



FIRESTONE

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2016

Comprehensive Annual Financial Report

For The Fiscal Year Ended December 31, 2016



TOWN OF FIRESTONE

FIRESTONE, COLORADO

**Comprehensive Annual Financial Report
For the Fiscal Year ended December 31, 2016**

Issued by the Town of Firestone, Finance Department

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Town of Firestone, Colorado
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2016

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INTRODUCTORY SECTION

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June 28, 2017

To the Honorable Mayor, members of the Board of Trustees, and Citizens of the Town of Firestone (the “Town”), state law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States (“GAAP”), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of the Town for the fiscal year ended December 31, 2016.

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

Anton Collins Mitchell LLP, a firm of licensed certified public accountants, has audited the Town’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2016 are free of material misstatement. The independent audit involved: examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for the fiscal year ended December 31, 2016, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

PROFILE OF THE TOWN OF FIRESTONE

The Town, incorporated in 1908, is located on the northern fringe of the Denver metropolitan area of Colorado. The Town currently occupies a land planning area of approximately 56 square miles and serves a population of approximately 13,000. Firestone is located in Weld County. The Town is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board and voter approval. On April 2, 1996, the taxpayers approved a ballot question to remove the Taxpayer Bill of Rights (“TABOR”) limits that were imposed on the Town in 1992.

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

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

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

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. As for the General, Highway, and Parks Funds, these comparisons are presented on pages 73 to 75 as part of the required supplementary information. For all other governmental funds, the comparisons are presented in the other supplementary information subsection of this report, which begins on page 80.

FACTORS AFFECTING FINANCIAL CONDITION

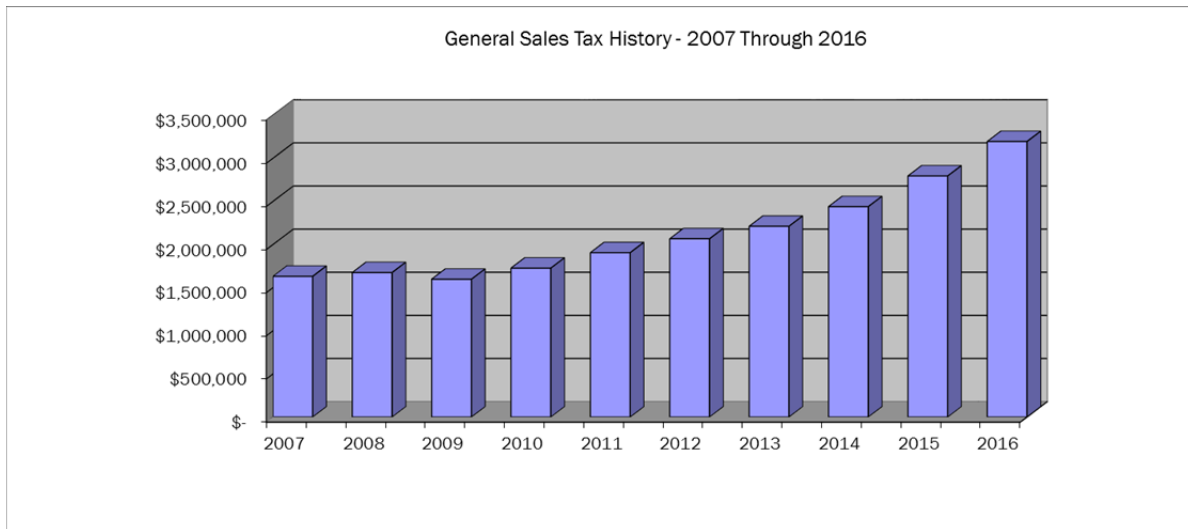
LOCAL ECONOMY

The Town of Firestone is a unique community of citizens, businesses, and governments that are united in creating a stable, safe, prosperous, and healthful environment in which to live, work, worship, learn, recreate and exercise the rights and freedoms provided by the United States Constitution. The Town has been recognized in several national and Colorado listings for its cost of home ownership, amenities, and for being a safe environment. During 2014, the Town was named the second safest community in Colorado and the sixth safest community in the nation by Movoto, a national real estate company, and was also named as No. 1 in an article titled “Best Cities for Homeownership in Colorado” by NerdWallet.com. In addition, Money magazine named Firestone No. 24 in its 2013 “Best Place to Live” issue. The area has a homeownership rate of 88.8 percent, and a median household income of \$81,071 annually. The median home value in Firestone is \$294,649 as of December 2016 according to Alteryx 2016A. Another testament of this is the fact that according to City-Data.com, Firestone’s cost of living index is 99.7, which is near the United States average of 100. In order to maximize commercial and residential development opportunities, Firestone continued with a strategic and targeted economic development program in 2016. The objective of the plan is to attract new businesses and encourage expansion of existing businesses.

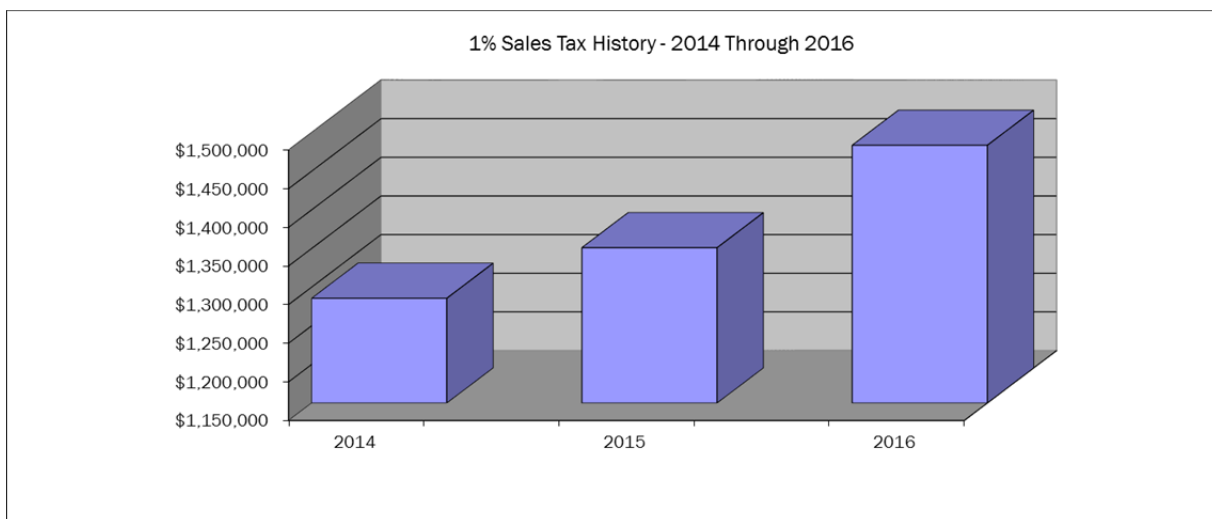
The Town is currently working to increase the number and variety of businesses throughout the community, including initiatives to enhance the economic success of historic Old Town Firestone. The tables below detail the Town’s taxable assessed value (AV) and the number of single family dwelling additions for the past ten years.

AV year / Year Levied	Assessed Valuation
2007 / 2008	\$114,332,430
2008 / 2009	\$118,208,020
2009 / 2010	\$132,642,530
2010 / 2011	\$116,860,720
2011 / 2012	\$131,980,920
2012 / 2013	\$142,320,680
2013 / 2014	\$135,196,793
2014 / 2015	\$137,099,290
2015 / 2016	\$163,612,460
2016 / 2017	\$202,135,144

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



In addition to the sales tax revenues shown in the previous chart, in November 2013, the Town's citizens approved a 1 percent additional sales tax to be utilized for streets and parks restoration/rehabilitation, transfers to the Parks Fund and Highway Fund for operations and maintenance, and associated debt service issuances/payments. Collection of this additional tax began in 2014 and will provide for long term sustainability of the Town's streets and park assets. Below is a chart reflecting the increase in 1% sales tax revenues for the past three years (as of December of each year).



LONG-TERM PLANNING

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

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

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2015. This was the tenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Alison Westerhold
Accounting Coordinator

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Government Finance Officers Association

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

Presented to

**Town of Firestone
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

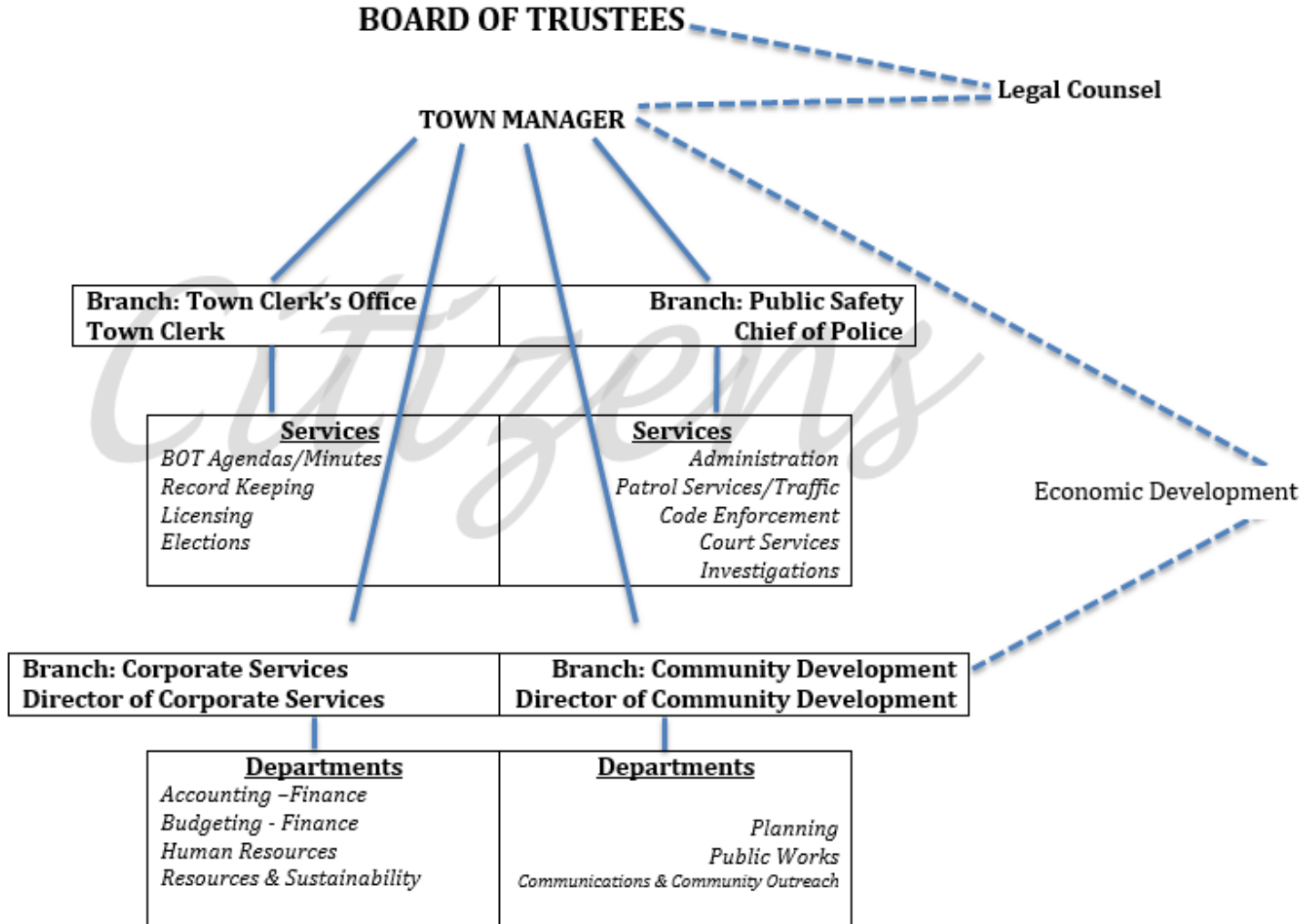
December 31, 2015

Executive Director/CEO

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Organizational Chart
Customer Based



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LIST OF PRINCIPAL OFFICIALS – AS OF DECEMBER 31, 2016

Elected Officials

Mayor Paul Sorensen
Mayor Pro-tem Bobbi Sindelar
Trustee John Damsma
Trustee George Heath
Trustee Samantha Meiring
Trustee Drew Peterson
Trustee Doug Sharp

Appointed Officials

Town Clerk Carissa Medina
Town Treasurer Jody McClurkin
Town Attorney Sam Light, Light & Kelly, PC
Town Engineer Dave Lindsay, CCG, Inc.
Municipal Judge Paul Basso

Branch Directors and Finance Department Staff

Town Manager Bruce Nickerson
Chief of Police David Montgomery
Town Clerk Carissa Medina
Director of Corporate Services Pascale Pring
Accounting Coordinator Alison Westerhold
Accountant Linda O’Keefe
Accounting Clerk Judy Scott
Budget and Financial Analyst Jody McClurkin

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FINANCIAL SECTION

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Firestone, Colorado (the "Town") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements.

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Firestone as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16, the budgetary comparison information on pages 73 through 76, and the required pension schedules on pages 76 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison information, capital asset information, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Greeley, Colorado
June 28, 2017



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Firestone (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Firestone for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the introductory section of this report.

BACKGROUND INFORMATION

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

On April 2, 1996, the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992. The mill levy for 2016 was set at 6.805 mills.

FINANCIAL HIGHLIGHTS

- The Town's total reported net working capital increased by \$3,633,944 (or 17.17 percent) from December of 2015 to December of 2016. Total net working capital increased in both the governmental and business-type activities by \$2,334,490 and \$1,299,454, respectively.
- General revenues account for \$9,609,400 or 36.55 percent of total revenues. The Town had \$16,678,952 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions. \$7,810,890 (or 46.83 percent) of the 2016 program specific revenues were derived from charges for services.
- The Town had \$9,766,328 in expenses related to governmental activities, which were offset by program specific charges for services and operating grants and contributions of \$9,582,479, general revenues consisting of property taxes and specific ownership taxes of \$1,703,587, sales and use taxes of \$6,072,395, other revenues of \$1,810,650, and the planned use of reserves were adequate to provide for these programs.
- The Town had water and stormwater service income totaling \$3,866,624 with operating and capital grants and contributions totaling \$3,229,849. The cost of providing services totaled \$2,972,893.
- Outlays for capital assets were construction of street, water and storm water infrastructure; improvements to various parks; acquisition of police vehicles and equipment, public works equipment and information technology equipment. See the Capital Assets section of this management's discussion and analysis for more information.
- The Town's governmental activities has one sales tax revenue bond outstanding in the amount of \$3,320,000 at December 31, 2016.



MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Town has a long-term lease commitment to the Firestone Finance Authority in the amount of \$1,160,000, shown in the financial statements as certificates of participation debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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



MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes to the financial statements can be found on pages 30 to 71 of this report.

OTHER INFORMATION

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



MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

NET POSITION AND CHANGES IN NET POSITION

The Town's combined net position was greater on December 31, 2016 than the prior year, increasing by 12.99 percent to \$117,861,361. Table 3 provides a summary of the Town's net position at December 31, 2016 with comparisons to 2015. For more information see the Statement of Net Position contained within this report.

**TABLE 3
CONDENSED STATEMENT OF NET POSITION**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$ 17,047,515	\$ 15,761,007	\$ 8,752,658	\$ 7,565,350	\$ 25,800,173	\$ 23,326,357
Capital Assets, net	39,730,177	34,538,193	61,740,243	56,976,448	101,470,420	91,514,641
Total Assets	\$ 56,777,692	\$ 50,299,200	\$ 70,492,901	\$ 64,541,798	\$ 127,270,593	\$ 114,840,998
Total Deferred Outflows of Resources	\$ 1,177,220	\$ 441,893	\$ 348,075	\$ 134,690	\$ 1,525,295	\$ 576,583
Liabilities						
Current and Other Liabilities	\$ 744,701	\$ 1,792,683	\$ 251,918	\$ 364,064	\$ 996,619	\$ 2,156,747
Long-term Liabilities	7,131,131	6,823,801	1,359,128	1,005,045	8,490,259	7,828,846
Total Liabilities	\$ 7,875,832	\$ 8,616,484	\$ 1,611,046	\$ 1,369,109	\$ 9,486,878	\$ 9,985,593
Total Deferred Inflows of Resources	\$ 1,426,537	\$ 1,119,595	\$ 21,112	\$ 163	\$ 1,447,649	\$ 1,119,758
Net Position						
Net Investment in Capital Assets	\$ 35,226,064	\$ 29,781,019	\$ 61,740,243	\$ 56,976,448	\$ 96,966,307	\$ 86,757,467
Restricted	620,745	555,109	-	-	620,745	555,109
Unrestricted	12,805,734	10,668,886	7,468,575	6,330,768	20,274,309	16,999,654
Total Net Position	\$ 48,652,543	\$ 41,005,014	\$ 69,208,818	\$ 63,307,216	\$ 117,861,361	\$ 104,312,230

The largest portion of the Town's net position reflects its investment of \$101,470,420 in capital assets (for example, land, buildings, machinery and equipment, utility plants and parks). Net investment in capital assets is reported less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
<u>Program Revenues</u>						
Charges for Services	\$ 3,944,266	\$ 4,647,875	\$ 3,866,624	\$ 3,486,466	\$ 7,810,890	\$ 8,134,341
Operating Grants	853,006	1,276,205	1,074	5,300	854,080	1,281,505
Capital Grants and Contributions	4,785,207	1,479,388	3,228,775	2,301,727	8,013,982	3,781,115
<u>General Revenues</u>						
Property Taxes	1,630,597	1,670,111	-	-	1,630,597	1,670,111
Sales and Use Taxes	6,072,395	5,448,691	-	-	6,072,395	5,448,691
Franchise Taxes	481,156	435,073	-	-	481,156	435,073
Investment Earnings	75,918	48,372	22,768	20,061	98,686	68,433
Other	1,326,566	1,733,530	-	97,063	1,326,566	1,830,593
Total Revenues	\$ 19,169,111	\$ 16,739,245	\$ 7,119,241	\$ 5,910,617	\$ 26,288,352	\$ 22,649,862
Expenses						
General Government	\$ 2,348,047	\$ 2,207,436	\$ -	\$ -	\$ 2,348,047	\$ 2,207,436
Public Safety	2,969,834	2,671,801	-	-	2,969,834	2,671,801
Public Works	3,090,882	3,248,015	-	-	3,090,882	3,248,015
Health and Welfare	141,260	154,023	-	-	141,260	154,023
Economic Development	43,704	177,493	-	-	43,704	177,493
Parks	1,012,945	1,113,830	-	-	1,012,945	1,113,830
Interest on Long-Term Debt	159,656	156,411	-	-	159,656	156,411
Water/Stormwater	-	-	2,972,893	2,641,201	2,972,893	2,641,201
Total Expenses	\$ 9,766,328	\$ 9,729,009	\$ 2,972,893	\$ 2,641,201	\$ 12,739,221	\$ 12,370,210
Increase (Decrease) in Net Position before Transfers	\$ 9,402,783	\$ 7,010,236	\$ 4,146,348	\$ 3,269,416	\$ 13,549,131	\$ 10,279,652
Transfers	(1,755,254)	(94,741)	1,755,254	94,741	-	-
Increase (Decrease) in Net Position	\$ 7,647,529	\$ 6,915,495	\$ 5,901,602	\$ 3,364,157	\$ 13,549,131	\$ 10,279,652
Net Position - beginning	\$ 41,005,014	\$ 35,295,453	\$ 63,307,216	\$ 60,588,389	\$ 104,312,230	\$ 95,883,842
Restatement - Change in Accounting Principle	\$ -	\$ (1,205,934)	\$ -	\$ (645,330)	\$ -	\$ (1,851,264)
Net Position - ending	\$ 48,652,543	\$ 41,005,014	\$ 69,208,818	\$ 63,307,216	\$ 117,861,361	\$ 104,312,230

The Town's overall net position increased \$13,549,131 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$7,647,529 from the prior fiscal year for an ending balance of \$48,652,543. Governmental activities revenues increased by \$2,429,866 from 2015. The change can be primarily attributed to increases in the amount of revenues from Capital Grants and Contributions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental expenses increased \$37,319 from 2015. The change can be primarily attributed to increased expenditures for General Government. Additionally, Charts 1 and 2 below provide further illustration regarding the Town's composition of governmental revenues and expenses for 2016.

CHART 1
2016 Governmental Activities – Percentage of Revenues by Type

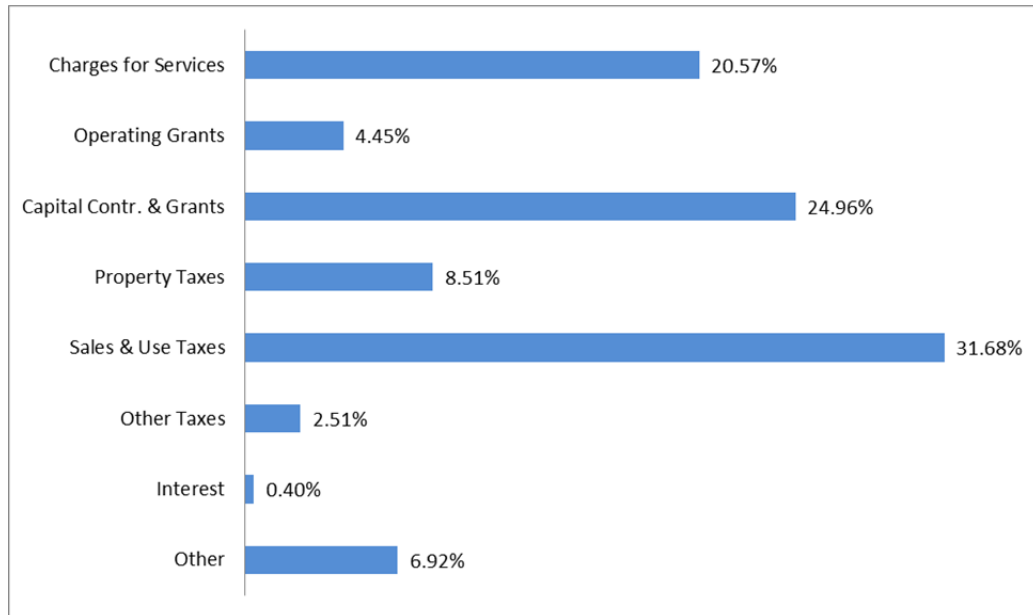
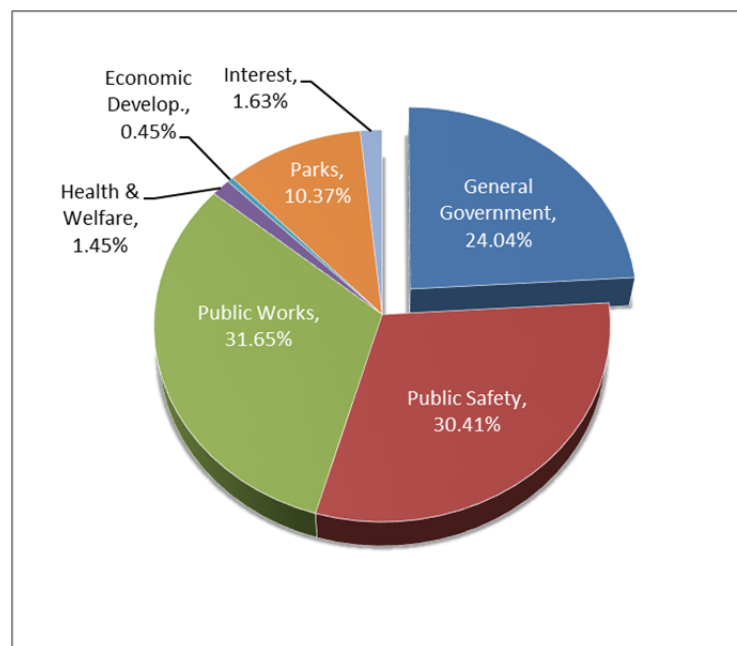


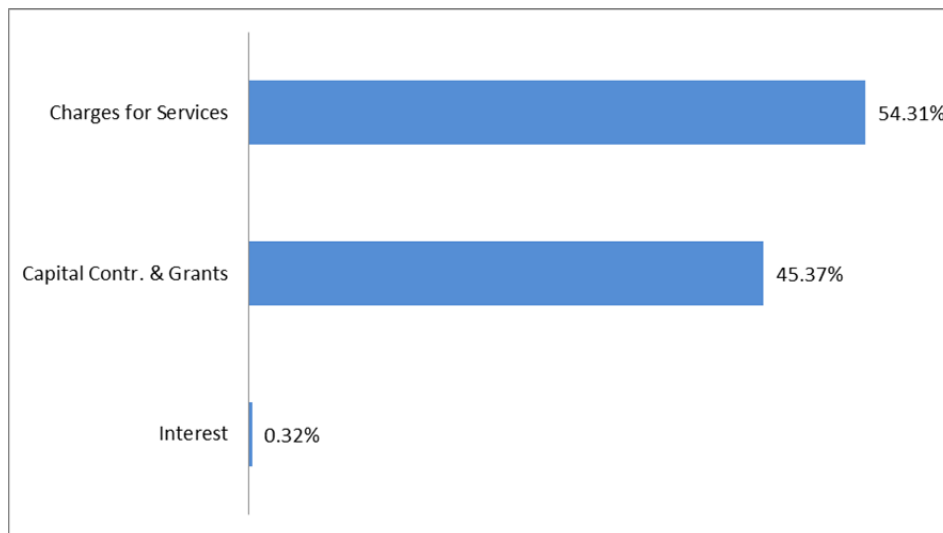
CHART 2
2016 Governmental Activities – Percentage of Expenses by Type



MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities. For the Town's business-type activities the results for the current fiscal year were positive in that overall net position increased \$5,901,602 to reach an ending balance of \$69,208,818. The total increase in net position for business-type activities (water and stormwater funds) was \$2,537,445 or 75% from the prior fiscal year. The growth, in large part, is attributable to the increase in Capital Grants and Contributions of \$927,048, an increase of 40% over the prior year, and an increase in Charges for Services of \$380,158 or 11% over the prior year. Additionally, Chart 3 below provides further illustration regarding the Town's composition of business-type revenues for 2016.

CHART 3
2016 Business-type Activities – Percentage of Revenues by Type





MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENTAL ACTIVITIES

The statement of activities shows the cost of program services and the related charges for services and the related operating grants and contributions offsetting those costs. Table 5 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

**TABLE 5
NET COST OF GOVERNMENTAL ACTIVITIES**

	2016		2015
	Total Cost of Service	Net Cost of Service	Net Cost of Service
General Government	\$ 2,348,047	\$ 1,334,030	\$ 1,177,683
Public Safety	2,969,834	2,631,712	2,383,953
Public Works	3,090,882	(5,046,380)	(2,784,268)
Health and Welfare	141,260	141,260	154,023
Economic Development	43,704	43,704	177,493
Parks	1,012,945	919,867	1,060,246
Interest on Long-Term Debt	159,656	159,656	156,411
Total	\$9,766,328	\$ 183,849	\$2,325,541

FINANCIAL ANALYSIS OF TOWN FUNDS

GENERAL FUND

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The Town's final budget for the general fund anticipated that revenues would exceed expenditures by \$61,601. The actual results for the year show revenues exceeding expenditures by \$1,847,876. Revenue exceeded budget by \$1,056,522 which allowed for all uses of those funds as budgeted. This excess revenue will be used in future years.



MANAGEMENT'S DISCUSSION AND ANALYSIS

HIGHWAY FUND

The purpose of the highway fund is to account for the proceeds of taxes and development fees for the design, engineering, construction, and major repairs to curb, gutters, sidewalks, streets, and alleys. The primary funding source is taxes and impact fees.

HIGHWAY FUND BUDGETARY HIGHLIGHTS

The Town's final budget for the highway fund anticipated that expenditures would exceed revenues by \$169,500. The actual results for the year show revenues exceeding expenditures by \$331,524.

PARKS FUND

The purpose of the parks fund is to acquire and construct parks, recreation areas, and open space for public use. The primary funding source is impact fees.

PARKS FUND BUDGETARY HIGHLIGHTS

The Town's final budget for the parks fund anticipated that expenditures would exceed revenues by \$1,232. The actual results for the year show expenditures exceeding revenues by \$140,541.

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

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

The Town must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2016 the Town's TABOR reserve amounted to \$419,510.



MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

By the end of 2016, the Town had invested \$101,470,420, net of accumulated depreciation, in a broad range of capital assets for its governmental and business-type activities including: land, buildings, site improvements, vehicles and other equipment (See Table 6 below). This amount represents a net increase of \$9,955,778 (or 10.88 percent) from last year. Additional information on The Town's capital assets can be found in Note 5 to the financial statements. Total depreciation expense for the year was \$2,500,014 in the governmental activities and \$430,915 in the Town's business-type activities.

**TABLE 6
CAPITAL ASSETS (NET OF DEPRECIATION)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land	\$ 6,537,310	\$ 6,017,310	\$ 99,121	\$ 99,121	\$ 6,636,431	\$ 6,116,431
Water Shares	-	-	40,610,164	40,610,164	40,610,164	40,610,164
Construction in Progress	364,298	4,795,044	838,951	1,438,997	1,203,249	6,234,041
Land Improvements	2,437,556	2,764,060	-	-	2,437,556	2,764,060
Buildings and Improvements	1,010,061	1,022,000	-	-	1,010,061	1,022,000
Streets and Storm Drainage	28,129,917	19,003,903	-	-	28,129,917	19,003,903
Utility Systems	-	-	19,878,434	14,487,370	19,878,434	14,487,370
Machinery and Equipment	1,251,035	935,876	313,573	340,797	1,564,608	1,276,673
Total	\$39,730,177	\$34,538,193	\$61,740,243	\$56,976,449	\$101,470,420	\$91,514,642

LONG-TERM DEBT

At year end, the Town had \$3,320,000 in sales tax revenue bonds reported in the governmental funds. In addition, the Town had a Certificate of Participation outstanding totaling \$1,160,000. For 2016, the Town experienced a 4.61 percent decrease overall in outstanding debt from 2015.

**TABLE 7
OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Sales Tax Revenue Bonds	\$ 3,320,000	\$ 3,470,000	\$ -	\$ -	\$ 3,320,000	\$ 3,470,000
Certificate of Participation	1,160,000	1,260,000	-	-	1,160,000	1,260,000
Capital Leases	-	755	-	-	-	755
Compensated Absences	178,314	152,480	29,439	29,433	207,753	181,913
Total	\$4,658,314	\$4,883,235	\$ 29,439	\$ 29,433	\$4,687,753	\$4,912,668



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FACTORS BEARING ON THE TOWN'S FUTURE

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

- The Town will be funding streets and parks maintenance at a higher level in future years as a result of the additional 1 percent tax increase that began in 2014. The 1 percent tax is dedicated to the acquisition, development, construction, repair, replacement, expansion, rehabilitation and renovation of the existing and planned streets and parks, as well as, for operating or maintaining any existing or planned parks and streets including without limitation ongoing operations and maintenance of streets and parks in the Town to extend their useful life and, in the case of streets, improve driver and pedestrian safety.
- There are several factors that drive the Town's budget and financial performance. The factors include but are not limited to the following: area employment rates, sales and use tax revenues, building permit valuation and issuance, population growth, and capital asset construction requirements.
- Currently, the Town's residential building permit valuation and issuance drives a significant part of the budget revenue for corresponding capital expenditures. The Town receives capital revenues from impact fees and water tap fees during the fiscal year, which will be utilized in future years to acquire or construct capital assets to serve future residents. A significant decrease in housing permits would have significant adverse effect on impact fee revenues and corresponding capital projects.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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Town of Firestone
Firestone, Colorado
Statement of Net Position
December 31, 2016

	Primary Government		
	Govern- mental Activities	Business- Type Activities	TOTAL
ASSETS			
Cash, Cash Equivalents and Investments	\$ 14,904,555	\$ 8,482,322	\$ 23,386,877
Receivables, net	2,126,383	213,358	2,339,741
Prepaid Items	12,386	1,914	14,300
Other Current Assets	-	55,064	55,064
Capital Assets (Net of Accumulated Depreciation):			
Land and Water Rights	6,537,310	40,709,285	47,246,595
Construction in Progress	364,298	838,951	1,203,249
Land Improvements	2,437,556	-	2,437,556
Buildings and Improvements	1,010,061	-	1,010,061
Streets & Storm Drainage	28,129,917	-	28,129,917
Utility Systems	-	19,878,434	19,878,434
Equipment & Vehicles	1,251,035	313,573	1,564,608
Net Pension Asset	4,191	-	4,191
Total Assets	56,777,692	70,492,901	127,270,593
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Relating to Pensions	1,177,220	348,075	1,525,295
LIABILITIES			
Accounts Payable and Other Current Liabilities	398,322	251,918	650,240
Accrued Interest Payable	14,252	-	14,252
Developer Deposits	332,127	-	332,127
Noncurrent Liabilities:			
Customer Deposits	-	171,050	171,050
Accrued Compensated Absences			
Due Within One Year	136,817	29,439	166,256
Due in Greater Than One Year	41,497	8,188	49,685
Certificates of Participation, Sales Tax Revenue Bonds and Capital Leases			
Due Within One Year	260,000	-	260,000
Due in Greater Than One Year	4,244,113	-	4,244,113
Net Pension Liability	2,448,704	1,150,451	3,599,155
Total Liabilities	7,875,832	1,611,046	9,486,878
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue	1,376,653	-	1,376,653
Deferred Inflows of Resources Relating to Pensions	49,884	21,112	70,996
Total Deferred Inflows of Resources	1,426,537	21,112	1,447,649
NET POSITION			
Net Investment In Capital Assets	35,226,064	61,740,243	96,966,307
Restricted for Emergencies	419,510	-	419,510
Restricted for Parks and Recreation	201,235	-	201,235
Unrestricted	12,805,734	7,468,575	20,274,309
Total Net Position	\$ 48,652,543	\$ 69,208,818	\$117,861,361

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

Town of Firestone
Firestone, Colorado
Statement of Activities
Year Ended December 31, 2016

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants & Contrib.	Capital Contrib.
Governmental Activities:				
General Government	\$ 2,348,047	\$ 1,003,617	\$ 10,400	\$ -
Public Safety	2,969,834	242,676	95,446	-
Public Works	3,090,882	2,697,973	654,082	4,785,207
Health and Welfare	141,260	-	-	-
Economic Development	43,704	-	-	-
Parks and Open Space	1,012,945	-	93,078	-
Interest on Long-Term Debt	159,656	-	-	-
Total Government Activities	9,766,328	3,944,266	853,006	4,785,207
Business Type Activities:				
Water	2,744,992	3,416,947	1,074	1,179,598
Stormwater	227,901	449,677	-	2,049,177
Total Business-Type Activities	2,972,893	3,866,624	1,074	3,228,775
Total Town Government	\$ 12,739,221	\$ 7,810,890	\$ 854,080	\$ 8,013,982

General Revenues

Taxes:

- Property Taxes Levied for General Purposes
- Property Taxes Levied for Urban Renewal
- Specific Ownership Taxes
- Sales and Use Tax
- Highway Users, Road & Bridge, Motor Vehicle Taxes
- Franchise Taxes
- Other Taxes

- Earnings on Investments
- Miscellaneous
- Transfers

Total General Revenues and Transfers

Changes in Net Position

Net Position at Beginning of Year

Net Position at Ending of Year

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

Net (Expense) Revenue
and Changes in Net Position

Govern- mental Activities	Business- Type Activities	TOTAL
\$ (1,334,030)	\$ -	\$ (1,334,030)
(2,631,712)	-	(2,631,712)
5,046,380	-	5,046,380
(141,260)	-	(141,260)
(43,704)	-	(43,704)
(919,867)	-	(919,867)
(159,656)	-	(159,656)
(183,849)	-	(183,849)
-	1,852,627	1,852,627
-	2,270,953	2,270,953
-	4,123,580	4,123,580
(183,849)	4,123,580	3,939,731
1,158,501	-	1,158,501
472,096	-	472,096
72,990	-	72,990
6,072,395	-	6,072,395
551,515	-	551,515
481,156	-	481,156
292,907	-	292,907
75,918	22,768	98,686
409,154	-	409,154
(1,755,254)	1,755,254	-
7,831,378	1,778,022	9,609,400
7,647,529	5,901,602	13,549,131
41,005,014	63,307,216	104,312,230
\$ 48,652,543	\$ 69,208,818	\$ 117,861,361

Town of Firestone
Firestone, Colorado
Balance Sheet
Governmental Funds
December 31, 2016

	General	Highway	Parks
ASSETS			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 6,434,827	\$ 875,975	\$ 329
Cash with Fiscal Agent	156,696	10,146	-
Receivables	1,835,050	45,908	-
Prepaid Items	9,928	1,318	1,140
Total Assets	\$ 8,436,501	\$ 933,347	\$ 1,469
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 223,026	\$ 53,277	\$ 57,766
Other Current Liabilities	51,172	6,404	6,641
Developer Deposits	332,127	-	-
Total Liabilities	606,325	59,681	64,407
Deferred Inflows of Resources:			
Unearned Revenue	1,376,653	-	-
Total Deferred Inflows of Resources	1,376,653	-	-
Fund Balances:			
Nonspendable for Prepaid Items	9,928	1,318	1,140
Restricted for Emergencies	419,510	-	-
Restricted for Parks and Recreation	-	-	-
Committed for Capital Improvements	-	-	-
Assigned for Streets and Highways	-	872,348	-
Assigned for Debt Service	-	-	-
Assigned for Urban Renewal	-	-	-
Assigned for Open Space	-	-	-
Unassigned Fund Balance	6,024,085	-	(64,078)
Total Fund Balances	6,453,523	873,666	(62,938)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,436,501	\$ 933,347	\$ 1,469

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

Capital Improvement	Sales Tax Capital Improvement	Other Govt. Funds	Total Govt. Funds
\$ 5,776,858	\$ 573,511	\$ 1,076,213	\$ 14,737,713
-	-	-	166,842
-	236,135	9,290	2,126,383
-	-	-	12,386
<u>\$ 5,776,858</u>	<u>\$ 809,646</u>	<u>\$ 1,085,503</u>	<u>\$ 17,043,324</u>
\$ -	\$ -	\$ 36	\$ 334,105
-	-	-	64,217
-	-	-	332,127
<u>-</u>	<u>-</u>	<u>36</u>	<u>730,449</u>
-	-	-	1,376,653
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,376,653</u>
-	-	-	12,386
-	-	-	419,510
-	-	201,235	201,235
5,776,858	809,646	-	6,586,504
-	-	-	872,348
-	-	2,281	2,281
-	-	695,759	695,759
-	-	186,192	186,192
-	-	-	5,960,007
<u>5,776,858</u>	<u>809,646</u>	<u>1,085,467</u>	<u>14,936,222</u>
<u>\$ 5,776,858</u>	<u>\$ 809,646</u>	<u>\$ 1,085,503</u>	<u>\$ 17,043,324</u>

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Town of Firestone
 Firestone, Colorado
Reconciliation of the Governmental Funds
Balance Sheet with the Government-wide Statement of Net Position
 December 31, 2016

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

Total Fund Balances - Governmental Funds	\$	14,936,222
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Cost of Capital Assets	\$	69,135,659	
Accumulated Depreciation		(29,405,482)	
			39,730,177

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

Long term liabilities at year end consist of:

Certificates of Participation	\$	(1,160,000)	
Sales Tax Revenue Bonds		(3,320,000)	
Unamortized Bond Premium		(24,113)	
Accrued Interest Payable		(14,252)	
			(4,518,365)

Accrued compensated absences are not due and payable from current financial resources, and therefore, are not reported in the governmental funds.		(178,314)
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Pension asset, pension liability and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.

Net Pension Asset	\$	4,191	
Net Pension Liability		(2,448,704)	
Deferred Outflows of Resources Relating to Pensions		1,177,220	
Deferred Inflows of Resources Relating to Pensions		(49,884)	
			(1,317,177)

Total Net Position - Governmental Activities	\$	48,652,543
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The accompanying notes are an integral part of these financial statements.

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2016

	General	Highway	Parks
REVENUES			
Taxes and Impact Fees	\$ 6,429,485	\$ 628,993	\$ -
Licenses and Permits	791,427	-	212,190
Intergovernmental	105,846	654,082	28,835
Charges for Services	-	160,662	-
Fines	242,676	-	-
Earnings on Investments	26,737	890	102
Miscellaneous	317,945	91,209	-
Total Revenues	7,914,116	1,535,836	241,127
EXPENDITURES			
Current:			
General Government	2,150,323	43,766	19,972
Public Safety			
Police	2,441,609	-	-
Building Inspection	474,563	-	-
Public Works (Roads, Facilities, etc)	111,496	820,446	-
Parks and Open Space	44,170	-	583,382
Health & Welfare	141,260	-	-
Economic Development	43,704	-	-
Capital Outlay	692,192	2,178,764	96,275
Debt Service:			
Principal	755	-	-
Interest	2,553	-	-
Total Expenditures	6,102,625	3,042,976	699,629
Excess (Deficiency) of Revenues			
Over Expenditures	1,811,491	(1,507,140)	(458,502)
OTHER FINANCING SOURCES (USES)			
Transfers In	149,385	1,838,664	317,961
Transfer Out	(113,000)	-	-
Total Other Financing Sources (Uses)	36,385	1,838,664	317,961
Net Change in Fund Balances	1,847,876	331,524	(140,541)
Fund Balances at Beginning of Year	4,605,647	542,142	77,603
Fund Balances at End of Year	\$ 6,453,523	\$ 873,666	\$ (62,938)

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

Capital Improvement	Sales Tax Capital Improvement	Other Govt. Funds	Total Govt. Funds
\$ 2,537,313	\$ 1,483,514	\$ 559,566	\$ 11,638,871
-	-	-	1,003,617
-	-	64,243	853,006
-	-	-	160,662
-	-	-	242,676
19,500	16,168	12,521	75,918
-	-	-	409,154
2,556,813	1,499,682	636,330	14,383,904
-	-	27,342	2,241,403
-	-	-	2,441,609
-	-	-	474,563
-	-	-	931,942
-	-	-	627,552
-	-	-	141,260
-	-	-	43,704
-	-	-	2,967,231
-	150,000	100,000	250,755
-	112,818	44,100	159,471
-	262,818	171,442	10,279,490
2,556,813	1,236,864	464,888	4,104,414
-	-	145,300	2,451,310
(2,680,957)	(964,921)	(447,686)	(4,206,564)
(2,680,957)	(964,921)	(302,386)	(1,755,254)
(124,144)	271,943	162,502	2,349,160
5,901,002	537,703	922,965	12,587,062
\$ 5,776,858	\$ 809,646	\$ 1,085,467	\$ 14,936,222

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Town of Firestone
Firestone, Colorado
**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances with the
Government-wide Statement of Activities**
Year Ended December 31, 2016

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

Total net change in fund balance - Governmental Funds		\$ 2,349,160
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlay and donated assets exceed depreciation in the period:</p>		
Expenditures for capital assets	\$ 2,906,791	
Donated assets	4,785,207	
Less current year depreciation	<u>(2,500,014)</u>	
		5,191,984
Repayment of debt principal is an expenditure in the governmental funds, and it reduces long-term liabilities in the Statement of Net Position. but does not affect the Statement of Activities.		250,755
Increase in accrued interest payable reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.		(2,491)
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		2,306
Increase in accrued compensated absences reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.		(25,834)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and are not reported as expenditures in governmental funds. This includes the expenses relating to the changes in net pension asset, liability, and the related deferred inflows and outflows of resources.		<u>(118,351)</u>
Change in Net Position - Governmental Activities		<u>\$ 7,647,529</u>

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

Town of Firestone
Firestone, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2016

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
ASSETS			
Current Assets			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 8,091,392	\$ 390,930	\$ 8,482,322
Receivables (Net of Allowance)	167,034	46,324	213,358
Prepaid Items	1,737	177	1,914
Other Current Assets	55,064	-	55,064
Total Current Assets	8,315,227	437,431	8,752,658
Noncurrent Assets			
Capital Assets:			
Land	99,121	-	99,121
Water Rights	40,610,164	-	40,610,164
Utility Systems	18,565,681	5,255,087	23,820,768
Construction in Progress	838,951	-	838,951
Equipment	801,580	-	801,580
Less Accumulated Depreciation	(4,364,223)	(66,118)	(4,430,341)
Total Capital Assets (Net of Accumulated Depreciation)	56,551,274	5,188,969	61,740,243
Total Noncurrent Assets	56,551,274	5,188,969	61,740,243
Total Assets	64,866,501	5,626,400	70,492,901
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources relating to pensions	293,906	54,169	348,075
LIABILITIES			
Current Liabilities			
Accounts Payable	236,664	2,122	238,786
Other Current Liabilities	11,387	1,745	13,132
Total Current Liabilities	248,051	3,867	251,918
Noncurrent Liabilities			
Customer Deposits	171,050	-	171,050
Accrued Compensated Absences	33,267	4,360	37,627
Net Pension Liability	971,412	179,039	1,150,451
Total Noncurrent Liabilities	1,175,729	183,399	1,359,128
Total Liabilities	1,423,780	187,266	1,611,046
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources relating to pensions	17,826	3,286	21,112
NET POSITION			
Net Investment in Capital Assets	56,551,274	5,188,969	61,740,243
Unrestricted	7,167,527	301,048	7,468,575
Total Net Position	\$ 63,718,801	\$ 5,490,017	\$ 69,208,818

The accompanying notes are an integral part of these financial statements

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2016

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Operating Revenues			
Charges for Services	\$ 3,416,947	\$ 449,677	\$ 3,866,624
Total Operating Revenues	<u>3,416,947</u>	<u>449,677</u>	<u>3,866,624</u>
Operating Expenses			
Operations	1,287,363	185,446	1,472,809
Administration	1,050,850	18,319	1,069,169
Depreciation	406,779	24,136	430,915
Total Operating Expenses	<u>2,744,992</u>	<u>227,901</u>	<u>2,972,893</u>
Operating Income	<u>671,955</u>	<u>221,776</u>	<u>893,731</u>
Nonoperating Revenues (Expenses)			
Earnings on Investments	22,083	685	22,768
Intergovernmental	1,074	-	1,074
Total Nonoperating Revenues (Expenses)	<u>23,157</u>	<u>685</u>	<u>23,842</u>
Income Before Contributions and Transfers	695,112	222,461	917,573
Capital Contributions	1,179,598	2,049,177	3,228,775
Transfers In	-	1,755,254	1,755,254
Change in Net Position	1,874,710	4,026,892	5,901,602
Net Position at Beginning of Year	<u>61,844,091</u>	<u>1,463,125</u>	<u>63,307,216</u>
Net Position at End of Year	<u>\$ 63,718,801</u>	<u>\$ 5,490,017</u>	<u>\$ 69,208,818</u>

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

Town of Firestone
Firestone, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2016

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 3,405,825	\$ 449,523	\$ 3,855,348
Cash Payments to Suppliers for Goods & Services	(1,493,931)	(47,674)	(1,541,605)
Cash Payments to Employees for Services	(735,188)	(134,295)	(869,483)
Net Cash Flows from Operating Activities	1,176,706	267,554	1,444,260
Cash Flows from Noncapital Financing Activities			
Transfers From Other Funds	-	1,755,254	1,755,254
Operating Grants Received	1,074	-	1,074
Total Cash Flows from Noncapital Financing Activities	1,074	1,755,254	1,756,328
Cash Flows from Capital and Related Financing Activities			
Contributed Capital	485,668	-	485,668
Acquisition of Capital Assets	(626,705)	(1,824,898)	(2,451,603)
Net Cash Flows from Capital and Related Financing Activities	(141,037)	(1,824,898)	(1,965,935)
Net Cash Flows from Investing Activities			
Earnings on Investments	22,083	685	22,768
Net Cash Flows from Investing Activities	22,083	685	22,768
Net Increase in Cash and Cash Equivalents	1,058,826	198,595	1,257,421
Cash and Cash Equivalents at Beginning of Year	7,032,566	192,335	7,224,901
Cash and Cash Equivalents at End of Year	\$ 8,091,392	\$ 390,930	\$ 8,482,322

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

Town of Firestone
Firestone, Colorado
**Reconciliation of Operating Income to
Net Cash Flows From Operating Activities**
Proprietary Funds
Year Ended December 31, 2016

	<u>Water Enterprise Fund</u>	<u>Stormwater Enterprise Fund</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating Income	\$ 671,955	\$ 221,776	\$ 893,731
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
(Increase) Decrease in Operating Assets:			
Depreciation	406,779	24,136	430,915
Accounts Receivable	(18,115)	(154)	(18,269)
Other Assets	88,559	(177)	88,382
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	(85,205)	(26,941)	(112,146)
Accrued Compensated Absences	7,019	1,175	8,194
Pension related items	98,721	47,739	146,460
Customer Deposits	6,993	-	6,993
Net Cash Flows from Operating Activities	<u><u>\$ 1,176,706</u></u>	<u><u>\$ 267,554</u></u>	<u><u>\$ 1,444,260</u></u>
Non-Cash Investing and Financing Transactions			
Contributed Capital Assets	\$ 693,930	\$ 2,049,177	\$ 2,743,107

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

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NOTES TO FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

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

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

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

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

Blended Component Units

The Firestone Finance Authority was created to account for the acquisition and development of Central Park and its related debt service. The Firestone Urban Renewal Authority was established to develop and implement a plan to renew and revitalize portions of northern, central, and southern Firestone. The Town is financially accountable and has operational



NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

responsibility for each of the blended component units. The basis for blending is that the Town's Board acts as the governing board for the entities. Separate financial statements are not issued for the Firestone Finance Authority or the Firestone Urban Renewal Authority.

JOINT VENTURES

The Town of Firestone may participate in joint ventures created for special purposes which are not part of the Town's reporting entity. Additional information regarding the Town's participation in joint ventures is provided in Note 13. The following is a description of the only joint venture in which the Town participated in during the year ended December 31, 2016:

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

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

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

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

FUND ACCOUNTING

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Fiduciary funds are used by the Town to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Town does not report any fiduciary funds.

BASIS OF PRESENTATION

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

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of these funds are included on the Statement of Net Position. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

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

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

BASIS OF ACCOUNTING

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

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund’s principal ongoing operations. The principal operating revenues of the water and stormwater funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

BUDGETS AND BUDGETARY ACCOUNTING

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Town Board throughout the year. Following is a summary of the original budget, total revisions and revised budget for appropriated expenditures and interfund transfers in 2016:

	Original Budget	Total Revisions	Revised Budget
Government Funds:			
General Fund	\$ 7,131,993	\$ 84,000	\$ 7,215,993
Special Revenue Funds -			
Highway Fund	3,867,038	431,847	4,298,885
Parks Fund	785,554	-	785,554
Conservation Trust Fund	50,000	-	50,000
Open Space Fund	73,700	-	73,700
Capital Projects Funds -			
Capital Improvements Fund	3,027,650	84,000	3,111,650
Sales Tax Capital Improvements Fund	1,546,818	431,847	1,978,665
Firestone Finance Authority Fund	145,600	-	145,600
Firestone Urban Renewal Authority	1,039,035	-	1,039,035
Business-Type Funds:			
Water Fund	7,765,353	-	7,765,353
Stormwater Fund	2,166,448	-	2,166,448
Total Funds	\$ 27,599,189	\$ 1,031,694	\$ 28,630,883

CASH AND INVESTMENTS

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



NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Cash and Investments (continued)

Investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, based on quoted market values.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide Statement of Net Position and classified as due from other funds or due to other funds on the Balance Sheet.

RECEIVABLES

Receivables consist of all revenues earned at year-end and not yet received and are reported net of an allowance for doubtful accounts. The allowance is based upon historical trends.

PREPAID ITEMS

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

CAPITAL ASSETS

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the time of acquisition plus ancillary charges incurred to put the asset into service, if any.



NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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

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

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

ACCRUED COMPENSATED ABSENCES PAYABLE

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated personal leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds. Compensated absences for Governmental Funds have generally been liquidated through the General Fund and the Highway Fund. Compensated absences relating to the Enterprise Funds are recorded as a liability of those funds. The Town had a total liability for accrued compensated absences in the amount of \$37,627 for the business-type activities and \$178,314 for the governmental activities on the Statement of Net Position at December 31, 2016.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Accrued Liabilities and Long-Term Obligations (continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of capital leases that will be paid from governmental funds are reported as a liability in the fund financial statements when the liabilities mature or are due and payable. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

FUND BALANCE AND NET POSITION

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

Fund Balance and Net Position (continued)

- **Assigned** – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Town Board has the authority to assign amounts for specific purposes.
- **Unassigned** – All other spendable amounts. The General Fund is the only fund that would report a positive amount in unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amount that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

CONTRIBUTION OF CAPITAL

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

INTERFUND TRANSACTIONS

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

EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items during 2016.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies (continued)

PROPERTY TAXES

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

PENSIONS

The Town participates in the Local Government Division Trust Fund ("LGDTF"), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). In addition, the Town participates in the Statewide Defined Benefit Plan ("SWDB"), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA").

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

USE OF ESTIMATES

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and could be material.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: CASH AND INVESTMENTS

The composition of the Town’s cash and cash equivalents and investments, on December 31, 2016 is as follows:

Cash on Hand	\$ 1,490
Cash with County Treasurer	166,842
Checking	997,210
Savings	12,618,720
Investments	9,602,615
Total	\$ 23,386,877

CUSTODIAL CREDIT RISK - DEPOSITS

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned. The Town’s bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Town’s custodial banks under provisions of the Colorado Public Deposit Protection Act (“PDPA”).

PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust. At December 31, 2016, the Town had deposits and savings with financial institutions with a carrying amount of approximately \$13.62 million, of which \$1 million was covered by federal depository insurance. The remaining balance of approximately \$12.62 million was collateralized with securities held by the financial institutions’ agents but not in the Town’s name.

CUSTODIAL CREDIT RISK - INVESTMENTS

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. State statutes and the Town’s investment policies authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements. The Town manages its credit risk by limiting its investments to the types of securities listed above, by pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors.



NOTES TO THE FINANCIAL STATEMENTS

Note 2: Cash and Investments (continued)

At December 31, 2016, the Town had the following investments:

	Market Value	S&P Rating	Moody's Rating	Weighted Average Maturity in Days	Concentration of Credit Risk
Certificates of Deposit	1,709,540	NR	NR	768	18%
CSAFE	7,893,075	AAAm	Aaa	N/A	82%
Total Funds	\$ 9,602,615				

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Quoted prices for identical investments in active markets;
- Level 2 – Observable inputs other than quoted market prices; and,
- Level 3 – Unobservable inputs.

At December 31, 2016, the Town's investment balances measured at fair value were as follows:

	Market Value	S&P Rating	Moody's Rating	Weighted Average Maturity in Days	Concentration of Credit Risk
Certificates of Deposit	1,709,540	NR	NR	768	18%
CSAFE	7,893,075	AAAm	Aaa	N/A	82%
Total Funds	\$ 9,602,615				

The Town's certificates of deposits totaling \$1,709,540 are a Level 2 investment per the fair value hierarchy. The Town's investments held with CSAFE are measured at net asset value (NAV).



NOTES TO THE FINANCIAL STATEMENTS

Note 2: Cash and Investments (continued)

LOCAL GOVERNMENT INVESTMENT POOL

At December 31, 2016, the Town had invested \$7,893,075 in CSAFE, a local government investment pool established in Colorado to pool surplus funds for investment purposes. The designated custodial bank of the pooled investments provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investments. CSAFE is considered to be a 2a7-like investment and is valued using NAV per share (or its equivalent) of the investments and is shown separately in the fair value hierarchy table.

2a7-like investments conform to Colorado Statutes CRS 24-75-601 et. Seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado Depositories collateralized at 102% of market value investments, and will conform to its permitted investments. Pooled investments are rated AAAM by Standard & Poor's. Information regarding CSAFE's financial statements is available at their website www.csafe.org.

INTEREST RATE RISK

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

NOTE 3: RECEIVABLES

Receivables at December 31, 2016, consist of the following:

Receivables	Governmental Activities	Business- Type Activities	Total
Taxes	\$ 2,073,367	\$ -	\$ 2,073,367
Accounts	15,905	213,358	229,263
Other	37,111	-	37,111
Total Funds	\$ 2,126,383	\$ 213,358	\$ 2,339,741



NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2016, were as follows:

Interfund Transfers	Transfers In:					
	General	Highway	Parks	Non-Major Governmental	Stormwater	Totals
Transfers Out:						
Governmental Funds:						
Major Funds -						
General Fund	\$ -	\$ -	\$ 113,000	\$ -	\$ -	\$ 113,000
Capital Improvement Fund	149,385	653,857	461	122,000	1,755,254	2,680,957
Sales Tax Capital Improvement Fund	-	810,421	154,500	-	-	964,921
Nonmajor Funds -	-	374,386	50,000	23,300	-	447,686
Total Transfers	\$ 149,385	\$ 1,838,664	\$ 317,961	\$ 145,300	\$ 1,755,254	\$ 4,206,564

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



NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 for governmental activities was as follows:

	Capital Assets 12/31/2015	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2016
Governmental Activities:				
Capital Assets, not being depreciated -				
Land	\$ 6,017,310	\$ 520,000	\$ -	\$ 6,537,310
Construction in Progress	4,795,044	-	(4,430,746)	364,298
Total Capital Assets, not being depreciated-	<u>10,812,354</u>	<u>520,000</u>	<u>(4,430,746)</u>	<u>6,901,608</u>
Capital Assets, being depreciated -				
Land Improvements	6,535,754	19,340	-	6,555,094
Buildings & Improvements	1,946,241	68,029	-	2,014,270
Streets & Storm Drainage	39,082,548	11,012,245	-	50,094,793
Machinery & Equipment	3,066,764	503,130	-	3,569,894
Total Capital Assets, being depreciated-	<u>50,631,307</u>	<u>11,602,744</u>	<u>-</u>	<u>62,234,051</u>
Less Accumulated Depreciation for:				
Land Improvements	(3,771,694)	(345,844)	-	(4,117,538)
Buildings & Improvements	(924,241)	(79,968)	-	(1,004,209)
Streets & Storm Drainage	(20,078,645)	(1,886,231)	-	(21,964,876)
Machinery & Equipment	(2,130,888)	(187,971)	-	(2,318,859)
Total Accumulated Depreciation	<u>(26,905,468)</u>	<u>(2,500,014)</u>	<u>-</u>	<u>(29,405,482)</u>
Total Capital Assets, being depreciated- Net	<u>23,725,839</u>	<u>9,102,730</u>	<u>-</u>	<u>32,828,569</u>
Governmental Activities Capital Assets - Net	<u>\$ 34,538,193</u>	<u>\$ 9,622,730</u>	<u>\$ (4,430,746)</u>	<u>\$ 39,730,177</u>



NOTES TO THE FINANCIAL STATEMENTS

Note 5: Capital Assets (continued)

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

General Government	\$ 18,492
Parks	345,844
Public Works	2,060,244
Public Safety	75,434
Total Depreciation Expense - Governmental Activities	<u>\$ 2,500,014</u>

Capital asset activity for the year ended December 31, 2016 for business-type activities was as follows:

	Capital Assets 12/31/2015	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2016
Business-Type Activities:				
Capital Assets, not being depreciated -				
Land	\$ 99,121	\$ -	\$ -	\$ 99,121
Water Rights	40,610,164	-	-	40,610,164
Construction in Progress	1,438,997	377,369	(977,415)	838,951
Total Capital Assets, not being depreciated-	<u>42,148,282</u>	<u>377,369</u>	<u>(977,415)</u>	<u>41,548,236</u>
Capital Assets, being depreciated -				
Machinery & Equipment	774,535	27,045	-	801,580
Utility System	18,053,058	5,767,710	-	23,820,768
Total Capital Assets, being depreciated-	<u>18,827,593</u>	<u>5,794,755</u>	<u>-</u>	<u>24,622,348</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	(433,738)	(54,269)	-	(488,007)
Utility System	(3,565,688)	(376,646)	-	(3,942,334)
Total Accumulated Depreciation	<u>(3,999,426)</u>	<u>(430,915)</u>	<u>-</u>	<u>(4,430,341)</u>
Total Capital Assets, being depreciated- Net	<u>14,828,167</u>	<u>5,363,840</u>	<u>-</u>	<u>20,192,007</u>
Business-Type Activities Capital Assets - Net	<u>\$ 56,976,449</u>	<u>\$ 5,741,209</u>	<u>\$ (977,415)</u>	<u>\$ 61,740,243</u>



NOTES TO THE FINANCIAL STATEMENTS

Note 5: Capital Assets (continued)

Depreciation for business-type activities capital assets have been allocated as shown below:

Water	\$ 406,779
Stormwater	24,136
Total Depreciation Expense - Business-type Activities	<u>\$ 430,915</u>

NOTE 6: LONG-TERM DEBT

PLEDGED REVENUES

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

The Town follows guidance provided in GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, to account for the assets received, and payments made in connection with these agreements. Accordingly, the pledged revenues are treated as an obligation of the Town, until fully repaid. The assets have been capitalized and are depreciated over their useful lives in the Government-wide financial statements. At December 31, 2016, there is no balance due to the Developer.

BUSINESS-TYPE ACTIVITIES DEBT

The following is a summary of changes in Business-Type Activities long-term debt of the Town for the year ended December 31, 2016:

	Balance 12/31/2015	Additions	Retired	Balance 12/31/2016	Due Within One Year
Compensated Absences	\$ 29,433	\$ 57,403	\$ 49,209	\$ 37,627	\$ 29,439
Total	<u>\$ 29,433</u>	<u>\$ 57,403</u>	<u>\$ 49,209</u>	<u>\$ 37,627</u>	<u>\$ 29,439</u>



NOTES TO THE FINANCIAL STATEMENTS

Note 6: Long-Term Debt (continued)

GOVERNMENTAL ACTIVITIES DEBT

The following is a summary of outstanding Governmental Activities long-term debt of the Town as of December 31, 2016:

	<u>Outstanding 12/31/2016</u>
General Obligation Debt:	
Certificates of Participation:	
May 31, 2005, Certificates of Participation - \$1,985,000 original issue by the Firestone Finance Authority (the "Authority") used to acquire leased property from Knox Farm, LLC for future use as a park. The interest rate on this debt is (65%) of the Prime Rate as of October 15 of the prior year, reset every three years and may not be less than 3.50% nor more than 6.75%. The certificates mature December 1, 2025. The certificates are payable solely from revenues received from the Town under a lease agreement between itself and the Authority. This debt does not constitute a general obligation or other indebtedness of the Town within the meaning of any constitutional or statutory debt limitation and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation.	\$ 1,160,000
Sales Tax Revenue Bonds	
April 8, 2014, Sales Tax Revenue Bonds, Series 2014 - \$3,795,000 used to pay or reimburse the costs of the acquisition, development, construction, repair, replacement, expansion, rehabilitation and renovation of existing and planned streets and parks. The interest rate on the debt ranges from 2.00% to 3.625%. The debt matures on December 1, 2033.	3,320,000
Total Governmental Funds Debt	<u><u>\$ 4,480,000</u></u>



NOTES TO THE FINANCIAL STATEMENTS

Note 6: Long-Term Debt (continued)

GOVERNEMENTAL ACTIVITIES DEBT (CONTINUED)

The following is a summary of changes in Governmental Activities long-term debt of the Town for the year ended December 31, 2016:

	Balance 12/31/2015	Additions	Retired	Balance 12/31/2016	Due Within One Year
Sales Tax Revenue Bonds					
Series 2014	\$3,470,000	\$ -	\$ 150,000	\$ 3,320,000	\$ 155,000
Premium	26,419	-	2,306	24,113	-
Certificates of Participation					
May 31, 2006, COPs	1,260,000	-	100,000	1,160,000	105,000
Capital Leases					
March 20, 2012 Lease	755	-	755	-	-
Compensated Absences	152,480	259,034	233,200	178,314	136,817
Total	<u>\$4,909,654</u>	<u>\$ 259,034</u>	<u>\$ 486,261</u>	<u>\$ 4,682,427</u>	<u>\$ 396,817</u>

The annual requirements to amortize all of the Town's Governmental Activities debt as of December 31, 2016, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2017	\$ 260,000	\$ 150,419	\$ 410,419
2018	265,000	143,644	408,644
2019	275,000	136,694	411,694
2020	295,000	129,469	424,469
2021	300,000	120,894	420,894
2022-2026	1,500,000	454,638	1,954,638
2027-2031	1,085,000	230,189	1,315,189
2032-2036	500,000	30,200	530,200
Total	<u>\$ 4,480,000</u>	<u>\$ 1,396,147</u>	<u>\$ 5,876,147</u>

The asset acquired through the certificate of participation is land totaling \$1,985,000.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: DEFINED BENEFIT PENSION PLAN – POLICE OFFICERS

PLAN DESCRIPTION

The Town of Firestone contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (“FPPA”). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980 and as of December 31, 2015 has 21 participating employer fire and police departments.

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at www.fppaco.org.

BENEFITS PROVIDED

The annual normal retirement benefit is 2 percent of the average of the member’s highest three years’ base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board’s discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member’s “Separate Retirement Account” each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members’ Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their Separate Retirement Account (“SRA”) has two components; the standard SRA and the reentry SRA. The component of a member’s SRA attributable to the higher contribution rate is considered the reentry SRA. The



NOTES TO THE FINANCIAL STATEMENTS

Note 7: Defined Benefit Pension Plan – Police Officers (Continued)

reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

A member may elect to participate in the deferred retirement option plan ("DROP") after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2015 was \$55,176,831. This amount was not included in the SWDB Plan Net Position.

CONTRIBUTIONS

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Members of this Plan are contributing 8 percent and their employers are contributing at the rate of 9.0 percent of base salary for a total contribution rate of 17.0 percent through 2016. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.



NOTES TO THE FINANCIAL STATEMENTS

Note 7: Defined Benefit Pension Plan – Police Officers (Continued)

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 21.0 percent of base salary through 2015. The Town is contributing 8 percent of base salary and the employees are contributing 13.0 percent of base salary for the re-entry group. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent.

The contribution rate for members and employers of affiliated social security employers is 4.0 percent of base salary for a total contribution rate of 8.0 percent effective January 1, 2007 through 2014. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the Town were \$107,920 for the year ended December 31, 2016.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2016, the Town reported an asset of \$4,191 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2015, the Town's proportion was 0.23771 percent, which was a decrease of 0.01297 percent from its proportion measured as of December 31, 2014.



NOTES TO THE FINANCIAL STATEMENTS

Note 7: Defined Benefit Pension Plan – Police Officers (Continued)

For the year ended December 31, 2016, the Town recognized pension expense of \$70,350. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,892	\$ 4,948
Changes of assumptions or other inputs	65,822	-
Net difference between projected and actual earnings on pension plan investments	213,279	-
Changes in proportion and differences between contributions	15,437	-
Town contributions subsequent to the measurement date	107,920	-
	\$ 436,350	\$ 4,948

The \$107,920 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2017	\$ 66,650
2018	66,650
2019	66,650
2020	61,073
2021	11,936
Thereafter	50,523
	\$ 323,482



NOTES TO THE FINANCIAL STATEMENTS

Note 7: Defined Benefit Pension Plan – Police Officers (Continued)

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2016	January 1, 2015
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term Investment rate of return *	7.5 percent	7.5 percent
Projected salary increases *	4.0 – 14.0 percent	4.0 – 14.0 percent
Cost of Living Adjustment	0.0 percent	0.0 percent
* Includes Inflation at	2.5 percent	3.0 percent

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

For determining the actuarially determined contributions, Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment projected with Scale AA, 40 percent multiplier for off-duty mortality. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

NOTES TO THE FINANCIAL STATEMENTS

Note 7: Defined Benefit Pension Plan – Police Officers (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37%	6.5%
Equity Long/Short	10%	4.7%
Illiquid Alternatives	20%	8.0%
Fixed Income	16%	1.5%
Absolute Return	11%	4.1%
Managed Futures	4%	3.0%
Cash	2%	0.0%
Total	100%	

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE TOWN’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Town’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as what the Town’s proportionate share of the net pension liability/(Asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:



NOTES TO THE FINANCIAL STATEMENTS

Note 7: Defined Benefit Pension Plan – Police Officers (Continued)

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Town’s proportionate share of the net pension liability/(asset)	\$587,035	\$(4,191)	\$(494,592)

* The long-term rate of return used was 7.50 percent. The municipal bond rate used was 3.65 percent. The single discount rate for the plans was 7.50 percent.

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN – POLICE OFFICERS

PLAN DESCRIPTION

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

FUNDING POLICY

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,500 for 2014 and \$18,000 for 2015 and 2016). Catch-up contributions up to \$6,000 for the calendar year 2015 and 2016 and \$5,500 for the calendar years 2014 were allowed for participants who had attained age 50 before the close of the plan year. For the year ended December 31, 2016, 2015 and 2014, the 457 Plan member contributions from the Town of Firestone were \$6,264, \$6,854, and \$4,684, respectively.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: DEFINED BENEFIT PENSION PLAN – NON-POLICE STAFF

PLAN DESCRIPTION

Eligible employees of the Town are provided with pensions through the Local Government Division Trust Fund—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

BENEFITS PROVIDED

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714.

- The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:
- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools ("DPS") Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.



NOTES TO THE FINANCIAL STATEMENTS

Note 9: Defined Benefit Pension Plan – Non-Police Staff (Continued)

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (“COLAs”), referred to as annual increases in the CRS Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the “DPS” benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

CONTRIBUTIONS

Eligible employees and the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under CRS § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary.



NOTES TO THE FINANCIAL STATEMENTS

Note 9: Defined Benefit Pension Plan – Non-Police Staff (Continued)

The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%

¹Rates are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were \$248,166 for the year ended December 31, 2016.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2016, the Town reported a liability of \$3,599,155 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Town's proportion of the net pension liability was based on Town contributions to the LGDTF for the calendar year 2015 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2015, the Town's proportion was .32673 percent, which was an increase of .02263 from its proportion measured as of December 31, 2014.



NOTES TO THE FINANCIAL STATEMENTS

Note 9: Defined Benefit Pension Plan – Non-Police Staff (Continued)

For the year ended December 31, 2016, the Town recognized pension expense of \$550,546. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,004	\$ 124
Changes of assumptions or other inputs	-	65,924
Net difference between projected and actual earnings on pension plan investments	692,862	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	120,913	-
Townt contributions subsequent to the measurement date	248,166	-
Total	\$ 1,088,945	\$ 66,048

The \$248,166 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2017	\$ 251,305
2018	195,472
2019	182,454
2020	145,500
	\$ 774,731



NOTES TO THE FINANCIAL STATEMENTS

Note 9: Defined Benefit Pension Plan – Non-Police Staff (Continued)

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

The following programming changes were made:

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18 month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.



NOTES TO THE FINANCIAL STATEMENTS

Note 9: Defined Benefit Pension Plan – Non-Police Staff (Continued)

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

The LGDTF’s long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 15, 2013 adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Geometric Real Rate of Return *	Expected Rate of
U.S. Equity – Large Cap	26.76%	5.00%	
U.S. Equity – Small Cap	4.40%	5.19%	
Non U.S. Equity – Developed	22.06%	5.29%	
Non U.S. Equity – Emerging	6.24%	6.76%	
Core Fixed Income	24.05%	0.98%	
High Yield	1.53%	2.64%	
Long Duration Gov’t/Credit	0.53%	1.57%	
Emerging Market Bonds	0.43%	3.04%	
Real Estate	7.00%	5.09%	
Private Equity	7.00%	7.15%	
Total	100.00%		

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

NOTES TO THE FINANCIAL STATEMENTS

Note 9: Defined Benefit Pension Plan – Non-Police Staff (Continued)

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, the total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (“SEIR”) determination process when the timing of AIR cash flows is not a factor (i.e., the plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.



NOTES TO THE FINANCIAL STATEMENTS

Note 9: Defined Benefit Pension Plan – Non-Police Staff (Continued)

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the LGDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Town’s proportionate share of the net pension liability	\$5,517,870	\$3,599,155	\$2,007,768

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10: POSTEMPLOYMENT HEALTH CARE BENEFITS

The Town contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCTF provides a healthcare premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. The report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado, 80203.



NOTES TO THE FINANCIAL STATEMENTS

Note 10: Post Employment Health Care Benefits (Continued)

The Town is required to contribute 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town are established by Title 24, Article 51, Part 4 of the CRS, as amended. The Town made all required contributions for the year ended December 31, 2016. The Town has contributed \$19,963, 18,927, and \$16,937 for the years ended December 31, 2016, 2015 and 2014, respectively.

NOTE 11: DEFINED CONTRIBUTION PENSION PLAN – NON-POLICE STAFF

PLAN DESCRIPTION

Employees of the Town of Firestone who are members of the LGDTF (see Note 9) may voluntarily contribute to the Voluntary Investment Program (“401(k) Plan”), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report for the 401(k) Plan. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

FUNDING POLICY

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,500 for 2014 and \$18,000 for 2015 and 2016). Catch-up contributions up to \$6,000 for the calendar year 2015 and 2016 and \$5,500 for the calendar years 2014 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v).⁵ The contribution requirements for the Town of Firestone are established under Title 24, Article 51, Section 1402 of the CRS, as amended. For the years ended December 31, 2016, 2015 and 2014, the 401(k) Plan member contributions from the Town of Firestone were \$30,948, \$28,079 and \$19,749, respectively.



NOTES TO THE FINANCIAL STATEMENTS

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

PLAN DESCRIPTION

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

FUNDING POLICY

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,500 for 2014 and \$18,000 for 2015 and 2016). Catch-up contributions up to \$6,000 for the calendar year 2015 and 2016 and \$5,500 for the calendar years 2014 were allowed for participants who had attained age 50 before the close of the plan year. The Town began offering this plan in 2013. For the years ended December 31, 2016, 2015 and 2014, the 457 Plan member contributions from the Town of Firestone were \$30,915, \$33,815, and \$28,154, respectively.

NOTE 13: JOINT VENTURES

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

WELD 911 EMERGENCY TELEPHONE SERVICE AUTHORITY BOARD

At December 31, 2015 (date of latest available information), Weld 911 had a fund balance of \$4,614,417. Total revenues for 2015 were \$2,341,168 and total expenses were \$2,471,842 resulting in an excess of expenses over revenues of \$130,674. The amount of the Town’s share of these amounts is based upon the percentage of the county wide telephone accesses to be served by the Weld 911 Authority.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14: NET POSITION

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

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



NOTES TO THE FINANCIAL STATEMENTS

NOTE 15: RISK MANAGEMENT

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

NOTE 16: TAXES, SPENDING AND DEBT LIMITATIONS

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

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

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$419,510 for this purpose.

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

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



NOTES TO THE FINANCIAL STATEMENTS

NOTE 17: COMMITMENTS AND CONTINGENT LIABILITIES

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

NOTE 18: DEVELOPER AGREEMENTS AND TAX ABATEMENTS

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

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

An Amended and Restated Public Improvements Reimbursement Agreement (the "PIRA") between AFW and THF/TFD Firestone Development (the "Developers") was approved by the Town on July 31, 2006. The PIRA will finance the construction of certain public improvements in connection with the Town Centre development, located at I-25 and Firestone Blvd. Under the PIRA, the Developers will receive 1.25 percent (the "Credit PIF") of the Town's 3 percent sales and use tax on the sale or provision of goods in the development. The amount of eligible cost that could be reimbursed to the Developers from Credit PIF Revenues is limited to \$11,000,000, plus interest accruing at the Wall Street Journal Prime Rate (3.50% at December 31, 2016), capped at 7 percent per annum. The Developers have 20 years (2026) to receive the maximum reimbursable amount.

The amount of sales taxes credited to the Developers as part of this developer agreement for the year ended 2016 amounted to \$322,642.

THF FIRESTONE DEVELOPMENT, L.L.C.

A Retail Infrastructure Funding Agreement (the "RIFA") with THF Firestone Development (the "THF Developer") was approved by the Town on September 4, 2008. The RIFA supplements the PIRA and is intended to help finance the construction of additional public improvements in connection with the development of a portion of the retail area at I-25 and Firestone Blvd. Under the RIFA, the THF Developer imposes a Retail Transaction Fee ("RTF") in the amount of 0.25 percent of the Town's 3 percent sales and use tax on the sale or provision of goods in the project area. The amount of eligible cost that could be reimbursed to the Developers from RTF Revenues is limited to \$4,000,000, plus interest accruing at the Wall Street Journal Prime Rate (3.50% at December 31, 2016), capped of 7 percent per annum. The Developers have 20 years (2028) to receive the maximum reimbursable amount.



NOTES TO THE FINANCIAL STATEMENTS

Note 18: Developer Agreements and Tax Abatements (Continued)

The amount of sales taxes credited to the THF Developer as part of this developer agreement for the year ended 2016 amounted to \$376,779.

NOTE 19: SUBSEQUENT EVENTS

Management of the Town has evaluated subsequent events through June 28, 2017, the date that the financial statements were available to be issued. In March 2017, the Town entered into a loan with the Colorado Water Conservation Board totaling \$10 million with an interest rate of 2.35% for the Storage Development and Water Rights Purchase Project to develop non-potable water supply and associated water storage. There were no additional material subsequent events that required recognition or additional disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION

Town of Firestone
Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General, Highway and Parks Funds
Year Ended December 31, 2016

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes and Impact Fees	\$ 5,846,194	\$ 5,846,194	\$ 6,429,485	\$ 583,291
Licenses and Permits	684,000	684,000	791,427	107,427
Intergovernmental	37,500	37,500	105,846	68,346
Charges for Services	-	-	-	-
Fines	190,000	190,000	242,676	52,676
Earnings on Investments	9,000	9,000	26,737	17,737
Miscellaneous	90,900	90,900	317,945	227,045
Total Revenues	6,857,594	6,857,594	7,914,116	1,056,522
EXPENDITURES				
Current:				
General Government	2,497,641	2,497,641	2,150,323	347,318
Public Safety				
Police	2,700,995	2,700,995	2,441,609	259,386
Building Inspection	421,400	421,400	474,563	(53,163)
Public Works (Roads, Facilities, etc)	51,777	51,777	111,496	(59,719)
Parks and Open Spaces	-	-	44,170	(44,170)
Health & Welfare	49,000	49,000	141,260	(92,260)
Economic Development	121,700	121,700	43,704	77,996
Capital Outlay	962,900	1,046,900	692,192	354,708
Debt Service:				
Principal	755	755	755	-
Interest	2,553	2,553	2,553	-
Total Expenditures	6,808,721	6,892,721	6,102,625	790,096
Excess (Deficiency) of Revenue Over Expenditures	48,873	(35,127)	1,811,491	1,846,618
OTHER FINANCING SOURCES (USES)				
Transfers In	336,000	420,000	149,385	(270,615)
Transfers Out	(323,272)	(323,272)	(113,000)	210,272
Total Other Financing Sources (Uses)	12,728	96,728	36,385	(60,343)
Net Change in Fund Balances	\$ 61,601	\$ 61,601	1,847,876	\$ 1,786,275
Fund Balances at Beginning of Year			4,605,647	
Fund Balances at End of Year			\$ 6,453,523	

See accompanying Independent Auditor's Report.

Highway Fund

Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final		Positive (Negative)
\$ 587,288	\$ 587,288	\$ 628,993	\$ 41,705
-	-	-	-
655,000	655,000	654,082	(918)
164,000	164,000	160,662	(3,338)
-	-	-	-
1,000	1,000	890	(110)
5,000	5,000	91,209	86,209
<u>1,412,288</u>	<u>1,412,288</u>	<u>1,535,836</u>	<u>123,548</u>
81,850	81,850	43,766	38,084
-	-	-	-
-	-	-	-
1,466,438	1,466,438	820,446	645,992
-	-	-	-
-	-	-	-
2,318,750	2,750,597	2,178,764	571,833
-	-	-	-
-	-	-	-
<u>3,867,038</u>	<u>4,298,885</u>	<u>3,042,976</u>	<u>1,255,909</u>
<u>(2,454,750)</u>	<u>(2,886,597)</u>	<u>(1,507,140)</u>	<u>1,379,457</u>
2,285,250	2,717,097	1,838,664	(878,433)
-	-	-	-
<u>2,285,250</u>	<u>2,717,097</u>	<u>1,838,664</u>	<u>(878,433)</u>
<u>\$ (169,500)</u>	<u>\$ (169,500)</u>	331,524	<u>\$ 501,024</u>
		542,142	
		<u>\$ 873,666</u>	

See accompanying Independent Auditor's Report.

Town of Firestone
Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balances -Budget and Actual - General, Highway and Parks Funds
Year Ended December 31, 2016

	Parks Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Licenses and Permits	\$ 205,000	\$ 205,000	\$ 212,190	\$ 7,190
Earnings on Investments	800	800	102	(698)
Intergovernmental	-	-	28,835	28,835
Miscellaneous	750	750	-	(750)
Total Revenues	<u>206,550</u>	<u>206,550</u>	<u>241,127</u>	<u>34,577</u>
EXPENDITURES				
Current:				
General Government	47,090	47,090	19,972	27,118
Parks	597,464	597,464	583,382	14,082
Capital Outlay	141,000	141,000	96,275	44,725
Total Expenditures	<u>785,554</u>	<u>785,554</u>	<u>699,629</u>	<u>85,925</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(579,004)</u>	<u>(579,004)</u>	<u>(458,502)</u>	<u>120,502</u>
OTHER FINANCING SOURCES				
Transfers In	577,772	577,772	317,961	(259,811)
Total Other Financing Sources (Uses)	<u>577,772</u>	<u>577,772</u>	<u>317,961</u>	<u>(259,811)</u>
Net Change in Fund Balances	<u>\$ (1,232)</u>	<u>\$ (1,232)</u>	(140,541)	<u>\$ (139,309)</u>
Fund Balances at Beginning of Year			77,603	
Fund Balances at End of Year			<u>\$ (62,938)</u>	

See accompanying Independent Auditor's Report.

Town of Firestone
 Firestone, Colorado
Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset)

FPPA - Statewide Defined Benefit Plan
 Last Ten Years

	2016	2015	2014
Town's proportion of the net pension liability/(asset)	\$ (4,191)	\$ (282,914)	\$ (316,152)
Town's proportionate share of the net pension liability/(asset)	0.23771%	0.25068%	0.25271%
Town's covered-employee payroll	\$ 1,316,020	\$ 1,241,042	\$ 1,173,668
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	0.32%	22.80%	26.94%
Plan fiduciary net position as a percentage of the total pension	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

Town of Firestone
 Firestone, Colorado
Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset)

PERA - Local Government Division Trust Fund
 Last Ten Years

	2016	2015	2014
Town's proportion of the net pension liability/(asset)	\$ 3,599,155	\$ 2,725,702	\$ 2,167,416
Town's proportionate share of the net pension liability/(asset)	0.32673%	0.30410%	0.28906%
Town's covered-employee payroll	\$ 1,855,551	\$ 1,666,348	\$ 1,542,145
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	193.97%	163.57%	140.55%
Plan fiduciary net position as a percentage of the total pension	76.90%	80.70%	77.66%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

Town of Firestone
 Firestone, Colorado
Schedule of the Town's Contributions

FPPA - Statewide Defined Benefit Plan
 Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily Required Contribution	\$ 107,920	\$ 100,268	\$ 90,186	\$ 87,808
Contributions in Relation to the Statutorily Required Contribution	<u>107,920</u>	<u>100,268</u>	<u>90,186</u>	<u>87,808</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,251,531	\$ 1,316,020	\$ 1,241,042	\$ 1,173,668
Contributions as a Percentage of Covered Employee Payroll	8.62%	7.62%	7.27%	7.48%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

Town of Firestone
 Firestone, Colorado
Schedule of the Town's Contributions

PERA - Local Government Division Trust Fund
 Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily Required Contribution	\$ 248,166	\$ 235,284	\$ 211,293	\$ 195,544
Contributions in Relation to the Statutorily Required Contribution	<u>248,166</u>	<u>235,284</u>	<u>211,293</u>	<u>195,544</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,922,336	\$ 1,855,551	\$ 1,666,348	\$ 1,542,145
Contributions as a Percentage of Covered Employee Payroll	12.91%	12.68%	12.68%	12.68%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

Town of Firestone
Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Capital Improvement Funds
Year Ended December 31, 2016

	Capital Improvement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes and Impact Fees	\$ 2,183,479	\$ 2,183,479	\$ 2,537,313	\$ 353,834
Earnings on Investments	9,000	9,000	19,500	10,500
Total Revenues	<u>2,192,479</u>	<u>2,192,479</u>	<u>2,556,813</u>	<u>364,334</u>
EXPENDITURES				
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	2,192,479	2,192,479	2,556,813	364,334
OTHER FINANCING SOURCES (USES)				
Transfers Out	(3,027,650)	(3,111,650)	(2,680,957)	430,693
Other	-	-	-	-
Total Other Financing Uses	<u>(3,027,650)</u>	<u>(3,111,650)</u>	<u>(2,680,957)</u>	<u>430,693</u>
Net Change in Fund Balance	<u>\$ (835,171)</u>	<u>\$ (919,171)</u>	(124,144)	<u>\$ 795,027</u>
Fund Balance at Beginning of Year			5,901,002	
Fund Balance at End of Year			<u>\$ 5,776,858</u>	

Town of Firestone
 Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balance -Budget and Actual - Capital Improvement Funds
 Year Ended December 31, 2016

Sales Tax Capital Improvement Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 1,412,000	\$ 1,412,000	\$ 1,483,514	\$ 71,514
10,000	10,000	16,168	6,168
<u>1,422,000</u>	<u>1,422,000</u>	<u>1,499,682</u>	<u>77,682</u>
150,000	150,000	150,000	-
112,818	112,818	112,818	-
<u>262,818</u>	<u>262,818</u>	<u>262,818</u>	<u>-</u>
1,159,182	1,159,182	1,236,864	77,682
(1,282,500)	(1,714,347)	(964,921)	749,426
(1,500)	(1,500)	-	1,500
<u>(1,284,000)</u>	<u>(1,715,847)</u>	<u>(964,921)</u>	<u>750,926</u>
<u>\$ (124,818)</u>	<u>\$ (556,665)</u>	271,943	<u>\$ 828,608</u>
		537,703	
		<u>\$ 809,646</u>	

Town of Firestone
 Firestone, Colorado
Combining Balance Sheet
Other Governmental Funds
 December 31, 2016

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space	Total Governmental Funds
ASSETS					
Equity in Pooled Cash, Cash					
Equivalents and Investments	\$ 2,281	\$ 695,795	\$ 201,235	\$ 176,902	\$1,076,213
Receivables	-	-	-	9,290	9,290
Total Assets	\$ 2,281	\$ 695,795	\$ 201,235	\$ 186,192	\$1,085,503
LIABILITIES AND FUND					
Liabilities:					
Accounts Payable	\$ -	\$ 36	\$ -	\$ -	\$ 36
Total Liabilities	-	36	-	-	36
Fund Balances:					
Restricted	-	-	201,235	-	201,235
Assigned	2,281	695,759	-	186,192	884,232
Total Fund Balances	2,281	695,759	201,235	186,192	1,085,467
Total Liabilities and Fund	\$ 2,281	\$ 695,795	\$ 201,235	\$ 186,192	\$1,085,503

See accompanying Independent Auditor's Report.

Town of Firestone
Firestone, Colorado
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Other Governmental Funds
Year Ended December 31, 2016

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space	Total Governmental Funds
REVENUES					
Taxes and Impact Fees	\$ -	\$ 472,096	\$ -	\$ 87,470	\$ 559,566
Intergovernmental	-	-	64,243	-	64,243
Earnings on Investments	-	10,610	1,393	518	12,521
Total Revenues	-	482,706	65,636	87,988	636,330
EXPENDITURES					
Current:					
Administration	1,200	26,142	-	-	27,342
Debt Service:					
Principal	100,000	-	-	-	100,000
Interest	44,100	-	-	-	44,100
Total Expenditures	145,300	26,142	-	-	171,442
Excess (Deficiency) of Revenues					
Over Expenditures	(145,300)	456,564	65,636	87,988	464,888
OTHER FINANCING SOURCES					
(USES)					
Transfers In	145,300	-	-	-	145,300
Transfers Out	-	(374,386)	-	(73,300)	(447,686)
Total Other Financing	145,300	(374,386)	-	(73,300)	(302,386)
Sources (Uses)					
Net Change in Fund Balances	-	82,178	65,636	14,688	162,502
Fund Balances at Beginning					
of Year	2,281	613,581	135,599	171,504	922,965
Fund Balances at End of Year	\$ 2,281	\$ 695,759	\$ 201,235	\$ 186,192	\$ 1,085,467

See accompanying Independent Auditor's Report.

Town of Firestone
Firestone, Colorado
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
Year Ended December 31, 2016

	Firestone Finance Authority Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Administration	1,500	1,500	1,200	300
Debt Service:				
Principal	100,000	100,000	100,000	-
Interest	44,100	44,100	44,100	-
Total Expenditures	145,600	145,600	145,300	300
Excess (Deficiency) of Revenues Over Expenditures	(145,600)	(145,600)	(145,300)	300
OTHER FINANCING SOURCES (USES)				
Transfers In	145,700	145,700	145,300	(400)
Transfers Out	-	-	-	-
Total Other Financing Sources	145,700	145,700	145,300	(400)
Net Change in Fund Balances	\$ 100	\$ 100	-	\$ (100)
Fund Balances at Beginning of Year			2,281	
Fund Balances at End of Year			\$ 2,281	

See accompanying Independent Auditor's Report.

Town of Firestone
 Firestone, Colorado
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2016

Firestone Urban Renewal Authority			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 725,629	\$ 725,629	\$ 472,096	\$ (253,533)
2,000	2,000	10,610	8,610
<u>727,629</u>	<u>727,629</u>	<u>482,706</u>	<u>(244,923)</u>
447,785	447,785	26,142	421,643
-	-	-	-
-	-	-	-
<u>447,785</u>	<u>447,785</u>	<u>26,142</u>	<u>421,643</u>
<u>279,844</u>	<u>279,844</u>	<u>456,564</u>	<u>176,720</u>
-	-	-	-
(591,250)	(591,250)	(374,386)	216,864
<u>(591,250)</u>	<u>(591,250)</u>	<u>(374,386)</u>	<u>216,864</u>
<u>\$ (311,406)</u>	<u>\$ (311,406)</u>	82,178	<u>\$ 393,584</u>
		613,581	
		<u>\$ 695,759</u>	

Town of Firestone
Firestone, Colorado
Schedule of Revenues, Expenditure, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
Year Ended December 31, 2016

	Conservation Trust			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	56,000	56,000	64,243	8,243
Earnings on Investments	400	400	1,393	993
Total Revenues	<u>56,400</u>	<u>56,400</u>	<u>65,636</u>	<u>9,236</u>
OTHER FINANCING USES				
Transfers Out	(50,000)	(50,000)	-	50,000
Total Other Financing Uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balances	<u>\$ 6,400</u>	<u>\$ 6,400</u>	65,636	<u>\$ 59,236</u>
Fund Balances at Beginning of Year			135,599	
Fund Balances at End of Year			<u>\$ 201,235</u>	

See accompanying Independent Auditor's Report.

Town of Firestone
 Firestone, Colorado
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2016

Open Space

Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 88,000	\$ 88,000	\$ 87,470	\$ (530)
-	-	-	-
500	500	518	18
<u>88,500</u>	<u>88,500</u>	<u>87,988</u>	<u>(512)</u>
(73,700)	(73,700)	(73,300)	400
<u>(73,700)</u>	<u>(73,700)</u>	<u>(73,300)</u>	<u>400</u>
<u>\$ 14,800</u>	<u>\$ 14,800</u>	14,688	<u>\$ (112)</u>
		171,504	
		<u>\$ 186,192</u>	

Town of Firestone
Firestone, Colorado
Water Fund
Schedule of Revenues, Expenditures and Changes in Net Position -
Budget and Actual (Non GAAP Budgetary Basis)
Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for Services	\$ 4,178,750	\$ 4,178,750	\$ 3,416,947	\$ (761,803)
Miscellaneous	2,393,000	2,393,000	-	(2,393,000)
Total Operating Revenues	6,571,750	6,571,750	3,416,947	(3,154,803)
Operating Expenses				
Operations	1,352,612	1,352,612	1,287,363	65,249
Administration	1,019,808	1,019,808	1,050,850	(31,042)
Total Operating Expenses	2,372,420	2,372,420	2,338,213	34,207
Operating Income	4,199,330	4,199,330	1,078,734	(3,120,596)
Nonoperating Revenues (Expenditures)				
Capital Contributions	138,750	138,750	1,179,598	1,040,848
Earnings on Investments	15,000	15,000	22,083	7,083
Capital Outlay	(5,392,933)	(5,392,933)	(626,705)	4,766,228
Transfers In	780,000	780,000	-	(780,000)
Intergovernmental Revenues	30,000	30,000	1,074	(28,926)
Total Nonoperating Revenues (Expenditures)	(4,429,183)	(4,429,183)	576,050	5,005,233
Excess of Revenues Over Expenditures - Budgetary Basis	\$ (229,853)	\$ (229,853)	1,654,784	\$ 1,884,637
Reconciliation to a GAAP Basis				
Depreciation			(406,779)	
Capital Outlay			626,705	
Change in Net Position			1,874,710	
Net Position at Beginning of Year			61,844,091	
Net Position at End of Year			\$ 63,718,801	

See accompanying Independent Auditor's Report.

Town of Firestone
 Firestone, Colorado
Stormwater Fund
Schedule of Revenues, Expenditures and Changes in Net Position -
Budget and Actual (Non GAAP Budgetary Basis)
 Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
Operating Revenues				
Charges for Services	\$ 403,000	\$ 403,000	\$ 449,677	\$ 46,677
Total Operating Revenues	403,000	403,000	449,677	46,677
Operating Expenses				
Operations	94,523	94,523	185,446	(90,923)
Administration	91,775	91,775	18,319	73,456
Total Operating Expenses	186,298	186,298	203,765	(17,467)
Operating Income	216,702	216,702	245,912	29,210
Nonoperating Revenues (Expenditures)				
Capital Contributions	-	-	2,049,177	2,049,177
Intergovernmental	500,000	500,000	-	(500,000)
Investment Earnings	120	120	685	565
Transfers In	1,223,650	1,223,650	1,755,254	531,604
Capital Outlay	(1,980,150)	(1,980,150)	(1,824,898)	155,252
Total Nonoperating Revenues (Expenditures)	(256,380)	(256,380)	1,980,218	2,236,598
Deficiency of Revenues				
Over Expenditures - Budgetary Basis	\$ (39,678)	\$ (39,678)	2,226,130	\$ 2,265,808
Reconciliation to a GAAP Basis				
Depreciation			(24,136)	
Capital Outlay			1,824,898	
Change in Net Position			4,026,892	
Net Position at Beginning of Year			1,463,125	
Net Position at End of Year			\$ 5,490,017	

See accompanying Independent Auditor's Report.

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CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES

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

December 31, 2016

Function and Activity	Land	Land Improvements	Building and Improvements	Equipment and Vehicles	Infrastructure	TOTAL
General Government	\$ -	\$ -	\$ -	\$ 326,968	\$ -	\$ 326,968
Public Works	-	-	-	1,762,131	-	1,762,131
Parks, Cultural and Open Space	6,537,310	6,555,094	-	-	-	13,092,404
Public Safety	-	-	-	1,480,795	-	1,480,795
Building	-	-	2,014,270	-	-	2,014,270
Construction in Progress	-	-	364,298	-	-	364,298
Streets and Related Infrastructure	-	-	-	-	50,094,793	50,094,793
Total Governmental Funds Capital Assets	\$ 6,537,310	\$ 6,555,094	\$ 2,378,568	\$ 3,569,894	\$ 50,094,793	\$ 69,135,659

See accompanying Independent Auditor's Report.

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

December 31, 2016

<u>Function and Activity</u>	<u>Capital Assets 12/31/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets 12/31/2016</u>
General Government	\$ 236,448	\$ 90,520	\$ -	\$ 326,968
Public Works	1,628,963	133,168		1,762,131
Parks, Cultural and Open Space	12,553,064	539,340	-	13,092,404
Public Safety	1,201,353	279,442		1,480,795
Building	1,946,241	68,029	-	2,014,270
Construction in Progress	364,298	-	-	364,298
Streets and Related Infrastructure	39,082,548	11,012,245	-	50,094,793
Construction in Progress	4,430,746		4,430,746	-
Total Governmental Funds Capital Assets	<u>\$ 61,443,661</u>	<u>\$ 12,122,744</u>	<u>\$ 4,430,746</u>	<u>\$ 69,135,659</u>

See accompanying Independent Auditor's Report.

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

December 31, 2015 and 2016

GENERAL CAPITAL ASSETS	2016	2015
Land	\$ 6,537,310	\$ 6,017,310
Land Improvements	6,555,094	6,535,754
Building and Improvements	2,014,270	1,946,241
Building - Construction in Progress	364,298	364,298
Equipment and Vehicles	3,569,894	3,066,764
Infrastructure	50,094,793	39,082,548
Infrastructure - Construction in Progress	-	4,430,746
TOTAL GENERAL CAPITAL ASSETS	\$ 69,135,659	\$ 61,443,661
INVESTMENT IN GENERAL CAPITAL ASSETS	2016	2015
Contributions and Donations	\$ 31,105,660	\$ 26,320,453
Developer Reimbursement Obligations	487,403	487,403
General Obligation Bonds	773,917	773,917
Grants	1,623,328	323,328
Operating Revenues and Impact Fees	33,160,351	31,553,560
Certificates of Participation	1,985,000	1,985,000
TOTAL INVESTMENT IN GENERAL CAPITAL ASSETS	\$ 69,135,659	\$ 61,443,661

See accompanying Independent Auditor's Report.

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STATISTICAL SECTION

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Town of Firestone

Statistical Section

Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2016

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

The Statistical Section is organized as follows -

	<u>Pages</u>
<i>Financial Trends:</i>	
Information on the Town's financial performance and health over time.	94-105
<i>Revenue:</i>	
Information on the Town's ability to generate tax revenue over time.	106-113
<i>Debt Capacity:</i>	
Information on the Town's outstanding debt and that of overlapping governments.	114-119
<i>Demographics:</i>	
Information on demographic and economic measures that affect the Town and its provision of services to its constituents.	120-122
<i>Operating Information:</i>	
Information on the Town's operations, staffing and other data.	123-124

Town of Firestone
Net Position by Component
Last Ten Years

	2007	2008	2009	2010
Governmental activities				
Net investment in capital assets	\$ 29,452,697	\$ 31,129,414	\$ 32,308,457	\$ 30,754,589
Restricted	4,661,782	4,722,885	2,682,197	3,034,596
Unrestricted	2,751,531	1,748,080	1,723,914	1,793,769
Total governmental activities position	<u>\$ 36,866,010</u>	<u>\$ 37,600,379</u>	<u>\$ 36,714,568</u>	<u>\$ 35,582,954</u>
Business-type activities				
Net investment in capital assets	\$ 51,453,496	\$ 51,891,777	\$ 53,326,076	\$ 53,632,012
Restricted	-	-	-	-
Unrestricted	1,744,886	2,399,424	2,304,582	2,813,046
Total business-type activities net position	<u>\$ 53,198,382</u>	<u>\$ 54,291,201</u>	<u>\$ 55,630,658</u>	<u>\$ 56,445,058</u>
Primary government				
Net investment in capital assets	\$ 80,906,193	\$ 83,021,191	\$ 85,634,533	\$ 84,386,601
Restricted	4,661,782	4,722,885	2,682,197	3,034,596
Unrestricted	4,496,417	4,147,504	4,028,496	4,606,815
Total primary government net position	<u>\$ 90,064,392</u>	<u>\$ 91,891,580</u>	<u>\$ 92,345,226</u>	<u>\$ 92,028,012</u>

Source: Town of Firestone Finance Department

	2011	2012	2013	2014	2015	2016
\$	29,832,385	\$ 28,453,663	\$ 27,884,672	\$ 25,318,630	\$ 29,781,019	\$ 35,226,064
	269,051	319,783	360,606	2,896,206	555,109	620,745
	4,807,819	5,216,289	5,368,759	7,080,617	10,668,886	12,805,734
\$	34,909,255	\$ 33,989,735	\$ 33,614,037	\$ 35,295,453	\$ 41,005,014	\$ 48,652,543
\$	53,745,675	\$ 53,954,280	\$ 54,207,452	\$ 54,887,599	\$ 56,976,448	\$ 61,740,243
	-	-	-	-	-	-
	3,347,722	3,979,414	4,747,092	5,700,790	6,330,768	7,468,575
\$	57,093,397	\$ 57,933,694	\$ 58,954,544	\$ 60,588,389	\$ 63,307,216	\$ 69,208,818
\$	83,578,060	\$ 82,407,943	\$ 82,092,124	\$ 80,206,229	\$ 86,757,467	\$ 96,966,307
	269,051	319,783	360,606	2,896,206	555,109	620,745
	8,155,541	9,195,703	10,115,851	12,781,407	16,999,654	20,274,309
\$	92,002,652	\$ 91,923,429	\$ 92,568,581	\$ 95,883,842	\$ 104,312,230	\$ 117,861,361

Town of Firestone
Changes in Net Position
Last Ten Years

	2007 ⁽¹⁾	2008 ⁽¹⁾	2009 ⁽¹⁾	2010 ⁽¹⁾
Expenses				
Governmental activities:				
General Government	\$ 1,200,682	\$ 1,154,780	\$ 1,410,953	\$ 1,156,785
Public Safety	2,169,622	2,230,778	2,350,659	2,246,700
Public Works	2,186,471	2,308,808	2,563,019	2,588,250
Health & Welfare	74,408	86,964	103,002	95,917
Economic Development	11,561	13,844	15,298	18,905
Parks & Recreation	458,506	635,834	700,636	699,652
Interest on long-term debt	124,480	120,026	106,860	82,409
Depreciation Unallocated	-	-	-	-
Total governmental activities expenses	6,225,730	6,551,034	7,250,427	6,888,618
Business-type activities:				
Water	1,531,947	1,756,601	1,698,657	1,857,559
Stormwater	-	-	13,013	48,000
Total business-type activities expenses	1,531,947	1,756,601	1,711,670	1,905,559
Total primary government activities expenses	\$ 7,757,677	\$ 8,307,635	\$ 8,962,097	\$ 8,794,177

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

2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014	2015	2016
\$ 1,106,283	\$ 1,322,245	\$ 1,835,993	\$ 2,156,089	\$ 2,207,436	\$ 2,348,047
2,169,999	2,266,759	2,272,091	2,436,446	2,671,801	2,969,834
2,450,275	2,445,606	2,554,525	2,974,941	3,248,015	3,090,882
95,010	96,785	174,160	141,181	154,023	141,260
70,334	65,143	72,636	176,249	177,493	43,704
668,285	774,910	837,008	899,216	1,113,830	1,012,945
73,349	70,203	58,494	205,068	156,411	159,656
-	-	-	-	-	-
6,633,535	7,041,651	7,804,907	8,989,190	9,729,009	9,766,328
2,018,304	2,125,436	2,079,861	2,311,358	2,473,529	2,744,992
16,502	29,637	63,537	82,369	167,672	227,901
2,034,806	2,155,073	2,143,398	2,393,727	2,641,201	2,972,893
\$ 8,668,341	\$ 9,196,724	\$ 9,948,305	\$ 11,382,917	\$ 12,370,210	\$ 12,739,221

Town of Firestone
Changes in Net Position (continued)
Last Ten Years

	2007 ⁽¹⁾	2008 ⁽¹⁾	2009 ⁽¹⁾	2010 ⁽¹⁾
Program Revenues				
Governmental activities:				
Charges for services				
General Government	\$ 21,709	\$ 22,980	\$ 30,887	\$ 43,364
Public safety	175,676	144,515	209,212	173,518
Public works	1,444,132	908,196	1,274,954	1,318,295
Parks	111,000	54,000	93,748	98,311
Operating grants and contributions	33,921	285,623	1,178,813	89,656
Capital grants and contributions				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	841,171	792,282	-	-
Parks	849,089	744,750	-	-
Total governmental activities program revenues	3,476,698	2,952,346	2,787,613	1,723,144
Business-type activities:				
Charges for services				
Water	1,642,135	1,721,452	1,842,175	2,296,168
Stormwater	-	-	76,817	106,144
Operating grants and contributions	-	-	545,599	30,461
Capital grants and contributions	3,737,731	1,382,707	300,760	99,000
Total business-type activities program revenues	5,379,866	3,104,159	2,765,351	2,531,773
Total primary government program revenues	\$ 8,856,564	\$ 6,056,505	\$ 5,552,964	\$ 4,254,917
Net (expense) revenue				
Governmental activities	(2,749,032)	(3,598,688)	(4,462,813)	(5,165,474)
Business-type activities	3,847,919	1,347,558	1,053,681	626,214
Total primary government net expense	\$ 1,098,887	\$ (2,251,130)	\$ (3,409,132)	\$ (4,539,260)

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

	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾	2016 ⁽¹⁾
\$	77,340	\$ 137,715	\$ 437,671	\$ 629,638	\$ 1,029,753	\$ 1,003,617
	201,219	200,761	170,871	187,039	249,393	242,676
	1,117,241	897,921	1,055,226	1,750,915	3,368,729	2,697,973
	73,943	115,434	-	-	-	-
	25,400	-	238,962	397,245	1,276,205	853,006
	7,500	-	51,500			-
	-	-	-			-
	105,660	-	105,660	462,805	1,479,388	4,785,207
	-	-	-			-
	1,608,303	1,351,831	2,059,890	3,427,642	7,403,468	9,582,479
	2,354,488	2,751,268	2,452,756	2,726,634	3,208,033	3,416,947
	111,001	113,757	114,700	118,585	278,433	449,677
	26,696	26,067	6,064	29,756	5,300	1,074
	57,500	61,900	595,603	1,115,070	2,301,727	3,228,775
	2,549,685	2,952,992	3,169,123	3,990,045	5,793,493	7,096,473
\$	4,157,988	\$ 4,304,823	\$ 5,229,013	\$ 7,417,687	\$ 13,196,961	\$ 16,678,952
	(5,025,232)	(5,689,820)	(5,745,017)	(5,561,548)	(2,325,541)	(183,849)
	514,879	797,919	1,025,725	1,596,318	3,152,292	4,123,580
\$	(4,510,353)	\$ (4,891,901)	\$ (4,719,292)	\$ (3,965,230)	\$ 826,751	\$ 3,939,731

Town of Firestone
Changes in Net Position (continued)
Last Ten Years

General Revenues and Other Changes in Net Position

Governmental activities:

	2007	2008	2009	2010
Taxes				
Property taxes - general	\$ 600,200	\$ 707,972	\$ 731,651	\$ 813,795
Property taxes - debt service	69,600	67,958	70,490	72,265
Property taxes - urban renewal	-	-	-	-
Specific ownership taxes	-	-	-	55,890
Sales & Use Tax	2,092,775	2,308,510	2,097,477	2,301,440
Hwy users, road & bridge, motor vehicle taxes	-	-	-	454,967
Franchise taxes	298,572	338,077	339,903	343,974
Impact Fees	-	-	-	-
License & Permits	-	-	-	-
Grants & Contributions - Not Restricted for Specific	-	-	-	-
Investment earnings	362,983	196,461	42,695	10,635
Other miscellaneous	419,767	655,611	701,848	158,345
Gain on Sale of Capital Assets	406,541	-	-	-
Transfers	-	(192,958)	(269,778)	(177,451)
Total governmental activities	4,250,438	4,081,631	3,714,286	4,033,860
Business-type activities				
Investment earnings	81,529	65,128	15,999	6,302
Other miscellaneous	-	-	-	4,433
Transfers	-	192,958	269,778	177,451
Total business-type activities	81,529	258,086	285,777	188,186
Total primary government	\$ 4,331,967	\$ 4,339,717	\$ 4,000,063	\$ 4,222,046
Changes in Net Position				
Governmental activities	\$ 1,501,406	\$ 482,943	\$ (748,528)	\$ (1,131,614)
Business-type activities	3,929,448	1,605,644	1,339,458	814,400
Total primary government	\$ 5,430,854	\$ 2,088,587	\$ 590,930	\$ (317,214)

Source: Town of Firestone Finance Department

	2011	2012	2013	2014	2015	2016
\$	720,123	\$ 824,637	\$ 892,840	\$ 918,746	\$ 990,689	\$ 1,158,501
	75,271	74,090	79,607	-	-	-
	15,562	20,170	31,910	27,839	679,422	472,096
	57,189	71,475	64,770	77,454	66,868	72,990
	2,518,329	2,683,817	2,973,413	4,692,078	5,448,691	6,072,395
	467,408	469,955	485,282	507,865	545,634	551,515
	338,780	380,273	396,128	406,612	435,073	481,156
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	14,705	15,411	7,362	29,615	48,372	75,918
	267,523	259,343	394,184	601,620	1,121,028	702,061
	-	-	-	-	-	-
	(123,361)	(28,871)	43,823	(18,865.00)	(94,741)	(1,755,254)
	4,351,529	4,770,300	5,369,319	7,242,964	9,241,036	7,831,378
	9,391	9,155	10,433	13,801	20,061	22,768
	708	4,352	13,535	4,861	97,063	
	123,361	28,871	(28,843)	18,865	94,741	1,755,254
	133,460	42,378	(4,875)	37,527	211,865	1,778,022
\$	4,484,989	\$ 4,812,678	\$ 5,364,444	\$ 7,280,491	\$ 9,452,901	\$ 9,609,400
\$	(673,703)	\$ (919,520)	\$ (375,698)	\$ 1,681,416	\$ 6,915,495	\$ 7,647,529
	648,339	840,297	1,020,850	1,633,845	3,364,157	5,901,602
\$	(25,364)	\$ (79,223)	\$ 645,152	\$ 3,315,261	\$ 10,279,652	\$ 13,549,131

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

	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ 217,630	\$ 182,990	\$ 255,431	\$ 172,156	\$ -
Unreserved	1,081,552	933,910	676,957	849,368	-
Nonspendable	-	-	-	-	10,365
Restricted	-	-	-	-	125,132
Assigned	-	-	-	-	128,100
Unassigned	-	-	-	-	1,230,764
Total general fund	\$ 1,299,182	\$ 1,116,900	\$ 932,388	\$ 1,021,524	\$ 1,494,361
All other governmental funds					
Reserved	\$ 4,444,152	\$ 4,533,125	\$ 2,426,766	\$ 2,853,815	\$ -
Unreserved, reported in:					
Special revenue funds	1,748,934	882,638	1,003,948	1,027,279	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	143,919
Committed	-	-	-	-	2,082,265
Assigned	-	-	-	-	1,433,810
Total of all other governmental funds	\$ 6,193,086	\$ 5,415,763	\$ 3,430,714	\$ 3,881,094	\$ 3,659,994

Source: Town of Firestone Finance Department

	2012	2013	2014	2015	2016
\$	-	\$ -	\$ -	\$ -	-
	-	-	-	-	-
	12,433	27,847	30,524	11,265	9,928
	174,175	207,290	294,883	419,510	419,510
	128,397	62,084	62,084	-	-
	1,642,004	2,022,351	2,675,982	4,174,872	6,024,085
\$	1,957,009	\$ 2,319,572	\$ 3,063,473	\$ 4,605,647	\$ 6,453,523
\$	-	\$ -	\$ -	\$ -	-
	-	-	-	-	-
	515	-	-	-	1,318
	145,608	153,316	2,601,323	135,599	201,235
	2,236,855	1,984,022	3,301,212	6,438,705	6,586,504
	1,310,650	1,402,256	1,158,717	1,407,111	1,693,642
\$	3,693,628	\$ 3,539,594	\$ 7,061,252	\$ 7,981,415	\$ 8,482,699

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

	2007	2008	2009	2010	2011
Revenues					
Taxes and Impact Fees	\$ 3,164,965	\$ 3,576,498	\$ 4,748,305	\$ 5,030,226	\$ 5,108,891
Licenses and permits	594,967	362,823	369,179	397,676	348,704
Intergovernmental	657,631	576,069	1,191,114	99,199	108,118
Charges for services	981,874	613,685	111,773	114,445	117,303
Fines	175,676	144,515	199,991	170,647	159,002
Investment earnings	362,983	198,904	42,695	10,635	14,705
Miscellaneous	772,562	217,409	101,144	103,989	107,848
Total revenues	6,710,658	5,689,903	6,764,201	5,926,817	5,964,571
Expenditures					
General government	1,110,438	1,136,935	1,430,492	1,176,268	1,059,884
Public safety	2,053,556	2,123,736	2,153,198	2,164,212	2,107,193
Public works	807,155	695,554	801,422	847,105	688,699
Health & Welfare	74,408	310,137	368,531	95,917	95,010
Economic Development	11,561	86,964	36,121	18,905	70,334
Parks and Open Space	261,401	13,844	82,178	366,645	317,802
Capital Outlay	1,904,188	1,484,456	3,496,310	291,454	671,586
Debt service					
Interest	120,130	267,399	375,959	392,391	78,720
Principal	242,369	337,526	111,070	85,083	500,245
Debt Issuance Costs	-	-	-	-	-
Total expenditures	6,585,206	6,456,551	8,855,281	5,437,980	5,589,473
Excess of revenues over (under) expenditures	125,452	(766,648)	(2,091,080)	488,837	375,098
Other financing sources (uses)					
Proceeds from capital lease	289,470	-	73,788	43,176	-
Proceeds from sale of capital assets	435,172	-	13,174	18,992	-
Operating transfers in	2,429,081	686,541	2,595,513	505,906	969,108
Operating transfers out	(2,502,771)	(879,499)	(3,031,253)	(683,357)	(1,092,469)
Proceeds from Bond Issuance	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-
Total other financing sources (uses)	650,952	(192,958)	(348,778)	(115,283)	(123,361)
Net changes in fund balance	\$ 776,404	\$ (959,606)	\$ (2,439,858)	\$ 373,554	\$ 251,737
Debt service as a percentage of noncapital expenditures	7.74%	12.17%	9.09%	9.28%	11.77%

Source: Town of Firestone Finance Department

2012	2013	2014	2015	2016
\$ 5,287,922	\$ 6,066,305	\$ 8,691,142	\$ 11,854,063	\$ 11,638,871
311,574	437,671	629,638	1,029,753	1,003,617
86,319	238,962	397,246	1,276,205	853,006
138,125	143,044	148,164	153,384	160,662
164,833	170,871	187,039	249,393	242,676
15,411	7,362	29,615	48,372	75,918
146,815	178,991	143,822	648,687	409,154
6,150,999	7,243,206	10,226,666	15,259,857	14,383,904
1,299,466	1,745,644	2,013,681	2,120,898	2,241,403
2,174,095	2,190,954	2,393,303	2,699,483	2,916,172
687,029	725,448	1,138,594	1,168,995	931,942
96,785	174,160	141,181	154,023	141,260
65,143	72,636	176,249	177,493	43,704
408,546	467,477	532,995	719,125	627,552
657,101	1,375,169	2,833,046	5,234,670	2,967,231
419,743	61,608	131,175	163,244	159,471
69,827	250,424	344,939	264,848	250,755
-	-	62,443	-	-
5,877,735	7,063,520	9,767,606	12,702,779	10,279,490
273,264	179,686	459,060	2,557,078	4,104,414
251,889	-	-	-	-
-	-	-	-	-
599,577	1,343,895	3,180,869	4,269,478	2,451,310
(628,448)	(1,315,052)	(3,199,734)	(4,364,219)	(4,206,564)
-	-	3,795,000	-	-
-	-	30,364	-	-
223,018	28,843	3,806,499	(94,741)	(1,755,254)
\$ 496,282	\$ 208,529	\$ 4,265,559	\$ 2,462,337	\$ 2,349,160
9.38%	5.49%	6.93%	5.65%	7.96%

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

Year	Property Tax	Franchise Tax	Specific Ownership Tax	Sales & Use Tax	Severance Tax	Cigarette Tax	Other	Total
2007	669,800	298,464	66,843	2,092,729	4,666	9,863	22,600	3,164,965
2008	778,804	327,495	72,898	2,308,510	27,484	14,116	35,374	3,564,681
2009	802,141	339,903	64,239	2,097,477	100,311	15,512	297,052	3,716,635
2010	886,060	343,974	55,890	2,301,440	30,009	17,135	407,823	4,042,331
2011	810,956	338,780	57,189	2,518,329	119,510	16,866	331,032	4,192,662
2012	918,897	380,273	71,475	2,683,817	163,361	15,683	290,911	4,524,417
2013	1,004,357	396,128	64,770	2,973,413	157,655	15,382	542,418	5,154,123
2014	946,639	406,612	77,454	4,692,078	325,426	16,192	623,990	7,088,392
2015	1,670,111	435,073	66,868	5,448,691	354,052	17,402	646,521	8,638,718
2016	1,630,597	481,156	72,990	6,072,395	178,086	18,236	648,099	9,101,560

Source: Town of Firestone Finance Department

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

Sales Tax Trends by Category (based on month distributed to the Town)					
	2007	2008	2009	2010	2011
Motor Vehicle Taxes	\$ 406,068	\$ 386,064	\$ 321,078	\$ 357,742	\$ 387,137
Hotel/Motels	18,712	17,136	21,026	21,148	43,089
Restaurants	219,181	231,424	234,598	224,575	300,907
Retail - Grocery	184,639	194,180	193,522	218,648	228,005
Retail - Other	444,138	419,858	422,475	471,706	496,001
Bars/Liquor Stores	59,547	57,872	60,413	48,599	46,043
Other	43,458	27,086	29,591	50,620	33,044
Services	16,030	41,039	3,788	35,431	52,892
Banking & Financial	2,442	3,641	287,696	3,857	3,623
Utilities & Communications	237,002	296,026	23,131	282,124	317,038
Developer Reimbursement Obligation ⁽¹⁾	-	410,064	245,330	364,449	442,804
TOTAL	\$ 1,631,217	\$ 2,084,390	\$ 1,842,648	\$ 2,078,899	\$ 2,350,583

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

Sales Tax Trends by Category (based on month distributed to the Town)					
2012	2013	2014	2015	2016	Ten Year Change
\$ 465,971	\$ 482,771	\$ 576,613	\$ 751,155	\$ 926,406	\$ 520,338
58,818	75,068	144,952	141,172	110,806	92,094
314,609	337,268	599,105	638,306	674,929	455,748
242,623	269,046	400,796	433,788	468,049	283,410
485,988	516,102	1,117,043	1,241,644	1,339,173	895,035
72,168	70,579	117,811	126,508	132,458	72,911
38,958	42,593	100,965	99,141	121,590	78,132
57,375	35,848	67,023	72,966	81,868	65,838
5,162	23,949	70,361	72,858	86,020	83,578
321,785	357,889	529,765	568,173	736,228	499,226
459,034	483,325	525,090	564,623	605,824	605,824
\$ 2,522,491	\$ 2,694,438	\$ 4,249,524	\$ 4,710,334	\$ 5,283,351	\$ 3,446,301

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

Firestone							
Year ⁽¹⁾	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land	Other
2007	52,972,210	25,039,490	3,683,470	487,530	21,287,630	10,128,730	2,394,650
2008	56,691,790	28,328,410	3,279,170	473,220	18,614,800	10,141,940	2,567,110
2009	51,011,620	34,465,300	3,161,300	240,660	32,362,330	9,686,070	1,715,250
2010	52,952,710	33,976,600	3,048,150	298,360	16,447,950	8,879,080	1,257,870
2011	55,888,650	32,207,030	2,881,190	363,320	32,865,700	6,997,120	1,103,910
2012	57,283,090	34,718,800	3,627,570	466,950	39,194,150	6,309,850	1,206,760
2013	56,630,930	36,827,340	3,838,980	526,100	31,052,063	5,345,770	1,414,580
2014	58,161,240	37,162,960	3,862,400	589,250	40,321,950	5,013,430	2,177,530
2015	74,765,710	37,099,070	4,784,810	728,010	44,078,640	5,977,080	3,408,770
2016	81,440,220	38,234,500	5,168,420	956,120	74,448,970	4,770,570	3,263,880

Year ⁽¹⁾	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Grand Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ⁽²⁾
2006	1,545,820	96,612,970	7.419	714,755,270	13.73%
2007	1,661,280	114,332,430	6.805	835,545,237	13.88%
2008	1,888,420	118,208,020	6.805	858,575,320	13.99%
2009	2,402,890	132,642,530	6.805	857,705,156	15.74%
2010	4,646,970	116,860,720	6.805	865,276,097	14.04%
2011	4,578,130	132,306,920	6.805	908,144,710	15.07%
2012	11,135,130	142,807,170	6.805	967,639,313	15.91%
2013	10,905,230	135,635,763	6.805	953,953,862	15.36%
2014	12,263,170	147,288,760	6.805	1,001,239,462	15.94%
2015	13,207,650	170,842,090	6.805	1,219,182,510	15.10%
2016	13,207,650	208,282,680	6.805	1,346,732,610	16.45%

Sources: Weld County Assessor's Office

⁽¹⁾Taxes for the year assessed are collected in the following year. For example: 2006 assessed will be collected in 2007 calendar year.

⁽²⁾Includes tax-exempt property

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

Year	Weld County ⁽²⁾									
	Town of Firestone	Weld County	RE1J School District	Frederick Firestone Fire Protection District	Mountain View Fire Protection District	N. Colo. Water Conservation District	Hills Metro #1 District	Hills Metro #2 District	Hills Metro #3 District	The Greens Metro District
Rates (In mills)										
2007	6.805	16.804	37.798	12.770	7.817	1.000	40.000	40.000	40.000	40.190
2008	6.805	16.804	46.285	12.526	11.747	1.000	-	-	-	40.190
2009	6.805	16.804	46.268	12.401	11.747	1.000	-	-	-	-
2010	6.805	16.804	46.268	12.401	11.747	1.000	-	-	-	-
2011	6.805	16.804	47.614	12.264	11.747	1.000	-	-	-	-
2012	6.805	16.804	53.500	12.197	11.747	1.000	-	-	-	45.000
2013	6.805	16.804	53.679	12.277	11.747	1.000	-	-	-	50.000
2014	6.805	15.800	53.673	12.250	11.747	1.000	-	-	-	50.000
2015	6.805	15.800	53.887	12.121	11.747	1.000	-	-	-	50.000
2016	6.805	15.800	56.945	12.058	11.747	1.000	-	-	-	50.000

Levy										
2007	778,032	75,088,043	24,691,076	3,403,049	3,148,362	3,434,059	50,232	19,772	4,430	61,260
2008	804,406	76,724,097	31,603,051	3,650,649	5,047,144	3,499,354	-	-	-	31,935
2009	902,632	96,972,420	36,441,473	4,025,507	6,115,352	4,203,631	-	-	-	-
2010	794,109	78,999,116	35,375,547	3,905,196	5,838,491	3,503,408	-	-	-	-
2011	900,349	91,108,983	40,102,826	4,247,291	6,544,045	3,908,165	-	-	-	-
2012	971,803	109,452,573	49,869,514	4,585,839	7,402,993	4,450,703	-	-	-	10,998
2013	923,001	119,624,895	48,706,721	4,226,871	7,291,077	4,418,338	-	-	-	10,661
2014	1,002,300	144,332,489	46,765,496	4,285,576	7,254,823	4,821,505	-	-	-	7,854
2015	1,162,584	183,013,126	62,841,498	5,118,050	11,205,605	5,983,037	-	-	-	12,385
2016	1,417,368	144,600,941	71,843,848	5,368,651	10,638,937	5,600,143	-	-	-	12,135

Year	Weld County ⁽²⁾									
	The Springs Metro District	Cottonwood Hollow Res Metro Dist	Cottonwood Hollow Com Metro Dist	Stoneridge Metro District	Neighbor's Point Metro Dist	Tri-Area Sanitation ⁽³⁾	St. Vrain Sanitation District	Tri-Area Ambulance Special District ⁽³⁾	Carbon Valley Recreation District	High Plains Library District ⁽⁵⁾
Rates (In mills)										
2007	42.000	40.000	40.000	50.000	45.000	-	2.686	-	6.657	3.253
2008	42.000	40.000	40.000	50.000	45.000	-	0.806	-	6.657	3.260
2009	42.000	40.000	40.000	50.000	45.000	-	0.737	-	6.657	3.255
2010	42.000	40.000	40.000	50.000	45.000	-	0.737	-	6.657	3.255
2011	42.000	50.000	50.000	50.000	45.000	-	0.720	-	6.657	3.271
2012	42.000	50.000	50.000	50.000	45.000	-	0.682	-	6.657	3.261
2013	42.000	50.000	50.000	50.000	45.000	-	0.680	-	6.657	3.264
2014	42.000	50.000	46.000	50.000	45.000	-	0.685	-	6.710	3.267
2015	42.000	50.000	46.000	50.000	50.000	-	0.585	-	6.794	3.308
2016	42.000	50.000	46.000	50.000	45.000	-	0.519	-	7.055	3.271

Levy										
2007	561	9,866	3,476	210,028	28,044	-	739,139	-	1,771,833	12,738,340
2008	5,770	16,168	1,575	332,159	27,933	-	312,351	-	1,801,510	13,028,371
2009	52,188	20,123	2,326	334,662	20,849	-	322,948	-	1,994,957	16,628,403
2010	64,476	10,723	1,594	317,757	38,992	-	324,544	-	2,017,502	13,310,811
2011	48,718	16,046	1,764	344,959	37,829	-	346,249	-	2,489,088	15,748,036
2012	42,752	15,826	1,404	353,401	37,813	-	370,878	-	2,757,648	19,077,319
2013	45,866	14,788	1,172	334,538	14,470	-	338,142	-	2,601,313	21,087,951
2014	36,229	39,442	1,081	334,721	3,179	-	331,442	-	2,635,757	27,510,678
2015	14,706	7,131	2,382	412,867	25,873	-	361,778	-	4,501,590	35,346,692
2016	20,001	775,707	650,612	441,286	5,172	-	385,079	-	3,990,496	27,051,028

⁽¹⁾One mill generates \$1 of property tax revenue per \$1,000 of assessed valuation
⁽²⁾Weld County Assessor's Office
⁽³⁾No longer collects on property within the Town's boundaries.
⁽⁴⁾Taxes for the year assessed are collected in the following year. The mills that are stated were collected in the following year. Collection year follows levy year.
⁽⁵⁾Formerly known as the Weld County Library District..

Town of Firestone
Principal Taxpayers
Last Eight Fiscal Years

Taxpayer	Town of Firestone ⁽⁴⁾			Town of Firestone ⁽⁴⁾			Town of Firestone ⁽⁴⁾			Town of Firestone ⁽⁴⁾		
	2016		% of Total Assessed Value	2015		% of Total Assessed Value	2014		% of Total Assessed Value	2013		% of Total Assessed Value
	Assessed Value	Rank		Assessed Value	Rank		Assessed Value	Rank		Assessed Value	Rank	
Principal Taxpayers												
Encana Oil & Gas (USA) Inc	34,356,690	1	2.55%	19,253,960	1	1.58%						
Kerr-McGee Oil & Gas Onshore LP	30,720,110	2	2.28%	12,420,520	2	1.02%	16,110,760	2	1.69%	8,262,352	3	0.87%
American Furniture Warehouse	7,499,490	3	0.56%	11,470,150	3	0.94%	17,607,830	1	1.85%	13,887,490	1	1.46%
Synergy Resources Corp	6,326,440	4	0.47%	7,528,220	4	0.62%	7,620,620	3	0.80%	8,969,660	2	0.94%
Advance Forming Technology LLC	2,099,250	5	0.16%	4,019,950	5	0.33%	2,218,510	4	0.23%	2,218,510	7	0.23%
Advance Forming Technology Inc	1,994,550	6	0.15%	1,821,180	6	0.15%	1,900,190	6	0.20%	1,900,190	9	0.20%
Dillon Companies Inc	1,821,180	7	0.14%	1,782,980	7	0.15%	1,698,220	7	0.18%	-		
High Plains Marketplace LLC	1,782,980	8	0.13%	1,710,930	8	0.14%	2,022,000	5	0.21%	2,022,000	8	0.21%
Home Depot	1,710,930	9	0.13%	1,588,260	9	0.13%	1,573,930	8	0.16%	-		
Firestone Development LLC	1,588,260	10	0.12%	1,514,370	10	0.12%	-		-	-		
Sunsecured Financing LLC	-		-	-		-	693,570	10	0.07%	2,679,380	6	0.28%
Safeway Stores 45 Inc	-		-	-		-	1,211,960	9	0.13%	-		
Noble Energy	-		-	-		-	-		-	3,121,404	4	0.33%
Sundance Energy	-		-	-		-	-		-	1,711,990	10	0.18%
Top Operating Company	-		-	-		-	-		-	2,719,827	5	0.29%
	<u>\$ 89,899,880</u>		<u>6.68%</u>	<u>\$ 63,110,520</u>		<u>5.18%</u>	<u>\$ 52,657,590</u>		<u>5.52%</u>	<u>\$ 47,492,803</u>		<u>4.51%</u>

Sources: Weld County Assessor's Office

⁽⁴⁾Town of Firestone information not available from 2000 to 2008

Town of Firestone ⁽⁴⁾			Town of Firestone ⁽⁴⁾			Town of Firestone ⁽⁴⁾			Town of Firestone ⁽⁴⁾		
2012			2011			2010			2009		
Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
11,251,750	2	1.16%	9,134,110	2	1.01%	7,550,890	2	0.87%	6,312,800	3	0.74%
19,270,370	1	1.99%	13,634,890	1	1.50%	4,132,240	3	0.48%	\$ 18,637,120	1	2.17%
7,139,730	3	0.74%	7,259,000	4	0.80%	8,206,440	1	0.95%	8,386,060	2	0.98%
1,950,070	8	0.20%	1,843,930	7	0.20%	1,924,860	7	0.22%	1,924,860	6	0.22%
2,015,450	7	0.21%	2,015,450	6	0.22%	2,114,480	5	0.24%	1,471,500	8	0.17%
1,781,700	9	0.18%	1,781,700	8	0.20%	1,783,920	8	0.21%	1,783,920	7	0.21%
2,069,680	6	0.21%	2,069,680	5	0.23%	2,041,380	6	0.24%	-	-	-
1,512,230	10	0.16%	1,413,050	9	0.16%	1,313,120	10	0.15%	1,160,000	10	0.14%
3,109,300	5	0.32%	-	-	-	-	-	-	-	-	-
-	-	-	1,319,240	10	0.15%	1,471,500	9	0.17%	1,160,000	9	0.14%
5,282,340	4	0.55%	7,957,760	3	0.88%	3,475,880	4	0.40%	5,389,210	4	0.63%
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	2,114,480	5	0.25%
<u>\$ 55,382,620</u>		<u>5.72%</u>	<u>\$ 48,428,810</u>		<u>5.33%</u>	<u>\$ 34,014,710</u>		<u>3.93%</u>	<u>\$ 48,339,950</u>		<u>5.39%</u>

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

Levy Year	Collection Year	Total Tax Levy ⁽¹⁾⁽²⁾	Current Tax Collections	Percent of Levy Collected ⁽⁵⁾	Delinquent Tax Collections	Total Tax Collection ⁽³⁾	Collections As a Percent of Tax Levy ⁽⁵⁾
2007	2008	797,602	775,686	97.25	676	776,362	97.34
2008	2009	804,405	801,808	99.68	18	801,826	99.68
2009	2010	902,633	885,585	98.11	512	886,097	98.17
2010	2011	794,109	794,415	100.04	1,105	795,520	100.18
2011	2012	898,148	897,551	99.93	334	897,885	99.97
2012	2013	968,422	964,774	99.62	859	965,633	99.71
2013	2014	920,014	914,425	99.00	375	914,800	99.00
2014	2015	932,961	990,714	106.00	1,223	991,937	106.00
2015	2016	1,113,383	4	-	4	-	-
2016	2017	1,375,530	4	-	4	-	-

⁽¹⁾Collection year follows levy year

⁽²⁾Weld County Assessor's Office

⁽³⁾Audited Financial Statements

⁽⁴⁾Information unavailable

⁽⁵⁾Amounts showing greater than 100% collected include previous year abatements that were overruled.

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

Fiscal Year	Governmental Activities				Business - Type Activities				Total Primary Government	Weld County	
	General Obligation Bond	Sales Tax Revenue Bonds	Certificates of Participation	Capital Leases	Developer Reimbursement Obligation	Water Loans	Capital Leases	Developer Reimbursement Obligation		Percentage of Personal Income	Per Capita
2007	365,000	-	1,920,000	471,659	-	-	72,178	-	2,828,837	47.78%	\$ 318
2008	315,000	-	1,850,000	324,260	-	-	36,041	-	2,525,301	37.25%	\$ 281
2009	260,000	-	1,775,000	221,009	556,324	-	23,891	462,444	3,298,668	46.67%	\$ 362
2010	200,000	-	1,700,000	147,022	417,050	-	27,892	297,266	2,789,230	40.27%	\$ 275
2011	135,000	-	1,620,000	47,476	158,521	-	16,052	112,991	2,090,040	30.18%	\$ 188
2012	70,000	-	1,535,000	190,966	-	-	34,740	-	1,830,706	23.61%	\$ 180
2013	-	-	1,445,000	100,542	-	-	15,782	-	1,561,324	18.70%	\$ 148
2014	-	3,620,000	1,355,000	20,603	-	-	-	-	4,995,603	55.45%	\$ 447
2015	-	3,470,000	1,260,000	755	-	-	-	-	4,730,755	44.06%	\$ 411
2016	-	3,320,000	1,160,000	-	-	-	-	-	4,480,000	36.72%	\$ 347

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

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

Year	Population ⁽¹⁾	Estimated Actual Taxable Value ⁽²⁾	General Bonded Debt ⁽³⁾	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2007	8,900	835,545,237	365,000	4.37%	41
2008	9,000	858,575,320	315,000	3.67%	35
2009	9,100	857,705,156	260,000	3.03%	29
2010	10,147	865,276,097	200,000	2.31%	20
2011	11,096	908,144,710	135,000	1.49%	12
2012	10,147	967,639,313	70,000	0.72%	7
2013	10,555	953,953,862	-	0.00%	-
2014	11,175	1,001,239,462	-	0.00%	-
2015	11,524	1,219,182,510	-	0.00%	-
2016	12,917	1,346,732,610	-	0.00%	-

Sources: ⁽¹⁾ Dept. of Local Affairs/Town of Firestone

⁽²⁾ Weld County Assessor's Office

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

Town of Firestone
Direct and Overlapping General Bonded Debt
December 31, 2016

	Outstanding General Obligation Bonded Debt⁽¹⁾	Percentage Applicable to the Town	Share of Debt Applicable to the Town
Direct Debt			
Town of Firestone	\$ 4,504,113	122%	\$ 4,504,113
Total Direct Debt	4,504,113		4,504,113
Overlapping General Obligation Debt			
Frederick-Firestone Fire Protection District	\$ 1,975,000	47%	\$ 923,910
Carbon Valley Recreation District	5,025,000	37%	1,850,370
St Vrain Valley School District	376,758,558	7%	26,981,812
Total Overlapping General Bonded Debt	383,758,558		29,756,092
Total Direct and Overlapping General Bonded Debt	\$ 388,262,671		\$ 34,260,205

⁽¹⁾ Provided by each government entity

Town of Firestone
Pledged Revenue - Developer Reimbursement Obligations
December 31, 2016

Fiscal Year	Sales Tax Collected		Assets Dedicated		Debt Service Payments	
	PIRA 1.25%	RIFA 0.25%	General Fund	Enterprise Fund	General Fund	Enterprise Fund
2007	183,734	-	693,129	-	114,206	69,528
2008	190,613	-	-	235,831	94,850	95,763
2009	228,931	16,399	-	83,155	68,921	176,409
2010	303,707	60,742	-	59,997	139,274	225,175
2011	369,003	73,801	-	-	258,530	184,275
2012	382,529	76,506	-	-	158,521	112,991
2013	402,771	80,554	-	-	483,325	-
2014	437,575	87,515	-	-	525,090	-
2015	470,519	94,104	1,479,388	1,396,328	564,623	-
2016	504,853	100,971	4,801,570	3,103,643	605,824	-

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Town of Firestone
 Legal Debt Margin Information
 Last Ten Years

	2007	2008	2009	2010
Debt limit - 3% of Actual Valuation	\$ 25,066,357	\$ 25,757,260	\$ 25,731,155	\$ 25,958,283
Total net debt applicable to limit	365,000	315,000	260,000	200,000
Legal debt margin	\$ 24,701,357	\$ 25,442,260	\$ 25,471,155	\$ 25,758,283
Total net debt applicable to the limit as a percentage of debt limit	1.46%	1.22%	1.01%	0.77%

Source: Town of Firestone Finance Department

2011	2012	2013	2014	2015	2016
\$ 27,244,341	\$ 29,029,179	\$ 28,618,616	\$ 30,037,184	\$ 36,575,475	\$ 40,401,978
135,000	70,000	-	-	-	-
<u>\$ 27,109,341</u>	<u>\$ 28,959,179</u>	<u>\$ 28,618,616</u>	<u>\$ 30,037,184</u>	<u>\$ 36,575,475</u>	<u>\$ 40,401,978</u>
0.50%	0.24%	0.00%	0.00%	0.00%	0.00%

**Town of Firestone
Demographic and Economic Statistics
Last Ten Years**

Weld County ⁽¹⁾						
Year	Town Population	Personal Income (amounts expressed in thousands)	Per Capita Income ⁽³⁾	Median Age	School Enrollment ⁽⁵⁾	Unemploy- ment Rate ⁽²⁾
2007	8,900	5,920,000	25,495	31.2	24,582	4.1
2008	9,000	6,780,196 ⁽⁴⁾	27,238	31.1	24,750	6.3
2009	9,100	7,067,989 ⁽⁴⁾	25,516 ⁽⁴⁾	31.1	25,270	8.6
2010	10,147	6,926,000	27,186	31.1	26,724	10.0
2011	11,096	6,925,906	27,186	32.0	28,109	7.8
2012	10,147	7,755,562	29,986	33.6	28,109	9.3
2013	10,555	8,347,637	29,986	33.7	29,382	8.7
2014	11,175	9,008,919	31,657	33.7	30,017	5.9
2015	11,524	10,735,917	38,664	33.7	31,776	3.7
2016	12,917	12,201,617	34,335	34.0	31,776	4.5

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

⁽¹⁾ This information is for the entire county

⁽²⁾ Estimate from Upstate Colorado

⁽³⁾ Estimate from Colorado Labor & Employment

⁽⁴⁾ From Bureau of Economic Analysis

⁽⁵⁾ From St Vrain Valley School District

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

Employer	2016			2007 ⁽¹⁾			
	Employees	Rank	Type of Business	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
American Furniture Warehouse	278	1	Retail	18.51%	-		
King Soopers Store - Firestone	155	2	Grocery	10.32%			
Advanced Forming Technologies	128	3	Manufacturing Home	8.52%	-		
Home Depot	126	4	Improvement	8.39%	-		
Safeway Store - Firestone	90	5	Grocery	5.99%	-		
Coal Ridge Middle School	71	6	Education	4.73%	-		
Ehrlich I-25 KIA	55	7	Automobile	3.66%	-		
Town of Firestone	52	8	Government	3.46%	-		
Encana	50	9	Oil & Gas	3.33%	-		
Century RV	35	10	Automobile	2.33%	-		
Centennial Elementary	30	11	Education	2.00%	-		
Del Taco	30	12	Fast Food	2.00%	-		
Popeye's	30	13	Fast Food	2.00%	-		
Prairie Ridge Elementary	30	14	Education	2.00%	-		
Saddleback Square	26	14	Fast Food	1.73%	-		
Total	1,186			78.96%	-		0.00%
Total Town Employment (estimated)	1,502						

Source: Firestone Finance Department & Planning Department

⁽¹⁾Information not available

**Town of Firestone
Property Value and Construction
Last Ten Years**

Year	Estimated Actual Property Value ⁽¹⁾			Commercial Construction ⁽²⁾		Residential Construction ⁽²⁾	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2007	86,343,240	665,396,492	751,739,732	9	12,438,302	141	37,400,819
2008	97,684,172	712,208,417	809,892,589	4	6,342,700	72	18,949,677
2009	118,845,898	640,800,521	759,646,419	5	748,532	123	22,303,024
2010	117,160,690	665,235,050	782,395,740	2	1,088,501	87	19,037,912
2011	111,058,853	702,135,833	813,194,686	6	305,850	134	12,069,990
2012	119,719,877	719,652,488	839,372,365	2	869,400	71	12,922,858
2013	126,990,855	711,483,814	838,474,669	7	4,625,128	78	20,178,465
2014	128,148,022	730,710,535	858,858,557	5	2,289,245	132	37,324,080
2015	127,927,625	939,194,775	1,067,122,400	16	5,428,715	221	56,330,300
2016	131,842,824	1,023,041,946	1,154,884,770	37	15,823,875	191	56,478,538

Source:

⁽¹⁾Weld County Assessor's Office

⁽²⁾Town of Firestone Building Department (Safebuilt)

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	9.00	9.00	9.00	8.00	9.00	12.00	12.00	15.00	8.30	9.80
Public Safety										
Police	23.00	24.00	23.00	23.00	20.00	18.00	19.00	22.00	23.00	26.00
CSO	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development	10.00	11.00	13.00	14.00	11.00	12.00	13.00	13.00	19.40	21.70
Water	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.50	2.60
Total	46.00	48.00	48.00	48.00	43.00	45.00	48.00	54.00	55.20	62.10

Source: Town of Firestone Finance Department

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

Date of Incorporation 1908
Form of Government Trustees & Town Manager

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of Employees									
Non-Exempt (Hourly)	37	40	40	35	37	38	44	45	52
Exempt (Salary)	9	8	8	8	8	10	10	13	10
Planning area in square miles	20	20	26	47	47	56	56	56	56
Town of Firestone's facilities and services									
Miles of streets	74	74	74	74	74	74	74	74	74
Parks:									
Number of parks	18	18	18	18	18	18	18	18	18
Number of park, open space, and undeveloped acres maintained	998	998	998	998	998	998	998	998	998
Number of trail & sidewalk miles maintained	5	5	5	5	5	5	18	18	18
Police Protection:									
Number of stations	1	1	1	1	1	1	1	1	1
Number of police personnel and officers	26	25	23	22	23	23	23	25	28
Number of patrol units	12	15	15	16	16	16	17	14	21
Water System:									
Linear Feet of water lines maintained	124,768	124,768	124,768	308,051	307,824	288,482	288,482	288,482	288,482
Number of customer accounts	3,071	3,125	3,219	3,293	3,344	3,435	3,533	3,763	3,910
Services not included in the reporting entity:									
Fire Protection Districts - Frederick Firestone Fire Protection District	1	1	1	1	1	1	1	1	1
No municipal electricity services - (Xcel Energy or United Power)	-	-	-	-	-	-	-	-	-
No municipal gas services - (Source Gas)	-	-	-	-	-	-	-	-	-
No municipal sewer services - (St. Vrain Sanitation District)									
School Districts - St Vrain Valley School District & Weld County									
School District RE-1	2	2	2	2	2	2	2	2	2

Source: Town of Firestone Finance Department

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County:	Town of Firestone
		YEAR ENDING :	December 2016
This Information From The Records Of (example - City of _ or County of Town of Firestone)		Prepared By:	Alison Westerhold
		Phone:	303-531-6256

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

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)	2,292,978
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	515,607
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	34,680
2. General fund appropriations		b. Snow and ice removal	43,137
3. Other local imposts (from page 2)	1,367,707	c. Other	78,362
4. Miscellaneous local receipts (from page 2)	252,764	d. Total (a. through c.)	156,179
5. Transfers from toll facilities		4. General administration & miscellaneous	53,028
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,017,792
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,620,471	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,077,042	2. Notes:	
D. Receipts from Federal Government (from page 2)	4,488	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,702,001	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)	
			3,017,792

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	348,733	2,702,001	3,017,792	32,942	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2016	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	893
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,166,161	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	160,662
5. Specific Ownership &/or Other	201,545	g. Other Misc. Receipts	91,209
6. Total (1. through 5.)	1,367,707	h. Other	
c. Total (a. + b.)	1,367,707	i. Total (a. through h.)	252,764
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	371,062	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	51,898	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	654,082	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	4,488
f. Total (a. through e.)	705,979	g. Total (a. through f.)	4,488
4. Total (1. + 2. + 3.f)	1,077,042	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		7,565	7,565
b. Engineering Costs		35,815	35,815
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,249,598	2,249,598
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		2,249,598	2,249,598
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		2,292,978	2,292,978
			(Carry forward to page 1)
Notes and Comments:			