

TOWN OF HAYDEN, COLORADO

Financial Statements

December 31, 2012

TOWN OF HAYDEN, COLORADO

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Independent Auditor's Report

The Honorable Mayor and Town Council
Town of Hayden, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hayden, Colorado (the Town), as of and for the year ended December 31, 2012, 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 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 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, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hayden, Colorado as of December 31, 2012, 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.

Report on Summarized Comparative Financial Information

We have previously audited the Town's 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 2, 2012. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 3-16 and the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual on pages 41-44 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 the 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 accompany supplementary information in the table of contents (including combining financial statements, individual fund budgetary, and the Local Highway Finance Report) on Pages 44-55 are presented for purpose of additional analysis and are not a required part of the basic financial statements.

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Catterson + Company, P.C.

Steamboat Springs, Colorado
July 18, 2013



Town of Hayden, Colorado
Management's Discussion and Analysis
December 31, 2012

Purpose

The Town of Hayden's Management's Discussion and Analysis (MD&A) is designed to:

1. Assist the reader in focusing on significant financial issues.
2. Provide an overview of the Town's financial activity.
3. Identify changes in the Town's financial position.
4. Identify any material deviation from the budget.
5. Identify individual fund issues or concerns.
6. Focus on comparisons to prior year information

The MD&A is designed to focus on the report year's activities, resulting changes and currently known facts. Please read it in conjunction with the Town's Financial Statements.

Introduction

The Town of Hayden was incorporated in 1906 as a Statutory Municipality and in 2009 became a Home Rule Municipality. The Town of Hayden Home Rule Charter was adopted on July 21, 2009 and serves as a local constitution for self-government. The type of government is Council-Manager with the seven elected officials being responsible for all policy decisions that affect the Town's financial condition. The appointed Town Manager and senior staff members are responsible for preparing the annual budget, which is adopted by the Council on or before December 15th. The Town Manager and Finance Manager are responsible for financial reporting to the Town Council and to the public-at-large. The Town currently maintains four funds, which are as follows:

- General Fund
- Enterprise Fund
- Conservation Trust Fund
- Development Fees Fund

Also included in the Town's financial statements is one component unit, the Hayden Public Library Fund.

Financial Information

The Town's government-wide statements have been prepared using the economic resources measurement of focus and the accrual basis of accounting. The Town's fund financial statements for governmental funds have been prepared using the modified accrual basis of accounting. The Town's annual audit was prepared by an accounting firm (Catterson & Company, P.C.) with the contents of the audit meeting the requirements set forth by the Colorado State Auditor's Office. The financial system of the Town incorporates financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. To ensure budgeting controls, the Town Council approves all major budgetary changes by passage of a Resolution amending the budget.

Financial Highlights

During 2012, the operations of the Town of Hayden were funded primarily by tax generated revenue from the Town's 25.067 mill levy on the assessed value of property within the Town and by a 4% local sales tax. Property tax collections are based on property valuation from the preceding year, in other words property taxes collected in 2012 are based on valuations in 2011. In order to avoid a permanent mill levy decrease, the 2012 mill levy was certified for 25.067 (the same mill levy since 2005) and 3.688 mills were rebated to the taxpayers. Tax revenue from property tax in 2012 was \$512,541, a 3.8% decrease from 2011. The assessed valuation of property within the Town, as certified by the Routt County Assessor, decreased from \$30,092,831 in 2010 to \$24,275,190 in 2011. 2012 local sales tax revenues were \$806,688, a 2.6% (\$20,392) increase from 2011. For 2012 the sales tax revenues were budgeted at \$763,000 which was projected during budget preparation to be equal to the amount of sales taxes generated in 2011. The result is a positive variance of \$43,688. Sales tax revenues generated in 2012 continue to recover from the economic downturn, and the peak sales tax year of 2008 when approximately \$1.12 million was collected by the Town. Nearly one-half of sales tax revenues are associated with Yampa Valley Regional Airport activities.

Another significant General Fund revenue source to note is the 3.5% local Vehicle Rental Tax. The 2012 budget for this revenue was \$108,350 and the Town had actual revenues of \$119,628, a positive variance of \$11,278. The Vehicle Rental Tax was adopted by the Town in 2010, effective February 2011, and accounted for approximately eight percent of the General Fund taxes. Car rentals at the Yampa Valley Regional Airport account for most of this revenue.

The Enterprise Fund applied for and received a \$603,300 loan from Colorado Water Resources and Power Development Authority for planning and design of the mandated Sewer Outfall Project scheduled to be constructed in the fall of 2012. Loan proceeds are provided to the Town once expenses are incurred. This loan is described in further detail in the *Notes to Financial Statements* herein this Audit.

The assets of the Town, including governmental and business-type activities, exceed its liabilities at the close of the 2012 fiscal year by \$20,021,078 (net position). Of this amount, \$1,423,729 is unrestricted and may be used to meet the Town's future capital and operating expenses. \$97,075 is restricted and designated for specific activities allowed pursuant to Conservation Trust Fund and \$98,110 is reserved for emergencies as contained in TABOR and \$117,934 are reserved for future improvements as required through developer fees. The remaining amount is invested in capital assets.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Hayden's financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Hayden uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds

Most of the Town's basic services are reported in governmental funds, which focus on cash flows. The unrestricted balances left at year-end are available for spending in future years. The funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. **Modified accrual accounting records revenues when they are measurable and available and expenditures when incurred.** The governmental funds statements provide a detailed short-term view as to cash, operations, and basic services provided.

The Town of Hayden maintains one major governmental fund and three non-major governmental funds. Information is presented in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. Annual budget appropriations are adopted for each of these funds. Budgetary comparison statements are provided to demonstrate compliance with budgets.

Proprietary Funds

The Town's water, sewer and refuse services are reported in proprietary funds. They focus on operating income, changes in net position, financial position and cash flow. Enterprise funds are the only type of proprietary fund maintained by the Town and used to account for each of the Town's utilities. Enterprise funds are referred to as business-type activities in the government-wide financial statements.

Notes to the Financial Statement

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the Financial Statements can be found immediately after the basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Hayden's assets exceeded liabilities by \$20,021,078 at the close of 2012. Of this amount, \$1,423,729 is unrestricted and available to meet the Town's future capital and operating expenses; an increase above the previous year by approximately 0.2%. However, \$574,814 in unrestricted assets is revenue for a project loan for the Enterprise Fund's outfall project capital improvement. The Town's net investment in capital assets decreased in 2012 by approximately 5.7% with asset depreciation outpacing asset investment.

Statement of Net Position

	Governmental Activities	Business-Type Activities	2012 Totals	2011 Totals
Assets				
Current and Other Assets	1,966,449	1,173,566	3,140,015	1,984,000
Capital Assets	13,279,058	7,010,011	20,289,069	20,891,726
Total Assets	15,245,507	8,183,577	23,429,084	22,875,726
Liabilities				
Current Liabilities	145,864	102,423	248,647	730,643
Non current Liabilities	1,273,660	1,367,059	2,640,719	2,177,324
Total Liabilities	1,419,524	1,469,482	2,889,006	2,388,967
Deferred Inflows of Resources	519,000	0	519,000	519,000
Net position:				
Invested in Capital, net of debt	12,005,398	5,642,952	17,648,350	18,714,402
Restricted for Emergencies (TABOR)	98,110	0	98,110	143,000
Restricted for Open Space and Parks	97,075	0	97,075	78,970
Unrestricted	1,106,400	317,329	1,423,729	1,031,387
Total Net Position	13,306,983	6,714,095	20,021,078	19,967,759

The largest of the Town's net positions (approximately 88.2% of total net position) reflects its investment in capital assets (land, buildings and systems, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to residents and businesses; consequently, these assets are not available for future spending. \$98,110 is reserved for emergency purposes as required by TABOR and \$97,075 is restricted for open space and parks as accounted for in the Conservation Trust Fund. The remaining balance of net position of \$1,423,729 is unrestricted and may be used to meet the Town's future capital and operating expenses.

Statement of Activities

For 2012, total expense for Governmental activities exceeded revenues by \$38,014. Included in expenses is a transfer to the Enterprise Fund (\$136,159) to help defray the cost of water and sanitary sewer utilities to the Town’s customers; and, the sale of two General Fund vehicles, reducing the Town’s police department fleet. For Business-type activities (i.e. the Enterprise Fund) there was a net loss of (\$52,227), before plant investment (fee) contributions of \$7,200 and General Fund transfers of \$136,159, resulted in a change in net income of \$91,333. Federal mineral lease revenues accounted for \$38,470 of the General Fund transfers, and are not counted against the ten percent revenue limits per TABOR regulations for qualified enterprise funds. Excluding federal mineral lease contributions, 2012 General Fund contributions to the Enterprise Fund equal approximately 7.4% of the Enterprise Fund revenues.

The following condensed table of changes in net position illustrates changes in net position for Governmental Activities and Business-type Activities for 2012.

Statement of Activities

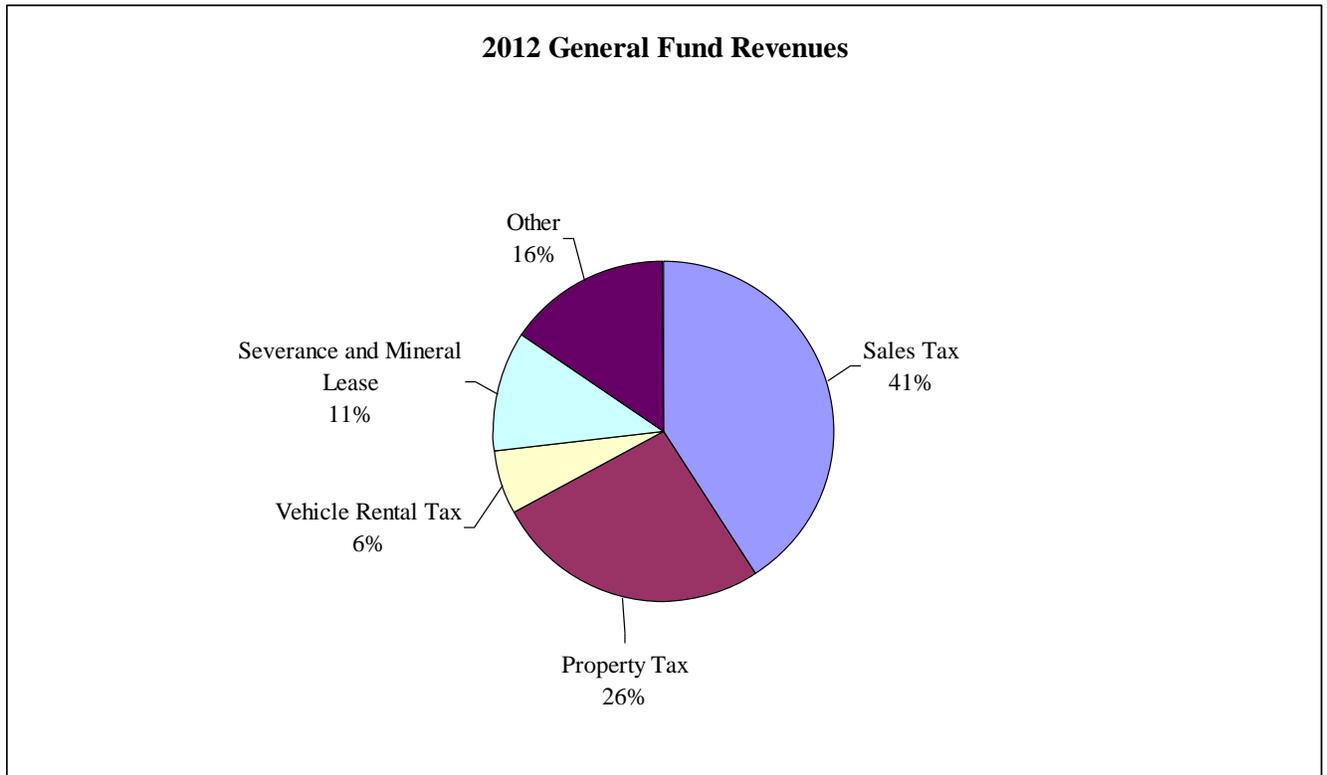
	All Governmental Activities	Business- Type Activities	2012 Totals	2011 Totals
Revenues				
Charges for Services	35,251	1,184,578	1,219,829	1,031,420
Grants & Contributions	18,024	7,200	25,224	611,134
Taxes	1,500,119	0	1,500,119	1,508,746
Intergovernmental Revenues	405,111	0	405,111	388,129
Sale of Capital Assets	11,785	0	11,785	0
Miscellaneous Income	120,049	0	120,049	13,185
Total Revenues	2,090,339	1,191,778	3,282,117	3,609,281
Expenses				
General Government	438,750		438,750	399,132
Public Safety	588,154		588,154	634,611
Streets & Mosquito Control	696,788		696,788	628,606
Parks	132,469		132,469	114,167
Recreation	48,618		48,618	45,150
Economic Development	10,429		10,429	510
Interest on general long-term debt	76,986		76,986	79,502
Water (1)		701,572	701,572	672,721
Sewer (1)		407,882	407,882	409,979
Refuse		127,350	127,350	124,841
Total Expenses	1,992,194	1,236,804	3,228,998	3,109,219

Excess Revenues over Expenses	98,145	(45,026)	53,119	500,062
Transfers	(136,159)	136,159	0	0
Change in Net Position	(38,014)	91,333	53,319	500,062
Net Position, Beginning	13,344,997	6,622,762	19,967,759	19,467,697
Net Position, End of Year	13,309,983	6,714,095	20,021,078	19,967,759

(1) Includes depreciation expense and interest payments on long-term debt.

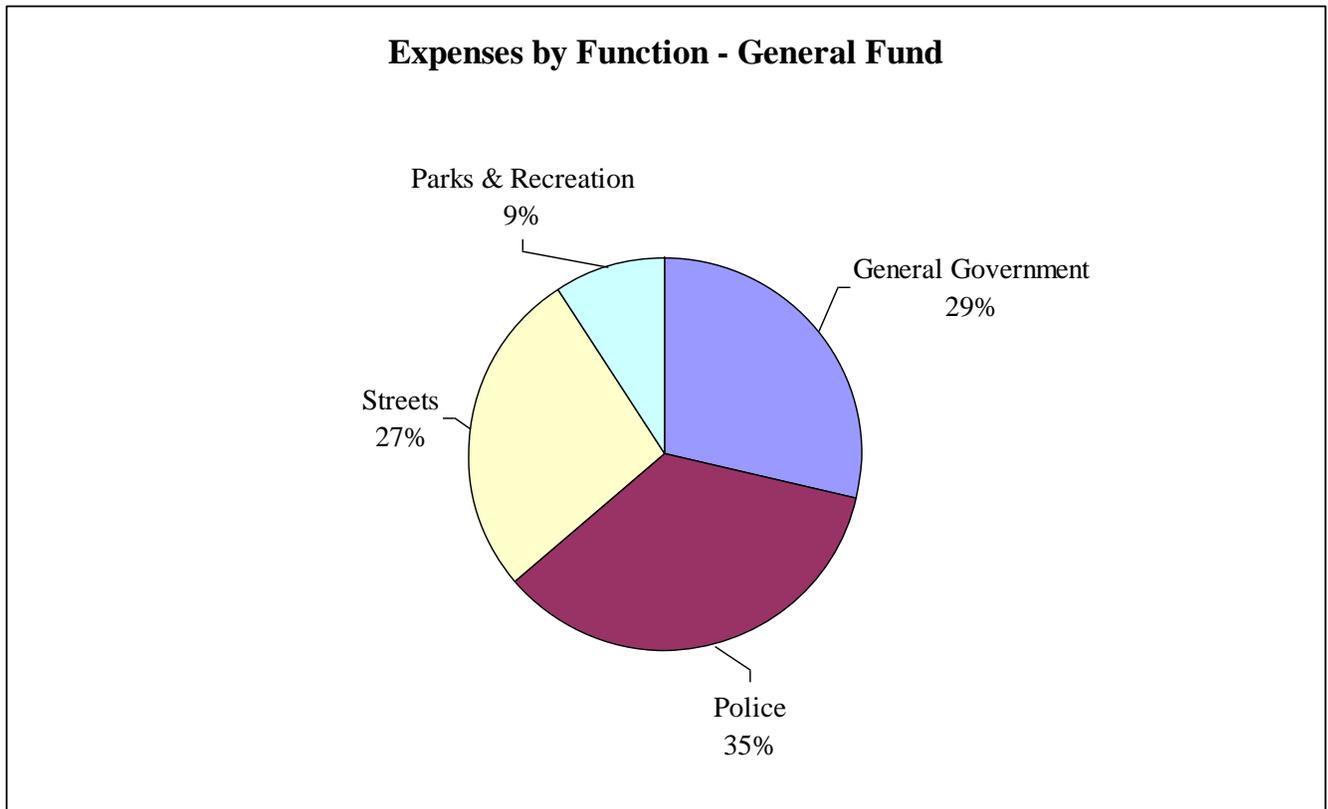
In 2012 governmental activities were principally supported by sales taxes, property taxes, intergovernmental revenues (including severance taxes and mineral leases) and vehicle rental taxes. These revenues support General Government activities, including Administration, Planning, Data Processing, Economic Development and Town Council, Municipal Court, Police, Public Works (including Streets, Storm Sewer and Mosquito Control activities), Parks and Recreation.

The following two charts illustrate the Governmental Activities revenues and expenses.



Sales tax revenues continue to be the General Funds primary source of income with nearly one-half of the sales tax revenues coming from airport related activities. Sales taxes showed signs of stabilization after the precipitous decline experienced in the general national economic decline.

Town sales taxes in 2012 equaled \$806,688 compared to the Town's peak sales tax revenue in 2008 of approximately \$1.12 million. Property taxes continue to be a major General Fund revenue source though property values declined in 2012 and the property tax, tax rebate was reduced to maintain, but not increase, property tax contributions to the General Fund resulting in a slight decrease in property taxes received in 2012. The intergovernmental revenues attributable to the State's natural resources, i.e. the State severance tax and the Federal mineral lease, continue to provide significant revenue for the General Fund. Due to the volatility of these two sources of income the Town budget conservatively budgets these revenues based on historical trend analysis resulting in gains in fund balance as the 2012 revenue was greater than projected.

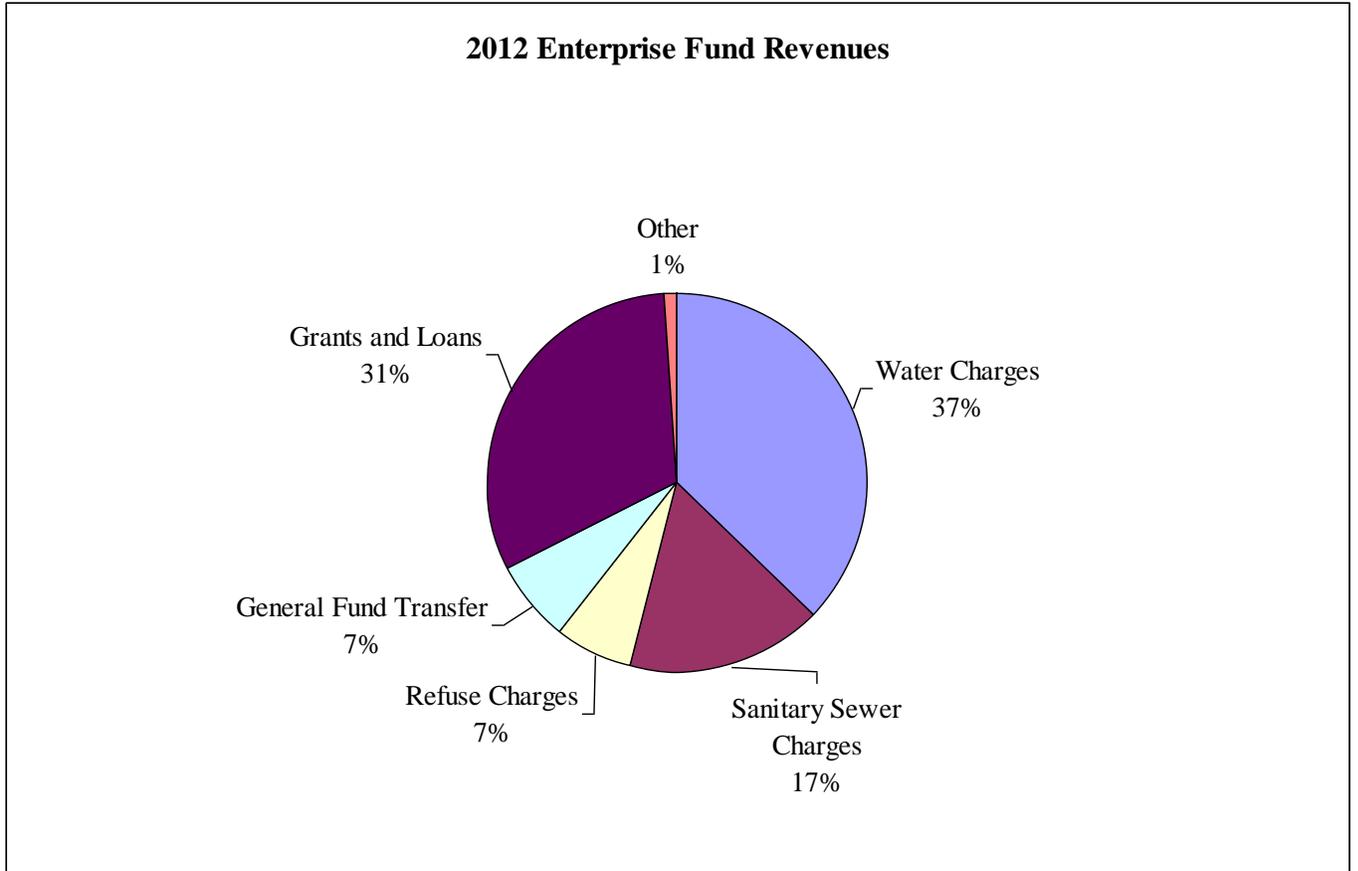


General Fund expenditures increased approximately 4.8% over 2011. Significant changes in General Fund spending in 2012 included:

- An increase in Administrative wages due to the transfer of administrative wages out of the Enterprise Fund in 2012 to balance that fund.
- Approximately an 8% decrease in Police wages due to a reduction in personnel and employee turnover.
- An increase of approximately \$112,000 for street maintenance purposes.

Business-type Activities

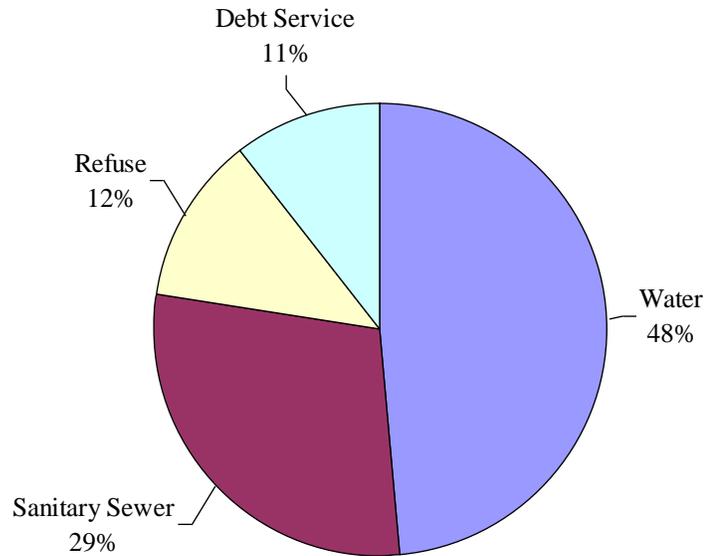
The following two charts illustrate the Enterprise Fund revenues and expenses.



For 2012 the Town increased monthly water and sanitary sewer base rates to \$36.13 and \$15.20 respectively to fund the operations, maintenance and capital costs for these utility operations. The Town also transferred approximately \$136,159 from the General Fund to the Enterprise Fund to support expenses and build fund balance. Of these transferred monies approximately \$38,470 came from Federal mineral lease revenues and do not count against the ten percent TABOR limitation for general governmental revenues to an enterprise. Continuing the trend of the past few years tap fees, otherwise known as plant investment fees, decreased with the addition of one new EQR to the fund. The cause of this decline is most likely due to the economy and regional lack of new construction.

The Town remains compliant with the rate covenant required in the Colorado Water Resource Power Development Authority (CWRPDA) loan agreements.

2012 Enterprise Fund Expenses



The Town's Enterprise Fund system revenues exceeded system operating expenses by \$91,333 in 2012 primarily due to the above mentioned transfer of \$136,159 from the General Fund.

Capital investment and reinvestment in the Town enterprises need to be examined to determine if the systems are being adequately maintained to support future services. In 2012 the Town's sole water storage tank was repainted at a cost of approximately \$99,596 plus funds spent in 2011.

THE TOWN'S FUNDS

The Town of Hayden uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds are accounted for using the modified accrual basis of accounting, and the balance of spendable resources (unrestricted fund balance) is shown at year end. The unrestricted fund balance serves as a useful measure of a government's net resources available for spending at year end.

The individual major funds are:

General Fund. The General fund is the chief operating fund of the Town of Hayden. It accounts for all general services provided by the Town, excluding utilities.

Proprietary Funds. The Town's Water, Sewer and Refuse funds (known as the Enterprise Fund) are used to account for those operations that are financed and operated in a manner similar to private business, in that fees are charged to external users for goods and services.

The individual non-major funds are:

Capital Replacement Fund. The Capital Replacement Fund accounts for general government capital projects and outlays. It has been primarily financed by transfers from other Town Funds. However, the balance has been depleted by a transfer to the Enterprise fund in 2010 and a method for rebuilding this fund will be examined in 2013.

Conservation Trust Fund. This fund is comprised of the Town's share of the State's lottery proceeds that is based on population. The funds are restricted and can be used for acquiring and maintaining parks, open space and recreational facilities. The funds are distributed and monitored through the Colorado Department of Local Affairs (DOLA).

Development Fees. This fund accounts for fees received from subdivision developments and earmarked for specific future expenditures. Fund balances are committed through subdivision improvements agreements between the Town and the developer and include Parks and Trails, Trail Connection, School Facility, Drainage Basin, and Traffic Impact fees.

DEBT ADMINISTRATION

At December 31, 2012, the Town had outstanding debt of \$1,367,059 for business-type activities that included mandated wastewater treatment outfall improvements, water treatment plant improvements and infrastructure installation and improvements. If carried until maturity in 2022, principal and interest payments will be \$1,667,057. The Town's business-type activities have a system net operating income ratio to aggregate debt service payments equal to 2.17. In 2008, the Town entered into a lease-purchase agreement with Alpine Bank for the construction of a new police station. The balance for this governmental activities debt requirement is \$1,232,599. If carried until maturity in 2028, principal and interest will be \$1,923,572. In 2011, the Town entered into a lease-purchase agreement with Caterpillar Financial Services Corporation for the lease-purchase of a new wheel loader. The balance for this governmental activities debt requirement is \$82,599 and matures with a final payment in January 2016.

SUMMARY OF FINANCIAL CONDITION

The Town of Hayden along with the rest of the nation has been experiencing the downside of an economic recession. Among these experiences at the municipal level are a lack of new construction, a reduction in the value of property (structures and land), a reduction in State shared revenues that provide grant funding for water, sanitary sewer, stormwater and road programs.

The General Fund, year end fund balance, increased by \$156,201 to a total of \$856,357 after transferring \$136,159 to the Enterprise Fund. This year-end fund balance is necessary to meet the on-going obligations of the Town, the monthly cash flow, and is approximately 3.6% less than anticipated in the 2013 budget.

Despite investing in water tank maintenance the Enterprise Fund assets lost value in 2012 due to depreciation. This means that the utility infrastructure is aging and not being replaced at a pace adequate to maintain the utility over the course of time. This is a situation that cannot be sustained for long without the Enterprise Fund incurring increased capital replacement expenses.

In these challenging economic times it is important to maintain the Town's financial health. The Colorado Department of Local Affairs recommends the following:

Seven Steps to Maintain Financial Health

1. Verify Federal Deposit Insurance Corporation (FDIC) & Public Deposit Protection Act (PDPA) coverage on deposits and custodian accounts. *The Town has deposits at ColoTrust and Mountain Valley Bank. ColoTrust is a statutory trust designed to provide Colorado's local governments an opportunity to invest in short-term investments that provide maximum investment protection and liquidity. By agreement Mountain Valley Bank provides rates of return equal to or greater than those provided by ColoTrust, and the Town's assets are protected by FDIC and PDPA collateralization.*
2. Validate access to and liquidity of investments and assets. *Investments with ColoTrust and Mountain Valley Bank are available to the Town to pay current expenses and payroll.*
3. Review short and long-term financial obligations (letters of credit, certificates of participation, bonds, etc.). *The Town has debts totaling \$2,599,658. These debts are by five notes, one lease purchase agreement and payment for a front-end loader with pay-off dates running from 2014 – 2028. The Town will monitor opportunities to refinance these debts for taxpayer savings. The Town's loan agreements with CWRPDA require the Town to maintain an operations and maintenance reserve fund equal to three months of operation and maintenance expenses of the Town's water and sewer enterprise activities. The Town has reserved \$179,000 for this purpose and meets this CWRPDA requirement.*
4. Review sales and property tax revenue forecasts (state-collected sales tax). *Town staff reviews trends and payments for Sales Tax and Vehicle Rental Tax on a monthly basis.*
5. Validate expected intergovernmental transactions; both in-bound and out-bound (i.e. HUTF, Cigarette, Severance, Federal Mineral Lease, Forest Service, BLM PILT, etc.). *Town staff monitors and reports income projections, trends and legislative actions with the Council on a regular basis, through a monthly Treasurer's Report and legislative updates.*
6. Review reserve requirements including TABOR's 3% emergency reserve and other restricted reserves and loan or bond covenants (reminder: under TABOR's definitions (2)(c) "Emergency" excludes economic conditions, revenue shortfalls, or district salary or fringe benefit increases). *The Town has a fully funded TABOR emergency reserve of \$98,110. The Town contractually must maintain a loan reserve of \$179,000 for CWRPDA loans. This reserve is fully funded. The Town should maintain fund balances*

in the General Fund and Enterprise Fund to ensure an ability to fund accounts payable, payroll, and cash flow through the year. A fund balance of 25% or three months reserve is considered healthy. At the 2012 year end the General Fund balance is equal to approximately 34.5%. In December 2011 the Town Council raised base utility rates for water and sanitary sewer users to continue addressing the revenue short-fall in these utilities. The Enterprise Fund balance is equal to approximately 24.0%.

7. Develop a public communication plan that describes the local government's current financial condition and strategic steps being taken. *Each month the Treasurer presents a report to the Town Council describing the Town's financial condition and highlighting trends in revenues, expenses and cash flow.*

Using DOLA's financial health marks, the Town is in reasonably sound financial shape but must address capital needs in order to sustain Town services and continue providing stable taxes and utility charges for service. Goals for the upcoming year will be 1) to develop a capital fund plan for the water utility; 2) to continue monitoring the utility rates so the water and sanitary sewer rates financially support expenses; 3) to review investments and develop an investment schedule that ensures appropriate cash flow and maximizes the return on investment; 4) to fund equipment, vehicles and capital purchases using available cash; and, 5) to develop a capital improvement project (CIP) schedule.

Financial Highlights for 2012 include:

1. The General Fund unassigned balance grew from its 2011 year-end balance of approximately \$502,819 to a balance of approximately \$710,852.
2. The Enterprise Fund unrestricted balance grew from its 2011 year-end balance of approximately \$50,868 to approximately \$317,329.
3. Depreciation was greater than capital investment in the water and sewer departments. The difference indicates an aging infrastructure and is not a sustainable trend.
4. The downward trend in sales tax revenues reversed with a 2.6% (\$20,392) increase in 2012 compared to 2011. The greatest decline was from 2008 -2009 when sales tax revenue declined 23.3% (\$261,585).
5. The Town's 3.5% Vehicle Rental Tax revenues remained stable, declining by 0.8% (\$931) in 2012 compared to 2011.
6. The Severance Tax and Mineral Lease revenues increased 7.8% (\$16,105) from 2011 to 2012. This one time revenue source is inconsistent year-to-year and because of this inconsistency is best used for one-time capital purchases. The Town transfers the federal mineral lease revenue (\$38,470 in 2012) to the Enterprise Fund.
7. The Town repainted the Hospital Hill water tank in 2012.

REQUESTS FOR INFORMATION

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives. If you have questions about this report or need additional information, contact the Town Manager or Finance Manager, P.O. Box 190, Hayden, CO 81639 or call (970) 276-3741.

TOWN OF HAYDEN, COLORADO
Statement of Net Position
December 31, 2012
(with summarized financial information as of December 31, 2011)

	2012			2011 Total
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 1,269,921	\$ 295,054	\$ 1,564,975	\$ 1,042,849
Project loan account	-	574,814	574,814	-
Due from other governments	127,706	-	127,706	48,866
Accounts receivable	17,488	124,698	142,186	142,223
Grants receivable	-	-	-	25,728
Property tax receivable	519,000	-	519,000	519,000
Restricted cash reserve	32,334	179,000	211,334	205,334
Capital assets, net of accumulated depreciation	13,279,058	7,010,011	20,289,069	20,891,726
Total assets	15,245,507	8,183,577	23,429,084	22,875,726
Liabilities:				
Accounts payable and accrued expenses	103,486	24,370	127,856	91,676
Accrued interest payable	10,044	7,271	17,315	18,580
Customer deposits	-	70,782	70,782	69,053
Letter of credit proceeds	32,334	-	32,334	32,334
Noncurrent liabilities:				
Due within one year	68,601	84,277	152,878	146,333
Due in more than one year	1,205,059	1,282,782	2,487,841	2,030,991
Total liabilities	1,419,524	1,469,482	2,889,006	2,388,967
Deferred inflows of resources:				
Deferred property tax revenues	519,000	-	519,000	519,000
Total deferred inflows of resources	519,000	-	519,000	519,000
Net position:				
Net investment in capital assets	12,005,398	5,642,952	17,648,350	18,714,402
Restricted for:				
Emergencies	98,110	-	98,110	143,000
Open space and parks	97,075	-	97,075	78,970
Loan proceeds and covenant	-	753,814	753,814	173,000
Unrestricted	1,106,400	317,329	1,423,729	858,387
Total net position	\$ 13,306,983	\$ 6,714,095	\$ 20,021,078	\$ 19,967,759

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

TOWN OF HAYDEN, COLORADO
Statement of Activities
For the Year Ended December 31, 2012
(with summarized financial information for the year ended December 31, 2011)

2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			2011 Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 438,750	\$ 24,139	\$ -	\$ -	\$ (414,611)	\$ -	\$ (414,611)	\$ (367,498)
Public safety	588,154	-	4,432	-	(583,722)	-	(583,722)	(578,043)
Public works	696,788	-	-	-	(696,788)	-	(696,788)	(66,263)
Parks	132,469	-	-	4,000	(128,469)	-	(128,469)	(109,667)
Recreation	48,618	11,112	-	-	(37,506)	-	(37,506)	(29,508)
Economic development	10,429	-	9,592	-	(837)	-	(837)	(510)
Interest on general long-term debt	76,986	-	-	-	(76,986)	-	(76,986)	(79,502)
Total governmental activities	1,992,194	35,251	14,024	4,000	(1,938,919)	-	(1,938,919)	(1,230,991)
Business-type activities:								
Water	701,572	735,416	-	4,800	-	38,644	38,644	(75,218)
Sewer	407,882	322,012	-	2,400	-	(83,470)	(83,470)	(107,096)
Refuse	127,350	127,350	-	-	-	-	-	114
Total business-type activities	1,236,804	1,184,778	-	7,200	-	(44,826)	(44,826)	(182,200)
Total primary government	\$ 3,228,998	\$ 1,220,029	\$ 14,024	\$ 11,200	(1,938,919)	(44,826)	(1,983,745)	(1,413,191)
General revenues:								
Taxes:								
Sales tax					806,688	-	806,688	786,296
General property tax					512,541	-	512,541	532,721
Car rental tax					119,628	-	119,628	120,559
Building materials use tax					6,067	-	6,067	10,651
Franchise tax					49,888	-	49,888	53,812
Cigarette tax					4,417	-	4,417	3,594
Lodging tax					890	-	890	1,113
Intergovernmental					405,111	-	405,111	388,129
Interest					3,628	-	3,628	3,193
Gain on sale of capital assets					11,785	-	11,785	-
Other					116,421	-	116,421	13,185
Net transfers					(136,159)	136,159	-	-
Total general revenues and transfers					1,900,905	136,159	2,037,064	1,913,253
Change in net position					(38,014)	91,333	53,319	500,062
Net position, beginning of year					13,344,997	6,622,762	19,967,759	19,467,697
Net position, end of year					\$ 13,306,983	\$ 6,714,095	\$ 20,021,078	\$ 19,967,759

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

TOWN OF HAYDEN, COLORADO
Governmental Funds
Balance Sheet
December 31, 2012
(with summarized financial information as of December 31, 2011)

	General Fund	Other Governmental Funds	2012 Total Governmental Funds	2011 Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 814,649	\$ 455,272	\$ 1,269,921	\$ 1,000,551
Due from other governments	127,706	-	127,706	48,866
Accounts receivable	17,488	-	17,488	33,460
Grants receivable	-	-	-	15,728
Property tax receivable	519,000	-	519,000	519,000
Restricted cash	32,334	-	32,334	32,334
Total assets	\$ 1,511,177	\$ 455,272	\$ 1,966,449	\$ 1,649,939
Liabilities, deferred inflows of resources and fund balance:				
Liabilities:				
Accounts payable and accrued expenses	\$ 103,486	\$ -	\$ 103,486	\$ 58,715
Letter of credit proceeds	32,334	-	32,334	32,334
Total liabilities	135,820	-	135,820	91,049
Deferred inflows of resources:				
Deferred property tax revenues	519,000	-	519,000	519,000
Total deferred inflows of resources	519,000	-	519,000	519,000
Fund balance:				
Restricted	98,110	97,075	195,185	221,970
Unrestricted:				
Committed	47,395	339,672	387,067	296,576
Assigned	-	18,525	18,525	18,525
Unassigned	710,852	-	710,852	502,819
Total fund balances	856,357	455,272	1,311,629	1,039,890
Total liabilities, deferred inflows of resources and fund balance	\$ 1,511,177	\$ 455,272	\$ 1,966,449	\$ 1,649,939

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

TOWN OF HAYDEN, COLORADO
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2012

Governmental funds total fund balance		\$ 1,311,629
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in the governmental funds:</p>		
Cost of capital assets	\$ 17,847,822	
Less accumulated depreciation	<u>(4,568,764)</u>	13,279,058
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. This is the amount of long-term liabilities not currently payable.</p>		
		(1,273,660)
<p>Interest payable on debt is not recorded in the fund financial statements but rather recognized as an expenditure when due. This is the accrued interest on debt that has been incurred but not yet due.</p>		
		<u>(10,044)</u>
Governmental activities net position		<u><u>\$ 13,306,983</u></u>

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

TOWN OF HAYDEN, COLORADO
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012
(with summarized financial information for the year ended December 31, 2011)

	General Fund	Other Governmental Funds	2012 Total Governmental Funds	2011 Total Governmental Funds
Revenues:				
Taxes	\$ 1,500,119	\$ -	\$ 1,500,119	\$ 1,508,746
Intergovernmental	387,094	18,017	405,111	388,129
Licenses, permits and fees	7,719	-	7,719	8,834
Charges for services	6,224	-	6,224	3,930
Fines and forfeitures	10,196	-	10,196	13,434
Grants	18,024	-	18,024	43,474
Recreation programs	11,112	-	11,112	15,642
Interest	2,589	1,039	3,628	3,193
Other	15,931	100,490	116,421	18,621
Total revenues	<u>1,959,008</u>	<u>119,546</u>	<u>2,078,554</u>	<u>2,004,003</u>
Expenditures:				
General government:				
Administration	292,879	-	292,879	246,639
Legislative	39,050	-	39,050	36,419
Building department	27,738	-	27,738	36,952
Other	44,786	4,007	48,793	58,802
Public safety	510,651	-	510,651	554,903
Public works:				
Streets department	389,246	-	389,246	303,614
Mosquito control department	5,550	-	5,550	17,399
Recreation department	48,618	-	48,618	45,150
Parks department	82,929	-	82,929	65,717
Economic development	10,429	-	10,429	510
Capital expenditures	83,544	-	83,544	145,186
Debt service:				
Principal	65,671	-	65,671	61,291
Interest	77,342	-	77,342	79,843
Total expenditures	<u>1,678,433</u>	<u>4,007</u>	<u>1,682,440</u>	<u>1,652,425</u>
Excess (deficiency) of revenues over expenditures	<u>280,575</u>	<u>115,539</u>	<u>396,114</u>	<u>351,578</u>
Other financing sources (uses):				
Transfers out	(136,159)	-	(136,159)	(75,000)
Proceeds from sale of capital asset	11,785	-	11,785	-
Proceeds from capital lease	-	-	-	129,561
Total other financing sources (uses)	<u>(124,374)</u>	<u>-</u>	<u>(124,374)</u>	<u>54,561</u>
Net change in fund balances	156,201	115,539	271,740	406,139
Fund balances, beginning of year	<u>700,156</u>	<u>339,733</u>	<u>1,039,889</u>	<u>633,751</u>
Fund balances, end of year	<u>\$ 856,357</u>	<u>\$ 455,272</u>	<u>\$ 1,311,629</u>	<u>\$ 1,039,890</u>

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

TOWN OF HAYDEN, COLORADO
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2012

Net change in fund balances - governmental funds	\$	271,740
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Capital outlays are reported as expenditures in the governmental funds. However, in the statement of activities, the cost is allocated over the estimated useful lives of the assets as depreciation expense. The following is the amount by which depreciation exceeded capitalized expenditures in the current period:</p>		
Capitalized expenditures	\$ 83,544	
Depreciation	<u>(452,897)</u>	(369,353)
<p>Noncurrent liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. This is the change in the amount of compensated absences not currently payable.</p>		
		(6,428)
<p>Repayment of principal on noncurrent liabilities is reported as an expenditure in the governmental funds but reduces noncurrent liabilities in the statement of net position.</p>		
		65,671
<p>Interest payable on debt is not recorded in the fund financial statements but rather recognized as an expenditure when due. This is the change in accrued interest on debt that has been incurred but not yet due.</p>		
		<u>356</u>
Change in net position of governmental activities	\$	<u><u>(38,014)</u></u>

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

TOWN OF HAYDEN, COLORADO
Proprietary (Enterprise) Fund
Statement of Net Position
December 31, 2012
(with summarized financial information as of December 31, 2011)

	<u>2012</u>	<u>2011</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 295,054	\$ 42,298
Project loan account	574,814	-
Accounts receivable	124,698	108,763
Grants receivable	-	10,000
	<u>994,566</u>	<u>161,061</u>
Total current assets		
Noncurrent assets:		
Capital assets, net of accumulated depreciation	7,010,011	7,243,315
Restricted cash	179,000	173,000
	<u>7,189,011</u>	<u>7,416,315</u>
Total noncurrent assets		
Total assets	<u>8,183,577</u>	<u>7,577,376</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	24,370	32,961
Accrued interest payable	7,271	8,179
Customer deposits	70,782	69,053
Current portion of long-term debt	84,277	80,662
	<u>186,700</u>	<u>190,855</u>
Total current liabilities		
Noncurrent liabilities:		
Long-term debt	1,282,782	763,759
	<u>1,282,782</u>	<u>763,759</u>
Total liabilities	<u>1,469,482</u>	<u>954,614</u>
Net position:		
Net investment in capital assets	5,642,952	6,398,894
Restricted	753,814	173,000
Unrestricted	317,329	50,868
	<u>317,329</u>	<u>50,868</u>
Total net position	<u>\$ 6,714,095</u>	<u>\$ 6,622,762</u>

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

TOWN OF HAYDEN, COLORADO
Proprietary (Enterprise) Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2012
(with summarized financial information for the year ended December 31, 2011)

	2012	2011
Operating revenues:		
Charges for services:		
Water	\$ 718,446	\$ 553,220
Sewer	322,012	275,735
Refuse	127,350	124,955
Other	16,970	30,234
Total operating revenues	1,184,778	984,144
Operating expenses:		
Water	400,328	375,750
Sewer	314,223	318,216
Refuse	127,350	124,841
Depreciation	359,918	350,249
Total operating expenses	1,201,819	1,169,056
Operating income (loss)	(17,041)	(184,912)
Non-operating revenues (expenses):		
Grants	-	10,000
Interest expense	(34,986)	(38,485)
Total non-operating revenues (expenses)	(34,986)	(28,485)
Net income (loss) before contributions and transfers	(52,027)	(213,397)
Capital assets contributed by developers	-	-
Plant investment fees:		
Water	4,800	20,798
Sewer	2,400	10,399
Transfers in	136,159	75,000
Net income (loss)	91,332	(107,200)
Net position, beginning of year	6,622,763	6,729,962
Net position, end of year	\$ 6,714,095	\$ 6,622,762

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

TOWN OF HAYDEN, COLORADO
Proprietary (Enterprise) Fund
Statement of Cash Flows
For the Year Ended December 31, 2012
(with summarized financial information for the year ended December 31, 2011)

	2012	2011
Cash flows from operating activities:		
Cash received from customers	\$ 1,170,572	\$ 948,688
Cash payments to vendors for goods and services	(595,734)	(548,529)
Cash payments to employees for services	(254,757)	(252,042)
Net cash provided by operating activities	320,081	148,117
Cash flows from non-capital financing activities:		
Transfers from (to) other funds, net	136,159	75,000
Proceeds from grants	10,000	-
Net cash provided by non-capital financing activities	146,159	75,000
Cash flows from capital and related financing activities:		
Capital contributed by customers (plant investment fees)	7,200	31,197
Purchase of capital assets	(126,614)	(68,458)
Proceeds from loan, net of project loan account	28,486	-
Principal payments	(80,662)	(77,205)
Interest paid on debt	(35,894)	(39,353)
Net cash provided (used) by capital and related financing activities	(207,484)	(153,819)
Cash flows from investing activities:		
Transfer (to) from restricted cash	(6,000)	(27,000)
Net cash provided (used) by investing activities	(6,000)	(27,000)
Net change in cash and cash equivalents	252,756	42,298
Cash and cash equivalents, beginning of year	42,298	-
Cash and cash equivalents, end of year	\$ 295,054	\$ 42,298
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (17,041)	\$ (184,912)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	359,919	350,249
(Increase) decrease in:		
Accounts receivable	(15,935)	(37,439)
(Decrease) increase in:		
Accounts payable and accrued expenses	(8,591)	18,236
Customer deposits	1,729	1,983
Net cash provided by operating activities	\$ 320,081	\$ 148,117

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

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 1: Summary of Significant Accounting Policies

The Town of Hayden, Colorado (the Town) was incorporated in March 1906 in Routt County. On July 21, 2009, the citizens voted to become a Home Rule Municipality in accordance with Article XX of the Colorado Constitution and the Municipal Home Rule Act of 1971. The Town is governed by a Town Council consisting of six Council members and one Mayor elected at-large. The Town provides general government, public safety, public works, water, sewer, parks and recreation services for the Town's residents.

The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). The Governmental Accounting Standards Board (GASB) the standard-setting body for the establishment of US GAAP in governmental entities. The following summary of the more significant accounting policies of the Town is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the Town. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval of the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

As required by US GAAP, the accompanying financial statements present the primary government and its component unit. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. The Hayden Public Library is reported as a blended component unit in the Town's financial statements. This organization serves all citizens of the Town and is governed by Boards approved by the Town Council.

Measurement Focus and Basis of Accounting

The government-wide financial statements and proprietary (enterprise) fund financial statements use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and, thus, maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements use a current financial resources measurement focus, and are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers revenues collected within 60 days after year end to be available and thus recognizes them as revenues in the current year.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Financial Statement Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities report information about the nonfiduciary activities of the Town. The Town's activities are categorized as either governmental activities or business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental functions and business-type activities. The governmental functions are supported by general revenues (e.g., taxes, interest). The statement of activities reduces gross expenses (including depreciation) by related program revenues. Direct expenses are those that are clearly identified with a specific program. Program revenues include (a) charges for services, and (b) grants and contributions that are restricted for the operating or capital requirements of a specific program. All taxes and other revenues not meeting the criteria for classification as program revenues are reported as general revenues.

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 1: Summary of Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

Fund Financial Statements

The fund financial statements report information about the Town's funds.

The Town reports the following major governmental fund:

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

The Town reports the following major proprietary or business-type fund:

The *Enterprise Fund* accounts for the activities of the water, sewer and refuse utilities of the Town that are provided to its residents. The major sources of revenue are from user fees, which are used for operations, and from tap fees, which are used for capital improvements.

Fund Balance Presentation

Fund balances of the governmental fund are classified as follows:

- Non-spendable – includes amounts that cannot be spent either because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
- Committed – includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the Town Council. Such formal action may be in form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.
- Assigned – includes amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. Assignments may be made management.
- Unassigned – represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned.

Assets, Liabilities and Net Position

Cash and Investments

The Town pools cash resources of its various funds in order to facilitate the management of cash. The balance in pooled cash accounts is available to meet current operating requirements. Whenever possible, cash in excess of current requirements is invested to enhance investment capabilities and maximize investment income.

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits, certificates of deposit with maturities less than one year and investments stated at fair value, excluding restricted cash balances.

Accounts Receivable

Receivables are reviewed periodically to establish an allowance for uncollectible amounts. The Town considers all receivables to be fully collectible at December 31, 2012 and 2011. Therefore, no allowance for uncollectible accounts has been established.

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 1: Summary of Significant Accounting Policies (continued)

Assets, Liabilities and Net Position (continued)

Capital Assets

Capital assets include property, equipment, vehicles, and infrastructure assets. Capital assets are defined by the Town as assets with an initial cost of \$2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Infrastructure assets contributed to the Town are recorded at estimated fair value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and systems	15-40
Equipment and vehicles	3-10
Infrastructure	10-50

Letter of Credit Proceeds

In 2008 the Town was the beneficiary of \$502,000 proceeds from an irrevocable standby letter of credit. The funds are restricted for use in the completion of infrastructure associated with a development within the Town's limits. The Town has an outstanding obligation of \$32,334 at December 31, 2012 for the remaining proceeds to be spent on the development's infrastructure.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation time, compensatory time, and sick leave. Accumulated vacation is maximized at 240 hours, accumulated compensatory time is maximized at 80 hours, and accumulated sick leave is maximized at 480 hours. After five years of service and upon termination, sick leave may be converted at a rate of 8 hours for every 24 hours accumulated with a maximum of 80 hours.

Amounts of accumulated compensated absences that have been incurred are reported in the governmental activities column in the government-wide financial statements. Accumulated compensated absences of the proprietary fund are recorded as an expense and liability of that fund as the benefits accrue to employees.

Operating and Non-Operating Revenues and Expenses

The proprietary fund financial statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses are those that result from providing services associated with the principal activities of the Town's business-type activities. Operating expenses include the cost of ongoing operations, related administrative expenses, and depreciation expense. Non-operating revenues and expenses are all those that do not meet the criteria described previously.

Property Taxes

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The Routt County Treasurer's office collects property taxes and remits collections to the Town on a monthly basis. In accordance with US GAAP, the assessed but uncollected property taxes have been recorded as receivable and as deferred revenue as property taxes are assessed in one year as a lien on the property, but not collected by the Town until the subsequent year.

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 1: Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

Effective January 1, 2012, the Town adopted the provisions of the following GASB Statements:

- GASB Statement No. 62, “*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*”. The effect of this adoption is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in certain FASB and AICPA pronouncements which does not conflict with or contradict GASB pronouncements.
- GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*”. The effect of this adoption is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The primary effect on the Town’s financial statements is the change in terminology from net assets to net position.
- GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*”. The effect of this adoption is to establish accounting and financial reporting standards that reclassify certain items previously reported as assets and liabilities, as outflows of resources or inflows of resources.

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Town’s audited financial statements for the year ended December 31, 2011, from which the summarized information was derived.

Certain information from the prior year has been changed to conform to the current year presentation.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with US GAAP for all governmental funds. The enterprise fund adopts a budget on a non-US GAAP basis wherein depreciation is not budgeted; capital expenditures and principal payments on capital debt are budgeted and recorded as expenditures. All annual appropriations lapse at year end.

The Town conforms to the following procedures, in compliance with CRS, Title 29, Article 1, in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, the Finance Director submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Town Council to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures must be approved by the Town Council.
- All appropriations lapse at the end of each fiscal year.

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 2: Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

The Town did not adopt any supplemental appropriations during 2012.

Compliance

Expenditures did not exceed appropriations in any Town funds during the year ended December 31, 2012.

TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains tax spending, revenue and debt limitations which apply to the State of Colorado and all local governments, excluding enterprises. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has reserved \$98,110 of the December 31, 2012 fund balance in the General Fund for this purpose.

The Town's voters passed a ballot question on November 7, 1995, authorizing the Town to collect and retain the full proceeds of the Town's fees, taxes, reduction in debt service, state and federal grants and intergovernmental revenues, generated in 1995 and subsequent years. The ballot question allowed the Town to expend such proceeds for debt service, municipal operations, capital projects such as recreation and street paving and any other municipal purpose, notwithstanding state restrictions on fiscal year revenues and spending, including without limitation the restrictions of TABOR.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

Note 3: Detailed Notes on All Funds

Cash and Investments

In order to facilitate the recording of cash transactions and maximize earnings on investments, the Town has combined its cash and investments and maintains accountability for each fund's equity in pooled cash and investments.

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 3: Detailed Notes on All Funds (continued)

Deposits

The carrying amount of the Town's deposits at December 31, 2012 and 2011 was \$1,762,334 and \$1,235,137, respectively and bank balances were \$1,832,658 and \$1,339,040, respectively. Of the bank balances, \$275,000 at both December 31, 2012 and 2011 was covered by federal deposit insurance and \$1,557,658 and \$1,064,040, respectively, was uninsured but collateralized in accordance with provisions of the Colorado Public Deposit Protection Act (PDPA).

The PDPA requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal or exceed 102% of the aggregate uninsured deposits.

Investments

At December 31, 2012 and 2011, the Town had \$8,459 and \$8,440, respectively, invested in the Colorado Government Liquid Trust (COLOTRUST) PLUS+ fund, including \$20,930 and \$20,883, respectively, of police pension trust fund assets. COLOTRUST PLUS+ is a short-term money market fund organized in conformity with Part 7 of Article 75 of Title 24, CRS. The portfolio offers Colorado governmental entities a convenient and efficient means to pool their funds to take advantage of short-term investments and maximize net interest earnings. COLOTRUST PLUS+'s investment objective is to obtain as high a level of current income as is consistent with the preservation of capital and liquidity. The investment advisor for COLOTRUST PLUS+ is Public Trust Advisors LLC, (PTA) a Colorado-based investment adviser, registered with the SEC. The portfolio manager is responsible for making all of the investment decisions for the portfolio. Wells Fargo Bank, N.A. is custodian of the portfolio's securities and cash. COLOTRUST+ portfolio invests in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements, tri-party repurchase agreements, collateralized bank deposits, the highest rated commercial paper, and highly-rated corporate bonds. The PLUS+ fund holds a 'AAAm' rating by Standard and Poor's.

The Town's investments are subject to interest rate, credit risk, and concentration of credit risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town currently invests only in highly liquid investment pools which may be redeemed at any time.

Project Loan Account

The Colorado Water Resources and Power Development Authority (CWRPDA) created a Project Loan Account in its Water Pollution Control Revolving Fund in 2012. CWRPDA loan proceeds were deposited into this account to be used to pay the costs of the project. The balance in the Project Loan Account at December 31, 2012 was \$574,814.

Restricted Cash

The Town's loan agreements with CWRPA require the Town to maintain an operations and maintenance reserve fund equal to three months of operation and maintenance expenses of the Town's water and sewer enterprise activities. The Town has reserved \$179,000 for this purpose at December 31, 2012.

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 3: Detailed Notes on All Funds (continued)

Capital Assets

Capital asset activity for the year ended December 31, 2012 is summarized below:

	December 31, 2011 Balance	Additions	Retirements	December 31, 2012 Balance
Governmental activities:				
Land and land improvements	\$ 2,100,992	\$ -	\$ -	\$ 2,100,992
Other capital assets:				
Buildings	3,147,340	-	-	3,147,340
Equipment and vehicles	1,329,945	83,544	(49,498)	1,363,991
Infrastructure	11,235,499	-	-	11,235,499
Total other capital assets at cost	<u>15,712,784</u>	<u>83,544</u>	<u>(49,498)</u>	<u>15,746,830</u>
Less accumulated depreciation for:				
Buildings	(495,276)	(77,611)	-	(572,887)
Equipment and vehicles	(972,177)	(115,629)	49,498	(1,038,308)
Infrastructure	(2,697,912)	(259,657)	-	(2,957,569)
Total accumulated depreciation	<u>(4,165,365)</u>	<u>(452,897)</u>	<u>49,498</u>	<u>(4,568,764)</u>
Other capital assets, net	<u>11,547,419</u>	<u>(369,353)</u>	<u>-</u>	<u>11,178,066</u>
Governmental activities capital assets, net	<u>\$ 13,648,411</u>	<u>\$ (369,353)</u>	<u>\$ -</u>	<u>\$ 13,279,058</u>
Business-type activities:				
Land	\$ 340,274	\$ -	\$ -	\$ 340,274
Other capital assets:				
Buildings and systems	14,139,712	107,649	-	14,247,361
Equipment and vehicles	315,109	18,965	(37,542)	296,532
Total other capital assets at cost	<u>14,454,821</u>	<u>126,614</u>	<u>(37,542)</u>	<u>14,543,893</u>
Less accumulated depreciation for:				
Buildings and systems	(7,333,232)	(309,512)	-	(7,642,744)
Equipment and vehicles	(218,548)	(50,406)	37,542	(231,412)
Total accumulated depreciation	<u>(7,551,780)</u>	<u>(359,918)</u>	<u>37,542</u>	<u>(7,874,156)</u>
Other capital assets, net	<u>6,903,041</u>	<u>(233,304)</u>	<u>-</u>	<u>6,669,737</u>
Business-type activities capital assets, net	<u>\$ 7,243,315</u>	<u>\$ (233,304)</u>	<u>\$ -</u>	<u>\$ 7,010,011</u>

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012

(with summarized financial information as of and for the year ended December 31, 2011)

Note 3: Detailed Notes on All Funds (continued)

Capital Assets (continued)

Capital asset activity for the year ended December 31, 2011 is summarized below:

	December 31, 2010 Balance	Additions	Retirements	December 31, 2011 Balance
Governmental activities:				
Land and land improvements	\$ 2,100,992	\$ -	\$ -	\$ 2,100,992
Other capital assets:				
Buildings	3,147,340	-	-	3,147,340
Equipment and vehicles	1,212,208	133,591	(15,854)	1,329,945
Infrastructure	10,644,035	591,464	-	11,235,499
Total other capital assets at cost	<u>15,003,583</u>	<u>725,055</u>	<u>(15,854)</u>	<u>15,712,784</u>
Less accumulated depreciation for:				
Buildings	(417,664)	(77,612)	-	(495,276)
Equipment and vehicles	(866,269)	(121,762)	15,854	(972,177)
Infrastructure	(2,438,037)	(259,875)	-	(2,697,912)
Total accumulated depreciation	<u>(3,721,970)</u>	<u>(459,249)</u>	<u>15,854</u>	<u>(4,165,365)</u>
Other capital assets, net	<u>11,281,613</u>	<u>265,806</u>	<u>-</u>	<u>11,547,419</u>
Governmental activities capital assets, net	<u>\$ 13,382,605</u>	<u>\$ 265,806</u>	<u>\$ -</u>	<u>\$ 13,648,411</u>
Business-type activities:				
Land	\$ 340,274	\$ -	\$ -	\$ 340,274
Other capital assets:				
Buildings and systems	14,117,451	22,261	-	14,139,712
Equipment and vehicles	268,912	46,197	-	315,109
Total other capital assets at cost	<u>14,386,363</u>	<u>68,458</u>	<u>-</u>	<u>14,454,821</u>
Less accumulated depreciation for:				
Buildings and systems	(7,029,597)	(303,635)	-	(7,333,232)
Equipment and vehicles	(171,934)	(46,614)	-	(218,548)
Total accumulated depreciation	<u>(7,201,531)</u>	<u>(350,249)</u>	<u>-</u>	<u>(7,551,780)</u>
Other capital assets, net	<u>7,184,832</u>	<u>(281,791)</u>	<u>-</u>	<u>6,903,041</u>
Business-type activities capital assets, net	<u>\$ 7,525,106</u>	<u>\$ (281,791)</u>	<u>\$ -</u>	<u>\$ 7,243,315</u>

The Town recorded the following additions to capital assets, at estimated fair value, contributed by developers and others during 2012 and 2011:

	2012	2011
Governmental activities:		
Infrastructure	\$ -	\$ 579,937
	<u>\$ -</u>	<u>\$ 579,937</u>

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 3: Detailed Notes on All Funds (continued)

Capital Assets (continued)

Depreciation expense was charged to functions of the Town as follows during 2012 and 2011:

	2012	2011
Governmental activities:		
General government	\$ 23,862	\$ 23,567
Public safety	77,503	79,708
Public works	301,992	307,593
Parks and recreation	49,540	48,381
Total - governmental activities	\$ 452,897	\$ 459,249
Business-type activities:		
Water	\$ 266,259	\$ 258,486
Sewer	93,659	91,763
Total - business-type activities	\$ 359,918	\$ 350,249

Long-Term Debt

The Town has the following long-term debt outstanding for governmental activities at December 31, 2012:

Alpine Bank Lease-Purchase Agreement

The Town entered into a \$1,300,000 lease-purchase agreement with Alpine Bank dated September 1, 2008. The lease requires semi-annual installments of varying amounts on May 10 and November 10 including interest at 6.25% through maturity on November 19, 2028 subject to annual appropriation by the Town. Proceeds of the note were used for construction of a new police station. The lease is secured by an interest in the land on which the police station was constructed.

Caterpillar Financial Services Corporation Lease-Purchase Agreement

The Town entered into a \$129,561 lease-purchase agreement with Caterpillar Financial Services Corporation dated February 4, 2011. The lease requires 59 monthly payments of \$2,350, including interest at 3.50%, and one payment of \$1 upon maturity in January 2016. Proceeds of the note were used for acquisition of a new wheel loader. The lease is secured by an interest in the equipment.

The Town has the following long-term debt outstanding for business-type activities at December 31, 2012:

CWRPDA Loan (2002)

The Town entered into a \$1,000,000 loan agreement dated April 30, 2002. The note is payable in semi-annual installments of \$33,382 on May 1 and November 1 including interest at 4.00% through maturity on November 1, 2022. Proceeds of the note were used for water treatment plant improvements.

State of Colorado Loan (2002)

The Town entered into a \$200,000 loan agreement with the Department of Local Affairs dated August 30, 2002. The note is payable in annual installments of \$16,049 on September 1 including interest at 5.00% through maturity on September 1, 2022. Proceeds of the note were used for water treatment plant improvements.

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 3: Detailed Notes on All Funds (continued)

Long-Term Debt (continued)

State of Colorado Loan (2005)

The Town entered into a \$120,000 loan agreement with the Department of Local Affairs dated September 1, 2005. The note is payable in annual installments of \$15,217 on September 1 including interest at 5.00% through maturity on September 1, 2014. Proceeds of the note were used for water treatment plant improvements.

State of Colorado Loan (2007)

The Town entered into a \$148,000 loan agreement with the Department of Local Affairs dated March 26, 2007. The note is payable in annual installments of \$18,528 on September 1 including interest at 5.00% through maturity on September 1, 2016. Proceeds of the note were used for water line replacements.

CWRPDA Loan (2012)

The Town entered into a \$603,300 loan agreement dated November 19, 2012. The note requires an initial payment of \$15,312 on May 1, 2014 then is payable in semi-annual installments of \$18,438 on May 1 and November 1 including interest at 2.00% through maturity on November 1, 2033. Proceeds of the note are to be used for a project consisting of using the existing aerated lagoon system and adding a new lift station and force main in order to meet revised wastewater effluent limits.

At December 31, 2012 and 2011, capital assets acquired under capital leases are as follows:

	2012	2011
Governmental activities:		
Buildings	\$ 1,793,924	\$ 1,793,924
Equipment	129,561	129,561
Less: Accumulated depreciation	(205,304)	(147,500)
 Total - governmental activities	 \$ 1,718,181	 \$ 1,775,985

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 3: Detailed Notes on All Funds (continued)

Long-Term Debt (continued)

Long-term liability activity for the year ended December 31, 2012 was as follows:

	December 31, 2011 Balance	Additions	Reductions	December 31, 2012 Balance	Amounts Due Within One Year
Governmental activities:					
Lease purchase obligation	\$ 1,191,000	\$ -	\$ (41,000)	\$ 1,150,000	\$ 43,000
Capital lease obligation	107,270	-	(24,671)	82,599	25,601
Compensated absences	34,633	41,061	(34,633)	41,061	-
Governmental activities long-term liabilities	<u>\$ 1,332,903</u>	<u>\$ 41,061</u>	<u>\$ (100,304)</u>	<u>\$ 1,273,660</u>	<u>\$ 68,601</u>
Business-type activities:					
Notes payable:					
CWRPDA (2002)	\$ 589,461	\$ -	\$ (43,617)	\$ 545,844	\$ 45,380
State of Colorado (2002)	133,305	-	(9,383)	123,922	9,852
State of Colorado (2005)	41,439	-	(13,145)	28,294	13,802
State of Colorado (2007)	80,216	-	(14,517)	65,699	15,243
CWRPDA (2012)	-	603,300	-	603,300	-
Business-type activities long-term liabilities	<u>\$ 844,421</u>	<u>\$ 603,300</u>	<u>\$ (80,662)</u>	<u>\$ 1,367,059</u>	<u>\$ 84,277</u>

Long-term liability activity for the year ended December 31, 2011 was as follows:

	December 31, 2010 Balance	Additions	Reductions	December 31, 2011 Balance	Amounts Due Within One Year
Governmental activities:					
Lease purchase obligation	\$ 1,230,000	\$ -	\$ (39,000)	\$ 1,191,000	\$ 41,000
Capital lease obligation	-	129,561	(22,291)	107,270	24,671
Compensated absences	37,880	34,633	(37,880)	34,633	-
Governmental activities long-term liabilities	<u>\$ 1,267,880</u>	<u>\$ 164,194</u>	<u>\$ (99,171)</u>	<u>\$ 1,332,903</u>	<u>\$ 65,671</u>
Business-type activities:					
Notes payable:					
CWRPDA (2002)	\$ 631,385	\$ -	\$ (41,924)	\$ 589,461	\$ 43,617
State of Colorado (2002)	142,242	-	(8,937)	133,305	9,383
State of Colorado (2005)	53,958	-	(12,519)	41,439	13,145
State of Colorado (2007)	94,041	-	(13,825)	80,216	14,517
Business-type activities long-term liabilities	<u>\$ 921,626</u>	<u>\$ -</u>	<u>\$ (77,205)</u>	<u>\$ 844,421</u>	<u>\$ 80,662</u>

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012

(with summarized financial information as of and for the year ended December 31, 2011)

Note 3: Detailed Notes on All Funds (continued)

Long-Term Debt (continued)

The CWRPDA loan agreements include a rate covenant whereby the Town's Enterprise Fund water and sewer systems revenues, after meeting the operation and maintenance expenses of the systems, is required to be sufficient to cover 110% of the debt service coming due. The following is the Town's calculation indicating compliance with the rate covenant for the year ended December 31, 2012:

System revenues:	
Charges for services:	
Water	\$ 718,446
Sewer	322,012
Plant investment fees:	
Water	4,800
Sewer	2,400
Total system revenues	1,047,658
System operating expenses:	
Water	400,328
Sewer	314,223
Total system operating expenses	714,551
System net operating income	\$ 333,107
Aggregate debt service payments	\$ 153,434
System net operating income / aggregate debt service payments	2.17

Aggregate debt service requirements at December 31, 2012 were as follows:

	Principal	Interest	Total
Governmental activities:			
2013	\$ 68,601	\$ 73,819	\$ 142,420
2014	73,555	70,115	143,670
2015	76,545	66,156	142,701
2016	55,898	62,384	118,282
2017	55,000	59,031	114,031
2018-2022	335,000	237,655	572,655
2023-2027	458,000	116,625	574,625
2028	110,000	5,188	115,188
Total governmental activities	\$ 1,232,599	\$ 690,973	\$ 1,923,572
Business-type activities:			
2013	\$ 84,277	\$ 32,280	\$ 116,557
2014	110,846	39,461	150,307
2015	102,179	36,037	138,216
2016	106,058	32,157	138,215
2017	91,567	28,122	119,689
2018-2022	509,637	88,803	598,440
2023-2027	154,975	29,403	184,378
2028-2032	171,189	13,189	184,378
2033	36,331	546	36,877
Total business-type activities	\$ 1,367,059	\$ 299,998	\$ 1,667,057

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 3: Detailed Notes on All Funds (continued)

Governmental Fund Balances

The Town's governmental fund balances are classified as follows at December 31, 2012:

	General Fund	Conservation Trust Fund	Development Fees Fund	Hayden Public Library	Total Governmental Funds
Restricted for:					
Emergencies	\$ 98,110	\$ -	\$ -	\$ -	\$ 98,110
Open space and parks	-	97,075	-	-	97,075
Committed for:					
Parks and trails	-	-	62,088	-	62,088
School facility fees	-	-	16,823	-	16,823
Park connections	-	-	9,000	-	9,000
Drainage basin	-	-	7,179	-	7,179
Traffic impact fees	-	-	4,319	-	4,319
Employee health reimbursement	47,395	-	-	-	47,395
Public library	-	-	-	240,263	240,263
Assigned to:					
Development fees	-	-	18,525	-	18,525
Unassigned	710,852	-	-	-	710,852
Total fund balances	<u>\$ 856,357</u>	<u>\$ 97,075</u>	<u>\$ 117,934</u>	<u>\$ 240,263</u>	<u>\$ 1,311,629</u>

Development Fees fund balances are committed via subdivision improvement agreements entered into between the Town and developers. Hayden Public Library fund balances are committed by the Hayden Public Library governing documents.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless legal documents/contracts that prohibit it. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Interfund Transfers

The Town makes transfers between funds to allocate resources based upon the Town's adopted budgetary policies and via Town Council resolutions. The following transfers were made during 2012 and 2011:

	2012	2011
Transfer In (Out):		
General Fund	\$ (136,159)	\$ (75,000)
Enterprise Fund	136,159	75,000
	<u>\$ -</u>	<u>\$ -</u>

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 4: Other Information

Defined Compensation Plan

Town employees may voluntarily contribute to a deferred compensation plan, an Internal Revenue Code Section 457 defined contribution plan administered by ICMA Retirement Corporation. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan assets are held in trust for the exclusive benefit of participating employees and are not accessible by the Town or its creditors.

The Town's contribution for each employee and investment earnings allocated to the employee's account are fully vested. The Town contributes up to 7% of eligible employees' wages. The Town's contributions to the plan were \$39,072 and \$37,219 during the years ended December 31, 2012 and 2011, respectively.

Risk Management

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. For these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to CRS § 24-10-115.5 and Colorado Constitution, Article XIV, Section 18(2).

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

CIRSA is financed by annual contributions and interest earnings on the contributions. The contributions are used, in part, to establish loss funds from which member claims and associated costs are paid. Excess reinsurance coverage is also purchased. Certain surplus funds are used to the benefit of members and may include reductions in future contributions. Although none have occurred to date, additional member contributions may be required if necessary. The Town's contribution to CIRSA for insurance coverage during 2012 is reported as an expenditure in the General Fund. The Town is unaware of any excess losses which may have been incurred by CIRSA and there have been no settled claims which exceed insurance coverage in any of the last three years. The Town's share of surplus contributions held by CIRSA at December 31, 2012 was \$65,295.

Health Reimbursement Arrangement Plan

In order to control increasing health care costs, effective January 1, 2011, the Town established a Health Reimbursement Arrangement (HRA) Plan that reimburses employees for group medical health insurance plan deductible and actual eligible medical expenses incurred (as defined under Internal Revenue Code Section 213(d). The plan year is from March 1 through February 28. At the end of a plan year, any unused claim liability in an HRA Plan account is returned to the Town.

TOWN OF HAYDEN, COLORADO
Notes to Financial Statements
December 31, 2012
(with summarized financial information as of and for the year ended December 31, 2011)

Note 4: Other Information (continued)

Commitments

Yamcolo Reservoir Storage Agreement

The Town entered into an extension and amendment agreement with the Upper Yampa Water Conservancy District (UYWCD) effective July 15, 2011 for 300 acre feet of storage water in the Yamcolo Reservoir for thirty years terminating July 15, 2041. The purchase price for the storage water was \$68.38 per acre foot in 2011 and is subject to an annual CPI increase thereafter.

Stagecoach Reservoir Water Allotment Contract

The Town entered into a water allotment contract with UYWCD in 1988 for 200 acre feet of storage water in the Stagecoach Reservoir for thirty years terminating in 2018. The purchase price for the storage water is \$35.00 per acre foot due annually on July 15th.

Grants

As of December 31, 2012, the Town has been awarded a grant that has the following amount remaining to be earned by the Town in future years when applicable costs are expended:

<u>Grantor</u>	<u>Purpose</u>	<u>Remaining Grant Funds</u>
<i>Governmental Activities:</i>		
Colorado Department of Transportation	Sidewalk extension	\$ 104,981
Total		\$ 104,981

Subsequent Events

The Town has evaluated subsequent events through July 18, 2013, the date these financial statements were available to be issued.

TOWN OF HAYDEN, COLORADO
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes:			
Sales tax	\$ 763,000	\$ 806,688	\$ 43,688
General property tax	518,979	512,541	(6,438)
Car rental tax	108,350	119,628	11,278
Building materials use tax	10,000	6,067	(3,933)
Franchise tax	59,000	49,888	(9,112)
Cigarette tax	2,780	4,417	1,637
Lodging tax	500	890	390
Total taxes	1,462,609	1,500,119	37,510
Intergovernmental:			
Airport security reimbursement	55,000	61,626	6,626
Highway users	61,800	56,842	(4,958)
Specific ownership	26,500	28,469	1,969
Severance	102,500	185,283	82,783
Mineral lease	42,500	38,470	(4,030)
Motor vehicle registration	7,000	7,398	398
Road and bridge	9,000	9,006	6
Total intergovernmental	304,300	387,094	82,794
Licenses, permits and fees	6,278	7,719	1,441
Charges for services	6,850	6,224	(626)
Fines and forfeitures	11,000	10,196	(804)
Grants	123,481	18,024	(105,457)
Recreation programs and events	20,750	11,112	(9,638)
Proceeds from sale of capital assets	10,000	11,785	1,785
Interest	8,400	2,589	(5,811)
Other	13,000	15,931	2,931
Total revenues	1,966,668	1,970,793	4,125
Expenditures:			
General government:			
Administration:			
Wages and benefits	258,080	253,846	4,234
Insurance	8,300	8,328	(28)
Contributions	8,000	8,000	-
Professional services	10,000	7,360	2,640
Office	6,290	8,978	(2,688)
Other	11,585	6,367	5,218
Total administration	302,255	292,879	9,376

TOWN OF HAYDEN, COLORADO
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Legislative:			
Wages and benefits	\$ 8,340	\$ 8,174	\$ 166
Treasurer fees	16,500	15,472	1,028
Professional services	11,000	11,000	-
Other	3,000	4,404	(1,404)
Total legislative	<u>38,840</u>	<u>39,050</u>	<u>(210)</u>
Building department:			
Utilities	6,700	4,426	2,274
Insurance	5,980	6,007	(27)
Maintenance and repairs	5,100	4,905	195
Other	12,400	12,400	-
Total building department	<u>30,180</u>	<u>27,738</u>	<u>2,442</u>
Data processing department	14,255	21,220	(6,965)
Judicial department	10,365	8,674	1,691
Planning department	3,600	12,868	(9,268)
Executive department	2,235	2,024	211
Elections department	1,000	-	1,000
Total general government	<u>402,730</u>	<u>404,453</u>	<u>(1,723)</u>
Public safety:			
Wages and benefits	491,105	449,146	41,959
Insurance	11,525	11,643	(118)
General operating and supplies	13,300	15,807	(2,507)
Vehicles	15,000	12,800	2,200
Office	6,000	5,929	71
Utilities	6,500	6,865	(365)
Other	14,400	8,461	5,939
Total public safety	<u>557,830</u>	<u>510,651</u>	<u>47,179</u>

TOWN OF HAYDEN, COLORADO
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Public works:			
Streets department:			
Wages and benefits	\$ 200,370	\$ 177,077	\$ 23,293
Utilities	28,000	29,559	(1,559)
Snow removal	25,000	21,646	3,354
Street cleaning and maintenance	118,000	130,817	(12,817)
General operating and supplies	14,500	12,866	1,634
Vehicles	7,500	7,581	(81)
Insurance	4,775	4,619	156
Other	20,200	5,081	15,119
Total streets department	418,345	389,246	29,099
Mosquito control department:			
Operating supplies	7,000	3,004	3,996
Chemicals	6,000	2,083	3,917
Other	460	463	(3)
Total mosquito control department	13,460	5,550	7,910
Total public works	431,805	394,796	37,009
Recreation department:			
Wages and benefits	18,440	16,088	2,352
Recreation programs	29,400	17,267	12,133
Special events	13,000	10,385	2,615
Other	4,825	4,878	(53)
Total recreation department	65,665	48,618	17,047
Parks department:			
Wages and benefits	35,435	44,406	(8,971)
Utilities	18,000	17,519	481
General operating	24,000	11,089	12,911
Insurance	4,610	4,627	(17)
Repairs and maintenance	2,500	988	1,512
Other	6,900	4,300	2,600
Total parks department	91,445	82,929	8,516

TOWN OF HAYDEN, COLORADO
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Economic development	\$ 2,600	\$ 10,429	\$ (7,829)
Capital expenditures	182,981	83,544	99,437
Debt service:			
Principal	65,671	65,671	-
Interest	75,579	77,342	(1,763)
Total expenditures	<u>1,876,306</u>	<u>1,678,433</u>	<u>197,873</u>
Excess (deficiency) of revenues over expenditures	<u>90,362</u>	<u>292,360</u>	<u>201,998</u>
Other financing sources (uses):			
Transfers out	(136,359)	(136,159)	(200)
Transfers in	42,000	-	42,000
Total other financing sources (uses)	<u>(94,359)</u>	<u>(136,159)</u>	<u>(41,800)</u>
Net change in fund balance	(3,997)	156,201	<u>\$ 160,198</u>
Fund balance, beginning of year	<u>700,156</u>	<u>700,156</u>	
Fund balance, end of the year	<u>\$ 696,159</u>	<u>\$ 856,357</u>	

TOWN OF HAYDEN, COLORADO
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2012

(with summarized financial information as of December 31, 2011)

	Conservation Trust Fund	Development Fees Fund	Hayden Public Library	2012 Total	2011 Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:					
Cash and cash equivalents	\$ 97,075	\$ 117,934	\$ 240,263	\$ 455,272	\$ 339,734
 Total assets	<u>97,075</u>	<u>117,934</u>	<u>240,263</u>	<u>455,272</u>	<u>339,734</u>
 Fund balance:					
Restricted for:					
Open space and parks	97,075	-	-	97,075	78,970
Unrestricted:					
Committed	-	99,409	240,263	339,672	242,239
Assigned	<u>-</u>	<u>18,525</u>	<u>-</u>	<u>18,525</u>	<u>18,525</u>
 Total fund balance	<u>\$ 97,075</u>	<u>\$ 117,934</u>	<u>\$ 240,263</u>	<u>\$ 455,272</u>	<u>\$ 339,734</u>

TOWN OF HAYDEN, COLORADO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2012
(with summarized financial information for the year ended December 31, 2011)

	Conservation Trust Fund	Development Fees Fund	Hayden Public Library	2012 Total	2011 Total
Revenues:					
Intergovernmental	\$ 18,017	\$ -	\$ -	\$ 18,017	\$ 16,473
Interest	89	-	950	1,039	2,422
Other	-	179	100,311	100,490	5,436
Total revenues	<u>18,106</u>	<u>179</u>	<u>101,261</u>	<u>119,546</u>	<u>24,331</u>
Expenditures:					
General government	-	-	4,007	4,007	18,253
Capital expenditures	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>4,007</u>	<u>4,007</u>	<u>18,253</u>
Excess (deficiency) of revenues over expenditures	<u>18,106</u>	<u>179</u>	<u>97,254</u>	<u>115,539</u>	<u>6,078</u>
Other financing sources (uses):					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	18,106	179	97,254	115,539	6,078
Fund balance, beginning of year	<u>78,969</u>	<u>117,755</u>	<u>143,009</u>	<u>339,733</u>	<u>333,656</u>
Fund balance, end of year	<u>\$ 97,075</u>	<u>\$ 117,934</u>	<u>\$ 240,263</u>	<u>\$ 455,272</u>	<u>\$ 339,734</u>

TOWN OF HAYDEN, COLORADO
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 18,000	\$ 18,017	\$ 17
Interest	250	89	(161)
Total revenues	<u>18,250</u>	<u>18,106</u>	<u>(144)</u>
Expenditures:			
Capital expenditures	<u>30,245</u>	<u>-</u>	<u>30,245</u>
Total expenditures	<u>30,245</u>	<u>-</u>	<u>30,245</u>
Net change in fund balance	(11,995)	18,106	<u>\$ 30,101</u>
Fund balance, beginning of year	<u>78,969</u>	<u>78,969</u>	
Fund balance, end of year	<u>\$ 66,974</u>	<u>\$ 97,075</u>	

TOWN OF HAYDEN, COLORADO
Development Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Development fees	\$ -	\$ 179	\$ 179
Interest	-	-	-
Total revenues	<u>-</u>	<u>179</u>	<u>179</u>
Expenditures:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	179	<u><u>\$ 179</u></u>
Fund balance, beginning of year	<u>117,755</u>	<u>117,755</u>	
Fund balance, end of year	<u><u>\$ 117,755</u></u>	<u><u>\$ 117,934</u></u>	

TOWN OF HAYDEN, COLORADO
Hayden Public Library
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Interest	\$ 2,000	\$ 950	\$ (1,050)
Other	43,500	100,311	56,811
Total revenues	<u>45,500</u>	<u>101,261</u>	<u>55,761</u>
Expenditures:			
General and administrative	3,500	4,007	(507)
Other	11,000	-	11,000
Total expenditures	<u>14,500</u>	<u>4,007</u>	<u>10,493</u>
Net change in fund balance	31,000	97,254	<u>\$ 66,254</u>
Fund balance, beginning of year	<u>143,009</u>	<u>143,009</u>	
Fund balance, end of year	<u>\$ 174,009</u>	<u>\$ 240,263</u>	

TOWN OF HAYDEN, COLORADO
Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Net Assets
Budget (Non-US GAAP Basis) and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services:			
Water	\$ 641,574	\$ 718,446	\$ 76,872
Sewer	317,055	322,012	4,957
Refuse	124,350	127,350	3,000
Plant investment fees:			
Water	4,800	4,800	-
Sewer	2,400	2,400	-
Grants and loan proceeds	560,000	603,300	43,300
Other	25,760	16,970	(8,790)
Total revenues	1,675,939	1,795,278	119,339
Expenditures:			
Water:			
Operating:			
Wages and benefits	164,435	156,065	8,370
Insurance	8,300	8,404	(104)
Repairs and maintenance	13,500	9,687	3,813
Professional services	45,000	4,147	40,853
Capital outlay	11,000	9,483	1,517
Other	9,900	10,867	(967)
Total operating	252,135	198,653	53,482
Water treatment plant:			
Utilities	28,000	21,585	6,415
Chemicals	20,000	25,394	(5,394)
Repairs and maintenance	33,500	34,864	(1,364)
Capital outlay	20,000	26,697	(6,697)
Total water treatment plant	101,500	108,540	(7,040)
Golden meadows department:			
Utilities	9,000	10,008	(1,008)
Repairs and maintenance	61,150	3,773	57,377
Total golden meadows department	70,150	13,781	56,369
Hospital hill department:			
Utilities	10,000	10,290	(290)
Repairs and maintenance	5,000	6,674	(1,674)
Total hospital hill department	15,000	16,964	(1,964)

TOWN OF HAYDEN, COLORADO
Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Net Assets
Budget (Non-US GAAP Basis) and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Meters department:			
Repairs and maintenance	\$ 10,500	\$ 8,843	\$ 1,657
Other	800	822	(22)
Capital outlay	-	3,805	(3,805)
Total meters department	<u>11,300</u>	<u>13,470</u>	<u>(2,170)</u>
Water rights department:			
Water storage	28,470	28,252	218
Repairs and maintenance	6,000	5,152	848
Professional services	10,000	715	9,285
Total water rights department	<u>44,470</u>	<u>34,119</u>	<u>10,351</u>
Water distribution:			
Repairs and maintenance	20,000	17,694	2,306
Capital outlay	125,000	99,596	25,404
Other	500	-	500
Total water distribution	<u>145,500</u>	<u>117,290</u>	<u>28,210</u>
Administration:			
Wages and benefits	28,250	21,919	6,331
Other	2,100	2,206	(106)
Total administration	<u>30,350</u>	<u>24,125</u>	<u>6,225</u>
Total water	<u>670,405</u>	<u>526,942</u>	<u>143,463</u>
Sewer:			
Operating:			
Wages and benefits	139,845	132,440	7,405
Professional services	30,000	4,780	25,220
Repairs and maintenance	2,000	1,162	838
Insurance	2,305	2,390	(85)
Other	6,350	6,543	(193)
Capital outlay	11,000	9,482	1,518
Total operating	<u>191,500</u>	<u>156,797</u>	<u>34,703</u>
Sewer treatment plant:			
Utilities	47,500	51,058	(3,558)
Repairs and maintenance	11,500	14,160	(2,660)
Chemicals	6,000	4,241	1,759
Other	2,500	2,196	304
Capital outlay	550,000	40,158	509,842
Total sewer treatment plant	<u>617,500</u>	<u>111,813</u>	<u>505,687</u>

TOWN OF HAYDEN, COLORADO
Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Net Assets
Budget (Non-US GAAP Basis) and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
Washington street:			
Utilities	\$ 1,200	\$ 1,034	\$ 166
Other	2,000	971	1,029
Total washington street	<u>3,200</u>	<u>2,005</u>	<u>1,195</u>
Sewer collection system:			
Repairs and maintenance	15,000	9,489	5,511
Other	1,000	-	1,000
Total sewer collection system	<u>16,000</u>	<u>9,489</u>	<u>6,511</u>
Lift stations:			
Utilities	6,850	6,576	274
Other	3,000	3,430	(430)
Total lift stations	<u>9,850</u>	<u>10,006</u>	<u>(156)</u>
Administration:			
Wages and benefits	28,250	21,918	6,332
Other	2,100	2,195	(95)
Total administration	<u>30,350</u>	<u>24,113</u>	<u>6,237</u>
Total sewer	<u>868,400</u>	<u>314,223</u>	<u>554,177</u>
Refuse collection:			
Contract services	124,350	127,350	(3,000)
Total refuse collection	<u>124,350</u>	<u>127,350</u>	<u>(3,000)</u>

TOWN OF HAYDEN, COLORADO
Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Net Assets
Budget (Non-US GAAP Basis) and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Debt service:			
Principal	\$ 117,000	\$ 80,662	\$ 36,338
Interest	40,000	34,986	5,014
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	1,820,155	1,084,163	735,992
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	(144,216)	711,115	855,331
	<u> </u>	<u> </u>	<u> </u>
Other financing sources (uses):			
Transfers in	151,359	136,159	(15,200)
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources	151,359	136,159	(15,200)
	<u> </u>	<u> </u>	<u> </u>
Excess of revenues and other financing sources over expenditures	7,143	847,274	<u>\$ 840,131</u>
Reconciliation to US GAAP basis:			
Capitalized expenditures		126,614	
Debt principal payments		80,662	
Loan proceeds		(603,300)	
Depreciation		(359,918)	
		<u> </u>	
Net income - US GAAP basis		91,332	
Net assets, beginning of year	6,622,763	6,622,763	
	<u> </u>	<u> </u>	
Net assets, end of year	<u>\$ 6,629,906</u>	<u>\$ 6,714,095</u>	

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

City or County: Hayden

LOCAL HIGHWAY FINANCE REPORT

YEAR ENDING :
December 2012

This Information From The Records Of (example - City of _ or County of
Town of Hayden

Prepared By: Sharon Johnson
Phone: 9702763741

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	87,921
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	194,073
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	29,245
2. General fund appropriations	294,803	b. Snow and ice removal	21,646
3. Other local imposts (from page 2)	28,425	c. Other	0
4. Miscellaneous local receipts (from page 2)	9,626	d. Total (a. through c.)	50,891
5. Transfers from toll facilities	0	4. General administration & miscellaneous	32,201
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	66,219
a. Bonds - Original Issues	0	6. Total (1 through 5)	431,305
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	332,854	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	82,463	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	415,317	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	431,305

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	255,965	415,317	431,305	239,977	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2012

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	9,626
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	28,425	g. Other Misc. Receipts	0
6. Total (1. through 5.)	28,425	h. Other	0
c. Total (a. + b.)	28,425	i. Total (a. through h.)	9,626
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	61,753	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	7,612	d. Federal Transit Admin	0
d. Other (Specify)		e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	7,612	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	69,365	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	2,310	2,310
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	85,611	85,611
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	85,611	85,611
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	87,921	87,921
			(Carry forward to page 1)

Notes and Comments: