirements and Section 13.08.010.B needs to be updated to reflect the changes to the water dedication requirements for different types of multi-family developments; and

WHEREAS, the Board of Trustees by this Ordinance desires to repeal Ordinance No. 860 and to adopt a new ordinance amending Sections 1.08.050 and 13.08.010.B of the Firestone Municipal Code to adopt water dedication requirements for different types of multi-family developments;

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF FIRESTONE, COLORADO:**

**Section 1.** Subsection 1.08.050.A.2 of the Firestone Municipal Code is hereby amended to read as follows (words to be added are underlined; words to be deleted are ~~stricken through~~):

**1.08.050 Water.**

Unless otherwise provided by the Board of Trustees, the Town and the petitioner shall agree in writing, prior to final adoption of an annexation ordinance, to the transfer of the following minimum water rights to the Town:

**A. Residential.**

2. The landowner, its successors or assigns in interest shall dedicate to the Town ~~one-half acre-foot~~ the units of CBT water for each living unit in a ~~duplex, triplex, fourplex or larger building used for~~ multi-family dwellings, as set forth in the following table and in Paragraph 6, below:

<u>Living Units Per Multi-Family Dwelling</u>	<u>CBT Share Dedication (Per Living Unit)</u>
<u>2 to 4 Units</u>	<u>.54</u>
<u>5 to 12 Units</u>	<u>.49</u>
<u>&gt; 12 Units</u>	<u>.37</u>

**Section 2.** Subsection 13.08.010.B.1.5 of the Firestone Municipal Code is hereby amended to read as follows (words to be added are underlined; words to be deleted are ~~stricken through~~):

**13.08.010. Water connection charges.**

...

B. In addition to the charges set forth in Subsection A above, there shall be transferred to the Town the following:

1.5. ~~One-half acre-foot of CBT water f~~ For each living unit in a ~~duplex, triplex, fourplex or larger building used for~~ multi-family dwellings, the number of acre-foot units of CBT water as set forth in the following table and in Paragraph 6, below:

<u>Living Units Per Multi-Family Dwelling</u>	<u>CBT Share Dedication (Per Living Unit)</u>
<u>2 to 4 Units</u>	<u>.54</u>
<u>5 to 12 Units</u>	<u>.49</u>
<u>&gt; 12 Units</u>	<u>.37</u>

**Section 3.** If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. The Board of Trustees hereby declares that it would have passed this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

**Section 4.** The repeal or modification of any provision of the Municipal Code of the Town of Firestone by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred

under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

**Section 5.** Ordinance No. 860 adopted by the Board of Trustees on December 10, 2014 is hereby repealed in its entirety. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof, are hereby repealed to the extent of such inconsistency or conflict.

INTRODUCED, READ, ADOPTED, APPROVED, AND ORDERED PUBLISHED IN FULL this 17th day of December, 2014.

TOWN OF FIRESTONE, COLORADO



Paul Sorensen, Mayor

ATTEST:



Carissa Medina, Town Clerk



**APPENDIX B**  
ACUITY, LLC –  
SEPTEMBER 19, 2016 MEMORANDUM



## Technical Memorandum

**To:** David Lindsay, P.E., Town of Firestone  
**From:** Kevin O'Connell, P.E. Acuity, LLC  
**Date:** September 19, 2016  
**Project:** Town of Firestone, Carbon Valley Reservoir  
**Subject:** Infrastructure Feasibility

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The Town of Firestone (Town) is performing diligence to examine the water storage capabilities of the Carbon Valley Gravel Pit (Carbon Valley). The site is located northeast of the Town and a half-mile east of the intersection of Weld County Road 26 and Weld County Road 13. L.G. Everest, Inc. is currently mining the 61-acre site. When mining is complete the pit will be designed for a target volume of 1,092 acre-feet (ac-ft) of water storage. The Town has requested this analysis to provide information that may assist in determining the suitability of the proposed Carbon Valley Reservoir (CVR) as an augmentation and raw water storage facility. This Technical Memorandum is not intended to provide construction level drawings, documents, or cost data.

We have examined two operational scenarios for delivering water to and from CVR in order to provide this Conceptual Opinion of Probable Cost. In both scenarios the primary source of water is St. Vrain Creek, a.k.a. the St. Vrain River, (St. Vrain). For augmentation use, water will be diverted into the CVR during free river, or as allowed for under the Town's water rights. Water will be returned to the St. Vrain during river calls or as required by the Town's augmentation plans.

Scenario 1 assumes a CVR fill rate of 20 CFS and a return rate to the St. Vrain of 10 CFS. Scenario 2 assumes a CVR fill rate of 10 CFS and a return rate of 5 CFS. See Attachment 1 for a detailed list of assumptions and parameters for each scenario. Conceptual costs outlined in the Opinion of Probable Construction Cost illustrate the relative costs for these fill and return rates.

### **System Configuration**

Both Scenarios anticipate the same physical system configuration – the piping alignment, pump station locations, and diversion structure are consistent regardless of flow rates (see Figure 1 for the conceptual plan view configuration of the system; and Figures 2 and 3 for the conceptual profile of the system).

The system consists of eight basic elements:

1. Diversion Structure/Inlet in the St. Vrain
2. Pump Station #1 located near the St. Vrain (to deliver water to CVR)
3. Approximately 3100 linear feet of pipe between the St. Vrain and the CVR
4. Energy Dissipater/Outlet structure and riprap run down in the CVR
5. Inlet structure and wet well in CVR
6. Pump Station #2 located at CVR (to deliver water from CVR to St. Vrain)

7. Discharge piping and headwall to storm drainage ditch along west side of access road for the St. Vrain Sanitation District Treatment Plant (WWTP)
8. Inlet, pump, and pipeline at Last Chance Ditch to deliver water from south side of CVR

A **diversion/inlet structure** across the St. Vrain will be required if the Town needs the ability to divert water during periods of low river flow. The purpose of the structure will be to create backwater conditions adequate to force water into a connected inlet box. Construction in the river will require an individual Section 404 permit from the U.S. Army Corps of Engineers due to the fact that fill will be placed within the ordinary high water mark (OHWM) of the St. Vrain (see Permitting Section, below). Also, additional floodplain permitting and modeling will be required for floodplain development. The diversion structure will consist of an overshot gate and “sand out” gates (gates that can be opened to remove sediment by flushing it back to the river). We anticipate that the diversion structure could be constructed using interlocking boulders; however, a detailed analysis must be completed during final design.

From the Inlet, water will flow by gravity to a wet well that is connected to **Pump Station #1**. Pump Station #1 will use submersible pumps to push water to the south through approximately **3100 linear feet of pipe** (fill line) into the CVR. Pump Station #1 will ideally be located outside of the St. Vrain 100 year flood plain. In order to avoid conflicts with existing utilities and minimize disruption to the WWTP, we have evaluated sites for both Pump Station #1 and the pipeline on the Varra property located west of the treatment plant access road (see Figure 1). Preliminary discussions with the property owners indicate a willingness to provide the necessary easements.

We have developed this Opinion of Probable Cost based on the use of High Density Polyethylene (HDPE) pipe for delivering water to the CVR. HDPE is similar in cost to other pipe materials but offers several advantages during installation: the pipe can be delivered in long lengths (up to 40 feet); it may be butt-welded on the existing ground surface before being lowered into the trench; and, it allows for less worker-hours in the trench. HDPE is known for its durability and resistance to incidental cutting and scaring. HDPE may also lessen the effects of transient hydraulic surges (water hammer) in the event of a sudden pump or valve shut down. (Note that surge protection has not been included in this conceptual evaluation and must be considered in final design).

While the system outlined above considers pumping water into the CVR, we also evaluated an alternative that would use gravity. However, a gravity system was determined to be not feasible due to the depth of excavation required, surface disruption to the pipeline route, and overall cost.

At the CVR, water from Pump Station #1 will enter an **energy dissipater/outlet structure**. The outlet will include a riprap protected rundown intended to prevent scour in the CVR.

**Pump Station #2** will be located in the north east corner of the CVR and will **pump water through a pipeline** into the existing storm water drainage ditch that runs along the west side of the WWTP access road. It is our understanding that the Town currently owns a drainage easement for this ditch. The capacity of the ditch must be verified during final design. We have assumed that a carriage agreement will not be required to discharge to the ditch and that no improvements will be

required in the ditch or existing outlet to the river. An alternative discharge configuration could use the fill line for delivering return flows back to the river. However, using the fill line bidirectionally will require at least four large diameter actuated valves and vaults, and will present control, metering, and accounting complications. The additional costs associated with this configuration would be significant.

The wet well associated with Pump Station #2 will be approximately 50 feet below the finished grade of Weld County Road 26. Therefore, the wet well may be most easily and economically constructed without excavating, but rather as a freestanding structure in the corner of the reservoir. The structure will be backfilled after construction. Note that constructing the wet well in this manner will eliminate some of the storage volume of the CVR.

While both pump station structures have been sized to accommodate future pumps, the pipelines contemplated in the Opinions of Cost are not sized for additional capacity. A second pipeline will need to be installed at a later date if the pump stations are expanded beyond the flow rates considered in each configuration.

A secondary fill source for the CVR will be constructed on the **Last Chance Ditch (LCD)** located south of the CVR. This source is anticipated to provide up to 5 CFS to the CVR. No discharge back to the ditch will be provided (water will be delivered to the SVR, as required). The LCD delivery will consist of a side gate, measuring flume, and precast wet well that will house a submersible pump. Water will be transferred to the CVR through an 18-inch HDPE pipe.

## **Permitting**

The Federal Emergency Management Agency's Flood Insurance Rate Map numbered 08123C1895E and 08123C2081E show the CVR is not located in the floodway zone. However, the necessary diversion structure/headworks will be located in the floodway zone, therefore a Weld County Floodplain Development Permit will be required as well as a no rise certificate or certification through the LOMR/CLMR process.

An Individual 404 Permit will be required to construct the diversion structure project. In theory, an individual permit can be processed and approved in 120 days by the United States Army Corps of Engineers (COE). However, experience and anecdotal evidence indicate that the process could take a year or more.

Wetland and cultural resources surveys for the proposed diversion, pipeline alignment and appurtenant structures will be needed. In addition, compliance with the South Platte Water Related Activities Program, Inc. (SPWRAP) and provisions of the Endangered Species Act must be followed.

Individual permits require that adjacent landowners, interested federal, state and local government agencies and other interested parties (other water right holders and non-governmental organizations) be notified of the proposed action. Depending on the nature of the responses received from the notified government agencies, organizations and individuals, the COE may require the preparation of an Environmental Assessment (EA) or even an Environmental Impact

Statement (EIS) to evaluate other alternatives available to the applicant and to disclose anticipated environmental impacts resulting from the project.

The National Environmental Policy Act (NEPA) is the overarching law governing preparation of EAs and EISs. If there are no objections to the pending permit, a complete application is presented to COE and to the Colorado Department of Public Health and Environment (CDPHE) which must issue a 401 Water Quality Certification.

If an EA or EIS are deemed necessary, the permitting process would likely extend for more than a year. There is no set timeframe for completing an EA or EIS. If a NEPA document is required, analysis of other alternatives will almost certainly be needed. The COE is required to select the "Least Environmentally Damaging Practicable Alternative" (LEDPA) in their analysis of the applicant's options. Also, if a NEPA document is required, the COE may select the contractor of their choosing.

If the work can be scheduled during the growing season the wetland delineation, cultural resources analysis and other surveys can be conducted quickly - within one month of receiving authorization. Cultural resources surveys can be completed whenever the ground is snow-free. Once preliminary plans are available, a pre-submittal meeting can be conducted with the COE and the 404 Permit Application can be prepared. Simultaneously, an application for 401 Certification can be prepared and submitted to the CDPHE. The COE could issue a permit within 120 days of receiving a complete application if there are no substantive objections. **A six (6) month time frame should be assumed as the "best case" scenario for conducting the surveys and acquiring the needed approvals and permits.**

Other State and local permits will be required (some will be the responsibility of the construction contractor). These may include but are not limited to:

- 1) Weld County Floodplain Development Permit
- 2) Weld County 1041 Permit
- 3) Stormwater Discharge Associated with Construction Activities
- 4) Colorado Discharge Permit System Construction Dewatering General Permit
- 5) Air Pollutant Emission Notice (APEN)
- 6) Spill Prevention Containment and Countermeasures (SPCC) Plan
- 7) County Construction/Access Permits
- 8) Building permit

## **Conceptual Opinion of Probable Cost**

The opinion of cost has been broken down into three Operational Configurations. Configuration 1 envisions a delivery from the St. Vrain to the CVR at 20 CFS and a return to the river at 10 CFS. Configuration 2 is sized for an inflow rate of 10 CFS and a return rate of 5 CFS. Lastly, Configuration 3 uses pumps that are sized for flow rates of 10 and 5 CFS while anticipating the possibility of higher future flow rates through the use of 30 inch piping.

Configuration 1 (20 CFS Inlet and 10 CFS Outlet)					
Item No.	Item	Units	Unit Cost	Estimated Quantity	Cost
1	Site Demolition	LS	\$100,000	1	\$100,000
2	Construction Staking	LS	\$60,000	1	\$60,000
3	River Check Structure	LS	\$151,000	1	\$151,000
4	River Inlet Structure	LS	\$281,000	1	\$281,000
5	Inlet Pump Station*	LS	\$885,000	1	\$885,000
6	Inlet Flow Measurement Manhole	LS	\$65,000	1	\$65,000
7	30" Inlet Piping and Fittings	LF	\$310	150	\$47,000
8	30" Inlet Pressure Piping and Fittings	LF	\$180	2950	\$531,000
9	Inlet Reservoir Headwall and Rundown	LS	\$36,000	1	\$36,000
10	Reservoir Outlet Structure	LS	\$13,000	1	\$13,000
11	Outlet Pump Station*	LS	\$976,000	1	\$976,000
12	Outlet Flow Measurement Manhole	LS	\$50,000	1	\$50,000
13	20" Outlet Piping and Fittings	LF	\$150	375	\$56,000
14	Stormwater Ditch Headwall	LS	\$7,000	1	\$7,000
15	Last Chance Ditch Inlet Structure	LS	\$35,000	1	\$35,000
16	Last Chance Ditch Inlet Piping and Fittings	LF	\$150	160	\$24,000
17	Last Chance Ditch Flume Structure	LS	\$32,000	1	\$32,000
18	Last Chance Ditch Res. Headwall and Rundown	LS	\$36,000	1	\$36,000
19	Site Electrical and Electrical Services	LS	\$210,000	1	\$210,000
20	Easement Acquisition	ACRE	\$15,000	4	\$60,000
21	Site Restoration	LS	\$150,000	1	\$150,000
Subtotal					\$3,805,000
22	Mobilization and Demobilization	5%			\$190,000
23	Engineering	10%			\$381,000
24	Permitting	5%			\$190,000
25	Contingency	20%			\$761,000
Total at 2016 Construction Costs					\$5,327,000

\* Raw water pump station assuming 60% pump efficiency.

Configuration 2 (10 CFS Inlet and 5 CFS Outlet)					
Item No.	Item	Units	Unit Cost	Estimated Quantity	Cost
1	Site Demolition	LS	\$206,000	1	\$206,000
2	Construction Staking	LS	\$60,000	1	\$60,000
3	River Check Structure	LS	\$151,000	1	\$151,000
4	River Inlet Structure	LS	\$236,000	1	\$236,000
5	Inlet Pump Station*	LS	\$786,000	1	\$786,000
6	Inlet Flow Measurement Manhole	LS	\$60,000	1	\$60,000
7	24" Inlet Piping and Fittings	LF	\$240	150	\$36,000
8	20" Inlet Pressure Piping and Fittings	LF	\$120	2950	\$354,000
9	Inlet Reservoir Headwall and Rundown	LS	\$36,000	1	\$36,000
10	Reservoir Outlet Structure	LS	\$13,000	1	\$13,000
11	Outlet Pump Station*	LS	\$808,000	1	\$808,000
12	Outlet Flow Measurement Manhole	LS	\$43,000	1	\$43,000
13	14" Outlet Piping and Fittings	LF	\$120	375	\$45,000
14	Stormwater Ditch Headwall	LS	\$7,000	1	\$7,000
15	Last Chance Ditch Inlet Structure	LS	\$35,000	1	\$35,000
16	Last Chance Ditch Inlet Piping and Fittings	LF	\$150	160	\$24,000
17	Last Chance Ditch Flume Structure	LS	\$32,000	1	\$32,000
18	Last Chance Ditch Res. Headwall and Rundown	LS	\$36,000	1	\$36,000
19	Site Electrical and Electrical Services	LS	\$210,000	1	\$210,000
20	Easement Acquisition	ACRE	\$15,000	4	\$60,000
21	Site Restoration	LS	\$103,000	1	\$103,000
Subtotal					\$3,341,000
22	Mobilization and Demobilization	5%			\$167,000
23	Engineering	10%			\$334,000
24	Permitting	5%			\$167,000
25	Contingency	20%			\$668,000
Total at 2016 Construction Costs					\$4,677,000

\* Raw water pump station assuming 60% pump efficiency.

Configuration 3 (10 CFS Inlet and 5 CFS Outlet _ 30" Pipe)					
	Item	Units	Unit Cost	Quantity	Cost
1	Site Demolition	LS	\$206,000	1	\$206,000
2	Construction Staking	LS	\$60,000	1	\$60,000
3	River Check Structure	LS	\$151,000	1	\$151,000
4	River Inlet Structure	LS	\$236,000	1	\$236,000
5	Inlet Pump Station	LS	\$790,000	1	\$790,000
6	Inlet Flow Measurement Manhole	LS	\$60,000	1	\$60,000
7	30" Inlet Piping and Fittings	LF	\$310	150	\$46,500
8	30" Inlet Pressure Piping and Fittings	LF	\$180	2950	\$531,000
9	Inlet Reservoir Headwall and Rundown	LS	\$36,000	1	\$36,000
10	Reservoir Outlet Structure	LS	\$13,000	1	\$13,000
11	Outlet Pump Station	LS	\$876,000	1	\$876,000
12	Outlet Flow Measurement Manhole	LS	\$50,000	1	\$50,000
13	20" Outlet Piping and Fittings	LF	\$150	375	\$56,250
14	Stormwater Ditch Headwall	LS	\$7,000	1	\$7,000
15	Last Chance Ditch Inlet Structure	LS	\$35,000	1	\$35,000
16	Last Chance Ditch Inlet Piping and Fittings	LF	\$150	160	\$24,000
17	Last Chance Ditch Flume Structure	LS	\$32,000	1	\$32,000
18	Last Chance Ditch Res. Headwall and Rundown	LS	\$36,000	1	\$36,000
19	Site Electrical	LS	\$150,000	1	\$150,000
20	Easement Acquisition	ACRE	\$15,000	4	\$60,000
21	Site Restoration	LS	\$103,000	1	\$103,000
Subtotal					\$3,558,750
22	Mobilization and Demobilization	5%			\$178,000
23	Engineering	10%			\$356,000
24	Permitting	5%			\$178,000
25	Contingency	20%			\$712,000
Total at 2016 Construction Costs					\$4,982,750

\* Raw water pump station assuming 60% pump efficiency.

These Conceptual Opinions of Probable Cost is based on our qualifications and experience with similar projects and have undergone internal peer review. In addition, we have based our opinion on information from other similar projects, material suppliers, general contractors, personnel at the CDPHE and COE, engineering peers, and R.S. Means "Heavy Construction Cost Data" (2014). However, Acuity, LLC is not a construction contractor and has no control over costs or the price of labor, equipment or materials, or over a Contractor's method of pricing. Acuity, LLC makes no warranty, expressed or implied, as to the accuracy of Opinions of Cost as compared to actual costs.

**Attachment 1**

## Carbon Valley Design Parameters/Assumptions

August 30, 2016

Parameter		Alternative 1	Alternative 2
For both alternatives:	Primary fill source is St. Vrain River		
	Secondary fill sources may include irrigation ditch and laterals to south and west of Reservoir		
	Assume vertical intake structure in Reservoir		
	Rock check structure in River		
	Discharge from Reservoir to irrigation ditch to be phased in at later date		
	Pump VFD's capable of 50% turn down rate. (i.e., 10 CFS pump minimum rate @ 5 CFS...)		
	Wet wells constructed of poured in place concrete		
	Manual control system and minimal telemetry (structures sized to accommodate actuators at a later date)		
	Dewatering and shoring will be required for pipeline construction.		
	Two pump stations required: two for river side –one small pump station for Last Chance irrigation ditch		
	Distance from River to reservoir ~ 3000 feet		
	Spillway required at Weld County Road 26		
	Reservoir is intended for use as augmentation facility. Additional uses are possible in future – parameters are unknown at this time		
Inlet System Capacity		20 CFS	10 CFS
Discharge Capacity		10 CFS	5 CFS
Flow Velocity in Pipes		5-7 FPS	5-7 FPS
Operating Time Period		Year round (frost protection required)	Year round (frost protection required)



Inlet from River	Boulder check structure in River	Boulder check structure in River
Inlet from Ditch	Side gate diversion in ditch	Side gate diversion in ditch
Pump Redundancy	No redundancy. Account for in manifold and building	No redundancy. Account for in manifold and building
Backup Electrical	Provide connection for generator but not generator or automatic transfer switch	Provide connection for generator but not generator or automatic transfer switch
Pipeline Material	HDPE	HDPE
Discharge return flows to storm ditch?	To be investigated (capacity ~ 64 CFS)	To be investigated (capacity ~ 64 CFS)
Gravity flow from river to wet well?	Not feasible	Not feasible
Variable Frequency Drives	Yes	Yes
Reservoir Bottom Elevation*	4772'	4772'
Reservoir High Water Elevation*	4817'	4817'
Riverbed Elevation*	4797'	4797'
Reservoir Minimum Volume for Fish and Recreation	n/a	n/a
Reservoir Useable Storage Depth	46'	46'
Reservoir Useable Storage	1,092 Acre Feet	1,092 Acre Feet
Irrigation Ditch Invert (south of Reservoir)	4808' Estimated 5' below existing elevation	4808' Estimated 5' below existing elevation
Flow Measurement River to Reservoir	Magmeter/flume meter	Magmeter/flume meter
Flow Measurement Reservoir to River	Magmeter	Magmeter
Flow Measurement Irrigation Ditch to Reservoir	Flume structure with data recorder	Flume structure with data recorder
Discharge Location	St. Vrain River (via storm ditch or pipe)	St. Vrain River (via storm ditch or pipe)
Building type and structure	CMU block walls with metal seam roof	CMU block walls with metal seam roof

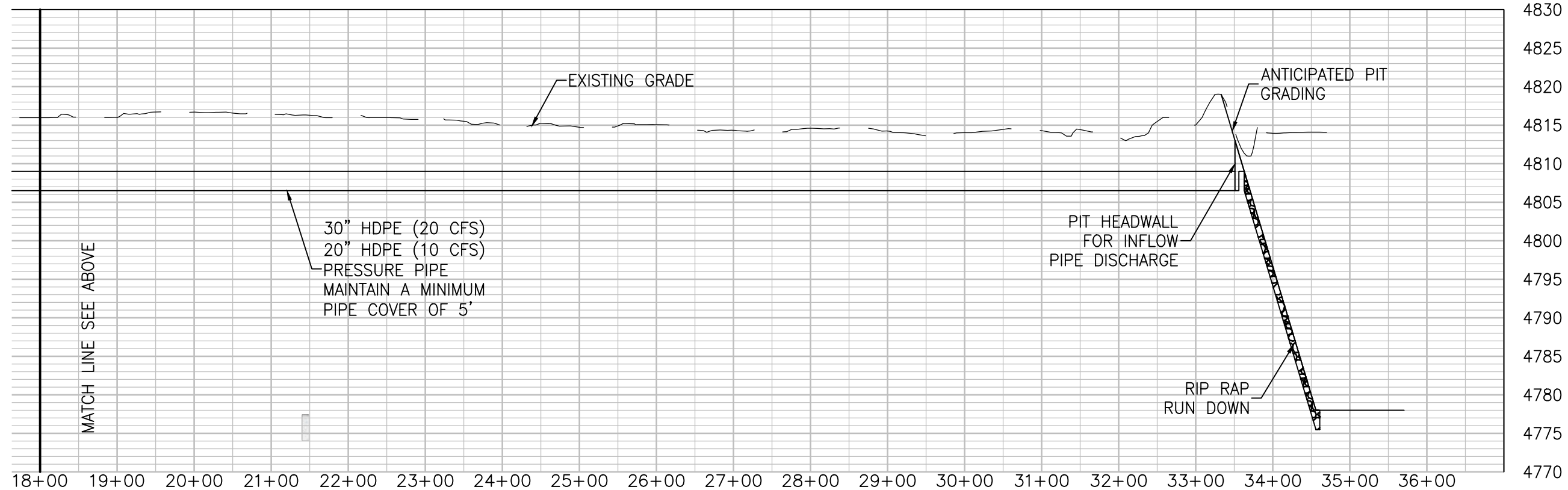
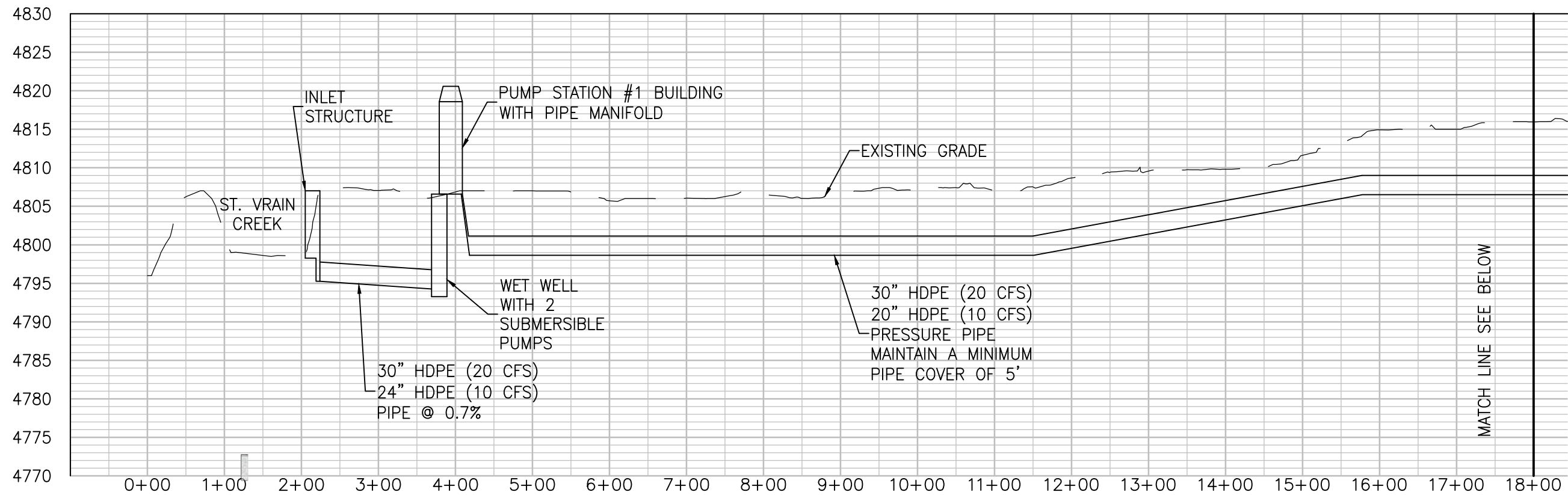
\* Intended for relative comparison only. Elevations to be verified and adjusted for datum correction as necessary







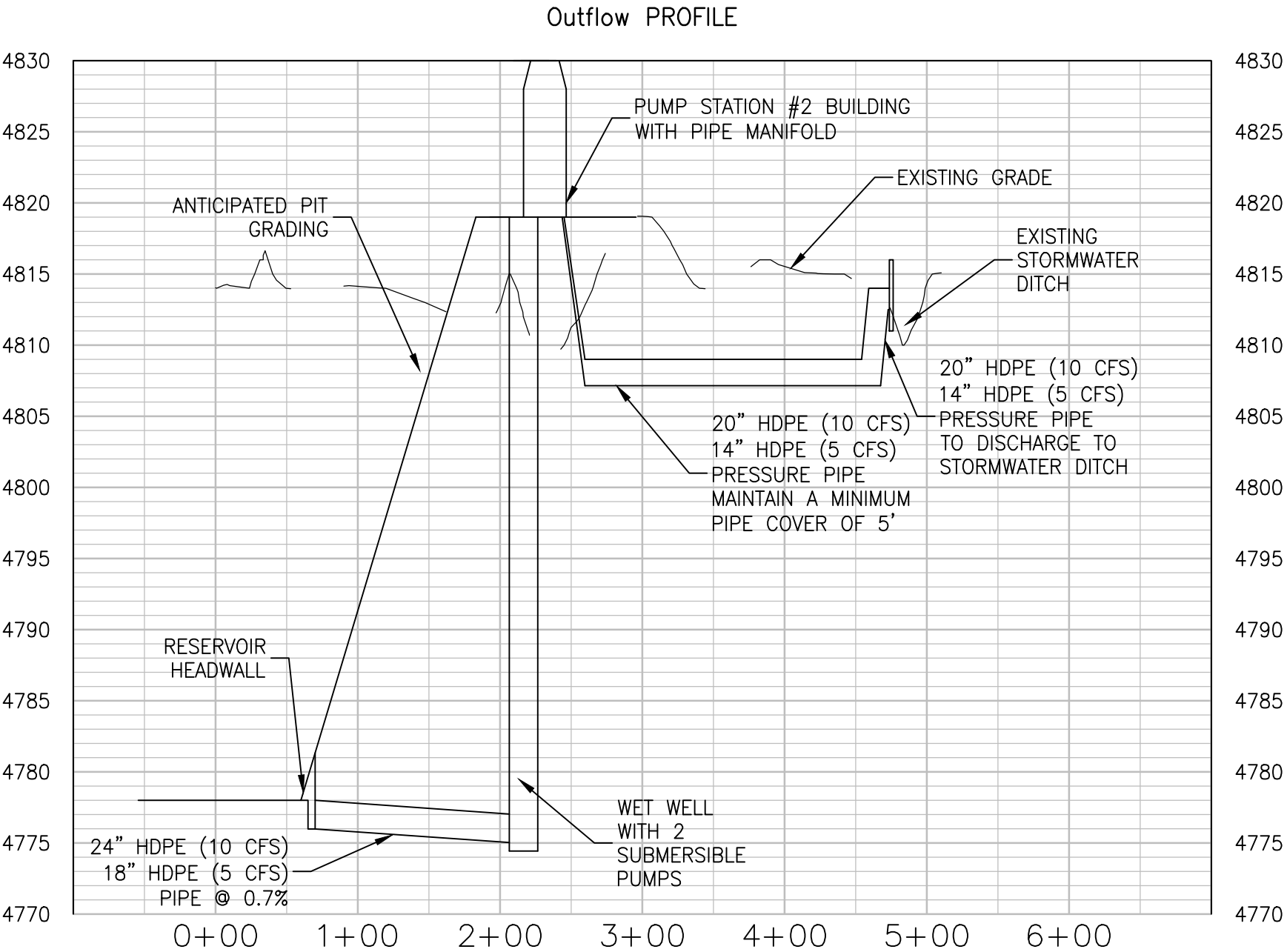
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NOT FOR  
CONSTRUCTION

					<div>acuity, llc</div> <div>1550 BLAKE STREET, #288 DENVER, CO 80202 (720) 326-0655</div> <div><div><div></div><div></div><div></div></div><div>WENCK ASSOCIATES</div><div>Responsive partner. Exceptional outcomes.</div></div> <div>4025 AUTOMATION WAY BLDG E FORT COLLINS, CO 80525 (970) 2234705</div>	DWN BY CAM	CHK'D KMO	APP'D CAM	PROJECT CARBON VALLEY PIT CONCEPT PLAN	SHEET TITLE PUMP STATION #1 PROFILE		
							DWG DATE 08/31/16		CLIENT TOWN OF FIRESTONE	PROJECT NO. 5435-0004	SHEET NO. FIGURE 2	REV NO. A
A	CONCEPT PLAN	CAM	CAM	08/31/16			SCALE 1" = 150'					
REV	REVISION DESCRIPTION	DWN	APP	REV DATE								

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CONSTRUCTION

					<div>acuity, llc</div> <div><div>1550 BLAKE STREET, #288 DENVER, CO 80202 (720) 326-0655</div><div><div>WENCK ASSOCIATES</div><div>Responsive partner. Exceptional outcomes.</div><div>4025 AUTOMATION WAY BLDG E FORT COLLINS, CO 80525 (970) 2234705</div></div></div>	DWN BY CAM	CHK'D KMO	APP'D CAM	PROJECT CARBON VALLEY PIT CONCEPT PLAN	SHEET TITLE PUMP STATION #2 PROFILE		
						DWG DATE 08/31/16			CLIENT TOWN OF FIRESTONE			
A	CONCEPT PLAN	CAM	CAM	08/31/16		SCALE 1" = 100'			PROJECT NO. 5435-0004	SHEET NO. FIGURE 3	REV NO. A	
REV	REVISION DESCRIPTION	DWN	APP	REV DATE								



# COLORADO

Colorado Water  
Conservation Board

Department of Natural Resources

## Water Project Loan Program

### Application Type

☒ Prequalification (Attach 3 years of financial statements) ☒ Loan Approval (Attach Loan Feasibility Study)

### Agency/Company Information

Company / Borrower Name: Town of Firestone

Authorized Agent & Title: Julie Pasillas, Resource and Sustainability Coordinator

Address: 151 Grant Ave. Firestone, CO 80520

Phone: ( 303 ) 833-3291

Email: JPasillas@firestoneco.gov

Organization Type: ☐ Ditch Co, ☐ District, ☒ Municipality  
☐ Other:

Incorporated? ☒ YES  
☐ NO

County: Weld

Number of Shares/Taps: 5,103-CBT/3,890-Taps

Water District: Central Weld County Water District

Avg. Water Diverted/Yr 2,030 acre-feet

Number of Shareholders/Customers Served: 12,110

Current Assessment per Share \$ \_\_\_\_\_ (Ditch Co)

Federal ID Number: 84-0736777

Average monthly water bill \$ 73.13 (Municipality)

### Contact Information

Project Representative: Julie Pasillas

Phone: ( 303 ) 833-3291 x 258

Email: JPasillas@firestoneco.gov

Engineer: Dave Lindsay

Phone: ( 970 ) 290-1092

Email: dlindsay@ccginc.us

Attorney: Brad Grasmick

Phone: ( 970 ) 622-8181

Email: brad@ljcgilaw.com

### Project Information

Project Name: Town of Firestone Carbon Valley Resource Pit

Brief Description of Project: (Attach separate sheets if needed)

The Town of Firestone desires to develop non-potable water storage and acquire non-potable water supplies to fill this storage.

The Town is currently relying on treated C-BT water from Central Weld County Water District to meet its non-potable needs.

C-BT is a very precious and expensive commodity for the Town that would be much better reserved for potable system demands.

General Location: (Attach Map of Area)

Other Costs include: purchase of lined storage and water rights purchases

Estimated Engineering Costs: \$356,000

Estimated Construction Costs: \$4,626,750

Other Costs (Describe Above): \$6,060,400

Estimated Total Project Costs: \$11,043,150

Requested Loan Amount:  
(Limit 90% of Total Project Costs) **\$9,938,835**

Requested Loan Term (10, 20, or 30 years):  
20 Years

Project Start Date(s) Design: March 2017

Construction: May 2018

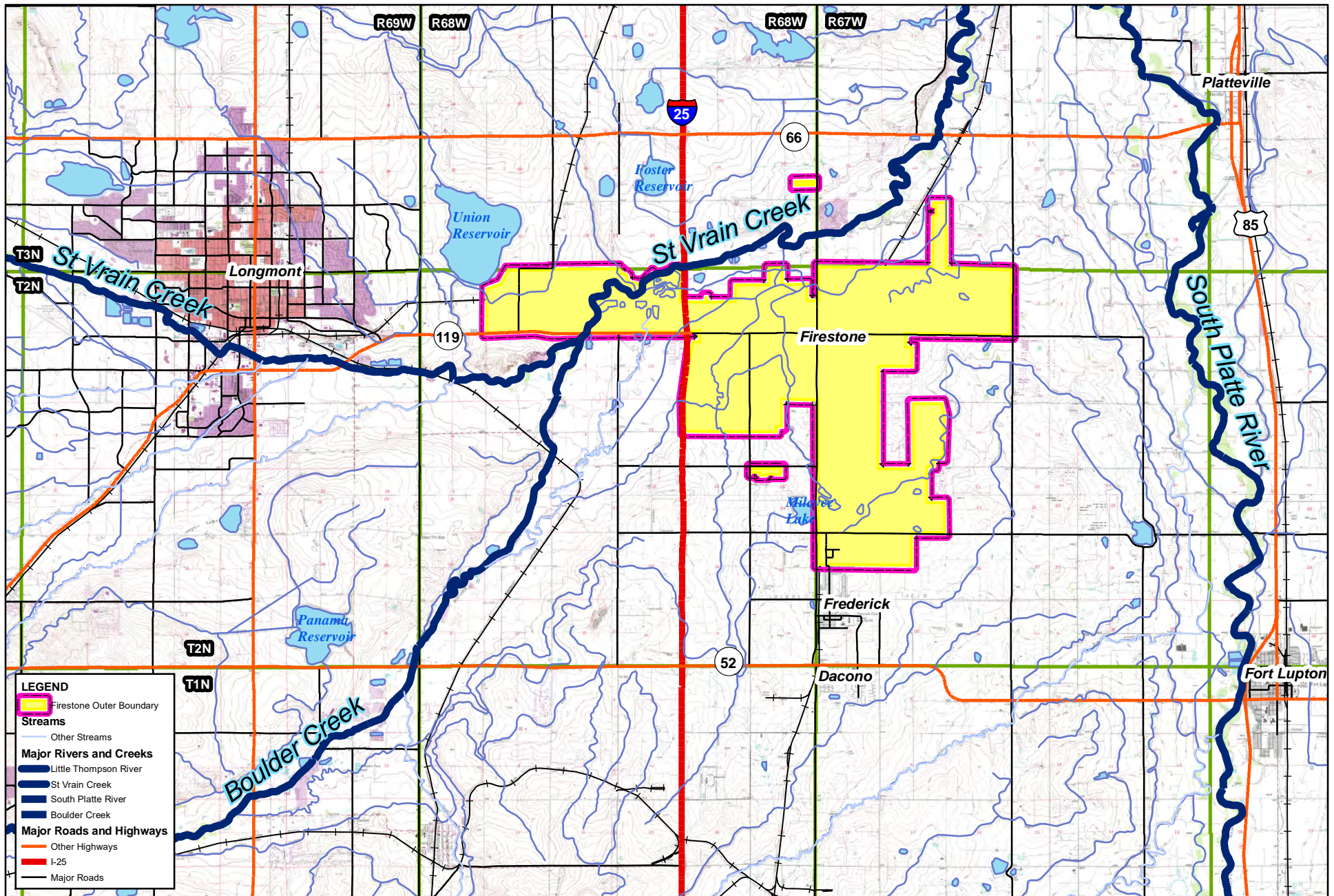
### Signature

*Jody McClurkin* 10/3/16  
Signature / Title Date

Return to: Finance Section Attn: Anna Mauss  
1313 Sherman St #718  
Denver, CO 80203  
Ph. 303/866.3449  
e-mail: anna.mauss@state.co.us

*Budget and Finance Analyst  
Town Treasurer*





Date: 09-16-2016  
 Drawn By: NEA  
 Scale: As Shown  
 Job No: 15-160

**FIRESTONE  
 CWCB FEASIBILITY STUDY**

**Figure 1**  
 Town of Firestone  
 General Location

0 0.5 1 2  
 Miles



Water Right Owned	Type	Class B/Section 131 Date	Allotments
Colorado Big Thompson	Class B	5/8/1964	104
Colorado Big Thompson	Class B	9/12/1969	30
Colorado Big Thompson	Class B	11/16/1979	30
Colorado Big Thompson	Class B	11/16/1979	48
Colorado Big Thompson	Class B	11/16/1979	25
Colorado Big Thompson	Class B	4/14/1981	10
Colorado Big Thompson	Class B	4/14/1981	40
Colorado Big Thompson	Class B	4/14/1981	56
Colorado Big Thompson	Class B	4/14/1981	47
Colorado Big Thompson	Class B	4/14/1981	47
Colorado Big Thompson	Class B	4/14/1981	6
Colorado Big Thompson	Class B	4/14/1981	20
Colorado Big Thompson	Class B	4/14/1981	64
Colorado Big Thompson	Class B	4/14/1981	30
Colorado Big Thompson	Class B	4/14/1981	25
Colorado Big Thompson	Class B	4/14/1981	27
Colorado Big Thompson	Class B	4/14/1981	35
Colorado Big Thompson	Section 131	2/11/1993	7
Colorado Big Thompson	Section 131	3/8/2002	16
Colorado Big Thompson	Section 131	3/8/2002	20
Colorado Big Thompson	Section 131	3/8/2002	22
Colorado Big Thompson	Section 131	3/8/2002	9
Colorado Big Thompson	Section 131	3/8/2002	180
Colorado Big Thompson	Section 131	3/8/2002	100
Colorado Big Thompson	Section 131	3/8/2002	10
Colorado Big Thompson	Section 131	3/8/2002	87
Colorado Big Thompson	Section 131	3/8/2002	45
Colorado Big Thompson	Section 131	3/8/2002	16
Colorado Big Thompson	Section 131	3/8/2002	100
Colorado Big Thompson	Section 131	3/8/2002	75
Colorado Big Thompson	Section 131	3/8/2002	6
Colorado Big Thompson	Section 131	3/8/2002	36
Colorado Big Thompson	Section 131	3/8/2002	25
Colorado Big Thompson	Section 131	3/8/2002	10
Colorado Big Thompson	Section 131	3/8/2002	19
Colorado Big Thompson	Section 131	3/8/2002	50
Colorado Big Thompson	Section 131	3/8/2002	30
Colorado Big Thompson	Section 131	3/8/2002	85
Colorado Big Thompson	Section 131	3/8/2002	40
Colorado Big Thompson	Section 131	3/8/2002	10
Colorado Big Thompson	Section 131	3/8/2002	40
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Colorado Big Thompson	Section 131	3/8/2002	45
Colorado Big Thompson	Section 131	3/8/2002	60
Colorado Big Thompson	Section 131	3/8/2002	10
Colorado Big Thompson	Section 131	3/8/2002	100
Colorado Big Thompson	Section 131	3/8/2002	100
Colorado Big Thompson	Section 131	3/8/2002	31
Colorado Big Thompson	Section 131	3/8/2002	23
Colorado Big Thompson	Section 131	3/8/2002	130

Water Right Owned	Type	Class B/Section 131 Date	Allotments
Colorado Big Thompson	Section 131	3/8/2002	5
Colorado Big Thompson	Section 131	3/8/2002	4
Colorado Big Thompson	Section 131	3/8/2002	5
Colorado Big Thompson	Section 131	3/8/2002	23
Colorado Big Thompson	Section 131	3/8/2002	12
Colorado Big Thompson	Section 131	3/8/2002	72
Colorado Big Thompson	Section 131	3/8/2002	16
Colorado Big Thompson	Section 131	3/8/2002	150
Colorado Big Thompson	Section 131	3/8/2002	5
Colorado Big Thompson	Section 131	3/8/2002	2
Colorado Big Thompson	Section 131	3/8/2002	60
Colorado Big Thompson	Section 131	3/8/2002	15
Colorado Big Thompson	Section 131	3/8/2002	84
Colorado Big Thompson	Section 131	3/8/2002	32
Colorado Big Thompson	Section 131	3/8/2002	2
Colorado Big Thompson	Section 131	3/8/2002	1
Colorado Big Thompson	Section 131	3/8/2002	26
Colorado Big Thompson	Section 131	3/8/2002	49
Colorado Big Thompson	Section 131	3/8/2002	4
Colorado Big Thompson	Section 131	3/8/2002	35
Colorado Big Thompson	Section 131	3/8/2002	8
Colorado Big Thompson	Section 131	3/8/2002	37
Colorado Big Thompson	Section 131	3/8/2002	89
Colorado Big Thompson	Section 131	3/12/2004	213
Colorado Big Thompson	Section 131	3/12/2004	55
Colorado Big Thompson	Section 131	3/12/2004	10
Colorado Big Thompson	Section 131	3/12/2004	80
Colorado Big Thompson	Section 131	3/12/2004	10
Colorado Big Thompson	Section 131	3/12/2004	10
Colorado Big Thompson	Section 131	3/12/2004	3
Colorado Big Thompson	Section 131	3/12/2004	20
Colorado Big Thompson	Section 131	3/12/2004	23
Colorado Big Thompson	Section 131	3/12/2004	6
Colorado Big Thompson	Section 131	3/12/2004	46
Colorado Big Thompson	Section 131	3/12/2004	7
Colorado Big Thompson	Section 131	3/12/2004	15
Colorado Big Thompson	Section 131	3/12/2004	35
Colorado Big Thompson	Section 131	3/12/2004	175
Colorado Big Thompson	Section 131	3/12/2004	4
Colorado Big Thompson	Section 131	3/12/2004	16
Colorado Big Thompson	Section 131	3/12/2004	135
Colorado Big Thompson	Section 131	3/12/2004	33
Colorado Big Thompson	Section 131	3/12/2004	18
Colorado Big Thompson	Section 131	3/12/2004	3
Colorado Big Thompson	Section 131	3/12/2004	20
Colorado Big Thompson	Section 131	3/12/2004	34
Colorado Big Thompson	Section 131	3/12/2004	6
Colorado Big Thompson	Section 131	3/12/2004	2
Colorado Big Thompson	Section 131	3/11/2005	25
Colorado Big Thompson	Section 131	3/11/2005	5
Colorado Big Thompson	Section 131	3/11/2005	5
Colorado Big Thompson	Section 131	3/11/2005	50
Colorado Big Thompson	Section 131	3/11/2005	2
Colorado Big Thompson	Section 131	3/11/2005	1



Water Right Owned	Type	Class B/Section 131 Date	Allotments
Colorado Big Thompson	Section 131	3/11/2005	1
Colorado Big Thompson	Section 131	3/11/2005	2
Colorado Big Thompson	Section 131	3/11/2005	8
Colorado Big Thompson	Section 131	3/10/2006	2
Colorado Big Thompson	Section 131	3/10/2006	2
Colorado Big Thompson	Section 131	3/10/2006	43
Colorado Big Thompson	Section 131	3/10/2006	18
Colorado Big Thompson	Section 131	3/10/2006	1
Colorado Big Thompson	Section 131	3/10/2006	57
Colorado Big Thompson	Section 131	3/10/2006	29
Colorado Big Thompson	Section 131	3/10/2006	7
Colorado Big Thompson	Section 131	3/10/2006	20
Colorado Big Thompson	Section 131	3/10/2006	27
Colorado Big Thompson	Section 131	3/10/2006	2
Colorado Big Thompson	Section 131	3/10/2006	3
Colorado Big Thompson	Section 131	3/10/2006	2
Colorado Big Thompson	Section 131	3/9/2007	43
Colorado Big Thompson	Section 131	3/9/2007	1
Colorado Big Thompson	Section 131	3/9/2007	6
Colorado Big Thompson	Section 131	3/9/2007	1
Colorado Big Thompson	Section 131	3/9/2007	54
Colorado Big Thompson	Section 131	3/9/2007	98
Colorado Big Thompson	Section 131	3/9/2007	6
Colorado Big Thompson	Section 131	3/9/2007	10
Colorado Big Thompson	Section 131	3/14/2008	3
Colorado Big Thompson	Section 131	3/14/2008	4
Colorado Big Thompson	Section 131	3/14/2008	2
Colorado Big Thompson	Section 131	3/14/2008	2
Colorado Big Thompson	Section 131	3/14/2008	3
Colorado Big Thompson	Section 131	3/14/2008	1
Colorado Big Thompson	Section 131	3/14/2008	12
Colorado Big Thompson	Section 131	3/14/2008	1
Colorado Big Thompson	Section 131	3/14/2008	2
Colorado Big Thompson	Section 131	3/14/2008	100
Colorado Big Thompson	Section 131	3/14/2008	140
Colorado Big Thompson	Section 131	3/14/2008	21
Colorado Big Thompson	Section 131	3/13/2009	4
Colorado Big Thompson	Section 131	3/13/2009	34
Colorado Big Thompson	Section 131	3/12/2014	4
Colorado Big Thompson	Section 131	3/12/2014	70
Colorado Big Thompson	Section 131	3/12/2014	3
Colorado Big Thompson	Section 131	3/12/2014	16
Colorado Big Thompson	Section 131	3/12/2014	8
Colorado Big Thompson	Section 131	3/12/2014	8
Colorado Big Thompson	Section 131	3/12/2014	4
Colorado Big Thompson	Section 131	3/24/2016	8
			5103



# 2013

**Comprehensive Annual Financial Report**

December 31



# **TOWN OF FIRESTONE**

**FIRESTONE, COLORADO**

**Comprehensive Annual Financial Report  
For the Fiscal Year ended December 31, 2013**

Issued by the Town of Firestone, Finance Department

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**Town of Firestone, Colorado**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2013

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## **INTRODUCTORY SECTION**

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June 25, 2014

To the Honorable Mayor, members of the Board of Trustees, and Citizens of the Town of Firestone (the "Town"), state law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of the Town for the fiscal year ended December 31, 2013.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Anton Collins Mitchell LLP, a firm of licensed certified public accountants, has audited the Town's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2013 are free of material misstatement. The independent audit involved: examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that, based upon the audit, there was a reasonable basis for rendering an unqualified opinion that the Town's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Firestone's MD&A can be found immediately following the report of the independent auditor.

## **PROFILE OF THE TOWN OF FIRESTONE**

The Town, incorporated in 1908, is located on the northern fringe of the Denver metropolitan area of Colorado. The Town currently occupies a land planning area of approximately 47.2 square miles and serves a population of approximately 11,000. Firestone is located in Weld County. The Town is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board and voter approval. On April 2, 1996, the taxpayers approved a ballot question to remove the Taxpayer Bill of Rights (“TABOR”) limits that were imposed on the Town in 1992.

The Town has operated under the Trustees-Town Manager form of government since its first meeting as a statutory town. Policy-making and legislative authority are vested in the Board of Trustees (the “Board”), consisting of the mayor and six trustees. The Town’s Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Town’s manager, attorney, treasurer, and clerk. The Town’s manager is responsible for: carrying out the goals, policies, and ordinances of the Board; for overseeing the day-to-day operations of the Town; and for appointing the heads of the various departments. The Board is elected on a nonpartisan basis. The Mayor is elected for a two-year term and the Trustees are elected for four-year terms. The mayor and trustees are elected at-large.

The Town provides a full range of services including: police protection; construction and maintenance of streets, parks, trails, and open space; and stormwater and water utilities. Other utility services such as sewer, electricity, natural gas, and trash removal are provided by organizations not affiliated with the Town, and therefore, are not reported in the Town’s financial statements.

The annual budget serves as the foundation for the Town’s financial planning and control. All departments of the Town are required to submit requests for appropriation to the Town’s finance director on or about the last day of August each year. The finance director and town manager use these requests as the starting point for developing a proposed budget. The finance director then presents the proposed budget to the Board for review prior to October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15. The Town’s fiscal year is on a calendar year basis. The Town’s budget is prepared by fund (e.g. general); department (e.g. police); and division (e.g. patrol). However, the annual budget is appropriated and approved at the fund level only by the Board of Trustees and certified to the State of Colorado as such. Transfers of appropriations between funds require the approval of the Board.

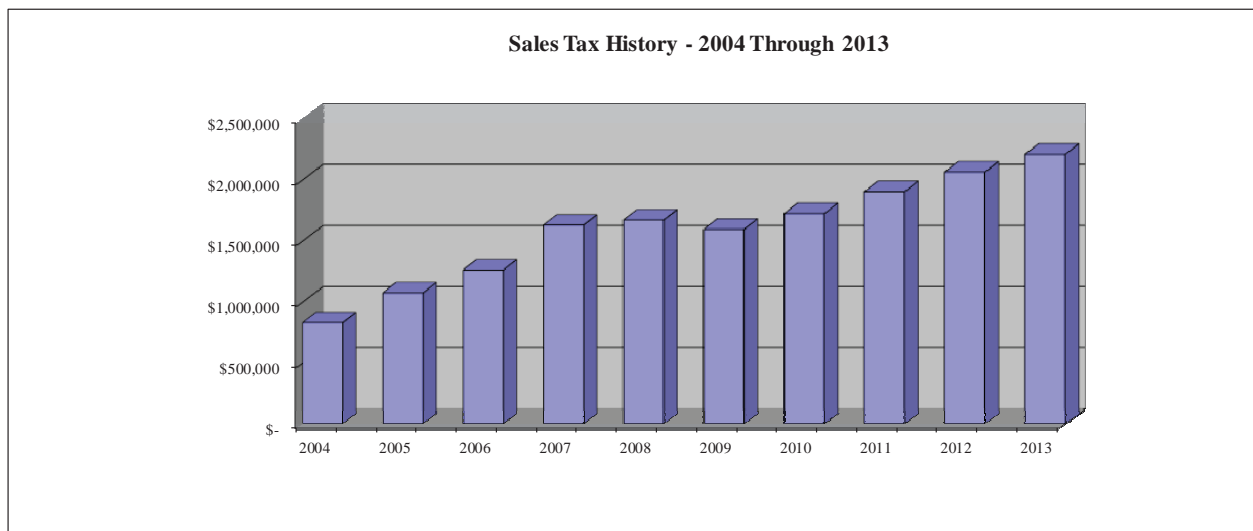
Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. As for the General, Highway, and Park Funds, these comparisons are presented on pages 61 to 63 as part of the required supplementary information. For all other governmental funds, the comparisons are presented in the other supplementary information subsection of this report, which begins on page 64.

## FACTORS AFFECTING FINANCIAL CONDITION

### LOCAL ECONOMY

The current adopted version of the Town's master plan was amended in 2010 and reflects the evolution of Firestone toward a high quality, family-oriented community within the overall context of a strategic front range location in the northern Denver metropolitan area. With this, Firestone's economy has become more diversified in recent years with employment in manufacturing, services, retail, government, banking, and construction sectors. In 2005, the Town reached an agreement with American Furniture Warehouse ("AFW") to construct a 550,000- square-foot retail center to anchor an 80-acre commercial development site. In 2006, the Town approved a Public Improvement Reimbursement Agreement ("PIRA") with THF Realty, Inc. that will reimburse the developers for offsite infrastructure improvements dedicated to the Town from pledged revenues where the sales tax would ordinarily be generated at that site. In 2008, an additional agreement related to the PIRA modified the reimbursement provisions for the portion of the site where two additional big box retail businesses are planned. In 2009, one of those big box sites was completed with a Home Depot store that opened in June 2009. In 2011, additional retail development adjacent to the Home Depot was completed with the opening of a fast food restaurant, and a development center for several future tenants. The Town anticipates that the remaining lots available in the area will be developed throughout the next several years.

Because of the growth of the Town's retail base, sales tax revenues have shown significant growth throughout the past ten years. The retail trade sector has steadily employed more of the Town's population in the past several years and significantly influences Firestone's economy. Below is a chart reflecting the increase in sales tax revenues throughout the last ten years (as of December of each year).



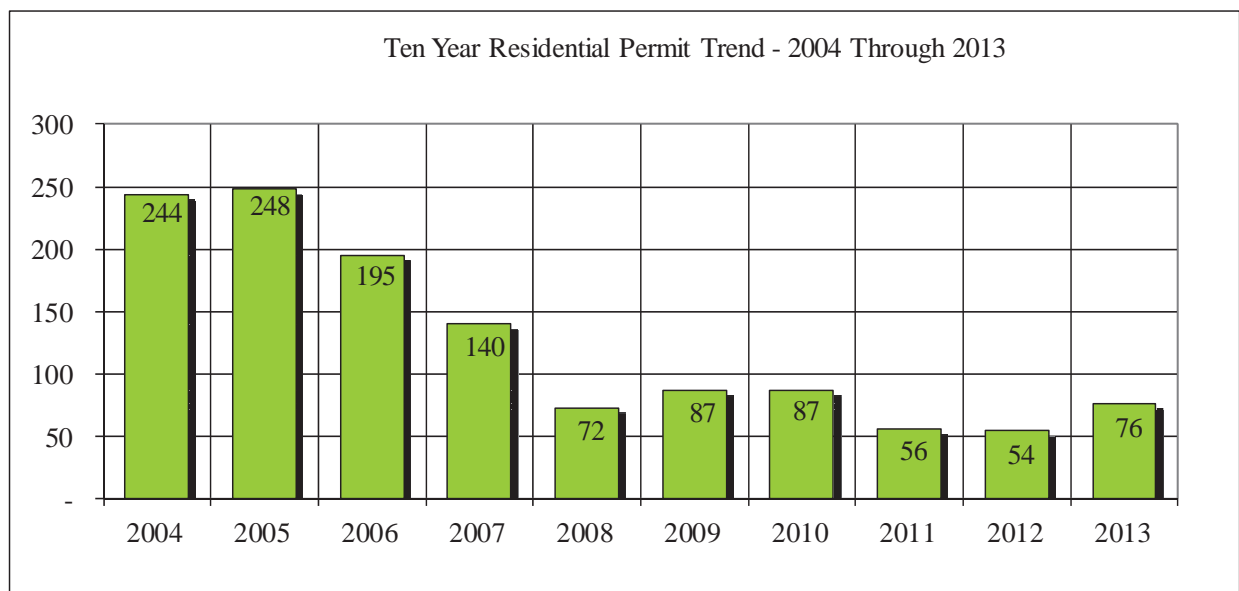
The Town's commercial property development slowed significantly in 2008, 2009, and 2010 following several years of rapid growth. This is in line with the national and regional

economic recession. While a number of Colorado municipalities have experienced actual declines in sales tax revenue during the 2008 through 2010 recession, Firestone has experienced a small growth in 2010 through 2013.

The Town is currently working to increase the number and variety of businesses throughout the community, including initiatives to enhance the economic success of historic Old Town Firestone. The table below details the change in the Town's total taxable assessed value (AV) for the past ten years.

AV year / Year Levied	Assessed Valuation
2004 / 2005	\$ 69,416,870
2005 / 2006	\$ 83,287,660
2006 / 2007	\$ 96,612,970
2007 / 2008	\$ 114,332,430
2008 / 2009	\$ 118,208,020
2009 / 2010	\$ 132,642,530
2010 / 2011	\$ 116,860,720
2011 / 2012	\$ 131,980,920
2012 / 2013	\$ 142,320,680
2013 / 2014	\$ 135,196,793

The community has experienced a significant slowdown in residential construction building permits throughout the past ten years, as seen in the chart below. The Town expects this to continue for the foreseeable future as the national and state housing markets continue to work through the mortgage crises and valuation adjustments. The table below sets forth single family building permits for the past ten years:



## **LONG-TERM PLANNING**

The Board and management are currently working on a major project that will impact the Town's financial position. In 2005, the Board indicated its desire to pursue participation in Northern Integrated Supply Project ("NISP") for future water needs. NISP is a joint project to develop water storage and supply facilities for a large group of water providers in the region. The Town is tentatively expecting a revenue bond debt issue or multiple debt issues to cover the costs associated with the project. The timing of such debt issuance is anticipated to occur within the next few years. As part of the planning for the financing of the NISP, the Town undertook a water rate study in 2008 that led to rate changes in early 2009 to better recover the cost of providing water service operating and capital needs including NISP. During 2011, the Town completed a water rate study and put in place the recommended rates effective January 1, 2012.

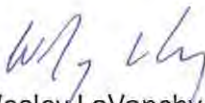
The Town continuously monitors the status of its budget and conducts a formal mid-year budget review for the Board. The Town plans to make adjustments, as warranted, including expense reductions and deferrals in response to the significant downturn in building and its subsequent effect on current and future revenues.

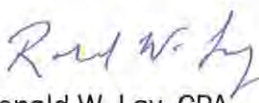
## **AWARDS AND ACKNOWLEDGMENTS**

For the seventh year in a row, the Town of Firestone was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association ("GFOA") for its Comprehensive Annual Financial Statements ("CAFR") for fiscal year end December 31, 2012. In order to qualify for the award, the Town's CAFR document must be judged to be proficient in various categories including: financial statement presentation, management's discussion and analysis, footnote disclosure, other supplementary financial and statistical information.

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administrative departments. We would also like to thank Randy Watkins, of Anton Collins Mitchell LLP, and staff for their valuable input, able assistance, and the professional manner in which the audit engagement was performed. Credit also must be given to the Mayor and the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Firestone's finances.

Respectfully submitted,

  
Wesley LaVanchy  
Town Manager

  
Ronald W. Lay, CPA  
Director of Finance



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Government Finance Officers Association

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**Town of Firestone  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

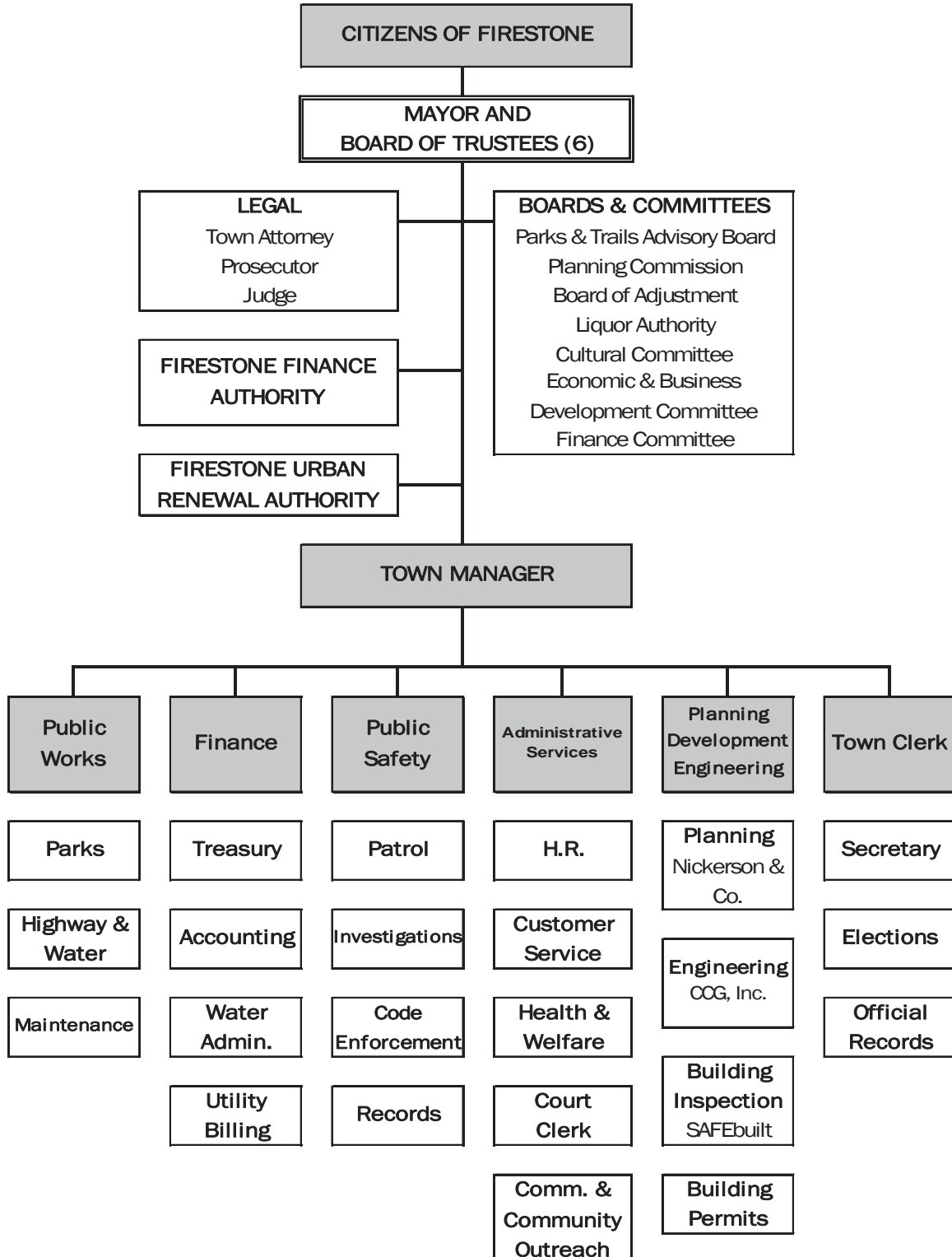
Executive Director/CEO

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# TOWN OF FIRESTONE

## Organization Chart - by Function

As of December 31, 2013



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## **MAYOR AND BOARD OF TRUSTEES**

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Mayor .....	Chad Auer
Mayor Pro-tem .....	Paul Sorensen
Trustee .....	George Heath
Trustee .....	Bobbi Sindelar
Trustee .....	Darrell Walsh
Trustee .....	Matt Holcomb
Trustee .....	Jennifer Weinberger
Town Manager .....	Wesley LaVanchy

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## **TOWN OF FIRESTONE STAFF**

---

Director of Finance/Town Treasurer..... Ron Lay

Human Resources Director .....Pascale Pring

Office/Human Resources Assistant..... April Smith

Senior Accountant..... Alison Westerhold

Accountant .....Linda O’Keefe

Town Clerk ..... Carissa Medina

Public Works Director ..... Theo Abkes

Public Works Administrative Assistant .....Brenda Montoya

Communications & Community Outreach Coordinator .....Kristi Ritter

Planning Coordinator .....Rebecca Toberman

Building Permit Technician..... Tracy Case

Utility Billing Clerk ..... Julie Pasillas

Town Planner..... Bruce Nickerson, Nickerson & Co.

Town Engineer..... Dave Lindsay, CCG, Inc.

Town Attorney.....Sam Light, Light | Kelly, PC

Building Inspections..... SAFEbuilt, Inc.

### **Firestone Police Department Staff**

Chief of Police .....David Montgomery

Police Commander.....Bryce Borders

Municipal Court Clerk .....Beverly Medina

Police Records Clerk..... Debbie Pittman

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## **FINANCIAL SECTION**

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## **Independent Auditor's Report**

Honorable Mayor and Members  
of the Town Board of Trustees  
Town of Firestone, Colorado

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 Firestone, Colorado (the "Town") as of December 31, 2013, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements.***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the 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 Firestone as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16, and the budgetary comparison information on Pages 61 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, capital asset information, statistical section, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison information, capital asset information, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 such 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 taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Anton Collins Mitchell LLP*

Greeley, Colorado  
June 25, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

As management of the Town of Firestone (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Firestone for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **BACKGROUND INFORMATION**

The Town was incorporated in 1908. For accounting purposes the Town uses twelve basic funds: the General Fund, five Special Revenue Funds, one Capital Improvements Fund, two Debt Service Funds, two Enterprise Funds, and one Fiduciary Fund that was closed in 2013.

On April 2, 1996, the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992. The mill levy for 2013 was set at 6.245 mills for general operations and .560 mills for debt service for a total mill levy of 6.805 mills.

### **FINANCIAL HIGHLIGHTS**

- The Town's total reported net working capital increased by \$970,190 (or 9.05 percent) from December of 2012 to December of 2013. Total net working capital increased in both the governmental and business-type activities by \$163,226 and \$806,964, respectively.
- General revenues account for \$5,364,444 or 50.64 percent of total revenues. The Town had \$5,229,013 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions. \$4,231,224 (or 80.92 percent) of the 2013 program specific revenues were derived from charges for services.
- The Town had \$7,804,907 in expenses related to governmental activities, which were offset by program specific charges for services and operating and capital grants and contributions of \$2,059,890: General revenues consisting of property taxes and specific ownership taxes of \$1,069,127: sales and use taxes of \$2,973,413, other revenues of \$1,326,779, and the planned use of reserves were adequate to provide for these programs.
- The Town had water and stormwater service income totaling \$2,567,456 with operating and capital grants and contributions totaling \$601,667. The cost of providing services totaled \$2,143,398.
- Outlays for capital assets were construction of street, water and storm water infrastructure; improvements to various parks; acquisition of police vehicles and equipment, public works equipment and information technology equipment. See the Capital Assets section of this management's discussion and analysis for more information.
- The Town's governmental funds have three capital leases outstanding which total \$100,542 at December 31, 2013.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- The Town has a long-term lease commitment to the Firestone Finance Authority in the amount of \$1,445,000, shown in the financial statements as certificates of participation debt.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This comprehensive annual financial report consists of five parts: letter of transmittal, management's discussion and analysis, the basic financial statements, supplementary information, and a statistical section. The basic financial statements include two kinds of statements that present different views of the Town.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the Town's overall financial statements.
- The governmental funds statements tell how basic services such as general government, public safety, public works, etc., were financed in the short-term, as well as what remains for future spending.
- The proprietary fund is presented as a business-type activity in the government-wide financial statements. The Town has two enterprise funds; the water fund and the stormwater fund.
- Fiduciary funds statements provide information about the financial relationships in which the Town acts solely as a trustee or agent for the benefit of others. The Town does not have a fiduciary fund at December 31, 2013.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the financial statements with a comparison of the Town's budget for the year. Detailed in the following diagram is how the various parts of this annual report are arranged and related to one another.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**TABLE 1**  
**Organization of the Town's Comprehensive Annual Financial Report**

Section	Included in Audit Opinion	Document
Introductory Section		Letter of Transmittal - from Management
Financial Section	Audit Report	Independent Auditor's Report
	Limited procedures performed by auditor. Disclaimer of opinion	Management's Discussion and Analysis
Financial Statements	Audited Information	Government Wide Financial Statements
		Fund Financial Statements
		Notes to the Financial Statements
		Supplementary Information
		Capital Assets
Statistical Section		Statistical Information
Compliance	Audited Information	Local Highway Finance Report

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2 summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover, and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements (government-wide and fund) found in the basic financial statements.

**TABLE 2**  
**MAJOR FEATURES OF THE FINANCIAL STATEMENTS**

	<b>Government-Wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<b>Scope</b>	Entire Town (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary	Activities the Town operates similar to private businesses: water and stormwater services
<b>Required Financial Statements</b>	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position  Statement of Revenues, Expenses and Changes in Net Position  Statement of Cash Flows
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### GOVERNMENT WIDE FINANCIAL STATEMENTS

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The Town's government wide financial statements are designed to provide readers a broad overview of the Town's finances in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the Town's overall financial status. All of the current year's revenues and expenses are accounted for on the full accrual basis in the statement of net position and the statement of activities regardless of when cash is received or paid.

- The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as net position. Throughout time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the Town's overall health, consideration should be given to additional non-financial factors such as the condition of buildings and equipment and the associated cost of repairs.
- The *statement of activities* presents information showing how the government'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 are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the Town's government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) and those that are principally supported by user fees (business activities). Included in governmental activities are most of the Town's basic services, such as general government, public safety, public works, etc. The basic government wide financial statements can be found on pages 17 to 19 of this report.

### FUND FINANCIAL STATEMENTS

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The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or major funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. The Town funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds:** Most of the Town's basic services are included in governmental funds, which generally focus on: (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end, which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the Towns' programs. Because this information does not encompass the long-term focus of the Towns' statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The basic governmental fund financial statements can be found on pages 20 to 25 of this report.

**Proprietary Funds:** The Town of Firestone maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Firestone uses enterprise funds to account for its water and stormwater operations.

- Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water operation, which is considered to be a major fund of the Town, and the stormwater operation, which is also considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 26 to 29 of this report.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town is responsible for ensuring that the assets reported in these funds are used only for the intended purposes and by those to whom the assets belong. The Town excludes these activities from the Towns' financial statements because it cannot use these assets to finance its operations.

- The Town has historically had one fiduciary fund, the Old Hire Pension Fund. This fund was closed in 2013 due to the death of the sole surviving beneficiary of the plan; any remaining amounts in this fund were transferred to the General Fund.

## NOTES TO THE FINANCIAL STATEMENTS

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The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes to the financial statements can be found on pages 30 to 60 of this report.

## OTHER INFORMATION

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In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes the supplemental data required for non-major fund information and budgetary comparison schedules.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

#### NET POSITION AND CHANGES IN NET POSITION

The Town's combined net position was greater on December 31, 2013 than the prior year, increasing by 0.7 percent to \$92,568,581. The increase is nominal. Table 3 provides a summary of the Town's net position at December 31, 2013 with comparisons to 2012. For more information see the Statement of Net Position contained within this report.

**TABLE 3**  
**CONDENSED STATEMENT OF NET POSITION**

	Governmental Activities		Business Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current Assets	\$ 7,597,324	\$ 7,025,509	\$ 5,119,741	\$ 4,382,185	\$ 12,717,065	\$ 11,407,694
Capital Assets, net	29,430,214	30,249,629	54,223,234	53,989,020	83,653,448	84,238,649
<b>Total Assets</b>	<b>\$ 37,027,538</b>	<b>\$ 37,275,138</b>	<b>\$ 59,342,975</b>	<b>\$ 58,371,205</b>	<b>\$ 96,370,513</b>	<b>\$ 95,646,343</b>
<b>Liabilities</b>						
Current Liabilities	\$ 824,626	\$ 416,037	\$ 206,657	\$ 276,065	\$ 1,031,283	\$ 692,102
Long-term Liabilities	1,668,870	1,900,944	181,774	161,446	1,850,644	2,062,390
<b>Total Liabilities</b>	<b>\$ 2,493,496</b>	<b>\$ 2,316,981</b>	<b>\$ 388,431</b>	<b>\$ 437,511</b>	<b>\$ 2,881,927</b>	<b>\$ 2,754,492</b>
<b>Deferred Inflows of Resources</b>						
Unearned Revenue	\$ 920,005	\$ 968,422	\$ -	\$ -	\$ 920,005	\$ 968,422
<b>Deferred Inflows of Resources</b>	<b>\$ 920,005</b>	<b>\$ 968,422</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 920,005</b>	<b>\$ 968,422</b>
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 27,884,672	\$ 28,453,663	\$ 54,207,452	\$ 53,954,280	\$ 82,092,124	\$ 82,407,943
Restricted	360,606	319,783	-	-	360,606	319,783
Unrestricted	5,368,759	5,216,289	4,747,092	3,979,414	10,115,851	9,195,703
<b>Total Net Position</b>	<b>\$ 33,614,037</b>	<b>\$ 33,989,735</b>	<b>\$ 58,954,544</b>	<b>\$ 57,933,694</b>	<b>\$ 92,568,581</b>	<b>\$ 91,923,429</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 4 provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**TABLE 4**  
**CHANGES IN NET POSITION FROM OPERATING RESULTS**

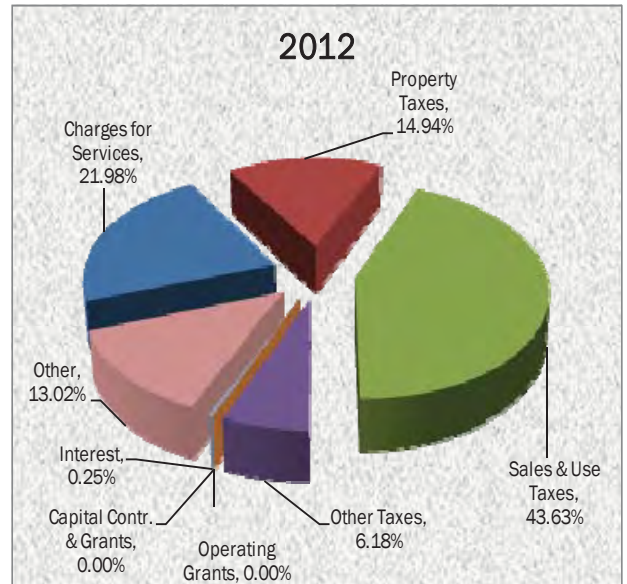
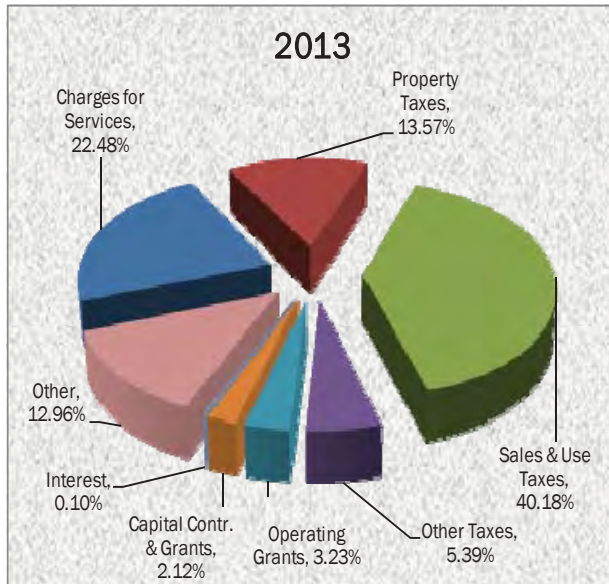
	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total Primary Government</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>						
<u>Program Revenues</u>						
Charges for Services	\$ 1,663,768	\$ 1,351,831	\$ 2,567,456	\$ 2,865,025	\$ 4,231,224	\$ 4,216,856
Operating Grants	238,962	-	6,064	26,067	245,026	26,067
Capital Grants and Contributions	157,160	-	595,603	61,900	752,763	61,900
<u>General Revenues</u>						
Property Taxes	1,004,357	918,897	-	-	1,004,357	918,897
Sales and Use Taxes	2,973,413	2,683,817	-	-	2,973,413	2,683,817
Franchise Taxes	396,128	380,273	-	-	396,128	380,273
Earnings on investments	7,362	15,411	10,433	9,155	17,795	24,566
Other	959,216	800,773	13,535	4,352	972,751	805,125
<b>Total Revenues</b>	<b>\$ 7,400,366</b>	<b>\$ 6,151,002</b>	<b>\$ 3,193,091</b>	<b>\$ 2,966,499</b>	<b>\$ 10,593,457</b>	<b>\$ 9,117,501</b>
<b>Expenses</b>						
General Government	\$ 1,835,993	\$ 1,322,245	\$ -	\$ -	\$ 1,835,993	\$ 1,322,245
Public Safety	2,272,091	2,266,759	-	-	2,272,091	2,266,759
Public Works	2,554,525	2,445,606	-	-	2,554,525	2,445,606
Health and Welfare	174,160	96,785	-	-	174,160	96,785
Economic Development	72,636	65,143	-	-	72,636	65,143
Parks	837,008	774,910	-	-	837,008	774,910
Interest on Long-Term Debt	58,494	70,203	-	-	58,494	70,203
Water/Stormwater	-	-	2,143,398	2,155,073	2,143,398	2,155,073
<b>Total Expenses</b>	<b>\$ 7,804,907</b>	<b>\$ 7,041,651</b>	<b>\$ 2,143,398</b>	<b>\$ 2,155,073</b>	<b>\$ 9,948,305</b>	<b>\$ 9,196,724</b>
<b>Revenues less Expenses</b>	<b>\$ (404,541)</b>	<b>\$ (890,649)</b>	<b>\$ 1,049,693</b>	<b>\$ 811,426</b>	<b>\$ 645,152</b>	<b>\$ (79,223)</b>
<b>Transfers</b>	<b>28,843</b>	<b>(28,871)</b>	<b>(28,843)</b>	<b>28,871</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ (375,698)</b>	<b>\$ (919,520)</b>	<b>\$ 1,020,850</b>	<b>\$ 840,297</b>	<b>\$ 645,152</b>	<b>\$ (79,223)</b>

The change in net position shown in Table 4 for the total primary government includes transfers. The Town, for 2012 and 2013, had no contributions to endowments or permanent funds, special items or extraordinary items to report in the financial statements.

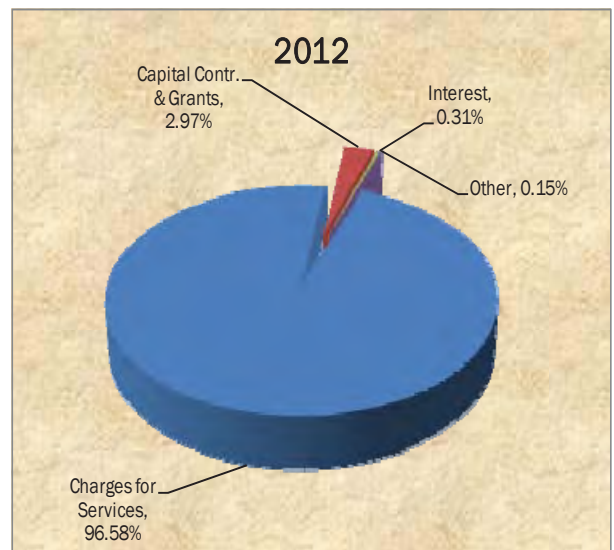
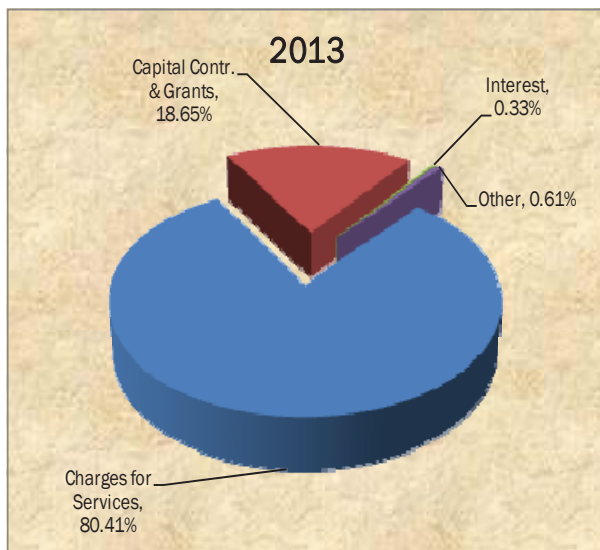
## MANAGEMENT'S DISCUSSION AND ANALYSIS

Detailed below in Tables 5 and 6 are charts displaying revenues by sources for the governmental and business-type activities of the Town.

**TABLE 5**  
**SOURCES OF REVENUES BY COMPARATIVE YEARS: GOVERNMENTAL ACTIVITIES**



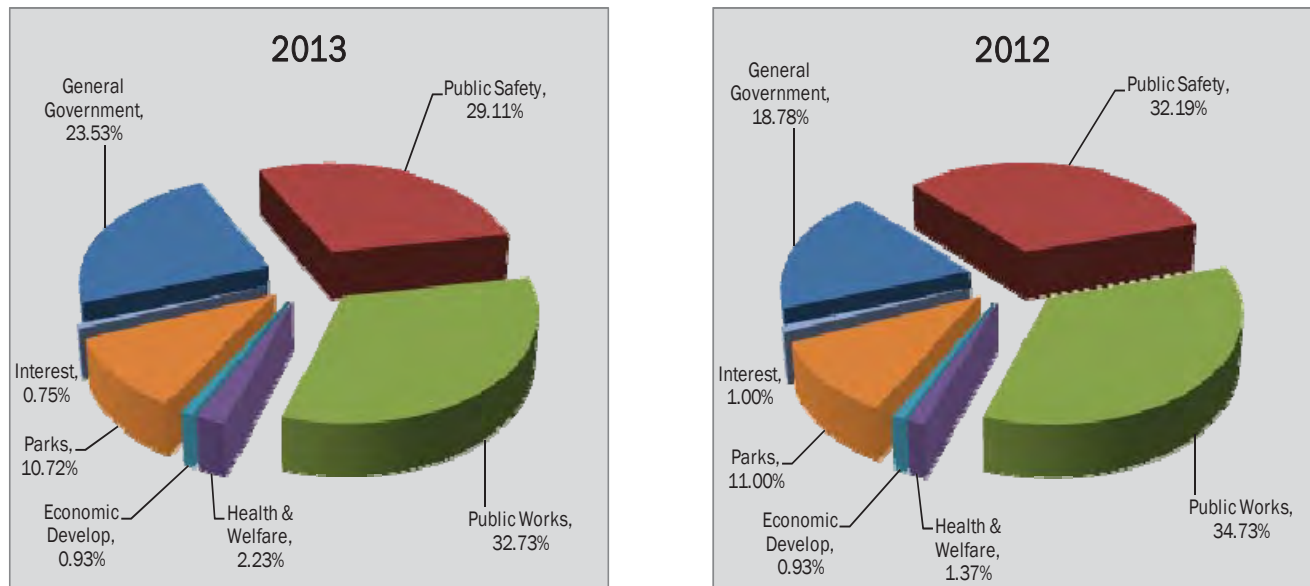
**TABLE 6**  
**SOURCES OF REVENUES BY COMPARATIVE YEARS: BUSINESS-TYPE ACTIVITIES**



Detailed below in Table 7 are charts displaying the percentage of program expenses for 2012 and 2013 for the governmental activities of the Town.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**TABLE 7**  
**EXPENSES BY COMPARATIVE YEARS: GOVERNMENTAL ACTIVITIES**



### GOVERNMENTAL ACTIVITIES

The \$375,698 decrease in net position for governmental activities in 2013 is primarily due to the planned use of reserves to cover operating expenses.

The statement of activities shows the cost of program services and the related charges for services and the related operating grants and contributions offsetting those costs. Table 8 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

**TABLE 8**  
**NET COST OF GOVERNMENTAL ACTIVITIES**

	2013		2012
	Total Cost of Service	Net Cost of Service	Net Cost of Service
General Government	\$ 1,835,993	\$ 1,318,102	\$ 1,184,530
Public Safety	2,272,091	2,073,458	2,065,998
Public Works	2,554,525	1,268,639	1,547,685
Health and Welfare	174,160	174,160	96,785
Economic Development	72,636	72,636	65,143
Parks	837,008	779,528	659,476
Interest on Long-Term Debt	58,494	58,494	70,203
<b>Total</b>	<b>\$7,804,907</b>	<b>\$5,745,017</b>	<b>\$5,689,820</b>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **FINANCIAL ANALYSIS OF TOWN FUNDS**

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#### **GENERAL FUND**

The purpose of the general fund is to account for the routine operational activities of the Town. This fund provides for functional areas of the organization such as: general government, public safety, public works, etc. The primary funding sources for the general fund are sales and property tax revenues, fines, and charges for services provided.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The Town's final budget for the general fund anticipated that expenditures would exceed revenues by \$138,829. The actual results for the year show revenues exceeding expenditures by \$362,563. Revenue exceeded budget by \$358,202 which allowed for all uses of those funds as budgeted. This excess revenue will be used in future years.

It should be noted that the Town's budget format is designed to establish and monitor divisional functions of the Town's operations to more closely align expenses with the areas of responsibility. The actual approval of appropriations by the Board of Trustees is at the fund level and the divisional functions used in the budget are for presentation and management control purposes. These divisions are set up as cost centers for accountability in each of the following areas:

- General Government
- Public Safety
- Public Works
- Health and Welfare
- Economic Development
- Parks and Open Space

The Town must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2013 the Town's TABOR reserve amounted to \$207,290.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### CAPITAL ASSETS

By the end of 2013, the Town had invested \$83,653,448, net of accumulated depreciation, in a broad range of capital assets for its governmental and business-type activities including: land, buildings, site improvements, vehicles and other equipment (See Table 9 below). This amount represents a net decrease of \$585,201 (or 0.69 percent) from last year. Additional information on The Town's capital assets can be found in Note 5 to the financial statements. Total depreciation expense for the year was \$2,303,145 in the governmental activities and \$384,904 in the Town's business-type activities.

**TABLE 9**  
**CAPITAL ASSETS (NET OF DEPRECIATION)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$ 6,017,310	\$ 5,965,810	\$ 99,121	\$ 99,121	\$ 6,116,431	\$ 6,064,931
Water Shares	-	-	40,610,164	40,610,164	40,610,164	40,610,164
Construction in Progress	364,298	441,048	461,603	719,866	825,901	1,160,914
Land Improvements	2,821,332	3,090,398	-	-	2,821,332	3,090,398
Buildings and Improvements	935,567	913,304	-	-	935,567	913,304
Streets and Storm Drainage	18,644,910	19,208,894	-	-	18,644,910	19,208,894
Utility Systems	-	-	12,782,943	12,400,193	12,782,943	12,400,193
Machinery and Equipment	646,797	630,175	269,403	159,674	916,200	789,849
<b>Total</b>	<b>\$29,430,214</b>	<b>\$30,249,629</b>	<b>\$54,223,234</b>	<b>\$53,989,018</b>	<b>\$83,653,448</b>	<b>\$84,238,647</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### LONG-TERM DEBT

At year end, the Town had \$100,542 of outstanding governmental fund capital leases, and \$15,782 of outstanding capital leases in the business-type fund. In addition, the Town had a Certificate of Participation outstanding totaling \$1,445,000. General obligation bonds were paid in full for the governmental funds during 2013. For 2013, the Town experienced a 12.28 percent decrease overall in outstanding debt from 2012.

**TABLE 10  
OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000
Certificate of Participation	1,445,000	1,535,000	-	-	1,445,000	1,535,000
Capital Leases	100,542	190,966	15,782	34,740	116,324	225,706
Compensated Absences	123,328	99,985	28,712	22,454	152,040	122,439
<b>Total</b>	<b>\$1,668,870</b>	<b>\$1,895,951</b>	<b>\$ 44,494</b>	<b>\$ 57,194</b>	<b>\$1,713,364</b>	<b>\$1,953,145</b>

Colorado Revised Statute 31-15-302(1)(d)(II) states that a municipality's total amount of indebtedness for all purposes shall not at any time exceed 3 percent of actual value, except for such debt as may be incurred in supplying water. The Town's outstanding debt is below this limit. Please see Note 6 in the notes to the financial statements and the statistical section of the CAFR for more details.

### FIDUCIARY FUND ACTIVITIES

#### PENSION FUND

The Old Hire Pension Fund was established and continually funded to provide for the provision of retirement pension benefit for the police officer that was hired by the Town prior to April 8, 1978. The sole police officer within the plan is now deceased and the sole surviving spouse died during 2013. As such, this fund was closed during 2013.

#### FACTORS BEARING ON THE TOWN'S FUTURE

At the time these financial statements were prepared and audited, the Town was aware of the following circumstances that could significantly affect its financial health in the future:

- The Town's budget for 2014 incorporates general property tax revenue of \$920,005 (based on a net assessed valuation for the Town of \$135,196,793 and a mill levy of 6.805 mills for operations) with a budget of \$14,448,139 in expenditures for 2014.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- During 2008, the Town completed the initial formation and partial funding of several reserve funds for purposes of funding future repair and replacement needs for Town infrastructure. Initial funding via intrafund transfers to these repair and replacement funds took place in 2008 and continued for 2009. There was no funding budgeted for between 2010 and 2013; however, the Town continues to evaluate the future costs related to renewal and replacement of capital facilities. These reserve accounts have been included in the General Fund as assigned for reporting purposes.
- There are several factors that drive the Town's budget and financial performance. The factors include but are not limited to the following: area employment rates, sales and use tax revenues, building permit valuation and issuance, population growth, and capital asset construction requirements.
- Currently, the Town's residential building permit valuation and issuance drives a significant part of the budget revenue for corresponding capital expenditures. The Town receives capital revenues from impact fees and water tap fees during the fiscal year, which will be utilized in future years to acquire or construct capital assets to serve future residents. A significant decrease in housing permits would have significant adverse effect on impact fee revenues and corresponding capital projects. The Town budgets for impact fees according to current market trends.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

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This financial report is designed to provide the Town's officials, citizens, taxpayers, parents, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director at the Town of Firestone, Finance Department, 151 Grant Avenue, P.O. Box 100, Firestone, Colorado 80520-0100.

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## **BASIC FINANCIAL STATEMENTS**

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**Town of Firestone**  
Firestone, Colorado  
**Statement of Net Position**  
December 31, 2013

	Primary Government		
	Govern- mental Activities	Business- Type Activities	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,011,391	\$ 4,886,648	\$ 10,898,039
Receivables	1,558,086	175,896	1,733,982
Other Current Assets	27,847	57,197	85,044
Capital Assets (Net of Accumulated Depreciation):			
Land and Water Shares	6,017,310	40,709,285	46,726,595
Construction in Progress	364,298	461,603	825,901
Land Improvements	2,821,332	-	2,821,332
Buildings and Improvements	935,567	-	935,567
Streets & Storm Drainage	18,644,910	-	18,644,910
Utility Systems	-	12,782,943	12,782,943
Equipment & Vehicles	646,797	269,403	916,200
<b>Total Assets</b>	<b>37,027,538</b>	<b>59,342,975</b>	<b>96,370,513</b>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	303,904	205,558	509,462
Accrued Interest Payable	6,473	1,099	7,572
Developer Deposits	514,249	-	514,249
Noncurrent Liabilities:			
Accrued Compensated Absences	123,328	28,712	152,040
Customer Deposits	-	137,280	137,280
Due Within One Year	168,935	15,782	184,717
Due in Greater Than One Year	1,376,607	-	1,376,607
<b>Total Liabilities</b>	<b>2,493,496</b>	<b>388,431</b>	<b>2,881,927</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unearned Revenue	920,005	-	920,005
<b>Total Deferred Inflow of Resources</b>	<b>920,005</b>	<b>-</b>	<b>920,005</b>
<b>NET POSITION</b>			
Net Investment In Capital Assets	27,884,672	54,207,452	82,092,124
Restricted for Emergencies	207,290	-	207,290
Restricted for Parks and Recreation	153,316	-	153,316
Unrestricted	5,368,759	4,747,092	10,115,851
<b>Total Net Position</b>	<b>\$ 33,614,037</b>	<b>\$ 58,954,544</b>	<b>\$ 92,568,581</b>

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



**Town of Firestone**  
Firestone, Colorado  
**Statement of Activities**  
Year Ended December 31, 2013

Functions / Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contrib.	Capital Contrib.
Governmental Activities:				
General Government	\$ 1,835,993	\$ 437,671	\$ 28,720	\$ 51,500
Public Safety	2,272,091	170,871	27,762	-
Public Works	2,554,525	1,055,226	125,000	105,660
Health and Welfare	174,160	-	-	-
Economic Development	72,636	-	-	-
Parks and Open Space	837,008	-	57,480	-
Interest on Long-Term Debt	58,494	-	-	-
<b>Total Government Activities</b>	<b>7,804,907</b>	<b>1,663,768</b>	<b>238,962</b>	<b>157,160</b>
Business Type Activities:				
Water	2,079,861	2,452,756	6,064	595,603
Stormwater	63,537	114,700	-	-
<b>Total Business-Type Activities</b>	<b>2,143,398</b>	<b>2,567,456</b>	<b>6,064</b>	<b>595,603</b>
Total Town Government	<b>\$ 9,948,305</b>	<b>\$ 4,231,224</b>	<b>\$ 245,026</b>	<b>\$ 752,763</b>

**General Revenues**

Taxes:

Property Taxes Levied for General Purposes  
Property Taxes Levied for Debt Service  
Property Taxes Levied for Urban Renewal  
Specific Ownership Taxes  
Sales and Use Tax  
Highway Users, Road & Bridge, Motor Vehicle Taxes  
Franchise Taxes  
Other Taxes  
Earnings on Investments  
Miscellaneous  
Transfers

**Total General Revenues and Transfers**

Changes in Net Position

Net Position at Beginning of Year

Net Position at Ending of Year

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

Net (Expense) Revenue and Changes in Net Position		
Govern- mental Activities	Business- Type Activities	TOTAL
\$ (1,318,102)	\$ -	\$ (1,318,102)
(2,073,458)	-	(2,073,458)
(1,268,639)	-	(1,268,639)
(174,160)	-	(174,160)
(72,636)	-	(72,636)
(779,528)	-	(779,528)
(58,494)	-	(58,494)
<u>(5,745,017)</u>	<u>-</u>	<u>(5,745,017)</u>
-	974,562	974,562
-	51,163	51,163
<u>-</u>	<u>1,025,725</u>	<u>1,025,725</u>
<u>(5,745,017)</u>	<u>1,025,725</u>	<u>(4,719,292)</u>
892,840	-	892,840
79,607	-	79,607
31,910	-	31,910
64,770	-	64,770
2,973,413	-	2,973,413
485,282	-	485,282
396,128	-	396,128
230,173	-	230,173
7,362	10,433	17,795
178,991	13,535	192,526
28,843	(28,843)	-
<u>5,369,319</u>	<u>(4,875)</u>	<u>5,364,444</u>
(375,698)	1,020,850	645,152
33,989,735	57,933,694	91,923,429
<u>\$ 33,614,037</u>	<u>\$ 58,954,544</u>	<u>\$ 92,568,581</u>

**Town of Firestone**  
Firestone, Colorado  
**Balance Sheet**  
**Governmental Funds**  
December 31, 2013

	General	Highway	Parks
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,539,448	\$ 538,614	646,963
Cash with Fiscal Agent	39,893	28,033	-
Receivables	1,371,924	168,142	-
Due From Other Funds	-	-	-
Prepaid Items	27,847	-	-
<b>Total Assets</b>	<b>\$ 3,979,112</b>	<b>\$ 734,789</b>	<b>\$ 646,963</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 125,166	\$ 54,529	\$ 11,716
Accrued Payables	100,003	12,106	-
Due To Other Funds	117	-	-
Developer Deposits	514,249	-	-
<b>Total Liabilities</b>	<b>739,535</b>	<b>66,635</b>	<b>11,716</b>
<b>Deferred Inflows of Resources:</b>			
Unearned Revenue	920,005	-	-
<b>Total Deferred Inflows of Resources</b>	<b>920,005</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable for Prepaid Items	27,847	-	-
Restricted for Emergencies	207,290	-	-
Restricted for Parks and Recreation	-	-	-
Committed for Capital Improvements	-	-	-
Assigned Fund Balance	62,084	668,154	635,247
Unassigned Fund Balance	2,022,351	-	-
<b>Total Fund Balances</b>	<b>2,319,572</b>	<b>668,154</b>	<b>635,247</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,979,112</b>	<b>\$ 734,789</b>	<b>\$ 646,963</b>

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

Capital Improvement	Other Govt. Funds	Total Govt. Funds
\$ 1,984,022	\$ 234,418	\$ 5,943,465
-	-	67,926
-	18,020	1,558,086
-	117	117
-	-	27,847
<u>\$ 1,984,022</u>	<u>\$ 252,555</u>	<u>\$ 7,597,441</u>

\$ -	\$ 384	\$ 191,795
-	-	112,109
-	-	117
-	-	514,249
<u>-</u>	<u>384</u>	<u>818,270</u>

-	-	920,005
<u>-</u>	<u>-</u>	<u>920,005</u>

-	-	27,847
-	-	207,290
-	153,316	153,316
1,984,022	-	1,984,022
-	98,855	1,464,340
-	-	2,022,351
<u>1,984,022</u>	<u>252,171</u>	<u>5,859,166</u>
<u>\$ 1,984,022</u>	<u>\$ 252,555</u>	<u>\$ 7,597,441</u>

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**Town of Firestone**  
Firestone, Colorado  
**Reconciliation of the Governmental Funds**  
**Balance Sheet with the Government-wide Statement of Net Position**  
December 31, 2013

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds	\$ 5,859,166
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Cost of Capital Assets	\$ 52,047,945	
Accumulated Depreciation	<u>(22,617,731)</u>	
		29,430,214

Long-term liabilities, including certificates of participation, are not due and payable from current financial resources, and therefore, are not reported as liabilities in the governmental funds.

Long term liabilities at year end consist of:

Certificates of Participation	\$ (1,445,000)	
Capital Leases Payable	(100,542)	
Accrued Interest Payable	<u>(6,473)</u>	
		(1,552,015)

Accrued compensated absences are not due and payable from current financial resources, and therefore, are not reported in the governmental funds.

(123,328)

Total Net Position - Governmental Activities	<u><u>\$ 33,614,037</u></u>
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The accompanying notes are an integral part of these financial statements.

**Town of Firestone**  
Firestone, Colorado  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Governmental Funds**  
Year Ended December 31, 2013

	General	Highway	Parks
<b>REVENUES</b>			
Taxes and Impact Fees	\$ 4,438,934	\$ 551,583	\$ -
Licenses and Permits	381,421	-	56,250
Intergovernmental	56,482	125,000	-
Charges for Services	-	143,044	-
Fines	170,871	-	-
Investment Earnings	2,117	810	1,584
Miscellaneous	150,880	6,486	21,475
<b>Total Revenues</b>	<b>5,200,705</b>	<b>826,923</b>	<b>79,309</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General Government	1,638,148	49,458	15,674
Public Safety			
Police	1,982,462	-	-
Building Inspection	208,492	-	-
Public Works (Roads, Facilities, etc)	80,495	644,953	-
Parks and Open Space	461,215	-	6,262
Health & Welfare	174,160	-	-
Economic Development	72,636	-	-
<b>Capital Outlay</b>	<b>263,955</b>	<b>964,166</b>	<b>147,048</b>
<b>Debt Service:</b>			
Principal	72,104	18,320	-
Interest	3,098	1,180	-
<b>Total Expenditures</b>	<b>4,956,765</b>	<b>1,678,077</b>	<b>168,984</b>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<b>243,940</b>	<b>(851,154)</b>	<b>(89,675)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	192,507	1,016,779	-
Transfer Out	(73,884)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>118,623</b>	<b>1,016,779</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>362,563</b>	<b>165,625</b>	<b>(89,675)</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,957,009</b>	<b>502,529</b>	<b>724,922</b>
<b>Fund Balances at End of Year</b>	<b>\$ 2,319,572</b>	<b>\$ 668,154</b>	<b>\$ 635,247</b>

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



Capital Improvement		Other Govt. Funds	Total Govt. Funds
\$	912,183	\$ 163,605	\$ 6,066,305
	-	-	437,671
	-	57,480	238,962
	-	-	143,044
	-	-	170,871
	6,152	(3,301)	7,362
	-	150	178,991
	918,335	217,934	7,243,206
	-	42,364	1,745,644
	-	-	1,982,462
	-	-	208,492
	-	-	725,448
	-	-	467,477
	-	-	174,160
	-	-	72,636
	-	-	1,375,169
	-	160,000	250,424
	-	57,330	61,608
	-	259,694	7,063,520
	918,335	(41,760)	179,686
	-	134,609	1,343,895
	(1,171,168)	(70,000)	(1,315,052)
	(1,171,168)	64,609	28,843
	(252,833)	22,849	208,529
	2,236,855	229,322	5,650,637
\$	1,984,022	\$ 252,171	\$ 5,859,166

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**Town of Firestone**  
Firestone, Colorado  
**Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balances with the  
Government-wide Statement of Activities**  
Year Ended December 31, 2013

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

Total net change in fund balance - Governmental Funds	\$ 208,529
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation exceeds capital outlay in the period:

Expenditures for capital assets	\$ 1,326,570	
Donated assets	157,160	
Less current year depreciation	<u>(2,303,145)</u>	(819,415)

Repayment of debt principal is an expenditure in the governmental funds, and it reduces long-term liabilities in the Statement of Net Position. but does not affect the Statement of Activities.	250,424
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Decrease in accrued interest payable reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.	3,114
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Decrease in net pension obligation reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.	4,993
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Increase in accrued compensated absences reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.	<u>(23,343)</u>
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Change in Net Position - Governmental Activities	<u><u>\$ (375,698)</u></u>
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The accompanying notes are an integral part of these financial statements.

**Town of Firestone**  
Firestone, Colorado  
**Statement of Net Position**  
**Proprietary Funds**  
December 31, 2013

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 4,886,648	\$ -	\$ 4,886,648
Receivables	137,091	38,805	175,896
Due from Other Funds	8,129	-	8,129
Other Current Assets	57,197	-	57,197
Total Current Assets	<u>5,089,065</u>	<u>38,805</u>	<u>5,127,870</u>
<b>Noncurrent Assets</b>			
Capital Assets:			
Land	99,121	-	99,121
Water Rights	40,610,164	-	40,610,164
Utility Systems	15,367,063	313,351	15,680,414
Construction in Progress	365,723	95,880	461,603
Equipment	623,117	-	623,117
Less Accumulated Depreciation	(3,226,516)	(24,669)	(3,251,185)
Total Capital Assets (Net of Accumulated Depreciation)	<u>53,838,672</u>	<u>384,562</u>	<u>54,223,234</u>
Total Noncurrent Assets	<u>53,838,672</u>	<u>384,562</u>	<u>54,223,234</u>
<b>Total Assets</b>	<u>58,927,737</u>	<u>423,367</u>	<u>59,351,104</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	181,427	1,601	183,028
Accrued Payables	23,629	-	23,629
Due to Other Funds	-	8,129	8,129
Loan Payable - Current	15,782	-	15,782
Total Current Liabilities	<u>220,838</u>	<u>9,730</u>	<u>230,568</u>
<b>Noncurrent Liabilities</b>			
Customer Deposits	137,280	-	137,280
Accrued Compensated Absences	28,712	-	28,712
Total Noncurrent Liabilities	<u>165,992</u>	<u>-</u>	<u>165,992</u>
<b>Total Liabilities</b>	<u>386,830</u>	<u>9,730</u>	<u>396,560</u>
<b>NET POSITION</b>			
Net Investment In Capital Assets	53,822,890	384,562	54,207,452
Unrestricted	4,718,017	29,075	4,747,092
<b>Total Net Position</b>	<u>\$ 58,540,907</u>	<u>\$ 413,637</u>	<u>\$ 58,954,544</u>

The accompanying notes are an integral part of these financial statements

**Town of Firestone**  
Firestone, Colorado  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
Year Ended December 31, 2013

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
<b>Operating Revenues</b>			
Charges for Services	\$ 2,452,756	\$ 114,700	\$ 2,567,456
Miscellaneous	13,535	-	13,535
<b>Total Operating Revenues</b>	<u>2,466,291</u>	<u>114,700</u>	<u>2,580,991</u>
<b>Operating Expenses</b>			
Operations	1,155,175	42,588	1,197,763
Administration	540,370	14,682	555,052
Depreciation	378,637	6,267	384,904
<b>Total Operating Expenses</b>	<u>2,074,182</u>	<u>63,537</u>	<u>2,137,719</u>
<b>Operating Income</b>	<u>392,109</u>	<u>51,163</u>	<u>443,272</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment Earnings	10,433	-	10,433
Interest Expense	(5,679)	-	(5,679)
Intergovernmental	6,064	-	6,064
<b>Total Nonoperating Revenues (Expenses)</b>	<u>10,818</u>	<u>-</u>	<u>10,818</u>
<b>Income Before Contributions and Transfers</b>	402,927	51,163	454,090
Capital Contributions	595,603	-	595,603
Transfers In (Out)	-	(28,843)	(28,843)
<b>Change in Net Position</b>	<u>998,530</u>	<u>22,320</u>	<u>1,020,850</u>
<b>Net Position at Beginning of Year</b>	<u>57,542,377</u>	<u>391,317</u>	<u>57,933,694</u>
<b>Net Position at End of Year</b>	<u><u>\$ 58,540,907</u></u>	<u><u>\$ 413,637</u></u>	<u><u>\$ 58,954,544</u></u>

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

**Town of Firestone**  
**Firestone, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
Year Ended December 31, 2013

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 2,490,491	\$ 115,595	\$ 2,606,086
Cash Payments to Suppliers for Goods & Services	(1,099,757)	(24,907)	(1,124,664)
Cash Payments to Employees for Services	(632,240)	(42,257)	(674,497)
<b>Net Cash Flows from Operating Activities</b>	<u>758,494</u>	<u>48,431</u>	<u>806,925</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers to Other Funds	-	(28,843)	(28,843)
Change in Interfund Payables/Receivables	(8,129)	8,129	-
Operating Grants Received	6,064	-	6,064
<b>Total Cash Flows from Noncapital Financing Activities</b>	<u>(2,065)</u>	<u>(20,714)</u>	<u>(22,779)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Contributed Capital	535,673	-	535,673
Acquisition of Capital Assets	(515,342)	(43,846)	(559,188)
Principal Paid on Debt	(18,958)	-	(18,958)
Interest Paid on Debt	(5,679)	-	(5,679)
<b>Net Cash Flows from Capital and Related Financing Activities</b>	<u>(4,306)</u>	<u>(43,846)</u>	<u>(48,152)</u>
<b>Net Cash Flow from Investing Activities</b>			
Investment Earnings	10,433	-	10,433
<b>Net Cash Flow from Investing Activities</b>	<u>10,433</u>	<u>-</u>	<u>10,433</u>
<b>Net Increase in Cash and Cash Equivalents</b>	762,556	(16,129)	746,427
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>4,124,092</u>	<u>16,129</u>	<u>4,140,221</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 4,886,648</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,886,648</u></u>

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

**Town of Firestone**  
Firestone, Colorado  
**Reconciliation of Operating Income to**  
**Net Cash From Operating Activities**  
**Proprietary Funds**  
Year Ended December 31, 2013

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating Income	\$ 392,109	\$ 51,163	\$ 443,272
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
(Increase) Decrease in Assets:			
Depreciation	378,637	6,267	384,904
Accounts Receivable	13,626	895	14,521
Other Assets	(5,649)	-	(5,649)
Increase (Decrease) in Liabilities:			
Accounts Payable	(31,387)	(9,894)	(41,281)
Accrued Payables	584	-	584
Customer Deposits	10,574	-	10,574
<b>Net Cash Flows from Operating Activities</b>	<u><u>\$ 758,494</u></u>	<u><u>\$ 48,431</u></u>	<u><u>\$ 806,925</u></u>
<b>Non-Cash investing and financing transactions</b>			
Contributed capital assets	\$ 59,930	\$ -	\$ 59,930

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



## **NOTES TO FINANCIAL STATEMENTS**

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## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The financial statements of the Town of Firestone (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town’s accounting policies are described below.

#### **REPORTING ENTITY**

In conformance with governmental accounting and financial reporting standards, the Town of Firestone, Colorado, is the reporting entity for financial reporting purposes. The Town is the primary government financially accountable for all activities of the Town of Firestone. The Town meets the criteria of a primary government: its Town Board of Trustees is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The Town is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, the following component units are included in the Town’s reporting entity.

#### *Blended Component Units*

The Firestone Finance Authority was created to account for the acquisition and development of Central Park and its related debt service. The Firestone Urban Renewal Authority was established to develop and implement a plan to renew and revitalize portions of southern Firestone. The Town is financially accountable for each of the blended component units. The basis for blending is that the Town’s Board acts as the governing board for the entities.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)**

#### **JOINT VENTURES**

The Town of Firestone may participate in joint ventures created for special purposes which are not part of the Town's reporting entity. Additional information regarding the Town's participation in joint ventures is provided in Note 14. The following is a description of the only joint venture in which the Town participated in during the 12 months ended December 31, 2013:

**Weld 911 Emergency Telephone Service Authority Board** - The Town of Firestone is one of 49 local governments which are members of the Weld 911 Emergency Telephone Service Authority Board ("Weld 911"). Weld 911 is an organization created by intergovernmental agreement in 1988 solely to provide for the operation of the 911 emergency telephone service program. Weld 911 is governed by a seven member board selected as defined in the agreement. The governing board is autonomous as to budgeting and fiscal matters.

Investments in joint ventures are recorded as expenditures at the time the investment is made.

Complete financial statements of this joint venture can be obtained from:

Weld County  
P.O. Box 758  
Greeley, Colorado 80632

#### **FUND ACCOUNTING**

The Town uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), the construction of capital assets (the capital improvement fund) and the debt service fund. The following are the Town's major and non-major governmental funds:

## NOTES TO THE FINANCIAL STATEMENTS

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**Note 1: Summary of Significant Accounting Policies (continued)**  
**Fund Accounting (continued)**

- **General Fund** - The General Fund (a major fund) is the Town's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, sales tax, franchise and other intergovernmental revenues. Expenditures include all costs associated with the daily operation of general government, public safety, public works, parks and recreation and community development. Due to the implementation of GASB 54, Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, the replacement reserve funds have been included in the General Fund for reporting purposes.
- **Highway and Parks Funds** - These major funds are special revenue fund types, which are funded by developer contributions, state grants, highway users tax, specific ownership, road and bridge tax, capital lease proceeds and transfers from other funds. The expenditures represent street operating expenses, the cost of street and park construction and the cost of street maintenance.
- **Capital Improvements Fund** - This major fund is a capital projects fund type which is established to account for financial resources segregated for the acquisition or construction of capital facilities other than those financed by enterprise operations.
- **Other Governmental Funds** - These are non-major funds and are Debt Service Funds (Firestone Finance Authority, Debt Service) or Special Revenue Funds (Firestone Urban Renewal Authority, Conservation Trust, Open Space) which have been established to account for revenues derived from specific taxes or other earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Town's major enterprise funds are:

- **Water Fund** - This fund accounts for the financial transactions related to the water service operations of the Town.
- **Stormwater Fund** - This fund accounts for the financial transactions related to the stormwater service operations of the Town.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### ***Note 1: Summary of Significant Accounting Policies (continued)*** ***Fund Accounting (continued)***

Fiduciary funds are used by the Town to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Old Hire Pension Fund was the only fiduciary fund held by the Town. This fund accounts for the Town's contribution to the Old Hire Pension Plan. This fund was closed in 2013 due to the death of the sole surviving beneficiary of the plan. The net position was transferred to the General Fund.

## **BASIS OF PRESENTATION**

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**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities. The government-wide financial statements do not include fiduciary funds since they are not part of the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**Fund Financial Statements** - Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Basis of Presentation (continued)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus and a modified accrual basis of accounting. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus and accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

## **BASIS OF ACCOUNTING**

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Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting.

**Revenues - Exchange and Non-exchange Transactions** - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available is defined as revenue expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, intergovernmental revenues and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, intergovernmental revenues and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### ***Note 1: Summary of Significant Accounting Policies (continued)*** ***Basis of Accounting (continued)***

On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, sales taxes and other intergovernmental revenues.

**Unearned Revenue** - Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on changes in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund’s principal ongoing operations. The principal operating revenues of the water and stormwater funds are charges to customers for sales and services. 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 non-operating revenues and expenses.

## **BUDGETS AND BUDGETARY ACCOUNTING**

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An annual budget and appropriation resolution is adopted by the Board of Trustees in accordance with the Colorado State Statutes. Budgets are adopted on a basis consistent with GAAP, except for the following: proceeds from long-term debt are budgeted as revenue in the proprietary funds; note, lease and bond principal payments are budgeted as expenses in the proprietary funds; and purchases of capital assets are budgeted as capital outlay expenses in the proprietary funds. On or about October 15, the Town staff submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Also,



## NOTES TO THE FINANCIAL STATEMENTS

### **Note 1: Summary of Significant Accounting Policies (continued)** **Budget and Budgetary Accounting (continued)**

public hearings are conducted at a special meeting and at regular Town Board meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the Town Board.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The legal level of budgetary control is at the fund level as total expenditures cannot exceed the amount appropriated for a fund without Board approval but may be legally reallocated within the fund without Board approval.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Town Board throughout the year. Following is a summary of the original budget, total revisions and revised budget for appropriated expenditures and intrafund transfers in 2013:

	Original Budget	Total Revisions	Revised Budget
<b>Government Funds:</b>			
General Fund	\$ 4,925,032	\$ 262,000	\$ 5,187,032
Special Revenue Funds -			
Highway Fund	1,990,348	125,000	2,115,348
Parks Fund	88,870	102,137	191,007
Conservation Trust Fund	50,000	-	50,000
Open Space Fund	20,000	-	20,000
Capital Improvements Fund	1,423,614	-	1,423,614
Debt Service Fund	75,267	-	75,267
Firestone Finance Authority Fund	145,225	-	145,225
Firestone Urban Renewal Authority	43,715	13,000	56,715
<b>Business-Type Funds:</b>			
Water Fund	3,195,436	290,000	3,485,436
Stormwater Fund	130,122	-	130,122
<b>Total Funds</b>	<b>\$ 12,087,629</b>	<b>\$ 792,137</b>	<b>\$ 12,879,766</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 1: Summary of Significant Accounting Policies (continued)**

#### **CASH AND CASH EQUIVALENTS**

To improve cash management, cash received by the Town is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. Investments of the Town's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Town are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

#### **SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net position and classified as due from other funds or due to other funds on the balance sheet.

#### **PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items in the government-wide and fund financial statements, and will be reported as expenses/expenditures in the following year.

#### **CAPITAL ASSETS**

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 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.

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 1: Summary of Significant Accounting Policies (continued)** **Capital Assets (continued)**

Property and equipment of the Town of Firestone is depreciated using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Useful Lives	Business-Type Activities Estimated Useful Lives
Land	N/A	N/A
Water Rights	N/A	N/A
Land Improvements	10-30 years	N/A
Buildings and Improvements	5-30 years	N/A
Streets and Storm Drainage	15-40 years	N/A
Machinery and Equipment	5-15 years	5-20 years
Utility Systems	N/A	30-50 years

In the governmental fund financial statements, capital outlays (assets) are reported as expenditures when incurred and no depreciation expense is recorded.

### **ACCRUED COMPENSATED ABSENCES PAYABLE**

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated personal leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds. Compensated absences for Governmental Funds have generally been liquidated through the General Fund and the Highway Fund. Compensated absences relating to the Enterprise Funds are recorded as a liability of those funds. The Town had a total liability for accrued compensated absences in the amount of \$28,712 for the business-type activities and \$123,328 for the governmental activities on the statement of Net Position at December 31, 2013.

### **ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

Payables, accrued liabilities and long-term obligations are reported in the government-wide financial statement, and payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of capital leases that will be paid from governmental funds are reported as a liability in the fund financial statements when the liabilities mature or are due and payable. In general, payment made within sixty days after year-end are considered to have been made with current

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Accrued Liabilities and Long-Term Obligations (continued)**

available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

### **FUND BALANCE AND NET POSITION**

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

- **Net Investment in Capital Assets** – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- **Restricted Net Position** – This category presents the net position restricted by external parties (creditors, grantors, contributors, laws and regulations).
- **Unrestricted Net Position** – This category represents the net position of the Town that is not restricted for any project or other purpose by third parties.

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements, enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action of the Town Board. The Town Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board.
- **Assigned** – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Assignments may be established, modified, or rescinded only through resolutions approved by the Town Board. The Town Board has the authority to assign amounts for specific purposes.
- **Unassigned** – All other spendable amounts.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Fund Balance and Net Position (continued)**

If applicable, the Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in its commitment or assignment actions.

### **CONTRIBUTION OF CAPITAL**

Contributions of capital in proprietary funds financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources for capital acquisition and construction.

### **INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

### **EXTRAORDINARY AND SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items during 2013.

### **PROPERTY TAXES**

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis. Since property Tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue is recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2: CASH AND INVESTMENTS

The composition of the Town's cash and cash equivalents, including restricted cash and investments, on December 31, 2013 is as follows:

	Cost Basis	Market Value	S&P Rating	Moody's Rating
Cash on Hand	\$ 940	\$ 940	-	-
Cash with County Treasurer	67,926	67,926	-	-
Checking	446,050	446,050	-	-
Certificates of Deposit	1,658,921	1,658,921	-	-
CSAFE	5,503,757	5,503,757	AAAm	Aaa
Savings	3,220,445	3,220,445	-	-
<b>Total Funds</b>	<b>\$ 10,898,039</b>	<b>\$ 10,898,039</b>		

#### CUSTODIAL CREDIT RISK - DEPOSITS

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act ("PDPA"). PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

#### CUSTODIAL CREDIT RISK - INVESTMENTS

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk.

State statutes and the Town's investment policies authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements. As of December 31, 2013, the Town had no investments exposed to custodial credit risk outside of its investments in the Colorado Secure Assets Fund ("CSAFE") discussed below.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### ***Note 2: Cash and Investments (continued)***

#### **LOCAL GOVERNMENT INVESTMENT POOL**

At December 31, 2013, the Town had invested \$5,503,757 in CSAFE, a local government investment pool established in Colorado to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank of the pooled investments provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investments. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial banks. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. Pooled investments are rated AAAm by Standard & Poor's. The investment policy of CSAFE does not include investing in derivatives.

#### **INTEREST RATE RISK**

The Town's investment policies limit investment maturities to two years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to adverse fair market value changes arising from increasing interest rates.

#### **DERIVATIVE INVESTMENTS**

The Town held no derivative investments as of December 31, 2013. Of the Town's investment in the CSAFE local government investment pool, no funds were invested in derivative securities as of December 31, 2013. The Town relied upon information provided by CSAFE in estimating the Town's fair value of its investment in CSAFE and the securities held by CSAFE.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3: RECEIVABLES

Receivables at December 31, 2013, consist of the following:

Receivables	Governmental Activities	Business- Type Activities	Total
Taxes	\$ 1,326,484	\$ -	\$ 1,326,484
Accounts	14,725	165,741	180,466
Intergovernmental	125,000	2,269	127,269
Other	5,199	7,886	13,085
Developers	91,024	-	91,024
	<u>1,562,432</u>	<u>175,896</u>	<u>1,738,328</u>
Less allowance for doubtful accounts	(4,346)		(4,346)
<b>Total Funds</b>	<u><u>\$ 1,558,086</u></u>	<u><u>\$ 175,896</u></u>	<u><u>\$ 1,733,982</u></u>



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4: INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2013, were as follows:

<u>Interfund Transfers</u>		<u>Transfers In:</u>			
<u>Transfers Out:</u>		General	Highway	Non-Major Governmental	Totals
Governmental Funds:					
Major Funds -					
General Fund	\$ -	\$ 66,500	\$ 7,384	\$ 73,884	
Capital Improvements Fund	113,664	950,279	107,225	1,171,168	
Nonmajor Funds -	50,000	-	20,000	70,000	
<b>Total Governmental Funds</b>	<b>163,664</b>	<b>1,016,779</b>	<b>134,609</b>	<b>1,315,052</b>	
Proprietary Funds:					
Major Funds -					
Stormwater Fund	28,843	-	-	28,843	
<b>Total Transfers</b>	<b>\$ 192,507</b>	<b>\$ 1,016,779</b>	<b>\$ 134,609</b>	<b>\$ 1,343,895</b>	

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move funds appropriated for debt service to the Firestone Finance Authority Fund as debt service payments become due; and (3) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations. Contributed capital between the governmental funds and proprietary fund is shown within the transfer line for financial statement presentation.

The Town's interfund receivables and payables at December 31, 2013 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances result from (1) determining ineligible park maintenance costs that had already been transferred to the General Fund from the Conservation Trust Fund and (2) the need to cover the temporary negative cash positions in the Stormwater Fund.

<u>Receivable fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Conservation Trust Fund	General Fund	\$ 117
Water Fund	Stormwater Fund	8,129
<b>Total</b>		<b>\$ 8,246</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 for governmental activities was as follows:

	Capital Assets 12/31/2012	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2013
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated -				
Land	\$ 5,965,810	\$ 51,500	\$ -	\$ 6,017,310
Construction in Progress	441,048	-	(76,750)	364,298
Total Capital Assets, not being depreciated-	6,406,858	51,500	(76,750)	6,381,608
Capital Assets, being depreciated -				
Land Improvements	5,756,470	100,465	-	5,856,935
Buildings & Improvements	1,637,173	88,656	-	1,725,829
Streets & Storm Drainage	34,094,023	1,129,285	-	35,223,308
Machinery & Equipment	2,669,691	190,574	-	2,860,265
Total Capital Assets, being depreciated-	44,157,357	1,508,980	-	45,666,337
Less Accumulated Depreciation for:				
Land Improvements	(2,666,072)	(369,531)	-	(3,035,603)
Buildings & Improvements	(723,869)	(66,393)	-	(790,262)
Streets & Storm Drainage	(14,885,129)	(1,693,269)	-	(16,578,398)
Machinery & Equipment	(2,039,516)	(173,952)	-	(2,213,468)
Total Accumulated Depreciation	(20,314,586)	(2,303,145)	-	(22,617,731)
Total Capital Assets, being depreciated- Net	23,842,771	(794,165)	-	23,048,606
<b>Governmental Activities Capital Assets - Net</b>	<b>\$ 30,249,629</b>	<b>\$ (742,665)</b>	<b>\$ (76,750)</b>	<b>\$ 29,430,214</b>

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 5: Capital Assets (continued)**

Depreciation for governmental activities capital assets have been allocated as shown below:

General Government	\$ 23,400
Parks	369,531
Public Works	1,829,077
Public Safety	81,137
Total Depreciation Expense - Governmental Activities	<u>\$ 2,303,145</u>

Capital asset activity for the year ended December 31, 2013 for business-type activities was as follows:

	Capital Assets 12/31/2012	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2013
<b>Business-Type Activities:</b>				
Capital Assets, not being depreciated -				
Land	\$ 99,121	\$ -	\$ -	\$ 99,121
Water Rights	40,610,164	-	-	40,610,164
Construction in Progress	719,866	32,500	(290,763)	461,603
Total Capital Assets, not being depreciated-	<u>41,429,151</u>	<u>32,500</u>	<u>(290,763)</u>	<u>41,170,888</u>
Capital Assets, being depreciated -				
Machinery & Equipment	457,676	165,441	-	623,117
Utility System	14,968,472	711,942	-	15,680,414
Total Capital Assets, being depreciated-	<u>15,426,148</u>	<u>877,383</u>	<u>-</u>	<u>16,303,531</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	(298,002)	(55,712)	-	(353,714)
Utility System	(2,568,279)	(329,192)	-	(2,897,471)
Total Accumulated Depreciation	<u>(2,866,281)</u>	<u>(384,904)</u>	<u>-</u>	<u>(3,251,185)</u>
Total Capital Assets, being depreciated- Net	<u>12,559,867</u>	<u>492,479</u>	<u>-</u>	<u>13,052,346</u>
<b>Business-Type Activities Capital Assets - Net</b>	<u>\$ 53,989,018</u>	<u>\$ 524,979</u>	<u>\$ (290,763)</u>	<u>\$ 54,223,234</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 6: LONG-TERM DEBT

#### PLEDGED REVENUES

During 2006, the Town executed two reimbursement agreements (an Amended and Restated Public Improvements Reimbursement Agreement and Retail Infrastructure Funding Agreement) (the "Plan") with a developer (the "Developer"). Pursuant to the Plan, the Town will reimburse the Developer for costs incurred in constructing certain assets that were conveyed to the Town upon completion. Reimbursements are made based on a percentage of revenues derived from sales tax charged by the Town, commencing with the date the assets were completed by the developer and conveyed to the Town. Any unpaid balance accrues interest at the Wall Street Journal Prime Rate, capped at 7 percent per annum, compounding monthly until the balance is paid in full.

The Town follows guidance provided in GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, to account for the assets received, and payments made in connection with these agreements. Accordingly, the pledged revenues are treated as an obligation of the Town, until fully repaid. The assets have been capitalized and are depreciated over their useful lives in the Government-wide financial statements. At December 31, 2013, there is no balance due to the Developer.

#### BUSINESS-TYPE ACTIVITIES DEBT

The following is a summary of outstanding Business-Type Activities long-term debt of the Town as of December 31, 2013:

##### Capital Leases:

Outstanding  
12/31/2013

\$ 15,782

June 20, 2012, 24-month lease with Kansas State Bank of Manhattan, maturing June 20, 2014, to acquire a 2011 John Deere 410J Backhoe with 24" bucket and a 2012 Crimeline Crack Fill Machine at a cost of \$138,849. Annual payments of \$48,704, principal and interest at 5.25%. Allocated 34.1% to the Water Fund, 34.1% to the General Fund, and 31.7% to the Highway Fund.

##### Total Enterprise Fund Debt

\$ 15,782

## NOTES TO THE FINANCIAL STATEMENTS

### ***Note 6: Long-Term Debt (continued)*** ***Business - Type Activities Debt (continued)***

The following is a summary of changes in Business-Type Activities long-term debt of the Town for the year ended December 31, 2013:

	Balance 12/31/2012	Additions	Retired	Balance 12/31/2013	Due Within One Year
<b>Capital Leases</b>					
Sep 23, 2010 Lease	4,014	-	4,014	-	-
Jun 20, 2012 Lease	30,726	-	14,944	15,782	15,782
<b>Compensated Absences</b>	22,454	64,364	58,106	28,712	24,695
<b>Total</b>	<u>\$ 57,194</u>	<u>\$ 64,364</u>	<u>\$ 77,064</u>	<u>\$ 44,494</u>	<u>\$ 40,477</u>

The annual requirements to amortize all of the Town's Business-Type Activities debt as of December 31, 2013, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2014	15,782	210	15,992
<b>Total</b>	<u>\$ 15,782</u>	<u>\$ 209</u>	<u>\$ 15,992</u>

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 6: Long-Term Debt (continued)** **GOVERNMENTAL ACTIVITIES DEBT**

The following is a summary of outstanding Governmental Activities long-term debt of the Town as of December 31, 2013:

	<u>Outstanding 12/31/2013</u>
<b>General Obligation Debt:</b>	
<b>Certificates of Participation:</b>	
May 31, 2005, Certificates of Participation - \$1,985,000 original issue by the Firestone Finance Authority (the "Authority") used to acquire leased property from Knox Farm, LLC for future use as a park. The interest rate on this debt is (65%) of the Prime Rate as of October 15 of the prior year, reset every three years and may not be less than 3.50% nor more than 6.75%. The certificates mature December 1, 2025. The certificates are payable solely from revenues received from the Town under a lease agreement between itself and the Authority. This debt does not constitute a general obligation or other indebtedness of the Town within the meaning of any constitutional or statutory debt limitation and shall not constitute a multiple fiscal year direct or indirect debt of other financial obligation.	\$ 1,445,000
<b>Capital Leases:</b>	
June 20, 2012, 24-month lease with Kansas State Bank of Manhattan to acquire a 2011 John Deere 410J Backhoe with 24" bucket and a 2012 Crimeline Crack Fill Machine costing \$138,849. Annual payments of \$48,704 and interest at 5.25%. Allocated 34.1% to the Water Fund, and 34.1% to the General Fund and 31.7% to the Highway Fund.	30,460
April 20, 2012, 24-month lease with Kansas State Bank in Manhattan to acquire two 2012 Dodge Charger patrol units costing \$88,991. Annual payments of \$31,382 principal and interest at 5.91%.	29,631
March 20, 2012, 48-month lease with Kansas State Bank in Manhattan to acquire twelve Panasonic laptops computers costing \$71,439. Monthly payments of \$1,654 principal and interest at 2.5%.	40,451
<b>Total Governmental Funds Debt</b>	<u><u>\$ 1,545,542</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### ***Note 6: Long-Term Debt (continued)*** ***Governmental Activities Debt (continued)***

The following is a summary of changes in Governmental Activities long-term debt of the Town for the year ended December 31, 2013:

	Balance 12/31/2012	Additions	Retired	Balance 12/31/2013	Due Within One Year
<b>General Obligation Debt</b>					
Series 1999	\$ 70,000	\$ -	\$ 70,000	\$ -	\$ -
<b>Certificates of Participation</b>					
May 31, 2006, COPs	1,535,000	-	90,000	1,445,000	90,000
<b>Capital Leases</b>					
September 23, 2010 Lease	14,094	-	14,094	-	-
June 20, 2012 Lease	59,419	-	28,959	30,460	30,460
April 20, 2012 Lease	57,608	-	27,977	29,631	29,631
March 20, 2012 Lease	59,845	-	19,394	40,451	18,844
<b>Compensated Absences</b>	99,985	261,562	238,219	123,328	102,811
<b>Total</b>	<b>\$1,895,951</b>	<b>\$ 261,562</b>	<b>\$ 488,643</b>	<b>\$ 1,668,870</b>	<b>\$ 271,746</b>

The annual requirements to amortize all of the Town's Governmental Activities debt as of December 31, 2013, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2014	\$ 168,935	\$ 55,583	\$ 224,518
2015	114,426	47,847	162,273
2016	102,181	44,100	146,281
2017	105,000	40,600	145,600
2018	110,000	36,925	146,925
2019-2023	640,000	122,850	762,850
2024-2025	305,000	16,100	321,100
<b>Total</b>	<b>\$1,545,542</b>	<b>\$ 364,005</b>	<b>\$ 1,909,547</b>

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 6: Long-Term Debt (continued)** **Governmental Activities Debt (continued)**

The assets acquired through capital lease and certificates of participation are as follows:

Assets	Governmental Activities	Business-Type Activities
Land	\$ 1,985,000	\$ -
Machinery & Equipment	287,926	63,008
Less Accumulated Depreciation	(79,906)	(5,954)
Total	<u>\$ 2,193,020</u>	<u>\$ 57,054</u>

## NOTE 7: DEFINED BENEFIT PENSION PLAN – POLICE OFFICERS

### PLAN DESCRIPTION

The Town of Firestone contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (“FPPA”). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by the FPPA. This is a non-contributory plan. All full-time, paid police officers of the Town of Firestone are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Title 31, Article 30 of the Colorado Revised Statutes (“CRS”), as amended, assigns the authority to establish benefit provisions to the state legislature.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

### BASIS OF ACCOUNTING FOR THE STATEWIDE DEFINED BENEFIT PLAN

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments which are recorded at cost, which approximates fair value.



## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 7: Defined Benefit Pension Plan – Police Officers**

#### **FUNDING POLICY**

Plan members and the Town of Firestone are required to contribute at a rate set by statute. The contribution requirements of plan members and the Town of Firestone are established under Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for members is 8 percent of covered salary and for the Town of Firestone is 8 percent of covered salary. The Town's contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2013, 2012, and 2011, were \$112,764, \$111,197, and \$109,965, respectively, equal to its required contributions for each year.

### **NOTE 8: DEFINED CONTRIBUTION PENSION PLAN – POLICE OFFICERS**

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#### **PLAN DESCRIPTION**

Employees of the Town of Firestone who are members of the FPPA Statewide Defined Benefit Plan (see Note 7) may voluntarily contribute to the FPPA 457 Plan ("457 Plan"), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is voluntary, and contributions are separate from others made to FPPA. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

#### **FUNDING POLICY**

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$16,500 for the calendar year 2011, \$17,000 for 2012, and \$17,500 for 2013). Catch-up contributions up to \$5,500 for the calendar years 2013, 2012 and 2011 were allowed for participants who had attained age 50 before the close of the plan year. For the year ended December 31, 2013, 2012, and 2011, the 457 Plan member contributions from the Town of Firestone were \$4,856, \$3,415, and \$550, respectively.

### **NOTE 9: DEFINED BENEFIT PENSION PLAN – OLD HIRE POLICE PENSION TRUST FUND**

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#### **PLAN DESCRIPTION**

This plan is a single employer defined benefit pension plan established by resolution of the Town. All assets are held and invested by the FPPA. Police hired prior to April 8, 1978, who elected not to change to the "State Plan" are covered by this Town plan.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 9: Defined Benefit Pension Plan – Old Hire Police Pension Trust Fund (continued)** ***Plan Description (continued)***

Members attaining the age of 55 years and who have 20 years or more of credited service may retire. Upon retirement a member is eligible to receive a monthly pension equal to one-half of their average monthly salary received the year before their retirement. Upon death of a member, the surviving spouse is entitled to receive half (50 percent) of the monthly pension the member was eligible to receive.

### **CONTRIBUTIONS**

The sole police officer within the plan deceased in 2011 and the sole surviving spouse eligible for distributions deceased in October 2013. Contributions to and distributions from the plan ceased at the end of 2013. Per Colorado Revised Statutes Title 31, Article 30.5, Section 209 (“Idle Funds Statute”), the remaining funds of \$14,980 in the plan were transferred to the General Fund and will be utilized to fund the FPPA Statewide Defined Benefit Plan (see Note 7) for existing participants.

## **NOTE 10: DEFINED BENEFIT PENSION PLAN – NON-POLICE STAFF**

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### **PLAN DESCRIPTION**

The Town of Firestone contributes to the Local Government Division Trust Fund (“LGDTF”), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The LGDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries.

All non-police officer employees of the Town of Firestone are members of the LGDTF. Title 24, Article 51 of the CRS, as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the LGDTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

### **FUNDING POLICY**

The Town of Firestone is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the Town of Firestone are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 percent and for the Town of Firestone it is 10.00 percent of covered salary. A portion of the Town of Firestone’s contribution (1.02 percent of covered salary) is allocated to the Health Care Trust Fund (See Note 11). The Town is also required to pay an amortization equalization disbursement (“AED”) equal to 2.20 percent of the total payroll for the calendar years 2011, 2012, and 2013.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 10: Defined Benefit Pension Plan – Non-Police Staff (continued)** ***Funding Policy (continued)***

Additionally, the Town of Firestone is required to pay a supplemental amortization equalization disbursement (“SAED”) equal to 1.50 percent of the total payroll for the calendar years 2011, 2012, and 2013. If the Town of Firestone rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions (including the AED and SAED) on the amounts paid for the retiree; however no member contributions are required. For the years ending December 31, 2013, 2012, and 2011, the Town of Firestone’s employer contributions to the LGDTF were \$214,032, \$189,385, and \$175,283, respectively, equal to their required contributions for each year.

## **NOTE 11: POSTEMPLOYMENT HEALTH CARE BENEFITS**

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### **PLAN DESCRIPTION**

The Town of Firestone contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

### **FUNDING POLICY**

The Town of Firestone is required to contribute at a rate of 1.02 percent of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town of Firestone are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. For the years ending December 31, 2013, 2012, and 2011, the Town of Firestone’s employer contributions to the HCTF were \$15,935, \$15,234, and \$13,050, respectively, equal to their required contributions for each year.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 12: DEFINED CONTRIBUTION PENSION PLAN – NON-POLICE STAFF**

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#### **PLAN DESCRIPTION**

Employees of the Town of Firestone who are members of the LGDTF (see Note 10) may voluntarily contribute to the Voluntary Investment Program (“401(k) Plan”), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report for the 401(k) Plan. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

#### **FUNDING POLICY**

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$16,500 for the calendar year 2011, \$17,000 for 2012, and \$17,500 for 2013). Catch-up contributions up to \$5,500 for the calendar years 2013, 2012 and 2011 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v).5 The contribution requirements for the Town of Firestone are established under Title 24, Article 51, Section 1402 of the CRS, as amended. For the years ended December 31, 2013, 2012, and 2011, the 401(k) Plan member contributions from the Town of Firestone were \$22,403, \$16,086, and \$2,556, respectively.

### **NOTE 13: DEFINED CONTRIBUTION PENSION PLAN – NON-POLICE STAFF**

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#### **PLAN DESCRIPTION**

Employees of the Town of Firestone who are members of the LGDTF (see Note 10) may voluntarily contribute to the PERA 457 Plan (“457 Plan”), an Internal Revenue Code Section 457 defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. PERA issues a publicly available comprehensive annual financial report for the 401(k) Plan. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

#### **FUNDING POLICY**

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$16,500 for the calendar year 2011, \$17,000 for 2012, and \$17,500 for 2013). Catch-up contributions up to \$5,500 for the calendar years 2013, 2012 and 2011 were allowed for participants who had attained age 50 before the close of the plan year. The Town began offering this plan in 2013. For the year ended December 31, 2013, the 457 Plan member contributions from the Town of Firestone were \$20,772.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 14: JOINT VENTURES**

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Condensed financial information for the joint ventures in which the Town of Firestone has an interest is as follows:

#### **WELD 911 EMERGENCY TELEPHONE SERVICE AUTHORITY BOARD**

At December 31, 2012, (date of latest available information), Weld 911 had a fund balance of \$5,240,594. Total revenues for 2012 were \$2,290,906 and total expenses were \$2,132,837 resulting in an excess of revenues over expenses of \$158,069. The amount of the Town's share of these amounts is based upon the percentage of the county wide telephone accesses to be served by the Weld 911 Authority.

Complete financial statements for these above joint ventures can be obtained from:

Weld County  
P.O. Box 758  
Greeley, Colorado 80632

### **NOTE 15: RESERVED FUND BALANCES / NET POSITION**

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The following is a summary of the purposes of fund balance / net position classifications in the various funds:



## NOTES TO THE FINANCIAL STATEMENTS

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General Fund - Nonspendable	Payments made to vendors for services that will benefit periods beyond year end.
Highway Fund - Nonspendable	Payments made to vendors for services that will benefit periods beyond year end.
General Fund - Restricted	A portion restricted for emergencies as defined under TABOR.
Conservation Trust - Restricted	Fund balance assigned for future payments on maintenance and capital expenditures as allowed under CRS.
Capital Improvements - Committed	Fund balance committed for future transfers to appropriate funds to be used for capital construction or acquisitions funded by the impact fees collected in this fund.
General Fund - Assigned	Fund balance assigned for future transfers to appropriate funds to be used for the capital construction or acquisition.
Highway Fund - Assigned	Fund balance assigned for operations, maintenance and future capital expenditures related to street and highway
Park Fund - Assigned	Fund balance assigned for planning and future capital expenditures or acquisitions related to park infrastructure.
Firestone Finance Authority - Assigned	Fund balance assigned for future payments on Certificates of Participation issued to finance Town property.
Open Space - Assigned	Fund balance assigned for future transfers for maintenance, capital expenditures and COPS payments for open space, parks, and trails.
Debt Service - Assigned	Fund balance assigned for future payments on outstanding General Obligation Debt.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 16 RISK MANAGEMENT**

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Since January 1, 2010, the Town has been a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”) which provides sufficient liability and property coverage to protect against property damage to all of the Town’s fixed assets and equipment. Other coverage includes general liability coverage as well as supplemental liability coverage for employee benefits, employment practices, law enforcement activities, vehicle and auto liability, crimes against the Town and a general umbrella liability policy. In addition, the Town has secured additional coverage for Town events and volunteers. The Town maintains the state required workers compensation insurance with Pinnacol Assurance, the primary provider of workers compensation coverage in Colorado.

### **NOTE 17: TAXES, SPENDING AND DEBT LIMITATIONS**

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In November 1992, Colorado voters passed an amendment (the “Amendment”) to the State Constitution (Article X, Section 20) also known as the Taxpayer’s Bill of Rights (“TABOR”) which limits the revenue raising and spending abilities of state and local governments.

The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary of fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$207,290 for this purpose.

On April 2, 1996, the voting citizens of the Town of Firestone authorized the Town to collect retain, and expend the full proceeds of the Towns sales and use tax, property tax revenues, non federal grants, fees and other revenues collected and received during the year 1996 and each subsequent year, for capital projects, basic municipal services or other lawful municipal purposes, notwithstanding any state limitation on fiscal year revenue and spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution or any other law. This effectively removed all revenue and spending limits imposed by TABOR.

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require Judicial interpretation.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 18: COMMITMENTS AND CONTINGENT LIABILITIES**

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Management is not aware of any outstanding claims or other financial contingencies that could have a material adverse effect on the Town's financial statements.

### **NOTE 19: DEVELOPER AGREEMENTS**

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The Town is involved in developer agreements to promote commercial growth within its boundaries. These agreements are structured so that future revenues are committed to meet development obligations, but only as the revenues are earned. If revenues are not earned from the sources outlined in the agreements, the Town of Firestone is not obligated to fund the expenditures from other sources. These agreements fall under Government Accounting Standard Board Statement No 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* for pledged revenues. The obligations to be repaid through these pledged revenues are summarized below (see also Note 6):

#### **AMERICAN FURNITURE WAREHOUSE (AFW) AND THF/TFD FIRESTONE DEVELOPMENT, L.L.C.**

An Amended and Restated Public Improvements Reimbursement Agreement (the "PIRA") between AFW and THF/TFD Firestone Development (the "Developers") was approved by the Town on July 31, 2006. The PIRA will finance the construction of certain public improvements in connection with the City Centre development, located at I-25 and Firestone Blvd. Under the PIRA, the Developers will receive 1.25 percent (the "Credit PIF") of the Town's 2 percent sales and use tax on the sale or provision of goods in the development. The amount of eligible cost that could be reimbursed to the Developers from Credit PIF Revenues is limited to \$11,000,000, plus interest accruing at the Wall Street Journal Prime Rate, capped at 7 percent per annum. The Developers have 20 years (2026) to receive the maximum reimbursable amount.

#### **THF FIRESTONE DEVELOPMENT, L.L.C.**

A Retail Infrastructure Funding Agreement (the "RIFA") with THF Firestone Development (the "THF Developer") was approved by the Town on September 4, 2008. The RIFA supplements the PIRA and is intended to help finance the construction of additional public improvements in connection with the development of a portion of the retail area at I-25 and Firestone Blvd. Under the RIFA, the THF Developer imposes a Retail Transaction Fee ("RTF") in the amount of 0.25 percent of the Town's 2 percent sales and use tax on the sale or provision of goods in the project area. The amount of eligible cost that could be reimbursed to the Developers from RTF Revenues is limited to \$4,000,000, plus interest accruing at the Wall Street Journal Prime Rate, capped of 7 percent per annum. The Developers have 20 years (2028) to receive the maximum reimbursable amount.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 20: SUBSEQUENT EVENTS**

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Management of the Town has evaluated subsequent events through June 25, 2014, the date that the financial statements were available to be issued. In March 2014, The Town issued \$3,795,000 in Sales Tax Revenue Bonds. No other transactions or events that would require adjustment to or disclosure in the financial statements were identified.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances -Budget and Actual - General, Highway and Parks Funds**  
Year Ended December 31, 2013

	General Fund			Variance with
	Budgeted Amounts		Actual Amounts	Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes and Impact Fees	\$ 4,191,158	\$ 4,191,158	\$ 4,438,934	\$ 247,776
Licenses and Permits	293,000	293,000	381,421	88,421
Intergovernmental	37,500	116,250	56,482	(59,768)
Charges for Services	-	-	-	-
Fines	180,000	180,000	170,871	(9,129)
Investment Earnings	3,095	3,095	2,117	(978)
Miscellaneous	59,000	59,000	150,880	91,880
Total Revenues	4,763,753	4,842,503	5,200,705	358,202
EXPENDITURES				
Current:				
General Government	1,732,811	1,904,811	1,638,148	266,663
Public Safety				
Police	1,892,807	1,892,807	1,982,462	(89,655)
Building Inspection	155,000	155,000	208,492	(53,492)
Public Works (Roads, Facilities, etc)	20,150	20,150	80,495	(60,345)
Parks and Open Spaces	408,687	408,687	461,215	(52,528)
Health & Welfare	44,916	134,916	174,160	(39,244)
Economic Development	64,500	64,500	72,636	(8,136)
Capital Outlay	260,564	260,564	263,955	(3,391)
Debt Service:				
Principal	72,104	72,104	72,104	-
Interest	3,083	3,083	3,098	(15)
Total Expenditures	4,654,622	4,916,622	4,956,765	(40,143)
Excess (Deficiency) of Revenue Over Expenditures	109,131	(74,119)	243,940	318,059
OTHER FINANCING SOURCES (USES)				
Transfers In	205,700	205,700	192,507	(13,193)
Transfers Out	(270,410)	(270,410)	(73,884)	196,526
Total Other Financing Sources (Uses)	(64,710)	(64,710)	118,623	183,333
Net Change in Fund Balances	\$ 44,421	\$ (138,829)	362,563	\$ 501,392
Fund Balances at Beginning of Year			1,957,009	
Fund Balances at End of Year			\$ 2,319,572	

See accompanying Independent Auditor's Report.

**Highway Fund**

Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 522,672	\$ 522,672	\$ 551,583	\$ 28,911
-	-	-	-
-	125,000	125,000	-
140,500	140,500	143,044	2,544
-	-	-	-
1,000	1,000	810	(190)
6,869	6,869	6,486	(383)
<u>671,041</u>	<u>796,041</u>	<u>826,923</u>	<u>30,882</u>
60,240	60,240	49,458	10,782
-	-	-	-
-	-	-	-
-	-	-	-
797,958	797,958	644,953	153,005
-	-	-	-
-	-	-	-
-	-	-	-
1,112,670	1,237,670	964,166	273,504
18,320	18,320	18,320	-
1,160	1,160	1,180	(20)
<u>1,990,348</u>	<u>2,115,348</u>	<u>1,678,077</u>	<u>437,271</u>
<u>(1,319,307)</u>	<u>(1,319,307)</u>	<u>(851,154)</u>	<u>468,153</u>
1,154,417	1,154,417	1,016,779	(137,638)
-	-	-	-
<u>1,154,417</u>	<u>1,154,417</u>	<u>1,016,779</u>	<u>(137,638)</u>
<u>\$ (164,890)</u>	<u>\$ (164,890)</u>	165,625	<u>\$ 330,515</u>
		502,529	
		<u>\$ 668,154</u>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances -Budget and Actual - General, Highway and Parks Funds**  
Year Ended December 31, 2013

	Parks Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Licenses and Permits	\$ 48,750	\$ 48,750	\$ 56,250	\$ 7,500
Investment Earnings	2,000	2,000	1,584	(416)
Miscellaneous	20,400	20,400	21,475	1,075
Total Revenues	71,150	71,150	79,309	8,159
EXPENDITURES				
Current:				
General Government	22,870	22,870	15,674	7,196
Parks	2,000	2,000	6,262	(4,262)
Capital Outlay	64,000	166,137	147,048	19,089
Total Expenditures	88,870	191,007	168,984	22,023
Net Change in Fund Balances	\$ (17,720)	\$ (119,857)	(89,675)	\$ 30,182
Fund Balances at Beginning of Year			724,922	
Fund Balances at End of Year			\$ 635,247	

See accompanying Independent Auditor's Report.

## **OTHER SUPPLEMENTARY INFORMATION**

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**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance -Budget and Actual - Capital Improvement Fund**  
Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Impact Fees	\$ 800,244	\$ 800,244	\$ 912,183	\$ 111,939
Investment Earnings	7,350	7,350	6,152	(1,198)
<b>Total Revenues</b>	<u>807,594</u>	<u>807,594</u>	<u>918,335</u>	<u>110,741</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	(1,423,614)	(1,423,614)	(1,171,168)	252,446
<b>Total Other Financing Uses</b>	<u>(1,423,614)</u>	<u>(1,423,614)</u>	<u>(1,171,168)</u>	<u>252,446</u>
<b>Net Change in Fund Balance</b>	<u>\$ (616,020)</u>	<u>\$ (616,020)</u>	(252,833)	<u>\$ 363,187</u>
<b>Fund Balance at Beginning of Year</b>			<u>2,236,855</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 1,984,022</u>	

See accompanying Independent Auditor's Report.

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**Town of Firestone**  
Firestone, Colorado  
**Combining Balance Sheet**  
**Other Governmental Funds**  
December 31, 2013

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	1,680	384	153,199	71,431
Receivables	-	-	-	18,020
Due from Other Funds	-	-	117	-
<b>Total Assets</b>	<b>\$ 1,680</b>	<b>\$ 384</b>	<b>\$ 153,316</b>	<b>\$ 89,451</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	384	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>384</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	-	-	153,316	-
Assigned	1,680	-	-	89,451
<b>Total Fund Balances</b>	<b>1,680</b>	<b>-</b>	<b>153,316</b>	<b>89,451</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,680</b>	<b>\$ 384</b>	<b>\$ 153,316</b>	<b>\$ 89,451</b>

See accompanying Independent Auditor's Report.

Debt Service	Total Governmental Funds
7,724	\$ 234,418
-	18,020
-	117
<u>\$ 7,724</u>	<u>\$ 252,555</u>

\$ -	\$ 384
<u>-</u>	<u>384</u>

-	153,316
7,724	98,855
<u>7,724</u>	<u>252,171</u>
<u>\$ 7,724</u>	<u>\$ 252,555</u>

**Town of Firestone**  
Firestone, Colorado  
**Combining Schedule of Revenues, Expenditure, and**  
**Changes in Fund Balances - Other Governmental Funds**  
Year Ended December 31, 2013

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space
<b>REVENUES</b>				
Taxes and Impact Fees	\$ -	\$ 31,910	\$ -	\$ 52,088
Intergovernmental	-	-	57,480	-
Investment Earnings	40	38	228	(3,675)
Miscellaneous	150	-	-	-
<b>Total Revenues</b>	<u>190</u>	<u>31,948</u>	<u>57,708</u>	<u>48,413</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Administration	1,200	39,332	-	-
<b>Debt Service:</b>				
Principal	90,000	-	-	-
Interest	53,725	-	-	-
<b>Total Expenditures</b>	<u>144,925</u>	<u>39,332</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(144,735)</u>	<u>(7,384)</u>	<u>57,708</u>	<u>48,413</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	127,225	7,384	-	-
Transfers Out	-	-	(50,000)	(20,000)
<b>Total Other Financing Sources (Uses)</b>	<u>127,225</u>	<u>7,384</u>	<u>(50,000)</u>	<u>(20,000)</u>
<b>Net Change in Fund Balances</b>	(17,510)	-	7,708	28,413
<b>Fund Balances at Beginning of Year</b>	19,190	-	145,608	61,038
<b>Fund Balances at End of Year</b>	<u>\$ 1,680</u>	<u>\$ -</u>	<u>\$ 153,316</u>	<u>\$ 89,451</u>

See accompanying Independent Auditor's Report.

Debt Service	Total Governmental Funds
\$ 79,607	\$ 163,605
-	57,480
68	(3,301)
-	150
<u>79,675</u>	<u>217,934</u>
1,832	42,364
70,000	160,000
3,605	57,330
<u>75,437</u>	<u>259,694</u>
4,238	(41,760)
-	134,609
-	(70,000)
-	<u>64,609</u>
4,238	22,849
3,486	229,322
<u>\$ 7,724</u>	<u>\$ 252,171</u>

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances -Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2013

	Firestone Finance Authority Fund			Variance with Final Budget
	Budgeted Amounts		Actual	Positive
	Original	Final	Amounts	(Negative)
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment Earnings	75	75	40	(35)
Miscellaneous	150	150	150	-
<b>Total Revenues</b>	<u>225</u>	<u>225</u>	<u>190</u>	<u>(35)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Administration	1,500	1,500	1,200	300
<b>Debt Service:</b>				
Principal	90,000	90,000	90,000	-
Interest	53,725	53,725	53,725	-
<b>Total Expenditures</b>	<u>145,225</u>	<u>145,225</u>	<u>144,925</u>	<u>300</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(145,000)</u>	<u>(145,000)</u>	<u>(144,735)</u>	<u>265</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	127,225	127,225	127,225	-
<b>Total Other Financing Sources</b>	<u>127,225</u>	<u>127,225</u>	<u>127,225</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (17,775)</u>	<u>\$ (17,775)</u>	(17,510)	<u>\$ 265</u>
<b>Fund Balances at Beginning of Year</b>			19,190	
<b>Fund Balances at End of Year</b>			<u>\$ 1,680</u>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances -Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2013

<b>Firestone Urban Renewal Authority</b>				
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ 45,614	\$ 45,614	\$ 31,910	\$ (13,704)	
40	40	38	(2)	
-	-	-	-	
<u>45,654</u>	<u>45,654</u>	<u>31,948</u>	<u>(13,706)</u>	
43,715	56,715	39,332	17,383	
-	-	-	-	
-	-	-	-	
<u>43,715</u>	<u>56,715</u>	<u>39,332</u>	<u>17,383</u>	
<u>1,939</u>	<u>(11,061)</u>	<u>(7,384)</u>	<u>3,677</u>	
-	13,000	7,384	(5,616)	
-	13,000	7,384	(5,616)	
<u>\$ 1,939</u>	<u>\$ 1,939</u>	-	<u>\$ (1,939)</u>	
		-		
		<u>\$ -</u>		



**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditure, and Changes in**  
**Fund Balances -Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2013

	Conservation Trust			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	42,000	42,000	57,480	15,480
Investment Earnings	250	250	228	(22)
Total Revenues	42,250	42,250	57,708	15,458
OTHER FINANCING USES				
Transfers Out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Uses	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balances	\$ (7,750)	\$ (7,750)	7,708	\$ 15,458
Fund Balances at Beginning of Year			145,608	
Fund Balances at End of Year			\$ 153,316	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances -Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2013

<b>Open Space</b>			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 39,990	\$ 39,990	\$ 52,088	\$ 12,098
-	-	-	-
50	50	(3,675)	(3,725)
<u>40,040</u>	<u>40,040</u>	<u>48,413</u>	<u>8,373</u>
(20,000)	(20,000)	(20,000)	-
<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
<u>\$ 20,040</u>	<u>\$ 20,040</u>	28,413	<u>\$ 8,373</u>
		61,038	
		<u>\$ 89,451</u>	

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances -Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2013

	<b>Debt Service</b>			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final	Amounts	
<b>REVENUES</b>				
Taxes	\$ 79,629	\$ 79,629	79,607	\$ (22)
Investment Earnings	75	75	68	(7)
<b>Total Revenues</b>	<u>79,704</u>	<u>79,704</u>	<u>79,675</u>	<u>(29)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Administration	1,662	1,662	1,832	(170)
<b>Debt Service:</b>				
Principal	70,000	70,000	70,000	-
Interest	3,605	3,605	3,605	-
<b>Total Expenditures</b>	<u>75,267</u>	<u>75,267</u>	<u>75,437</u>	<u>(170)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 4,437</u>	<u>\$ 4,437</u>	4,238	<u>\$ (199)</u>
<b>Fund Balance at Beginning of Year</b>			3,486	
<b>Fund Balance at End of Year</b>			<u>\$ 7,724</u>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Water Fund**  
**Schedule of Revenues, Expenditures and Changes in Net Position -**  
**Budget and Actual (Non GAAP Budgetary Basis)**  
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
<b>Operating Revenues</b>				
Charges for Services	\$ 2,444,800	\$ 2,444,800	\$ 2,452,756	\$ 7,956
Miscellaneous	1,875	1,875	13,535	11,660
<b>Total Operating Revenues</b>	<u>2,446,675</u>	<u>2,446,675</u>	<u>2,466,291</u>	<u>19,616</u>
<b>Operating Expenses</b>				
Operations	1,174,101	1,174,101	1,155,175	18,926
Administration	603,818	603,818	540,370	63,448
<b>Total Operating Expenses</b>	<u>1,777,919</u>	<u>1,777,919</u>	<u>1,695,545</u>	<u>82,374</u>
<b>Operating Income</b>	668,756	668,756	770,746	101,990
<b>Nonoperating Revenues (Expenditures)</b>				
Capital Contributions	702,000	892,000	2,134,203	1,242,203
Investment Earnings	10,000	10,000	10,433	433
Transfers In	203,910	203,910	-	(203,910)
Interest Expense	-	-	(5,679)	(5,679)
Principal Paid	(224,559)	(224,559)	(18,958)	205,601
Capital Outlay	(326,288)	(426,288)	(515,342)	(89,054)
Tap Fees Paid	(866,670)	(1,056,670)	(1,538,600)	(481,930)
Intergovernmental Revenues	-	-	6,064	6,064
<b>Total Nonoperating Revenues (Expenditures)</b>	<u>(501,607)</u>	<u>(601,607)</u>	<u>72,121</u>	<u>673,728</u>
<b>Excess of Revenues Over Expenditures - Budgetary Basis</b>	<u>\$ 167,149</u>	<u>\$ 67,149</u>	842,867	<u>\$ 775,718</u>
<b>Reconciliation to a GAAP Basis</b>				
Depreciation			(378,637)	
Capital Outlay			515,342	
Principal Paid			18,958	
<b>Change in Net Position</b>			<u>998,530</u>	
<b>Net Position at Beginning of Year</b>			57,542,377	
<b>Net Position at End of Year</b>			<u>\$ 58,540,907</u>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Stormwater Fund**  
**Schedule of Revenues, Expenditures and Changes in Net Position -**  
**Budget and Actual (Non GAAP Budgetary Basis)**  
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating Revenues</b>				
Charges for Services	\$ 113,600	\$ 113,600	\$ 114,700	\$ 1,100
<b>Total Operating Revenues</b>	<u>113,600</u>	<u>113,600</u>	<u>114,700</u>	<u>1,100</u>
<b>Operating Expenses</b>				
Operations	52,950	52,950	42,588	10,362
Administration	10,000	10,000	14,682	(4,682)
<b>Total Operating Expenses</b>	<u>62,950</u>	<u>62,950</u>	<u>57,270</u>	<u>5,680</u>
<b>Operating Income</b>	50,650	50,650	57,430	6,780
<b>Nonoperating Revenues (Expenditures)</b>				
Transfers In	1,472	1,472	-	(1,472)
Transfers Out	(35,700)	(35,700)	(28,843)	6,857
Capital Outlay	(31,472)	(31,472)	(43,846)	(12,374)
<b>Total Nonoperating Revenues (Expenditures)</b>	<u>(65,700)</u>	<u>(65,700)</u>	<u>(72,689)</u>	<u>(6,989)</u>
<b>Deficiency of Revenues Over Expenditures - Budgetary Basis</b>	<u>\$ (15,050)</u>	<u>\$ (15,050)</u>	(15,259)	<u>\$ (209)</u>
<b>Reconciliation to a GAAP Basis</b>				
Depreciation			(6,267)	
Capital Outlay			<u>43,846</u>	
<b>Change in Net Position</b>			22,320	
<b>Net Position at Beginning of Year</b>			<u>391,317</u>	
<b>Net Position at End of Year</b>			<u><u>\$ 413,637</u></u>	

See accompanying Independent Auditor's Report.

## **CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**

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**Town of Firestone**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Schedule by Activity and Source**

**December 31, 2013**

<b>Function and Activity</b>	<b>Land</b>	<b>Land Improvements</b>	<b>Building and Improvements</b>	<b>Equipment and Vehicles</b>	<b>Infrastructure</b>	<b>TOTAL</b>
General Government	\$ -	\$ -	\$ -	\$ 199,100	\$ -	\$ 199,100
Public Works	-	-	-	1,487,822	-	1,487,822
Parks, Cultural and Open Space	6,017,310	5,856,935	-	-	-	11,874,245
Public Safety	-	-	-	1,173,343	-	1,173,343
Building	-	-	1,725,829	-	-	1,725,829
Construction in Progress	-	-	364,298	-	-	364,298
Streets and Related Infrastructure	-	-	-	-	35,223,308	35,223,308
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 6,017,310</b>	<b>\$ 5,856,935</b>	<b>\$ 2,090,127</b>	<b>\$ 2,860,265</b>	<b>\$ 35,223,308</b>	<b>\$ 52,047,945</b>

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Schedule of Changes by Function and Activity**

**December 31, 2013**

Function and Activity	Capital Assets 12/31/2012	Additions	Deletions	Capital Assets 12/31/2013
General Government	\$ 172,835	\$ 26,265	\$ -	\$ 199,100
Public Works	1,405,269	82,553	-	1,487,822
Parks, Cultural and Open Space	11,722,281	151,964	-	11,874,245
Public Safety	1,091,587	81,756	-	1,173,343
Building	1,637,173	88,656	-	1,725,829
Construction in Progress	364,298	-	-	364,298
Streets and Related Infrastructure	34,094,022	1,129,286	-	35,223,308
Construction in Progress	76,750	-	76,750	-
<b>Total Governmental Funds Capital Assets</b>	<b><u>\$ 50,564,215</u></b>	<b><u>\$ 1,560,480</u></b>	<b><u>\$ 76,750</u></b>	<b><u>\$ 52,047,945</u></b>

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Comparative Schedule by Source**

**December 31, 2012 and 2013**

<b>GENERAL FIXED ASSETS</b>	<b>2012</b>	<b>2013</b>
Land	\$ 5,965,810	\$ 6,017,310
Land Improvements	5,756,470	5,856,935
Building and Improvements	1,637,173	1,725,829
Building - Construction in Progress	364,298	364,298
Equipment and Vehicles	2,669,691	2,860,265
Equip and Vehicles - Construction in Progress	18,950	-
Infrastructure	34,094,023	35,223,308
Infrastructure - Construction in Progress	57,800	-
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$ 50,564,215</b>	<b>\$ 52,047,945</b>

<b>INVESTMENT IN GENERAL FIXED ASSETS</b>	<b>2012</b>	<b>2013</b>
Contributions and Donations	\$ 26,320,453	\$ 26,320,453
Developer Reimbursement Obligations	487,403	487,403
General Obligation Bonds	773,917	773,917
Grants	323,328	323,328
Operating Revenues and Impact Fees	20,674,114	22,157,844
Certificates of Participation	1,985,000	1,985,000
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>	<b>\$ 50,564,215</b>	<b>\$ 52,047,945</b>

See accompanying Independent Auditor's Report.

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## STATISTICAL SECTION

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## Town of Firestone

### Statistical Section

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2013

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This part of the Town of Firestone's Comprehensive Annual Financial Report presents detailed information spanning multiple years to provide a historical context for understanding, interpreting and analyzing the information presented in the financial statements, note disclosures, and supplementary information about the Town's overall financial condition.

The Statistical Section is organized as follows -

	<u>Pages</u>
<b><i>Financial Trends:</i></b>	80-86
Information on the Town's financial performance and health over time.	
<b><i>Revenue:</i></b>	87-94
Information on the Town's ability to generate tax revenue over time.	
<b><i>Debt Capacity:</i></b>	95-100
Information on the Town's outstanding debt and that of overlapping governments.	
<b><i>Demographics:</i></b>	101-103
Information on demographic and economic measures that affect the Town and its provision of services to its constituents.	
<b><i>Operating Information:</i></b>	104-105
Information on the Town's operations, staffing and other data.	

**Town of Firestone**  
**Net Position by Component**  
**Last Ten Years**

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 26,174,629	\$ 26,709,375	\$ 28,787,980	\$ 29,452,697
Restricted	3,259,099	4,103,582	5,173,757	4,661,782
Unrestricted	635,609	1,052,457	1,476,557	2,751,531
Total governmental activities position	\$ 30,069,337	\$ 31,865,414	\$ 35,438,294	\$ 36,866,010
Business-type activities				
Net investment in capital assets	\$ 38,751,657	\$ 41,580,548	\$ 47,690,346	\$ 51,453,496
Restricted	181,339	203,818	262,187	-
Unrestricted	1,876,625	2,392,705	1,242,711	1,744,886
Total business-type activities net position	\$ 40,809,621	\$ 44,177,071	\$ 49,195,244	\$ 53,198,382
Primary government				
Net investment in capital assets	\$ 64,926,286	\$ 68,289,923	\$ 76,478,326	\$ 80,906,193
Restricted	3,440,438	4,307,400	5,435,944	4,661,782
Unrestricted	2,512,234	3,445,162	2,719,268	4,496,417
Total primary government net position	\$ 70,878,958	\$ 76,042,485	\$ 84,633,538	\$ 90,064,392

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

2008	2009	2010	2011	2012	2013	
\$ 31,129,414	\$ 32,308,457	\$ 30,754,589	\$ 29,832,385	\$ 28,453,663	\$ 27,884,672	
4,722,885	2,682,197	3,034,596	269,051	319,783	360,606	
1,748,080	1,723,914	1,793,769	4,807,819	5,216,289	5,368,759	
\$ 37,600,379	\$ 36,714,568	\$ 35,582,954	\$ 34,909,255	\$ 33,989,735	\$ 33,614,037	
\$ 51,891,777	\$ 53,326,076	\$ 53,632,012	\$ 53,745,675	\$ 53,954,280	\$ 54,207,452	
-	-	-	-	-	-	
2,399,424	2,304,582	2,813,046	3,347,722	3,979,414	4,747,092	
\$ 54,291,201	\$ 55,630,658	\$ 56,445,058	\$ 57,093,397	\$ 57,933,694	\$ 58,954,544	
\$ 83,021,191	\$ 85,634,533	\$ 84,386,601	\$ 83,578,060	\$ 82,407,943	\$ 82,092,124	
4,722,885	2,682,197	3,034,596	269,051	319,783	360,606	
4,147,504	4,028,496	4,606,815	8,155,541	9,195,703	10,115,851	
\$ 91,891,580	\$ 92,345,226	\$ 92,028,012	\$ 92,002,652	\$ 91,923,429	\$ 92,568,581	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Changes in Net Position**  
**Last Ten Years**

	Fiscal Year									
	2004	2005	2006 <sup>(1)</sup>	2007 <sup>(1)</sup>	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 812,740	\$ 869,905	\$ 997,530	\$ 1,200,682	\$ 1,154,780	\$ 1,410,953	\$ 1,156,785	\$ 1,106,283	\$ 1,322,245	\$ 1,835,993
Public Safety	1,770,667	1,957,514	2,357,338	2,169,622	2,230,778	2,350,659	2,246,700	2,169,999	2,266,759	2,272,091
Public Works	419,351	427,030	2,105,134	2,186,471	2,308,808	2,563,019	2,588,250	2,450,275	2,445,606	2,554,525
Health & Welfare	33,905	58,585	73,744	74,408	86,964	103,002	95,917	95,010	96,785	174,160
Economic Development	48,877	3,092	14,389	11,561	13,844	15,298	18,905	70,334	65,143	72,636
Parks & Recreation	112,763	202,246	534,021	458,506	635,834	700,636	699,652	668,285	774,910	837,008
Interest on long-term debt	36,738	87,585	114,083	124,480	120,026	106,860	82,409	73,349	70,203	58,494
Depreciation Unallocated	1,447,343	1,604,975	-	-	-	-	-	-	-	-
Total governmental activities expenses	4,682,384	5,210,932	6,196,239	6,225,730	6,551,034	7,250,427	6,888,618	6,633,535	7,041,651	7,804,907
Business-type activities:										
Water	982,389	1,108,066	1,247,776	1,531,947	1,756,601	1,698,657	1,857,559	2,018,304	2,125,436	2,079,861
Stormwater	-	-	-	-	-	13,013	48,000	16,502	29,637	63,537
Total business-type activities expenses	982,389	1,108,066	1,247,776	1,531,947	1,756,601	1,711,670	1,905,559	2,034,806	2,155,073	2,143,398
Total primary government activities expenses	\$ 5,664,773	\$ 6,318,998	\$ 7,444,015	\$ 7,757,677	\$ 8,307,635	\$ 8,962,097	\$ 8,794,177	\$ 8,668,341	\$ 9,196,724	\$ 9,948,305

<sup>(1)</sup> The Town allocated depreciation per GAAP/GASB requirements.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Changes in Net Position**  
**Last Ten Years**

	Fiscal Year									
	2004	2005	2006 <sup>(1)</sup>	2007 <sup>(1)</sup>	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General Government	\$ 921,986	\$ 1,115,731	\$ 1,928	\$ 21,709	\$ 22,980	\$ 30,887	\$ 43,364	\$ 77,340	\$ 137,715	\$ 437,671
Public safety	-	-	166,738	175,676	144,515	209,212	173,518	201,219	200,761	170,871
Public works	192,015	83,341	2,726,309	1,444,132	908,196	1,274,954	1,318,295	1,117,241	897,921	1,055,226
Parks	-	-	343,367	111,000	54,000	93,748	98,311	73,943	115,434	-
Operating grants and contributions	269,391	-	-	33,921	285,623	1,178,813	89,656	25,400	-	238,962
Capital grants and contributions										
General government	-	-	-	-	-	-	-	7,500	-	51,500
Public works	1,012,019	729,117	2,761,373	841,171	792,282	-	-	105,660	-	105,660
Parks	-	-	312,611	849,089	744,750	-	-	-	-	-
Total governmental activities program revenues	2,395,411	1,928,189	6,312,326	3,476,698	2,952,346	2,787,613	1,723,144	1,608,303	1,351,831	2,059,890
Business-type activities:										
Charges for services										
Water	1,117,252	1,333,753	1,678,504	1,642,135	1,721,452	1,842,175	2,296,168	2,354,488	2,751,268	2,452,756
Stormwater	-	-	-	-	-	76,817	106,144	111,001	113,757	114,700
Operating grants and contributions	-	-	-	-	-	545,599	30,461	26,696	26,067	6,064
Capital grants and contributions	1,885,901	3,066,407	4,446,399	3,737,731	1,382,707	300,760	99,000	57,500	61,900	595,603
Total business-type activities program revenues	3,003,153	4,400,160	6,124,903	5,379,866	3,104,159	2,765,351	2,531,773	2,549,685	2,952,992	3,169,123
Total primary government program revenues	\$ 5,398,564	\$ 6,328,349	\$ 12,437,229	\$ 8,856,564	\$ 6,056,505	\$ 5,552,964	\$ 4,254,917	\$ 4,157,988	\$ 4,304,823	\$ 5,229,013
<b>Net (expense) revenue</b>										
Governmental activities	(2,286,973)	(3,282,743)	116,087	(2,749,032)	(3,598,688)	(4,462,813)	(5,165,474)	(5,025,232)	(5,689,820)	(5,745,017)
Business-type activities	2,020,764	3,292,094	4,877,127	3,847,919	1,347,558	1,053,681	626,214	514,879	797,919	1,025,725
Total primary government net expense	\$ (266,209)	\$ 9,351	\$ 4,993,214	\$ 1,098,887	\$ (2,251,130)	\$ (3,409,132)	\$ (4,539,260)	\$ (4,510,353)	\$ (4,891,901)	\$ (4,719,292)

<sup>(1)</sup> The Town allocated depreciation per GAAP/GASB requirements.

See accompanying Independent Auditor's Report.



**Town of Firestone**  
**Changes in Net Position**  
**Last Ten Years**

**General Revenues and Other Changes in Net Position**

Governmental activities:

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Taxes</b>										
Property taxes - general	\$ 340,377	\$ 430,108	\$ 517,234	\$ 600,200	\$ 707,972	\$ 731,651	\$ 813,795	\$ 720,123	\$ 824,637	\$ 892,840
Property taxes - debt service	66,315	69,272	69,975	69,600	67,958	70,490	72,265	75,271	74,090	79,607
Property taxes - urban renewal	-	-	-	-	-	-	-	15,562	20,170	31,910
Specific ownership taxes	-	-	-	-	-	-	55,890	57,189	71,475	64,770
Sales & Use Tax	1,472,821	1,952,157	1,990,320	2,092,775	2,308,510	2,097,477	2,301,440	2,518,329	2,683,817	2,973,413
Hwy users, road & bridge, motor vehicle taxes	-	-	-	-	-	-	454,967	467,408	469,955	485,282
Franchise taxes	255,614	324,072	286,774	298,572	338,077	339,903	343,974	338,780	380,273	396,128
Impact Fees	1,674,980	1,861,574	-	-	-	-	-	-	-	-
License & Permits	13,713	5,850	-	-	-	-	-	-	-	-
Grants & Contributions - Not Restricted for Specific	19,785	178,098	-	-	-	-	-	-	-	-
Investment earnings	72,167	165,340	260,008	362,983	196,461	42,695	10,635	14,705	15,411	7,362
Other miscellaneous	47,475	321,640	324,482	419,767	655,611	701,848	158,345	267,523	259,343	409,164
Gain on Sale of Capital Assets	89,562	412	8,000	406,541	-	-	-	-	-	-
Transfers	-	-	-	-	(192,958)	(269,778)	(177,451)	(123,361)	(28,871)	28,843
<b>Total governmental activities</b>	<b>4,052,809</b>	<b>5,308,523</b>	<b>3,456,793</b>	<b>4,250,438</b>	<b>4,081,631</b>	<b>3,714,286</b>	<b>4,033,860</b>	<b>4,351,529</b>	<b>4,770,300</b>	<b>5,369,319</b>
<b>Business-type activities</b>										
Investment earnings	10,064	68,356	141,046	81,529	65,128	15,999	6,302	9,391	9,155	10,433
Other miscellaneous	-	-	-	-	-	-	4,433	708	4,352	13,535
Transfers	-	-	-	-	192,958	269,778	177,451	123,361	28,871	(28,843)
<b>Total business-type activities</b>	<b>10,064</b>	<b>68,356</b>	<b>141,046</b>	<b>81,529</b>	<b>258,086</b>	<b>285,777</b>	<b>188,186</b>	<b>133,460</b>	<b>42,378</b>	<b>(4,875)</b>
<b>Total primary government</b>	<b>\$ 4,062,873</b>	<b>\$ 5,376,879</b>	<b>\$ 3,597,839</b>	<b>\$ 4,331,967</b>	<b>\$ 4,339,717</b>	<b>\$ 4,000,063</b>	<b>\$ 4,222,046</b>	<b>\$ 4,484,989</b>	<b>\$ 4,812,678</b>	<b>\$ 5,364,444</b>
<b>Changes in Net Position</b>										
Governmental activities	\$ 1,765,836	\$ 2,025,780	\$ 3,572,880	\$ 1,501,406	\$ 482,943	\$ (748,528)	\$ (1,131,614)	\$ (673,703)	\$ (919,520)	\$ (375,698)
Business-type activities	2,030,828	3,360,450	5,018,173	3,929,448	1,605,644	1,339,458	814,400	648,339	840,297	1,020,850
<b>Total primary government</b>	<b>\$ 3,796,664</b>	<b>\$ 5,386,230</b>	<b>\$ 8,591,053</b>	<b>\$ 5,430,854</b>	<b>\$ 2,088,587</b>	<b>\$ 590,930</b>	<b>\$ (317,214)</b>	<b>\$ (25,364)</b>	<b>\$ (79,223)</b>	<b>\$ 645,152</b>
Special Item		\$ (229,703)								
		<u>\$ 5,156,527</u>								

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 160,160	\$ 251,830	\$ 199,362	\$ 217,630	\$ 182,990	\$ 255,431	\$ 172,156	\$ -	\$ -	\$ -
Unreserved	479,821	605,977	936,462	1,081,552	933,910	676,957	849,368	-	-	-
Nonspendable	-	-	-	-	-	-	-	10,365	12,433	27,847
Restricted	-	-	-	-	-	-	-	125,132	174,175	207,290
Assigned	-	-	-	-	-	-	-	128,100	128,397	62,084
Unassigned	-	-	-	-	-	-	-	1,230,764	1,642,004	2,022,351
Total general fund	\$ 639,981	\$ 857,807	\$ 1,135,824	\$ 1,299,182	\$ 1,116,900	\$ 932,388	\$ 1,021,524	\$ 1,494,361	\$ 1,957,009	\$ 2,319,572
All other governmental funds										
Reserved	\$ 3,098,939	\$ 3,857,775	\$ 4,974,395	\$ 4,444,152	\$ 4,533,125	\$ 2,426,766	\$ 2,853,815	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	207,400	494,558	605,645	1,748,934	882,638	1,003,948	1,027,279	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	515	-
Restricted	-	-	-	-	-	-	-	143,919	145,608	153,316
Committed	-	-	-	-	-	-	-	2,082,265	2,236,855	1,984,022
Assigned	-	-	-	-	-	-	-	1,433,810	1,310,650	1,402,256
Total of all other governmental funds	\$ 3,306,339	\$ 4,352,333	\$ 5,580,040	\$ 6,193,086	\$ 5,415,763	\$ 3,430,714	\$ 3,881,094	\$ 3,659,994	\$ 3,693,628	\$ 3,539,594

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes and Impact Fees	\$ 3,810,107	\$ 4,637,183	\$ 4,390,097	\$ 3,164,965	\$ 3,576,498	\$ 4,748,305	\$ 5,030,226	\$ 5,108,891	\$ 5,287,922	\$ 6,066,305
Licenses and permits	868,093	996,593	859,251	594,967	362,823	369,179	397,676	348,704	311,574	437,671
Intergovernmental	289,176	470,411	461,473	657,631	576,069	1,191,114	99,199	108,118	86,319	238,962
Charges for services	169,789	83,341	234,317	981,874	613,685	111,773	114,445	117,303	138,125	143,044
Fines	67,606	124,988	166,738	175,676	144,515	199,991	170,647	159,002	164,833	170,871
Investment earnings	72,167	165,340	260,008	362,983	198,904	42,695	10,635	14,705	15,411	7,362
Miscellaneous	1,081,720	758,442	3,252,617	772,562	217,409	101,144	103,989	107,848	146,815	178,991
Total revenues	6,358,658	7,236,298	9,624,501	6,710,658	5,689,903	6,764,201	5,926,817	5,964,571	6,150,999	7,243,206
<b>Expenditures</b>										
General government	794,555	869,960	945,495	1,110,438	1,136,935	1,430,492	1,176,268	1,059,884	1,299,466	1,745,644
Public safety	1,770,667	1,957,514	2,089,142	2,053,556	2,123,736	2,153,198	2,164,212	2,107,193	2,174,095	2,190,954
Public works	419,351	427,030	699,887	807,155	695,554	801,422	847,105	688,699	687,029	725,448
Health & Welfare	33,905	58,585	73,744	74,408	310,137	368,531	95,917	95,010	96,785	174,160
Economic Development	48,877	3,092	14,389	11,561	86,964	36,121	18,905	70,334	65,143	72,636
Parks and Open Space	112,763	202,246	346,286	261,401	13,844	82,178	366,645	317,802	408,546	467,477
Capital Outlay	3,386,376	4,199,591	3,934,894	1,904,188	1,484,456	3,496,310	291,454	671,586	657,101	1,375,169
Debt service										
Interest	33,601	85,029	113,598	120,130	337,526	111,070	392,391	78,720	419,743	61,608
Principal	142,672	161,931	126,148	242,369	267,399	375,959	85,083	500,245	69,827	250,424
Total expenditures	6,742,767	7,964,978	8,343,583	6,585,206	6,456,551	8,855,281	5,437,980	5,589,473	5,877,735	7,063,520
Excess of revenues over (under) expenditures	(384,109)	(728,680)	1,280,918	125,452	(766,648)	(2,091,080)	488,837	375,098	273,264	179,686
<b>Other financing sources (uses)</b>										
Proceeds from capital lease	177,781	1,985,000	216,806	289,470	-	73,788	43,176	-	251,889	-
Proceeds from sale of capital assets	89,562	7,500	8,000	435,172	-	13,174	18,992	-	-	-
Operating transfers in	1,145,795	2,057,151	568,055	2,429,081	686,541	2,595,513	505,906	969,108	599,577	1,343,895
Operating transfers out	(1,145,795)	(2,057,151)	(568,055)	(2,502,771)	(879,499)	(3,031,253)	(683,357)	(1,092,469)	(628,448)	(1,315,052)
Total other financing sources (uses)	267,343	1,992,500	224,806	650,952	(192,958)	(348,778)	(115,283)	(123,361)	223,018	28,843
Net changes in fund balance	\$ (116,766)	\$ 1,263,820	\$ 1,505,724	\$ 776,404	\$ (959,606)	\$ (2,439,858)	\$ 373,554	\$ 251,737	\$ 496,282	\$ 208,529
Debt service as a percentage of noncapital expenditures	5.25%	6.56%	5.44%	7.74%	12.17%	9.09%	9.28%	11.77%	9.38%	5.49%

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**General Governmental Tax Revenues By Source**  
**Last Ten Years**

Year	Property		Franchise		Specific		Sales & Use		Severance		Cigarette		Other	Total
	Tax		Tax		Tax		Tax		Tax		Tax			
2004	\$	406,692	\$	170,323	\$	49,846	\$	3,147,801	\$	8,993	\$	4,333	\$	3,810,107
2005		499,380		233,291		55,509		3,813,731		9,916		5,381		4,637,183
2006		587,209		286,774		59,995		3,435,669		6,887		6,627		4,390,097
2007		669,800		298,464		66,843		2,092,729		4,666		9,863		3,164,965
2008		778,804		327,495		72,898		2,308,510		27,484		14,116		3,564,681
2009		802,141		339,903		64,239		2,097,477		100,311		15,512		3,716,635
2010		886,060		343,974		55,890		2,301,440		30,009		17,135		4,042,331
2011		810,956		338,780		57,189		2,518,329		119,510		16,866		4,192,662
2012		918,897		380,273		71,475		2,683,817		163,361		15,683		4,524,417
2013		1,004,357		396,128		64,770		2,973,413		157,655		15,382		5,154,123

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Sales Tax Trends**  
**Last Ten Years**

Sales Tax Trends by Category (based on month distributed to the Town)											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Ten Year Change
Motor Vehicle Taxes	\$ 314,081	\$ 344,524	\$ 334,852	\$ 406,068	\$ 386,064	\$ 321,078	\$ 357,742	\$ 387,137	\$ 465,971	\$ 482,771	\$ 168,690
Hotel/Motels	13,625	13,934	15,671	18,712	17,136	21,026	21,148	43,089	58,818	75,068	61,443
Restaurants	93,580	132,577	167,167	219,181	231,424	234,598	224,575	300,907	314,609	337,268	243,688
Retail - Grocery	109,286	156,896	167,114	184,639	194,180	193,522	218,648	228,005	242,623	269,046	159,760
Retail - Other	64,459	139,632	227,121	444,138	419,858	422,475	471,706	496,001	485,988	516,102	451,644
Bars/Liquor Stores	36,095	54,967	62,758	59,547	57,872	60,413	48,599	46,043	72,168	70,579	34,484
Other	43,906	36,903	39,607	43,458	27,086	29,591	50,620	33,044	38,958	42,593	(1,313)
Services	14,129	23,163	15,646	16,030	41,039	3,788	35,431	52,892	57,375	35,848	21,719
Banking & Financial	4,090	2,805	3,691	2,442	3,641	287,696	3,857	3,623	5,162	23,949	19,859
Utilities & Communications	140,640	171,528	230,405	237,002	296,026	23,131	282,124	317,038	321,785	357,889	217,248
Developer Reimbursement Obligation <sup>(1)</sup>					410,064	245,330	364,449	442,804	459,034	483,325	483,325
<b>TOTAL</b>	<b>\$ 835,896</b>	<b>\$ 1,078,934</b>	<b>\$ 1,266,038</b>	<b>\$ 1,633,224</b>	<b>\$ 2,086,398</b>	<b>\$ 1,844,658</b>	<b>\$ 2,080,908</b>	<b>\$ 2,352,592</b>	<b>\$ 2,524,504</b>	<b>\$ 2,696,451</b>	<b>\$ 1,860,546</b>

<sup>(1)</sup> Pledged revenues from sales tax for PIRA and RIFA agreements starting in 2008.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Years**

Firestone									
Year <sup>(1)</sup>	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land	Other		
2004	36,664,850	6,496,130	3,885,450	253,080	12,744,790	8,873,400	1,309,770		
2005	41,714,690	11,942,700	3,936,440	238,130	16,829,700	8,091,710	1,598,550		
2006	47,042,840	14,696,740	3,838,940	135,220	23,456,920	6,667,570	2,320,560		
2007	52,972,210	25,039,490	3,683,470	487,530	21,287,630	10,128,730	2,394,650		
2008	56,691,790	28,328,410	3,279,170	473,220	18,614,800	10,141,940	2,567,110		
2009	51,011,620	34,465,300	3,161,300	240,660	32,362,330	9,686,070	1,715,250		
2010	52,952,710	33,976,600	3,048,150	298,360	16,447,950	8,879,080	1,257,870		
2011	55,888,650	32,207,030	2,881,190	363,320	32,865,700	6,997,120	1,103,910		
2012	57,283,090	34,718,800	3,627,570	466,950	39,194,150	6,309,850	1,206,760		
2013	56,630,930	36,827,340	3,838,980	526,100	31,052,063	5,345,770	1,414,580		

Less:					Assessed				
Tax Exempt		Total		Total Direct Tax Rate	Grand		Value		
Real	Property	Assessed	Value		Total	Estimated	Actual	as a	Percentage
Year <sup>(1)</sup>	Property	Value	Value	Rate	Value	Taxable	Value	of Actual	Value <sup>(2)</sup>
2004	810,600	69,416,870	69,416,870	7.209	548,252,146	548,252,146	548,252,146	12.81%	
2005	1,064,260	83,287,660	83,287,660	7.049	633,596,606	633,596,606	633,596,606	13.31%	
2006	1,545,820	96,612,970	96,612,970	6.929	714,755,270	714,755,270	714,755,270	13.73%	
2007	1,661,280	114,332,430	114,332,430	6.805	835,545,237	835,545,237	835,545,237	13.88%	
2008	1,888,420	118,208,020	118,208,020	6.805	858,575,320	858,575,320	858,575,320	13.99%	
2009	2,402,890	132,642,530	132,642,530	6.805	857,705,156	857,705,156	857,705,156	15.74%	
2010	4,646,970	116,860,720	116,860,720	6.805	865,276,097	865,276,097	865,276,097	14.04%	
2011	4,578,130	132,306,920	132,306,920	6.805	908,144,710	908,144,710	908,144,710	15.07%	
2012	11,135,130	142,807,170	142,807,170	6.805	967,639,313	967,639,313	967,639,313	15.91%	
2013	10,905,230	135,635,763	135,635,763	6.805	953,953,862	953,953,862	953,953,862	15.36%	

Sources: Weld County Assessor's Office

<sup>(1)</sup>Taxes for the year assessed are collected in the following year. For example: 2005 assessed will be collected in 2006 calendar year.

<sup>(2)</sup>Includes tax-exempt property

See accompanying Independent Auditor's Report.



**Town of Firestone**  
**Property Tax Levy from Direct and Overlapping Governments**  
**Last Ten Years**

Weld County <sup>(2)</sup>													
Year	Town of Firestone	Weld County	RE1J School District	Frederick		Mountain View		N. Colo. Water Conservation		Hills Metro		The Greens Metro	
				Fire Protection District	Firestone District	Fire Protection District	View District	Conservation District	Hills Metro #1 District	Hills Metro #2 District	Hills Metro #3 District	Metro District	
Rates (In mills)													
2004	7.209	19.957	40.089	9.560	9.560	8.107	1.000	-	-	-	-	-	-
2005	7.049	17.900	39.982	9.560	9.560	8.037	1.000	40.000	40.000	40.000	40.000	40.190	40.190
2006	6.929	16.804	38.035	13.360	13.360	7.977	1.000	40.000	40.000	40.000	40.000	40.190	40.190
2007	6.805	16.804	37.798	12.770	12.770	7.817	1.000	40.000	40.000	40.000	40.000	40.190	40.190
2008	6.805	16.804	46.285	12.526	12.526	11.747	1.000	-	-	-	-	40.190	40.190
2009	6.805	16.804	46.268	12.401	12.401	11.747	1.000	-	-	-	-	-	-
2010	6.805	16.804	46.268	12.401	12.401	11.747	1.000	-	-	-	-	-	-
2011	6.805	16.804	47.614	12.264	12.264	11.747	1.000	-	-	-	-	-	-
2012	6.805	16.804	53.500	12.197	12.197	11.747	1.000	-	-	-	-	45.000	45.000
2013	6.805	16.804	53.679	12.277	12.277	11.747	1.000	-	-	-	-	50.000	50.000
Levy													
2004	500,426	59,739,651	16,656,447	1,234,942	1,234,942	2,435,015	2,399,590	-	-	-	-	-	-
2005	587,095	64,714,321	19,653,853	1,564,289	1,564,289	82,889	2,771,826	10,940	758	6	15,144	15,144	15,144
2006	669,431	70,643,162	21,713,602	3,092,694	3,092,694	82,889	3,190,486	43,137	24,148	6,440	21,660	21,660	21,660
2007	778,032	75,088,043	24,691,076	3,403,049	3,403,049	3,148,362	3,434,059	50,232	19,772	4,430	61,260	61,260	61,260
2008	804,406	76,724,097	31,603,051	3,650,649	3,650,649	5,047,144	3,499,354	-	-	-	31,935	31,935	31,935
2009	902,632	96,972,420	36,441,473	4,025,507	4,025,507	6,115,352	4,203,631	-	-	-	-	-	-
2010	794,109	78,999,116	35,375,547	3,905,196	3,905,196	5,838,491	3,503,408	-	-	-	-	-	-
2011	900,349	91,108,983	40,102,826	4,247,291	4,247,291	6,544,045	3,908,165	-	-	-	-	-	-
2012	971,803	109,452,573	49,869,514	4,585,839	4,585,839	7,402,993	4,450,703	-	-	-	10,998	10,998	10,998
2013	923,001	119,624,895	48,706,721	4,226,871	4,226,871	7,291,077	4,418,338	-	-	-	10,661	10,661	10,661

See accompanying Independent Auditor's Report.

**Town of Firestone  
Property Tax Levy  
Last Ten Years**

Weld County <sup>(2)</sup>																			
Year	The Springs Metro District	Cottonwood Hollow Res		Cottonwood Hollow Com		Stoneridge Metro		Neighbor's Point		Tri-Area Sanitation <sup>(3)</sup>		St. Vrain Sanitation District		Tri-Area Ambulance Special District <sup>(3)</sup>		Carbon Valley Recreation District		High Plains Library District <sup>(5)</sup>	
		Metro Dist	Metro Dist	Metro Dist	Metro Dist	District	Metro Dist	Metro Dist	Sanitation <sup>(3)</sup>	Sanitation <sup>(3)</sup>	District	District	District	District	District	District	District	District	
Rates (In mills)																			
2004	-	-	-	-	-	-	-	-	-	0.118	4.401	6.543	6.657	3.249					
2005	-	5.000	-	-	40.000	-	-	-	-	0.117	3.918	3.250	6.657	3.281					
2006	42.000	40.000	40.000	40.000	40.000	40.000	-	-	-	-	3.210	-	6.657	3.261					
2007	42.000	40.000	40.000	40.000	40.000	40.000	45.000	-	-	-	2.686	-	6.657	3.253					
2008	42.000	40.000	40.000	40.000	40.000	40.000	45.000	-	-	-	0.806	-	6.657	3.260					
2009	42.000	40.000	40.000	40.000	40.000	40.000	45.000	-	-	-	0.737	-	6.657	3.255					
2010	42.000	40.000	40.000	40.000	40.000	40.000	45.000	-	-	-	0.737	-	6.657	3.255					
2011	42.000	50.000	50.000	50.000	50.000	50.000	45.000	-	-	-	0.720	-	6.657	3.271					
2012	42.000	50.000	50.000	50.000	50.000	50.000	45.000	-	-	-	0.682	-	6.657	3.261					
2013	42.000	50.000	50.000	50.000	50.000	50.000	45.000	-	-	-	0.680	-	6.657	3.264					

Lewy	2004	-	-	-	-	5,094	652,837	1,074,342	1,176,502	8,618,092
2005	-	78	-	770	-	5,562	682,260	611,522	1,356,335	10,591,984
2006	564	9,678	3,987	49,218	-	-	698,882	-	1,561,222	12,141,237
2007	561	9,866	3,476	210,028	28,044	-	739,139	-	1,771,833	12,738,340
2008	5,770	16,168	1,575	332,159	27,933	-	312,351	-	1,801,510	13,028,371
2009	52,188	20,123	2,326	334,662	20,849	-	322,948	-	1,994,957	16,628,403
2010	64,476	10,723	1,594	317,757	38,992	-	324,544	-	2,017,502	13,310,811
2011	48,718	16,046	1,764	344,959	37,829	-	346,249	-	2,489,088	15,748,036
2012	42,752	15,826	1,404	353,401	37,813	-	370,878	-	2,757,648	19,077,319
2013	45,866	14,788	1,172	334,538	14,470	-	338,142	-	2,601,313	21,087,951

<sup>(1)</sup> One mill generates \$1 of property tax revenue per \$1,000 of assessed valuation

(2) Weld County Assessor's Office

(3) No longer collects on property within the Town's boundaries.

(4) Taxes for the year assessed are collected in the following year. The mills that are stated were collected in the following year. Collection year follows levy year.

5) Formerly known as the Weld County Library District.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Principal Taxpayers**  
**December 31, 2013**

Taxpayer	Town of Firestone <sup>(1)</sup>			Town of Firestone <sup>(1)</sup>			Town of	
	2013			2012			2011	
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank
Principal Taxpayers								
Kerr-McGee Oil & Gas Onshore LP	\$ 13,887,490	1	1.46%	\$ 19,270,370	1	1.99%	\$ 13,634,890	1
American Furniture Warehouse	8,969,660	2	0.94%	7,139,730	3	0.74%	7,259,000	4
Encana Oil & Gas (USA) Inc	8,262,352	3	0.87%	11,251,750	2	1.16%	9,134,110	2
Noble Energy	3,121,404	4	0.33%	5,282,340	4	0.55%	7,957,760	3
Top Operating Company	2,719,827	5	0.29%					
Flatiron Constructors Inc.	2,679,380	6	0.28%	3,109,300	5	0.32%		
Advance Forming Technology	2,218,510	7	0.23%	1,950,070	8	0.20%	1,843,930	7
Home Depot	2,022,000	8	0.21%	2,069,680	6	0.21%	2,069,680	5
Dillon Companies Inc	1,900,190	9	0.20%	2,015,450	7	0.21%	2,015,450	6
Sundance Energy	1,711,990	10	0.18%					
High Plains Marketplace LLC				1,781,700	9	0.18%	1,781,700	8
Safeway Stores 45 Inc							1,319,240	10
Firestone Development LLC				1,512,230	10	0.16%	1,413,050	9
Petroleum Development Corp.								
Public Service Company of Colorado								
Kerr McGee Gathering LLC								
Merit Energy								
DCP Midstream LP								
EOG Resources Inc.								
Vestas Blades America Inc.								
Colorado Interstate Gas Co.								
Kerr-McGee Rocky Mountain Corp.								
Patina Oil & Gas Corporation								
Eastman Kodak Company								
Duke Energy Field Services								
Thermo Cogeneration								
Qwest Corp KFA US West								
	<u>\$ 47,492,803</u>		<u>4.98%</u>	<u>\$ 55,382,620</u>		<u>5.72%</u>	<u>\$ 48,428,810</u>	

Sources: Weld County Assessor's Office

<sup>(1)</sup>Town of Firestone information not available from 2000 to 2007

<sup>(2)</sup>This is the latest information available for the County.

See accompanying Independent Auditor's Report.

Firestone <sup>(1)</sup>				Weld County <sup>(2)</sup>							
Town of Firestone <sup>(1)</sup>											
2010				2012				2003			
% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total County Assessed Value	Assessed Value	Rank	% of Total County Assessed Value	Assessed Value	Rank
1.50%	\$ 4,132,240	3	0.48%	\$ 1,014,003,300	2	21.57%					
0.80%	8,206,440	1	0.95%								
1.01%	7,550,890	2	0.87%	205,684,190	5	4.38%	37,432,100	4	1.51%		
0.88%	3,475,880	4	0.40%	1,337,193,180	1	28.44%					
0.20%	1,924,860	7	0.22%								
0.23%	2,041,380	6	0.24%								
0.22%	2,114,480	5	0.24%								
0.20%	1,783,920	8	0.21%								
0.15%	1,471,500	9	0.17%								
0.16%	1,313,120	10	0.15%								
				241,624,500	3	5.14%					
				207,498,900	4	4.41%	106,284,500	3	4.27%		
				80,051,600	9	1.70%	3,164,600	7	1.27%		
							32,598,960	6	1.31%		
				154,354,480	6	3.28%					
				138,522,790	7	2.95%					
				83,657,130	8	1.78%					
				44,790,900	10	0.95%					
							185,549,500	1	7.46%		
							161,491,590	2	6.49%		
							35,998,520	5	1.45%		
							29,704,220	8	1.19%		
							26,309,600	9	1.06%		
							24,827,700	10	1.00%		
5.33%	\$ 34,014,710		3.93%	\$ 3,507,380,970		74.60%	\$ 643,361,290		27.01%		

**Town of Firestone**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Levy Year	Collection Year	Total Tax Levy <sup>(1)(2)</sup>	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collection <sup>(3)</sup>	Collections As a Percent of Tax Levy
2004	2005	495,838	499,380	100.71	<sup>(4)</sup>	499,380	100.71
2005	2006	583,960	587,200	100.55	283	587,483	100.60
2006	2007	669,431	667,785	99.75	125	667,910	99.77
2007	2008	797,602	775,686	97.25	676	776,362	97.34
2008	2009	804,405	801,808	99.68	18	801,826	99.68
2009	2010	902,633	885,585	98.11	512	886,097	98.17
2010	2011	794,109	794,415	100.04	1,105	795,520	100.18
2011	2012	898,148	897,551	99.93	334	897,885	99.97
2012	2013	968,422	964,774	99.62	859	965,633	99.71
2013	2014	920,005	<sup>(4)</sup>	-	<sup>(4)</sup>	<sup>(4)</sup>	-

<sup>(1)</sup> Collection year follows levy year

<sup>(2)</sup> Weld County Assessor's Office

<sup>(3)</sup> Audited Financial Statements

<sup>(4)</sup> Information unavailable

See accompanying Independent Auditor's Report.

Town of Firestone  
Ratios of Outstanding Debt by Type  
Last Ten Years

Fiscal Year	Governmental Activities				Business - Type Activities				Weld County		
	General Obligation Bond	Certificates of Participation	Capital Leases	Developer Reimbursement Obligation	Water Loans	Capital Leases	Developer Reimbursement Obligation	Total Primary Government	Percentage of Personal Income	Per Capita	
2004	500,000	-	295,818	-	32,479	16,293	-	844,590	15.72%	\$	134
2005	460,000	1,985,000	173,897	-	13,657	52,058	-	2,684,612	47.52%	\$	340
2006	415,000	1,985,000	309,558	-	-	38,881	-	2,748,439	47.06%	\$	312
2007	365,000	1,920,000	471,659	-	-	72,178	-	2,828,837	47.78%	\$	318
2008	315,000	1,850,000	324,260	-	-	36,041	-	2,525,301	37.25%	\$	281
2009	260,000	1,775,000	221,009	556,324	-	23,891	462,444	3,298,668	46.67%	\$	362
2010	200,000	1,700,000	147,022	417,050	-	27,892	297,266	2,789,230	40.27%	\$	275
2011	135,000	1,620,000	47,476	158,521	-	16,052	112,991	2,090,040	30.18%	\$	188
2012	70,000	1,535,000	190,966	-	-	34,740	-	1,830,706	23.61%	\$	180
2013	-	1,445,000	100,542	-	-	15,782	-	1,561,324	18.70%	\$	148

Note: Details regarding the town's outstanding debt can be found in the notes to the financial statements.

See accompanying Independent Auditor's Report.



**Town of Firestone**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Years**

Year	Population <sup>(1)</sup>	Estimated Actual Taxable Value <sup>(2)</sup>	General Bonded Debt <sup>(3)</sup>	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2004	6,300	548,252,146	500,000	9.12%	79
2005	7,899	633,596,606	460,000	7.26%	58
2006	8,800	714,755,270	415,000	5.81%	47
2007	8,900	835,545,237	365,000	4.37%	41
2008	9,000	858,575,320	315,000	3.67%	35
2009	9,100	857,705,156	260,000	3.03%	29
2010	10,147	865,276,097	200,000	2.31%	20
2011	11,096	908,144,710	135,000	1.49%	12
2012	10,147	967,639,313	70,000	0.72%	7
2013	10,555	953,953,862	-	0.00%	-

Sources:

<sup>(1)</sup> Dept. of Local Affairs/Town of Firestone

<sup>(2)</sup> Weld County Assessor's Office

<sup>(3)</sup> General obligation bond debt equal to gross general obligation bond debt less obligations associated with proprietary funds. In this table the gross general obligation debt is equal to net general obligation bond debt.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Direct and Overlapping General Bonded Debt**  
**December 31, 2013**

	Outstanding General Obligation Bonded Debt <sup>(1)</sup> <sup>(2)</sup>	Percentage Applicable to the Town	Share of Debt Applicable to the Town
Direct Debt			
Town of Firestone	\$ 1,545,542	100%	\$ 1,545,542
Total Direct Debt	<u>1,545,542</u>		<u>1,545,542</u>
Overlapping General Obligation Debt			
Frederick-Firestone Fire Protection District	\$ 2,475,000	43%	\$ 1,054,103
Mountain View Fire Protection District <sup>(3)</sup>	-	24%	-
Northern Colorado Water Conservation District <sup>(3)</sup>	-	3%	-
St Vrain Sanitation District	-	27%	-
Carbon Valley Recreation District	5,612,151	39%	2,164,026
St Vrain Valley School District	425,725,000	5%	20,709,644
Stoneridge Metropolitan District (a portion of the Town)		5%	-
Total Overlapping General Bonded Debt	<u>433,812,151</u>		<u>23,927,772</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 435,357,693</u>		<u>\$ 25,473,314</u>

<sup>(1)</sup> Provided by each government entity

<sup>(2)</sup> The following governments had no outstanding general obligation bonded debt as of December 31, 2013 Tri-Area Ambulance, Weld County and High Plains Library District.

<sup>(3)</sup> The Mountain View Fire Protection District and the Northern Colorado Water Conservation District had no outstanding general obligation debt as of December 31, 2013. Both Districts may have active capital construction programs in the future that have at least a low probability of causing the need to issue general obligation debt which is why they are included in this exhibit.

See accompanying Independent Auditor's Report.

Town of Firestone  
Pledged Revenue - Developer Reimbursement Obligations  
December 31, 2013

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Fiscal Year	Sales Tax Collected		Assets Dedicated		Debt Service Payments	
	PIRA 1.25%	RIFA 0.25%	General Fund	Enterprise Fund	General Fund	Enterprise Fund
2006	35,718	-	149,224	512,825	8,051	27,667
2007	183,734	-	693,129	-	114,206	69,528
2008	190,613	-	-	235,831	94,850	95,763
2009	228,931	16,399	-	83,155	68,921	176,409
2010	303,707	60,742	-	59,997	139,274	225,175
2011	369,003	73,801	-	-	258,530	184,275
2012	382,529	76,506	-	-	158,521	112,991
2013	402,771	80,554	-	-	-	-

See accompanying Independent Auditor's Report.

Town of Firestone  
Legal Debt Margin Information  
Last Ten Years

	2004	2005	2006	2007
Debt limit - 3% of Actual Valuation	\$ 16,447,564	\$ 19,007,898	\$ 21,442,658	\$ 25,066,357
Total net debt applicable to limit	500,000	460,000	415,000	365,000
Legal debt margin	\$ 15,947,564	\$ 18,547,898	\$ 21,027,658	\$ 24,701,357
Total net debt applicable to the limit as a percentage of debt limit	3.04%	2.42%	1.94%	1.46%

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

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	2008	2009	2010	2011	2012	2013
\$	25,757,260	\$ 25,731,155	\$ 25,958,283	\$ 27,244,341	\$ 29,029,179	\$ 28,618,616
	315,000	260,000	200,000	135,000	70,000	-
\$	25,442,260	\$ 25,471,155	\$ 25,758,283	\$ 27,109,341	\$ 28,959,179	\$ 28,618,616
	1.22%	1.01%	0.77%	0.50%	0.24%	0.00%

See accompanying Independent Auditor's Report.

Town of Firestone  
Demographic and Economic Statistics  
Last Ten Years

Weld County <sup>(1)</sup>						
Year	Town Population	Personal Income (amounts expressed in thousands)	Per Capita Income <sup>(3)</sup>	Median Age	School Enrollment <sup>(5)</sup>	Unemploy- ment Rate <sup>(2)</sup>
2004	6,300	5,374,013	24,246	31.4	22,180	5.4
2005	7,899	5,650,000 <sup>(2)</sup>	24,846	30.9	23,260	5.1
2006	8,800	5,840,000	25,260	31.2	24,462	3.8
2007	8,900	5,920,000	25,495	31.2	24,582	4.1
2008	9,000	6,780,196 <sup>(4)</sup>	27,238	31.1	24,750	6.3
2009	9,100	7,067,989 <sup>(4)</sup>	25,516 <sup>(4)</sup>	31.1	25,270	8.6
2010	10,147	6,926,000	27,186	31.1	26,724	10.0
2011	11,096	6,925,906	27,186	32.0	28,109	7.8
2012	10,147	7,755,562	29,986	33.6	28,109	9.3
2013	10,555	8,347,637	29,986	33.7	29,382	8.7

Sources: U.S. Census Bureau  
Upstate Colorado  
Bureau of Economic Analysis  
Department of Local Affairs  
Colorado State of Labor  
St. Vrain Valley School District

<sup>(1)</sup> This information is for the entire county

<sup>(2)</sup> Estimate from Upstate Colorado

<sup>(3)</sup> Estimate from Colorado Labor & Employment

<sup>(4)</sup> From Bureau of Economic Analysis

<sup>(5)</sup> From St Vrain Valley School District

See accompanying Independent Auditor's Report.



**Town of Firestone**  
**Principal Employers**  
**Current Year and Ten Years Ago**

Employer	2013				2004 <sup>(1)</sup>		
	Employees	Rank	Type of Business	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
St. Vrain School District	166	1	Government	6.64%	-		
Flatiron	160	2	Construction	6.40%	-		
King Soopers Store - Firestone	134	3	Grocery	5.36%			
Advanced Forming Technologies	104	4	Manufacturing	4.16%	-		
Home Depot	99	5	Improvement	3.96%	-		
Safeway Store - Firestone	96	6	Grocery	3.84%	-		
American Furniture Warehouse	73	7	Retail	2.92%	-		
St. Vrain Sanitation District	47	8	Government	1.88%	-		
Town of Firestone	45	9	Government	1.80%	-		
Ehrlich I-25 KIA	41	10	Auto Dealership	1.64%	-		
Comfort Suites	30	11	Hospitality	1.20%	-		
Good Times	28	12	Fast Food	1.12%	-		
Saddleback Golf Club	26	13	Recreation	1.04%	-		
Domino's Pizza	24	14	Fast Food	0.96%	-		
Parrott's Sports Grille	21	15	Restaurant	0.84%	-		
Total	1,094			43.76%	-		0.00%
Total Town Employment (estimated)	2,500						

Source: Firestone Finance Department & Planning Department

<sup>(1)</sup>Information not available

See accompanying Independent Auditor's Report.

Town of Firestone  
Property Value and Construction  
Last Ten Years

Year	Estimated Actual Property Value <sup>(1)</sup>			Commercial Construction <sup>(2)</sup>		Residential Construction <sup>(2)</sup>	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2004	22,400,604	460,620,540	483,021,144	30	11,593,427	244	46,217,458
2005	41,181,767	524,055,938	565,237,705	25	9,123,052	248	55,513,969
2006	50,678,496	590,991,630	641,670,126	7	16,854,860	198	47,651,559
2007	86,343,240	665,396,492	751,739,732	9	12,438,302	141	37,400,819
2008	97,684,172	712,208,417	809,892,589	4	6,342,700	72	18,949,677
2009	118,845,898	640,800,521	759,646,419	5	748,532	123	22,303,024
2010	117,160,690	665,235,050	782,395,740	2	1,088,501	87	19,037,912
2011	111,058,853	702,135,833	813,194,686	6	305,850	134	12,069,990
2012	119,719,877	719,652,488	839,372,365	2	869,400	71	12,922,858
2013	126,990,855	711,483,814	838,474,669	7	4,625,128	78	20,178,465

Source:

<sup>(1)</sup>Weld County Assessor's Office

<sup>(2)</sup>Town of Firestone Building Department (Safebuilt)

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Full-Time Equivalent Town Government Employees by Function**  
**Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Function</b>										
General Government	7.00	9.00	9.00	9.00	9.00	9.00	8.00	9.00	12.00	12.00
Public Safety										
Police	16.00	16.00	22.00	23.00	24.00	23.00	23.00	20.00	18.00	19.00
CSO	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Public Works	7.00	8.00	10.00	10.00	11.00	13.00	14.00	11.00	12.00	13.00
Water	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
<b>Total</b>	<b>34.00</b>	<b>37.00</b>	<b>45.00</b>	<b>46.00</b>	<b>48.00</b>	<b>48.00</b>	<b>48.00</b>	<b>43.00</b>	<b>45.00</b>	<b>48.00</b>

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Miscellaneous Statistics**  
**Last Six Years**

Date of Incorporation	1908						
Form of Government	Trustees & Town Manager						
		2008	2009	2010	2011	2012	2013
Number of Employees							
Non-Exempt (Hourly)		37	40	40	35	37	38
Exempt (Salary)		9	8	8	8	8	10
Planning area in square miles		20	20	26	47	47	56
Town of Firestone's facilities and services							
Miles of streets		74	74	74	74	74	74
Parks:							
Number of parks		18	18	18	18	18	18
Number of park, open space, and undeveloped acres maintained		998	998	998	998	998	998
Number of trail & sidewalk miles maintained		5	5	5	5	5	5
Police Protection:							
Number of stations		1	1	1	1	1	1
Number of police personnel and officers		26	25	23	22	23	23
Number of patrol units		12	15	15	16	16	16
Water System:							
Linear Feet of water lines maintained		124,768	124,768	124,768	308,051	307,824	288,482
Number of customer accounts		3,071	3,125	3,219	3,293	3,344	3,435
Services not included in the reporting entity:							
Fire Protection Districts - Frederick Firestone Fire Protection District		1	1	1	1	1	1
No municipal electricity services - (Xcel Energy or United Power)		-	-	-	-	-	-
No municipal gas services - (Source Gas)		-	-	-	-	-	-
No municipal sewer services - (St. Vrain Sanitation District)		-	-	-	-	-	-
School Districts - St Vrain Valley School District & Weld County School District RE-1		2	2	2	2	2	2

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

## **COMPLIANCE**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:	Town of Firestone
		YEAR ENDING :	December 2013
This Information From The Records Of (example - City of _ or County of		Prepared By:	Alison Westerhold
		Phone:	303-531-6256

**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	
3. Other local imposts (from page 2)	225,810
4. Miscellaneous local receipts (from page 2)	150,354
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)	376,164
<b>B. Private Contributions</b>	
<b>C. Receipts from State government</b> (from page 2)	384,389
<b>D. Receipts from Federal Government</b> (from page 2)	126,531
<b>E. Total receipts (A.7 + B + C + D)</b>	887,084

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	1,011,678
2. Maintenance:	426,194
3. Road and street services:	
a. Traffic control operations	33,160
b. Snow and ice removal	41,919
c. Other	84,167
d. Total (a. through c.)	159,246
4. General administration & miscellaneous	54,059
5. Highway law enforcement and safety	
6. Total (1 through 5)	1,651,177
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	1,585
b. Redemption	17,915
c. Total (a. + b.)	19,500
3. Total (1.c + 2.c)	19,500
<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>	1,670,677

**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>	28,612		13,935	14,677

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	4,584,685	887,084	1,670,677	3,801,092	0

Notes and Comments:



LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2013	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	810
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	80,417	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	143,044
5. Specific Ownership &/or Other	145,393	g. Other Misc. Receipts	6,500
6. Total (1. through 5.)	225,810	h. Other	
c. Total (a. + b.)	225,810	i. Total (a. through h.)	150,354
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	345,349	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	39,040	d. Federal Transit Admin	125,000
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	1,531
f. Total (a. through e.)	39,040	g. Total (a. through f.)	126,531
4. Total (1. + 2. + 3.f)	384,389	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		14,424	14,424
b. Engineering Costs		35,033	35,033
c. Construction:			
(1). New Facilities		904,918	904,918
(2). Capacity Improvements		34,012	34,012
(3). System Preservation		22,725	22,725
(4). System Enhancement & Operation		566	566
(5). Total Construction (1) + (2) + (3) + (4)	0	962,221	962,221
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,011,678	1,011,678
			(Carry forward to page 1)

Notes and Comments:



# **FIRESTONE**

C O L O R A D O

***A COMMUNITY IN MOTION***



# 2014

**Comprehensive Annual Financial Report**

**For The Fiscal Year Ended December 31, 2014**



# **TOWN OF FIRESTONE**

**FIRESTONE, COLORADO**

**Comprehensive Annual Financial Report  
For the Fiscal Year ended December 31, 2014**

**Issued by the Town of Firestone, Finance Department**

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**Town of Firestone, Colorado**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2014

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## **INTRODUCTORY SECTION**

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June 24, 2015

To the Honorable Mayor, members of the Board of Trustees, and Citizens of the Town of Firestone (the “Town”), state law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of the Town for the fiscal year ended December 31, 2014.

This report consists of management’s representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Town’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town’s internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Anton Collins Mitchell LLP, a firm of licensed certified public accountants, has audited the Town’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2014 are free of material misstatement. The independent audit involved: examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for the fiscal year ended December 31, 2014, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Firestone’s MD&A can be found immediately following the report of the independent auditor.

## **PROFILE OF THE TOWN OF FIRESTONE**

The Town, incorporated in 1908, is located on the northern fringe of the Denver metropolitan area of Colorado. The Town currently occupies a land planning area of approximately 47.2 square miles and serves a population of approximately 11,000. Firestone is located in Weld County. The Town is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board and voter approval. On April 2, 1996, the taxpayers approved a ballot question to remove the Taxpayer Bill of Rights ("TABOR") limits that were imposed on the Town in 1992.

The Town has operated under the Trustees-Town Manager form of government since its first meeting as a statutory town. Policy-making and legislative authority are vested in the Board of Trustees (the "Board"), consisting of the mayor and six trustees. The Town's Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Town's manager, attorney, treasurer, and clerk. The Town's manager is responsible for: carrying out the goals, policies, and ordinances of the Board; for overseeing the day-to-day operations of the Town; and for appointing the heads of the various departments. The Board is elected on a nonpartisan basis. The Mayor is elected for a two-year term and the Trustees are elected for four-year terms. The mayor and trustees are elected at-large.

The Town provides a full range of services including: police protection; construction and maintenance of streets, parks, trails, and open space; and stormwater and water utilities. Other utility services such as sewer, electricity, natural gas, and trash removal are provided by organizations not affiliated with the Town, and therefore, are not reported in the Town's financial statements.

The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit requests for appropriation to the Town's finance director on or about the last day of August each year. The finance director and town manager use these requests as the starting point for developing a proposed budget. The finance director then presents the proposed budget to the Board for review prior to October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15. The Town's fiscal year is on a calendar year basis. The Town's budget is prepared by fund (e.g. general); department (e.g. police); and division (e.g. patrol). However, the annual budget is appropriated and approved at the fund level only by the Board of Trustees and certified to the State of Colorado as such. Transfers of appropriations between funds require the approval of the Board.

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. As for the General, Highway, and Park Funds, these comparisons are presented on pages 59 to 61 as part of the required supplementary information. For all other governmental funds, the comparisons are presented in the other supplementary information subsection of this report, which begins on page 65.

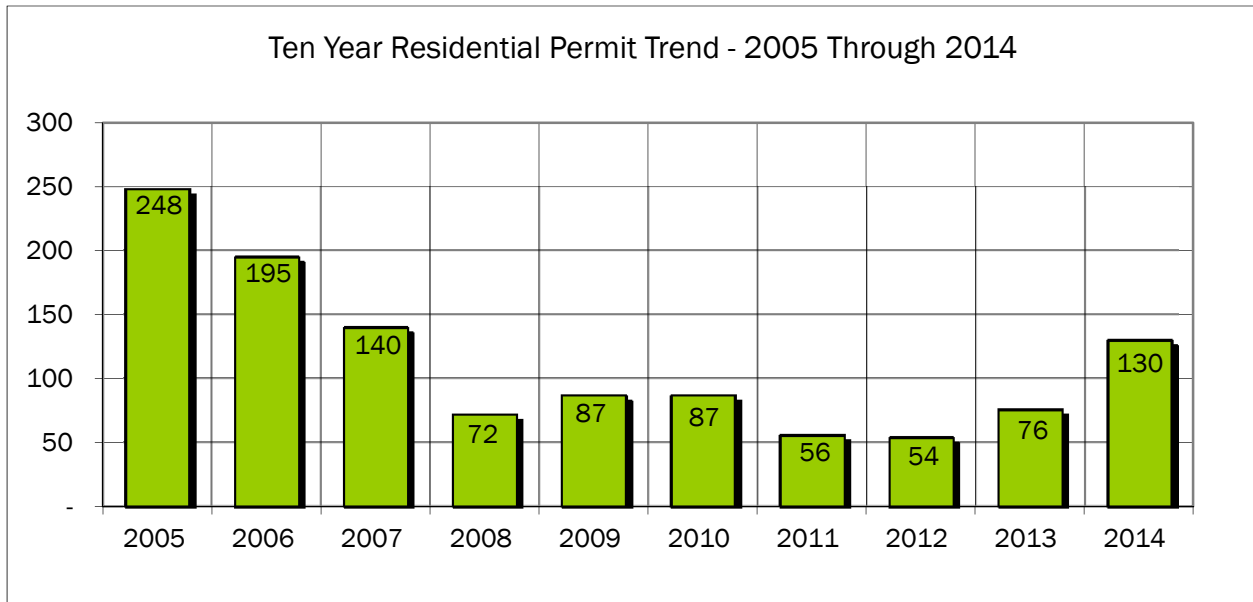
## **FACTORS AFFECTING FINANCIAL CONDITION**

### **LOCAL ECONOMY**

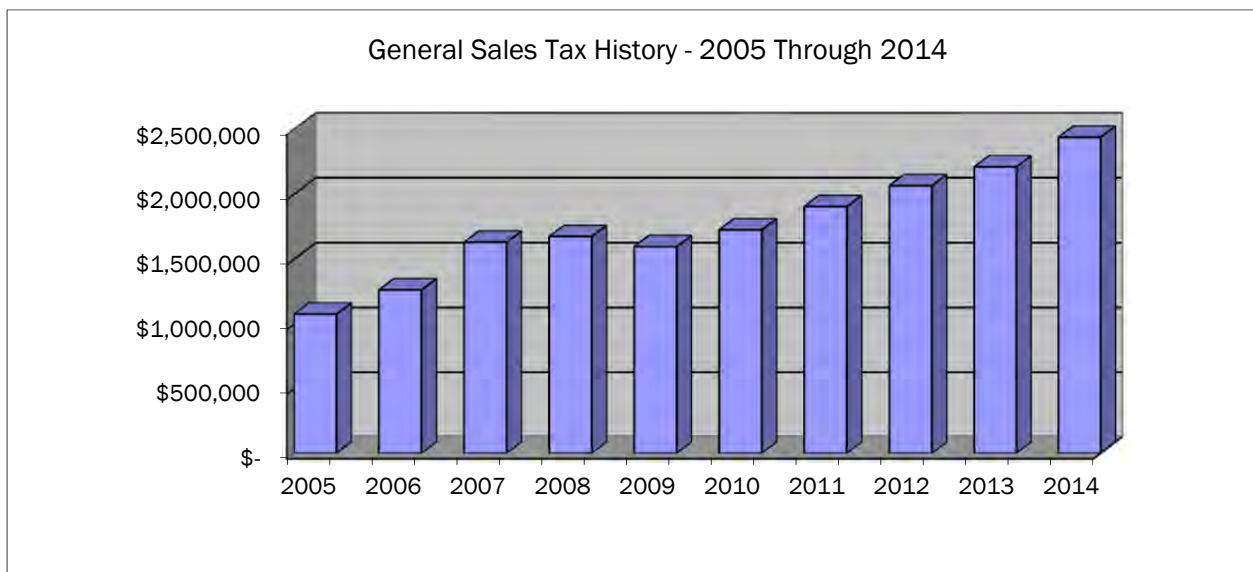
The Town of Firestone is a unique community of citizens, businesses, and governments that are united in creating a stable, safe, prosperous, and healthful environment in which to live, work, worship, learn, recreate and exercise the rights and freedoms provided by the United States Constitution. The Town has been recognized in several national and Colorado listings for its cost of home ownership, amenities, and for being a safe environment. During 2014, the Town was named the second safest community in Colorado and the sixth safest community in the nation by Movoto, a national real estate company, and was also named as No. 1 in an article titled “Best Cities for Homeownership in Colorado” by NerdWallet.com. In addition, Money magazine named Firestone No. 24 in its 2013 “Best Place to Live” issue. The current adopted version of the Town’s master plan was amended in 2013 and reflects the evolution of Firestone toward a high quality, family-oriented community. As a result, Firestone’s economy continues to become more diversified in recent years with employment in manufacturing, services, retail, government, banking, and construction sectors.

Since the 2010 Census, the Town has added three hundred and sixteen new single family dwellings and several commercial properties, resulting in a 10 percent annual increase in population since that time. The Town is currently working to increase the number and variety of businesses throughout the community, including initiatives to enhance the economic success of historic Old Town Firestone. The tables below detail the Town’s taxable assessed value (AV) and the number of single family dwelling additions for the past ten years.

<b>AV year / Year Levied</b>	<b>Assessed Valuation</b>
2005 / 2006	\$83,287,660
2006 / 2007	\$96,612,970
2007 / 2008	\$114,332,430
2008 / 2009	\$118,208,020
2009 / 2010	\$132,642,530
2010 / 2011	\$116,860,720
2011 / 2012	\$131,980,920
2012 / 2013	\$142,320,680
2013 / 2014	\$135,196,793
2014 / 2015	\$137,099,290



Because of the growth of the Town's residential and retail base, sales tax revenues have shown significant growth throughout the past ten years. The retail trade sector has steadily employed more of the Town's population in the past several years and significantly influences Firestone's economy. Below is a chart reflecting the increase in sales tax revenues throughout the last ten years (as of December of each year).



In addition to the sales tax revenues shown above, in November 2013, the Town's citizens approved a 1 percent additional sales tax to be utilized for streets and parks restoration/rehabilitation, transfers to the Parks Fund and Highway Fund for operations and maintenance, and associated debt service issuances/payments. Collection of this additional tax began in 2014 and will provide for long term sustainability of the Town's streets and park assets. The total 1 percent additional sales tax generated in 2014 was \$1,285,562.



## **LONG-TERM PLANNING**

The Board and management are currently working on a major project that will impact the Town's financial position. In 2005, the Board indicated its desire to pursue participation in Northern Integrated Supply Project ("NISP") for future water needs. NISP is a joint project to develop water storage and supply facilities for a large group of water providers in the region. The Town is tentatively expecting a revenue bond debt issue or multiple debt issues to cover the costs associated with the project. The Town maintains a long range financial planning model in order to provide future funding of this vital project.

The Town continuously monitors the status of its budget and conducts a formal mid-year budget review for the Board. The Town plans to make adjustments, as warranted, including expense reductions and deferrals in response to the significant downturn in building and its subsequent effect on current and future revenues.

## **AWARDS AND ACKNOWLEDGMENTS**

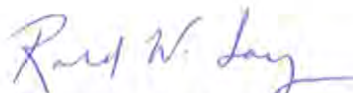
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the eighth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administrative departments. We would also like to thank Tyra Litzau, of Anton Collins Mitchell LLP, and staff for their valuable input, able assistance, and the professional manner in which the audit engagement was performed. Credit also must be given to the Mayor and the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Firestone's finances.

Respectfully submitted,

  
Wesley LaVanchy  
Town Manager

  
Ronald W. Lay, CPA  
Director of Finance

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Firestone  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director/CEO

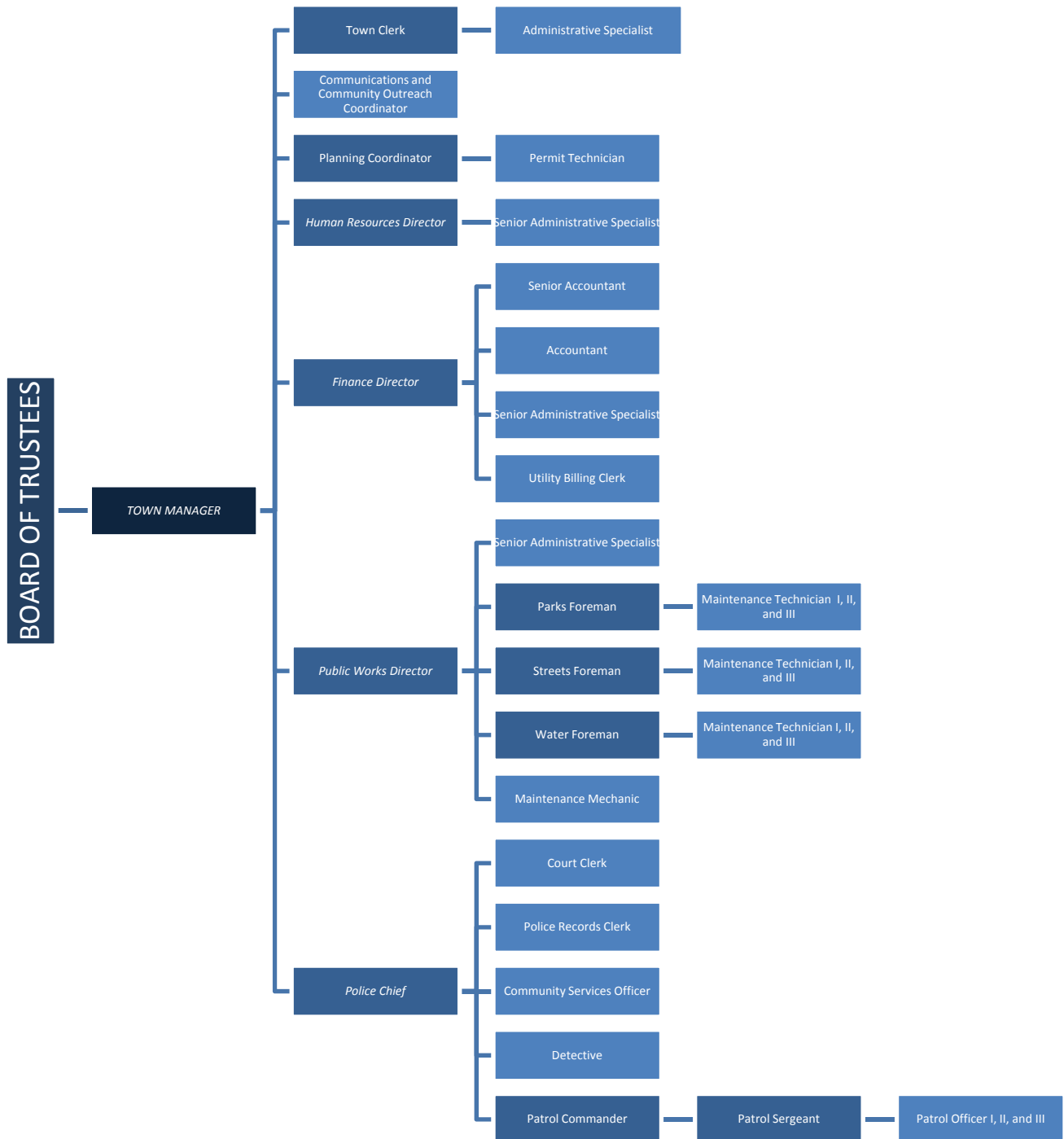
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# TOWN OF FIRESTONE

## Organizational Chart

As of December 31, 2014

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## MAYOR AND BOARD OF TRUSTEES

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Mayor .....	Paul Sorensen
Mayor Pro-tem .....	Matt Holcomb
Trustee .....	George Heath
Trustee .....	Samantha Meiring
Trustee .....	Bobbi Sindelar
Trustee .....	Darrell Walsh
Trustee .....	Jennifer Weinberger



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## **TOWN OF FIRESTONE STAFF**

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Town Manager..... Wesley LaVanchy  
Finance Director/Town Treasurer ..... Ron Lay  
Senior Accountant..... Alison Westerhold  
Accountant ..... Linda O’Keefe  
Senior Administrative Specialist ..... Julie Pasillas  
Utility Billing Clerk ..... Michele Apps  
Human Resources Director ..... Pascale Pring  
Human Resources Technician ..... Monica Stoffregen  
Town Clerk ..... Carissa Medina  
Senior Administrative Specialist ..... Lisa Bartley  
Public Works Director ..... Theo Abkes  
Senior Administrative Specialist – Public Works ..... Brenda Montoya  
Planning Coordinator ..... Rebecca Toberman  
Building & Permit Technician ..... Tracy Case  
Communications & Community Outreach Coordinator ..... Kristi Ritter  
Town Attorney..... Sam Light, Light & Kelly, PC  
Town Engineer..... Dave Lindsay, CCG, Inc.  
Town Planner..... Bruce Nickerson, Nickerson & Co.

## **FIRESTONE POLICE DEPARTMENT**

Chief of Police ..... David Montgomery  
Patrol Commander..... Bryce Borders  
Municipal Court Clerk ..... Beverly Medina  
Police Records Clerk..... Debbie Pittman

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## **FINANCIAL SECTION**

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## **Independent Auditor's Report**

Honorable Mayor and Members  
of the Town Board of Trustees  
Town of Firestone, Colorado

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 Firestone, Colorado (the "Town") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements.***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the 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 Firestone as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16, and the budgetary comparison information on Pages 59 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, capital asset information, statistical section, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison information, capital asset information, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 such 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 taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Anton Collins Mitchell LLP*

Greeley, Colorado  
June 24, 2015



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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As management of the Town of Firestone (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Firestone for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **BACKGROUND INFORMATION**

The Town was incorporated in 1908. For accounting purposes the Town uses eleven basic funds: the General Fund, five Special Revenue Funds, two Capital Improvements Funds, one Debt Service Fund, and two Enterprise Funds.

On April 2, 1996, the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992. The mill levy for 2014 was set at 6.805 mills.

### **FINANCIAL HIGHLIGHTS**

- The Town's total reported net working capital increased by \$5,231,378 (or 44.77 percent) from December of 2013 to December of 2014. Total net working capital increased in both the governmental and business-type activities by \$4,267,065 and \$964,313, respectively.
- General revenues account for \$7,280,491 or 49.53 percent of total revenues. The Town had \$7,417,687 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions. \$5,412,811 (or 72.97 percent) of the 2014 program specific revenues were derived from charges for services.
- The Town had \$8,989,190 in expenses related to governmental activities, which were offset by program specific charges for services and operating grants and contributions of \$3,427,642, general revenues consisting of property taxes and specific ownership taxes of \$1,024,039, sales and use taxes of \$4,692,078, other revenues of \$1,545,712, and the planned use of reserves were adequate to provide for these programs.
- The Town had water and stormwater service income totaling \$2,845,219 with operating and capital grants and contributions totaling \$1,144,826. The cost of providing services totaled \$2,393,727.
- Outlays for capital assets were construction of street, water and storm water infrastructure; improvements to various parks; acquisition of police vehicles and equipment, public works equipment and information technology equipment. See the Capital Assets section of this management's discussion and analysis for more information.
- The Town's governmental funds have one capital lease and one sales tax revenue bond outstanding which total \$3,640,603 at December 31, 2014.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- The Town has a long-term lease commitment to the Firestone Finance Authority in the amount of \$1,355,000, shown in the financial statements as certificates of participation debt.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This comprehensive annual financial report consists of five parts: letter of transmittal, management's discussion and analysis, the basic financial statements, supplementary information, and a statistical section. The basic financial statements include two kinds of statements that present different views of the Town.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the Town's overall financial statements.
- The governmental funds statements tell how basic services such as general government, public safety, public works, etc., were financed in the short-term, as well as what remains for future spending.
- The proprietary fund is presented as a business-type activity in the government-wide financial statements. The Town has two enterprise funds; the water fund and the stormwater fund.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the financial statements with a comparison of the Town's budget for the year. Detailed in the following diagram is how the various parts of this annual report are arranged and related to one another.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**TABLE 1**  
**Organization of the Town's Comprehensive Annual Financial Report**

Section	Included in Audit Opinion	Document
Introductory Section		Letter of Transmittal - from Management
Financial Section	Audit Report	Independent Auditors' Report
	Limited procedures performed by auditor. Disclaimer of opinion	Management's Discussion and Analysis
Financial Statements	Audited Information	Government-wide Financial Statements
		Fund Financial Statements
		Notes to the Financial Statements
		Supplementary Information
		Capital Assets
Statistical Section		Statistical Information
Compliance	Audited Information	Local Highway Finance Report

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2 summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover, and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements (government-wide and fund) found in the basic financial statements.

**TABLE 2**  
**MAJOR FEATURES OF THE FINANCIAL STATEMENTS**

	<b>Government-wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<b>Scope</b>	Entire Town	The activities of the Town that are not proprietary	Activities the Town operates similar to private businesses: water and stormwater services
<b>Required Financial Statements</b>	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position  Statement of Revenues, Expenses, and Changes in Net Position  Statement of Cash Flows
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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The Town's government-wide financial statements are designed to provide readers a broad overview of the Town's finances in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the Town's overall financial status. All of the current year's revenues and expenses are accounted for on the full accrual basis in the statement of net position and the statement of activities regardless of when cash is received or paid.

- The *statement of net position* presents financial information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as net position. Throughout time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the Town's overall health, consideration should be given to additional non-financial factors such as the condition of buildings and equipment and the associated cost of repairs.
- The *statement of activities* presents information showing how the government'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 are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the Town's government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) and those that are principally supported by user fees (business-type activities). Included in governmental activities are most of the Town's basic services, such as general government, public safety, public works, etc. The basic government-wide financial statements can be found on pages 17 to 19 of this report.

### FUND FINANCIAL STATEMENTS

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The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or major funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. The Town funds are divided into two categories: governmental funds, and proprietary funds.

**Governmental Funds:** Most of the Town's basic services are included in governmental funds, which generally focus on: (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end, which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the Towns' programs. Because this information does not encompass the long-term focus of the Towns' statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The basic governmental fund financial statements can be found on pages 20 to 25 of this report.

**Proprietary Funds:** The Town of Firestone maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Firestone uses enterprise funds to account for its water and stormwater operations.

- Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water operation, which is considered to be a major fund of the Town, and the stormwater operation, which is also considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 26 to 29 of this report.

## NOTES TO THE FINANCIAL STATEMENTS

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The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes to the financial statements can be found on pages 30 to 58 of this report.

## OTHER INFORMATION

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In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes the supplemental data required for non-major fund information and budgetary comparison schedules.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

#### NET POSITION AND CHANGES IN NET POSITION

The Town's combined net position was greater on December 31, 2014 than the prior year, increasing by 3.58 percent to \$95,883,842. Table 3 provides a summary of the Town's net position at December 31, 2014 with comparisons to 2013. For more information see the Statement of Net Position contained within this report.

**TABLE 3**  
**CONDENSED STATEMENT OF NET POSITION**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current and Other Assets	\$ 12,705,461	\$ 7,597,324	\$ 6,047,122	\$ 5,119,741	\$ 18,752,583	\$ 12,717,065
Capital Assets, net	30,344,597	29,430,214	54,887,599	54,223,234	85,232,196	83,653,448
<b>Total Assets</b>	<b>\$ 43,050,058</b>	<b>\$ 37,027,538</b>	<b>\$ 60,934,721</b>	<b>\$ 59,342,975</b>	<b>\$ 103,984,779</b>	<b>\$ 96,370,513</b>
<b>Liabilities</b>						
Current and Other Liabilities	\$ 1,665,698	\$ 824,626	\$ 169,725	\$ 206,657	\$ 1,835,423	\$ 1,031,283
Long-term Liabilities	5,155,946	1,668,870	176,607	181,774	5,332,553	1,850,644
<b>Total Liabilities</b>	<b>\$ 6,821,644</b>	<b>\$ 2,493,496</b>	<b>\$ 346,332</b>	<b>\$ 388,431</b>	<b>\$ 7,167,976</b>	<b>\$ 2,881,927</b>
<b>Deferred Inflows of Resources</b>						
Unearned Revenue	\$ 932,961	\$ 920,005	\$ -	\$ -	\$ 932,961	\$ 920,005
<b>Deferred Inflows of Resources</b>	<b>\$ 932,961</b>	<b>\$ 920,005</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 932,961</b>	<b>\$ 920,005</b>
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 25,318,630	\$ 27,884,672	\$ 54,887,599	\$ 54,207,452	\$ 80,206,229	\$ 82,092,124
Restricted	2,896,206	360,606	-	-	2,896,206	360,606
Unrestricted	7,080,617	5,368,759	5,700,790	4,747,092	12,781,407	10,115,851
<b>Total Net Position</b>	<b>\$ 35,295,453</b>	<b>\$ 33,614,037</b>	<b>\$ 60,588,389</b>	<b>\$ 58,954,544</b>	<b>\$ 95,883,842</b>	<b>\$ 92,568,581</b>

The largest portion of the Town's net position reflects its investment of \$85,232,196 in capital assets (for example, land, buildings, machinery and equipment, utility plants and parks). Net investment in capital assets is reported less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 4 provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**TABLE 4**  
**CHANGES IN NET POSITION FROM OPERATING RESULTS**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<u>Program Revenues</u>						
Charges for Services	\$ 2,567,591	\$ 1,663,768	\$ 2,845,219	\$ 2,567,456	\$ 5,412,810	\$ 4,231,224
Operating Grants	397,246	238,962	29,756	6,064	427,002	245,026
Capital Grants and Contributions	462,805	157,160	1,115,070	595,603	1,577,875	752,763
<u>General Revenues</u>						
Property Taxes	946,585	1,004,357	-	-	946,585	1,004,357
Sales and Use Taxes	4,692,078	2,973,413	-	-	4,692,078	2,973,413
Franchise Taxes	406,612	396,128	-	-	406,612	396,128
Investment Earnings	29,615	7,362	13,801	10,433	43,416	17,795
Other	1,186,939	959,216	4,861	13,535	1,191,800	972,751
<b>Total Revenues</b>	<b>\$ 10,689,471</b>	<b>\$ 7,400,366</b>	<b>\$ 4,008,707</b>	<b>\$ 3,193,091</b>	<b>\$ 14,698,178</b>	<b>\$ 10,593,457</b>
<b>Expenses</b>						
General Government	\$ 2,156,089	\$ 1,835,993	\$ -	\$ -	\$ 2,156,089	\$ 1,835,993
Public Safety	2,436,446	2,272,091	-	-	2,436,446	2,272,091
Public Works	2,974,941	2,554,525	-	-	2,974,941	2,554,525
Health and Welfare	141,181	174,160	-	-	141,181	174,160
Economic Development	176,249	72,636	-	-	176,249	72,636
Parks	899,216	837,008	-	-	899,216	837,008
Debt Issuance Costs	62,443	-	-	-	62,443	-
Interest on Long-Term Debt	142,625	58,494	-	-	142,625	58,494
Water/Stormwater	-	-	2,393,727	2,143,398	2,393,727	2,143,398
<b>Total Expenses</b>	<b>\$ 8,989,190</b>	<b>\$ 7,804,907</b>	<b>\$ 2,393,727</b>	<b>\$ 2,143,398</b>	<b>\$ 11,382,917</b>	<b>\$ 9,948,305</b>
<b>Increase (Decrease) in Net Position before Transfers</b>	<b>\$ 1,700,281</b>	<b>\$ (404,541)</b>	<b>\$ 1,614,980</b>	<b>\$ 1,049,693</b>	<b>\$ 3,315,261</b>	<b>\$ 645,152</b>
<b>Transfers</b>	(18,865)	28,843	18,865	(28,843)	-	-
<b>Increase (Decrease) in Net Position</b>	<b>\$ 1,681,416</b>	<b>\$ (375,698)</b>	<b>\$ 1,633,845</b>	<b>\$ 1,020,850</b>	<b>\$ 3,315,261</b>	<b>\$ 645,152</b>
<b>Net Position - beginning</b>	<b>\$33,614,037</b>	<b>\$33,989,735</b>	<b>\$58,954,544</b>	<b>\$57,933,694</b>	<b>\$92,568,581</b>	<b>\$91,923,429</b>
<b>Net Position - ending</b>	<b>\$35,295,453</b>	<b>\$33,614,037</b>	<b>\$60,588,389</b>	<b>\$58,954,544</b>	<b>\$95,883,842</b>	<b>\$92,568,581</b>

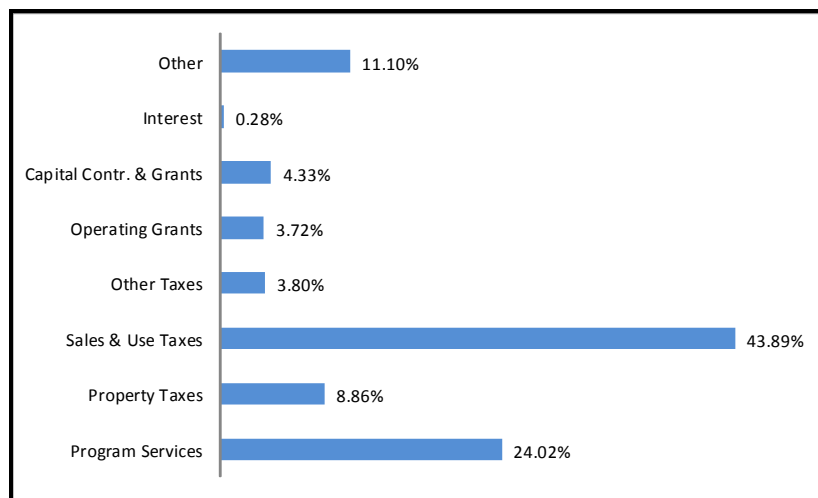
The Town's overall net position increased \$3,315,261 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$1,681,416 from the prior fiscal year for an ending balance of \$35,295,453. Governmental activities revenues increased by \$3,289,105 from 2013. The change can be primarily attributed to increases in the amount of revenues from Charges for Services (\$903,824), Capital Grants and Contributions (\$305,645), and Sales and Use Taxes (\$1,718,665).

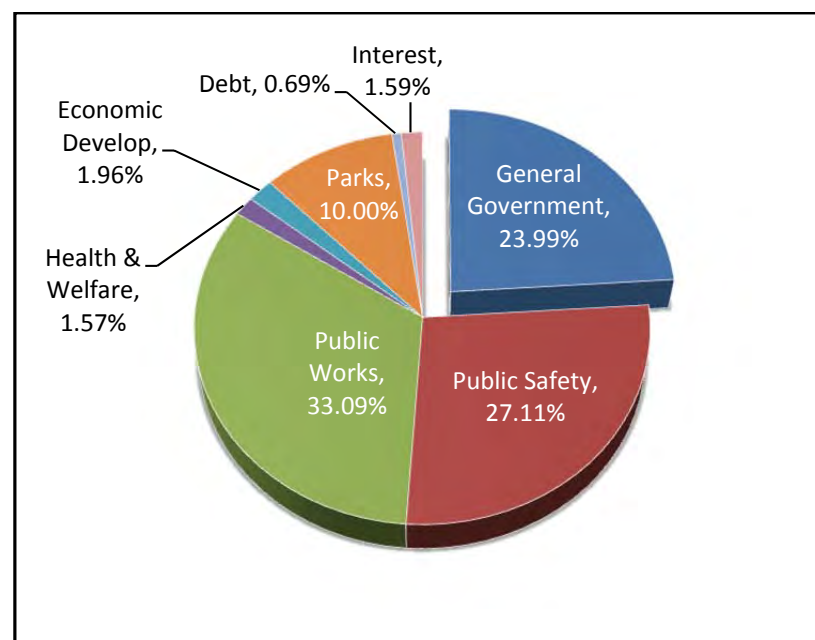
## MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental expenses increased \$1,184,283 from 2013. The change can be primarily attributed to increased expenditures for General Government (\$320,096), Public Safety (\$164,355), Public Works (\$420,416), Economic Development (\$103,613), and Interest on Long-Term Debt (\$84,131). Additionally, Charts 1 and 2 below provide further illustration regarding the Town's composition of governmental revenues and expenses for 2014.

**CHART 1**  
**2014 Governmental Activities – Percentage of Revenues by Type**



**CHART 2**  
**2014 Governmental Activities – Percentage of Expenses by Type**

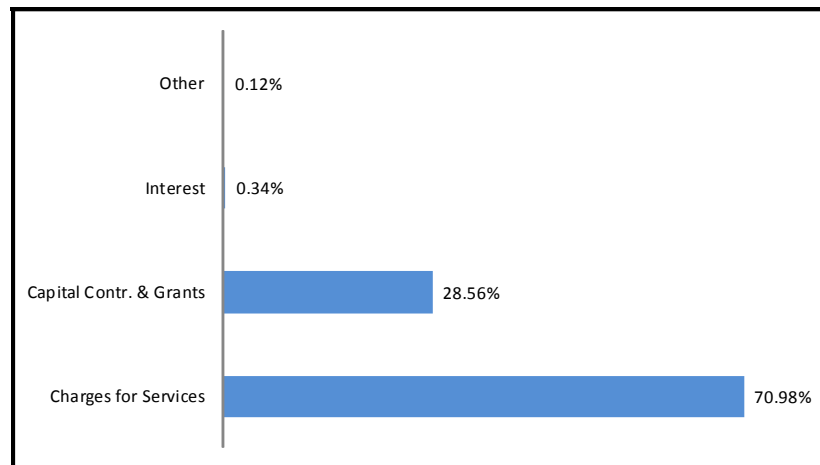


## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Business-type Activities.** For the Town's business-type activities the results for the current fiscal year were positive in that overall net position increased \$1,633,845 to reach an ending balance of \$60,588,389. The total increase in net position for business-type activities (water and stormwater funds) was \$612,995 or 60% from the prior fiscal year. The growth, in large part, is attributable to the increase in Capital Grants and Contributions of \$519,467, an increase of 87.2% over the prior year. Additionally, Chart 3 below provides further illustration regarding the Town's composition of business-type revenues for 2014.

**CHART 3**  
**2014 Business-type Activities – Percentage of Revenues by Type**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### GOVERNMENTAL ACTIVITIES

The statement of activities shows the cost of program services and the related charges for services and the related operating grants and contributions offsetting those costs. Table 5 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

**TABLE 5**  
**NET COST OF GOVERNMENTAL ACTIVITIES**

	2014		2013
	Total Cost of Service	Net Cost of Service	Net Cost of Service
General Government	\$ 2,156,089	\$ 1,489,907	\$ 1,318,102
Public Safety	2,436,446	2,214,008	2,073,458
Public Works	2,974,941	488,726	1,268,639
Health and Welfare	141,181	141,181	174,160
Economic Development	176,249	176,249	72,636
Parks	899,216	846,409	779,528
Debt Issuance Costs	62,443	62,443	-
Interest on Long-Term Debt	142,625	142,625	58,494
<b>Total</b>	<b>\$8,989,190</b>	<b>\$5,561,548</b>	<b>\$5,745,017</b>

## FINANCIAL ANALYSIS OF TOWN FUNDS

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### GENERAL FUND

The purpose of the general fund is to account for the routine operational activities of the Town. This fund provides for functional areas of the organization such as: general government, public safety, public works, etc. The primary funding sources for the general fund are sales and property tax revenues, fines, and charges for services provided.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The Town's final budget for the general fund anticipated that revenues would exceed expenditures by \$65,689. The actual results for the year show revenues exceeding expenditures by \$736,177. Revenue exceeded budget by \$557,229 which allowed for all uses of those funds as budgeted. This excess revenue will be used in future years.

It should be noted that the Town's budget format is designed to establish and monitor divisional functions of the Town's operations to more closely align expenses with the areas of responsibility. The actual approval of appropriations by the Board of Trustees is at the fund level

## MANAGEMENT'S DISCUSSION AND ANALYSIS

and the divisional functions used in the budget are for presentation and management control purposes. These divisions are set up as cost centers for accountability in each of the following areas:

- General Government
- Public Safety
- Public Works
- Health and Welfare
- Economic Development
- Parks and Open Space

The Town must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2014 the Town's TABOR reserve amounted to \$294,883.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### CAPITAL ASSETS

By the end of 2014, the Town had invested \$85,232,196, net of accumulated depreciation, in a broad range of capital assets for its governmental and business-type activities including: land, buildings, site improvements, vehicles and other equipment (See Table 6 below). This amount represents a net increase of \$1,578,748 (or 1.89 percent) from last year. Additional information on The Town's capital assets can be found in Note 5 to the financial statements. Total depreciation expense for the year was \$2,251,886 in the governmental activities and \$361,676 in the Town's business-type activities.

**TABLE 6**  
**CAPITAL ASSETS (NET OF DEPRECIATION)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,017,310	\$ 6,017,310	\$ 99,121	\$ 99,121	\$ 6,116,431	\$ 6,116,431
Water Shares	-	-	40,610,164	40,610,164	40,610,164	40,610,164
Construction in Progress	444,291	364,298	632,852	461,603	1,077,143	825,901
Land Improvements	2,892,585	2,821,332	-	-	2,892,585	2,821,332
Buildings and Improvements	892,990	935,567	-	-	892,990	935,567
Streets and Storm Drainage	19,331,493	18,644,910	-	-	19,331,493	18,644,910
Utility Systems	-	-	13,213,199	12,782,943	13,213,199	12,782,943
Machinery and Equipment	765,928	646,797	332,263	269,403	1,098,191	916,200
<b>Total</b>	<b>\$30,344,597</b>	<b>\$29,430,214</b>	<b>\$54,887,599</b>	<b>\$54,223,234</b>	<b>\$85,232,196</b>	<b>\$83,653,448</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### LONG-TERM DEBT

At year end, the Town had \$20,603 of outstanding governmental fund capital leases, \$3,620,000 in sales tax revenue bonds reported in the governmental funds, and the outstanding capital leases in the business-type fund were paid in full during 2014. In addition, the Town had a Certificate of Participation outstanding totaling \$1,355,000. For 2014, the Town experienced a 200.84 percent increase overall in outstanding debt from 2013.

**TABLE 7  
OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Sales Tax Revenue Bonds	\$ 3,620,000	\$ -	\$ -	\$ -	\$ 3,620,000	\$ -
Certificate of Participation	1,355,000	1,445,000	-	-	1,355,000	1,445,000
Capital Leases	20,603	100,542	-	15,782	20,603	116,324
Compensated Absences	129,979	123,328	28,971	28,712	158,950	152,040
<b>Total</b>	<b>\$5,125,582</b>	<b>\$1,668,870</b>	<b>\$ 28,971</b>	<b>\$ 44,494</b>	<b>\$5,154,553</b>	<b>\$1,713,364</b>

Colorado Revised Statute 31-15-302(1)(d)(II) states that a municipality's total amount of indebtedness for all purposes shall not at any time exceed 3 percent of actual value, except for such debt as may be incurred in supplying water. The Town's outstanding debt is below this limit. Please see Note 6 in the notes to the financial statements and the statistical section of the CAFR for more details.

### FACTORS BEARING ON THE TOWN'S FUTURE

At the time these financial statements were prepared and audited, the Town was aware of the following circumstances that could significantly affect its financial health in the future:

- The Town will be funding streets and parks maintenance at a higher level in future years as a result of the additional 1 percent tax increase that began in 2014. The 1 percent tax is dedicated to the acquisition, development, construction, repair, replacement, expansion, rehabilitation and renovation of the existing and planned streets and parks, as well as, for operating or maintaining any exiting or planned parks and streets including without limitation ongoing operations and maintenance of streets and parks in the Town to extend their useful life and, in the case of streets, improve driver and pedestrian safety.
- There are several factors that drive the Town's budget and financial performance. The factors include but are not limited to the following: area employment rates, sales and use tax revenues, building permit valuation and issuance, population growth, and capital asset construction requirements.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- Currently, the Town's residential building permit valuation and issuance drives a significant part of the budget revenue for corresponding capital expenditures. The Town receives capital revenues from impact fees and water tap fees during the fiscal year, which will be utilized in future years to acquire or construct capital assets to serve future residents. A significant decrease in housing permits would have significant adverse effect on impact fee revenues and corresponding capital projects. The Town budgets for impact fees according to current market trends.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

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This financial report is designed to provide the Town's officials, citizens, taxpayers, parents, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director at the Town of Firestone, Finance Department, 151 Grant Avenue, P.O. Box 100, Firestone, Colorado 80520-0100.



## **BASIC FINANCIAL STATEMENTS**

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**Town of Firestone**  
Firestone, Colorado  
**Statement of Net Position**  
December 31, 2014

	Primary Government		
	Govern- mental Activities	Business- Type Activities	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,510,800	\$ 5,760,698	\$ 14,271,498
Restricted Cash and Cash Equivalents	2,444,940	-	2,444,940
Receivables (Net of Allowance)	1,719,197	217,177	1,936,374
Prepaid Items	30,524	3,112	33,636
Other Current Assets	-	66,135	66,135
Capital Assets (Net of Accumulated Depreciation):			
Land and Water Shares	6,017,310	40,709,285	46,726,595
Construction in Progress	444,291	632,852	1,077,143
Land Improvements	2,892,585	-	2,892,585
Buildings and Improvements	892,990	-	892,990
Streets & Storm Drainage	19,331,493	-	19,331,493
Utility Systems	-	13,213,199	13,213,199
Equipment & Vehicles	765,928	332,263	1,098,191
<b>Total Assets</b>	<b>43,050,058</b>	<b>60,934,721</b>	<b>103,984,779</b>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	625,554	169,725	795,279
Accrued Interest Payable	17,923	-	17,923
Developer Deposits	1,022,221	-	1,022,221
Noncurrent Liabilities:			
Customer Deposits	-	147,636	147,636
Accrued Compensated Absences			
Due Within One Year	93,983	21,267	115,250
Due in Greater Than One Year	35,996	7,704	43,700
Certificates of Participation, Sales Tax Revenue Bonds and Capital Leases			
Due Within One Year	209,426	-	209,426
Due in Greater Than One Year	4,816,541	-	4,816,541
<b>Total Liabilities</b>	<b>6,821,644</b>	<b>346,332</b>	<b>7,167,976</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unearned Revenue	932,961	-	932,961
<b>Total Deferred Inflow of Resources</b>	<b>932,961</b>	<b>-</b>	<b>932,961</b>
<b>NET POSITION</b>			
Net Investment In Capital Assets	25,318,630	54,887,599	80,206,229
Restricted for Emergencies	294,883	-	294,883
Restricted for Capital Improvements	2,444,940	-	2,444,940
Restricted for Parks and Recreation	156,383	-	156,383
Unrestricted	7,080,617	5,700,790	12,781,407
<b>Total Net Position</b>	<b>\$ 35,295,453</b>	<b>\$ 60,588,389</b>	<b>\$ 95,883,842</b>

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

**Town of Firestone**  
Firestone, Colorado  
**Statement of Activities**  
Year Ended December 31, 2014

Functions / Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contrib.	Capital Contrib.
Governmental Activities:				
General Government	\$ 2,156,089	\$ 629,638	\$ 36,544	\$ -
Public Safety	2,436,446	187,039	35,399	-
Public Works	2,974,941	1,750,914	272,496	462,805
Health and Welfare	141,181	-	-	-
Economic Development	176,249	-	-	-
Parks and Open Space	899,216	-	52,807	-
Debt Issuance Costs	62,443	-	-	-
Interest on Long-Term Debt	142,625	-	-	-
<b>Total Government Activities</b>	<b>8,989,190</b>	<b>2,567,591</b>	<b>397,246</b>	<b>462,805</b>
Business Type Activities:				
Water	2,311,358	2,726,634	29,756	891,145
Stormwater	82,369	118,585	-	223,925
<b>Total Business-Type Activities</b>	<b>2,393,727</b>	<b>2,845,219</b>	<b>29,756</b>	<b>1,115,070</b>
<b>Total Town Government</b>	<b>\$ 11,382,917</b>	<b>\$ 5,412,810</b>	<b>\$ 427,002</b>	<b>\$ 1,577,875</b>

**General Revenues**

Taxes:

Property Taxes Levied for General Purposes  
Property Taxes Levied for Urban Renewal  
Specific Ownership Taxes  
Sales and Use Tax  
Highway Users, Road & Bridge, Motor Vehicle Taxes  
Franchise Taxes  
Other Taxes  
Earnings on Investments  
Miscellaneous  
Transfers

**Total General Revenues and Transfers**

Changes in Net Position

Net Position at Beginning of Year

Net Position at Ending of Year

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

Net (Expense) Revenue and Changes in Net Position		
Govern- mental Activities	Business- Type Activities	TOTAL
\$ (1,489,907)	\$ -	\$ (1,489,907)
(2,214,008)	-	(2,214,008)
(488,726)	-	(488,726)
(141,181)	-	(141,181)
(176,249)	-	(176,249)
(846,409)	-	(846,409)
(62,443)	-	(62,443)
(142,625)	-	(142,625)
<u>(5,561,548)</u>	<u>-</u>	<u>(5,561,548)</u>
-	1,336,177	1,336,177
-	260,141	260,141
<u>-</u>	<u>1,596,318</u>	<u>1,596,318</u>
<u>(5,561,548)</u>	<u>1,596,318</u>	<u>(3,965,230)</u>
918,746	-	918,746
27,839	-	27,839
77,454	-	77,454
4,692,078	-	4,692,078
507,865	-	507,865
406,612	-	406,612
457,798	-	457,798
29,615	13,801	43,416
143,822	4,861	148,683
(18,865)	18,865	-
<u>7,242,964</u>	<u>37,527</u>	<u>7,280,491</u>
1,681,416	1,633,845	3,315,261
33,614,037	58,954,544	92,568,581
<u>\$ 35,295,453</u>	<u>\$ 60,588,389</u>	<u>\$ 95,883,842</u>

**Town of Firestone**  
Firestone, Colorado  
**Balance Sheet**  
**Governmental Funds**  
December 31, 2014

	General	Highway	Parks
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 3,887,458	\$ 736,632	\$ 477,922
Cash with Fiscal Agent	25,223	9,848	-
Restricted Cash and Cash Equivalents	-	-	-
Receivables (Net of Allowance)	1,383,159	42,503	-
Prepaid Items	30,524	-	-
<b>Total Assets</b>	<b>\$ 5,326,364</b>	<b>\$ 788,983</b>	<b>\$ 477,922</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 196,800	\$ 122,451	\$ 172,697
Other Current Liabilities	118,633	14,939	-
Developer Deposits	1,022,221	-	-
<b>Total Liabilities</b>	<b>1,337,654</b>	<b>137,390</b>	<b>172,697</b>
<b>Deferred Inflows of Resources:</b>			
Unearned Revenue	932,961	-	-
<b>Total Deferred Inflows of Resources</b>	<b>932,961</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable for Prepaid Items	30,524	-	-
Restricted for Emergencies	294,883	-	-
Restricted for Parks and Recreation	-	-	-
Restricted for Capital Improvements	-	-	-
Committed for Capital Improvements	-	-	-
Assigned Fund Balance	62,084	651,593	305,225
Unassigned Fund Balance	2,668,258	-	-
<b>Total Fund Balances</b>	<b>3,055,749</b>	<b>651,593</b>	<b>305,225</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,326,364</b>	<b>\$ 788,983</b>	<b>\$ 477,922</b>

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

Capital Improvement	Sales Tax Capital Improvement	Other Govt. Funds	Total Govt. Funds
\$ 2,821,058	\$ 197,799	\$ 354,860	\$ 8,475,729
-	-	-	35,071
-	2,444,940	-	2,444,940
75,000	207,355	11,180	1,719,197
-	-	-	30,524
<u>\$ 2,896,058</u>	<u>\$ 2,850,094</u>	<u>\$ 366,040</u>	<u>\$ 12,705,461</u>

\$ -	\$ -	\$ 34	\$ 491,982
-	-	-	133,572
-	-	-	1,022,221
<u>-</u>	<u>-</u>	<u>34</u>	<u>1,647,775</u>

-	-	-	932,961
<u>-</u>	<u>-</u>	<u>-</u>	<u>932,961</u>

-	-	-	30,524
-	-	-	294,883
-	-	156,383	156,383
-	2,444,940	-	2,444,940
2,896,058	405,154	-	3,301,212
-	-	209,623	1,228,525
-	-	-	2,668,258
<u>2,896,058</u>	<u>2,850,094</u>	<u>366,006</u>	<u>10,124,725</u>
<u>\$ 2,896,058</u>	<u>\$ 2,850,094</u>	<u>\$ 366,040</u>	<u>\$ 12,705,461</u>



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**Town of Firestone**  
Firestone, Colorado  
**Reconciliation of the Governmental Funds**  
**Balance Sheet with the Government-wide Statement of Net Position**  
December 31, 2014

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds	\$ 10,124,725
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Cost of Capital Assets	\$ 55,214,214	
Accumulated Depreciation	<u>(24,869,617)</u>	
		30,344,597

Long-term liabilities, including certificates of participation, are not due and payable from current financial resources, and therefore, are not reported as liabilities in the governmental funds.

Long term liabilities at year end consist of:

Certificates of Participation	\$ (1,355,000)	
Capital Leases Payable	(20,603)	
Sales Tax Revenue Bonds	(3,620,000)	
Unamortized Bond Premium	(30,364)	
Accrued Interest Payable	<u>(17,923)</u>	
		(5,043,890)

Accrued compensated absences are not due and payable from current financial resources, and therefore, are not reported in the governmental funds.

(129,979)

Total Net Position - Governmental Activities	<u><u>\$ 35,295,453</u></u>
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The accompanying notes are an integral part of these financial statements.

**Town of Firestone**  
Firestone, Colorado  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended December 31, 2014

	General	Highway	Parks
<b>REVENUES</b>			
Taxes and Impact Fees	\$ 5,077,995	\$ 587,655	\$ -
Licenses and Permits	532,138	-	97,500
Intergovernmental	71,943	-	-
Charges for Services	-	148,164	-
Fines	187,039	-	-
Investment Earnings	9,891	463	1,000
Miscellaneous	132,248	10,443	1,131
<b>Total Revenues</b>	<b>6,011,254</b>	<b>746,725</b>	<b>99,631</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General Government	1,899,704	95,087	17,018
Public Safety			
Police	2,096,468	-	-
Building Inspection	296,835	-	-
Public Works (Roads, Facilities, etc)	87,450	1,051,144	-
Parks and Open Space	126,509	-	406,486
Health & Welfare	141,181	-	-
Economic Development	176,249	-	-
<b>Capital Outlay</b>	<b>344,960</b>	<b>1,681,034</b>	<b>807,052</b>
<b>Debt Service:</b>			
Principal	65,660	14,279	-
Interest	2,194	1,180	-
Debt Issuance Costs	-	-	-
<b>Total Expenditures</b>	<b>5,237,210</b>	<b>2,842,724</b>	<b>1,230,556</b>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<b>774,044</b>	<b>(2,095,999)</b>	<b>(1,130,925)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	158,528	2,079,438	800,903
Transfer Out	(196,395)	-	-
Proceeds from Bond Issuance	-	-	-
Premium on Issuance of Debt	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(37,867)</b>	<b>2,079,438</b>	<b>800,903</b>
<b>Net Change in Fund Balances</b>	<b>736,177</b>	<b>(16,561)</b>	<b>(330,022)</b>
<b>Fund Balances at Beginning of Year</b>	<b>2,319,572</b>	<b>668,154</b>	<b>635,247</b>
<b>Fund Balances at End of Year</b>	<b>\$ 3,055,749</b>	<b>\$ 651,593</b>	<b>\$ 305,225</b>

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

Capital Improvement	Sales Tax Capital Improvement	Other Govt. Funds	Total Govt. Funds
\$ 1,602,750	\$ 1,285,562	\$ 137,180	\$ 8,691,142
-	-	-	629,638
272,496	-	52,807	397,246
-	-	-	148,164
-	-	-	187,039
7,412	10,155	694	29,615
-	-	-	143,822
1,882,658	1,295,717	190,681	10,226,666
-	-	1,872	2,013,681
-	-	-	2,096,468
-	-	-	296,835
-	-	-	1,138,594
-	-	-	532,995
-	-	-	141,181
-	-	-	176,249
-	-	-	2,833,046
-	175,000	90,000	344,939
-	77,226	50,575	131,175
-	62,443	-	62,443
-	314,669	142,447	9,767,606
1,882,658	981,048	48,234	459,060
-	-	142,000	3,180,869
(970,622)	(1,956,318)	(76,399)	(3,199,734)
-	3,795,000	-	3,795,000
-	30,364	-	30,364
(970,622)	1,869,046	65,601	3,806,499
912,036	2,850,094	113,835	4,265,559
1,984,022	-	252,171	5,859,166
\$ 2,896,058	\$ 2,850,094	\$ 366,006	\$ 10,124,725

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**Town of Firestone**  
Firestone, Colorado  
**Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balances with the  
Government-wide Statement of Activities**  
Year Ended December 31, 2014

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

Total net change in fund balance - Governmental Funds	\$ 4,265,559
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlay and donated assets exceed depreciation in the period:

Expenditures for capital assets	\$ 2,703,464	
Donated assets	462,805	
Less current year depreciation	<u>(2,251,886)</u>	914,383

Repayment of debt principal is an expenditure in the governmental funds, and it reduces long-term liabilities in the Statement of Net Position. but does not affect the Statement of Activities.	344,939
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The issuance of long-term debt, including premiums, is reported as other financing sources in the governmental funds and thus, increases fund balance. However, issuing debt increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	(3,825,364)
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Increase in accrued interest payable reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.	(11,450)
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Increase in accrued compensated absences reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.	<u>(6,651)</u>
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Change in Net Position - Governmental Activities	<u><u>\$ 1,681,416</u></u>
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The accompanying notes are an integral part of these financial statements.

**Town of Firestone**  
Firestone, Colorado  
**Statement of Net Position**  
**Proprietary Funds**  
December 31, 2014

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 5,724,144	\$ 36,554	\$ 5,760,698
Receivables	178,437	38,740	217,177
Prepaid Items	3,112	-	3,112
Other Current Assets	66,135	-	66,135
Total Current Assets	<u>5,971,828</u>	<u>75,294</u>	<u>6,047,122</u>
<b>Noncurrent Assets</b>			
Capital Assets:			
Land	99,121	-	99,121
Water Rights	40,610,164	-	40,610,164
Utility Systems	15,887,552	552,310	16,439,862
Construction in Progress	528,642	104,210	632,852
Equipment	718,461	-	718,461
Less Accumulated Depreciation	(3,581,925)	(30,936)	(3,612,861)
Total Capital Assets (Net of Accumulated Depreciation)	<u>54,262,015</u>	<u>625,584</u>	<u>54,887,599</u>
Total Noncurrent Assets	<u>54,262,015</u>	<u>625,584</u>	<u>54,887,599</u>
<b>Total Assets</b>	<u>60,233,843</u>	<u>700,878</u>	<u>60,934,721</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	136,639	4,718	141,357
Other Current Liabilities	26,472	1,896	28,368
Total Current Liabilities	<u>163,111</u>	<u>6,614</u>	<u>169,725</u>
<b>Noncurrent Liabilities</b>			
Customer Deposits	147,636	-	147,636
Accrued Compensated Absences	27,350	1,621	28,971
Total Noncurrent Liabilities	<u>174,986</u>	<u>1,621</u>	<u>176,607</u>
<b>Total Liabilities</b>	<u>338,097</u>	<u>8,235</u>	<u>346,332</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	54,262,015	625,584	54,887,599
Unrestricted	5,633,731	67,059	5,700,790
<b>Total Net Position</b>	<u>\$ 59,895,746</u>	<u>\$ 692,643</u>	<u>\$ 60,588,389</u>

The accompanying notes are an integral part of these financial statements



**Town of Firestone**  
Firestone, Colorado  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
Year Ended December 31, 2014

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
<b>Operating Revenues</b>			
Charges for Services	\$ 2,726,634	\$ 118,585	\$ 2,845,219
Miscellaneous	4,861	-	4,861
<b>Total Operating Revenues</b>	<u>2,731,495</u>	<u>118,585</u>	<u>2,850,080</u>
<b>Operating Expenses</b>			
Operations	1,182,080	52,038	1,234,118
Administration	773,029	24,064	797,093
Depreciation	355,409	6,267	361,676
<b>Total Operating Expenses</b>	<u>2,310,518</u>	<u>82,369</u>	<u>2,392,887</u>
<b>Operating Income</b>	<u>420,977</u>	<u>36,216</u>	<u>457,193</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment Earnings	13,801	-	13,801
Interest Expense	(840)	-	(840)
Intergovernmental	29,756	-	29,756
<b>Total Nonoperating Revenues (Expenses)</b>	<u>42,717</u>	<u>-</u>	<u>42,717</u>
<b>Income Before Contributions and Transfers</b>	463,694	36,216	499,910
Capital Contributions	891,145	223,925	1,115,070
Transfers In	-	33,365	33,365
Transfers Out	-	(14,500)	(14,500)
<b>Change in Net Position</b>	<u>1,354,839</u>	<u>279,006</u>	<u>1,633,845</u>
<b>Net Position at Beginning of Year</b>	<u>58,540,907</u>	<u>413,637</u>	<u>58,954,544</u>
<b>Net Position at End of Year</b>	<u><u>\$ 59,895,746</u></u>	<u><u>\$ 692,643</u></u>	<u><u>\$ 60,588,389</u></u>

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

**Town of Firestone**  
**Firestone, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
Year Ended December 31, 2014

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 2,700,505	\$ 118,650	\$ 2,819,155
Cash Payments to Suppliers for Goods & Services	(1,325,427)	(35,737)	(1,361,164)
Cash Payments to Employees for Services	(685,039)	(33,731)	(718,770)
<b>Net Cash Flows from Operating Activities</b>	<u>690,039</u>	<u>49,182</u>	<u>739,221</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers to Other Funds	-	18,865	18,865
Change in Interfund Receivable	8,129	-	8,129
Change in Interfund Payable	-	(8,129)	(8,129)
Operating Grants Received	29,756	-	29,756
<b>Total Cash Flows from Noncapital Financing Activities</b>	<u>37,885</u>	<u>10,736</u>	<u>48,621</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Contributed Capital	804,275	-	804,275
Acquisition of Capital Assets	(691,882)	(23,364)	(715,246)
Principal Paid on Debt	(15,782)	-	(15,782)
Interest Paid on Debt	(840)	-	(840)
<b>Net Cash Flows from Capital and Related Financing Activities</b>	<u>95,771</u>	<u>(23,364)</u>	<u>72,407</u>
<b>Net Cash Flow from Investing Activities</b>			
Investment Earnings	13,801	-	13,801
<b>Net Cash Flow from Investing Activities</b>	<u>13,801</u>	<u>-</u>	<u>13,801</u>
<b>Net Increase in Cash and Cash Equivalents</b>	837,496	36,554	874,050
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>4,886,648</u>	<u>-</u>	<u>4,886,648</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 5,724,144</u></u>	<u><u>\$ 36,554</u></u>	<u><u>\$ 5,760,698</u></u>

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

**Town of Firestone**  
Firestone, Colorado  
**Reconciliation of Operating Income to**  
**Net Cash From Operating Activities**  
**Proprietary Funds**  
Year Ended December 31, 2014

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating Income	\$ 420,977	\$ 36,216	\$ 457,193
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
(Increase) Decrease in Operating Assets:			
Depreciation	355,409	6,267	361,676
Accounts Receivable	(41,346)	65	(41,281)
Other Assets	(12,050)	-	(12,050)
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	(44,788)	3,117	(41,671)
Other Current Liabilities	(1,099)	1,896	797
Accrued Compensated Absences	2,580	1,621	4,201
Customer Deposits	10,356	-	10,356
<b>Net Cash Flows from Operating Activities</b>	<u><u>\$ 690,039</u></u>	<u><u>\$ 49,182</u></u>	<u><u>\$ 739,221</u></u>
<b>Non-Cash Investing and Financing Transactions</b>			
Contributed Capital Assets	\$ 86,870	\$ 223,925	\$ 310,795

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

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## **NOTES TO FINANCIAL STATEMENTS**

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## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The financial statements of the Town of Firestone (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town’s accounting policies are described below.

#### **REPORTING ENTITY**

In conformance with governmental accounting and financial reporting standards, the Town of Firestone, Colorado, is the reporting entity for financial reporting purposes. The Town is the primary government financially accountable for all activities of the Town of Firestone. The Town meets the criteria of a primary government: its Town Board of Trustees is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The Town is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, the following component units are included in the Town’s reporting entity.

#### *Blended Component Units*

The Firestone Finance Authority was created to account for the acquisition and development of Central Park and its related debt service. The Firestone Urban Renewal Authority was established to develop and implement a plan to renew and revitalize portions of northern and southern Firestone. The Town is financially accountable for each of the blended component units. The basis for blending is that the Town’s Board acts as the governing board for the entities.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)**

#### **JOINT VENTURES**

The Town of Firestone may participate in joint ventures created for special purposes which are not part of the Town's reporting entity. Additional information regarding the Town's participation in joint ventures is provided in Note 13. The following is a description of the only joint venture in which the Town participated in during the 12 months ended December 31, 2014:

**Weld 911 Emergency Telephone Service Authority Board** - The Town of Firestone is one of 49 local governments which are members of the Weld 911 Emergency Telephone Service Authority Board ("Weld 911"). Weld 911 is an organization created by intergovernmental agreement in 1988 solely to provide for the operation of the 911 emergency telephone service program. Weld 911 is governed by a seven member board selected as defined in the agreement. The governing board is autonomous as to budgeting and fiscal matters.

Investments in joint ventures are recorded as expenditures at the time the investment is made.

Complete financial statements of this joint venture can be obtained from:

Weld County  
P.O. Box 758  
Greeley, Colorado 80632

#### **FUND ACCOUNTING**

The Town uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), the construction of capital assets (the capital improvement fund) and the debt service fund. The following are the Town's major and non-major governmental funds:



## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Fund Accounting (continued)**

- **General Fund** - The General Fund (a major fund) is the Town's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, sales tax, franchise and other intergovernmental revenues. Expenditures include all costs associated with the daily operation of general government, public safety, public works, parks and recreation and community development. Due to the implementation of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, the replacement reserve funds have been included in the General Fund for reporting purposes.
- **Highway and Parks Funds** - These major funds are special revenue fund types, which are funded by developer contributions, state grants, highway users tax, specific ownership, road and bridge tax, capital lease proceeds and transfers from other funds. The expenditures represent street operating expenses, the cost of street and park construction and the cost of street maintenance.
- **Capital Improvements and Sales Tax Capital Improvements Funds** - These major funds are capital projects fund types which are established to account for financial resources segregated for the acquisition or construction of capital facilities other than those financed by enterprise operations.
- **Other Governmental Funds** - These are non-major funds and are a Debt Service Fund (Firestone Finance Authority) or Special Revenue Funds (Firestone Urban Renewal Authority, Conservation Trust, Open Space) which have been established to account for revenues derived from specific taxes or other earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Town's major enterprise funds are:

- **Water Fund** - This fund accounts for the financial transactions related to the water service operations of the Town.
- **Stormwater Fund** - This fund accounts for the financial transactions related to the stormwater service operations of the Town.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Fund Accounting (continued)**

Fiduciary funds are used by the Town to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Town does not report any fiduciary funds.

## BASIS OF PRESENTATION

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**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities. The government-wide financial statements do not include fiduciary funds since they are not part of the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of these funds are included on the statement of net position. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**Fund Financial Statements** - Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Basis of Presentation (continued)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus and a modified accrual basis of accounting. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus and accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

## BASIS OF ACCOUNTING

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Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting.

**Revenues - Exchange and Non-exchange Transactions** - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available is defined as revenue expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, intergovernmental revenues and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, intergovernmental revenues and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis.

## NOTES TO THE FINANCIAL STATEMENTS

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### ***Note 1: Summary of Significant Accounting Policies (continued)*** ***Basis of Accounting (continued)***

On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, sales taxes and other intergovernmental revenues.

**Unearned Revenue** - Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on changes in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund’s principal ongoing operations. The principal operating revenues of the water and stormwater funds are charges to customers for sales and services. Operating expenses for proprietary 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 non-operating revenues and expenses.

## BUDGETS AND BUDGETARY ACCOUNTING

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An annual budget and appropriation resolution is adopted by the Board of Trustees in accordance with the Colorado State Statutes. Budgets are adopted on a basis consistent with GAAP, except for the following: proceeds from long-term debt are budgeted as revenue in the proprietary funds; note, lease and bond principal payments are budgeted as expenses in the proprietary funds; and purchases of capital assets are budgeted as capital outlay expenses in the proprietary funds. On or about October 15, the Town staff submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Also,

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 1: Summary of Significant Accounting Policies (continued)** **Budget and Budgetary Accounting (continued)**

public hearings are conducted at a special meeting and at regular Town Board meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the Town Board.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The legal level of budgetary control is at the fund level as total expenditures cannot exceed the amount appropriated for a fund without Board approval but may be legally reallocated within the fund without Board approval.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Town Board throughout the year. Following is a summary of the original budget, total revisions and revised budget for appropriated expenditures and intrafund transfers in 2014:

	Original Budget	Total Revisions	Revised Budget
<b>Government Funds:</b>			
General Fund	\$ 5,307,751	\$ 60,361	\$ 5,368,112
Special Revenue Funds -			
Highway Fund	1,484,819	3,883,000	5,367,819
Parks Fund	1,363,345	166,300	1,529,645
Conservation Trust Fund	50,000	-	50,000
Open Space Fund	20,000	-	20,000
Capital Projects Funds -			
Capital Improvements Fund	1,294,044	15,000	1,309,044
Sales Tax Capital Improvements Fund	694,000	4,079,226	4,773,226
Firestone Finance Authority Fund	142,075	-	142,075
Firestone Urban Renewal Authority	41,183	-	41,183
<b>Business-Type Funds:</b>			
Water Fund	3,798,785	8,644	3,807,429
Stormwater Fund	252,137	15,000	267,137
<b>Total Funds</b>	<b>\$ 14,448,139</b>	<b>\$ 8,227,531</b>	<b>\$ 22,675,670</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

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### ***Note 1: Summary of Significant Accounting Policies (continued)***

#### **CASH AND CASH EQUIVALENTS**

To improve cash management, cash received by the Town is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the fund financial statements. Investments of the Town's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Town are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

#### **RESTRICTED CASH AND CASH EQUIVALENTS**

Restricted cash and cash equivalents are legally restricted as to their use. The restricted cash and cash equivalents is related to unspent bond proceeds from the issuance of the Sales Tax Revenue Bonds, Series 2014.

#### **SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net position and classified as due from other funds or due to other funds on the balance sheet.

#### **RECEIVABLES**

Receivables consist of all revenues earned at year-end and not yet received and are reported net of an allowance for doubtful accounts. The allowance is based upon historical trends.

#### **PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items in the government-wide and fund financial statements, and will be reported as expenses/expenditures in the following year.

#### **CAPITAL ASSETS**

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 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.

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 1: Summary of Significant Accounting Policies (continued)** **Capital Assets (continued)**

Property and equipment of the Town of Firestone is depreciated using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Useful Lives	Business-Type Activities Estimated Useful Lives
Land	N/A	N/A
Water Rights	N/A	N/A
Land Improvements	10-30 years	N/A
Buildings and Improvements	5-30 years	N/A
Streets and Storm Drainage	15-40 years	N/A
Machinery and Equipment	5-15 years	5-20 years
Utility Systems	N/A	30-50 years

In the governmental fund financial statements, capital outlays (assets) are reported as expenditures when incurred and no depreciation expense is recorded.

### **ACCRUED COMPENSATED ABSENCES PAYABLE**

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated personal leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds. Compensated absences for Governmental Funds have generally been liquidated through the General Fund and the Highway Fund. Compensated absences relating to the Enterprise Funds are recorded as a liability of those funds. The Town had a total liability for accrued compensated absences in the amount of \$28,971 for the business-type activities and \$129,979 for the governmental activities on the Statement of Net Position at December 31, 2014.

### **ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

Payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of capital leases that will be paid from governmental funds are reported as a liability in the fund financial statements when the liabilities mature or are due and payable. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Accrued Liabilities and Long-Term Obligations (continued)**

from governmental funds are not recognized as a liability in the fund financial statements until due.

### **FUND BALANCE AND NET POSITION**

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

- **Net Investment in Capital Assets** – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- **Restricted Net Position** – This category presents the net position restricted by external parties (creditors, grantors, contributors, laws and regulations).
- **Unrestricted Net Position** – This category represents the net position of the Town that is not restricted for any project or other purpose by third parties.

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements, enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action of the Town Board. The Town Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board.
- **Assigned** – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Assignments may be established, modified, or rescinded only through resolutions approved by the Town Board. The Town Board has the authority to assign amounts for specific purposes.
- **Unassigned** – All other spendable amounts.



## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Fund Balance and Net Position (continued)**

If applicable, the Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in its commitment or assignment actions.

### **CONTRIBUTION OF CAPITAL**

Contributions of capital in proprietary funds financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources for capital acquisition and construction.

### **INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

### **EXTRAORDINARY AND SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items during 2014.

### **PROPERTY TAXES**

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis. Since property Tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue is recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2: CASH AND INVESTMENTS

The composition of the Town's cash and cash equivalents, including restricted cash and cash equivalents, on December 31, 2014 is as follows:

	Market Value	S&P Rating	Moody's Rating	Weighted Average Maturity in Days	Concentration of Credit Risk
Cash on Hand	\$ 1,190	-	-	-	N/A
Cash with County Treasurer	35,071	-	-	-	N/A
Checking	833,662	-	-	-	N/A
Certificates of Deposit	2,641,055	-	-	-	16%
CSAFE	5,040,012	AAAm	Aaa	-	30%
FHLB	1,300,000	AA+	Aaa	1,652	8%
Savings	6,865,448	-	-	-	41%
<b>Total Funds</b>	<u>\$ 16,716,438</u>				

### CUSTODIAL CREDIT RISK - DEPOSITS

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act ("PDPA"). PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust. At December 31, 2014, the Town had deposits with financial institutions with a carrying amount of \$833,662. The bank balances with the financial institutions were \$866,334 of which \$250,000 was covered by federal depository insurance. The remaining balance of \$616,334 was collateralized with securities held by the financial institutions' agents but not in the Town's name.

### CUSTODIAL CREDIT RISK - INVESTMENTS

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### ***Note 2: Cash and Investments (continued)***

State statutes and the Town's investment policies authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements. As of December 31, 2014, the Town had no investments exposed to custodial credit risk outside of its investments in the Colorado Secure Assets Fund ("CSAFE") discussed below.

### **LOCAL GOVERNMENT INVESTMENT POOL**

At December 31, 2014, the Town had invested \$5,040,012 in CSAFE, a local government investment pool established in Colorado to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank of the pooled investments provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investments. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial banks. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. Pooled investments are rated AAAM by Standard & Poor's.

### **INTEREST RATE RISK**

The Town's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to adverse fair market value changes arising from increasing interest rates.

### **DERIVATIVE INVESTMENTS**

The Town held no derivative investments as of December 31, 2014. Of the Town's investment in the CSAFE local government investment pool, no funds were invested in derivative securities as of December 31, 2014. The Town relied upon information provided by CSAFE in estimating the Town's fair value of its investment in CSAFE and the securities held by CSAFE.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 3: RECEIVABLES

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Receivables at December 31, 2014, consist of the following:

Receivables	Governmental Activities	Business- Type Activities	Total
Taxes	\$ 1,550,716	\$ -	\$ 1,550,716
Accounts	14,807	186,904	201,711
Intergovernmental	-	29,756	29,756
Other	77,819	517	78,336
Developers	85,028	-	85,028
	<u>1,728,370</u>	<u>217,177</u>	<u>1,945,547</u>
Less allowance for doubtful accounts	(9,173)		(9,173)
<b>Total Funds</b>	<u><u>\$ 1,719,197</u></u>	<u><u>\$ 217,177</u></u>	<u><u>\$ 1,936,374</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4: INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2014, were as follows:

Interfund Transfers	Transfers In:					
	General	Highway	Parks	Non-Major Governmental	Stormwater	Totals
<b>Transfers Out:</b>						
Governmental Funds:						
Major Funds -						
General Fund	\$ -	\$ -	\$ 186,395	\$ -	\$ 10,000	\$ 196,395
Capital Improvements Fund	87,629	323,120	414,508	122,000	23,365	970,622
Sales Tax Capital Improvement Fund		1,756,318	200,000	-	-	1,956,318
Nonmajor Funds -	56,399	-	-	20,000	-	76,399
<b>Total Governmental Funds</b>	<b>144,028</b>	<b>2,079,438</b>	<b>800,903</b>	<b>142,000</b>	<b>33,365</b>	<b>\$ 3,199,734</b>
Proprietary Funds:						
Major Funds -						
Stormwater Fund	14,500	-	-	-	-	14,500
<b>Total Transfers</b>	<b>\$ 158,528</b>	<b>\$ 2,079,438</b>	<b>\$ 800,903</b>	<b>\$ 142,000</b>	<b>\$ 33,365</b>	<b>\$ 3,214,234</b>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move funds appropriated for debt service to the Firestone Finance Authority Fund as debt service payments become due; and (3) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations. Contributed capital between the governmental funds and proprietary fund is shown within the transfer line for financial statement presentation.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 for governmental activities was as follows:

	Capital Assets 12/31/2013	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2014
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated -				
Land	\$ 6,017,310	\$ -	\$ -	\$ 6,017,310
Construction in Progress	364,298	79,993	-	444,291
Total Capital Assets, not being depreciated -	6,381,608	79,993	-	6,461,601
Capital Assets, being depreciated -				
Land Improvements	5,856,935	437,474	-	6,294,409
Buildings & Improvements	1,725,829	23,817	-	1,749,646
Streets & Storm Drainage	35,223,308	2,379,852	-	37,603,160
Machinery & Equipment	2,860,265	245,133	-	3,105,398
Total Capital Assets, being depreciated -	45,666,337	3,086,276	-	48,752,613
Less Accumulated Depreciation for:				
Land Improvements	(3,035,603)	(366,221)	-	(3,401,824)
Buildings & Improvements	(790,262)	(66,394)	-	(856,656)
Streets & Storm Drainage	(16,578,398)	(1,693,269)	-	(18,271,667)
Machinery & Equipment	(2,213,468)	(126,002)	-	(2,339,470)
Total Accumulated Depreciation	(22,617,731)	(2,251,886)	-	(24,869,617)
Total Capital Assets, being depreciated - Net	23,048,606	834,390	-	23,882,996
<b>Governmental Activities</b>				
<b>Capital Assets - Net</b>	<b>\$ 29,430,214</b>	<b>\$ 914,383</b>	<b>\$ -</b>	<b>\$ 30,344,597</b>

## NOTES TO THE FINANCIAL STATEMENTS

### ***Note 5: Capital Assets (continued)***

Depreciation for governmental activities capital assets have been allocated as shown below:

General Government	\$ 6,175
Parks	366,221
Public Works	1,836,347
Public Safety	43,143

Total Depreciation Expense - Governmental Activities	<u>\$ 2,251,886</u>
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Capital asset activity for the year ended December 31, 2014 for business-type activities was as follows:

	Capital Assets 12/31/2013	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2014
<b>Business-Type Activities:</b>				
Capital Assets, not being Depreciated -				
Land	\$ 99,121	\$ -	\$ -	\$ 99,121
Water Rights	40,610,164	-	-	40,610,164
Construction in Progress	461,603	171,249	-	632,852
Total Capital Assets, not being depreciated -	<u>41,170,888</u>	<u>171,249</u>	<u>-</u>	<u>41,342,137</u>
Capital Assets, being depreciated -				
Machinery & Equipment	623,117	95,344	-	718,461
Utility System	15,680,414	759,448	-	16,439,862
Total Capital Assets, being depreciated -	<u>16,303,531</u>	<u>854,792</u>	<u>-</u>	<u>17,158,323</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	(353,714)	(32,484)	-	(386,198)
Utility System	(2,897,471)	(329,192)	-	(3,226,663)
Total Accumulated Depreciation	<u>(3,251,185)</u>	<u>(361,676)</u>	<u>-</u>	<u>(3,612,861)</u>
Total Capital Assets, being depreciated - Net	<u>13,052,346</u>	<u>493,116</u>	<u>-</u>	<u>13,545,462</u>
<b>Business-Type Activities Capital Assets - Net</b>	<u>\$ 54,223,234</u>	<u>\$ 664,365</u>	<u>\$ -</u>	<u>\$ 54,887,599</u>



## NOTES TO THE FINANCIAL STATEMENTS

### ***Note 5: Capital Assets (continued)***

Depreciation for business-type activities capital assets have been allocated as shown below:

Water	\$ 355,409
Stormwater	6,267
Total Depreciation Expense - Business-type Activities	<u>\$ 361,676</u>

## NOTE 6: LONG-TERM DEBT

### **PLEDGED REVENUES**

During 2006, the Town executed two reimbursement agreements (an Amended and Restated Public Improvements Reimbursement Agreement and Retail Infrastructure Funding Agreement) (the "Plan") with a developer (the "Developer"). Pursuant to the Plan, the Town will reimburse the Developer for costs incurred in constructing certain assets that were conveyed to the Town upon completion. Reimbursements are made based on a percentage of revenues derived from sales tax charged by the Town, commencing with the date the assets were completed by the developer and conveyed to the Town. Any unpaid balance accrues interest at the Wall Street Journal Prime Rate, capped at 7 percent per annum, compounding monthly until the balance is paid in full.

The Town follows guidance provided in GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, to account for the assets received, and payments made in connection with these agreements. Accordingly, the pledged revenues are treated as an obligation of the Town, until fully repaid. The assets have been capitalized and are depreciated over their useful lives in the Government-wide financial statements. At December 31, 2014, there is no balance due to the Developer.

### **BUSINESS-TYPE ACTIVITIES DEBT**

The following is a summary of changes in Business-Type Activities long-term debt of the Town for the year ended December 31, 2014:

	Balance 12/31/2013	Additions	Retired	Balance 12/31/2014	Due Within One Year
<b>Capital Leases</b>					
Jun 20, 2012 Lease	\$ 15,782	\$ -	\$ 15,782	\$ -	\$ -
<b>Compensated Absences</b>	28,712	158,088	157,829	28,971	21,267
<b>Total</b>	<u>\$ 44,494</u>	<u>\$ 158,088</u>	<u>\$ 173,611</u>	<u>\$ 28,971</u>	<u>\$ 21,267</u>



## NOTES TO THE FINANCIAL STATEMENTS

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### ***Note 6: Long-Term Debt (continued)*** **GOVERNMENTAL ACTIVITIES DEBT**

The following is a summary of outstanding Governmental Activities long-term debt of the Town as of December 31, 2014:

	Outstanding 12/31/2014
<b>General Obligation Debt:</b>	
<b>Certificates of Participation:</b>	
May 31, 2005, Certificates of Participation - \$1,985,000 original issue by the Firestone Finance Authority (the "Authority") used to acquire leased property from Knox Farm, LLC for future use as a park. The interest rate on this debt is (65%) of the Prime Rate as of October 15 of the prior year, reset every three years and may not be less than 3.50% nor more than 6.75%. The certificates mature December 1, 2025. The certificates are payable solely from revenues received from the Town under a lease agreement between itself and the Authority. This debt does not constitute a general obligation or other indebtedness of the Town within the meaning of any constitutional or statutory debt limitation and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation.	\$ 1,355,000
<b>Sales Tax Revenue Bonds</b>	
April 8, 2014, Sales Tax Revenue Bonds, Series 2014 - \$3,795,000 used to pay or reimburse the costs of the acquisition, development, construction, repair, replacement, expansion, rehabilitation and renovation of existing and planned streets and parks. The interest rate on the debt ranges from 2.00% to 3.625%. The debt matures on December 1, 2033.	3,650,364
<b>Capital Lease:</b>	
March 20, 2012, 48-month lease with Kansas State Bank in Manhattan to acquire twelve Panasonic laptops computers costing \$71,439. Monthly payments of \$1,654 principal and interest at 2.5%.	20,603
<b>Total Governmental Funds Debt</b>	<u>\$ 5,025,967</u>

## NOTES TO THE FINANCIAL STATEMENTS

### ***Note 6: Long-Term Debt (continued)***

#### **GOVERNMENTAL ACTIVITIES DEBT**

The following is a summary of changes in Governmental Activities long-term debt of the Town for the year ended December 31, 2014:

	Balance 12/31/2013	Additions	Retired	Balance 12/31/2014	Due Within One Year
<b>Sales Tax Revenue Bonds</b>					
Series 2014	\$ -	\$ 3,795,000	\$ 175,000	\$ 3,620,000	\$ 150,000
Premium	-	30,364	-	30,364	-
<b>Certificates of Participation</b>					
May 31, 2006, COPs	1,445,000	-	90,000	1,355,000	95,000
<b>Capital Leases</b>					
June 20, 2012 Lease	30,460	-	30,460	-	-
April 20, 2012 Lease	29,631	-	29,631	-	-
March 20, 2012 Lease	40,451	-	19,848	20,603	19,426
<b>Compensated Absences</b>	123,328	477,267	470,616	129,979	93,983
<b>Total</b>	<u>\$1,668,870</u>	<u>\$4,302,631</u>	<u>\$ 815,555</u>	<u>\$ 5,155,946</u>	<u>\$ 358,409</u>

The annual requirements to amortize all of the Town's Governmental Activities debt as of December 31, 2014, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2015	\$ 264,426	\$ 163,999	\$ 428,425
2016	251,177	156,932	408,109
2017	260,000	150,419	410,419
2018	265,000	143,644	408,644
2019	275,000	136,694	411,694
2020-2024	1,550,000	555,988	2,105,988
2025-2029	1,170,000	311,402	1,481,402
2030-2034	960,000	98,000	1,058,000
<b>Total</b>	<u>\$4,995,603</u>	<u>\$ 1,717,078</u>	<u>\$ 6,712,681</u>

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 6: Long-Term Debt (continued)** ***Governmental Activities Debt (continued)***

The assets acquired through capital lease and certificates of participation are as follows:

Assets	Governmental Activities
Land	\$ 1,985,000
Machinery & Equipment	74,206
Less Accumulated Depreciation	(37,103)
Total	<u>\$ 2,022,103</u>

## NOTE 7: DEFINED BENEFIT PENSION PLAN – POLICE OFFICERS

### PLAN DESCRIPTION

The Town of Firestone contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (“FPPA”). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by the FPPA. This is a non-contributory plan. All full-time, paid police officers of the Town of Firestone are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Title 31, Article 30 of the Colorado Revised Statutes (“CRS”), as amended, assigns the authority to establish benefit provisions to the state legislature.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

### BASIS OF ACCOUNTING FOR THE STATEWIDE DEFINED BENEFIT PLAN

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments which are recorded at cost, which approximates fair value.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### ***Note 7: Defined Benefit Pension Plan – Police Officers (Continued)***

#### **FUNDING POLICY**

Plan members and the Town of Firestone are required to contribute at a rate set by statute. The contribution requirements of plan members and the Town of Firestone are established under Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for members is 8 percent of covered salary and for the Town of Firestone is 8 percent of covered salary. The Town's contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2014, 2013, and 2012, were \$119,513, \$112,764, and \$111,197, respectively, equal to its required contributions for each year.

### **NOTE 8: DEFINED CONTRIBUTION PENSION PLAN – POLICE OFFICERS**

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#### **PLAN DESCRIPTION**

Employees of the Town of Firestone who are members of the FPPA Statewide Defined Benefit Plan (see Note 7) may voluntarily contribute to the FPPA 457 Plan ("457 Plan"), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is voluntary, and contributions are separate from others made to FPPA. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

#### **FUNDING POLICY**

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,000 for 2012, and \$17,500 for 2013 and 2014). Catch-up contributions up to \$5,500 for the calendar years 2014, 2013 and 2012 were allowed for participants who had attained age 50 before the close of the plan year. For the year ended December 31, 2014, 2013 and 2012, the 457 Plan member contributions from the Town of Firestone were \$4,684, \$4,856, and \$3,415, respectively.

### **NOTE 9: DEFINED BENEFIT PENSION PLAN – NON-POLICE STAFF**

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#### **PLAN DESCRIPTION**

The Town of Firestone contributes to the Local Government Division Trust Fund ("LGDTF"), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The LGDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 9: Defined Benefit Pension Plan – Non-Police Staff (continued)** ***Plan Description (continued)***

All non-police officer employees of the Town of Firestone are members of the LGDTF. Title 24, Article 51 of the CRS, as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the LGDTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

### **FUNDING POLICY**

The Town of Firestone is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the Town of Firestone are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 percent and for the Town of Firestone it is 10.00 percent of covered salary. A portion of the Town of Firestone's contribution (1.02 percent of covered salary) is allocated to the Health Care Trust Fund (See Note 10). The Town is also required to pay an amortization equalization disbursement ("AED") equal to 2.20 percent of the total payroll for the calendar years 2012, 2013, and 2014.

Additionally, the Town of Firestone is required to pay a supplemental amortization equalization disbursement ("SAED") equal to 1.50 percent of the total payroll for the calendar years 2012, 2013, and 2014. If the Town of Firestone rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions (including the AED and SAED) on the amounts paid for the retiree; however no member contributions are required. For the years ending December 31, 2014, 2013, and 2012, the Town of Firestone's employer contributions to the LGDTF were \$227,482, \$214,032, and \$189,385, respectively, equal to their required contributions for each year.

## **NOTE 10: POSTEMPLOYMENT HEALTH CARE BENEFITS**

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### **PLAN DESCRIPTION**

The Town of Firestone contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 10: Postemployment Health Care Benefits (continued)**

#### **FUNDING POLICY**

The Town of Firestone is required to contribute at a rate of 1.02 percent of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town of Firestone are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. For the years ending December 31, 2014, 2013, and 2012, the Town of Firestone's employer contributions to the HCTF were \$16,937, \$15,935, and \$15,234, respectively, equal to their required contributions for each year.

### **NOTE 11: DEFINED CONTRIBUTION PENSION PLAN – NON-POLICE STAFF**

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#### **PLAN DESCRIPTION**

Employees of the Town of Firestone who are members of the LGDTF (see Note 9) may voluntarily contribute to the Voluntary Investment Program ("401(k) Plan"), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report for the 401(k) Plan. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

#### **FUNDING POLICY**

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,000 for calendar year 2012, and \$17,500 for 2013 and 2014). Catch-up contributions up to \$5,500 for the calendar years 2014, 2013 and 2012 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v).<sup>5</sup> The contribution requirements for the Town of Firestone are established under Title 24, Article 51, Section 1402 of the CRS, as amended. For the years ended December 31, 2014, 2013, and 2012, the 401(k) Plan member contributions from the Town of Firestone were \$19,749, \$22,403, and \$16,086, respectively.



## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 12: DEFINED CONTRIBUTION PENSION PLAN – NON-POLICE STAFF**

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#### **PLAN DESCRIPTION**

Employees of the Town of Firestone who are members of the LGDTF (see Note 9) may voluntarily contribute to the PERA 457 Plan (“457 Plan”), an Internal Revenue Code Section 457 defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. PERA issues a publicly available comprehensive annual financial report for the 401(k) Plan. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

#### **FUNDING POLICY**

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,000 for calendar year 2012, and \$17,500 for 2013 and 2014). Catch-up contributions up to \$5,500 for the calendar years 2014, 2013 and 2012 were allowed for participants who had attained age 50 before the close of the plan year. The Town began offering this plan in 2013. For the years ended December 31, 2014 and 2013, the 457 Plan member contributions from the Town of Firestone were \$28,154 and \$20,772, respectively.

### **NOTE 13: JOINT VENTURES**

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Condensed financial information for the joint ventures in which the Town of Firestone has an interest is as follows:

#### **WELD 911 EMERGENCY TELEPHONE SERVICE AUTHORITY BOARD**

At December 31, 2013, (date of latest available information), Weld 911 had a fund balance of \$6,377,632. Total revenues for 2013 were \$2,515,541 and total expenses were \$1,378,503 resulting in an excess of revenues over expenses of \$1,137,038. The amount of the Town’s share of these amounts is based upon the percentage of the county wide telephone accesses to be served by the Weld 911 Authority.

Complete financial statements for this joint venture can be obtained from:

Weld County  
P.O. Box 758  
Greeley, Colorado 80632

### **NOTE 14: RESERVED FUND BALANCES / NET POSITION**

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The following is a summary of the purposes of fund balance / net position classifications in the various funds:

## NOTES TO THE FINANCIAL STATEMENTS

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General Fund - Nonspendable	Payments made to vendors for services that will benefit periods beyond year end.
General Fund - Restricted	A portion restricted for emergencies as defined under TABOR.
Conservation Trust - Restricted	Fund balance assigned for future payments on maintenance and capital expenditures as allowed under CRS.
Capital Improvements - Restricted	Fund balance restricted for unspent bond proceeds from the issuance of the Sales Tax Revenue Bonds, Series 2014.
Capital Improvements - Committed	Fund balance committed for future transfers to appropriate funds to be used for capital construction or acquisitions funded by the impact fees or sales taxes collected in these funds.
General Fund - Assigned	Fund balance assigned for future transfers to appropriate funds to be used for the capital construction or acquisition.
Highway Fund - Assigned	Fund balance assigned for operations, maintenance and future capital expenditures related to street and highway operations.
Park Fund - Assigned	Fund balance assigned for planning and future capital expenditures or acquisitions related to park infrastructure.
Firestone Finance Authority - Assigned	Fund balance assigned for future payments on Certificates of Participation issued to finance Town property.
Open Space - Assigned	Fund balance assigned for future transfers for maintenance, capital expenditures and COPS payments for open space, parks, and trails.
Debt Service - Assigned	Fund balance assigned for future payments on outstanding General Obligation Debt.



## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 15 RISK MANAGEMENT**

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Since January 1, 2010, the Town has been a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”) which provides sufficient liability and property coverage to protect against property damage to all of the Town’s fixed assets and equipment. Other coverage includes general liability coverage as well as supplemental liability coverage for employee benefits, employment practices, law enforcement activities, vehicle and auto liability, crimes against the Town and a general umbrella liability policy. In addition, the Town has secured additional coverage for Town events and volunteers. The Town maintains the state required workers compensation insurance with Pinnacol Assurance, the primary provider of workers compensation coverage in Colorado.

### **NOTE 16: TAXES, SPENDING AND DEBT LIMITATIONS**

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In November 1992, Colorado voters passed an amendment (the “Amendment”) to the State Constitution (Article X, Section 20) also known as the Taxpayer’s Bill of Rights (“TABOR”) which limits the revenue raising and spending abilities of state and local governments.

The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$294,883 for this purpose.

On April 2, 1996, the voting citizens of the Town of Firestone authorized the Town to collect retain, and expend the full proceeds of the Town’s sales and use tax, property tax revenues, non federal grants, fees and other revenues collected and received during the year 1996 and each subsequent year, for capital projects, basic municipal services or other lawful municipal purposes, notwithstanding any state limitation on fiscal year revenue and spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution or any other law. This effectively removed all revenue and spending limits imposed by TABOR.

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require Judicial interpretation.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 17: COMMITMENTS AND CONTINGENT LIABILITIES**

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Management is not aware of any outstanding claims or other financial contingencies that could have a material adverse effect on the Town's financial statements.

### **NOTE 18: DEVELOPER AGREEMENTS**

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The Town is involved in developer agreements to promote commercial growth within its boundaries. These agreements are structured so that future revenues are committed to meet development obligations, but only as the revenues are earned. If revenues are not earned from the sources outlined in the agreements, the Town of Firestone is not obligated to fund the expenditures from other sources. These agreements fall under Government Accounting Standard Board Statement No 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* for pledged revenues. The obligations to be repaid through these pledged revenues are summarized below (see also Note 6):

#### **AMERICAN FURNITURE WAREHOUSE (AFW) AND THF/TFD FIRESTONE DEVELOPMENT, L.L.C.**

An Amended and Restated Public Improvements Reimbursement Agreement (the "PIRA") between AFW and THF/TFD Firestone Development (the "Developers") was approved by the Town on July 31, 2006. The PIRA will finance the construction of certain public improvements in connection with the City Centre development, located at I-25 and Firestone Blvd. Under the PIRA, the Developers will receive 1.25 percent (the "Credit PIF") of the Town's 2 percent sales and use tax on the sale or provision of goods in the development. The amount of eligible cost that could be reimbursed to the Developers from Credit PIF Revenues is limited to \$11,000,000, plus interest accruing at the Wall Street Journal Prime Rate (3.25% at December 31, 2014), capped at 7 percent per annum. The Developers have 20 years (2026) to receive the maximum reimbursable amount.

#### **THF FIRESTONE DEVELOPMENT, L.L.C.**

A Retail Infrastructure Funding Agreement (the "RIFA") with THF Firestone Development (the "THF Developer") was approved by the Town on September 4, 2008. The RIFA supplements the PIRA and is intended to help finance the construction of additional public improvements in connection with the development of a portion of the retail area at I-25 and Firestone Blvd. Under the RIFA, the THF Developer imposes a Retail Transaction Fee ("RTF") in the amount of 0.25 percent of the Town's 2 percent sales and use tax on the sale or provision of goods in the project area. The amount of eligible cost that could be reimbursed to the Developers from RTF Revenues is limited to \$4,000,000, plus interest accruing at the Wall Street Journal Prime Rate (3.25% at December 31, 2014), capped of 7 percent per annum. The Developers have 20 years (2028) to receive the maximum reimbursable amount.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 19: SUBSEQUENT EVENTS**

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Management of the Town has evaluated subsequent events through June 24, 2015, the date that the financial statements were available to be issued. No transactions or events that would require adjustment to or disclosure in the financial statements were identified.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - General, Highway and Parks Funds**  
Year Ended December 31, 2014

	General Fund			Variance with Final Budget
	Budgeted Amounts		Actual	Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes and Impact Fees	\$ 4,430,855	\$ 4,593,355	\$ 5,077,995	\$ 484,640
Licenses and Permits	364,000	526,500	532,138	5,638
Intergovernmental	38,000	38,000	71,943	33,943
Charges for Services	-	-	-	-
Fines	180,000	180,000	187,039	7,039
Investment Earnings	3,740	3,740	9,891	6,151
Miscellaneous	112,430	112,430	132,248	19,818
Total Revenues	5,129,025	5,454,025	6,011,254	557,229
EXPENDITURES				
Current:				
General Government	1,913,614	1,998,045	1,899,704	98,341
Public Safety				
Police	2,036,861	2,036,861	2,096,468	(59,607)
Building Inspection	179,500	299,500	296,835	2,665
Public Works (Roads, Facilities, etc)	20,150	20,150	87,450	(67,300)
Parks and Open Spaces	-	-	126,509	(126,509)
Health & Welfare	33,200	33,200	141,181	(107,981)
Economic Development	122,950	303,880	176,249	127,631
Capital Outlay	530,877	530,877	344,960	185,917
Debt Service:				
Principal	65,660	65,660	65,660	-
Interest	2,194	2,194	2,194	-
Total Expenditures	4,905,006	5,290,367	5,237,210	53,157
Excess (Deficiency) of Revenue Over Expenditures	224,019	163,658	774,044	610,386
OTHER FINANCING SOURCES (USES)				
Transfers In	295,776	304,776	158,528	(146,248)
Transfers Out	(402,745)	(402,745)	(196,395)	206,350
Total Other Financing Sources (Uses)	(106,969)	(97,969)	(37,867)	60,102
Net Change in Fund Balances	\$ 117,050	\$ 65,689	736,177	\$ 670,488
Fund Balances at Beginning of Year			2,319,572	
Fund Balances at End of Year			\$ 3,055,749	

See accompanying Independent Auditor's Report.

**Highway Fund**

Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 524,700	\$ 524,700	\$ 587,655	\$ 62,955
-	-	-	-
-	-	-	-
142,250	142,250	148,164	5,914
-	-	-	-
1,000	1,000	463	(537)
5,000	5,000	10,443	5,443
<u>672,950</u>	<u>672,950</u>	<u>746,725</u>	<u>73,775</u>
131,750	131,750	95,087	36,663
-	-	-	-
-	-	-	-
1,087,610	1,087,610	1,051,144	36,466
-	-	-	-
-	-	-	-
-	-	-	-
250,000	4,008,000	1,681,034	2,326,966
14,279	14,279	14,279	-
1,180	1,180	1,180	-
<u>1,484,819</u>	<u>5,242,819</u>	<u>2,842,724</u>	<u>2,400,095</u>
<u>(811,869)</u>	<u>(4,569,869)</u>	<u>(2,095,999)</u>	<u>2,473,870</u>
643,917	4,401,917	2,079,438	(2,322,479)
-	-	-	-
<u>643,917</u>	<u>4,401,917</u>	<u>2,079,438</u>	<u>(2,322,479)</u>
<u>\$ (167,952)</u>	<u>\$ (167,952)</u>	(16,561)	<u>\$ 151,391</u>
		668,154	
		<u>\$ 651,593</u>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances -Budget and Actual - General, Highway and Parks Funds**  
Year Ended December 31, 2014

	Parks Fund			Variance with Final Budget
	Budgeted Amounts		Actual	Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Licenses and Permits	\$ 61,500	\$ 61,500	\$ 97,500	\$ 36,000
Investment Earnings	1,800	1,800	1,000	(800)
Miscellaneous	-	-	1,131	1,131
Total Revenues	63,300	63,300	99,631	36,331
EXPENDITURES				
Current:				
General Government	22,950	22,950	17,018	5,932
Parks	384,745	384,745	406,486	(21,741)
Capital Outlay	955,650	1,121,950	807,052	314,898
Total Expenditures	1,363,345	1,529,645	1,230,556	299,089
Excess (Deficiency) of Revenue Over Expenditures	(1,300,045)	(1,466,345)	(1,130,925)	335,420
OTHER FINANCING SOURCES				
Transfers In	1,052,395	1,052,395	800,903	(251,492)
Total Other Financing Sources (Uses)	1,052,395	1,052,395	800,903	(251,492)
Net Change in Fund Balances	\$ (247,650)	\$ (413,950)	(330,022)	\$ 83,928
Fund Balances at Beginning of Year			635,247	
Fund Balances at End of Year			\$ 305,225	

See accompanying Independent Auditor's Report.



## **OTHER SUPPLEMENTARY INFORMATION**

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**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual - Capital Improvement Funds**  
Year Ended December 31, 2014

	Capital Improvement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Taxes and Impact Fees	\$ -	\$ -	\$ -	\$ -
Impact Fees	1,009,539	1,009,539	1,602,750	593,211
Intergovernmental	-	-	272,496	272,496
Investment Earnings	6,100	6,100	7,412	1,312
<b>Total Revenues</b>	<u>1,015,639</u>	<u>1,015,639</u>	<u>1,882,658</u>	<u>867,019</u>
<b>EXPENDITURES</b>				
<b>Debt Service</b>				
Principal	-	-	-	-
Interest	-	-	-	-
Debt Issuance Costs	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>				
	1,015,639	1,015,639	1,882,658	867,019
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,294,044)	(1,309,044)	(970,622)	338,422
Proceeds from Bond Issuance	-	-	-	-
Premium on Issuance of Debt	-	-	-	-
<b>Total Other Financing Uses</b>	<u>(1,294,044)</u>	<u>(1,309,044)</u>	<u>(970,622)</u>	<u>338,422</u>
<b>Net Change in Fund Balance</b>	<u>\$ (278,405)</u>	<u>\$ (293,405)</u>	912,036	<u>\$ 1,205,441</u>
<b>Fund Balance at Beginning of Year</b>			1,984,022	
<b>Fund Balance at End of Year</b>			<u>\$ 2,896,058</u>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance -Budget and Actual - Capital Improvement Funds**  
Year Ended December 31, 2014

<b>Sales Tax Capital Improvement Fund</b>			
Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final		Positive (Negative)
\$ 1,400,000	\$ 1,400,000	\$ 1,285,562	\$ (114,438)
-	-	-	-
-	-	-	-
-	-	10,155	10,155
1,400,000	1,400,000	1,295,717	(104,283)
-	175,000	175,000	-
-	77,226	77,226	-
-	69,000	62,443	6,557
-	321,226	314,669	6,557
1,400,000	1,078,774	981,048	(97,726)
(694,000)	(4,452,000)	(1,956,318)	2,495,682
-	3,795,000	3,795,000	-
-	56,366	30,364	(26,002)
(694,000)	(600,634)	1,869,046	2,469,680
\$ 706,000	\$ 478,140	2,850,094	\$ 2,371,954
		-	
		\$ 2,850,094	

**Town of Firestone**  
Firestone, Colorado  
**Combining Balance Sheet**  
**Other Governmental Funds**  
December 31, 2014

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space	Debt Service	Total Governmental Funds
<b>ASSETS</b>						
Equity in Pooled Cash and						
Cash Equivalents	\$ 1,906	\$ 20,872	\$ 156,383	\$ 167,975	\$ 7,724	\$ 354,860
Receivables	-	-	-	11,180	-	11,180
<b>Total Assets</b>	<u>\$ 1,906</u>	<u>\$ 20,872</u>	<u>\$ 156,383</u>	<u>\$ 179,155</u>	<u>\$ 7,724</u>	<u>\$ 366,040</u>
<b>LIABILITIES AND FUND</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ -	\$ 34	\$ -	\$ -	\$ -	\$ 34
<b>Total Liabilities</b>	<u>-</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34</u>
<b>Fund Balances:</b>						
Restricted	-	-	156,383	-	-	156,383
Assigned	1,906	20,838	-	179,155	7,724	209,623
<b>Total Fund Balances</b>	<u>1,906</u>	<u>20,838</u>	<u>156,383</u>	<u>179,155</u>	<u>7,724</u>	<u>366,006</u>
<b>Total Liabilities and Fund</b>	<u>\$ 1,906</u>	<u>\$ 20,872</u>	<u>\$ 156,383</u>	<u>\$ 179,155</u>	<u>\$ 7,724</u>	<u>\$ 366,040</u>

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Other Governmental Funds**  
Year Ended December 31, 2014

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space	Debt Service	Total Governmental Funds
<b>REVENUES</b>						
Taxes and Impact Fees	\$ -	\$ 27,839	\$ -	\$ 109,341	\$ -	\$ 137,180
Intergovernmental	-	-	52,807	-	-	52,807
Investment Earnings	1	70	260	363	-	694
<b>Total Revenues</b>	<u>1</u>	<u>27,909</u>	<u>53,067</u>	<u>109,704</u>	<u>-</u>	<u>190,681</u>
<b>EXPENDITURES</b>						
<b>Current:</b>						
Administration	1,200	672	-	-	-	1,872
<b>Debt Service:</b>						
Principal	90,000	-	-	-	-	90,000
Interest	50,575	-	-	-	-	50,575
<b>Total Expenditures</b>	<u>141,775</u>	<u>672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,447</u>
<b>Excess (Deficiency) of Revenues</b>						
<b>Over Expenditures</b>	<u>(141,774)</u>	<u>27,237</u>	<u>53,067</u>	<u>109,704</u>	<u>-</u>	<u>48,234</u>
<b>OTHER FINANCING SOURCES</b>						
<b>(USES)</b>						
Transfers In	142,000	-	-	-	-	142,000
Transfers Out	-	(6,399)	(50,000)	(20,000)	-	(76,399)
<b>Total Other Financing</b>	<u>142,000</u>	<u>(6,399)</u>	<u>(50,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>65,601</u>
<b>Sources (Uses)</b>						
<b>Net Change in Fund Balances</b>	226	20,838	3,067	89,704	-	113,835
<b>Fund Balances at Beginning</b>						
<b>of Year</b>	<u>1,680</u>	<u>-</u>	<u>153,316</u>	<u>89,451</u>	<u>7,724</u>	<u>252,171</u>
<b>Fund Balances at End of Year</b>	<u>\$ 1,906</u>	<u>\$ 20,838</u>	<u>\$ 156,383</u>	<u>\$ 179,155</u>	<u>\$ 7,724</u>	<u>\$ 366,006</u>

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances - Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2014

	Firestone Finance Authority Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment Earnings	50	50	1	(49)
Miscellaneous	150	150	-	(150)
Total Revenues	200	200	1	(199)
EXPENDITURES				
Current:				
Administration	1,500	1,500	1,200	300
Debt Service:				
Principal	90,000	90,000	90,000	-
Interest	50,575	50,575	50,575	-
Total Expenditures	142,075	142,075	141,775	300
Excess (Deficiency) of Revenues Over Expenditures	(141,875)	(141,875)	(141,774)	101
OTHER FINANCING SOURCES (USES)				
Transfers In	142,000	142,000	142,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources	142,000	142,000	142,000	-
Net Change in Fund Balances	\$ 125	\$ 125	226	\$ 101
Fund Balances at Beginning of Year			1,680	
Fund Balances at End of Year			\$ 1,906	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances - Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2014

<b>Firestone Urban Renewal Authority</b>			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 41,143	\$ 41,143	\$ 27,839	\$ (13,304)
40	40	70	30
-	-	-	-
<u>41,183</u>	<u>41,183</u>	<u>27,909</u>	<u>(13,274)</u>
34,784	34,784	672	34,112
-	-	-	-
-	-	-	-
<u>34,784</u>	<u>34,784</u>	<u>672</u>	<u>34,112</u>
<u>6,399</u>	<u>6,399</u>	<u>27,237</u>	<u>20,838</u>
-	-	-	-
(6,399)	(6,399)	(6,399)	-
<u>(6,399)</u>	<u>(6,399)</u>	<u>(6,399)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	20,838	<u>\$ 20,838</u>
		-	
		<u>\$ 20,838</u>	

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditure, and Changes in**  
**Fund Balances - Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2014

	Conservation Trust			Variance with Final Budget
	Budgeted Amounts		Actual	Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	52,000	52,000	52,807	807
Investment Earnings	260	260	260	-
Total Revenues	52,260	52,260	53,067	807
OTHER FINANCING USES				
Transfers Out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Uses	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balances	\$ 2,260	\$ 2,260	3,067	\$ 807
Fund Balances at Beginning of Year			153,316	
Fund Balances at End of Year			\$ 156,383	

See accompanying Independent Auditor's Report.



**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances - Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2014

<b>Open Space</b>			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 45,000	\$ 45,000	\$ 109,341	\$ 64,341
-	-	-	-
90	90	363	273
<u>45,090</u>	<u>45,090</u>	<u>109,704</u>	<u>64,614</u>
(20,000)	(20,000)	(20,000)	-
<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
<u>\$ 25,090</u>	<u>\$ 25,090</u>	89,704	<u>\$ 64,614</u>
		89,451	
		<u>\$ 179,155</u>	

**Town of Firestone**  
Firestone, Colorado  
**Water Fund**  
**Schedule of Revenues, Expenditures and Changes in Net Position -**  
**Budget and Actual (Non GAAP Budgetary Basis)**  
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating Revenues</b>				
Charges for Services	\$ 2,580,800	\$ 2,580,800	\$ 2,726,634	\$ 145,834
Miscellaneous	2,000	2,000	4,861	2,861
<b>Total Operating Revenues</b>	<b>2,582,800</b>	<b>2,582,800</b>	<b>2,731,495</b>	<b>148,695</b>
<b>Operating Expenses</b>				
Operations	1,251,145	1,251,145	1,182,080	69,065
Administration	851,299	859,943	773,029	86,914
<b>Total Operating Expenses</b>	<b>2,102,444</b>	<b>2,111,088</b>	<b>1,955,109</b>	<b>155,979</b>
<b>Operating Income</b>	<b>480,356</b>	<b>471,712</b>	<b>776,386</b>	<b>304,674</b>
<b>Nonoperating Revenues (Expenditures)</b>				
Capital Contributions	885,600	1,185,600	2,929,545	1,743,945
Investment Earnings	10,000	10,000	13,801	3,801
Transfers In	210,000	210,000	-	(210,000)
Transfers Out	(210,000)	(210,000)	-	210,000
Interest Expense	(826)	(826)	(840)	(14)
Principal Paid	(15,782)	(15,782)	(15,782)	-
Capital Outlay	(1,469,733)	(1,596,711)	(691,882)	904,829
Tap Fees Paid	-	(300,000)	(2,038,400)	(1,738,400)
Intergovernmental Revenues	-	-	29,756	29,756
<b>Total Nonoperating Revenues (Expenditures)</b>	<b>(590,741)</b>	<b>(717,719)</b>	<b>226,198</b>	<b>943,917</b>
<b>Excess of Revenues Over Expenditures - Budgetary Basis</b>	<b>\$ (110,385)</b>	<b>\$ (246,007)</b>	<b>1,002,584</b>	<b>\$ 1,248,591</b>
<b>Reconciliation to a GAAP Basis</b>				
Depreciation			(355,409)	
Capital Outlay			691,882	
Principal Paid			15,782	
<b>Change in Net Position</b>			<b>1,354,839</b>	
<b>Net Position at Beginning of Year</b>			<b>58,540,907</b>	
<b>Net Position at End of Year</b>			<b>\$ 59,895,746</b>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Stormwater Fund**  
**Schedule of Revenues, Expenditures and Changes in Net Position -**  
**Budget and Actual (Non GAAP Budgetary Basis)**  
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
<b>Operating Revenues</b>				
Charges for Services	\$ 114,500	\$ 114,500	\$ 118,585	\$ 4,085
<b>Total Operating Revenues</b>	<u>114,500</u>	<u>114,500</u>	<u>118,585</u>	<u>4,085</u>
<b>Operating Expenses</b>				
Operations	57,637	57,637	52,038	5,599
Administration	32,400	32,400	24,064	8,336
<b>Total Operating Expenses</b>	<u>90,037</u>	<u>90,037</u>	<u>76,102</u>	<u>13,935</u>
<b>Operating Income</b>	24,463	24,463	42,483	18,020
<b>Nonoperating Revenues (Expenditures)</b>				
Capital Contributions	-	-	223,925	223,925
Transfers In	137,600	152,600	33,365	(119,235)
Transfers Out	(14,500)	(14,500)	(14,500)	-
Capital Outlay	(147,600)	(162,600)	(23,364)	139,236
<b>Total Nonoperating Revenues (Expenditures)</b>	<u>(24,500)</u>	<u>(24,500)</u>	<u>219,426</u>	<u>243,926</u>
<b>Deficiency of Revenues</b>				
<b>Over Expenditures - Budgetary Basis</b>	<u>\$ (37)</u>	<u>\$ (37)</u>	261,909	<u>\$ 261,946</u>
<b>Reconciliation to a GAAP Basis</b>				
Depreciation			(6,267)	
Capital Outlay			<u>23,364</u>	
<b>Change in Net Position</b>			279,006	
<b>Net Position at Beginning of Year</b>			413,637	
<b>Net Position at End of Year</b>			<u>\$ 692,643</u>	

See accompanying Independent Auditor's Report.

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## **CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**

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**Town of Firestone**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Schedule by Activity and Source**

**December 31, 2014**

<b>Function and Activity</b>	<b>Land</b>	<b>Land Improvements</b>	<b>Building and Improvements</b>	<b>Equipment and Vehicles</b>	<b>Infrastructure</b>	<b>TOTAL</b>
General Government	\$ -	\$ -	\$ -	\$ 213,695	\$ -	\$ 213,695
Public Works	-	-	-	1,652,821	-	1,652,821
Parks, Cultural and Open Space	6,017,310	6,294,409	-	-	-	12,311,719
Public Safety	-	-	-	1,238,882	-	1,238,882
Building	-	-	1,749,646	-	-	1,749,646
Construction in Progress	-	-	364,298	-	-	364,298
Streets and Related Infrastructure	-	-	-	-	37,603,160	37,603,160
Construction in Progress					79,993	79,993
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 6,017,310</b>	<b>\$ 6,294,409</b>	<b>\$ 2,113,944</b>	<b>\$ 3,105,398</b>	<b>\$ 37,683,153</b>	<b>\$ 55,214,214</b>

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Schedule of Changes by Function and Activity**

**December 31, 2014**

<u>Function and Activity</u>	<u>Capital Assets 12/31/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets 12/31/2014</u>
General Government	\$ 199,100	\$ 14,595	\$ -	\$ 213,695
Public Works	1,487,822	164,999	-	1,652,821
Parks, Cultural and Open Space	11,874,245	437,474	-	12,311,719
Public Safety	1,173,343	65,539	-	1,238,882
Building	1,725,829	23,817	-	1,749,646
Construction in Progress	364,298	-	-	364,298
Streets and Related Infrastructure	35,223,308	2,379,852	-	37,603,160
Construction in Progress	-	79,993	-	79,993
<b>Total Governmental Funds Capital Assets</b>	<b><u>\$ 52,047,945</u></b>	<b><u>\$ 3,166,269</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 55,214,214</u></b>

See accompanying Independent Auditor's Report.



**Town of Firestone**  
**CAPITAL Assets Used in the Operation of Governmental Activities**  
**Comparative Schedule by Source**

**December 31, 2013 and 2014**

<b>GENERAL CAPITAL ASSETS</b>	<b>2014</b>	<b>2013</b>
Land	\$ 6,017,310	\$ 6,017,310
Land Improvements	6,294,409	5,856,935
Building and Improvements	1,749,646	1,725,829
Building - Construction in Progress	364,298	364,298
Equipment and Vehicles	3,105,398	2,860,265
Infrastructure	37,603,160	35,223,308
Infrastructure - Construction in Progress	79,993	-
<b>TOTAL GENERAL CAPITAL ASSETS</b>	<b>\$ 55,214,214</b>	<b>\$ 52,047,945</b>

<b>INVESTMENT IN GENERAL CAPITAL ASSETS</b>	<b>2014</b>	<b>2013</b>
Contributions and Donations	\$ 26,320,453	\$ 26,320,453
Developer Reimbursement Obligations	487,403	487,403
General Obligation Bonds	773,917	773,917
Grants	323,328	323,328
Operating Revenues and Impact Fees	25,324,113	22,157,844
Certificates of Participation	1,985,000	1,985,000
<b>TOTAL INVESTMENT IN GENERAL CAPITAL ASSETS</b>	<b>\$ 55,214,214</b>	<b>\$ 52,047,945</b>

See accompanying Independent Auditor's Report.

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## **STATISTICAL SECTION**

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## Town of Firestone

### Statistical Section

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2014

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This part of the Town of Firestone's Comprehensive Annual Financial Report presents detailed information spanning multiple years to provide a historical context for understanding, interpreting and analyzing the information presented in the financial statements, note disclosures, and supplementary information about the Town's overall financial condition.

The Statistical Section is organized as follows -

	Pages
<b><i>Financial Trends:</i></b>	76-82
Information on the Town's financial performance and health over time.	
<b><i>Revenue:</i></b>	83-90
Information on the Town's ability to generate tax revenue over time.	
<b><i>Debt Capacity:</i></b>	91-95
Information on the Town's outstanding debt and that of overlapping governments.	
<b><i>Demographics:</i></b>	97-99
Information on demographic and economic measures that affect the Town and its provision of services to its constituents.	
<b><i>Operating Information:</i></b>	100-101
Information on the Town's operations, staffing and other data.	

**Town of Firestone**  
**Net Position by Component**  
**Last Ten Years**

	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	\$ 26,709,375	\$ 28,787,980	\$ 29,452,697	\$ 31,129,414
Restricted	4,103,582	5,173,757	4,661,782	4,722,885
Unrestricted	1,052,457	1,476,557	2,751,531	1,748,080
Total governmental activities position	\$ 31,865,414	\$ 35,438,294	\$ 36,866,010	\$ 37,600,379
Business-type activities				
Net investment in capital assets	\$ 41,580,548	\$ 47,690,346	\$ 51,453,496	\$ 51,891,777
Restricted	203,818	262,187	-	-
Unrestricted	2,392,705	1,242,711	1,744,886	2,399,424
Total business-type activities net position	\$ 44,177,071	\$ 49,195,244	\$ 53,198,382	\$ 54,291,201
Primary government				
Net investment in capital assets	\$ 68,289,923	\$ 76,478,326	\$ 80,906,193	\$ 83,021,191
Restricted	4,307,400	5,435,944	4,661,782	4,722,885
Unrestricted	3,445,162	2,719,268	4,496,417	4,147,504
Total primary government net position	\$ 76,042,485	\$ 84,633,538	\$ 90,064,392	\$ 91,891,580

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

2009	2010	2011	2012	2013	2014
\$ 32,308,457	\$ 30,754,589	\$ 29,832,385	\$ 28,453,663	\$ 27,884,672	\$ 25,318,630
2,682,197	3,034,596	269,051	319,783	360,606	2,896,206
1,723,914	1,793,769	4,807,819	5,216,289	5,368,759	7,080,617
\$ 36,714,568	\$ 35,582,954	\$ 34,909,255	\$ 33,989,735	\$ 33,614,037	\$ 35,295,453
\$ 53,326,076	\$ 53,632,012	\$ 53,745,675	\$ 53,954,280	\$ 54,207,452	\$ 54,887,599
-	-	-	-	-	-
2,304,582	2,813,046	3,347,722	3,979,414	4,747,092	5,700,790
\$ 55,630,658	\$ 56,445,058	\$ 57,093,397	\$ 57,933,694	\$ 58,954,544	\$ 60,588,389
\$ 85,634,533	\$ 84,386,601	\$ 83,578,060	\$ 82,407,943	\$ 82,092,124	\$ 80,206,229
2,682,197	3,034,596	269,051	319,783	360,606	2,896,206
4,028,496	4,606,815	8,155,541	9,195,703	10,115,851	12,781,407
\$ 92,345,226	\$ 92,028,012	\$ 92,002,652	\$ 91,923,429	\$ 92,568,581	\$ 95,883,842

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Changes in Net Position**  
**Last Ten Years**

	2005	2006 <sup>(1)</sup>	2007 <sup>(1)</sup>	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2014
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 869,905	\$ 997,530	\$ 1,200,682	\$ 1,154,780	\$ 1,410,953	\$ 1,156,785	\$ 1,106,283	\$ 1,322,245	\$ 1,835,993	\$ 2,156,089
Public Safety	1,957,514	2,357,338	2,169,622	2,230,778	2,350,659	2,246,700	2,169,999	2,266,759	2,272,091	2,436,446
Public Works	427,030	2,105,134	2,186,471	2,308,808	2,563,019	2,588,250	2,450,275	2,445,606	2,554,525	2,974,941
Health & Welfare	58,585	73,744	74,408	86,964	103,002	95,917	95,010	96,785	174,160	141,181
Economic Development	3,092	14,389	11,561	13,844	15,298	18,905	70,334	65,143	72,636	176,249
Parks & Recreation	202,246	534,021	458,506	635,834	700,636	699,652	668,285	774,910	837,008	899,216
Interest on long-term debt	87,585	114,083	124,480	120,026	106,860	82,409	73,349	70,203	58,494	205,068
Depreciation Unallocated	1,604,975	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	5,210,932	6,196,239	6,225,730	6,551,034	7,250,427	6,888,618	6,633,535	7,041,651	7,804,907	8,989,190
Business-type activities:										
Water	1,108,066	1,247,776	1,531,947	1,756,601	1,698,657	1,857,559	2,018,304	2,125,436	2,079,861	2,311,358
Stormwater	-	-	-	-	13,013	48,000	16,502	29,637	63,537	82,369
Total business-type activities expenses	1,108,066	1,247,776	1,531,947	1,756,601	1,711,670	1,905,559	2,034,806	2,155,073	2,143,398	2,393,727
Total primary government activities expenses	\$ 6,318,998	\$ 7,444,015	\$ 7,757,677	\$ 8,307,635	\$ 8,962,097	\$ 8,794,177	\$ 8,668,341	\$ 9,196,724	\$ 9,948,305	\$ 11,382,917

(1) The Town allocated depreciation per GAAP/GASB requirements.

See accompanying Independent Auditor's Report.



**Town of Firestone**  
**Changes in Net Position**  
**Last Ten Years**

	2005	2006 <sup>(1)</sup>	2007 <sup>(1)</sup>	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2014 <sup>(1)</sup>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General Government	\$ 1,115,731	\$ 1,928	\$ 21,709	\$ 22,980	\$ 30,887	\$ 43,364	\$ 77,340	\$ 137,715	\$ 437,671	\$ 629,638
Public safety	-	166,738	175,676	144,515	209,212	173,518	201,219	200,761	170,871	187,039
Public works	83,341	2,726,309	1,444,132	908,196	1,274,954	1,318,295	1,117,241	897,921	1,055,226	1,750,915
Parks	-	343,367	111,000	54,000	93,748	98,311	73,943	115,434	-	-
Operating grants and contributions	-	-	33,921	285,623	1,178,813	89,656	25,400	-	238,962	397,245
Capital grants and contributions										
General government	-	-	-	-	-	-	7,500	-	51,500	
Public safety	-	-	-	-	-	-	-	-	-	
Public works	729,117	2,761,373	841,171	792,282	-	-	105,660	-	105,660	462,805
Parks	-	312,611	849,089	744,750	-	-	-	-	-	
Total governmental activities program revenues	1,928,189	6,312,326	3,476,698	2,952,346	2,787,613	1,723,144	1,608,303	1,351,831	2,059,890	3,427,642
Business-type activities:										
Charges for services										
Water	1,333,753	1,678,504	1,642,135	1,721,452	1,842,175	2,296,168	2,354,488	2,751,268	2,452,756	2,726,634
Stormwater	-	-	-	-	76,817	106,144	111,001	113,757	114,700	118,585
Operating grants and contributions	-	-	-	-	545,599	30,461	26,696	26,067	6,064	29,756
Capital grants and contributions	3,066,407	4,446,399	3,737,731	1,382,707	300,760	99,000	57,500	61,900	595,603	1,115,070
Total business-type activities program revenues	4,400,160	6,124,903	5,379,866	3,104,159	2,765,351	2,531,773	2,549,685	2,952,992	3,169,123	3,990,045
Total primary government program revenues	\$ 6,328,349	\$ 12,437,229	\$ 8,856,564	\$ 6,056,505	\$ 5,552,964	\$ 4,254,917	\$ 4,157,988	\$ 4,304,823	\$ 5,229,013	\$ 7,417,687
<b>Net (expense) revenue</b>										
Governmental activities	(3,282,743)	116,087	(2,749,032)	(3,598,688)	(4,462,813)	(5,165,474)	(5,025,232)	(5,689,820)	(5,745,017)	(5,561,548)
Business-type activities	3,292,094	4,877,127	3,847,919	1,347,558	1,053,681	626,214	514,879	797,919	1,025,725	1,596,318
Total primary government net expense	\$ 9,351	\$ 4,993,214	\$ 1,098,887	\$ (2,251,130)	\$ (3,409,132)	\$ (4,539,260)	\$ (4,510,353)	\$ (4,891,901)	\$ (4,719,292)	\$ (3,965,230)

<sup>(1)</sup> The Town allocated depreciation per GAAP/GASB requirements.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Changes in Net Position**  
**Last Ten Years**

	2005	2006 <sup>(2)</sup>	2007 <sup>(2)</sup>	2008 <sup>(2)</sup>	2009 <sup>(2)</sup>	2010 <sup>(2)</sup>	2011 <sup>(2)</sup>	2012 <sup>(2)</sup>	2013 <sup>(2)</sup>	2014 <sup>(2)</sup>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Property taxes - general	\$ 430,108	\$ 517,234	\$ 600,200	\$ 707,972	\$ 731,651	\$ 813,795	\$ 720,123	\$ 824,637	\$ 892,840	\$ 918,746
Property taxes - debt service	69,272	69,975	69,600	67,958	70,490	72,265	75,271	74,090	79,607	-
Property taxes - urban renewal	-	-	-	-	-	-	15,562	20,170	31,910	27,839
Specific ownership taxes	-	-	-	-	-	55,890	57,189	71,475	64,770	77,454
Sales & Use Tax	1,952,157	1,990,320	2,092,775	2,308,510	2,097,477	2,301,440	2,518,329	2,683,817	2,973,413	4,692,078
Hwy users, road & bridge, motor vehicle taxes	-	-	-	-	-	454,967	467,408	469,955	485,282	507,865
Franchise taxes	324,072	286,774	298,572	338,077	339,903	343,974	338,780	380,273	396,128	406,612
Impact Fees	1,861,574	-	-	-	-	-	-	-	-	-
License & Permits	5,850	-	-	-	-	-	-	-	-	-
Grants & Contributions - Not Restricted for Specific	178,098	-	-	-	-	-	-	-	-	-
Investment earnings	165,340	260,008	362,983	196,461	42,695	10,635	14,705	15,411	7,362	29,615
Other miscellaneous	321,640	324,482	419,767	655,611	701,848	158,345	267,523	259,343	394,184	601,620
Gain on Sale of Capital Assets	412	8,000	406,541	-	-	-	-	-	-	(18,865)
Transfers	-	-	-	(192,958)	(269,778)	(177,451)	(123,361)	(28,871)	43,823	-
Total governmental activities	5,308,523	3,456,793	4,250,438	4,081,631	3,714,286	4,033,860	4,351,529	4,770,300	5,369,319	7,242,964
Business-type activities										
Investment earnings	68,356	141,046	81,529	65,128	15,999	6,302	9,391	9,155	10,433	13,801
Other miscellaneous	-	-	-	-	-	4,433	708	4,352	13,535	4,861
Transfers	-	-	-	192,958	269,778	177,451	123,361	28,871	(28,843)	18,865
Total business-type activities	68,356	141,046	81,529	258,086	285,777	188,186	133,460	42,378	(4,875)	37,527
Total primary government	\$ 5,376,879	\$ 3,597,839	\$ 4,331,967	\$ 4,339,717	\$ 4,000,063	\$ 4,222,046	\$ 4,484,989	\$ 4,812,678	\$ 5,364,444	\$ 7,280,491
<b>Changes in Net Position</b>										
Governmental activities	\$ 2,025,780	\$ 3,572,880	\$ 1,501,406	\$ 482,943	\$ (748,528)	\$ (1,131,614)	\$ (673,703)	\$ (919,520)	\$ (375,698)	\$ 1,681,416
Business-type activities	3,360,450	5,018,173	3,929,448	1,605,644	1,339,458	814,400	648,339	840,297	1,020,850	1,633,845
Total primary government	\$ 5,386,230	\$ 8,591,053	\$ 5,430,854	\$ 2,088,587	\$ 590,930	\$ (317,214)	\$ (25,364)	\$ (79,223)	\$ 645,152	\$ 3,315,261
Special Item	\$ (229,703)									
	\$ 5,156,527									

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 251,830	\$ 199,362	\$ 217,630	\$ 182,990	\$ 255,431	\$ 172,156	\$ -	\$ -	\$ -	\$ -
Unreserved	605,977	936,462	1,081,552	933,910	676,957	849,368	-	-	-	-
Nonspendable	-	-	-	-	-	-	10,365	12,433	27,847	30,524
Restricted	-	-	-	-	-	-	125,132	174,175	207,290	294,883
Assigned	-	-	-	-	-	-	128,100	128,397	62,084	62,084
Unassigned	-	-	-	-	-	-	1,230,764	1,642,004	2,022,351	2,668,258
Total general fund	<u>\$ 857,807</u>	<u>\$1,135,824</u>	<u>\$1,299,182</u>	<u>\$1,116,900</u>	<u>\$ 932,388</u>	<u>\$1,021,524</u>	<u>\$ 1,494,361</u>	<u>\$ 1,957,009</u>	<u>\$ 2,319,572</u>	<u>\$ 3,055,749</u>
All other governmental funds										
Reserved	\$3,857,775	\$4,974,395	\$4,444,152	\$4,533,125	\$2,426,766	\$2,853,815	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	494,558	605,645	1,748,934	882,638	1,003,948	1,027,279	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	515	-	-
Restricted	-	-	-	-	-	-	143,919	145,608	153,316	2,601,323
Committed	-	-	-	-	-	-	2,082,265	2,236,855	1,984,022	3,301,212
Assigned	-	-	-	-	-	-	1,433,810	1,310,650	1,402,256	1,166,441
Total of all other governmental funds	<u>\$4,352,333</u>	<u>\$5,580,040</u>	<u>\$6,193,086</u>	<u>\$5,415,763</u>	<u>\$3,430,714</u>	<u>\$3,881,094</u>	<u>\$ 3,659,994</u>	<u>\$ 3,693,628</u>	<u>\$ 3,539,594</u>	<u>\$ 7,068,976</u>

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes and Impact Fees	\$ 4,637,183	\$ 4,390,097	\$ 3,164,965	\$ 3,576,498	\$ 4,748,305	\$ 5,030,226	\$ 5,108,891	\$ 5,287,922	\$ 6,066,305	\$ 8,691,142
Licenses and permits	996,593	859,251	594,967	362,823	369,179	397,676	348,704	311,574	437,671	629,638
Intergovernmental	470,411	461,473	657,631	576,069	1,191,114	99,199	108,118	86,319	238,962	397,246
Charges for services	83,341	234,317	981,874	613,685	111,773	114,445	117,303	138,125	143,044	148,164
Fines	124,988	166,738	175,676	144,515	199,991	170,647	159,002	164,833	170,871	187,039
Investment earnings	165,340	260,008	362,983	198,904	42,695	10,635	14,705	15,411	7,362	29,615
Miscellaneous	758,442	3,252,617	772,562	217,409	101,144	103,989	107,848	146,815	178,991	143,822
Total revenues	7,236,298	9,624,501	6,710,658	5,689,903	6,764,201	5,926,817	5,964,571	6,150,999	7,243,206	10,226,666
<b>Expenditures</b>										
General government	869,960	945,495	1,110,438	1,136,935	1,430,492	1,176,268	1,059,884	1,299,466	1,745,644	2,013,681
Public safety	1,957,514	2,089,142	2,053,556	2,123,736	2,153,198	2,164,212	2,107,193	2,174,095	2,190,954	2,393,303
Public works	427,030	699,887	807,155	695,554	801,422	847,105	688,699	687,029	725,448	1,138,594
Health & Welfare	58,585	73,744	74,408	310,137	368,531	95,917	95,010	96,785	174,160	141,181
Economic Development	3,092	14,389	11,561	86,964	36,121	18,905	70,334	65,143	72,636	176,249
Parks and Open Space	202,246	346,286	261,401	13,844	82,178	366,645	317,802	408,546	467,477	532,995
Capital Outlay	4,199,591	3,934,894	1,904,188	1,484,456	3,496,310	291,454	671,586	657,101	1,375,169	2,833,046
Debt service										
Interest	85,029	113,598	120,130	267,399	375,959	392,391	78,720	419,743	61,608	131,175
Principal	161,931	126,148	242,369	337,526	111,070	85,083	500,245	69,827	250,424	344,939
Debt Issuance Costs										62,443
Total expenditures	7,964,978	8,343,583	6,585,206	6,456,551	8,855,281	5,437,980	5,589,473	5,877,735	7,063,520	9,767,606
Excess of revenues										
over (under) expenditures	(728,680)	1,280,918	125,452	(766,648)	(2,091,080)	488,837	375,098	273,264	179,686	459,060
<b>Other financing sources (uses)</b>										
Proceeds from capital lease	1,985,000	216,806	289,470	-	73,788	43,176	-	251,889	-	-
Proceeds from sale of capital assets	7,500	8,000	435,172	-	13,174	18,992	-	-	-	-
Operating transfers in	2,057,151	568,055	2,429,081	686,541	2,595,513	505,906	969,108	599,577	1,343,895	3,180,869
Operating transfers out	(2,057,151)	(568,055)	(2,502,771)	(879,499)	(3,031,253)	(683,357)	(1,092,469)	(628,448)	(1,315,052)	(3,199,734)
Proceeds from Bond Issuance	-	-	-	-	-	-	-	-	-	3,795,000
Premium on Issuance of Debt	-	-	-	-	-	-	-	-	-	30,364
Total other financing sources (uses)	1,992,500	224,806	650,952	(192,958)	(348,778)	(115,283)	(123,361)	223,018	28,843	3,806,499
Net changes in fund balance	\$ 1,263,820	\$ 1,505,724	\$ 776,404	\$ (959,606)	\$ (2,439,858)	\$ 373,554	\$ 251,737	\$ 496,282	\$ 208,529	\$ 4,265,559
Debt service as a percentage of										
noncapital expenditures	6.56%	5.44%	7.74%	12.17%	9.09%	9.28%	11.77%	9.38%	5.49%	6.93%

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

Town of Firestone  
General Governmental Tax Revenues By Source  
Last Ten Years

Year	Property Tax	Franchise Tax	Specific Ownership Tax	Sales & Use Tax	Severance Tax	Cigarette Tax	Other	Total
2005	499,380	233,291	55,509	3,813,731	9,916	5,381	19,975	4,637,183
2006	587,209	286,774	59,995	3,435,669	6,887	6,627	6,936	4,390,097
2007	669,800	298,464	66,843	2,092,729	4,666	9,863	22,600	3,164,965
2008	778,804	327,495	72,898	2,308,510	27,484	14,116	35,374	3,564,681
2009	802,141	339,903	64,239	2,097,477	100,311	15,512	297,052	3,716,635
2010	886,060	343,974	55,890	2,301,440	30,009	17,135	407,823	4,042,331
2011	810,956	338,780	57,189	2,518,329	119,510	16,866	331,033	4,192,662
2012	918,897	380,273	71,475	2,683,817	163,361	15,683	290,911	4,524,417
2013	1,004,357	396,128	64,770	2,973,413	157,655	15,382	542,418	5,154,123
2014	946,639	406,612	77,454	4,692,078	325,426	16,192	623,990	7,088,392

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Sales Tax Trends**  
**Last Ten Years**

Sales Tax Trends by Category (based on month distributed to the Town)											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Ten Year Change
Motor Vehicle Taxes	\$ 344,524	\$ 334,852	\$ 406,068	\$ 386,064	\$ 321,078	\$ 357,742	\$ 387,137	\$ 465,971	\$ 482,771	\$ 576,613	\$ 232,089
Hotel/Motels	13,934	15,671	18,712	17,136	21,026	21,148	43,089	58,818	75,068	144,952	131,018
Restaurants	132,577	167,167	219,181	231,424	234,598	224,575	300,907	314,609	337,268	599,105	466,528
Retail - Grocery	156,896	167,114	184,639	194,180	193,522	218,648	228,005	242,623	269,046	400,796	243,900
Retail - Other	139,632	227,121	444,138	419,858	422,475	471,706	496,001	485,988	516,102	1,117,043	977,412
Bars/Liquor Stores	54,967	62,758	59,547	57,872	60,413	48,599	46,043	72,168	70,579	117,811	62,844
Other	36,903	39,607	43,458	27,086	29,591	50,620	33,044	38,958	42,593	100,965	64,062
Services	23,163	15,646	16,030	41,039	3,788	35,431	52,892	57,375	35,848	67,023	43,861
Banking & Financial	2,805	3,691	2,442	3,641	287,696	3,857	3,623	5,162	23,949	70,361	67,556
Utilities & Communications	171,528	230,405	237,002	296,026	23,131	282,124	317,038	321,785	357,889	529,765	358,237
Developer Reimbursement Obligation <sup>(1)</sup>				410,064	245,330	364,449	442,804	459,034	483,325	525,090	525,090
<b>TOTAL</b>	<b>\$ 1,076,929</b>	<b>\$ 1,264,032</b>	<b>\$ 1,631,217</b>	<b>\$ 2,084,390</b>	<b>\$ 1,842,649</b>	<b>\$ 2,078,898</b>	<b>\$ 2,350,581</b>	<b>\$ 2,522,492</b>	<b>\$ 2,694,438</b>	<b>\$ 4,249,525</b>	<b>\$ 3,172,596</b>

<sup>(1)</sup>Pledged revenues from sales tax for PIRA and RIFA agreements starting in 2008.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Years**

Firestone							
Year <sup>(1)</sup>	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land	Other
2005	41,714,690	11,942,700	3,936,440	238,130	16,829,700	8,091,710	1,598,550
2006	47,042,840	14,696,740	3,838,940	135,220	23,456,920	6,667,570	2,320,560
2007	52,972,210	25,039,490	3,683,470	487,530	21,287,630	10,128,730	2,394,650
2008	56,691,790	28,328,410	3,279,170	473,220	18,614,800	10,141,940	2,567,110
2009	51,011,620	34,465,300	3,161,300	240,660	32,362,330	9,686,070	1,715,250
2010	52,952,710	33,976,600	3,048,150	298,360	16,447,950	8,879,080	1,257,870
2011	55,888,650	32,207,030	2,881,190	363,320	32,865,700	6,997,120	1,103,910
2012	57,283,090	34,718,800	3,627,570	466,950	39,194,150	6,309,850	1,206,760
2013	56,630,930	36,827,340	3,838,980	526,100	31,052,063	5,345,770	1,414,580
2014	58,161,240	37,162,960	3,862,400	589,250	40,321,950	5,013,430	2,177,530

Year <sup>(1)</sup>	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Grand Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value <sup>(2)</sup>
2005	1,064,260	83,287,660	7.049	633,596,606	13.31%
2006	1,545,820	96,612,970	6.929	714,755,270	13.73%
2007	1,661,280	114,332,430	6.805	835,545,237	13.88%
2008	1,888,420	118,208,020	6.805	858,575,320	13.99%
2009	2,402,890	132,642,530	6.805	857,705,156	15.74%
2010	4,646,970	116,860,720	6.805	865,276,097	14.04%
2011	4,578,130	132,306,920	6.805	908,144,710	15.07%
2012	11,135,130	142,807,170	6.805	967,639,313	15.91%
2013	10,905,230	135,635,763	6.805	953,953,862	15.36%
2014	12,263,170	147,288,760	6.805	1,001,239,462	15.94%

Sources: Weld County Assessor's Office

<sup>(1)</sup>Taxes for the year assessed are collected in the following year. For example: 2005 assessed will be collected in 2006 calendar year.

<sup>(2)</sup>Includes tax-exempt property

See accompanying Independent Auditor's Report.

Town of Firestone  
Property Tax Levy from Direct and Overlapping Governments  
Last Ten Years

Weld County <sup>(2)</sup>										
Year	Town of Firestone	Weld County	RE1J School District	Frederick Firestone Fire Protection District	Mountain View Fire Protection District	N. Colo. Water Conservation District	Hills Metro #1 District	Hills Metro #2 District	Hills Metro #3 District	The Greens Metro District
<b>Rates (In mills)</b>										
2005	7.049	17.900	39.982	9.560	8.037	1.000	40.000	40.000	40.000	40.190
2006	6.929	16.804	38.035	13.360	7.977	1.000	40.000	40.000	40.000	40.190
2007	6.805	16.804	37.798	12.770	7.817	1.000	40.000	40.000	40.000	40.190
2008	6.805	16.804	46.285	12.526	11.747	1.000	-	-	-	40.190
2009	6.805	16.804	46.268	12.401	11.747	1.000	-	-	-	-
2010	6.805	16.804	46.268	12.401	11.747	1.000	-	-	-	-
2011	6.805	16.804	47.614	12.264	11.747	1.000	-	-	-	-
2012	6.805	16.804	53.500	12.197	11.747	1.000	-	-	-	45.000
2013	6.805	16.804	53.679	12.277	11.747	1.000	-	-	-	50.000
2014	6.805	15.800	53.673	12.250	11.747	1.000	-	-	-	50.000
<b>Levy</b>										
2005	587,095	64,714,321	19,653,853	1,564,289	82,889	2,771,826	10,940	758	6	15,144
2006	669,431	70,643,162	21,713,602	3,092,694	82,889	3,190,486	43,137	24,148	6,440	21,660
2007	778,032	75,088,043	24,691,076	3,403,049	3,148,362	3,434,059	50,232	19,772	4,430	61,260
2008	804,406	76,724,097	31,603,051	3,650,649	5,047,144	3,499,354	-	-	-	31,935
2009	902,632	96,972,420	36,441,473	4,025,507	6,115,352	4,203,631	-	-	-	-
2010	794,109	78,999,116	35,375,547	3,905,196	5,838,491	3,503,408	-	-	-	-
2011	900,349	91,108,983	40,102,826	4,247,291	6,544,045	3,908,165	-	-	-	-
2012	971,803	109,452,573	49,869,514	4,585,839	7,402,993	4,450,703	-	-	-	10,998
2013	923,001	119,624,895	48,706,721	4,226,871	7,291,077	4,418,338	-	-	-	10,661
2014	1,002,300	144,332,489	46,765,496	4,285,576	7,254,823	4,821,505	-	-	-	7,854

See accompanying Independent Auditor's Report.



**Town of Firestone**  
**Property Tax Levy from Direct and Overlapping Governments**  
**Last Ten Years**

Weld County <sup>(2)</sup>										
Year	The Springs Metro District	Cottonwood Hollow Res Metro Dist	Cottonwood Hollow Com Metro Dist	Stoneridge Metro District	Neighbor's Point Metro Dist	Tri-Area Sanitation <sup>(3)</sup>	St. Vrain Sanitation District	Tri-Area Ambulance Special District <sup>(3)</sup>	Carbon Valley Recreation District	High Plains Library District <sup>(5)</sup>
<b>Rates (In mills)</b>										
2005	-	5.000	-	40.000	-	0.117	3.918	3.250	6.657	3.281
2006	42.000	40.000	40.000	40.000	-	-	3.210	-	6.657	3.261
2007	42.000	40.000	40.000	50.000	45.000	-	2.686	-	6.657	3.253
2008	42.000	40.000	40.000	50.000	45.000	-	0.806	-	6.657	3.260
2009	42.000	40.000	40.000	50.000	45.000	-	0.737	-	6.657	3.255
2010	42.000	40.000	40.000	50.000	45.000	-	0.737	-	6.657	3.255
2011	42.000	50.000	50.000	50.000	45.000	-	0.720	-	6.657	3.271
2012	42.000	50.000	50.000	50.000	45.000	-	0.682	-	6.657	3.261
2013	42.000	50.000	50.000	50.000	45.000	-	0.680	-	6.657	3.264
2014	42.000	50.000	46.000	50.000	45.000	-	0.685	-	6.710	3.267
<b>Levy</b>										
2005	-	78	-	770	-	5,562	682,260	611,522	1,356,335	10,591,984
2006	564	9,678	3,987	49,218	-	-	698,882	-	1,561,222	12,141,237
2007	561	9,866	3,476	210,028	28,044	-	739,139	-	1,771,833	12,738,340
2008	5,770	16,168	1,575	332,159	27,933	-	312,351	-	1,801,510	13,028,371
2009	52,188	20,123	2,326	334,662	20,849	-	322,948	-	1,994,957	16,628,403
2010	64,476	10,723	1,594	317,757	38,992	-	324,544	-	2,017,502	13,310,811
2011	48,718	16,046	1,764	344,959	37,829	-	346,249	-	2,489,088	15,748,036
2012	42,752	15,826	1,404	353,401	37,813	-	370,878	-	2,757,648	19,077,319
2013	45,866	14,788	1,172	334,538	14,470	-	338,142	-	2,601,313	21,087,951
2014	36,229	39,442	1,081	334,721	3,179	-	331,442	-	2,635,757	27,510,678

<sup>(1)</sup>One mill generates \$1 of property tax revenue per \$1,000 of assessed valuation

<sup>(2)</sup>Weld County Assessor's Office

<sup>(3)</sup>No longer collects on property within the Town's boundaries.

<sup>(4)</sup>Taxes for the year assessed are collected in the following year. The mills that are stated were collected in the following year. Collection year follows levy year.

<sup>(5)</sup>Formerly known as the Weld County Library District..

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Principal Taxpayers**  
**Last Six Fiscal Years**

Taxpayer	Town of Firestone <sup>(1)</sup>			Town of Firestone <sup>(1)</sup>			Town of Firestone <sup>(1)</sup>		
	2014			2013			2012		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers									
Kerr-McGee Oil & Gas Onshore LP	\$ 17,607,830	1	1.85%	\$ 13,887,490	1	1.46%	\$ 19,270,370	1	1.99%
Encana Oil & Gas (USA) Inc	16,110,760	2	1.69%	8,262,352	3	0.87%	11,251,750	2	1.16%
American Furniture Warehouse	7,620,620	3	0.80%	8,969,660	2	0.94%	7,139,730	3	0.74%
Advance Forming Technology	2,218,510	4	0.23%	2,218,510	7	0.23%	1,950,070	8	0.20%
Home Depot	2,022,000	5	0.21%	2,022,000	8	0.21%	2,069,680	6	0.21%
Dillon Companies Inc	1,900,190	6	0.20%	1,900,190	9	0.20%	2,015,450	7	0.21%
High Plains Marketplace LLC	1,698,220	7	0.18%				1,781,700	9	0.18%
Firestone Development LLC	1,573,930	8	0.16%				1,512,230	10	0.16%
Safeway Stores 45 Inc	1,211,960	9	0.13%						
Flatiron Constructors Inc.	693,570	10	0.07%	2,679,380	6	0.28%	3,109,300	5	0.32%
Noble Energy				3,121,404	4	0.33%	5,282,340	4	0.55%
Sundance Energy				1,711,990	10	0.18%			
Top Operating Company				2,719,827	5	0.29%			
	<u>\$ 52,657,590</u>		<u>5.52%</u>	<u>\$ 47,492,803</u>		<u>4.98%</u>	<u>\$ 55,382,620</u>		<u>5.72%</u>

Sources: Weld County Assessor's Office

<sup>(1)</sup>Town of Firestone information not available from 2000 to 2008

See accompanying Independent Auditor's Report.

Town of Firestone <sup>(1)</sup>			Town of Firestone <sup>(1)</sup>			Town of Firestone <sup>(1)</sup>		
2011			2010			2009		
Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
\$ 13,634,890	1	1.50%	\$ 4,132,240	3	0.48%	\$ 18,637,120	1	2.17%
9,134,110	2	1.01%	7,550,890	2	0.87%	6,312,800	3	0.74%
7,259,000	4	0.80%	8,206,440	1	0.95%	8,386,060	2	0.98%
1,843,930	7	0.20%	1,924,860	7	0.22%	1,924,860	6	0.22%
2,069,680	5	0.23%	2,041,380	6	0.24%			
2,015,450	6	0.22%	2,114,480	5	0.24%	1,471,500	8	0.17%
1,781,700	8	0.20%	1,783,920	8	0.21%	1,783,920	7	0.21%
1,413,050	9	0.16%	1,313,120	10	0.15%	1,160,000	10	0.14%
1,319,240	10	0.15%	1,471,500	9	0.17%	1,160,000	9	0.14%
7,957,760	3	0.88%	3,475,880	4	0.40%	5,389,210	4	0.63%
						2,114,480	5	0.25%
<u>\$ 48,428,810</u>		<u>5.33%</u>	<u>\$ 34,014,710</u>		<u>3.93%</u>	<u>\$ 48,339,950</u>		<u>5.64%</u>

**Town of Firestone**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Levy Year	Collection Year	Total Tax Levy <sup>(1)(2)</sup>	Current Tax Collections	Percent of Levy Collected <sup>(5)</sup>	Delinquent Tax Collections	Total Tax Collection <sup>(3)</sup>	Collections As a Percent of Tax Levy <sup>(5)</sup>
2005	2006	583,960	587,200	100.55	283	587,483	100.60
2006	2007	669,431	667,785	99.75	125	667,910	99.77
2007	2008	797,602	775,686	97.25	676	776,362	97.34
2008	2009	804,405	801,808	99.68	18	801,826	99.68
2009	2010	902,633	885,585	98.11	512	886,097	98.17
2010	2011	794,109	794,415	100.04	1,105	795,520	100.18
2011	2012	898,148	897,551	99.93	334	897,885	99.97
2012	2013	968,422	964,774	99.62	859	965,633	99.71
2013	2014	920,014	914,425	99.00	375	914,800	99.00
2014	2015	932,961	(4)	-	(4)	(4)	-

<sup>(1)</sup> Collection year follows levy year

<sup>(2)</sup> Weld County Assessor's Office

<sup>(3)</sup> Audited Financial Statements

<sup>(4)</sup> Information unavailable

<sup>(5)</sup> Amounts showing greater than 100% collected include previous year abatements that were overruled.

See accompanying Independent Auditor's Report.

Town of Firestone  
Ratios of Outstanding Debt by Type  
Last Ten Years

Fiscal Year	Governmental Activities					Business - Type Activities				Weld County		
	General	Sales Tax	Certificates	Capital	Developer	Water	Capital	Developer	Total	Percentage	Per	Capita
	Obligation	Revenue	of	Leases	Reimbursement		Leases	Reimbursement	Primary	of Personal		
	Bond	Bonds	Participation		Obligation	Loans		Obligation	Government	Income		
2005	460,000	-	1,985,000	173,897	-	13,657	52,058	-	2,684,612	47.52%	\$	340
2006	415,000	-	1,985,000	309,558	-	-	38,881	-	2,748,439	47.06%	\$	312
2007	365,000	-	1,920,000	471,659	-	-	72,178	-	2,828,837	47.78%	\$	318
2008	315,000	-	1,850,000	324,260	-	-	36,041	-	2,525,301	37.25%	\$	281
2009	260,000	-	1,775,000	221,009	556,324	-	23,891	462,444	3,298,668	46.67%	\$	362
2010	200,000	-	1,700,000	147,022	417,050	-	27,892	297,266	2,789,230	40.27%	\$	275
2011	135,000	-	1,620,000	47,476	158,521	-	16,052	112,991	2,090,040	30.18%	\$	188
2012	70,000	-	1,535,000	190,966	-	-	34,740	-	1,830,706	23.61%	\$	180
2013	-	-	1,445,000	100,542	-	-	15,782	-	1,561,324	18.70%	\$	148
2014	-	3,620,000	1,355,000	20,603	-	-	-	-	4,995,603	55.45%	\$	447

Note: Details regarding the town's outstanding debt can be found in the notes to the financial statements.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Years**

Year	Population <sup>(1)</sup>	Estimated Actual Taxable Value <sup>(2)</sup>	General Bonded Debt <sup>(3)</sup>	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2005	7,899	633,596,606	460,000	7.26%	58
2006	8,800	714,755,270	415,000	5.81%	47
2007	8,900	835,545,237	365,000	4.37%	41
2008	9,000	858,575,320	315,000	3.67%	35
2009	9,100	857,705,156	260,000	3.03%	29
2010	10,147	865,276,097	200,000	2.31%	20
2011	11,096	908,144,710	135,000	1.49%	12
2012	10,147	967,639,313	70,000	0.72%	7
2013	10,555	953,953,862	-	0.00%	-
2014	11,175	1,001,239,462	-	0.00%	-

Sources:

<sup>(1)</sup> Dept. of Local Affairs/Town of Firestone

<sup>(2)</sup> Weld County Assessor's Office

<sup>(3)</sup> General obligation bond debt equal to gross general obligation bond debt less obligations associated with proprietary funds. In this table the gross general obligation debt is equal to net general obligation bond debt.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Direct and Overlapping General Bonded Debt**  
**December 31, 2014**

	Outstanding General Obligation Bonded Debt <sup>(1)</sup>	Percentage Applicable to the Town	Share of Debt Applicable to the Town
Direct Debt			
Town of Firestone	\$ 4,995,603	100%	\$ 4,995,603
Total Direct Debt	<u>4,995,603</u>		<u>4,995,603</u>
Overlapping General Obligation Debt			
Frederick-Firestone Fire Protection District	\$ 2,475,000	42%	\$ 1,042,010
Carbon Valley Recreation District	5,987,525	37%	2,245,092
St Vrain Valley School District	411,565,000	6%	24,895,377
Total Overlapping General Bonded Debt	<u>420,027,525</u>		<u>28,182,479</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 425,023,128</u>		<u>\$ 33,178,082</u>

<sup>(1)</sup> Provided by each government entity

See accompanying Independent Auditor's Report.

Town of Firestone  
Pledged Revenue - Developer Reimbursement Obligations  
December 31, 2014

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Fiscal Year	Sales Tax Collected		Assets Dedicated		Debt Service Payments	
	PIRA 1.25%	RIFA 0.25%	General Fund	Enterprise Fund	General Fund	Enterprise Fund
2006	35,718	-	149,224	512,825	8,051	27,667
2007	183,734	-	693,129	-	114,206	69,528
2008	190,613	-	-	235,831	94,850	95,763
2009	228,931	16,399	-	83,155	68,921	176,409
2010	303,707	60,742	-	59,997	139,274	225,175
2011	369,003	73,801	-	-	258,530	184,275
2012	382,529	76,506	-	-	158,521	112,991
2013	402,771	80,554	-	-	-	-
2014	437,575	87,515	-	-	-	-

See accompanying Independent Auditor's Report.



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Town of Firestone  
Legal Debt Margin Information  
Last Ten Years

	2005	2006	2007	2008
Debt limit - 3% of Actual Valuation	\$ 19,007,898	\$ 21,442,658	\$ 25,066,357	\$ 25,757,260
Total net debt applicable to limit	460,000	415,000	365,000	315,000
Legal debt margin	\$ 18,547,898	\$ 21,027,658	\$ 24,701,357	\$ 25,442,260
Total net debt applicable to the limit as a percentage of debt limit	2.42%	1.94%	1.46%	1.22%

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

2009	2010	2011	2012	2013	2014
\$ 25,731,155	\$ 25,958,283	\$ 27,244,341	\$ 29,029,179	\$ 28,618,616	\$ 30,037,184
260,000	200,000	135,000	70,000	-	-
\$ 25,471,155	\$ 25,758,283	\$ 27,109,341	\$ 28,959,179	\$ 28,618,616	\$ 30,037,184
1.01%	0.77%	0.50%	0.24%	0.00%	0.00%

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Demographic and Economic Statistics**  
**Last Ten Years**

Weld County <sup>(1)</sup>						
Year	Town Population	Personal Income (amounts expressed in thousands)	Per Capita Income <sup>(3)</sup>	Median Age	School Enrollment <sup>(5)</sup>	Unemploy- ment Rate <sup>(2)</sup>
2005	7,899	5,650,000	<sup>(2)</sup> 24,846	30.9	23,260	5.1
2006	8,800	5,840,000	25,260	31.2	24,462	3.8
2007	8,900	5,920,000	25,495	31.2	24,582	4.1
2008	9,000	6,780,196	<sup>(4)</sup> 27,238	31.1	24,750	6.3
2009	9,100	7,067,989	<sup>(4)</sup> 25,516	<sup>(4)</sup> 31.1	25,270	8.6
2010	10,147	6,926,000	27,186	31.1	26,724	10.0
2011	11,096	6,925,906	27,186	32.0	28,109	7.8
2012	10,147	7,755,562	29,986	33.6	28,109	9.3
2013	10,555	8,347,637	29,986	33.7	29,382	8.7
2014	11,175	9,008,919	31,657	33.7	30,017	5.9

Sources: U.S. Census Bureau  
Upstate Colorado  
Bureau of Economic Analysis  
Department of Local Affairs  
Colorado State of Labor  
St. Vrain Valley School District

<sup>(1)</sup> This information is for the entire county

<sup>(2)</sup> Estimate from Upstate Colorado

<sup>(3)</sup> Estimate from Colorado Labor & Employment

<sup>(4)</sup> From Bureau of Economic Analysis

<sup>(5)</sup> From St Vrain Valley School District

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Principal Employers**  
**Current Year and Ten Years Ago**

Employer	2014				2005 <sup>(1)</sup>		
	Employees	Rank	Type of Business	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
St. Vrain School District	166	1	Government	6.64%	-		
King Soopers Store - Firestone	134	2	Grocery	5.36%			
Advanced Forming Technologies	104	3	Manufacturing	4.16%	-		
Home Depot	99	4	Improvement	3.96%	-		
Safeway Store - Firestone	96	5	Grocery	3.84%	-		
American Furniture Warehouse	73	6	Retail	2.92%	-		
St. Vrain Sanitation District	47	7	Government	1.88%	-		
Town of Firestone	51	8	Government	2.04%	-		
Ehrlich I-25 KIA	41	9	Auto Dealership	1.64%	-		
Comfort Suites	30	10	Hospitality	1.20%	-		
Good Times	28	11	Fast Food	1.12%	-		
Saddleback Golf Club	26	12	Recreation	1.04%	-		
Domino's Pizza	24	13	Fast Food	0.96%	-		
Parrott's Sports Grille	21	14	Restaurant	0.84%	-		
<b>Total</b>	<b>940</b>			<b>37.60%</b>	<b>-</b>		<b>0.00%</b>
Total Town Employment (estimated)	2,500						

Source: Firestone Finance Department & Planning Department

<sup>(1)</sup>Information not available

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Property Value and Construction**  
**Last Ten Years**

Year	Estimated Actual Property Value <sup>(1)</sup>			Commercial Construction <sup>(2)</sup>		Residential Construction <sup>(2)</sup>	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2005	41,181,767	524,055,938	565,237,705	25	9,123,052	248	55,513,969
2006	50,678,496	590,991,630	641,670,126	7	16,854,860	198	47,651,559
2007	86,343,240	665,396,492	751,739,732	9	12,438,302	141	37,400,819
2008	97,684,172	712,208,417	809,892,589	4	6,342,700	72	18,949,677
2009	118,845,898	640,800,521	759,646,419	5	748,532	123	22,303,024
2010	117,160,690	665,235,050	782,395,740	2	1,088,501	87	19,037,912
2011	111,058,853	702,135,833	813,194,686	6	305,850	134	12,069,990
2012	119,719,877	719,652,488	839,372,365	2	869,400	71	12,922,858
2013	126,990,855	711,483,814	838,474,669	7	4,625,128	78	20,178,465
2014	128,148,022	730,710,535	858,858,557	5	2,289,245	132	37,324,080

Source:

<sup>(1)</sup>Weld County Assessor's Office

<sup>(2)</sup>Town of Firestone Building Department (Safebuilt)

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Full-Time Equivalent Town Government Employees by Function**  
**Last Ten Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Function</b>										
General Government	9.00	9.00	9.00	9.00	9.00	8.00	9.00	12.00	12.00	15.00
Public Safety										
Police	16.00	22.00	23.00	24.00	23.00	23.00	20.00	18.00	19.00	22.00
CSO	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Works	8.00	10.00	10.00	11.00	13.00	14.00	11.00	12.00	13.00	13.00
Water	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
<b>Total</b>	<b>37.00</b>	<b>45.00</b>	<b>46.00</b>	<b>48.00</b>	<b>48.00</b>	<b>48.00</b>	<b>43.00</b>	<b>45.00</b>	<b>48.00</b>	<b>54.00</b>

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Miscellaneous Statistics**  
**Last Seven Years**

Date of Incorporation	1908						
Form of Government	Trustees & Town Manager						
	2008	2009	2010	2011	2012	2013	2014
Number of Employees							
Non-Exempt (Hourly)	37	40	40	35	37	38	44
Exempt (Salary)	9	8	8	8	8	10	10
Planning area in square miles	20	20	26	47	47	56	56
Town of Firestone's facilities and services							
Miles of streets	74	74	74	74	74	74	74
Parks:							
Number of parks	18	18	18	18	18	18	18
Number of park, open space, and undeveloped acres maintained	998	998	998	998	998	998	998
Number of trail & sidewalk miles maintained	5	5	5	5	5	5	18
Police Protection:							
Number of stations	1	1	1	1	1	1	1
Number of police personnel and officers	26	25	23	22	23	23	23
Number of patrol units	12	15	15	16	16	16	17
Water System:							
Linear Feet of water lines maintained	124,768	124,768	124,768	308,051	307,824	288,482	288,482
Number of customer accounts	3,071	3,125	3,219	3,293	3,344	3,435	3,533
Services not included in the reporting entity:							
Fire Protection Districts - Frederick Firestone Fire Protection District	1	1	1	1	1	1	1
No municipal electricity services - (Xcel Energy or United Power)	-	-	-	-	-	-	-
No municipal gas services - (Source Gas)	-	-	-	-	-	-	-
No municipal sewer services - (St. Vrain Sanitation District)	-	-	-	-	-	-	-
School Districts - St Vrain Valley School District & Weld County School District RE-1	2	2	2	2	2	2	2

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.



## **COMPLIANCE**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:	Town of Firestone
		YEAR ENDING :	December 2014
This Information From The Records Of (example - City of _ or County of		Prepared By:	Alison Westerhold
		Phone:	303-531-6256

**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	
3. Other local imposts (from page 2)	681,919
4. Miscellaneous local receipts (from page 2)	159,253
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)	841,171
<b>B. Private Contributions</b>	
<b>C. Receipts from State government</b> (from page 2)	396,712
<b>D. Receipts from Federal Government</b> (from page 2)	2,336
<b>E. Total receipts (A.7 + B + C + D)</b>	1,240,220

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	2,041,087
2. Maintenance:	478,093
3. Road and street services:	
a. Traffic control operations	27,626
b. Snow and ice removal	49,787
c. Other	82,240
d. Total (a. through c.)	159,653
4. General administration & miscellaneous	59,610
5. Highway law enforcement and safety	
6. Total (1 through 5)	2,738,443
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	782
b. Redemption	14,677
c. Total (a. + b.)	15,459
3. Total (1.c + 2.c)	15,459
<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>	2,753,902

**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>	14,677		14,677	0

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

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
3,801,092	1,240,220	2,753,902	2,287,410	0

Notes and Comments:

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	463
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	493,312	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	148,164
5. Specific Ownership &/or Other	188,607	g. Other Misc. Receipts	10,625
6. Total (1. through 5.)	681,919	h. Other	
c. Total (a. + b.)	681,919	i. Total (a. through h.)	159,253
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	355,031	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	41,681	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	2,336
f. Total (a. through e.)	41,681	g. Total (a. through f.)	2,336
4. Total (1. + 2. + 3.f)	396,712	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		9,086	9,086
b. Engineering Costs		30,176	30,176
c. Construction:			
(1). New Facilities		1,266,240	1,266,240
(2). Capacity Improvements		364,934	364,934
(3). System Preservation		370,260	370,260
(4). System Enhancement & Operation		391	391
(5). Total Construction (1) + (2) + (3) + (4)	0	2,001,825	2,001,825
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,041,087	2,041,087
			(Carry forward to page 1)

Notes and Comments:



# FIRESTONE

C O L O R A D O

***A COMMUNITY IN MOTION***



# 2015

**Comprehensive Annual Financial Report**

**For The Fiscal Year Ended December 31, 2015**



# **TOWN OF FIRESTONE**

**FIRESTONE, COLORADO**

## **Comprehensive Annual Financial Report For the Fiscal Year ended December 31, 2015**

Issued by the Town of Firestone, Finance Department

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**Town of Firestone, Colorado**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2015

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**Town of Firestone, Colorado**  
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## **INTRODUCTORY SECTION**

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July 29, 2016

To the Honorable Mayor, members of the Board of Trustees, and Citizens of the Town of Firestone (the “Town”), state law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States (“GAAP”), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of the Town for the fiscal year ended December 31, 2015.

This report consists of management’s representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Town’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town’s internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Anton Collins Mitchell LLP, a firm of licensed certified public accountants, has audited the Town’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2015 are free of material misstatement. The independent audit involved: examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that, based upon the audit, there was a reasonable basis for rendering an unqualified opinion that the Town’s financial statements for the fiscal year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Firestone’s MD&A can be found immediately following the report of the independent auditor.

## **PROFILE OF THE TOWN OF FIRESTONE**

The Town, incorporated in 1908, is located on the northern fringe of the Denver metropolitan area of Colorado. The Town currently occupies a land planning area of approximately 56 square miles and serves a population of approximately 12,000. Firestone is located in Weld County. The Town is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board and voter approval. On April 2, 1996, the taxpayers approved a ballot question to remove the Taxpayer Bill of Rights (“TABOR”) limits that were imposed on the Town in 1992.

The Town has operated under the Trustees-Town Manager form of government since its first meeting as a statutory town. Policy-making and legislative authority are vested in the Board of Trustees (the “Board”), consisting of the mayor and six trustees. The Town’s Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Town’s manager, attorney, treasurer, and clerk. The Town’s manager is responsible for: carrying out the goals, policies, and ordinances of the Board; for overseeing the day-to-day operations of the Town; and for appointing the heads of the various departments. The Board is elected on a nonpartisan basis. The Mayor is elected for a two-year term and the Trustees are elected for four-year terms. The mayor and trustees are elected at-large.

The Town provides a full range of services including: police protection; construction and maintenance of streets, parks, trails, and open space; and stormwater and water utilities. Other utility services such as sewer, electricity, natural gas, and trash removal are provided by organizations not affiliated with the Town, and therefore, are not reported in the Town’s financial statements.

The annual budget serves as the foundation for the Town’s financial planning and control. All departments of the Town are required to submit requests for appropriation to the Town’s finance department on or about the last day of August each year. The finance department and town manager use these requests as the starting point for developing a proposed budget. The finance department then presents the proposed budget to the Board for review prior to October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15. The Town’s fiscal year is on a calendar year basis. The Town’s budget is prepared by fund (e.g. general); department (e.g. police); and division (e.g. patrol). However, the annual budget is appropriated and approved at the fund level only by the Board of Trustees and certified to the State of Colorado as such. Transfers of appropriations between funds require the approval of the Board.

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. As for the General, Highway, and Parks Funds, these comparisons are presented on pages 70 to 72 as part of the required supplementary information. For all other governmental funds, the comparisons are presented in the other supplementary information subsection of this report, which begins on page 76.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **LOCAL ECONOMY**

The Town of Firestone is a unique community of citizens, businesses, and governments that are united in creating a stable, safe, prosperous, and healthful environment in which to live, work, worship, learn, recreate and exercise the rights and freedoms provided by the United States Constitution. The Town has been recognized in several national and Colorado listings for its cost of home ownership, amenities, and for being a safe environment. During 2014, the Town was named the second safest community in Colorado and the sixth safest community in the nation by Movoto, a national real estate company, and was also named as No. 1 in an article titled “Best Cities for Homeownership in Colorado” by NerdWallet.com. In addition, Money magazine named Firestone No. 24 in its 2013 “Best Place to Live” issue. The area has a homeownership rate of 88.8 percent, and a median household income of \$77,942 annually. The median home value in Firestone is \$241,100 as of December 2015 according to Zillow. Another testament of this is the fact that according to City-Data.com, Firestone’s cost of living index is 99.7, which is near the United States average of 100. In order to maximize commercial and residential development opportunities, Firestone continued with a strategic and targeted economic development program in 2015. The objective of the plan is to attract new businesses and encourage expansion of existing businesses.

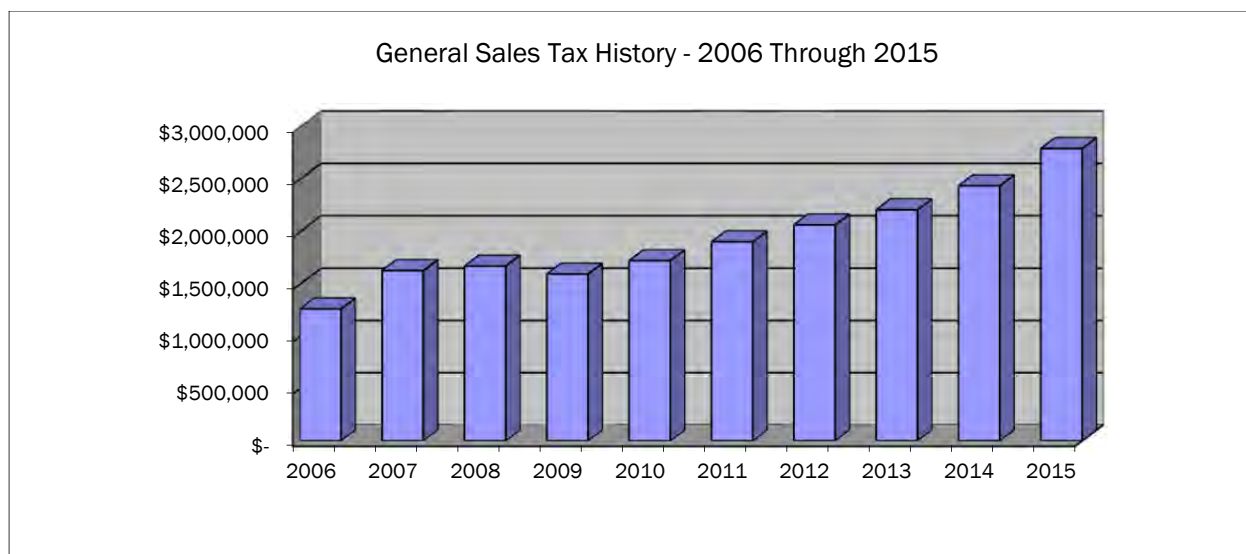
Since the 2010 Census, the Town has added five hundred and thirty-five new single family dwellings and several commercial properties. The Town is currently working to increase the number and variety of businesses throughout the community, including initiatives to enhance the economic success of historic Old Town Firestone. The tables below detail the Town’s taxable assessed value (AV) and the number of single family dwelling additions for the past ten years.

<b>AV year / Year Levied</b>	<b>Assessed Valuation</b>
2006 / 2007	\$96,612,970
2007 / 2008	\$114,332,430
2008 / 2009	\$118,208,020
2009 / 2010	\$132,642,530
2010 / 2011	\$116,860,720
2011 / 2012	\$131,980,920
2012 / 2013	\$142,320,680
2013 / 2014	\$135,196,793
2014 / 2015	\$137,099,290
2015 / 2016	\$163,612,460



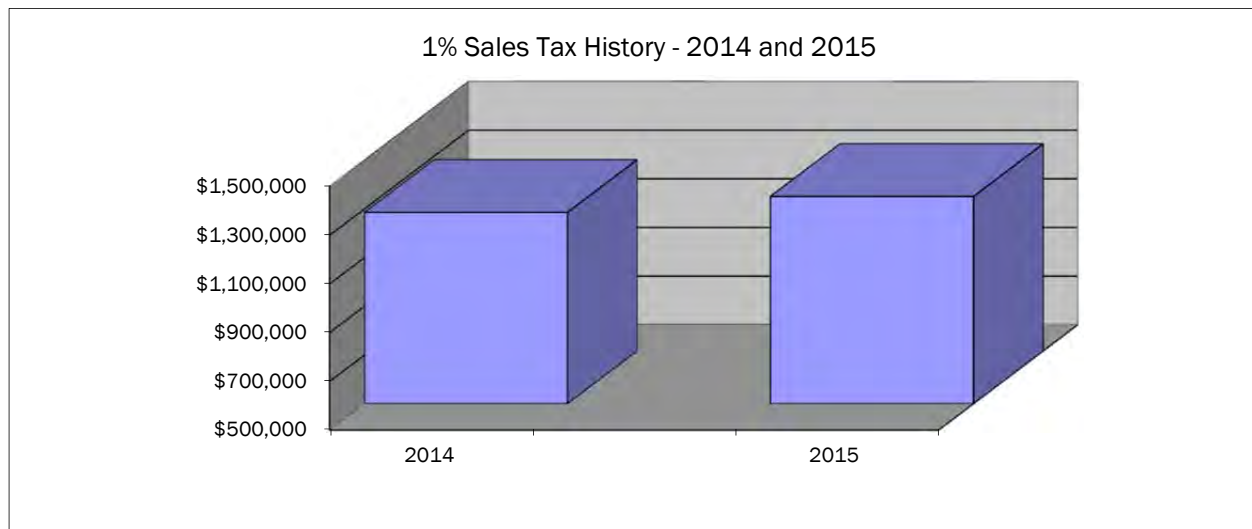


Because of the growth of the Town's residential and retail base, sales tax revenues have shown significant growth throughout the past ten years. The retail trade sector has steadily employed more of the Town's population in the past several years and significantly influences Firestone's economy. Below is a chart reflecting the increase in sales tax revenues throughout the last ten years (as of December of each year).



In addition to the sales tax revenues shown in the previous chart, in November 2013, the Town's citizens approved a 1 percent additional sales tax to be utilized for streets and parks restoration/rehabilitation, transfers to the Parks Fund and Highway Fund for operations and maintenance, and associated debt service issuances/payments. Collection of this additional tax began in 2014 and will provide for long term sustainability of the Town's streets and

park assets. Below is a chart reflecting the increase in 1% sales tax revenues for the past two years (as of December of each year).



## **LONG-TERM PLANNING**

The Board and management are currently working on a major project that will impact the Town's financial position. In 2005, the Board indicated its desire to pursue participation in Northern Integrated Supply Project ("NISP") for future water needs. NISP is a joint project to develop water storage and supply facilities for a large group of water providers in the region. The Town maintains a long range financial planning model in order to provide future funding of this vital project.

The Town continuously monitors the status of its budget and conducts a formal mid-year budget review for the Board. The Town plans to make adjustments, as warranted, including expense reductions and deferrals in response to the significant downturn in building and its subsequent effect on current and future revenues.

## **AWARDS AND ACKNOWLEDGMENTS**

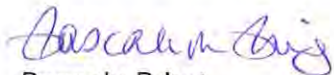
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2014. This was the ninth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement

Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administrative departments. We would also like to thank Tyra Litzau, of Anton Collins Mitchell LLP, and staff for their valuable input, able assistance, and the professional manner in which the audit engagement was performed. Credit also must be given to the Mayor and the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Firestone's finances.

Respectfully submitted,



Pascale Pring  
Director of Corporate Services



Alison Westerhold  
Accounting Coordinator



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Firestone  
Colorado**

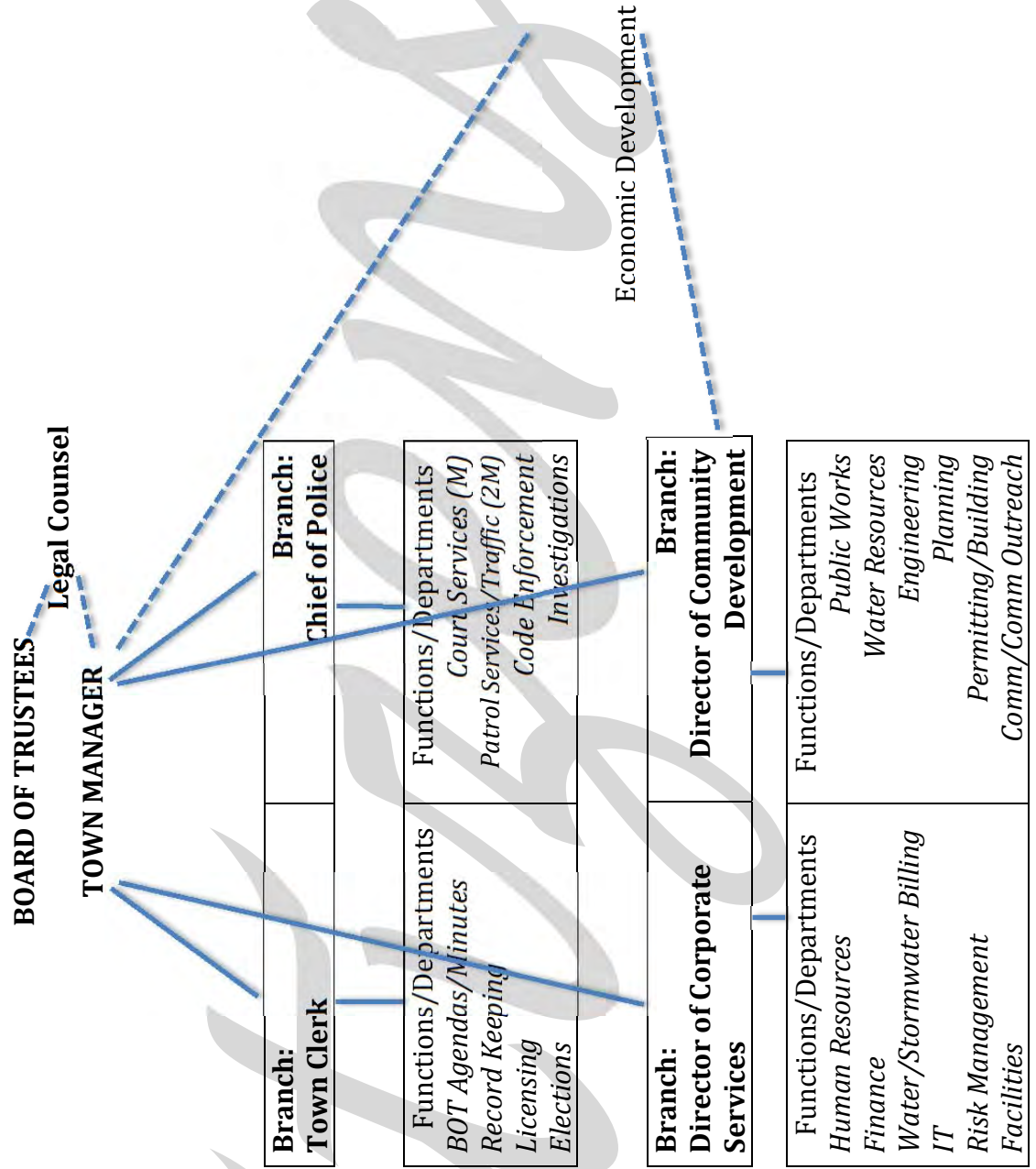
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

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*Customer Based (internal/external)*



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## LIST OF PRINCIPAL OFFICIALS – DECEMBER 31, 2015

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### Elected Officials

Mayor ..... Paul Sorensen  
Mayor Pro-tem ..... Matt Holcomb  
Trustee ..... George Heath  
Trustee ..... Samantha Meiring  
Trustee ..... Bobbi Sindelar  
Trustee ..... Darrell Walsh  
Trustee ..... Jennifer Weinberger

### Appointed Officials

Town Clerk ..... Carissa Medina  
Town Attorney ..... Sam Light, Light & Kelly, PC  
Town Engineer ..... Dave Lindsay, CCG, Inc.  
Town Planner ..... Bruce Nickerson, Nickerson & Co.  
Municipal Judge ..... Paul Basso

### Branch Directors and Finance Department Staff

Town Manager ..... Wesley LaVanchy  
Chief of Police ..... David Montgomery  
Town Clerk ..... Carissa Medina  
Director of Community Development ..... TJ Dlubac  
Director of Corporate Services ..... Pascale Pring  
Accounting Coordinator ..... Alison Westerhold  
Accountant ..... Linda O’Keefe



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## **FINANCIAL SECTION**

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## **Independent Auditor's Report**

Honorable Mayor and Members  
of the Town Board of Trustees  
Town of Firestone, Colorado

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 Firestone, Colorado (the "Town") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements.***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the 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 Firestone as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof 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 2 to the basic financial statements, the Town adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of Statement No. 68*. As a result of the implementation of these standards, the Town reported a decrease in beginning net position as a restatement for the change in accounting principle for fiscal year 2015 totaling \$1,205,934 in the governmental activities and \$645,330 in the business-type activities. 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 on pages 3 through 16, the budgetary comparison information on pages 70 through 72, and the required pension schedules on pages 73 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, capital asset information, statistical section, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison information, capital asset information, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 such 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 taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Anton Collins Mitchell LLP*

Greeley, Colorado  
July 29, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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As management of the Town of Firestone (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Firestone for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **BACKGROUND INFORMATION**

The Town was incorporated in 1908. For accounting purposes the Town uses eleven basic funds: the General Fund, five Special Revenue Funds, two Capital Improvements Funds, one Debt Service Fund, and two Enterprise Funds.

On April 2, 1996, the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992. The mill levy for 2015 was set at 6.805 mills.

### **FINANCIAL HIGHLIGHTS**

- The Town's total reported net working capital increased by \$4,252,450 (or 25.14 percent) from December of 2014 to December of 2015. Total net working capital increased in both the governmental and business-type activities by \$2,928,561 and \$1,323,889, respectively.
- General revenues account for \$9,452,901 or 41.73 percent of total revenues. The Town had \$13,196,961 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions. \$8,134,341 (or 61.64 percent) of the 2015 program specific revenues were derived from charges for services.
- The Town had \$9,729,009 in expenses related to governmental activities, which were offset by program specific charges for services and operating grants and contributions of \$7,403,468, general revenues consisting of property taxes and specific ownership taxes of \$1,736,979, sales and use taxes of \$5,448,691, other revenues of \$2,150,107, and the planned use of reserves were adequate to provide for these programs.
- The Town had water and stormwater service income totaling \$3,486,466 with operating and capital grants and contributions totaling \$2,307,027. The cost of providing services totaled \$2,641,201.
- Outlays for capital assets were construction of street, water and storm water infrastructure; improvements to various parks; acquisition of police vehicles and equipment, public works equipment and information technology equipment. See the Capital Assets section of this management's discussion and analysis for more information.
- The Town's governmental funds have one capital lease and one sales tax revenue bond outstanding which total \$3,470,755 at December 31, 2015.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- The Town has a long-term lease commitment to the Firestone Finance Authority in the amount of \$1,260,000, shown in the financial statements as certificates of participation debt.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This comprehensive annual financial report consists of five parts: letter of transmittal, management's discussion and analysis, the basic financial statements, supplementary information, and a statistical section. The basic financial statements include two kinds of statements that present different views of the Town.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the Town's overall financial statements.
- The governmental funds statements tell how basic services such as general government, public safety, public works, etc., were financed in the short-term, as well as what remains for future spending.
- The proprietary fund is presented as a business-type activity in the government-wide financial statements. The Town has two enterprise funds; the water fund and the stormwater fund.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the financial statements with a comparison of the Town's budget for the year. Detailed in the following diagram is how the various parts of this annual report are arranged and related to one another.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**TABLE 1**  
**Organization of the Town's Comprehensive Annual Financial Report**

Section	Included in Audit Opinion	Document
Introductory Section		Letter of Transmittal - from Management
Financial Section	Audit Report	Independent Auditors' Report
	Limited procedures performed by auditor. Disclaimer of opinion	Management's Discussion and Analysis
Financial Statements	Audited Information	Government Wide Financial Statements
		Fund Financial Statements
		Notes to the Financial Statements
		Supplementary Information
		Capital Assets
Statistical Section		Statistical Information
Compliance	Audited Information	Local Highway Finance Report



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2 summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover, and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements (government-wide and fund) found in the basic financial statements.

**TABLE 2**  
**MAJOR FEATURES OF THE FINANCIAL STATEMENTS**

	<b>Government-Wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<b>Scope</b>	Entire Town	The activities of the Town that are not proprietary	Activities the Town operates similar to private businesses: water and stormwater services
<b>Required Financial Statements</b>	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position  Statement of Revenues, Expenses, and Changes in Net Position  Statement of Cash Flows
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### GOVERNMENT WIDE FINANCIAL STATEMENTS

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The Town's government wide financial statements are designed to provide readers a broad overview of the Town's finances in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the Town's overall financial status. All of the current year's revenues and expenses are accounted for on the full accrual basis in the statement of net position and the statement of activities regardless of when cash is received or paid.

- The *statement of net position* presents financial information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as net position. Throughout time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the Town's overall health, consideration should be given to additional non-financial factors such as the condition of buildings and equipment and the associated cost of repairs.
- The *statement of activities* presents information showing how the government'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 are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the Town's government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) and those that are principally supported by user fees (business-type activities). Included in governmental activities are most of the Town's basic services, such as general government, public safety, public works, etc. The basic government wide financial statements can be found on pages 17 to 19 of this report.

### FUND FINANCIAL STATEMENTS

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The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or major funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. The Town funds are divided into two categories: governmental funds, and proprietary funds.

**Governmental Funds:** Most of the Town's basic services are included in governmental funds, which generally focus on: (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end, which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the Towns' programs. Because this information does not encompass the long-term focus of the Towns' statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The basic governmental fund financial statements can be found on pages 20 to 25 of this report.

**Proprietary Funds:** The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and stormwater operations.

- Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water operation, which is considered to be a major fund of the Town, and the stormwater operation, which is also considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 26 to 29 of this report.

## NOTES TO THE FINANCIAL STATEMENTS

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The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes to the financial statements can be found on pages 30 to 69 of this report.

## OTHER INFORMATION

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In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes the supplemental data required for non-major fund information and budgetary comparison schedules.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

#### NET POSITION AND CHANGES IN NET POSITION

The Town's combined net position was greater on December 31, 2015 than the prior year, increasing by 8.79 percent to \$104,312,230. Table 3 provides a summary of the Town's net position at December 31, 2015 with comparisons to 2014. For more information see the Statement of Net Position contained within this report.

**TABLE 3**  
**CONDENSED STATEMENT OF NET POSITION**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and Other Assets	\$ 15,761,007	\$ 12,705,461	\$ 7,565,350	\$ 6,047,122	\$ 23,326,357	\$ 18,752,583
Capital Assets, net	34,538,193	30,344,597	56,976,448	54,887,599	91,514,641	85,232,196
<b>Total Assets</b>	<b>\$ 50,299,200</b>	<b>\$ 43,050,058</b>	<b>\$ 64,541,798</b>	<b>\$ 60,934,721</b>	<b>\$ 114,840,998</b>	<b>\$ 103,984,779</b>
<b>Total Deferred Outflows of Resources</b>	<b>\$ 441,893</b>	<b>\$ -</b>	<b>\$ 134,690</b>	<b>\$ -</b>	<b>\$ 576,583</b>	<b>\$ -</b>
<b>Liabilities</b>						
Current and Other Liabilities	\$ 1,792,683	\$ 1,665,698	\$ 364,064	\$ 169,725	\$ 2,156,747	\$ 1,835,423
Long-term Liabilities	6,823,801	5,155,946	1,005,045	176,607	7,828,846	5,332,553
<b>Total Liabilities</b>	<b>\$ 8,616,484</b>	<b>\$ 6,821,644</b>	<b>\$ 1,369,109</b>	<b>\$ 346,332</b>	<b>\$ 9,985,593</b>	<b>\$ 7,167,976</b>
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,119,595</b>	<b>\$ 932,961</b>	<b>\$ 163</b>	<b>\$ -</b>	<b>\$ 1,119,758</b>	<b>\$ 932,961</b>
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 29,781,019	\$ 25,318,630	\$ 56,976,448	\$ 54,887,599	\$ 86,757,467	\$ 80,206,229
Restricted	555,109	2,896,206	-	-	555,109	2,896,206
Unrestricted	10,668,886	7,080,617	6,330,768	5,700,790	16,999,654	12,781,407
<b>Total Net Position</b>	<b>\$ 41,005,014</b>	<b>\$ 35,295,453</b>	<b>\$ 63,307,216</b>	<b>\$ 60,588,389</b>	<b>\$ 104,312,230</b>	<b>\$ 95,883,842</b>

The largest portion of the Town's net position reflects its investment of \$91,514,641 in capital assets (for example, land, buildings, machinery and equipment, utility plants and parks). Net investment in capital assets is reported less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 4 provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**TABLE 4**  
**CHANGES IN NET POSITION FROM OPERATING RESULTS**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
<u>Program Revenues</u>						
Charges for Services	\$ 4,647,875	\$ 2,567,592	\$ 3,486,466	\$ 2,845,219	\$ 8,134,341	\$ 5,412,811
Operating Grants	1,276,205	397,245	5,300	29,756	1,281,505	427,001
Capital Grants and Contributions	1,479,388	462,805	2,301,727	1,115,070	3,781,115	1,577,875
<u>General Revenues</u>						
Property Taxes	1,670,111	946,585	-	-	1,670,111	946,585
Sales and Use Taxes	5,448,691	4,692,078	-	-	5,448,691	4,692,078
Franchise Taxes	435,073	406,612	-	-	435,073	406,612
Investment Earnings	48,372	29,615	20,061	13,801	68,433	43,416
Other	1,733,530	1,186,939	97,063	4,861	1,830,593	1,191,800
<b>Total Revenues</b>	<b>\$ 16,739,245</b>	<b>\$ 10,689,471</b>	<b>\$ 5,910,617</b>	<b>\$ 4,008,707</b>	<b>\$ 22,649,862</b>	<b>\$ 14,698,178</b>
<b>Expenses</b>						
General Government	\$ 2,207,436	\$ 2,156,089	\$ -	\$ -	\$ 2,207,436	\$ 2,156,089
Public Safety	2,671,801	2,436,446	-	-	2,671,801	2,436,446
Public Works	3,248,015	2,974,941	-	-	3,248,015	2,974,941
Health and Welfare	154,023	141,181	-	-	154,023	141,181
Economic Development	177,493	176,249	-	-	177,493	176,249
Parks	1,113,830	899,216	-	-	1,113,830	899,216
Debt Issuance Costs	-	62,443	-	-	-	62,443
Interest on Long-Term Debt	156,411	142,625	-	-	156,411	142,625
Water/Stormwater	-	-	2,641,201	2,393,727	2,641,201	2,393,727
<b>Total Expenses</b>	<b>\$ 9,729,009</b>	<b>\$ 8,989,190</b>	<b>\$ 2,641,201</b>	<b>\$ 2,393,727</b>	<b>\$ 12,370,210</b>	<b>\$ 11,382,917</b>
<b>Increase (Decrease) in Net Position before Transfers</b>	<b>\$ 7,010,236</b>	<b>\$ 1,700,281</b>	<b>\$ 3,269,416</b>	<b>\$ 1,614,980</b>	<b>\$ 10,279,652</b>	<b>\$ 3,315,261</b>
<b>Transfers</b>	(94,741)	(18,865)	94,741	18,865	-	-
<b>Increase (Decrease) in Net Position</b>	<b>\$ 6,915,495</b>	<b>\$ 1,681,416</b>	<b>\$ 3,364,157</b>	<b>\$ 1,633,845</b>	<b>\$ 10,279,652</b>	<b>\$ 3,315,261</b>
<b>Net Position - beginning</b>	<b>\$ 35,295,453</b>	<b>\$ 33,614,037</b>	<b>\$ 60,588,389</b>	<b>\$ 58,954,544</b>	<b>\$ 95,883,842</b>	<b>\$ 92,568,581</b>
Restatement - Change in Accounting Principle	\$ (1,205,934)	\$ -	\$ (645,330)	\$ -	\$ (1,851,264)	\$ -
<b>Net Position - ending</b>	<b>\$ 41,005,014</b>	<b>\$ 35,295,453</b>	<b>\$ 63,307,216</b>	<b>\$ 60,588,389</b>	<b>\$ 104,312,230</b>	<b>\$ 95,883,842</b>

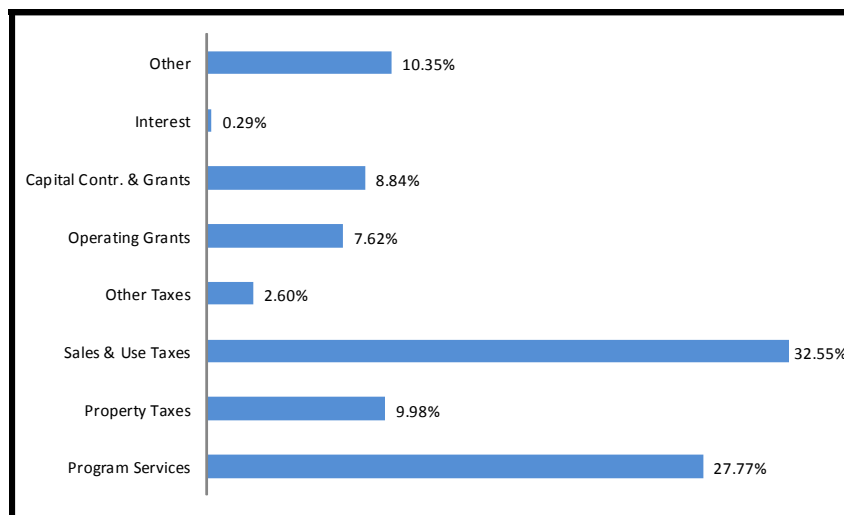
The Town's overall net position increased \$10,279,652 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$6,915,495 from the prior fiscal year for an ending balance of \$41,005,014. Governmental activities revenues increased by \$6,049,774 from 2014. The change can be primarily attributed to increases in the amount of revenues from Charges for Services (\$2,080,283), Operating Grants (\$878,960), and Capital Grants and Contributions (\$1,016,583).

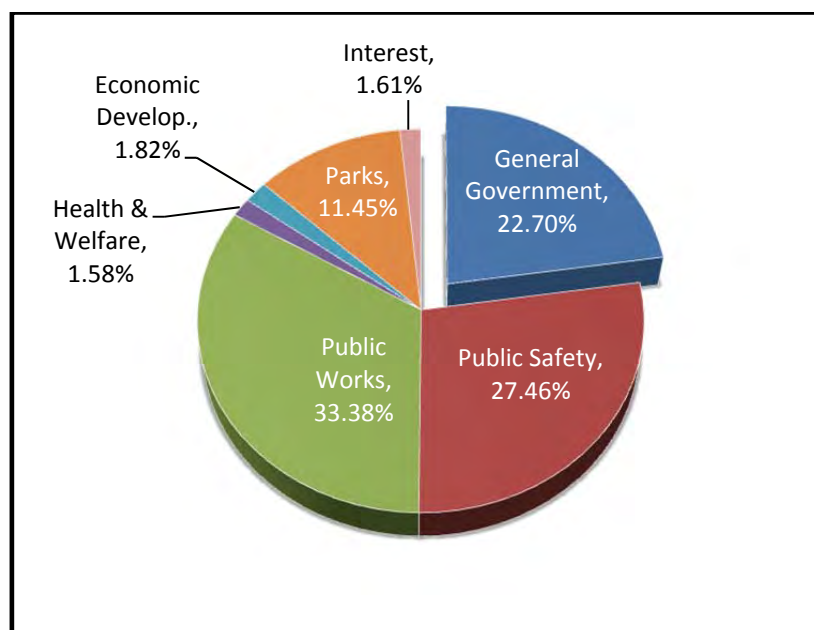
## MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental expenses increased \$739,819 from 2014. The change can be primarily attributed to increased expenditures for Public Safety (\$235,355), Public Works (\$273,074), and Parks (\$214,614). Additionally, Charts 1 and 2 below provide further illustration regarding the Town's composition of governmental revenues and expenses for 2015.

**CHART 1**  
**2015 Governmental Activities – Percentage of Revenues by Type**



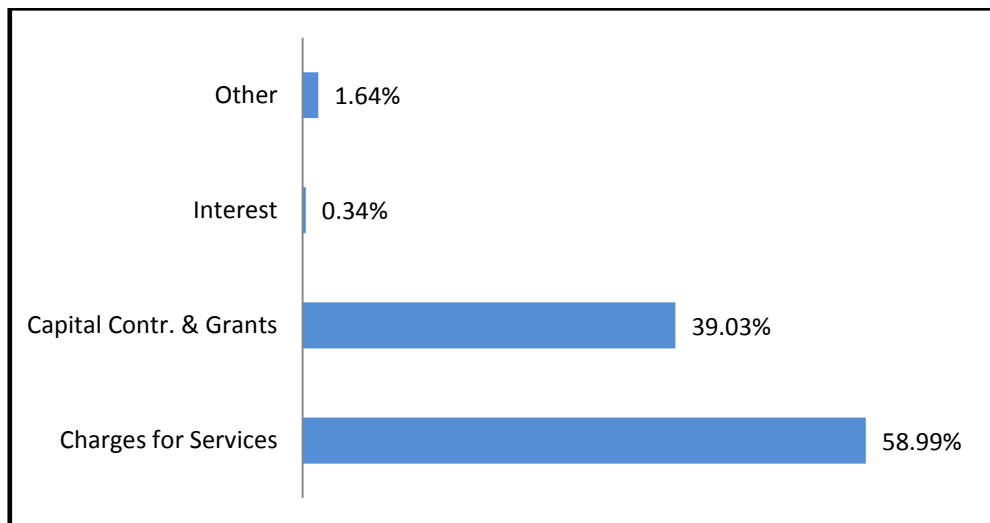
**CHART 2**  
**2015 Governmental Activities – Percentage of Expenses by Type**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Business-type Activities.** For the Town's business-type activities the results for the current fiscal year were positive in that overall net position increased \$3,364,157 to reach an ending balance of \$63,307,216. The total increase in net position for business-type activities (water and stormwater funds) was \$1,730,312 or 105% from the prior fiscal year. The growth, in large part, is attributable to the increase in Capital Grants and Contributions of \$1,186,657, an increase of 106.4% over the prior year, and an increase in Charges for Services of \$641,247 or 22% over the prior year. Additionally, Chart 3 below provides further illustration regarding the Town's composition of business-type revenues for 2015.

**CHART 3**  
**2015 Business-type Activities – Percentage of Revenues by Type**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### GOVERNMENTAL ACTIVITIES

The statement of activities shows the cost of program services and the related charges for services and the related operating grants and contributions offsetting those costs. Table 5 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

**TABLE 5**  
**NET COST OF GOVERNMENTAL ACTIVITIES**

	2015		2014
	Total Cost of Service	Net Cost of Service	Net Cost of Service
General Government	\$ 2,207,436	\$ 1,177,683	\$ 1,489,907
Public Safety	2,671,801	2,383,953	2,214,008
Public Works	3,248,015	(2,784,268)	488,726
Health and Welfare	154,023	154,023	141,181
Economic Development	177,493	177,493	176,249
Parks	1,113,830	1,060,246	846,409
Debt Issuance Costs	-	-	62,443
Interest on Long-Term Debt	156,411	156,411	142,625
<b>Total</b>	<b>\$9,729,009</b>	<b>\$2,325,541</b>	<b>\$5,561,548</b>

## FINANCIAL ANALYSIS OF TOWN FUNDS

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### GENERAL FUND

The purpose of the general fund is to account for the routine operational activities of the Town. This fund provides for functional areas of the organization such as: general government, public safety, public works, etc. The primary funding sources for the general fund are sales and property tax revenues, fines, and charges for services provided.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The Town's final budget for the general fund anticipated that revenues would exceed expenditures by \$47,231. The actual results for the year show revenues exceeding expenditures by \$1,549,898. Revenue exceeded budget by \$1,467,028 which allowed for all uses of those funds as budgeted. This excess revenue will be used in future years.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **HIGHWAY FUND**

The purpose of the highway fund is to account for the proceeds of taxes and development fees for the design, engineering, construction, and major repairs to curb, gutters, sidewalks, streets, and alleys. The primary funding source is taxes and impact fees.

### **HIGHWAY FUND BUDGETARY HIGHLIGHTS**

The Town's final budget for the highway fund anticipated that expenditures would exceed revenues by \$111,017. The actual results for the year show expenditures exceeding revenues by \$109,451.

### **PARKS FUND**

The purpose of the parks fund is to acquire and construct parks, recreation areas, and open space for public use. The primary funding source is impact fees.

### **PARKS FUND BUDGETARY HIGHLIGHTS**

The Town's final budget for the parks fund anticipated that expenditures would exceed revenues by \$46,590. The actual results for the year show expenditures exceeding revenues by \$227,622.

It should be noted that the Town's budget format is designed to establish and monitor divisional functions of the Town's operations to more closely align expenses with the areas of responsibility. The actual approval of appropriations by the Board of Trustees is at the fund level and the divisional functions used in the budget are for presentation and management control purposes. These divisions are set up as cost centers for accountability in each of the following areas:

- General Government
- Public Safety
- Public Works
- Health and Welfare
- Economic Development
- Parks and Open Space

The Town must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2015 the Town's TABOR reserve amounted to \$419,510.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### CAPITAL ASSETS

By the end of 2015, the Town had invested \$91,514,641, net of accumulated depreciation, in a broad range of capital assets for its governmental and business-type activities including: land, buildings, site improvements, vehicles and other equipment (See Table 6 below). This amount represents a net increase of \$6,282,445 (or 7.37 percent) from last year. Additional information on The Town's capital assets can be found in Note 6 to the financial statements. Total depreciation expense for the year was \$2,409,790 in the governmental activities and \$391,921 in the Town's business-type activities.

**TABLE 6**  
**CAPITAL ASSETS (NET OF DEPRECIATION)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 6,017,310	\$ 6,017,310	\$ 99,121	\$ 99,121	\$ 6,116,431	\$ 6,116,431
Water Shares	-	-	40,610,164	40,610,164	40,610,164	40,610,164
Construction in Progress	4,795,044	444,291	1,438,997	632,852	6,234,041	1,077,143
Land Improvements	2,764,060	2,892,585	-	-	2,764,060	2,892,585
Buildings and Improvements	1,022,000	892,990	-	-	1,022,000	892,990
Streets and Storm Drainage	19,003,903	19,331,493	-	-	19,003,903	19,331,493
Utility Systems	-	-	14,487,369	13,213,199	14,487,369	13,213,199
Machinery and Equipment	935,876	765,928	340,797	332,263	1,276,673	1,098,191
<b>Total</b>	<b>\$34,538,193</b>	<b>\$30,344,597</b>	<b>\$56,976,448</b>	<b>\$54,887,599</b>	<b>\$91,514,641</b>	<b>\$85,232,196</b>

#### LONG-TERM DEBT

At year end, the Town had \$755 of outstanding governmental fund capital leases, and \$3,470,000 in sales tax revenue bonds reported in the governmental funds. In addition, the Town had a Certificate of Participation outstanding totaling \$1,260,000. For 2015, the Town experienced a 4.69 percent decrease overall in outstanding debt from 2014.

**TABLE 7**  
**OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Sales Tax Revenue Bonds	\$ 3,470,000	\$ 3,620,000	\$ -	\$ -	\$ 3,470,000	\$ 3,620,000
Certificate of Participation	1,260,000	1,355,000	-	-	1,260,000	1,355,000
Capital Leases	755	20,603	-	-	755	20,603
Compensated Absences	152,480	129,979	29,433	28,971	181,913	158,950
<b>Total</b>	<b>\$4,883,235</b>	<b>\$5,125,582</b>	<b>\$ 29,433</b>	<b>\$ 28,971</b>	<b>\$4,912,668</b>	<b>\$5,154,553</b>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Colorado Revised Statute 31-15-302(1)(d)(II) states that a municipality's total amount of indebtedness for all purposes shall not at any time exceed 3 percent of actual value, except for such debt as may be incurred in supplying water. The Town's outstanding debt is below this limit. Please see Note 7 in the notes to the financial statements and the statistical section of the CAFR for more details.

## **FACTORS BEARING ON THE TOWN'S FUTURE**

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At the time these financial statements were prepared and audited, the Town was aware of the following circumstances that could significantly affect its financial health in the future:

- In November 2016, Firestone residents will have the opportunity to vote to approve financing for a new public safety facility for the Firestone Police Department.
- The Town will be funding streets and parks maintenance at a higher level in future years as a result of the additional 1 percent tax increase that began in 2014. The 1 percent tax is dedicated to the acquisition, development, construction, repair, replacement, expansion, rehabilitation and renovation of the existing and planned streets and parks, as well as, for operating or maintaining any existing or planned parks and streets including without limitation ongoing operations and maintenance of streets and parks in the Town to extend their useful life and, in the case of streets, improve driver and pedestrian safety.
- There are several factors that drive the Town's budget and financial performance. The factors include but are not limited to the following: area employment rates, sales and use tax revenues, building permit valuation and issuance, population growth, and capital asset construction requirements.
- Currently, the Town's residential building permit valuation and issuance drives a significant part of the budget revenue for corresponding capital expenditures. The Town receives capital revenues from impact fees and water tap fees during the fiscal year, which will be utilized in future years to acquire or construct capital assets to serve future residents. A significant decrease in housing permits would have significant adverse effect on impact fee revenues and corresponding capital projects. The Town budgets for impact fees according to current market trends.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

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This financial report is designed to provide the Town's officials, citizens, taxpayers, parents, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Accounting Coordinator at the Town of Firestone, Finance Department, 151 Grant Avenue, P.O. Box 100, Firestone, Colorado 80520-0100.

## **BASIC FINANCIAL STATEMENTS**

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**Town of Firestone**  
Firestone, Colorado  
**Statement of Net Position**  
December 31, 2015

	Primary Government		
	Govern- mental Activities	Business- Type Activities	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 13,126,035	\$ 7,224,901	\$ 20,350,936
Receivables (Net of Allowance)	2,340,493	195,089	2,535,582
Prepaid Items	11,565	4,001	15,566
Other Current Assets	-	141,359	141,359
Capital Assets (Net of Accumulated Depreciation):			
Land and Water Shares	6,017,310	40,709,285	46,726,595
Construction in Progress	4,795,044	1,438,997	6,234,041
Land Improvements	2,764,060	-	2,764,060
Buildings and Improvements	1,022,000	-	1,022,000
Streets & Storm Drainage	19,003,903	-	19,003,903
Utility Systems	-	14,487,369	14,487,369
Equipment & Vehicles	935,876	340,797	1,276,673
Net Pension Asset	282,914	-	282,914
<b>Total Assets</b>	<b>50,299,200</b>	<b>64,541,798</b>	<b>114,840,998</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Relating to Pensions	441,893	134,690	576,583
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	855,879	364,064	1,219,943
Accrued Interest Payable	15,035	-	15,035
Developer Deposits	921,769	-	921,769
Noncurrent Liabilities:			
Customer Deposits	-	164,057	164,057
Accrued Compensated Absences			
Due Within One Year	110,253	21,606	131,859
Due in Greater Than One Year	42,227	7,827	50,054
Certificates of Participation, Sales Tax Revenue Bonds and Capital Leases			
Due Within One Year	250,755	-	250,755
Due in Greater Than One Year	4,506,419	-	4,506,419
Net Pension Liability	1,914,147	811,555	2,725,702
<b>Total Liabilities</b>	<b>8,616,484</b>	<b>1,369,109</b>	<b>9,985,593</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned Revenue	1,113,383	-	1,113,383
Deferred Inflows of Resources Relating to Pensions	6,212	163	6,375
<b>Total Deferred Inflows of Resources</b>	<b>1,119,595</b>	<b>163</b>	<b>1,119,758</b>
<b>NET POSITION</b>			
Net Investment In Capital Assets	29,781,019	56,976,448	86,757,467
Restricted for Emergencies	419,510	-	419,510
Restricted for Parks and Recreation	135,599	-	135,599
Unrestricted	10,668,886	6,330,768	16,999,654
<b>Total Net Position</b>	<b>\$ 41,005,014</b>	<b>\$ 63,307,216</b>	<b>\$ 104,312,230</b>

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

**Town of Firestone**  
Firestone, Colorado  
**Statement of Activities**  
Year Ended December 31, 2015

Functions / Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contrib.	Capital Contrib.
Governmental Activities:				
General Government	\$ 2,207,436	\$ 1,029,753	\$ -	\$ -
Public Safety	2,671,801	249,393	38,455	-
Public Works	3,248,015	3,368,729	1,184,166	1,479,388
Health and Welfare	154,023	-	-	-
Economic Development	177,493	-	-	-
Parks and Open Space	1,113,830	-	53,584	-
Interest on Long-Term Debt	156,411	-	-	-
<b>Total Government Activities</b>	<u>9,729,009</u>	<u>4,647,875</u>	<u>1,276,205</u>	<u>1,479,388</u>
Business Type Activities:				
Water	2,473,529	3,208,033	5,300	1,660,223
Stormwater	167,672	278,433	-	641,504
<b>Total Business-Type Activities</b>	<u>2,641,201</u>	<u>3,486,466</u>	<u>5,300</u>	<u>2,301,727</u>
Total Town Government	<u>\$ 12,370,210</u>	<u>\$ 8,134,341</u>	<u>\$ 1,281,505</u>	<u>\$ 3,781,115</u>

**General Revenues**

Taxes:

Property Taxes Levied for General Purposes  
Property Taxes Levied for Urban Renewal  
Specific Ownership Taxes  
Sales and Use Tax  
Highway Users, Road & Bridge, Motor Vehicle Taxes  
Franchise Taxes  
Other Taxes  
Earnings on Investments  
Miscellaneous  
Transfers

Total General Revenues and Transfers

Changes in Net Position

Net Position at Beginning of Year

Restatement - Change in Accounting Principle

Net Position at Ending of Year

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

Net (Expense) Revenue and Changes in Net Position		
Govern- mental Activities	Business- Type Activities	TOTAL
\$ (1,177,683)	\$ -	\$ (1,177,683)
(2,383,953)	-	(2,383,953)
2,784,268	-	2,784,268
(154,023)	-	(154,023)
(177,493)	-	(177,493)
(1,060,246)	-	(1,060,246)
(156,411)	-	(156,411)
<u>(2,325,541)</u>	<u>-</u>	<u>(2,325,541)</u>
-	2,400,027	2,400,027
-	752,265	752,265
<u>-</u>	<u>3,152,292</u>	<u>3,152,292</u>
<u>(2,325,541)</u>	<u>3,152,292</u>	<u>826,751</u>
990,689	-	990,689
679,422	-	679,422
66,868	-	66,868
5,448,691	-	5,448,691
545,634	-	545,634
435,073	-	435,073
472,341	-	472,341
48,372	20,061	68,433
648,687	97,063	745,750
(94,741)	94,741	-
<u>9,241,036</u>	<u>211,865</u>	<u>9,452,901</u>
6,915,495	3,364,157	10,279,652
35,295,453	60,588,389	95,883,842
<u>(1,205,934)</u>	<u>(645,330)</u>	<u>(1,851,264)</u>
<u>\$ 41,005,014</u>	<u>\$ 63,307,216</u>	<u>\$ 104,312,230</u>



**Town of Firestone**  
Firestone, Colorado  
**Balance Sheet**  
**Governmental Funds**  
December 31, 2015

	General	Highway	Parks
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 5,253,681	\$ 929,753	\$ 104,586
Cash with Fiscal Agent	42,386	13,543	-
Receivables (Net of Allowance)	1,632,970	119,292	-
Prepaid Items	11,265	300	-
<b>Total Assets</b>	<b>\$ 6,940,302</b>	<b>\$ 1,062,888</b>	<b>\$ 104,586</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 260,093	\$ 515,514	\$ 21,938
Other Current Liabilities	39,410	5,232	5,045
Developer Deposits	921,769	-	-
<b>Total Liabilities</b>	<b>1,221,272</b>	<b>520,746</b>	<b>26,983</b>
<b>Deferred Inflows of Resources:</b>			
Unearned Revenue	1,113,383	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,113,383</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable for Prepaid Items	11,265	300	-
Restricted for Emergencies	419,510	-	-
Restricted for Parks and Recreation	-	-	-
Committed for Capital Improvements	-	-	-
Assigned for Streets and Highways	-	541,842	-
Assigned for Parks	-	-	77,603
Assigned for Debt Service	-	-	-
Assigned for Urban Renewal	-	-	-
Assigned for Open Space	-	-	-
Unassigned Fund Balance	4,174,872	-	-
<b>Total Fund Balances</b>	<b>4,605,647</b>	<b>542,142</b>	<b>77,603</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,940,302</b>	<b>\$ 1,062,888</b>	<b>\$ 104,586</b>

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

Capital Improvement	Sales Tax Capital Improvement	Other Govt. Funds	Total Govt. Funds
\$ 5,541,002	\$ 320,022	\$ 921,062	\$ 13,070,106
-	-	-	55,929
360,000	217,681	10,550	2,340,493
-	-	-	11,565
<u>\$ 5,901,002</u>	<u>\$ 537,703</u>	<u>\$ 931,612</u>	<u>\$ 15,478,093</u>

\$ -	\$ -	\$ 8,647	\$ 806,192
-	-	-	49,687
-	-	-	921,769
<u>-</u>	<u>-</u>	<u>8,647</u>	<u>1,777,648</u>

-	-	-	1,113,383
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,113,383</u>

-	-	-	11,565
-	-	-	419,510
-	-	135,599	135,599
5,901,002	537,703	-	6,438,705
-	-	-	541,842
-	-	-	77,603
-	-	2,281	2,281
-	-	613,581	613,581
-	-	171,504	171,504
-	-	-	4,174,872
<u>5,901,002</u>	<u>537,703</u>	<u>922,965</u>	<u>12,587,062</u>
<u>\$ 5,901,002</u>	<u>\$ 537,703</u>	<u>\$ 931,612</u>	<u>\$ 15,478,093</u>

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**Town of Firestone**  
Firestone, Colorado  
**Reconciliation of the Governmental Funds**  
**Balance Sheet with the Government-wide Statement of Net Position**  
December 31, 2015

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds	\$	12,587,062
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Cost of Capital Assets	\$	61,443,661	
Accumulated Depreciation		(26,905,468)	
			34,538,193

Long-term liabilities, including certificates of participation, are not due and payable from current financial resources, and therefore, are not reported as liabilities in the governmental funds.

Long term liabilities at year end consist of:

Certificates of Participation	\$	(1,260,000)	
Capital Leases Payable		(755)	
Sales Tax Revenue Bonds		(3,470,000)	
Unamortized Bond Premium		(26,419)	
Accrued Interest Payable		(15,035)	
			(4,772,209)

Accrued compensated absences are not due and payable from current financial resources, and therefore, are not reported in the governmental funds.		(152,480)
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Pension asset, pension liability and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.

Net Pension Asset	\$	282,914	
Net Pension Liability		(1,914,147)	
Deferred Outflows of Resources Relating to Pensions		441,893	
Deferred Inflows of Resources Relating to Pensions		(6,212)	
			(1,195,552)

Total Net Position - Governmental Activities	\$	41,005,014
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The accompanying notes are an integral part of these financial statements.

**Town of Firestone**  
Firestone, Colorado  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended December 31, 2015

	General	Highway	Parks
<b>REVENUES</b>			
Taxes and Impact Fees	\$ 5,899,857	\$ 614,661	\$ -
Licenses and Permits	817,503	-	212,250
Intergovernmental	38,455	721,620	-
Charges for Services	-	153,384	-
Fines	249,393	-	-
Investment Earnings	14,900	1,502	352
Miscellaneous	360,106	287,811	770
<b>Total Revenues</b>	<b>7,380,214</b>	<b>1,778,978</b>	<b>213,372</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General Government	1,980,240	39,667	10,250
Public Safety			
Police	2,192,291	-	-
Building Inspection	507,192	-	-
Public Works (Roads, Facilities, etc)	104,353	1,064,642	-
Parks and Open Space	221,562	-	497,563
Health & Welfare	154,023	-	-
Economic Development	177,493	-	-
<b>Capital Outlay</b>	<b>442,710</b>	<b>4,456,576</b>	<b>335,384</b>
<b>Debt Service:</b>			
Principal	19,848	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<b>5,799,712</b>	<b>5,560,885</b>	<b>843,197</b>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<b>1,580,502</b>	<b>(3,781,907)</b>	<b>(629,825)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	50,819	3,672,456	402,203
Transfer Out	(81,423)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(30,604)</b>	<b>3,672,456</b>	<b>402,203</b>
<b>Net Change in Fund Balances</b>	<b>1,549,898</b>	<b>(109,451)</b>	<b>(227,622)</b>
<b>Fund Balances at Beginning of Year</b>	<b>3,055,749</b>	<b>651,593</b>	<b>305,225</b>
<b>Fund Balances at End of Year</b>	<b>\$ 4,605,647</b>	<b>\$ 542,142</b>	<b>\$ 77,603</b>

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

Capital Improvement	Sales Tax Capital Improvement	Other Govt. Funds	Total Govt. Funds
\$ 3,215,345	\$ 1,351,002	\$ 773,198	\$ 11,854,063
-	-	-	1,029,753
462,546	-	53,584	1,276,205
-	-	-	153,384
-	-	-	249,393
14,236	13,497	3,885	48,372
-	-	-	648,687
3,692,127	1,364,499	830,667	15,259,857
-	-	90,741	2,120,898
-	-	-	2,192,291
-	-	-	507,192
-	-	-	1,168,995
-	-	-	719,125
-	-	-	154,023
-	-	-	177,493
-	-	-	5,234,670
-	150,000	95,000	264,848
-	115,819	47,425	163,244
-	265,819	233,166	12,702,779
3,692,127	1,098,680	597,501	2,557,078
-	-	144,000	4,269,478
(687,183)	(3,411,071)	(184,542)	(4,364,219)
(687,183)	(3,411,071)	(40,542)	(94,741)
3,004,944	(2,312,391)	556,959	2,462,337
2,896,058	2,850,094	366,006	10,124,725
\$ 5,901,002	\$ 537,703	\$ 922,965	\$ 12,587,062

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**Town of Firestone**  
Firestone, Colorado  
**Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balances with the  
Government-wide Statement of Activities**  
Year Ended December 31, 2015

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

Total net change in fund balance - Governmental Funds	\$ 2,462,337
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlay and donated assets exceed depreciation in the period:

Expenditures for capital assets	\$ 5,123,998	
Donated assets	1,479,388	
Less current year depreciation	<u>(2,409,790)</u>	4,193,596

Repayment of debt principal is an expenditure in the governmental funds, and it reduces long-term liabilities in the Statement of Net Position. but does not affect the Statement of Activities.	264,848
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Decrease in accrued interest payable reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.	2,888
---	-------

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	3,945
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Increase in accrued compensated absences reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.	(22,501)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources, and are not reported as expenditures in governmental funds. This includes the expenses relating to the changes in net pension asset, liability, and the related deferred inflows and outflows of resources.	<u>10,382</u>
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Change in Net Position - Governmental Activities	<u><u>\$ 6,915,495</u></u>
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The accompanying notes are an integral part of these financial statements.



**Town of Firestone**  
Firestone, Colorado  
**Statement of Net Position**  
**Proprietary Funds**  
December 31, 2015

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 7,032,566	\$ 192,335	\$ 7,224,901
Receivables (Net of Allowance)	148,919	46,170	195,089
Prepaid Items	4,001	-	4,001
Other Current Assets	141,359	-	141,359
Total Current Assets	<u>7,326,845</u>	<u>238,505</u>	<u>7,565,350</u>
<b>Noncurrent Assets</b>			
Capital Assets:			
Land	99,121	-	99,121
Water Rights	40,610,164	-	40,610,164
Utility Systems	16,846,281	1,206,777	18,053,058
Construction in Progress	1,264,761	174,236	1,438,997
Equipment	774,535	-	774,535
Less Accumulated Depreciation	(3,957,444)	(41,983)	(3,999,427)
Total Capital Assets (Net of Accumulated Depreciation)	<u>55,637,418</u>	<u>1,339,030</u>	<u>56,976,448</u>
Total Noncurrent Assets	<u>55,637,418</u>	<u>1,339,030</u>	<u>56,976,448</u>
<b>Total Assets</b>	<u>62,964,263</u>	<u>1,577,535</u>	<u>64,541,798</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources relating to pensions	<u>118,692</u>	<u>15,998</u>	<u>134,690</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	325,167	29,624	354,791
Other Current Liabilities	8,089	1,184	9,273
Total Current Liabilities	<u>333,256</u>	<u>30,808</u>	<u>364,064</u>
<b>Noncurrent Liabilities</b>			
Customer Deposits	164,057	-	164,057
Accrued Compensated Absences	26,248	3,185	29,433
Net Pension Liability	715,159	96,396	811,555
Total Noncurrent Liabilities	<u>905,464</u>	<u>99,581</u>	<u>1,005,045</u>
<b>Total Liabilities</b>	<u>1,238,720</u>	<u>130,389</u>	<u>1,369,109</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources relating to pensions	<u>144</u>	<u>19</u>	<u>163</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	55,637,418	1,339,030	56,976,448
Unrestricted	6,206,673	124,095	6,330,768
<b>Total Net Position</b>	<u>\$ 61,844,091</u>	<u>\$ 1,463,125</u>	<u>\$ 63,307,216</u>

The accompanying notes are an integral part of these financial statements

**Town of Firestone**  
Firestone, Colorado  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
Year Ended December 31, 2015

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
<b>Operating Revenues</b>			
Charges for Services	\$ 3,208,033	\$ 278,433	\$ 3,486,466
Miscellaneous	97,063	-	97,063
<b>Total Operating Revenues</b>	<u>3,305,096</u>	<u>278,433</u>	<u>3,583,529</u>
<b>Operating Expenses</b>			
Operations	1,174,572	128,176	1,302,748
Administration	918,082	28,450	946,532
Depreciation	380,875	11,046	391,921
<b>Total Operating Expenses</b>	<u>2,473,529</u>	<u>167,672</u>	<u>2,641,201</u>
<b>Operating Income</b>	<u>831,567</u>	<u>110,761</u>	<u>942,328</u>
<b>Nonoperating Revenues (Expenses)</b>			
Earnings on Investments	19,933	128	20,061
Intergovernmental	5,300	-	5,300
<b>Total Nonoperating Revenues (Expenses)</b>	<u>25,233</u>	<u>128</u>	<u>25,361</u>
<b>Income Before Contributions and Transfers</b>	856,800	110,889	967,689
Capital Contributions	1,660,223	641,504	2,301,727
Transfers In	-	94,741	94,741
<b>Change in Net Position</b>	<u>2,517,023</u>	<u>847,134</u>	<u>3,364,157</u>
<b>Net Position at Beginning of Year</b>	59,895,746	692,643	60,588,389
<b>Restatement - Change in Accounting Principle</b>	<u>(568,678)</u>	<u>(76,652)</u>	<u>(645,330)</u>
<b>Net Position at End of Year</b>	<u>\$ 61,844,091</u>	<u>\$ 1,463,125</u>	<u>\$ 63,307,216</u>

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

**Town of Firestone**  
**Firestone, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
Year Ended December 31, 2015

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 3,351,035	\$ 271,003	\$ 3,622,038
Cash Payments to Suppliers for Goods & Services	(1,348,687)	(43,322)	(1,392,009)
Cash Payments to Employees for Services	(623,104)	(83,781)	(706,885)
<b>Net Cash Flows from Operating Activities</b>	<u>1,379,244</u>	<u>143,900</u>	<u>1,523,144</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers From Other Funds	-	94,741	94,741
Operating Grants Received	5,300	-	5,300
<b>Total Cash Flows from Noncapital Financing Activities</b>	<u>5,300</u>	<u>94,741</u>	<u>100,041</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Contributed Capital	905,400	-	905,400
Acquisition of Capital Assets	(1,001,455)	(82,988)	(1,084,443)
<b>Net Cash Flows from Capital and Related Financing Activities</b>	<u>(96,055)</u>	<u>(82,988)</u>	<u>(179,043)</u>
<b>Net Cash Flow from Investing Activities</b>			
Earnings on Investments	19,933	128	20,061
<b>Net Cash Flow from Investing Activities</b>	<u>19,933</u>	<u>128</u>	<u>20,061</u>
<b>Net Increase in Cash and Cash Equivalents</b>	1,308,422	155,781	1,464,203
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>5,724,144</u>	<u>36,554</u>	<u>5,760,698</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 7,032,566</u></u>	<u><u>\$ 192,335</u></u>	<u><u>\$ 7,224,901</u></u>

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

**Town of Firestone**  
Firestone, Colorado  
**Reconciliation of Operating Income to**  
**Net Cash From Operating Activities**  
**Proprietary Funds**  
Year Ended December 31, 2015

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating Income	\$ 831,567	\$ 110,761	\$ 942,328
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
(Increase) Decrease in Operating Assets:			
Depreciation	380,875	11,046	391,921
Accounts Receivable	29,518	(7,430)	22,088
Other Assets	(76,113)	-	(76,113)
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	170,145	24,194	194,339
Accrued Compensated Absences	(1,102)	1,564	462
Pension related items	27,933	3,765	31,698
Customer Deposits	16,421	-	16,421
<b>Net Cash Flows from Operating Activities</b>	<u><u>\$ 1,379,244</u></u>	<u><u>\$ 143,900</u></u>	<u><u>\$ 1,523,144</u></u>
<b>Non-Cash Investing and Financing Transactions</b>			
Contributed Capital Assets	\$ 754,823	\$ 641,504	\$ 1,396,327

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

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## **NOTES TO FINANCIAL STATEMENTS**

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## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The financial statements of the Town of Firestone (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town’s accounting policies are described below.

#### **REPORTING ENTITY**

In conformance with governmental accounting and financial reporting standards, the Town of Firestone, Colorado, is the reporting entity for financial reporting purposes. The Town is the primary government financially accountable for all activities of the Town of Firestone. The Town meets the criteria of a primary government: its Town Board of Trustees is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The Town is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, the following component units are included in the Town’s reporting entity.

#### *Blended Component Units*

The Firestone Finance Authority was created to account for the acquisition and development of Central Park and its related debt service. The Firestone Urban Renewal Authority was established to develop and implement a plan to renew and revitalize portions of northern and southern Firestone. The Town is financially accountable for each of the blended component units. The basis for blending is that the Town’s Board acts as the governing board for the entities.



## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)**

#### **JOINT VENTURES**

The Town of Firestone may participate in joint ventures created for special purposes which are not part of the Town's reporting entity. Additional information regarding the Town's participation in joint ventures is provided in Note 14. The following is a description of the only joint venture in which the Town participated in during the 12 months ended December 31, 2015:

**Weld 911 Emergency Telephone Service Authority Board** - The Town of Firestone is one of 49 local governments which are members of the Weld 911 Emergency Telephone Service Authority Board ("Weld 911"). Weld 911 is an organization created by intergovernmental agreement in 1988 solely to provide for the operation of the 911 emergency telephone service program. Weld 911 is governed by a seven member board selected as defined in the agreement. The governing board is autonomous as to budgeting and fiscal matters.

Investments in joint ventures are recorded as expenditures at the time the investment is made.

Complete financial statements of this joint venture can be obtained from:

Weld County  
P.O. Box 758  
Greeley, Colorado 80632

#### **FUND ACCOUNTING**

The Town uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), the construction of capital assets (the capital improvement fund) and the debt service fund. The following are the Town's major and non-major governmental funds:

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Fund Accounting (continued)**

- **General Fund** - The General Fund (a major fund) is the Town's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, sales tax, franchise and other intergovernmental revenues. Expenditures include all costs associated with the daily operation of general government, public safety, public works, parks and recreation and community development. Due to the implementation of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, the replacement reserve funds have been included in the General Fund for reporting purposes.
- **Highway and Parks Funds** - These major funds are special revenue fund types, which are funded by developer contributions, state grants, highway users tax, specific ownership, road and bridge tax, capital lease proceeds and transfers from other funds. The expenditures represent street operating expenses, the cost of street and park construction and the cost of street maintenance.
- **Capital Improvements and Sales Tax Capital Improvements Funds** - These major funds are capital projects fund types which are established to account for financial resources segregated for the acquisition or construction of capital facilities other than those financed by enterprise operations.
- **Other Governmental Funds** - These are non-major funds and are a Debt Service Fund (Firestone Finance Authority) or Special Revenue Funds (Firestone Urban Renewal Authority, Conservation Trust, Open Space) which have been established to account for revenues derived from specific taxes or other earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Town's major enterprise funds are:

- **Water Fund** - This fund accounts for the financial transactions related to the water service operations of the Town.
- **Stormwater Fund** - This fund accounts for the financial transactions related to the stormwater service operations of the Town.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Fund Accounting (continued)**

Fiduciary funds are used by the Town to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Town does not report any fiduciary funds.

## BASIS OF PRESENTATION

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**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities. The government-wide financial statements do not include fiduciary funds since they are not part of the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of these funds are included on the statement of net position. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**Fund Financial Statements** - Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Basis of Presentation (continued)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus and a modified accrual basis of accounting. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus and accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

## BASIS OF ACCOUNTING

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Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting.

**Revenues - Exchange and Non-exchange Transactions** - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available is defined as revenue expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, intergovernmental revenues and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, intergovernmental revenues and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Basis of Accounting (continued)**

On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, sales taxes and other intergovernmental revenues.

**Unearned Revenue** - Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on changes in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund’s principal ongoing operations. The principal operating revenues of the water and stormwater funds are charges to customers for sales and services. Operating expenses for proprietary 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 non-operating revenues and expenses.

## BUDGETS AND BUDGETARY ACCOUNTING

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An annual budget and appropriation resolution is adopted by the Board of Trustees in accordance with the Colorado State Statutes. Budgets are adopted on a basis consistent with GAAP, except for the following: proceeds from long-term debt are budgeted as revenue in the proprietary funds; note, lease and bond principal payments are budgeted as expenses in the proprietary funds; and purchases of capital assets are budgeted as capital outlay expenses in the proprietary funds. On or about October 15, the Town staff submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Also,

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 1: Summary of Significant Accounting Policies (continued)** **Budget and Budgetary Accounting (continued)**

public hearings are conducted at a special meeting and at regular Town Board meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the Town Board.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The legal level of budgetary control is at the fund level as total expenditures cannot exceed the amount appropriated for a fund without Board approval but may be legally reallocated within the fund without Board approval.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Town Board throughout the year. Following is a summary of the original budget, total revisions and revised budget for appropriated expenditures and intrafund transfers in 2015:

	Original Budget	Total Revisions	Revised Budget
<b>Government Funds:</b>			
General Fund	\$ 5,963,396	\$ 125,825	\$ 6,089,221
Special Revenue Funds -			
Highway Fund	5,546,805	-	5,546,805
Parks Fund	1,259,385	-	1,259,385
Conservation Trust Fund	126,000	-	126,000
Open Space Fund	102,000	-	102,000
Capital Projects Funds -			
Capital Improvements Fund	1,530,425	-	1,530,425
Sales Tax Capital Improvements Fund	3,729,206	-	3,729,206
Firestone Finance Authority Fund	143,925	-	143,925
Firestone Urban Renewal Authority	431,993	-	431,993
<b>Business-Type Funds:</b>			
Water Fund	4,329,905	1,123,750	5,453,655
Stormwater Fund	480,270	-	480,270
<b>Total Funds</b>	<b>\$ 23,643,310</b>	<b>\$ 1,249,575</b>	<b>\$ 24,892,885</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 1: Summary of Significant Accounting Policies (continued)**

#### **CASH AND CASH EQUIVALENTS**

To improve cash management, cash received by the Town is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the fund financial statements. Investments of the Town's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Town are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

#### **SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net position and classified as due from other funds or due to other funds on the balance sheet.

#### **RECEIVABLES**

Receivables consist of all revenues earned at year-end and not yet received and are reported net of an allowance for doubtful accounts. The allowance is based upon historical trends.

#### **PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items in the government-wide and fund financial statements, and will be reported as expenses/expenditures in the following year.

#### **CAPITAL ASSETS**

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 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.

## NOTES TO THE FINANCIAL STATEMENTS

### ***Note 1: Summary of Significant Accounting Policies (continued)*** ***Capital Assets (continued)***

Property and equipment of the Town of Firestone is depreciated using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Useful Lives	Business-Type Activities Estimated Useful Lives
Land	N/A	N/A
Water Rights	N/A	N/A
Land Improvements	10-30 years	N/A
Buildings and Improvements	5-30 years	N/A
Streets and Storm Drainage	15-40 years	N/A
Machinery and Equipment	5-15 years	5-20 years
Utility Systems	N/A	30-50 years

In the governmental fund financial statements, capital outlays (assets) are reported as expenditures when incurred and no depreciation expense is recorded.

### **ACCRUED COMPENSATED ABSENCES PAYABLE**

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated personal leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds. Compensated absences for Governmental Funds have generally been liquidated through the General Fund and the Highway Fund. Compensated absences relating to the Enterprise Funds are recorded as a liability of those funds. The Town had a total liability for accrued compensated absences in the amount of \$29,433 for the business-type activities and \$152,480 for the governmental activities on the Statement of Net Position at December 31, 2015.

### **ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

Payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion



## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Accrued Liabilities and Long-Term Obligations (continued)**

of capital leases that will be paid from governmental funds are reported as a liability in the fund financial statements when the liabilities mature or are due and payable. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

### **FUND BALANCE AND NET POSITION**

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

- **Net Investment in Capital Assets** – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- **Restricted Net Position** – This category presents the net position restricted by external parties (creditors, grantors, contributors, laws and regulations).
- **Unrestricted Net Position** – This category represents the net position of the Town that is not restricted for any project or other purpose by third parties.

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements, enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action of the Town Board. The Town Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 1: Summary of Significant Accounting Policies (continued)** **Fund Balance and Net Position (continued)**

- **Assigned** – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Assignments may be established, modified, or rescinded only through resolutions approved by the Town Board. The Town Board has the authority to assign amounts for specific purposes.
- **Unassigned** – All other spendable amounts. The General Fund is the only fund that would report a positive amount in unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amount that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

If applicable, the Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in its commitment or assignment actions.

### **CONTRIBUTION OF CAPITAL**

Contributions of capital in proprietary funds financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources for capital acquisition and construction.

### **INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

### **EXTRAORDINARY AND SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items during 2015.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 1: Summary of Significant Accounting Policies (continued)**

#### **PROPERTY TAXES**

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis. Since property Tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue is recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

#### **PENSIONS**

The Town participates in the Local Government Division Trust Fund ("LGDTF"), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). In addition, the Town participates in the Statewide Defined Benefit Plan ("SWDB"), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA").

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **USE OF ESTIMATES**

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and could be material.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2: PRIOR PERIOD RESTATEMENT

Effective January 1, 2015, the Town adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Prior to the adoption of GASB Statement No. 68, the Town followed the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

Statement No. 68 requires the Town, as a participant in PERA and FPPA's multiple-employer cost-sharing defined benefit plans, to record its proportionate share, as defined in GASB Statement No. 68, of the plan's pension asset. Statement No. 71 requires the Town to record as a deferred outflow of resources contributions made to the pension plan subsequent to the measurement date of the net pension liability.

The impact of the adoption of GASB Statements No. 68 and 71 was to decrease the net position of the governmental activities by \$1,205,934 and the business-type activities by \$645,330.

### NOTE 3: CASH AND INVESTMENTS

The composition of the Town's cash and cash equivalents, including restricted cash and cash equivalents, on December 31, 2015 is as follows:

	Market Value	S&P Rating	Moodys Rating	Weighted Average Maturity in Days	Concentration of Credit Risk
Cash on Hand	\$ 1,490	-	-	-	N/A
Cash with County Treasurer	55,929	-	-	-	N/A
Checking	936,427	-	-	-	N/A
Certificates of Deposit	2,471,727	-	-	-	13%
CSAFE	6,716,784	AAAm	Aaa	-	35%
FHLB	500,325	AA+	Aaa	1,518	2%
Savings	9,668,254	-	-	-	50%
<b>Total Funds</b>	<b>\$20,350,936</b>				

### CUSTODIAL CREDIT RISK - DEPOSITS

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act ("PDPA").

## **NOTES TO THE FINANCIAL STATEMENTS**

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### ***Note 3: Cash and Investments (continued)***

PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust. At December 31, 2015, the Town had deposits and savings with financial institutions with a carrying amount of \$10,604,681. The bank balances with the financial institutions were \$10,662,911, of which \$1 million was covered by federal depository insurance. The remaining balance of \$9,662,911 was collateralized with securities held by the financial institutions' agents but not in the Town's name.

### **CUSTODIAL CREDIT RISK - INVESTMENTS**

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk.

State statutes and the Town's investment policies authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements. As of December 31, 2015, the Town had no investments exposed to custodial credit risk outside of its investments in the Colorado Secure Assets Fund ("CSAFE") discussed below.

### **LOCAL GOVERNMENT INVESTMENT POOL**

At December 31, 2015, the Town had invested \$6,716,784 in CSAFE, a local government investment pool established in Colorado to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank of the pooled investments provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investments. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial banks. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. Pooled investments are rated AAAm by Standard & Poor's.

### **INTEREST RATE RISK**

The Town's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to adverse fair market value changes arising from increasing interest rates.

## NOTES TO THE FINANCIAL STATEMENTS

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### ***Note 3: Cash and Investments (continued)***

#### **DERIVATIVE INVESTMENTS**

The Town held no derivative investments as of December 31, 2015. Of the Town's investment in the CSAFE local government investment pool, no funds were invested in derivative securities as of December 31, 2015. The Town relied upon information provided by CSAFE in estimating the Town's fair value of its investment in CSAFE and the securities held by CSAFE.

#### **NOTE 4: RECEIVABLES**

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Receivables at December 31, 2015, consist of the following:

Receivables	Governmental Activities	Business- Type Activities	Total
Taxes	\$ 1,761,529	\$ -	\$ 1,761,529
Accounts	15,115	194,530	209,645
Intergovernmental	75,702	-	75,702
Other	417,483	559	418,042
Developers	79,837	-	79,837
	<u>2,349,666</u>	<u>195,089</u>	<u>2,544,755</u>
Less allowance for doubtful accounts	(9,173)	-	(9,173)
<b>Total Funds</b>	<u><u>\$ 2,340,493</u></u>	<u><u>\$ 195,089</u></u>	<u><u>\$ 2,535,582</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 5: INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2015, were as follows:

Interfund Transfers	Transfers In:					
	General	Highway	Parks	Non-Major Governmental	Stormwater	Totals
<b>Transfers Out:</b>						
Governmental Funds:						
Major Funds -						
General Fund	\$ -	\$ 266	\$ 69,404	\$ -	\$ 11,753	\$ 81,423
Highway Fund	-	-	-	-	-	-
Park Fund	-	-	-	-	-	-
Capital Improvement Fund	43,095	411,119	27,981	122,000	82,988	687,183
Sales Tax Capital Improvement Fund		3,261,071	150,000	-	-	3,411,071
Nonmajor Funds -	7,724	-	154,818	22,000	-	184,542
<b>Total Transfers</b>	<b>\$ 50,819</b>	<b>\$ 3,672,456</b>	<b>\$ 402,203</b>	<b>\$ 144,000</b>	<b>\$ 94,741</b>	<b>\$ 4,364,219</b>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move funds appropriated for debt service to the Firestone Finance Authority Fund as debt service payments become due; and (3) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations. Contributed capital between the governmental funds and proprietary fund is shown within the transfer line for financial statement presentation.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 for governmental activities was as follows:

	Capital Assets 12/31/2014	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2015
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated -				
Land	\$ 6,017,310	\$ -	\$ -	\$ 6,017,310
Construction in Progress	444,291	4,350,753	-	4,795,044
Total Capital Assets, not being depreciated-	6,461,601	4,350,753	-	10,812,354
Capital Assets, being depreciated -				
Land Improvements	6,294,409	241,345	-	6,535,754
Buildings & Improvements	1,749,646	196,595	-	1,946,241
Streets & Storm Drainage	37,603,160	1,479,388	-	39,082,548
Machinery & Equipment	3,105,398	335,305	(373,939)	3,066,764
Total Capital Assets, being depreciated-	48,752,613	2,252,633	(373,939)	50,631,307
Less Accumulated Depreciation for:				
Land Improvements	(3,401,824)	(369,870)	-	(3,771,694)
Buildings & Improvements	(856,656)	(67,585)	-	(924,241)
Streets & Storm Drainage	(18,271,667)	(1,806,978)	-	(20,078,645)
Machinery & Equipment	(2,339,470)	(165,357)	373,939	(2,130,888)
Total Accumulated Depreciation	(24,869,617)	(2,409,790)	373,939	(26,905,468)
Total Capital Assets, being depreciated- Net	23,882,996	(157,157)	-	23,725,839
<b>Governmental Activities</b>				
<b>Capital Assets - Net</b>	<b>\$ 30,344,597</b>	<b>\$ 4,193,596</b>	<b>\$ -</b>	<b>\$ 34,538,193</b>



## NOTES TO THE FINANCIAL STATEMENTS

### **Note 6: Capital Assets (continued)**

Depreciation for governmental activities capital assets have been allocated as shown below:

General Government	\$ 16,761
Parks	369,870
Public Works	1,965,696
Public Safety	57,463

Total Depreciation Expense - Governmental Activities	<u>\$ 2,409,790</u>
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Capital asset activity for the year ended December 31, 2015 for business-type activities was as follows:

	Capital Assets 12/31/2014	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2015
<b>Business-Type Activities:</b>				
Capital Assets, not being depreciated -				
Land	\$ 99,121	\$ -	\$ -	\$ 99,121
Water Rights	40,610,164	-	-	40,610,164
Construction in Progress	632,852	814,475	(8,330)	1,438,997
Total Capital Assets, not being depreciated-	<u>41,342,137</u>	<u>814,475</u>	<u>(8,330)</u>	<u>42,148,282</u>
Capital Assets, being depreciated -				
Machinery & Equipment	718,461	61,429	(5,355)	774,535
Utility System	16,439,862	1,613,196	-	18,053,058
Total Capital Assets, being depreciated-	<u>17,158,323</u>	<u>1,674,625</u>	<u>(5,355)</u>	<u>18,827,593</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	(386,198)	(47,540)	-	(433,738)
Utility System	(3,226,663)	(344,381)	5,355	(3,565,689)
Total Accumulated Depreciation	<u>(3,612,861)</u>	<u>(391,921)</u>	<u>5,355</u>	<u>(3,999,427)</u>
Total Capital Assets, being depreciated- Net	<u>13,545,462</u>	<u>1,282,704</u>	<u>-</u>	<u>14,828,166</u>
<b>Business-Type Activities Capital Assets - Net</b>	<u>\$ 54,887,599</u>	<u>\$ 2,097,179</u>	<u>\$ (8,330)</u>	<u>\$ 56,976,448</u>

## NOTES TO THE FINANCIAL STATEMENTS

### ***Note 6: Capital Assets (continued)***

Depreciation for business-type activities capital assets have been allocated as shown below:

Water	\$ 380,875
Stormwater	11,046
Total Depreciation Expense - Business-type Activities	<u>\$ 391,921</u>

## NOTE 7: LONG-TERM DEBT

### **PLEDGED REVENUES**

During 2006, the Town executed two reimbursement agreements (an Amended and Restated Public Improvements Reimbursement Agreement and Retail Infrastructure Funding Agreement) (the “Plan”) with a developer (the “Developer”). Pursuant to the Plan, the Town will reimburse the Developer for costs incurred in constructing certain assets that were conveyed to the Town upon completion. Reimbursements are made based on a percentage of revenues derived from sales tax charged by the Town, commencing with the date the assets were completed by the developer and conveyed to the Town. Any unpaid balance accrues interest at the Wall Street Journal Prime Rate, capped at 7 percent per annum, compounding monthly until the balance is paid in full.

The Town follows guidance provided in GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, to account for the assets received, and payments made in connection with these agreements. Accordingly, the pledged revenues are treated as an obligation of the Town, until fully repaid. The assets have been capitalized and are depreciated over their useful lives in the Government-wide financial statements. At December 31, 2015, there is no balance due to the Developer.

### **BUSINESS-TYPE ACTIVITIES DEBT**

The following is a summary of changes in Business-Type Activities long-term debt of the Town for the year ended December 31, 2015:

	Balance 12/31/2014	Additions	Retired	Balance 12/31/2015	Due Within One Year
<b>Compensated Absences</b>	\$ 28,971	\$ 52,394	\$ 51,932	\$ 29,433	\$ 21,606
<b>Total</b>	<u>\$ 28,971</u>	<u>\$ 52,394</u>	<u>\$ 51,932</u>	<u>\$ 29,433</u>	<u>\$ 21,606</u>



## NOTES TO THE FINANCIAL STATEMENTS

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### ***Note 7: Long-Term Debt (continued)***

#### **GOVERNMENTAL ACTIVITIES DEBT**

The following is a summary of outstanding Governmental Activities long-term debt of the Town as of December 31, 2015:

	Outstanding <u>12/31/2015</u>
<b>General Obligation Debt:</b>	
<b>Certificates of Participation:</b>	
May 31, 2005, Certificates of Participation - \$1,985,000 original issue by the Firestone Finance Authority (the "Authority") used to acquire leased property from Knox Farm, LLC for future use as a park. The interest rate on this debt is (65%) of the Prime Rate as of October 15 of the prior year, reset every three years and may not be less than 3.50% nor more than 6.75%. The certificates mature December 1, 2025. The certificates are payable solely from revenues received from the Town under a lease agreement between itself and the Authority. This debt does not constitute a general obligation or other indebtedness of the Town within the meaning of any constitutional or statutory debt limitation and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation.	\$ 1,260,000
<b>Sales Tax Revenue Bonds</b>	
April 8, 2014, Sales Tax Revenue Bonds, Series 2014 - \$3,795,000 used to pay or reimburse the costs of the acquisition, development, construction, repair, replacement, expansion, rehabilitation and renovation of existing and planned streets and parks. The interest rate on the debt ranges from 2.00% to 3.625%. The debt matures on December 1, 2033.	3,496,419
<b>Capital Lease:</b>	
March 20, 2012, 48-month lease with Kansas State Bank in Manhattan to acquire twelve Panasonic laptops computers costing \$71,439. Monthly payments of \$1,654 principal and interest at 2.5%.	755
<b>Total Governmental Funds Debt</b>	<u><u>\$ 4,757,174</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### ***Note 7: Long-Term Debt (continued)***

#### **GOVERNMENTAL ACTIVITIES DEBT (continued)**

The following is a summary of changes in Governmental Activities long-term debt of the Town for the year ended December 31, 2015:

	Balance 12/31/2014	Additions	Retired	Balance 12/31/2015	Due Within One Year
<b>Sales Tax Revenue Bonds</b>					
Series 2014	\$3,620,000	\$ -	\$ 150,000	\$ 3,470,000	\$ 150,000
Premium	30,364	-	3,945	26,419	-
<b>Certificates of Participation</b>					
May 31, 2006, COPs	1,355,000	-	95,000	1,260,000	100,000
<b>Capital Leases</b>					
March 20, 2012 Lease	20,603	-	19,848	755	755
<b>Compensated Absences</b>	129,979	283,854	261,353	152,480	110,253
<b>Total</b>	<u>\$5,155,946</u>	<u>\$ 283,854</u>	<u>\$ 530,146</u>	<u>\$ 4,909,654</u>	<u>\$ 361,008</u>

The annual requirements to amortize all of the Town's Governmental Activities debt as of December 31, 2015, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2016	\$ 250,755	\$ 156,932	\$ 407,687
2017	260,000	150,419	410,419
2018	265,000	143,644	408,644
2019	275,000	136,694	411,694
2020	295,000	129,469	424,469
2021-2025	1,600,000	506,944	2,106,944
2026-2030	1,050,000	269,377	1,319,377
2031-2035	735,000	59,600	794,600
<b>Total</b>	<u>\$ 4,730,755</u>	<u>\$ 1,553,079</u>	<u>\$ 6,283,834</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 7: Long-Term Debt (continued)** **GOVERNMENTAL ACTIVITIES DEBT (continued)**

The assets acquired through capital lease and certificates of participation are as follows:

Assets	Governmental Activities
Land	\$ 1,985,000
Machinery & Equipment	74,206
Less Accumulated Depreciation	(49,471)
Total	<u>\$ 2,009,735</u>

### **NOTE 8: DEFINED BENEFIT PENSION PLAN – POLICE OFFICERS**

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**PLAN DESCRIPTION.** The Town of Firestone contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (“FPPA”). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980 and as of December 31, 2014 has 212 participating employer fire and police departments.

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at [www.fppaco.org](http://www.fppaco.org).

**BENEFITS PROVIDED.** The annual normal retirement benefit is 2 percent of the average of the member’s highest three years’ base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board’s discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 8: Defined Benefit Pension Plan – Police Officers (Continued)**

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their Separate Retirement Account ("SRA") has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

A member may elect to participate in the deferred retirement option plan ("DROP") after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2014 was \$50,095,678. This amount was not included in the SWDB Plan Net Position.

**CONTRIBUTIONS.** The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 8: Defined Benefit Pension Plan – Police Officers (Continued)**

Members of this Plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20 percent of base salary through 2014. The Town is contributing 8 percent of base salary and the employees are contributing 12 percent of base salary for the reentry group. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent effective January 1, 2007 through 2014. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the Town were \$100,268 for the year ended December 31, 2015.

### ***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS.***

At December 31, 2015, the Town reported an asset of \$282,914 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2014, the Town's proportion was 0.25068 percent, which was a decrease of 0.00202 percent from its proportion measured as of December 31, 2013.

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 8: Defined Benefit Pension Plan – Police Officers (Continued)**

For the year ended December 31, 2015, the Town recognized pension expense of (\$85,146). At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,828
Net difference between projected and actual earnings on pension plan investments	22,306	-
Changes in proportion	1,637	-
Town contributions subsequent to the measurement date	100,268	-
	\$ 124,211	\$ 5,828

The \$100,268 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2016	\$ 5,138
2017	5,138
2018	5,138
2019	5,138
2020	(439)
Thereafter	(1,998)
	\$ 18,115



## NOTES TO THE FINANCIAL STATEMENTS

### **Note 8: Defined Benefit Pension Plan – Police Officers (Continued)**

**ACTUARIAL ASSUMPTIONS.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.5 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	4.0 – 14.0 percent
Cost of Living Adjustment	0.0 percent
Inflation	3.0 percent

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment projected with Scale AA, 40 percent multiplier for off-duty mortality. On-duty related mortality is assumed to be 0.00020 per year for all members.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2007–December 31, 2011. As a result of the 2011 actuarial experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.5 percent to 3.0 percent.
- Reduced the normal investment return assumption from 8.0 percent to 7.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	40%	8.9%
Equity Long/Short	10%	7.5%
Illiquid Alternatives	18%	10.5%
Fixed Income	15%	4.6%
Absolute Return	12%	6.5%
Managed Futures	4%	5.5%
Cash	1%	2.5%
Total	100%	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 8: Defined Benefit Pension Plan – Police Officers (Continued)**

for each major asset class included in the Plans target asset allocation as of December 31, 2014, are summarized in the above table.

**DISCOUNT RATE.** The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SENSITIVITY OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE.** The following presents the Town's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as what the Town's proportionate share of the net pension liability/(Asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Town's proportionate share of the net pension liability/(asset)	\$266,735	\$(282,914)	\$(741,394)

\* The long-term rate of return used was 7.50 percent. The municipal bond rate used was 3.65 percent. The single discount rate for the plans was 7.50 percent.

**PENSION PLAN FIDUCIARY NET POSITION.** Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 9: DEFINED CONTRIBUTION PENSION PLAN – POLICE OFFICERS**

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*PLAN DESCRIPTION.* Employees of the Town of Firestone who are members of the FPPA Statewide Defined Benefit Plan (see Note 8) may voluntarily contribute to the FPPA 457 Plan (“457 Plan”), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is voluntary, and contributions are separate from others made to FPPA. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

*FUNDING POLICY.* The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,500 for 2013 and 2014 and \$18,000 for 2015). Catch-up contributions up to \$6,000 for the calendar year 2015 and \$5,500 for the calendar years 2014 and 2013 were allowed for participants who had attained age 50 before the close of the plan year. For the year ended December 31, 2015, 2014 and 2013, the 457 Plan member contributions from the Town of Firestone were \$6,854, \$4,684, and \$4,856, respectively.

### **NOTE 10: DEFINED BENEFIT PENSION PLAN – NON-POLICE STAFF**

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*PLAN DESCRIPTION.* Eligible employees of the Town are provided with pensions through the Local Government Division Trust Fund—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*BENEFITS PROVIDED.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

## NOTES TO THE FINANCIAL STATEMENTS

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### **Note 10: Defined Benefit Pension Plan – Non-Police Staff (Continued)**

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools ("DPS") Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments ("COLAs"), referred to as annual increases in the CRS Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the "DPS" benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 10: Defined Benefit Pension Plan – Non-Police Staff (Continued)**

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

**CONTRIBUTIONS.** Eligible employees and the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under CRS § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate <sup>1</sup>	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f) <sup>1</sup>	(1.02)%
Amount Apportioned to the LGDTF <sup>1</sup>	8.98%
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411 <sup>1</sup>	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411 <sup>1</sup>	1.50%
Total Employer Contribution Rate to the LGDTF <sup>1</sup>	12.68%

<sup>1</sup>Rates are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were \$235,284 for the year ended December 31, 2015.

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 10: Defined Benefit Pension Plan – Non-Police Staff (Continued)**

*PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS.*

At December 31, 2015, the Town reported a liability of \$2,725,702 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The Town's proportion of the net pension liability was based on Town contributions to the LGDTF for the calendar year 2014 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2014, the Town's proportion was .30410 percent, which was a decrease of .01505 percent from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Town recognized pension expense of \$106,461. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 547
Net difference between projected and actual earnings on pension plan investments	147,815	-
Changes in proportion	69,273	-
Town contributions subsequent to the measurement date	235,284	-
	\$ 452,372	\$ 547

The \$235,284 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 10: Defined Benefit Pension Plan – Non-Police Staff (Continued)**

Year Ended December 31,	Amortization
2016	\$ 91,068
2017	51,565
2018	36,954
2019	36,954
	\$ 216,541

**ACTUARIAL ASSUMPTIONS.** The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 10: Defined Benefit Pension Plan – Non-Police Staff (Continued)**

of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return *
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

\* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

**DISCOUNT RATE.** The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.



## NOTES TO THE FINANCIAL STATEMENTS

### **Note 10: Defined Benefit Pension Plan – Non-Police Staff (Continued)**

*SENSITIVITY OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Town's proportionate share of the net pension liability	\$4,451,370	\$2,725,702	\$1,287,000

*PENSION PLAN FIDUCIARY NET POSITION.* Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

### **NOTE 11: POSTEMPLOYMENT HEALTH CARE BENEFITS**

The Town contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCTF provides a healthcare premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. The report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado, 80203.

The Town is required to contribute 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town are established by Title 24, Article 51, Part 4 of the CRS, as amended. The Town made all required contributions for the year ended December 31, 2015. The Town has contributed \$18,927, \$16,937 and \$15,935 for the years ended December 31, 2015, 2014 and 2013, respectively.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 12: DEFINED CONTRIBUTION PENSION PLAN – NON-POLICE STAFF**

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#### **PLAN DESCRIPTION**

Employees of the Town of Firestone who are members of the LGDTF (see Note 10) may voluntarily contribute to the Voluntary Investment Program (“401(k) Plan”), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report for the 401(k) Plan. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

#### **FUNDING POLICY**

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,500 for 2013 and 2014 and \$18,000 for 2015). Catch-up contributions up to \$6,000 for the calendar year 2015 and \$5,500 for the calendar years 2014 and 2013 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v).5 The contribution requirements for the Town of Firestone are established under Title 24, Article 51, Section 1402 of the CRS, as amended. For the years ended December 31, 2015, 2014 and 2013, the 401(k) Plan member contributions from the Town of Firestone were \$28,079, \$19,749 and \$22,403, respectively.

### **NOTE 13: DEFINED CONTRIBUTION PENSION PLAN – NON-POLICE STAFF**

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#### **PLAN DESCRIPTION**

Employees of the Town of Firestone who are members of the LGDTF (see Note 10) may voluntarily contribute to the PERA 457 Plan (“457 Plan”), an Internal Revenue Code Section 457 defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. PERA issues a publicly available comprehensive annual financial report for the 401(k) Plan. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).



## **NOTES TO THE FINANCIAL STATEMENTS**

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### **Note 13: Defined Contribution Pension Plan – Non-Police Staff (Continued)**

#### **FUNDING POLICY**

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,500 for 2013 and 2014 and \$18,000 for 2015). Catch-up contributions up to \$6,000 for the calendar year 2015 and \$5,500 for the calendar years 2014 and 2013 were allowed for participants who had attained age 50 before the close of the plan year. The Town began offering this plan in 2013. For the years ended December 31, 2015, 2014 and 2013, the 457 Plan member contributions from the Town of Firestone were \$33,815, \$28,154, and \$20,772, respectively.

#### **NOTE 14: JOINT VENTURES**

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Condensed financial information for the joint ventures in which the Town of Firestone has an interest is as follows:

##### **WELD 911 EMERGENCY TELEPHONE SERVICE AUTHORITY BOARD**

At December 31, 2015, Weld 911 had a fund balance of \$4,614,417. Total revenues for 2015 were \$2,341,168 and total expenses were \$2,471,842 resulting in an excess of revenues over expenses of \$130,674. The amount of the Town's share of these amounts is based upon the percentage of the county wide telephone accesses to be served by the Weld 911 Authority.

Complete financial statements for this joint venture can be obtained from:

Weld County  
P.O. Box 758  
Greeley, Colorado 80632

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 15: RESERVED FUND BALANCES / NET POSITION

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The following is a summary of the purposes of fund balance / net position classifications in the various funds:

General Fund - Nonspendable	Payments made to vendors for services that will benefit periods beyond year end.
General Fund - Restricted	A portion restricted for emergencies as defined under TABOR.
Conservation Trust - Restricted	Fund balance assigned for future payments on maintenance and capital expenditures as allowed under CRS.
Capital Improvements - Committed	Fund balance committed for future transfers to appropriate funds to be used for capital construction or acquisitions funded by the impact fees or sales taxes collected in these funds.
Highway Fund - Assigned	Fund balance assigned for operations, maintenance and future capital expenditures related to street and highway operations.
Park Fund - Assigned	Fund balance assigned for planning and future capital expenditures or acquisitions related to park infrastructure.
Firestone Finance Authority - Assigned	Fund balance assigned for future payments on Certificates of Participation issued to finance Town property.
Firestone Urban Renewal Authority - Assigned	Fund balance assigned for improvements to mitigate blight in the Urban Renewal Authority boundaries.
Open Space - Assigned	Fund balance assigned for future transfers for maintenance, capital expenditures and COPS payments for open space, parks, and trails.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 16 RISK MANAGEMENT**

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Since January 1, 2010, the Town has been a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”) which provides sufficient liability and property coverage to protect against property damage to all of the Town’s fixed assets and equipment. Other coverage includes general liability coverage as well as supplemental liability coverage for employee benefits, employment practices, law enforcement activities, vehicle and auto liability, crimes against the Town and a general umbrella liability policy. In addition, the Town has secured additional coverage for Town events and volunteers. The Town maintains the state required workers compensation insurance with Pinnacol Assurance, the primary provider of workers compensation coverage in Colorado.

### **NOTE 17: TAXES, SPENDING AND DEBT LIMITATIONS**

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In November 1992, Colorado voters passed an amendment (the “Amendment”) to the State Constitution (Article X, Section 20) also known as the Taxpayer’s Bill of Rights (“TABOR”) which limits the revenue raising and spending abilities of state and local governments.

The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$419,510 for this purpose.

On April 2, 1996, the voting citizens of the Town of Firestone authorized the Town to collect retain, and expend the full proceeds of the Town’s sales and use tax, property tax revenues, non federal grants, fees and other revenues collected and received during the year 1996 and each subsequent year, for capital projects, basic municipal services or other lawful municipal purposes, notwithstanding any state limitation on fiscal year revenue and spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution or any other law. This effectively removed all revenue and spending limits imposed by TABOR.

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require Judicial interpretation.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 18: COMMITMENTS AND CONTINGENT LIABILITIES**

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Management is not aware of any outstanding claims or other financial contingencies that could have a material adverse effect on the Town's financial statements.

### **NOTE 19: DEVELOPER AGREEMENTS**

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The Town is involved in developer agreements to promote commercial growth within its boundaries. These agreements are structured so that future revenues are committed to meet development obligations, but only as the revenues are earned. If revenues are not earned from the sources outlined in the agreements, the Town of Firestone is not obligated to fund the expenditures from other sources. These agreements fall under Government Accounting Standard Board Statement No 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* for pledged revenues. The obligations to be repaid through these pledged revenues are summarized below (see also Note 6):

#### **AMERICAN FURNITURE WAREHOUSE (AFW) AND THF/TFD FIRESTONE DEVELOPMENT, L.L.C.**

An Amended and Restated Public Improvements Reimbursement Agreement (the "PIRA") between AFW and THF/TFD Firestone Development (the "Developers") was approved by the Town on July 31, 2006. The PIRA will finance the construction of certain public improvements in connection with the Town Centre development, located at I-25 and Firestone Blvd. Under the PIRA, the Developers will receive 1.25 percent (the "Credit PIF") of the Town's 2 percent sales and use tax on the sale or provision of goods in the development. The amount of eligible cost that could be reimbursed to the Developers from Credit PIF Revenues is limited to \$11,000,000, plus interest accruing at the Wall Street Journal Prime Rate (3.25% at December 31, 2014), capped at 7 percent per annum. The Developers have 20 years (2026) to receive the maximum reimbursable amount.

#### **THF FIRESTONE DEVELOPMENT, L.L.C.**

A Retail Infrastructure Funding Agreement (the "RIFA") with THF Firestone Development (the "THF Developer") was approved by the Town on September 4, 2008. The RIFA supplements the PIRA and is intended to help finance the construction of additional public improvements in connection with the development of a portion of the retail area at I-25 and Firestone Blvd. Under the RIFA, the THF Developer imposes a Retail Transaction Fee ("RTF") in the amount of 0.25 percent of the Town's 2 percent sales and use tax on the sale or provision of goods in the project area. The amount of eligible cost that could be reimbursed to the Developers from RTF Revenues is limited to \$4,000,000, plus interest accruing at the Wall Street Journal Prime Rate (3.25% at December 31, 2014), capped of 7 percent per annum. The Developers have 20 years (2028) to receive the maximum reimbursable amount.



## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 20: BUDGET VIOLATION**

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Expenditures exceeded budgeted appropriations in the Highway Fund \$14,080 due to accruing retainage payable for a construction contract. This may be in violation of state statutes.

### **NOTE 21: SUBSEQUENT EVENTS**

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Management of the Town has evaluated subsequent events through July 29, 2016, the date that the financial statements were available to be issued. No transactions or events that would require adjustment to or disclosure in the financial statements were identified.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - General, Highway and Parks Funds**  
Year Ended December 31, 2015

	General Fund			Variance with Final Budget
	Budgeted Amounts		Actual	Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes and Impact Fees	\$ 5,036,811	\$ 5,036,811	\$ 5,899,857	\$ 863,046
Licenses and Permits	493,000	493,000	817,503	324,503
Intergovernmental	37,500	37,500	38,455	955
Charges for Services	-	-	-	-
Fines	180,000	180,000	249,393	69,393
Investment Earnings	5,800	5,800	14,900	9,100
Miscellaneous	115,500	160,075	360,106	200,031
Total Revenues	5,868,611	5,913,186	7,380,214	1,467,028
EXPENDITURES				
Current:				
General Government	2,387,988	2,432,563	1,980,240	452,323
Public Safety				
Police	2,464,465	2,464,465	2,192,291	272,174
Building Inspection	268,000	268,000	507,192	(239,192)
Public Works (Roads, Facilities, etc)	37,380	37,380	104,353	(66,973)
Parks and Open Spaces	-	-	221,562	(221,562)
Health & Welfare	51,120	51,120	154,023	(102,903)
Economic Development	207,100	207,100	177,493	29,607
Capital Outlay	271,500	352,750	442,710	(89,960)
Debt Service:				
Principal	19,848	19,848	19,848	-
Total Expenditures	5,707,401	5,833,226	5,799,712	33,514
Excess (Deficiency) of Revenue Over Expenditures	161,210	79,960	1,580,502	1,500,542
OTHER FINANCING SOURCES (USES)				
Transfers In	215,466	223,266	50,819	(172,447)
Transfers Out	(255,995)	(255,995)	(81,423)	174,572
Total Other Financing Sources (Uses)	(40,529)	(32,729)	(30,604)	2,125
Net Change in Fund Balances	\$ 120,681	\$ 47,231	1,549,898	\$ 1,502,667
Fund Balances at Beginning of Year			3,055,749	
Fund Balances at End of Year			\$ 4,605,647	

See accompanying Independent Auditor's Report.

**Highway Fund**

Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 546,500	\$ 546,500	\$ 614,661	\$ 68,161
-	-	-	-
1,000,000	1,000,000	721,620	(278,380)
147,500	147,500	153,384	5,884
-	-	-	-
1,000	1,000	1,502	502
5,000	5,000	287,811	282,811
<u>1,700,000</u>	<u>1,700,000</u>	<u>1,778,978</u>	<u>78,978</u>
80,730	80,730	39,667	41,063
-	-	-	-
-	-	-	-
1,208,587	1,208,587	1,064,642	143,945
-	-	-	-
-	-	-	-
-	-	-	-
4,257,488	4,257,488	4,456,576	(199,088)
-	-	-	-
<u>5,546,805</u>	<u>5,546,805</u>	<u>5,560,885</u>	<u>(14,080)</u>
<u>(3,846,805)</u>	<u>(3,846,805)</u>	<u>(3,781,907)</u>	<u>64,898</u>
3,735,788	3,735,788	3,672,456	(63,332)
-	-	-	-
<u>3,735,788</u>	<u>3,735,788</u>	<u>3,672,456</u>	<u>(63,332)</u>
<u>\$ (111,017)</u>	<u>\$ (111,017)</u>	(109,451)	<u>\$ 1,566</u>
		651,593	
		<u>\$ 542,142</u>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances -Budget and Actual - General, Highway and Parks Funds**  
Year Ended December 31, 2015

	Parks Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Licenses and Permits	\$ 84,750	\$ 84,750	\$ 212,250	\$ 127,500
Investment Earnings	800	800	352	(448)
Miscellaneous	750	750	770	20
Total Revenues	86,300	86,300	213,372	127,072
EXPENDITURES				
Current:				
General Government	46,890	31,890	10,250	21,640
Parks	545,995	545,995	497,563	48,432
Capital Outlay	666,500	681,500	335,384	346,116
Total Expenditures	1,259,385	1,259,385	843,197	416,188
Excess (Deficiency) of Revenue Over Expenditures	(1,173,085)	(1,173,085)	(629,825)	543,260
OTHER FINANCING SOURCES				
Transfers In	1,126,495	1,126,495	402,203	(724,292)
Total Other Financing Sources (Uses)	1,126,495	1,126,495	402,203	(724,292)
Net Change in Fund Balances	\$ (46,590)	\$ (46,590)	(227,622)	\$ (181,032)
Fund Balances at Beginning of Year			305,225	
Fund Balances at End of Year			\$ 77,603	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset)**

**FPPA - Statewide Defined Benefit Plan**  
Last Ten Years

	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability/(asset)	\$ (282,914)	\$ (316,152)
Town's proportionate share of the net pension liability/(asset)	0.25068%	0.25271%
Town's covered-employee payroll	\$ 1,241,042	\$ 1,173,668
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	22.80%	26.94%
Plan fiduciary net position as a percentage of the total pension	<u>106.80%</u>	<u>105.80%</u>

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Firestone, Colorado**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset)**

**PERA - Local Government Division Trust Fund**  
**Last Ten Years**

	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability/(asset)	\$ 2,725,702	\$ 2,167,416
Town's proportionate share of the net pension liability/(asset)	0.30410%	0.28906%
Town's covered-employee payroll	\$ 1,666,348	\$ 1,542,145
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	163.57%	140.55%
Plan fiduciary net position as a percentage of the total pension	<u>80.70%</u>	<u>77.66%</u>

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of the Town's Contributions**

**FPPA - Statewide Defined Benefit Plan**  
Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily Required Contribution	\$ 100,268	\$ 90,186	\$ 87,808
Contributions in Relation to the Statutorily Required Contribution	<u>100,268</u>	<u>90,186</u>	<u>87,808</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,316,020	\$ 1,241,042	\$ 1,173,668
Contributions as a Percentage of Covered Employee Payroll	7.62%	7.27%	7.48%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

**Notes to Schedule**

*Changes in plan provisions.* The plan provisions have not changed since the prior valuation. The member contribution rate will increase in 2015 as a result of the member election.

*Benefit Adjustments.* Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

*Changes of assumptions.* Beginning in the January 1, 2014 actuarial valuation, the married assumption for active members was increased from 80 percent to 85 percent to reflect the passage of the Colorado Civil Union Act.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of the Town's Contributions**

**PERA - Local Government Division Trust Fund**  
Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily Required Contribution	\$ 235,284	\$ 211,293	\$ 195,544
Contributions in Relation to the Statutorily Required Contribution	<u>235,284</u>	<u>211,293</u>	<u>195,544</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,855,551	\$ 1,666,348	\$ 1,542,145
Contributions as a Percentage of Covered Employee Payroll	12.68%	12.68%	12.68%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

## **OTHER SUPPLEMENTARY INFORMATION**

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**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual - Capital Improvement Funds**  
Year Ended December 31, 2015

	Capital Improvement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Taxes and Impact Fees	\$ 1,391,194	\$ 1,391,194	\$ 3,215,345	\$ 1,824,151
Intergovernmental	462,546	462,546	462,546	-
Investment Earnings	5,000	5,000	14,236	9,236
<b>Total Revenues</b>	<u>1,858,740</u>	<u>1,858,740</u>	<u>3,692,127</u>	<u>1,833,387</u>
<b>EXPENDITURES</b>				
<b>Debt Service</b>				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>				
	1,858,740	1,858,740	3,692,127	1,833,387
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,530,425)	(1,530,425)	(687,183)	843,242
<b>Total Other Financing Uses</b>	<u>(1,530,425)</u>	<u>(1,530,425)</u>	<u>(687,183)</u>	<u>843,242</u>
<b>Net Change in Fund Balance</b>	<u>\$ 328,315</u>	<u>\$ 328,315</u>	3,004,944	<u>\$ 2,676,629</u>
<b>Fund Balance at Beginning of Year</b>			2,896,058	
<b>Fund Balance at End of Year</b>			<u>\$ 5,901,002</u>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance -Budget and Actual - Capital Improvement Funds**  
Year Ended December 31, 2015

<b>Sales Tax Capital Improvement Fund</b>			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 1,405,000	\$ 1,405,000	\$ 1,351,002	\$ (53,998)
-	-	-	-
1,200	1,200	13,497	12,297
<u>1,406,200</u>	<u>1,406,200</u>	<u>1,364,499</u>	<u>(41,701)</u>
150,000	150,000	150,000	-
115,818	115,818	115,819	(1)
<u>265,818</u>	<u>265,818</u>	<u>265,819</u>	<u>(1)</u>
1,140,382	1,140,382	1,098,680	(41,702)
(3,463,388)	(3,463,388)	(3,411,071)	52,317
<u>(3,463,388)</u>	<u>(3,463,388)</u>	<u>(3,411,071)</u>	<u>52,317</u>
<u>\$ (2,323,006)</u>	<u>\$ (2,323,006)</u>	(2,312,391)	<u>\$ 10,615</u>
		2,850,094	
		<u>\$ 537,703</u>	

**Town of Firestone**  
Firestone, Colorado  
**Combining Balance Sheet**  
**Other Governmental Funds**  
December 31, 2015

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space	Debt Service	Total Governmental Funds
<b>ASSETS</b>						
Equity in Pooled Cash and						
Cash Equivalents	\$ 2,281	\$ 622,228	\$ 135,599	\$ 160,954	\$ -	\$ 921,062
Receivables	-	-	-	10,550	-	10,550
<b>Total Assets</b>	<u>\$ 2,281</u>	<u>\$ 622,228</u>	<u>\$ 135,599</u>	<u>\$ 171,504</u>	<u>\$ -</u>	<u>\$ 931,612</u>
<b>LIABILITIES AND FUND</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ -	\$ 8,647	\$ -	\$ -	\$ -	\$ 8,647
<b>Total Liabilities</b>	<u>-</u>	<u>8,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,647</u>
<b>Fund Balances:</b>						
Restricted	-	-	135,599	-	-	135,599
Assigned	2,281	613,581	-	171,504	-	787,366
<b>Total Fund Balances</b>	<u>2,281</u>	<u>613,581</u>	<u>135,599</u>	<u>171,504</u>	<u>-</u>	<u>922,965</u>
<b>Total Liabilities and Fund</b>	<u>\$ 2,281</u>	<u>\$ 622,228</u>	<u>\$ 135,599</u>	<u>\$ 171,504</u>	<u>\$ -</u>	<u>\$ 931,612</u>

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Other Governmental Funds**  
Year Ended December 31, 2015

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space	Debt Service	Total Governmental Funds
<b>REVENUES</b>						
Taxes and Impact Fees	\$ -	\$ 679,422	\$ -	\$ 93,776	\$ -	\$ 773,198
Intergovernmental	-	-	53,584	-	-	53,584
Investment Earnings	-	2,862	450	573	-	3,885
<b>Total Revenues</b>	<u>-</u>	<u>682,284</u>	<u>54,034</u>	<u>94,349</u>	<u>-</u>	<u>830,667</u>
<b>EXPENDITURES</b>						
<b>Current:</b>						
Administration	1,200	89,541	-	-	-	90,741
<b>Debt Service:</b>						
Principal	95,000	-	-	-	-	95,000
Interest	47,425	-	-	-	-	47,425
<b>Total Expenditures</b>	<u>143,625</u>	<u>89,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,166</u>
<b>Excess (Deficiency) of Revenues</b>						
<b>Over Expenditures</b>	<u>(143,625)</u>	<u>592,743</u>	<u>54,034</u>	<u>94,349</u>	<u>-</u>	<u>597,501</u>
<b>OTHER FINANCING SOURCES</b>						
<b>(USES)</b>						
Transfers In	144,000	-	-	-	-	144,000
Transfers Out	-	-	(74,818)	(102,000)	(7,724)	(184,542)
<b>Total Other Financing</b>	<u>144,000</u>	<u>-</u>	<u>(74,818)</u>	<u>(102,000)</u>	<u>(7,724)</u>	<u>(40,542)</u>
<b>Sources (Uses)</b>						
<b>Net Change in Fund Balances</b>	375	592,743	(20,784)	(7,651)	(7,724)	556,959
<b>Fund Balances at Beginning</b>						
<b>of Year</b>	1,906	20,838	156,383	179,155	7,724	366,006
<b>Fund Balances at End of Year</b>	<u>\$ 2,281</u>	<u>\$ 613,581</u>	<u>\$ 135,599</u>	<u>\$ 171,504</u>	<u>\$ -</u>	<u>\$ 922,965</u>

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances - Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2015

	Firestone Finance Authority Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Administration	1,500	1,500	1,200	300
Debt Service:				
Principal	95,000	95,000	95,000	-
Interest	47,425	47,425	47,425	-
Total Expenditures	143,925	143,925	143,625	300
Excess (Deficiency) of Revenues Over Expenditures	(143,925)	(143,925)	(143,625)	300
OTHER FINANCING SOURCES (USES)				
Transfers In	144,000	144,000	144,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources	144,000	144,000	144,000	-
Net Change in Fund Balances	\$ 75	\$ 75	375	\$ 300
Fund Balances at Beginning of Year			1,906	
Fund Balances at End of Year			\$ 2,281	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances - Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2015

<b>Firestone Urban Renewal Authority</b>			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 1,043,401	\$ 1,043,401	\$ 679,422	\$ (363,979)
1,000	1,000	2,862	1,862.00
-	-	-	-
<u>1,044,401</u>	<u>1,044,401</u>	<u>682,284</u>	<u>(362,117)</u>
380,527	380,527	89,541	290,986
-	-	-	-
-	-	-	-
<u>380,527</u>	<u>380,527</u>	<u>89,541</u>	<u>290,986</u>
<u>663,874</u>	<u>663,874</u>	<u>592,743</u>	<u>(71,131)</u>
-	-	-	-
(51,466)	(51,466)	-	51,466
<u>(51,466)</u>	<u>(51,466)</u>	<u>-</u>	<u>51,466</u>
<u>\$ 612,408</u>	<u>\$ 612,408</u>	592,743	<u>\$ (19,665)</u>
		20,838	
		<u>\$ 613,581</u>	

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditure, and Changes in**  
**Fund Balances - Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2015

	Conservation Trust			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	54,000	54,000	53,584	(416)
Investment Earnings	80	80	450	370
Total Revenues	54,080	54,080	54,034	(46)
OTHER FINANCING USES				
Transfers Out	(126,000)	(126,000)	(74,818)	51,182
Total Other Financing Uses	(126,000)	(126,000)	(74,818)	51,182
Net Change in Fund Balances	\$ (71,920)	\$ (71,920)	(20,784)	\$ 51,136
Fund Balances at Beginning of Year			156,383	
Fund Balances at End of Year			\$ 135,599	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
Firestone, Colorado  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances - Budget and Actual - Other Governmental Funds**  
Year Ended December 31, 2015

<b>Open Space</b>			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 105,000	\$ 105,000	\$ 93,776	\$ (11,224)
-	-	-	-
180	180	573	393
<u>105,180</u>	<u>105,180</u>	<u>94,349</u>	<u>(10,831)</u>
(102,000)	(102,000)	(102,000)	-
<u>(102,000)</u>	<u>(102,000)</u>	<u>(102,000)</u>	<u>-</u>
<u>\$ 3,180</u>	<u>\$ 3,180</u>	(7,651)	<u>\$ (10,831)</u>
		179,155	
		<u>\$ 171,504</u>	



**Town of Firestone**  
Firestone, Colorado  
**Water Fund**  
**Schedule of Revenues, Expenditures and Changes in Net Position -**  
**Budget and Actual (Non GAAP Budgetary Basis)**  
Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating Revenues</b>				
Charges for Services	\$ 4,250,620	\$ 4,250,620	\$ 3,208,033	\$(1,042,587)
Miscellaneous	2,200	2,200	97,063	94,863
<b>Total Operating Revenues</b>	<u>4,252,820</u>	<u>4,252,820</u>	<u>3,305,096</u>	<u>(947,724)</u>
<b>Operating Expenses</b>				
Operations	1,228,208	1,228,208	1,174,572	53,636
Administration	847,047	847,047	918,082	(71,035)
<b>Total Operating Expenses</b>	<u>2,075,255</u>	<u>2,075,255</u>	<u>2,092,654</u>	<u>(17,399)</u>
<b>Operating Income</b>	2,177,565	2,177,565	1,212,442	(965,123)
<b>Nonoperating Revenues (Expenditures)</b>				
Capital Contributions	110,000	1,091,000	3,962,723	2,871,723
Investment Earnings	10,000	10,000	19,933	9,933
Capital Outlay	(2,254,650)	(2,298,400)	(1,001,455)	1,296,945
Tap Fees Paid	-	(1,080,000)	(2,302,500)	(1,222,500)
Intergovernmental Revenues	-	-	5,300	5,300
<b>Total Nonoperating Revenues (Expenditures)</b>	<u>(2,134,650)</u>	<u>(2,277,400)</u>	<u>684,001</u>	<u>2,961,401</u>
<b>Excess of Revenues Over Expenditures - Budgetary Basis</b>	<u>\$ 42,915</u>	<u>\$ (99,835)</u>	1,896,443	<u>\$ 1,996,278</u>
<b>Reconciliation to a GAAP Basis</b>				
Depreciation			(380,875)	
Capital Outlay			1,001,455	
<b>Change in Net Position</b>			<u>2,517,023</u>	
<b>Net Position at Beginning of Year</b>			59,895,746	
<b>Restatement - Change in Accounting Principle</b>			(568,678)	
<b>Net Position at End of Year</b>			<u>\$ 61,844,091</u>	

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Firestone, Colorado**  
**Stormwater Fund**  
**Schedule of Revenues, Expenditures and Changes in Net Position -**  
**Budget and Actual (Non GAAP Budgetary Basis)**  
Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
<b>Operating Revenues</b>				
Charges for Services	\$ 120,000	\$ 120,000	\$ 278,433	\$ 158,433
<b>Total Operating Revenues</b>	<u>120,000</u>	<u>120,000</u>	<u>278,433</u>	<u>158,433</u>
<b>Operating Expenses</b>				
Operations	65,846	65,846	128,176	(62,330)
Administration	66,099	66,099	28,450	37,649
<b>Total Operating Expenses</b>	<u>131,945</u>	<u>131,945</u>	<u>156,626</u>	<u>(24,681)</u>
<b>Operating Income</b>	(11,945)	(11,945)	121,807	133,752
<b>Nonoperating Revenues (Expenditures)</b>				
Capital Contributions	-	-	641,504	641,504
Investment Earnings	-	-	128	128
Transfers In	360,325	360,325	94,741	(265,584)
Capital Outlay	(348,325)	(348,325)	(82,988)	265,337
<b>Total Nonoperating Revenues (Expenditures)</b>	<u>12,000</u>	<u>12,000</u>	<u>653,385</u>	<u>641,385</u>
<b>Deficiency of Revenues</b>				
Over Expenditures - Budgetary Basis	<u>\$ 55</u>	<u>\$ 55</u>	775,192	<u>\$ 775,137</u>
<b>Reconciliation to a GAAP Basis</b>				
Depreciation			(11,046)	
Capital Outlay			<u>82,988</u>	
<b>Change in Net Position</b>			847,134	
<b>Net Position at Beginning of Year</b>			692,643	
<b>Restatement - Change in Accounting Principle</b>			<u>(76,652)</u>	
<b>Net Position at End of Year</b>			<u>\$ 1,463,125</u>	

See accompanying Independent Auditor's Report.

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## **CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**

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**Town of Firestone**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Schedule by Activity and Source**

**December 31, 2015**

<b>Function and Activity</b>	<b>Land</b>	<b>Land Improvements</b>	<b>Building and Improvements</b>	<b>Equipment and Vehicles</b>	<b>Infrastructure</b>	<b>TOTAL</b>
General Government	\$ -	\$ -	\$ -	\$ 236,448	\$ -	\$ 236,448
Public Works	-	-	-	1,628,963	-	1,628,963
Parks, Cultural and Open Space	6,017,310	6,535,754	-	-	-	12,553,064
Public Safety	-	-	-	1,201,353	-	1,201,353
Building	-	-	1,946,241	-	-	1,946,241
Construction in Progress	-	-	364,298	-	-	364,298
Streets and Related Infrastructure	-	-	-	-	39,082,548	39,082,548
Construction in Progress	-	-	-	-	4,430,746	4,430,746
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 6,017,310</b>	<b>\$ 6,535,754</b>	<b>\$ 2,310,539</b>	<b>\$ 3,066,764</b>	<b>\$ 43,513,294</b>	<b>\$ 61,443,661</b>

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Schedule of Changes by Function and Activity**

**December 31, 2015**

Function and Activity	Capital Assets 12/31/2013	Additions	Deletions	Capital Assets 12/31/2014
General Government	\$ 213,695	\$ 22,753	\$ -	\$ 236,448
Public Works	1,652,821	182,144	206,002	1,628,963
Parks, Cultural and Open Space	12,311,719	241,345	-	12,553,064
Public Safety	1,238,882	130,408	167,937	1,201,353
Building	1,749,646	196,595	-	1,946,241
Construction in Progress	364,298	-	-	364,298
Streets and Related Infrastructure	37,603,160	1,479,388	-	39,082,548
Construction in Progress	79,993	4,350,753	-	4,430,746
<b>Total Governmental Funds Capital Assets</b>	<b><u>\$ 55,214,214</u></b>	<b><u>\$ 6,603,386</u></b>	<b><u>\$ 373,939</u></b>	<b><u>\$ 61,443,661</u></b>

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Comparative Schedule by Source**

**December 31, 2014 and 2015**

<b>GENERAL CAPITAL ASSETS</b>	<b>2015</b>	<b>2014</b>
Land	\$ 6,017,310	\$ 6,017,310
Land Improvements	6,535,754	6,294,409
Building and Improvements	1,946,241	1,749,646
Building - Construction in Progress	364,298	364,298
Equipment and Vehicles	3,066,764	3,105,398
Infrastructure	39,082,548	37,603,160
Infrastructure - Construction in Progress	4,430,746	79,993
<b>TOTAL GENERAL CAPITAL ASSETS</b>	<b>\$ 61,443,661</b>	<b>\$ 55,214,214</b>

<b>INVESTMENT IN GENERAL CAPITAL ASSETS</b>	<b>2014</b>	<b>2014</b>
Contributions and Donations	\$ 26,320,453	\$ 26,320,453
Developer Reimbursement Obligations	487,403	487,403
General Obligation Bonds	773,917	773,917
Grants	323,328	323,328
Operating Revenues and Impact Fees	31,553,560	25,324,113
Certificates of Participation	1,985,000	1,985,000
<b>TOTAL INVESTMENT IN GENERAL CAPITAL ASSETS</b>	<b>\$ 61,443,661</b>	<b>\$ 55,214,214</b>

See accompanying Independent Auditor's Report.



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## STATISTICAL SECTION

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## Town of Firestone

### Statistical Section

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2015

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This part of the Town of Firestone's Comprehensive Annual Financial Report presents detailed information spanning multiple years to provide a historical context for understanding, interpreting and analyzing the information presented in the financial statements, note disclosures, and supplementary information about the Town's overall financial condition.

The Statistical Section is organized as follows -

	Pages
<b><i>Financial Trends:</i></b>	91-97
Information on the Town's financial performance and health over time.	
<b><i>Revenue:</i></b>	98-105
Information on the Town's ability to generate tax revenue over time.	
<b><i>Debt Capacity:</i></b>	106-111
Information on the Town's outstanding debt and that of overlapping governments.	
<b><i>Demographics:</i></b>	112-114
Information on demographic and economic measures that affect the Town and its provision of services to its constituents.	
<b><i>Operating Information:</i></b>	115-116
Information on the Town's operations, staffing and other data.	

**Town of Firestone**  
**Net Position by Component**  
**Last Ten Years**

	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 28,787,980	\$ 29,452,697	\$ 31,129,414	\$ 32,308,457
Restricted	5,173,757	4,661,782	4,722,885	2,682,197
Unrestricted	1,476,557	2,751,531	1,748,080	1,723,914
Total governmental activities position	\$ 35,438,294	\$ 36,866,010	\$ 37,600,379	\$ 36,714,568
Business-type activities				
Net investment in capital assets	\$ 47,690,346	\$ 51,453,496	\$ 51,891,777	\$ 53,326,076
Restricted	262,187	-	-	-
Unrestricted	1,242,711	1,744,886	2,399,424	2,304,582
Total business-type activities net position	\$ 49,195,244	\$ 53,198,382	\$ 54,291,201	\$ 55,630,658
Primary government				
Net investment in capital assets	\$ 76,478,326	\$ 80,906,193	\$ 83,021,191	\$ 85,634,533
Restricted	5,435,944	4,661,782	4,722,885	2,682,197
Unrestricted	2,719,268	4,496,417	4,147,504	4,028,496
Total primary government net position	\$ 84,633,538	\$ 90,064,392	\$ 91,891,580	\$ 92,345,226

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

2010		2011		2012		2013		2014		2015	
\$	30,754,589	\$	29,832,385	\$	28,453,663	\$	27,884,672	\$	25,318,630	\$	29,781,019
	3,034,596		269,051		319,783		360,606		2,896,206		555,109
	1,793,769		4,807,819		5,216,289		5,368,759		7,080,617		10,668,886
\$	35,582,954	\$	34,909,255	\$	33,989,735	\$	33,614,037	\$	35,295,453	\$	41,005,014
\$	53,632,012	\$	53,745,675	\$	53,954,280	\$	54,207,452	\$	54,887,599	\$	56,976,448
	-		-		-		-		-		-
	2,813,046		3,347,722		3,979,414		4,747,092		5,700,790		6,330,768
\$	56,445,058	\$	57,093,397	\$	57,933,694	\$	58,954,544	\$	60,588,389	\$	63,307,216
\$	84,386,601	\$	83,578,060	\$	82,407,943	\$	82,092,124	\$	80,206,229	\$	86,757,467
	3,034,596		269,051		319,783		360,606		2,896,206		555,109
	4,606,815		8,155,541		9,195,703		10,115,851		12,781,407		16,999,654
\$	92,028,012	\$	92,002,652	\$	91,923,429	\$	92,568,581	\$	95,883,842	\$	104,312,230

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Changes in Net Position**  
**Last Ten Years**

	2006 <sup>(1)</sup>	2007 <sup>(1)</sup>	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2014	2015
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 997,530	\$ 1,200,682	\$ 1,154,780	\$ 1,410,953	\$ 1,156,785	\$ 1,106,283	\$ 1,322,245	\$ 1,835,993	\$ 2,156,089	\$ 2,207,436
Public Safety	2,357,338	2,169,622	2,230,778	2,350,659	2,246,700	2,169,999	2,266,759	2,272,091	2,436,446	2,671,801
Public Works	2,105,134	2,186,471	2,308,808	2,563,019	2,588,250	2,450,275	2,445,606	2,554,525	2,974,941	3,248,015
Health & Welfare	73,744	74,408	86,964	103,002	95,917	95,010	96,785	174,160	141,181	154,023
Economic Development	14,389	11,561	13,844	15,298	18,905	70,334	65,143	72,636	176,249	177,493
Parks & Recreation	534,021	458,506	635,834	700,636	699,652	668,285	774,910	837,008	899,216	1,113,830
Interest on long-term debt	114,083	124,480	120,026	106,860	82,409	73,349	70,203	58,494	205,068	156,411
Depreciation Unallocated	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	6,196,239	6,225,730	6,551,034	7,250,427	6,888,618	6,633,535	7,041,651	7,804,907	8,989,190	9,729,009
Business-type activities:										
Water	1,247,776	1,531,947	1,756,601	1,698,657	1,857,559	2,018,304	2,125,436	2,079,861	2,311,358	2,473,529
Stormwater	-	-	-	13,013	48,000	16,502	29,637	63,537	82,369	167,672
Total business-type activities expenses	1,247,776	1,531,947	1,756,601	1,711,670	1,905,559	2,034,806	2,155,073	2,143,398	2,393,727	2,641,201
Total primary government activities expenses	\$ 7,444,015	\$ 7,757,677	\$ 8,307,635	\$ 8,962,097	\$ 8,794,177	\$ 8,668,341	\$ 9,196,724	\$ 9,948,305	\$ 11,382,917	\$ 12,370,210

(1) The Town allocated depreciation per GAAP/GASB requirements.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Changes in Net Position**  
**Last Ten Years**

	2006 <sup>(1)</sup>	2007 <sup>(1)</sup>	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2014 <sup>(1)</sup>	2015 <sup>(1)</sup>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General Government	\$ 1,928	\$ 21,709	\$ 22,980	\$ 30,887	\$ 43,364	\$ 77,340	\$ 137,715	\$ 437,671	\$ 629,638	\$ 1,029,753
Public safety	166,738	175,676	144,515	209,212	173,518	201,219	200,761	170,871	187,039	249,393
Public works	2,726,309	1,444,132	908,196	1,274,954	1,318,295	1,117,241	897,921	1,055,226	1,750,915	3,368,729
Parks	343,367	111,000	54,000	93,748	98,311	73,943	115,434	-	-	-
Operating grants and contributions	-	33,921	285,623	1,178,813	89,656	25,400	-	238,962	397,245	1,276,205
Capital grants and contributions										
General government	-	-	-	-	-	7,500	-	51,500	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	2,761,373	841,171	792,282	-	-	105,660	-	105,660	462,805	1,479,388
Parks	312,611	849,089	744,750	-	-	-	-	-	-	-
Total governmental activities program revenues	6,312,326	3,476,698	2,952,346	2,787,613	1,723,144	1,608,303	1,351,831	2,059,890	3,427,642	7,403,468
Business-type activities:										
Charges for services										
Water	1,678,504	1,642,135	1,721,452	1,842,175	2,296,168	2,354,488	2,751,268	2,452,756	2,726,634	3,208,033
Stormwater	-	-	-	76,817	106,144	111,001	113,757	114,700	118,585	278,433
Operating grants and contributions	-	-	-	545,599	30,461	26,696	26,067	6,064	29,756	5,300
Capital grants and contributions	4,446,399	3,737,731	1,382,707	300,760	99,000	57,500	61,900	595,603	1,115,070	2,301,727
Total business-type activities program revenues	6,124,903	5,379,866	3,104,159	2,765,351	2,531,773	2,549,685	2,952,992	3,169,123	3,990,045	5,793,493
Total primary government program revenues	\$ 12,437,229	\$ 8,856,564	\$ 6,056,505	\$ 5,552,964	\$ 4,254,917	\$ 4,157,988	\$ 4,304,823	\$ 5,229,013	\$ 7,417,687	\$ 13,196,961
<b>Net (expense) revenue</b>										
Governmental activities	116,087	(2,749,032)	(3,598,688)	(4,462,813)	(5,165,474)	(5,025,232)	(5,689,820)	(5,745,017)	(5,561,548)	(2,325,541)
Business-type activities	4,877,127	3,847,919	1,347,558	1,053,681	626,214	514,879	797,919	1,025,725	1,596,318	3,152,292
Total primary government net expense	\$ 4,993,214	\$ 1,098,887	\$ (2,251,130)	\$ (3,409,132)	\$ (4,539,260)	\$ (4,510,353)	\$ (4,891,901)	\$ (4,719,292)	\$ (3,965,230)	\$ 826,751

<sup>(1)</sup> The Town allocated depreciation per GAAP/GASB requirements.

See accompanying Independent Auditor's Report.



**Town of Firestone**  
**Changes in Net Position**  
**Last Ten Years**

**General Revenues and Other Changes in Net Position**

Governmental activities:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxes										
Property taxes - general	\$ 517,234	\$ 600,200	\$ 707,972	\$ 731,651	\$ 813,795	\$ 720,123	\$ 824,637	\$ 892,840	\$ 918,746	\$ 990,689
Property taxes - debt service	69,975	69,600	67,958	70,490	72,265	75,271	74,090	79,607	-	-
Property taxes - urban renewal	-	-	-	-	-	15,562	20,170	31,910	27,839	679,422
Specific ownership taxes	-	-	-	-	55,890	57,189	71,475	64,770	77,454	66,868
Sales & Use Tax	1,990,320	2,092,775	2,308,510	2,097,477	2,301,440	2,518,329	2,683,817	2,973,413	4,692,078	5,448,691
Hwy users, road & bridge, motor vehicle taxes	-	-	-	-	454,967	467,408	469,955	485,282	507,855	545,634
Franchise taxes	286,774	298,572	338,077	339,903	343,974	338,780	380,273	396,128	406,612	435,073
Impact Fees	-	-	-	-	-	-	-	-	-	-
License & Permits	-	-	-	-	-	-	-	-	-	-
Grants & Contributions - Not Restricted for Specific	-	-	-	-	-	-	-	-	-	-
Investment earnings	260,008	362,983	196,461	42,695	10,635	14,705	15,411	7,362	29,615	48,372
Other miscellaneous	324,482	419,767	655,611	701,848	158,345	267,523	259,343	394,184	601,620	1,121,028
Gain on Sale of Capital Assets	8,000	406,541	-	-	-	-	-	-	-	-
Transfers	-	-	(192,958)	(269,778)	(177,451)	(123,361)	(28,871)	43,823	(18,865.00)	(94,741)
Total governmental activities	3,456,793	4,250,438	4,081,631	3,714,286	4,033,860	4,351,529	4,770,300	5,369,319	7,242,964	9,241,036
Business-type activities										
Investment earnings	141,046	81,529	65,128	15,999	6,302	9,391	9,155	10,433	13,801	20,061
Other miscellaneous	-	-	-	-	4,433	708	4,352	13,535	4,861	97,063
Transfers	-	-	192,958	269,778	177,451	123,361	28,871	(28,843)	18,865	94,741
Total business-type activities	141,046	81,529	258,086	285,777	188,186	133,460	42,378	(4,875)	37,527	211,865
Total primary government	\$ 3,597,839	\$ 4,331,967	\$ 4,339,717	\$ 4,000,063	\$ 4,222,046	\$ 4,484,989	\$ 4,812,678	\$ 5,364,444	\$ 7,280,491	\$ 9,452,901
<b>Changes in Net Position</b>										
Governmental activities	\$ 3,572,880	\$ 1,501,406	\$ 482,943	\$ (748,528)	\$ (1,131,614)	\$ (673,703)	\$ (919,520)	\$ (375,698)	\$ 1,681,416	\$ 6,915,495
Business-type activities	5,018,173	3,929,448	1,605,644	1,339,458	814,400	648,339	840,297	1,020,850	1,633,845	3,364,157
Total primary government	\$ 8,591,053	\$ 5,430,854	\$ 2,088,587	\$ 590,930	\$ (317,214)	\$ (25,364)	\$ (79,223)	\$ 645,152	\$ 3,315,261	\$ 10,279,652

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 199,362	\$ 217,630	\$ 182,990	\$ 255,431	\$ 172,156	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	936,462	1,081,552	933,910	676,957	849,368	-	-	-	-	-
Nonspendable	-	-	-	-	-	10,365	12,433	27,847	30,524	11,265
Restricted	-	-	-	-	-	125,132	174,175	207,290	294,883	419,510
Assigned	-	-	-	-	-	128,100	128,397	62,084	62,084	-
Unassigned	-	-	-	-	-	1,230,764	1,642,004	2,022,351	2,675,982	4,174,872
Total general fund	\$ 1,135,824	\$ 1,299,182	\$ 1,116,900	\$ 932,388	\$ 1,021,524	\$ 1,494,361	\$ 1,957,009	\$ 2,319,572	\$ 3,063,473	\$ 4,605,647
All other governmental funds										
Reserved	\$ 4,974,395	\$ 4,444,152	\$ 4,533,125	\$ 2,426,766	\$ 2,853,815	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	605,645	1,748,934	882,638	1,003,948	1,027,279	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	515	-	-	-
Restricted	-	-	-	-	-	143,919	145,608	153,316	2,601,323	135,599
Committed	-	-	-	-	-	2,082,265	2,236,855	1,984,022	3,301,212	6,438,705
Assigned	-	-	-	-	-	1,433,810	1,310,650	1,402,256	1,158,717	1,407,111
Total of all other governmental funds	\$ 5,580,040	\$ 6,193,086	\$ 5,415,763	\$ 3,430,714	\$ 3,881,094	\$ 3,659,994	\$ 3,693,628	\$ 3,539,594	\$ 7,061,252	\$ 7,981,415

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes and Impact Fees	\$ 4,390,097	\$ 3,164,965	\$ 3,576,498	\$ 4,748,305	\$ 5,030,226	\$ 5,108,891	\$ 5,287,922	\$ 6,066,305	\$ 8,691,142	\$ 11,854,063
Licenses and permits	859,251	594,967	362,823	369,179	397,676	348,704	311,574	437,671	629,638	1,029,753
Intergovernmental	461,473	657,631	576,069	1,191,114	99,499	108,118	86,319	238,962	397,246	1,276,205
Charges for services	234,317	981,874	613,685	111,773	114,445	117,303	138,125	143,044	148,164	153,384
Fines	166,738	175,676	144,515	199,991	170,647	159,002	164,833	170,871	187,039	249,393
Investment earnings	260,008	362,983	198,904	42,695	10,635	14,705	15,411	7,362	29,615	48,372
Miscellaneous	3,252,617	772,562	217,409	101,144	103,989	107,848	146,815	178,991	143,822	648,687
Total revenues	9,624,501	6,710,658	5,689,903	6,764,201	5,926,817	5,964,571	6,150,999	7,243,206	10,226,666	15,259,857
<b>Expenditures</b>										
General government	945,495	1,110,438	1,136,935	1,430,492	1,176,268	1,059,884	1,299,466	1,745,644	2,013,681	2,120,898
Public safety	2,089,142	2,053,556	2,123,736	2,153,198	2,164,212	2,107,193	2,174,095	2,190,954	2,393,303	2,699,483
Public works	699,887	807,155	695,554	801,422	847,105	688,699	687,029	725,448	1,138,594	1,168,995
Health & Welfare	73,744	74,408	310,137	368,531	95,917	95,010	96,785	174,160	141,181	154,023
Economic Development	14,389	11,561	86,964	36,121	18,905	70,334	65,143	72,636	176,249	177,493
Parks and Open Space	346,286	261,401	13,844	82,178	366,645	317,802	408,546	467,477	532,995	719,125
Capital Outlay	3,934,894	1,904,188	1,484,456	3,496,310	291,454	671,586	657,101	1,375,169	2,833,046	5,234,670
Debt service										
Interest	113,598	120,130	267,399	375,959	392,391	78,720	419,743	61,608	131,175	163,244
Principal	126,148	242,369	337,526	111,070	85,083	500,245	69,827	250,424	344,939	264,848
Debt Issuance Costs									62,443	-
Total expenditures	8,343,583	6,585,206	6,456,551	8,855,281	5,437,980	5,589,473	5,877,735	7,063,520	9,767,606	12,702,779
Excess of revenues over (under) expenditures	1,280,918	125,452	(766,648)	(2,091,080)	488,837	375,098	273,264	179,686	459,060	2,557,078
<b>Other financing sources (uses)</b>										
Proceeds from capital lease	216,806	289,470	-	73,788	43,176	-	251,889	-	-	-
Proceeds from sale of capital assets	8,000	435,172	-	13,174	18,992	-	-	-	-	-
Operating transfers in	568,055	2,429,081	686,541	2,595,513	505,906	969,108	599,577	1,343,895	3,180,869	4,269,478
Operating transfers out	(568,055)	(2,502,771)	(879,499)	(3,031,253)	(683,357)	(1,092,469)	(628,448)	(1,315,052)	(3,199,734)	(4,364,219)
Proceeds from Bond Issuance	-	-	-	-	-	-	-	-	3,795,000	-
Premium on Issuance of Debt	-	-	-	-	-	-	-	-	30,364	-
Total other financing sources (uses)	224,806	650,952	(192,958)	(348,778)	(115,283)	(123,361)	223,018	28,843	3,806,499	(94,741)
Net changes in fund balance	\$ 1,505,724	\$ 776,404	\$ (959,606)	\$ (2,439,858)	\$ 373,554	\$ 251,737	\$ 496,282	\$ 208,529	\$ 4,265,559	\$ 2,462,337
Debt service as a percentage of noncapital expenditures	5.44%	7.74%	12.17%	9.09%	9.28%	11.77%	9.38%	5.49%	6.93%	5.65%

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**General Governmental Tax Revenues By Source**  
**Last Ten Years**

Year	Property	Specific					Cigarette	Total
	Tax	Franchise	Ownership	Sales & Use	Severance	Tax		
2006	587,209	286,774	59,995	3,435,669	6,887	6,627	6,936	4,390,097
2007	669,800	298,464	66,843	2,092,729	4,666	9,863	22,600	3,164,965
2008	778,804	327,495	72,898	2,308,510	27,484	14,116	35,374	3,564,681
2009	802,141	339,903	64,239	2,097,477	100,311	15,512	297,052	3,716,635
2010	886,060	343,974	55,890	2,301,440	30,009	17,135	407,823	4,042,331
2011	810,956	338,780	57,189	2,518,329	119,510	16,866	331,032	4,192,662
2012	918,897	380,273	71,475	2,683,817	163,361	15,683	290,911	4,524,417
2013	1,004,357	396,128	64,770	2,973,413	157,655	15,382	542,418	5,154,123
2014	946,639	406,612	77,454	4,692,078	325,426	16,192	623,990.25	7,088,392
2015	1,670,111	435,073	66,868	5,448,691	354,052	17,402	646,521.43	8,638,718

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone  
Sales Tax Trends  
Last Ten Years**

Sales Tax Trends by Category (based on month distributed to the Town)												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Ten Year Change	
Motor Vehicle Taxes	\$ 334,852	\$ 406,068	\$ 386,064	\$ 321,078	\$ 357,742	\$ 387,137	\$ 465,971	\$ 482,771	\$ 576,613	\$ 751,155	\$	416,303
Hotel/Motels	15,671	18,712	17,136	21,026	21,148	43,089	58,818	75,068	144,952	141,172		125,501
Restaurants	167,167	219,181	231,424	234,598	224,575	300,907	314,609	337,268	599,105	638,306		471,139
Retail - Grocery	167,114	184,639	194,180	193,522	218,648	228,005	242,623	269,046	400,796	433,788		266,674
Retail - Other	227,121	444,138	419,858	422,475	471,706	496,001	485,988	516,102	1,117,043	1,241,644		1,014,523
Bars/Liquor Stores	62,758	59,547	57,872	60,413	48,599	46,043	72,168	70,579	117,811	126,508		63,750
Other	39,607	43,458	27,086	29,591	50,620	33,044	38,958	42,593	100,965	99,141		59,534
Services	15,646	16,030	41,039	3,788	35,431	52,892	57,375	35,848	67,023	72,966		57,320
Banking & Financial	3,691	2,442	3,641	287,696	3,857	3,623	5,162	23,949	70,361	72,858		69,167
Utilities & Communications	230,405	237,002	296,026	23,131	282,124	317,038	321,785	357,889	529,765	568,173		337,768
Developer Reimbursement Obligation <sup>(1)</sup>			410,064	245,330	364,449	442,804	459,034	483,325	525,090	564,623		564,623
<b>TOTAL</b>	<b>\$ 1,264,032</b>	<b>\$ 1,631,217</b>	<b>\$ 2,084,390</b>	<b>\$ 1,842,649</b>	<b>\$ 2,078,898</b>	<b>\$ 2,350,581</b>	<b>\$ 2,522,492</b>	<b>\$ 2,694,438</b>	<b>\$ 4,249,525</b>	<b>\$ 4,710,334</b>	<b>\$</b>	<b>3,446,302</b>

<sup>(1)</sup>Pledged revenues from sales tax for PIRA and RIFA agreements starting in 2008.

**Town of Firestone**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Years**

Firestone									
Year <sup>(1)</sup>	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land	Other		
2006	47,042,840	14,696,740	3,838,940	135,220	23,456,920	6,667,570	2,320,560		
2007	52,972,210	25,039,490	3,683,470	487,530	21,287,630	10,128,730	2,394,650		
2008	56,691,790	28,328,410	3,279,170	473,220	18,614,800	10,141,940	2,567,110		
2009	51,011,620	34,465,300	3,161,300	240,660	32,362,330	9,686,070	1,715,250		
2010	52,952,710	33,976,600	3,048,150	298,360	16,447,950	8,879,080	1,257,870		
2011	55,888,650	32,207,030	2,881,190	363,320	32,865,700	6,997,120	1,103,910		
2012	57,283,090	34,718,800	3,627,570	466,950	39,194,150	6,309,850	1,206,760		
2013	56,630,930	36,827,340	3,838,980	526,100	31,052,063	5,345,770	1,414,580		
2014	58,161,240	37,162,960	3,862,400	589,250	40,321,950	5,013,430	2,177,530		
2015	74,765,710	37,099,070	4,784,810	728,010	44,078,640	5,977,080	3,408,770		
Year <sup>(1)</sup>	Less:		Grand		Assessed				
	Tax Exempt		Total		Value				
	Real	Property	Total	Estimated	as a	Percentage			
	Property	Assessed	Direct Tax	Taxable	of Actual	Value <sup>(2)</sup>			
2006	1,545,820	96,612,970	6.929	714,755,270	13.73%				
2007	1,661,280	114,332,430	6.805	835,545,237	13.88%				
2008	1,888,420	118,208,020	6.805	858,575,320	13.99%				
2009	2,402,890	132,642,530	6.805	857,705,156	15.74%				
2010	4,646,970	116,860,720	6.805	865,276,097	14.04%				
2011	4,578,130	132,306,920	6.805	908,144,710	15.07%				
2012	11,135,130	142,807,170	6.805	967,639,313	15.91%				
2013	10,905,230	135,635,763	6.805	953,953,862	15.36%				
2014	12,263,170	147,288,760	6.805	1,001,239,462	15.94%				
2015	13,207,650	170,842,090	6.805	1,219,182,510	15.10%				

Sources: Weld County Assessor's Office

<sup>(1)</sup>Taxes for the year assessed are collected in the following year. For example: 2006 assessed will be collected in 2007 calendar year.

<sup>(2)</sup>Includes tax-exempt property

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Property Tax Levy from Direct and Overlapping Governments**  
**Last Ten Years**

Weld County <sup>(2)</sup>															
		Frederick		Mountain		N. Colo.									
Town of		Weld	RE1J School	Fire Protection	Fire Protection	View	Water	Hills Metro	Hills Metro	Hills Metro	Hills Metro	#3	Metro		
Year	Firestone	County	District	District	District	District	District	District	District	District	District	District	District	District	District
Rates (In mills)															
2005	7.049	17.900	39.982	9.560	8.037	1.000	1.000	40.000	40.000	40.000	40.000	40.000	40.190	40.190	40.190
2006	6.929	16.804	38.035	13.360	7.977	1.000	1.000	40.000	40.000	40.000	40.000	40.000	40.190	40.190	40.190
2007	6.805	16.804	37.798	12.770	7.817	1.000	1.000	40.000	40.000	40.000	40.000	40.000	40.190	40.190	40.190
2008	6.805	16.804	46.285	12.526	11.747	1.000	1.000	-	-	-	-	-	40.190	40.190	40.190
2009	6.805	16.804	46.268	12.401	11.747	1.000	1.000	-	-	-	-	-	-	-	-
2010	6.805	16.804	46.268	12.401	11.747	1.000	1.000	-	-	-	-	-	-	-	-
2011	6.805	16.804	47.614	12.264	11.747	1.000	1.000	-	-	-	-	-	-	-	-
2012	6.805	16.804	53.500	12.197	11.747	1.000	1.000	-	-	-	-	-	45.000	45.000	45.000
2013	6.805	16.804	53.679	12.277	11.747	1.000	1.000	-	-	-	-	-	50.000	50.000	50.000
2014	6.805	15.800	53.673	12.250	11.747	1.000	1.000	-	-	-	-	-	50.000	50.000	50.000
2015	6.805	15.800	53.887	12.121	11.747	1.000	1.000	-	-	-	-	-	50.000	50.000	50.000
Levy															
2005	587,095	64,714,321	19,653,853	1,564,289	82,889	2,771,826	10,940	758	6	15,144	15,144	15,144	15,144	15,144	15,144
2006	669,431	70,643,162	21,713,602	3,092,694	82,889	3,190,486	43,137	24,148	6,440	21,660	21,660	21,660	21,660	21,660	21,660
2007	778,032	75,088,043	24,691,076	3,403,049	3,148,362	3,434,059	50,232	19,772	4,430	61,260	61,260	61,260	61,260	61,260	61,260
2008	804,406	76,724,097	31,603,051	3,650,649	5,047,144	3,499,354	-	-	-	31,935	31,935	31,935	31,935	31,935	31,935
2009	902,632	96,972,420	36,441,473	4,025,507	6,115,352	4,203,631	-	-	-	-	-	-	-	-	-
2010	794,109	78,999,116	35,375,547	3,905,196	5,838,491	3,503,408	-	-	-	-	-	-	-	-	-
2011	900,349	91,108,983	40,102,826	4,247,291	6,544,045	3,908,165	-	-	-	-	-	-	-	-	-
2012	971,803	109,452,573	49,869,514	4,585,839	7,402,993	4,450,703	-	-	-	-	-	-	10,998	10,998	10,998
2013	923,001	119,624,895	48,706,721	4,226,871	7,291,077	4,418,338	-	-	-	-	-	-	10,661	10,661	10,661
2014	1,002,300	144,332,489	46,765,496	4,285,576	7,254,823	4,821,505	-	-	-	-	-	-	7,854	7,854	7,854
2015	1,162,584	183,013,126	62,841,498	5,118,050	11,205,605	5,983,037	-	-	-	-	-	-	12,385	12,385	12,385

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Property Tax Levy from Direct and Overlapping Governments**  
**Last Ten Years**

Weld County <sup>(2)</sup>																		
Year	The Springs		Cottonwood		Stoneridge		Neighbor's		Tri-Area		St. Vrain		Tri-Area		Carbon		High	
	Metro	District	Hollow Res	Metro Dist	Hollow Com	Metro Dist	Metro	Metro Dist	Point	Sanitation <sup>(3)</sup>	Sanitation	District	Ambulance	Special	Valley	Recreation	Library	District <sup>(5)</sup>
Rates (In mills)																		
2005	-		5,000		-	40,000		-		0.117	3,918	3,250	6,657		6,657		3,281	
2006	42,000		40,000		40,000	40,000		-		-	3,210	-	6,657		6,657		3,261	
2007	42,000		40,000		40,000	40,000		45,000		-	2,686	-	6,657		6,657		3,253	
2008	42,000		40,000		40,000	40,000		45,000		-	0,806	-	6,657		6,657		3,260	
2009	42,000		40,000		40,000	40,000		45,000		-	0,737	-	6,657		6,657		3,255	
2010	42,000		40,000		40,000	40,000		45,000		-	0,737	-	6,657		6,657		3,255	
2011	42,000		50,000		50,000	50,000		45,000		-	0,720	-	6,657		6,657		3,271	
2012	42,000		50,000		50,000	50,000		45,000		-	0,682	-	6,657		6,657		3,261	
2013	42,000		50,000		50,000	50,000		45,000		-	0,680	-	6,657		6,657		3,264	
2014	42,000		50,000		46,000	50,000		45,000		-	0,685	-	6,710		6,710		3,267	
2015	42,000		50,000		46,000	50,000		50,000		-	0,585	-	6,794		6,794		3,308	
Levy																		
2005	-		78		-	770		-		5,562	682,260	611,522	1,356,335		1,561,222		10,591,984	
2006	564		9,678		3,987	49,218		-		-	698,882	-	1,561,222		1,561,222		12,141,237	
2007	561		9,866		3,476	210,028		28,044		-	739,139	-	1,771,833		1,771,833		12,738,340	
2008	5,770		16,168		1,575	332,159		27,933		-	312,351	-	1,801,510		1,801,510		13,028,371	
2009	52,188		20,123		2,326	334,662		20,849		-	322,948	-	1,994,957		1,994,957		16,628,403	
2010	64,476		10,723		1,594	317,757		38,992		-	324,544	-	2,017,502		2,017,502		13,310,811	
2011	48,718		16,046		1,764	344,959		37,829		-	346,249	-	2,489,088		2,489,088		15,748,036	
2012	42,752		15,826		1,404	353,401		37,813		-	370,878	-	2,757,648		2,757,648		19,077,319	
2013	45,866		14,788		1,172	334,538		14,470		-	338,142	-	2,601,313		2,601,313		21,087,951	
2014	36,229		39,442		1,081	334,721		3,179		-	331,442	-	2,635,757		2,635,757		27,510,678	
2015	14,706		7,131		2,382	412,867		25,873		-	361,778	-	4,501,590		4,501,590		35,346,692	

<sup>(1)</sup>One mill generates \$1 of property tax revenue per \$1,000 of assessed valuation

<sup>(2)</sup>Weld County Assessor's Office

<sup>(3)</sup>No longer collects on property within the Town's boundaries.

<sup>(4)</sup>Taxes for the year assessed are collected in the following year. The mills that are stated were collected in the following year. Collection year follows levy year.

<sup>(5)</sup>Formerly known as the Weld County Library District..



**Town of Firestone**  
**Principal Taxpayers**  
**Last Seven Fiscal Years**

Taxpayer	Town of Firestone <sup>(1)</sup>			Town of Firestone <sup>(1)</sup>			Town of Firestone <sup>(1)</sup>		
	2015			2014			2013		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers									
Synergy Resources Corp	19,253,960	1	1.58%						
Encana Oil & Gas (USA) Inc	12,420,520	2	1.02%	16,110,760	2	1.69%	8,262,352	3	0.87%
Kerr-McGee Oil & Gas Onshore LP	\$ 11,470,150	3	0.94%	\$ 17,607,830	1	1.85%	\$ 13,887,490	1	1.46%
American Furniture Warehouse	7,528,220	4	0.62%	7,620,620	3	0.80%	8,969,660	2	0.94%
Advance Forming Technology	4,019,950	5	0.33%	2,218,510	4	0.23%	2,218,510	7	0.23%
Dillon Companies Inc	1,821,180	6	0.15%	1,900,190	6	0.20%	1,900,190	9	0.20%
High Plains Marketplace LLC	1,782,980	7	0.15%	1,698,220	7	0.18%			
Home Depot	1,710,930	8	0.14%	2,022,000	5	0.21%	2,022,000	8	0.21%
Firestone Development LLC	1,588,260	9	0.13%	1,573,930	8	0.16%			
Sunsecured Financing LLC	1,514,370	10	0.12%						
Flatiron Constructors Inc.				693,570	10	0.07%	2,679,380	6	0.28%
Safeway Stores 45 Inc				1,211,960	9	0.13%			
Noble Energy							3,121,404	4	0.33%
Sundance Energy							1,711,990	10	0.18%
Top Operating Company							2,719,827	5	0.29%
	<u>\$ 63,110,520</u>		<u>5.18%</u>	<u>\$ 52,657,590</u>		<u>5.52%</u>	<u>\$ 47,492,803</u>		<u>4.98%</u>

Sources: Weld County Assessor's Office

<sup>(1)</sup>Town of Firestone information not available from 2000 to 2008

See accompanying Independent Auditor's Report.

Town of Firestone <sup>(4)</sup>			Town of Firestone <sup>(4)</sup>			Town of Firestone <sup>(4)</sup>			Town of Firestone <sup>(4)</sup>		
2012			2011			2010			2009		
Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
11,251,750	2	1.16%	9,134,110	2	1.01%	7,550,890	2	0.87%	6,312,800	3	0.74%
\$ 19,270,370	1	1.99%	\$ 13,634,890	1	1.50%	\$ 4,132,240	3	0.48%	\$ 18,637,120	1	2.17%
7,139,730	3	0.74%	7,259,000	4	0.80%	8,206,440	1	0.95%	8,386,060	2	0.98%
1,950,070	8	0.20%	1,843,930	7	0.20%	1,924,860	7	0.22%	1,924,860	6	0.22%
2,015,450	7	0.21%	2,015,450	6	0.22%	2,114,480	5	0.24%	1,471,500	8	0.17%
1,781,700	9	0.18%	1,781,700	8	0.20%	1,783,920	8	0.21%	1,783,920	7	0.21%
2,069,680	6	0.21%	2,069,680	5	0.23%	2,041,380	6	0.24%			
1,512,230	10	0.16%	1,413,050	9	0.16%	1,313,120	10	0.15%	1,160,000	10	0.14%
3,109,300	5	0.32%									
			1,319,240	10	0.15%	1,471,500	9	0.17%	1,160,000	9	0.14%
5,282,340	4	0.55%	7,957,760	3	0.88%	3,475,880	4	0.40%	5,389,210	4	0.63%
									2,114,480	5	0.25%
<u>\$ 55,382,620</u>		<u>5.72%</u>	<u>\$ 48,428,810</u>		<u>5.33%</u>	<u>\$ 34,014,710</u>		<u>3.93%</u>	<u>\$ 48,339,950</u>		<u>5.65%</u>

**Town of Firestone**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Levy Year	Collection Year	Total Tax Levy <sup>(1)(2)</sup>	Current Tax Collections	Percent of Levy Collected <sup>(5)</sup>	Delinquent Tax Collections	Total Tax Collection <sup>(3)</sup>	Collections As a Percent of Tax Levy <sup>(5)</sup>
2006	2007	669,431	667,785	99.75	125	667,910	99.77
2007	2008	797,602	775,686	97.25	676	776,362	97.34
2008	2009	804,405	801,808	99.68	18	801,826	99.68
2009	2010	902,633	885,585	98.11	512	886,097	98.17
2010	2011	794,109	794,415	100.04	1,105	795,520	100.18
2011	2012	898,148	897,551	99.93	334	897,885	99.97
2012	2013	968,422	964,774	99.62	859	965,633	99.71
2013	2014	920,014	914,425	99.00	375	914,800	99.00
2014	2015	932,961	990,714	106.00	1,223	991,937	106.00
2015	2016	1,113,383	<sup>4</sup>	-	<sup>4</sup>	-	

<sup>(1)</sup> Collection year follows levy year

<sup>(2)</sup> Weld County Assessor's Office

<sup>(3)</sup> Audited Financial Statements

<sup>(4)</sup> Information unavailable

<sup>(5)</sup> Amounts showing greater than 100% collected include previous year abatements that were overruled.

See accompanying Independent Auditor's Report.

Town of Firestone  
Ratios of Outstanding Debt by Type  
Last Ten Years

Fiscal Year	Governmental Activities					Business - Type Activities				Weld County		
	General	Sales Tax	Certificates	Capital	Developer	Water Loans	Capital Leases	Developer Reimbursement Obligation	Total Primary Government	Percentage of Personal Income	Per Capita	
	Obligation	Revenue	of	Reimbursement								
	Bond	Bonds	Participation	Obligation								
2006	415,000		1,985,000	309,558	-	-	38,881	-	2,748,439	47.06%	\$ 312	
2007	365,000		1,920,000	471,659	-	-	72,178	-	2,828,837	47.78%	\$ 318	
2008	315,000		1,850,000	324,260	-	-	36,041	-	2,525,301	37.25%	\$ 281	
2009	260,000		1,775,000	221,009	556,324	-	23,891	462,444	3,298,668	46.67%	\$ 362	
2010	200,000		1,700,000	147,022	417,050	-	27,892	297,266	2,789,230	40.27%	\$ 275	
2011	135,000		1,620,000	47,476	158,521	-	16,052	112,991	2,090,040	30.18%	\$ 188	
2012	70,000		1,535,000	190,966	-	-	34,740	-	1,830,706	23.61%	\$ 180	
2013	-		1,445,000	100,542	-	-	15,782	-	1,561,324	18.70%	\$ 148	
2014	-	3,620,000	1,355,000	20,603	-	-	-	-	4,995,603	55.45%	\$ 447	
2015	-	3,470,000	1,260,000	755	-	-	-	-	4,730,755	44.06%	\$ 411	

Note: Details regarding the town's outstanding debt can be found in the notes to the financial statements.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Years**

Year	Population <sup>(1)</sup>	Estimated Actual Taxable Value <sup>(2)</sup>	General Bonded Debt <sup>(3)</sup>	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2006	8,800	714,755,270	415,000	5.81%	47
2007	8,900	835,545,237	365,000	4.37%	41
2008	9,000	858,575,320	315,000	3.67%	35
2009	9,100	857,705,156	260,000	3.03%	29
2010	10,147	865,276,097	200,000	2.31%	20
2011	11,096	908,144,710	135,000	1.49%	12
2012	10,147	967,639,313	70,000	0.72%	7
2013	10,555	953,953,862	-	0.00%	-
2014	11,175	1,001,239,462	-	0.00%	-
2015	11,524	1,219,182,510	-	0.00%	-

Sources:

<sup>(1)</sup> Dept. of Local Affairs/Town of Firestone

<sup>(2)</sup> Weld County Assessor's Office

<sup>(3)</sup> General obligation bond debt equal to gross general obligation bond debt less obligations associated with proprietary funds. In this table the gross general obligation debt is equal to net general obligation bond debt.

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Direct and Overlapping General Bonded Debt**  
**December 31, 2015**

	<b>Outstanding General Obligation Bonded Debt<sup>(1)</sup></b>	<b>Percentage Applicable to the Town</b>	<b>Share of Debt Applicable to the Town</b>
Direct Debt			
Town of Firestone	\$ 4,730,755	100%	\$ 4,730,755
Total Direct Debt	<u>4,730,755</u>		<u>4,730,755</u>
Overlapping General Obligation Debt			
Frederick-Firestone Fire Protection District	\$ 2,020,525	40%	\$ 817,509
Carbon Valley Recreation District	5,025,000	26%	1,295,653
St Vrain Valley School District	392,648,205	7%	28,079,503
Total Overlapping General Bonded Debt	<u>399,693,730</u>		<u>30,192,666</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 404,424,485</u>		<u>\$ 34,923,421</u>

<sup>(1)</sup> Provided by each government entity

See accompanying Independent Auditor's Report.

Town of Firestone  
Pledged Revenue - Developer Reimbursement Obligations  
December 31, 2015

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Fiscal Year	Sales Tax Collected		Assets Dedicated		Debt Service Payments	
	PIRA 1.25%	RIFA 0.25%	General Fund	Enterprise Fund	General Fund	Enterprise Fund
2006	35,718	-	149,224	512,825	8,051	27,667
2007	183,734	-	693,129	-	114,206	69,528
2008	190,613	-	-	235,831	94,850	95,763
2009	228,931	16,399	-	83,155	68,921	176,409
2010	303,707	60,742	-	59,997	139,274	225,175
2011	369,003	73,801	-	-	258,530	184,275
2012	382,529	76,506	-	-	158,521	112,991
2013	402,771	80,554	-	-	483,325	-
2014	437,575	87,515	-	-	525,090	-
2015	470,519	94,104	1,479,388	1,396,328	564,623	-

See accompanying Independent Auditor's Report.

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Town of Firestone  
Legal Debt Margin Information  
Last Ten Years

	2006	2007	2008	2009
Debt limit - 3% of Actual Valuation	\$ 21,442,658	\$ 25,066,357	\$ 25,757,260	\$ 25,731,155
Total net debt applicable to limit	415,000	365,000	315,000	260,000
Legal debt margin	\$ 21,027,658	\$ 24,701,357	\$ 25,442,260	\$ 25,471,155
Total net debt applicable to the limit as a percentage of debt limit	1.94%	1.46%	1.22%	1.01%

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

2010	2011	2012	2013	2014	2015
\$ 25,958,283	\$ 27,244,341	\$ 29,029,179	\$ 28,618,616	\$ 30,037,184	\$ 36,575,475
200,000	135,000	70,000	-	-	-
\$ 25,758,283	\$ 27,109,341	\$ 28,959,179	\$ 28,618,616	\$ 30,037,184	\$ 36,575,475
0.77%	0.50%	0.24%	0.00%	0.00%	0.00%

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Demographic and Economic Statistics**  
**Last Ten Years**

Weld County <sup>(1)</sup>						
Year	Town Population	Personal Income (amounts expressed in thousands)	Per Capita Income <sup>(3)</sup>	Median Age	School Enrollment <sup>(5)</sup>	Unemploy- ment Rate <sup>(2)</sup>
2006	8,800	5,840,000	25,260	31.2	24,462	3.8
2007	8,900	5,920,000	25,495	31.2	24,582	4.1
2008	9,000	6,780,196 <sup>(4)</sup>	27,238	31.1	24,750	6.3
2009	9,100	7,067,989 <sup>(4)</sup>	25,516 <sup>(4)</sup>	31.1	25,270	8.6
2010	10,147	6,926,000	27,186	31.1	26,724	10.0
2011	11,096	6,925,906	27,186	32.0	28,109	7.8
2012	10,147	7,755,562	29,986	33.6	28,109	9.3
2013	10,555	8,347,637	29,986	33.7	29,382	8.7
2014	11,175	9,008,919	31,657	33.7	30,017	5.9
2015	11,524	10,735,917	38,664	33.7	31,776	3.7

Sources: U.S. Census Bureau  
Upstate Colorado  
Bureau of Economic Analysis  
Department of Local Affairs  
Colorado State of Labor  
St. Vrain Valley School District

<sup>(1)</sup> This information is for the entire county

<sup>(2)</sup> Estimate from Upstate Colorado

<sup>(3)</sup> Estimate from Colorado Labor & Employment

<sup>(4)</sup> From Bureau of Economic Analysis

<sup>(5)</sup> From St Vrain Valley School District

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Principal Employers**  
**Current Year and Ten Years Ago**

Employer	2015				2006 <sup>(1)</sup>		
	Employees	Rank	Type of Business	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
American Furniture Warehouse	278	1	Retail	18.51%	-		
King Soopers Store - Firestone	155	2	Grocery	10.32%			
Advanced Forming Technologies	128	3	Manufacturing Home	8.52%	-		
Home Depot	126	4	Improvement	8.39%	-		
Safeway Store - Firestone	90	5	Grocery	5.99%	-		
Coal Ridge Middle School	71	6	Education	4.73%	-		
Ehrlich I-25 KIA	55	7	Automobile	3.66%	-		
Town of Firestone	52	8	Government	3.46%	-		
Encana	50	9	Oil & Gas	3.33%	-		
Century RV	35	10	Automobile	2.33%	-		
Centennial Elementary	30	11	Education	2.00%	-		
Del Taco	30	12	Fast Food	2.00%	-		
Popeye's	30	13	Fast Food	2.00%	-		
Prairie Ridge Elementary	30	14	Education	2.00%	-		
Saddleback Square	26	14	Fast Food	1.73%	-		
<b>Total</b>	<b>1,186</b>			<b>78.96%</b>	<b>-</b>		<b>0.00%</b>
Total Town Employment (estimated)	1,502						

Source: Firestone Finance Department & Planning Department

<sup>(1)</sup>Information not available

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Property Value and Construction**  
**Last Ten Years**

Year	Estimated Actual Property Value <sup>(1)</sup>			Commercial Construction <sup>(2)</sup>		Residential Construction <sup>(2)</sup>	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2006	50,678,496	590,991,630	641,670,126	7	16,854,860	198	47,651,559
2007	86,343,240	665,396,492	751,739,732	9	12,438,302	141	37,400,819
2008	97,684,172	712,208,417	809,892,589	4	6,342,700	72	18,949,677
2009	118,845,898	640,800,521	759,646,419	5	748,532	123	22,303,024
2010	117,160,690	665,235,050	782,395,740	2	1,088,501	87	19,037,912
2011	111,058,853	702,135,833	813,194,686	6	305,850	134	12,069,990
2012	119,719,877	719,652,488	839,372,365	2	869,400	71	12,922,858
2013	126,990,855	711,483,814	838,474,669	7	4,625,128	78	20,178,465
2014	128,148,022	730,710,535	858,858,557	5	2,289,245	132	37,324,080
2015	127,927,625	939,194,775	1,067,122,400	16	5,428,715	221	56,330,300

Source:

<sup>(1)</sup>Weld County Assessor's Office

<sup>(2)</sup>Town of Firestone Building Department (Safebuilt)

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Full-Time Equivalent Town Government Employees by Function**  
**Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Function</b>										
General Government	9.00	9.00	9.00	9.00	8.00	9.00	12.00	12.00	15.00	8.30
Public Safety										
Police	22.00	23.00	24.00	23.00	23.00	20.00	18.00	19.00	22.00	23.00
CSO	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development	10.00	10.00	11.00	13.00	14.00	11.00	12.00	13.00	13.00	19.40
Water	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.50
<b>Total</b>	<b>45.00</b>	<b>46.00</b>	<b>48.00</b>	<b>48.00</b>	<b>48.00</b>	<b>43.00</b>	<b>45.00</b>	<b>48.00</b>	<b>54.00</b>	<b>55.20</b>

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

**Town of Firestone**  
**Miscellaneous Statistics**  
**Last Eight Years**

Date of Incorporation 1908  
Form of Government Trustees & Town Manager

	2008	2009	2010	2011	2012	2013	2014	2015
Number of Employees								
Non-Exempt (Hourly)	37	40	40	35	37	38	44	45
Exempt (Salary)	9	8	8	8	8	10	10	13
Planning area in square miles	20	20	26	47	47	56	56	56
Town of Firestone's facilities and services								
Miles of streets	74	74	74	74	74	74	74	74
Parks:								
Number of parks	18	18	18	18	18	18	18	18
Number of park, open space, and undeveloped acres maintained	998	998	998	998	998	998	998	998
Number of trail & sidewalk miles maintained	5	5	5	5	5	5	18	18
Police Protection:								
Number of stations	1	1	1	1	1	1	1	1
Number of police personnel and officers	26	25	23	22	23	23	23	25
Number of patrol units	12	15	15	16	16	16	17	14
Water System:								
Linear Feet of water lines maintained	124,768	124,768	124,768	308,051	307,824	288,482	288,482	288,482
Number of customer accounts	3,071	3,125	3,219	3,293	3,344	3,435	3,533	3,763
Services not included in the reporting entity:								
Fire Protection Districts - Frederick Firestone Fire Protection District	1	1	1	1	1	1	1	1
No municipal electricity services - (Xcel Energy or United Power)	-	-	-	-	-	-	-	-
No municipal gas services - (Source Gas)	-	-	-	-	-	-	-	-
No municipal sewer services - (St. Vrain Sanitation District)								
School Districts - St Vrain Valley School District & Weld County School District RE-1	2	2	2	2	2	2	2	2

Source: Town of Firestone Finance Department

See accompanying Independent Auditor's Report.

## **COMPLIANCE**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:	Town of Firestone
		YEAR ENDING :	December 2015
This Information From The Records Of (example - City of _ or County of _) Town of Firestone		Prepared By: Phone:	Alison Westerhold 303-531-6256

**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	
3. Other local imposts (from page 2)	1,507,578
4. Miscellaneous local receipts (from page 2)	442,697
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)	1,950,275
<b>B. Private Contributions</b>	
<b>C. Receipts from State government</b> (from page 2)	1,131,822
<b>D. Receipts from Federal Government</b> (from page 2)	2,159
<b>E. Total receipts (A.7 + B + C + D)</b>	3,084,256

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	4,264,700
2. Maintenance:	541,156
3. Road and street services:	
a. Traffic control operations	32,936
b. Snow and ice removal	46,993
c. Other	77,999
d. Total (a. through c.)	157,928
4. General administration & miscellaneous	59,149
5. Highway law enforcement and safety	
6. Total (1 through 5)	5,022,933
<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>	5,022,933

**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
	2,287,410	3,084,256	5,022,933	348,733	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2015	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	1,502
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,305,278	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	153,384
5. Specific Ownership &/or Other	202,300	g. Other Misc. Receipts	287,811
6. Total (1. through 5.)	1,507,578	h. Other	
c. Total (a. + b.)	1,507,578	i. Total (a. through h.)	442,697
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	369,025	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	41,177	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	721,620	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	2,159
f. Total (a. through e.)	762,796	g. Total (a. through f.)	2,159
4. Total (1. + 2. + 3.f)	1,131,822	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		6,638	6,638
b. Engineering Costs		32,246	32,246
c. Construction:			
(1). New Facilities		30,002	30,002
(2). Capacity Improvements		1,601	1,601
(3). System Preservation		4,194,213	4,194,213
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	4,225,816	4,225,816
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,264,700	4,264,700
			(Carry forward to page 1)

Notes and Comments: