

**City of Edgewater, Colorado**

**Financial Statements**

**December 31, 2017**



**HINKLE &  
COMPANY**  
*Strategic* <sup>PC</sup>  
*Business Advisors*

# City of Edgewater, Colorado

Table of Contents  
December 31, 2017

<b>Independent Auditors' Report</b> .....	1
<b>Management's Discussion and Analysis</b> .....	i
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statements</i>	
Statement of Net Position .....	3
Statement of Activities.....	4
<i>Governmental Funds</i>	
Balance Sheet.....	5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	6
Statement of Revenues, Expenditures and Changes in Fund Balances .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	8
<i>Proprietary Funds</i>	
Statement of Net Position .....	9
Statement of Revenues, Expenses and Changes in Net Position .....	10
Statement of Cash Flows.....	11
<i>Fiduciary Fund</i>	
Statement of Fiduciary Net Position.....	12
Statement of Changes in Fiduciary Net Position.....	13
<i>Notes to Financial Statements</i> .....	14
<b>Required Supplementary Information</b>	
Schedule of Funding Progress - Firemen's Pension Plan.....	30
Budgetary Comparison Schedule - General Fund .....	31
Budgetary Comparison Schedule - Open Space Fund .....	32
Notes to Required Supplementary Information .....	33
<b>Supplementary Information</b>	
Combining Balance Sheet - Nonmajor Governmental Funds .....	34
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Government Funds.....	35

# City of Edgewater, Colorado

Table of Contents

December 31, 2017

(Continued)

## Supplementary Information (Continued)

Budgetary Comparison Schedule - Conservation Trust Fund.....	36
Budgetary Comparison Schedule - Capital Equipment Fund.....	37
Budgetary Comparison Schedule - Capital Improvements Fund .....	38
Budgetary Comparison Schedule - Water Fund .....	39
Budgetary Comparison Schedule - Sewer Fund.....	40
Budgetary Comparison Schedule - Trash Fund.....	41
Balance Sheet - Component Unit.....	42
Statement of Revenues, Expenditures and Changes in Fund Balance Component Unit .....	43

## State Compliance

Local Highway Finance Report .....	44
------------------------------------	----



**HINKLE &  
COMPANY**  
*Strategic* PC  
*Business Advisors*

## **Independent Auditors' Report**

Honorable Mayor and Members of the City Council  
City of Edgewater  
Edgewater, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Edgewater as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Edgewater, as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Edgewater as of December 31, 2017, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

### **Other Information**

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

*Hick & Company, PC*

Greenwood Village, Colorado  
February 12, 2019



## Management's Discussion and Analysis

This discussion and analysis of the financial performance of the City of Edgewater, Colorado provides an overview of the City's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the financial statements. In this discussion and analysis, "City" refers to the primary government and does not include the Edgewater Redevelopment Authority component unit.

### FINANCIAL HIGHLIGHTS

- The City's financial position continues to be strong and improved during 2017.
- The assets of the City exceed its liabilities at the close of the fiscal year by \$14,659,075 (net position). Of this amount, \$6,743,408 (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors. This represents an improvement in net position of \$ 2,646,730 or 22.03% within one year.
- In addition, the assets of the Edgewater Redevelopment Authority exceed its liabilities at the close of the fiscal year by \$1,300,756 (net position). This represents an improvement in net position of \$51,679 or 4.14% during 2017.
- Unrestricted cash and investments as of December 31, 2017 totaled \$8,926,585. This represented an increase in cash and investments of \$1,956,501 or 28.07% over the prior year.
- During 2017, the City's governmental activities reported total revenues of \$8,512,539 with total expenses of \$6,034,809.
- General Fund sales and use tax revenues increased by \$247,008 or 4.21% from 2016.
- Due to the continued strength of the City's sales tax base and other income sources plus prudent governmental spending, sufficient revenues are available to address future building and infrastructure needs. During 2017, the City started the construction of a new Civic Center. The Civic Center will include the City administrative offices, the Police Department, a fitness center and gymnasium, and the Jefferson County Public Library. The City obtained a capital lease in the amount of \$9,900,000 to finance a portion of the Civic Center construction. In 2017, \$1,434,265 of the lease proceeds were used for construction expenses, along with \$641,076 from the Capital Improvements Fund.
- In addition to the Civic Center construction, the City utilized \$292,147 of the Capital Improvements Fund for traffic signal, roof, street, sidewalk, and other capital improvements and repairs during 2017.

### USING THIS ANNUAL REPORT

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

### **Government-wide financial statements**

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

The *Statement of Net Position* presents the financial condition of the City as a whole at the end of the fiscal year by presenting information on all of the City's assets, deferred outflows and inflows of resources, and liabilities. The difference between the City's assets and deferred outflows of resources, less deferred inflows of resources and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Edgewater that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-Type Activities*). The Governmental Activities of the City include general government, public safety (police), public works, and parks and recreation. The Business-Type Activities of the City include water, sewer, and trash collection.

### **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Edgewater, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

**Governmental Funds** -- Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending in future years, provided that balances restricted for certain purposes are spent for those purposes only. Governmental Funds utilize the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements display detailed short-term views of cash, operations, and the basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund *Balance Sheet* and the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities* provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The City of Edgewater currently maintains five individual governmental funds. Information is presented by fund name in the *Balance Sheet--Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds* for three of the five governmental funds that meet the criteria to be designated as major funds (General Fund, Open Space Fund, and Capital Improvements Fund). The other two (Conservation Trust Fund and Capital Equipment Fund) are combined in a column titled "Nonmajor Governmental Funds." Individual fund data for these nonmajor governmental funds is

provided in the back of this report in the section titled "Combining and Individual Fund Financial Statements and Schedules." Annual budget appropriations are adopted for all funds. Budgetary comparison schedules are included to demonstrate compliance with budgets.

**Proprietary Funds** -- The City's utility services are reported in the proprietary funds; they focus on overall economic position rather than year-end fund balances. Enterprise Funds are the type of proprietary funds used to account for the City's water, sewer, and trash hauling operations. Enterprise funds report the same functions presented as Business-Type Activities in the government-wide financial statements, only in more detail.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. *They are not reflected in the government-wide financial statements because their resources are not available to support the City's programs or operations.* The City's Firemen's Pension Plan falls in this fund category as a Pension Trust Fund. Its accounting method tracks additions and deductions to the pension fund assets. Funding progress for the fund's long-term pension obligations is shown in the Required Supplementary Information following the Notes to the Financial Statements.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are the final section of the basic financial statements.

#### **Other information**

Combining statements for the nonmajor governmental funds and budgetary comparison schedules are provided after the Required Supplementary Information.



## GOVERNMENT- WIDE FINANCIAL ANALYSIS

As noted earlier, net position is a useful indicator of a government's overall financial position.

### City of Edgewater's Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Current and other assets</b>	\$ 17,840,716	\$ 6,844,473	\$ 1,260,106	\$ 1,140,027	\$ 19,100,822	\$ 7,984,500
<b>Capital assets, net</b>	\$ 7,315,019	\$ 5,397,537	\$ 2,351,353	\$ 2,475,926	\$ 9,666,372	\$ 7,873,463
<b>Total assets</b>	<b>\$ 25,155,735</b>	<b>\$12,242,010</b>	<b>\$ 3,611,459</b>	<b>\$ 3,615,953</b>	<b>\$ 28,767,194</b>	<b>\$ 15,857,963</b>
<b>Items Related to Pension</b>	\$ 11,215	\$ 14,954	\$ -	\$ -	\$ 11,215	\$ 14,954
<b>Loss on Debt Refunding</b>	\$ 32,064	\$ 42,752	\$ -	\$ -	\$ 32,064	\$ 42,752
<b>Total deferred Outflows</b>	<b>\$ 43,279</b>	<b>\$ 57,706</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,279</b>	<b>\$ 57,706</b>
<b>Long-term debt outstanding</b>	\$ 11,134,254	\$ 1,597,744	\$ 885,446	\$ 1,016,548	\$ 12,019,700	\$ 2,614,292
<b>Other liabilities</b>	\$ 2,106,807	\$ 1,221,749	\$ 24,891	\$ 67,283	\$ 2,131,698	\$ 1,289,032
<b>Total liabilities</b>	<b>\$ 13,241,061</b>	<b>\$ 2,819,493</b>	<b>\$ 910,337</b>	<b>\$ 1,083,831</b>	<b>\$ 14,151,398</b>	<b>\$ 3,903,324</b>
<b>Net position:</b>						
<b>Net investment in capital assets</b>	\$ 4,793,816	\$ 3,980,004	\$ 1,482,477	\$ 1,475,603	\$ 6,276,293	\$ 5,455,607
<b>Restricted</b>	\$ 1,639,374	\$ 1,955,181	\$ -	\$ -	\$ 1,639,374	\$ 1,955,181
<b>Unrestricted</b>	\$ 5,524,763	\$ 3,545,038	\$ 1,218,645	\$ 1,056,519	\$ 6,743,408	\$ 4,601,557
<b>Total net position</b>	<b>\$ 11,957,953</b>	<b>\$ 9,480,223</b>	<b>\$ 2,701,122</b>	<b>\$ 2,532,122</b>	<b>\$ 14,659,075</b>	<b>\$ 12,012,345</b>

As of December 31, 2017, the assets of the City exceed its liabilities at the close of the fiscal year by \$14,659,075 (net position). Of this amount, \$6,743,406 (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors.

This represents an improvement in net position of \$2,646,730 or 22.03% within one year.

In addition, the assets of the Edgewater Redevelopment Authority exceed its liabilities at the close of the fiscal year by \$1,300,756 (net position). This represents an improvement in net position of \$51,679 or 4.14% within one year.

At December 31, 2017, \$17,840,716 or 70.92% of the Governmental Activities' total assets were in current assets, including \$17,038,031 or 67.73% of total assets in cash and investments. This excellent cash position will enable the City to continue its operations at the current levels and continue to pursue improvements in physical property and infrastructure.

Current assets in the Governmental Activities exceed noncurrent liabilities by \$6,706,462.

The Business-Type Activities of the City have \$1,260,106 in current assets and \$910,337 in total liabilities and no bonded debt. The City has adequate resources available to meet all the outstanding Business-Type Activity debt.

As of December 31, 2017, \$1,639,374 or 13.71% of the City's total net position is restricted for parks and recreation, future debt service requirements, or emergencies. Another \$4,793,816 or 40.09% of the City's total net position is invested in capital assets. The remaining \$5,524,763 or 46.20% of the City's total net position may be used to meet the City's other ongoing obligations to residents and creditors.

The following chart displays the changes in net position experienced by the City over the last two years.

**City of Edgewater's Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Program Revenues:</b>						
Charges for services	\$ 1,215,000	\$ 629,285	\$ 2,059,533	\$ 2,075,122	\$ 3,274,533	\$ 2,704,407
Operating grants & contributions	\$ 473,602	\$ 492,168	\$ -	\$ -	\$ 473,602	\$ 492,168
Capital grants & contributions	\$ -	\$ 95,358	\$ -	\$ -	\$ -	\$ 95,358
General revenues:					\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales & use taxes	\$ 6,119,242	\$ 5,872,234	\$ -	\$ -	\$ 6,119,242	\$ 5,872,234
Franchise & other taxes	\$ 265,245	\$ 259,626	\$ -	\$ -	\$ 265,245	\$ 259,626
Other general revenues	\$ 439,450	\$ 296,423	\$ 1,312	\$ 14,461	\$ 440,762	\$ 310,884
<b>Total Revenues</b>	<b>\$ 8,512,539</b>	<b>\$ 7,645,094</b>	<b>\$ 2,060,845</b>	<b>\$ 2,089,583</b>	<b>\$ 10,573,384</b>	<b>\$ 9,734,677</b>
<b>Program Expenses:</b>						
General government	\$ 2,600,260	\$ 2,023,971	\$ -	\$ -	\$ 2,600,260	\$ 2,023,971
Public safety	\$ 1,813,323	\$ 1,712,082	\$ -	\$ -	\$ 1,813,323	\$ 1,712,082
Public works	\$ 953,223	\$ 999,085	\$ -	\$ -	\$ 953,223	\$ 999,085
Parks and Recreation	\$ 473,869	\$ 372,343	\$ -	\$ -	\$ 473,869	\$ 372,343
Interest on Long-Term Debt	\$ 194,134	\$ 42,200	\$ -	\$ -	\$ 194,134	\$ 42,200
Water	\$ -	\$ -	\$ 1,282,106	\$ 1,482,774	\$ 1,282,106	\$ 1,482,774
Sewer	\$ -	\$ -	\$ 490,321	\$ 501,484	\$ 490,321	\$ 501,484
Trash	\$ -	\$ -	\$ 210,736	\$ 223,840	\$ 210,736	\$ 223,840
<b>Total Expenses</b>	<b>\$ 6,034,809</b>	<b>\$ 5,149,681</b>	<b>\$ 1,983,163</b>	<b>\$ 2,208,098</b>	<b>\$ 8,017,972</b>	<b>\$ 7,357,779</b>
Change in Net Position	\$ 2,477,730	\$ 2,495,413	\$ 77,682	\$ (118,515)	\$ 2,555,412	\$ 2,376,898
Net Position, Beginning	\$ 9,480,223	\$ 6,984,810	\$ 2,623,440	\$ 2,741,955	\$ 12,103,663	\$ 9,726,765
<b>Net Position, Ending</b>	<b>\$ 11,957,953</b>	<b>\$ 9,480,223</b>	<b>\$ 2,701,122</b>	<b>\$ 2,623,440</b>	<b>\$ 14,659,075</b>	<b>\$ 12,103,663</b>

## Governmental Activities

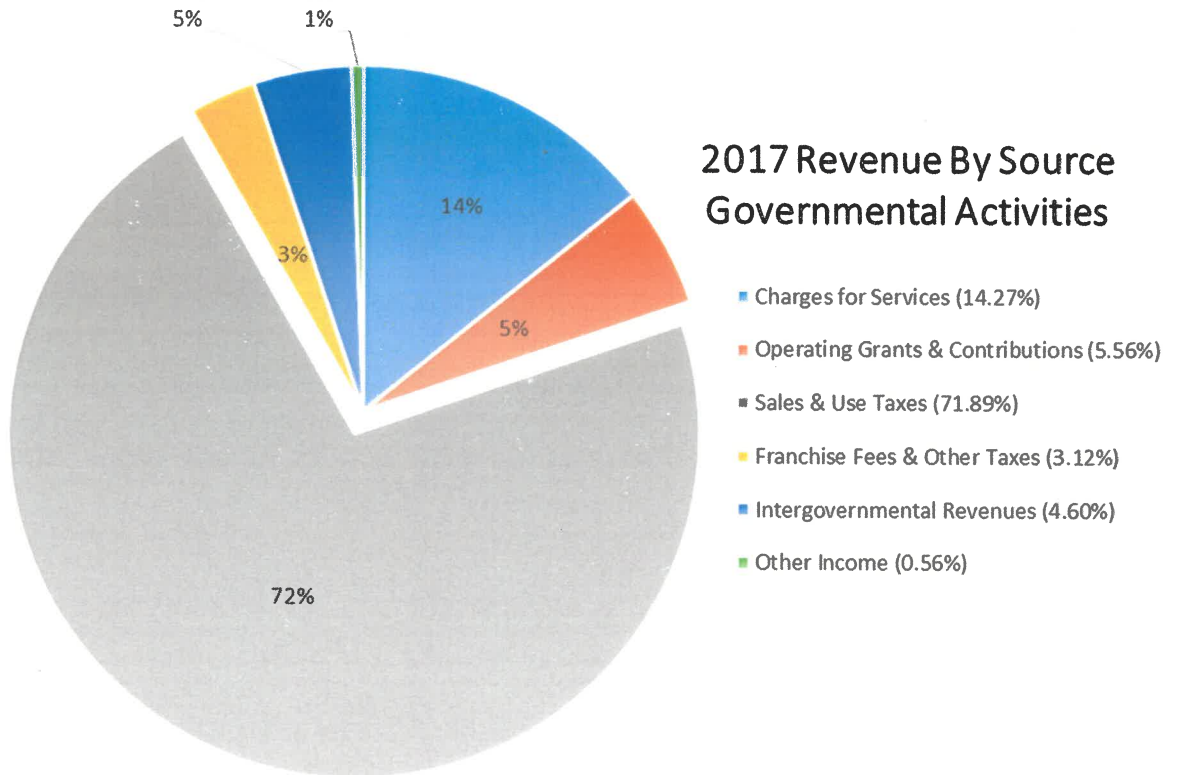
Governmental activities caused the City's net position to increase by \$2,477,730 in 2017 compared to an increase of \$2,495,413 in 2016.

Key elements of the change in net position for 2017 are:

- Sales and use taxes increased by \$247,008 or 4.21% due to the improving economy.
- Charges for services increased by \$585,715 or 93.08% due mainly to increased building permits for roof repairs after a major hail storm in 2017.
- Total Governmental Activities Revenue increased by \$867,445 or 11.35% when compared to 2016.
- Total Governmental Activities Expenses increased by \$885,128 or 17.19% over 2016 figures.

The following two charts illustrate the Governmental Activities Revenues and Expenses.

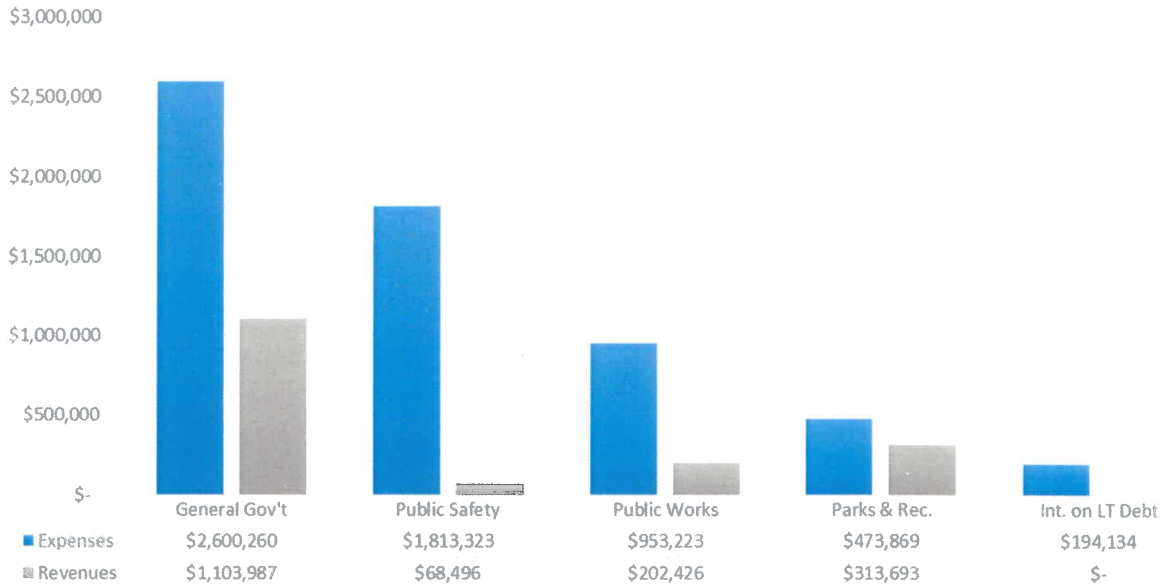
Chart # 1 illustrates the Sources of Revenue used to fund Governmental Activities.



The importance of sales and use tax to the City is clearly demonstrated in this chart. Sales and use taxes comprise 71.89% of the total revenue for Governmental Activities.

Chart # 2 compares Expenses to Revenues associated with the various Governmental Activities performed by the City.

### 2017 Expense vs. Program Revenue Governmental Activities



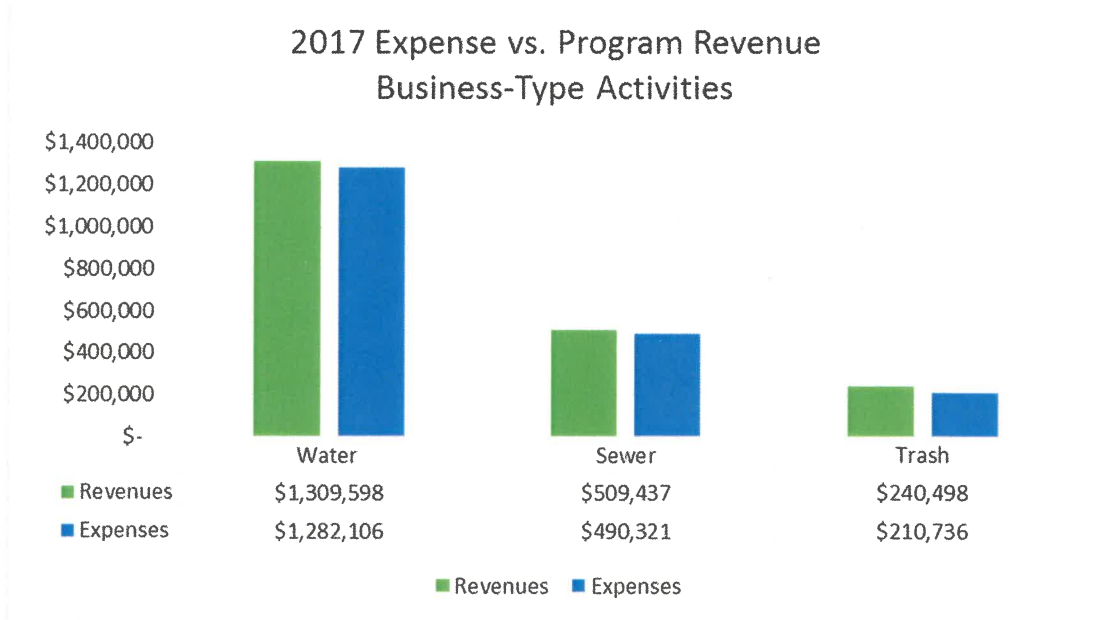
### Business-Type Activities

Business-Type Activities consists of the water, sewer and trash operations of the City.

- These activities generated total revenues for the City of \$2,060,845 in 2017.
- Total expenses for Business-Type Activities was \$1,983,163 during 2017.
- These activities resulted in an increase to the City's net position of \$77,682.

Charges for services exceeded operating expenses in all utility funds. City management continues to explore methods of improving operating profits in the utility funds while maintaining and improving infrastructure.

The following chart illustrates the Business-Type Activities revenues and expenses.



**THE CITY'S FUNDS**

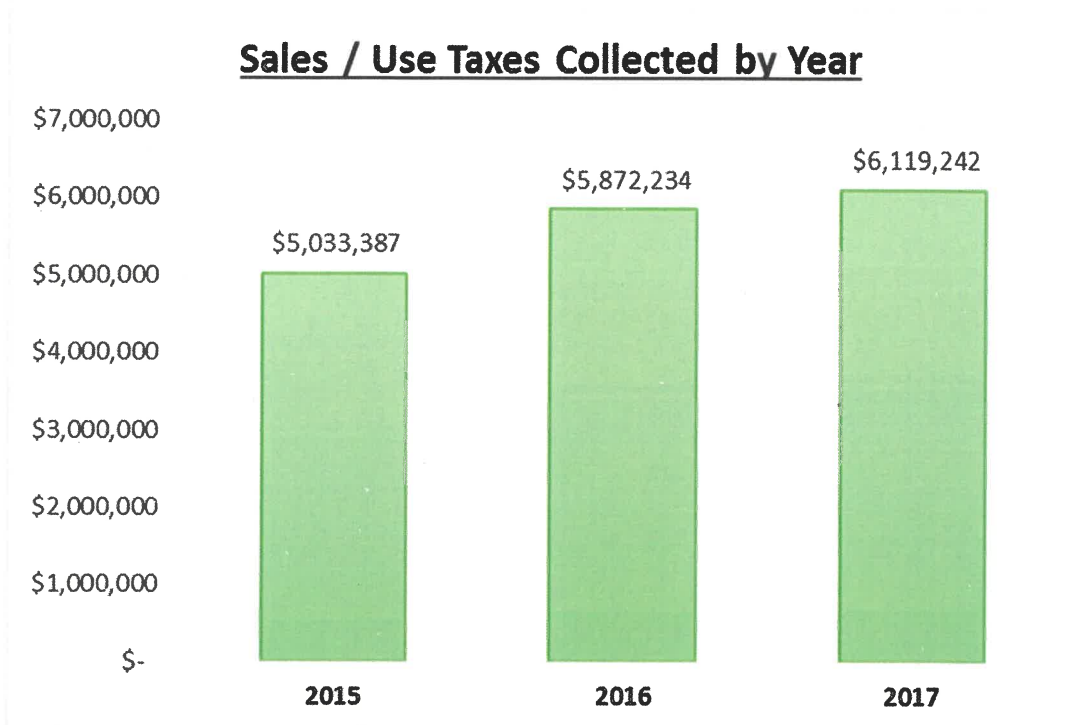
As noted earlier, the City of Edgewater uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The governmental funds utilize the modified accrual basis of accounting and the balances of the spendable resources (fund balances) in each fund are shown at year end.

At December 31, 2017 the City's three major Governmental funds reported combined fund balances of \$15,379,600 which is an increase of \$10,137,717 over 2016. The primary reason for this increase is the capital lease for the Civic Center and the related restricted fund balance for Capital Projects of \$8,450,820.

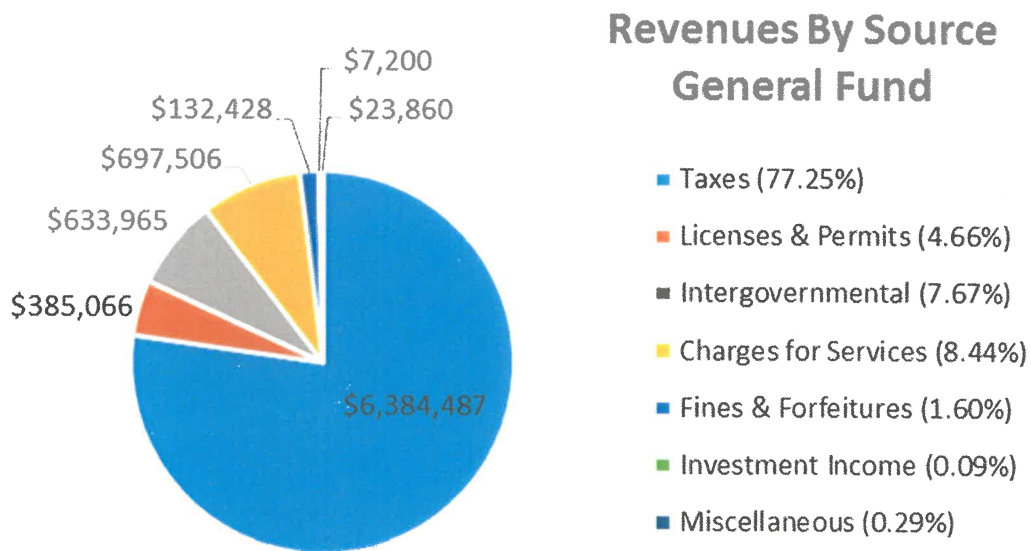
The individual major funds are discussed below.

*General Fund.* The General Fund is the chief operating fund of the City of Edgewater. It accounts for all general services provided by the City. At the end of 2017, the fund balance of the General Fund totaled \$5,749,435. This is an increase over the prior year of \$1,630,809. This improvement is due to the increase in sales and use tax revenue and building permit revenue.

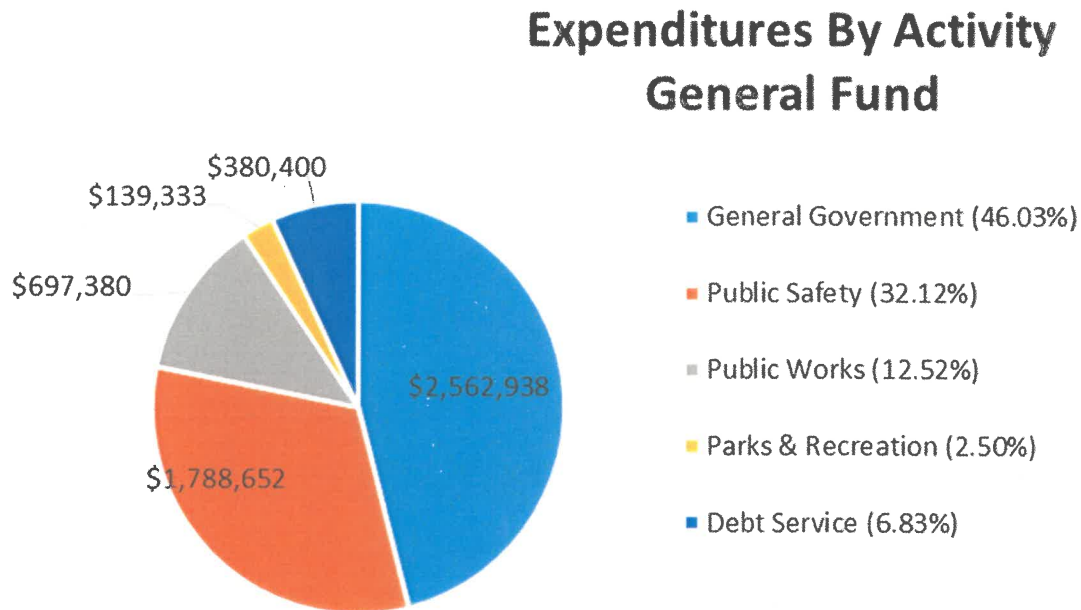
The following chart documents the growth in sales / use tax revenue over the past three years.



The following chart illustrates the sources of revenue for the General Fund.



The following chart illustrates the expenditures by activity for the General Fund.



*Open Space Fund.* The Open Space Fund is utilized to account for the City's share of Open Space Sales Tax revenues collected by Jefferson County. These revenues are legally restricted to use for open space, parks, trails, and associated outdoor recreation programs. In 2017, \$170,409 in current revenues were spent on such programs.

*Capital Improvements Fund.* The City's Capital Improvements Fund was established to finance major capital improvements. During 2017, the City spent \$292,147 on continuing street and sidewalk repair and improvement projects and \$2,075,341 on the Civic Center construction which were funded by a transfer from the General Fund of \$965,000 and from the capital lease proceeds of \$9,900,000.

*Proprietary Funds.* At December 31, 2017 the Net Positions of the Water, Sewer, and Trash Funds were \$1,291,654, \$1,347,983, and \$61,485, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's Business-Type Activities.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets.* At December 31, 2017, the City had invested in a range of capital assets including land, buildings and improvements, vehicles, office equipment, park equipment, utility lines, streets, and alleys. Note 3 of the financial statements provides a summary of these assets.

City capital acquisitions and expenses during 2017 included:

Construction in Progress	\$1,942,384
Buildings and Improvements	\$ 109,242
Equipment	\$ 9,227
Infrastructure	\$ 151,740

*Debt Administration.* Note 4 of the financial statements provides a summary of the City's long-term debt. At December 31, 2017, the City had total bonded debt outstanding of \$1,070,000 and a capital lease of \$9,900,000. The bonds and capital lease are payable from general sales and use tax revenues of the City. The city has a loan from the Colorado Water Resources and Power Development Authority in the amount of \$868,876. This debt will be paid from revenues collected for water service charges. The City has contractual obligations for compensated absences totaling \$146,861, which will be paid from the revenues of each respective fund.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City of Edgewater continues to experience revenue growth from the sales taxes collected by its retail establishments and from small commercial and residential planning and building permit fees. The 2018 Budget anticipates a continuation of these trends.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide the City of Edgewater's residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives.

If you have questions about this report, or should you desire additional financial information, please contact the City's Finance Department at:

City of Edgewater  
1800 Harlan St  
Edgewater, CO 80214

Phone: 720-763-3041

Email: [nkirkpatrick@edgewaterco.com](mailto:nkirkpatrick@edgewaterco.com) or visit our website at [www.edgewaterco.com](http://www.edgewaterco.com)



## **Basic Financial Statements**

**City of Edgewater, Colorado**  
Statement of Net Position  
December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	
<b>Assets</b>				
Cash and Investments	\$ 7,824,008	\$ 1,102,577	\$ 8,926,585	\$ 795,491
Restricted Cash and Investments	9,214,023	-	9,214,023	-
Accounts Receivable	157,840	139,567	297,407	-
Taxes Receivable	644,845	-	644,845	10
Interfund Receivable	-	1,312	1,312	936
Inventory	-	16,650	16,650	-
Property Held For Resale	-	-	-	346,559
Capital Assets, Not Being Depreciated	2,872,472	-	2,872,472	134,000
Capital Assets, Net of Accumulated Depreciation	4,442,547	2,351,353	6,793,900	23,992
<b>Total Assets</b>	<b>25,155,735</b>	<b>3,611,459</b>	<b>28,767,194</b>	<b>1,300,988</b>
<b>Deferred Outflows of Resources</b>				
Pensions, <i>Net of Accumulated Amortization</i>	11,215	-	11,215	-
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	32,064	-	32,064	-
<b>Total Deferred Outflows of Resources</b>	<b>43,279</b>	<b>-</b>	<b>43,279</b>	<b>-</b>
<b>Liabilities</b>				
Accounts Payable	1,736,229	22,762	1,758,991	232
Retainage Payable	45,316	-	45,316	-
Interfund Payable	2,248	-	2,248	-
Accrued Liabilities	115,920	304	116,224	-
Customer Deposits	103,486	-	103,486	-
Accrued Interest Payable	26,410	1,825	28,235	-
Noncurrent Liabilities				
Due Within One Year	578,664	45,567	624,231	-
Due in More Than One Year	10,555,590	839,879	11,395,469	-
Net Pension Liability	77,198	-	77,198	-
<b>Total Liabilities</b>	<b>13,241,061</b>	<b>910,337</b>	<b>14,151,398</b>	<b>232</b>
<b>Net Position</b>				
Net Investment in Capital Assets	4,793,816	1,482,477	6,276,293	157,992
Restricted for:				
Emergencies	311,000	-	311,000	-
Parks and Open Space	1,328,374	-	1,328,374	-
Unrestricted	5,524,763	1,218,645	6,743,408	1,142,764
<b>Total Net Position</b>	<b>\$ 11,957,953</b>	<b>\$ 2,701,122</b>	<b>\$ 14,659,075</b>	<b>\$ 1,300,756</b>

See Notes to Financial Statements.

**City of Edgewater, Colorado**  
**Statement of Activities**  
**Year Ended December 31, 2017**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	
<b>Primary Government</b>							
<i>Governmental Activities</i>							
General Government	\$ 2,600,260	\$ 1,103,987	\$ -	\$ (1,496,273)	\$ -	\$ (1,496,273)	\$ -
Public Safety	1,813,323	2,863	65,633	(1,744,827)	-	(1,744,827)	-
Public Works	953,223	36,263	166,163	(750,797)	-	(750,797)	-
Parks and Recreation	473,869	71,887	241,806	(160,176)	-	(160,176)	-
Interest on Long-Term Debt	194,134	-	-	(194,134)	-	(194,134)	-
<b>Total Governmental Activities</b>	<b>6,034,809</b>	<b>1,215,000</b>	<b>473,602</b>	<b>(4,346,207)</b>	<b>-</b>	<b>(4,346,207)</b>	<b>-</b>
<i>Business-Type Activities</i>							
Water	1,282,106	1,309,598	-	-	27,492	27,492	-
Sewer	490,321	509,437	-	-	19,116	19,116	-
Trash	210,736	240,498	-	-	29,762	29,762	-
<b>Total Business-Type Activities</b>	<b>1,983,163</b>	<b>2,059,533</b>	<b>-</b>	<b>-</b>	<b>76,370</b>	<b>76,370</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 8,017,972</b>	<b>\$ 3,274,533</b>	<b>\$ 473,602</b>	<b>(4,346,207)</b>	<b>76,370</b>	<b>(4,269,837)</b>	<b>-</b>
<b>Component Unit</b>							
Redevelopment Authority	\$ 36,098	\$ 46,800	\$ -	-	-	-	10,702
<b>General Revenues</b>							
Property Tax Increment				-	-	-	40,041
Sales and Use Taxes				6,119,242	-	6,119,242	-
Franchise Taxes				265,245	-	265,245	-
Intergovernmental Revenues not Restricted to Specific Programs				391,466	-	391,466	-
Investment Income				9,124	1,312	10,436	936
Miscellaneous				38,860	-	38,860	-
<b>Total General Revenues</b>				<b>6,823,937</b>	<b>1,312</b>	<b>6,825,249</b>	<b>40,977</b>
<b>Change in Net Position</b>				<b>2,477,730</b>	<b>77,682</b>	<b>2,555,412</b>	<b>51,679</b>
<b>Net Position, Beginning of year</b>				<b>9,480,223</b>	<b>2,623,440</b>	<b>12,103,663</b>	<b>1,249,077</b>
<b>Net Position, End of year</b>				<b>\$ 11,957,953</b>	<b>\$ 2,701,122</b>	<b>\$ 14,659,075</b>	<b>\$ 1,300,756</b>

**City of Edgewater, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	General	Open Space	Capital Improvements	Nonmajor Governmental Funds	Totals
<b>Assets</b>					
Cash and Investments	\$ 6,189,442	\$ 1,061,113	\$ 105,340	\$ 468,113	\$ 7,824,008
Restricted Cash and Investments	-	-	9,214,023	-	9,214,023
Accounts Receivable	126,412	31,428	-	-	157,840
Taxes Receivable	644,845	-	-	-	644,845
Due from Other Funds	-	1,249	124	551	1,924
	<u>-</u>	<u>1,249</u>	<u>124</u>	<u>551</u>	<u>1,924</u>
Total Assets	<u>\$ 6,960,699</u>	<u>\$ 1,093,790</u>	<u>\$ 9,319,487</u>	<u>\$ 468,664</u>	<u>\$ 17,842,640</u>
<b>Liabilities</b>					
Accounts Payable	\$ 987,686	\$ 19,785	\$ 718,011	\$ 10,747	\$ 1,736,229
Retainage Payable	-	-	45,316	-	45,316
Due to Other Funds	4,172	-	-	-	4,172
Accrued Liabilities	115,920	-	-	-	115,920
Customer Deposits	103,486	-	-	-	103,486
	<u>1,211,264</u>	<u>19,785</u>	<u>763,327</u>	<u>10,747</u>	<u>2,005,123</u>
Total Liabilities	<u>1,211,264</u>	<u>19,785</u>	<u>763,327</u>	<u>10,747</u>	<u>2,005,123</u>
<b>Fund Balances</b>					
Restricted for:					
Emergencies	311,000	-	-	-	311,000
Parks and Open Space	-	1,074,005	-	254,369	1,328,374
Capital Projects	-	-	8,450,820	-	8,450,820
Assigned to Capital Outlay	-	-	-	203,548	203,548
Unrestricted, Unassigned	5,438,435	-	105,340	-	5,543,775
	<u>5,749,435</u>	<u>1,074,005</u>	<u>8,556,160</u>	<u>457,917</u>	<u>15,837,517</u>
Total Fund Balances	<u>5,749,435</u>	<u>1,074,005</u>	<u>8,556,160</u>	<u>457,917</u>	<u>15,837,517</u>
Total Liabilities and Fund Balances	<u>\$ 6,960,699</u>	<u>\$ 1,093,790</u>	<u>\$ 9,319,487</u>	<u>\$ 468,664</u>	<u>\$ 17,842,640</u>

**City of Edgewater, Colorado**  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
Year Ended December 31, 2017

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

Total Fund Balances of Governmental Funds	\$ 15,837,517
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	7,315,019
Net pension liabilities and the related deferred inflows and outflows are not current financial resources and, therefore, are not reported in governmental funds:	
Net Pension Liability	(77,198)
Pension-Related Deferred Outflows of Resources	11,215
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	<u>(11,128,600)</u>
Total Net Position of Governmental Activities	<u>\$ 11,957,953</u>

**City of Edgewater, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2017**

	General	Open Space	Capital Improvements	Nonmajor Governmental Funds	Totals
<b>Revenues</b>					
Taxes	\$ 6,384,487	\$ -	\$ -	\$ -	\$ 6,384,487
Licenses and Permits	385,066	-	-	-	385,066
Intergovernmental	633,965	178,432	-	52,671	865,068
Charges for Services	697,506	-	-	-	697,506
Fines and Forfeitures	132,428	-	-	-	132,428
Investment Income	7,200	1,249	124	551	9,124
Miscellaneous	23,860	-	-	15,000	38,860
<b>Total Revenues</b>	<b>8,264,512</b>	<b>179,681</b>	<b>124</b>	<b>68,222</b>	<b>8,512,539</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	2,562,938	-	-	29,775	2,592,713
Public Safety	1,788,652	-	-	8,452	1,797,104
Public Works	697,380	-	-	5,000	702,380
Parks and Recreation	139,333	170,409	-	158,233	467,975
Capital Outlay	-	-	2,234,530	-	2,234,530
<b>Debt Service</b>					
Principal	345,000	-	-	-	345,000
Interest and Fiscal Charges	35,400	-	-	-	35,400
Debt Issuance Costs	-	-	132,958	-	132,958
<b>Total Expenditures</b>	<b>5,568,703</b>	<b>170,409</b>	<b>2,367,488</b>	<b>201,460</b>	<b>8,308,060</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,695,809</b>	<b>9,272</b>	<b>(2,367,364)</b>	<b>(133,238)</b>	<b>204,479</b>
<b>Other Financing Sources (Uses)</b>					
Debt Issued	-	-	9,900,000	-	9,900,000
Transfers In	-	-	965,000	100,000	1,065,000
Transfers Out	(1,065,000)	-	-	-	(1,065,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,065,000)</b>	<b>-</b>	<b>10,865,000</b>	<b>100,000</b>	<b>9,900,000</b>
<b>Net Change in Fund Balances</b>	<b>1,630,809</b>	<b>9,272</b>	<b>8,497,636</b>	<b>(33,238)</b>	<b>10,104,479</b>
<b>Fund Balances, Beginning of year</b>	<b>4,118,626</b>	<b>1,064,733</b>	<b>58,524</b>	<b>491,155</b>	<b>5,733,038</b>
<b>Fund Balances, End of year</b>	<b>\$ 5,749,435</b>	<b>\$ 1,074,005</b>	<b>\$ 8,556,160</b>	<b>\$ 457,917</b>	<b>\$ 15,837,517</b>

## City of Edgewater, Colorado

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2017

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

Net Change in Fund Balances of Governmental Funds	\$ 10,104,479
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital Outlay	2,212,593
Depreciation Expense	(295,111)
<p>Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>	
	345,000
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>	
Debt Issued	(9,900,000)
Amortization of Loss on Debt Refunding	(10,688)
Amortization of Premiums	11,322
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes changes in the following:</p>	
Accrued Interest Payable	(26,410)
Compensation Absences Payable	7,168
Net Pension Liability	33,116
Pension-related Deferred Outflows of Resources	<u>(3,739)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,477,730</u>

**City of Edgewater, Colorado**  
Statement of Net Position  
Proprietary Funds  
December 31, 2017

	Water	Sewer	Nonmajor Trash	Totals
<b>Assets</b>				
Current Assets				
Cash and Investments	\$ 864,933	\$ 181,119	\$ 56,525	\$ 1,102,577
Accounts Receivable	70,903	46,166	22,498	139,567
Due from Other Funds	1,032	213	67	1,312
Inventory	16,650	-	-	16,650
Total Current Assets	<u>953,518</u>	<u>227,498</u>	<u>79,090</u>	<u>1,260,106</u>
Noncurrent Assets				
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>1,218,332</u>	<u>1,133,021</u>	<u>-</u>	<u>2,351,353</u>
Total Assets	<u>2,171,850</u>	<u>1,360,519</u>	<u>79,090</u>	<u>3,611,459</u>
<b>Liabilities</b>				
Current Liabilities				
Accounts Payable	433	4,724	17,605	22,762
Accrued Liabilities	304	-	-	304
Accrued Interest Payable	1,825	-	-	1,825
Compensated Absences Payable, <i>Current Portion</i>	1,927	1,719	-	3,646
Loans Payable, <i>Current Portion</i>	41,921	-	-	41,921
Total Current Liabilities	<u>46,410</u>	<u>6,443</u>	<u>17,605</u>	<u>70,458</u>
Noncurrent Liabilities				
Compensated Absences Payable	6,831	6,093	-	12,924
Loans Payable	826,955	-	-	826,955
Total Noncurrent Liabilities	<u>833,786</u>	<u>6,093</u>	<u>-</u>	<u>839,879</u>
Total Liabilities	<u>880,196</u>	<u>12,536</u>	<u>17,605</u>	<u>910,337</u>
<b>Net Position</b>				
Net Investment in Capital Assets	349,456	1,133,021	-	1,482,477
Unrestricted	<u>942,198</u>	<u>214,962</u>	<u>61,485</u>	<u>1,218,645</u>
Total Net Position	<u>\$ 1,291,654</u>	<u>\$ 1,347,983</u>	<u>\$ 61,485</u>	<u>\$ 2,701,122</u>



**City of Edgewater, Colorado**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
Year Ended December 31, 2017

	Water	Sewer	Nonmajor Trash	Totals
<b>Operating Revenues</b>				
Charges for Services	\$ 1,306,059	\$ 509,437	\$ 240,498	\$ 2,055,994
Miscellaneous	3,539	-	-	3,539
<b>Total Operating Revenues</b>	<u>1,309,598</u>	<u>509,437</u>	<u>240,498</u>	<u>2,059,533</u>
<b>Operating Expenses</b>				
Service Operating Expenses	1,183,779	442,242	210,736	1,836,757
Depreciation	76,494	48,079	-	124,573
<b>Total Operating Expenses</b>	<u>1,260,273</u>	<u>490,321</u>	<u>210,736</u>	<u>1,961,330</u>
<b>Net Operating Income</b>	49,325	19,116	29,762	98,203
<b>Nonoperating Expenses</b>				
Investment Income	1,032	213	67	1,312
Interest Expense	(21,833)	-	-	(21,833)
<b>Change in Net Position</b>	28,524	19,329	29,829	77,682
<b>Net Position, Beginning of year</b>	<u>1,263,130</u>	<u>1,328,654</u>	<u>31,656</u>	<u>2,623,440</u>
<b>Net Position, End of year</b>	<u>\$ 1,291,654</u>	<u>\$ 1,347,983</u>	<u>\$ 61,485</u>	<u>\$ 2,701,122</u>

**City of Edgewater, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2017**

	Water	Sewer	Nonmajor Trash	Totals
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers	\$ 1,333,998	\$ 506,863	\$ 240,666	\$ 2,081,527
Cash Paid to Suppliers	(1,125,341)	(372,659)	(212,017)	(1,710,017)
Cash Paid to Employees	(104,984)	(65,628)	-	(170,612)
Net Cash Provided by Operating Activities	103,673	68,576	28,649	200,898
<b>Cash Flows From Capital and Related Financing Activities</b>				
Debt Principal Payments	(40,129)	-	-	(40,129)
Debt Interest Payments	(20,008)	-	-	(20,008)
Net Cash Provided (Used) by Capital and Related Financing Activities	(60,137)	-	-	(60,137)
<b>Net Change in Cash and Cash Equivalents</b>	43,536	68,576	28,649	140,761
<b>Cash and Cash Equivalents, Beginning of year</b>	821,397	112,543	27,876	961,816
<b>Cash and Cash Equivalents, End of year</b>	\$ 864,933	\$ 181,119	\$ 56,525	\$ 1,102,577
<b>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</b>				
Net Operating Income	\$ 49,325	\$ 19,116	\$ 29,762	\$ 98,203
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	76,494	48,079	-	124,573
Changes in Assets and Liabilities				
Accounts Receivable	24,400	(2,574)	168	21,994
Accounts Payable	(47,049)	3,809	(1,281)	(44,521)
Accrued Liabilities	304	-	-	304
Compensated Absences Payable	199	146	-	345
Net Cash Provided by Operating Activities	\$ 103,673	\$ 68,576	\$ 28,649	\$ 200,898

**City of Edgewater, Colorado**  
Statement of Fiduciary Net Position  
Pension Trust Fund  
December 31, 2017

	Firemen's Pension
<b>Assets</b>	
Cash	\$ 18,661
Investments	
U.S. Agency Securities	702,103
Accounts Receivable	22,500
 Total Assets	 \$ 743,264
 <b>Net Position</b>	
Restricted for Pension Benefits	\$ 743,264

**City of Edgewater, Colorado**  
Statement of Changes in Fiduciary Net Position  
Pension Trust Fund  
Year Ended December 31, 2017

	Firemen's Pension
<b>Additions</b>	
City Contributions	\$ 25,000
State Contributions	22,500
Investment Income	24,885
Total Additions	72,385
<b>Deductions</b>	
Pension Benefits	67,435
Total Deductions	67,435
<b>Change in Net Position</b>	4,950
<b>Net Position, <i>Beginning of year</i></b>	738,314
<b>Net Position, <i>End of year</i></b>	\$ 743,264

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2017

### **Note 1: Summary of Significant Accounting Policies**

The City of Edgewater (the City) adopted a home rule charter on June 24, 2008. The City is governed by a Mayor and seven-member council elected by the residents. The City provides the following services: public safety, public works, public improvements, parks and recreation, planning and zoning, municipal court, water, sewer, trash, and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### **Reporting Entity**

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

Based on the application of these criteria, the City includes the following entity in its reporting entity.

The *Edgewater Redevelopment Authority* (the Authority) provides redevelopment within the City limits. The City Council approves appointments to the governing board of the Authority. Although the Authority is legally separate from the City, the Authority's primary revenue source, tax increment financing, can only be established by the City. The Authority is discretely presented in the financial statements and does not issue separate financial statements.

#### **Government-wide and Fund Financial Statements**

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

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2017

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

# City of Edgewater, Colorado

Notes to Financial Statements

December 31, 2017

## Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

In the fund financial statements, the City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources except those accounted for in another fund.

The *Open Space Fund* accounts for Jefferson County sales tax revenues that are shared with the City and restricted for open space and parks expenditures.

The *Capital Improvements Fund* accounts for the City's ongoing capital projects, which are financed primarily by General Fund transfers and debt proceeds.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water to City residents.

The *Sewer Fund* accounts for the financial activities associated with the provision of sewer services.

Additionally, the City reports the following fund type:

The *Pension Trust Fund* accounts for the activities of the firemen's pension plan, which accumulates resources for benefits paid to qualified volunteer firefighters.

### **Assets, Liabilities and Net Position/Fund Balances**

*Cash Equivalents* - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

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

*Inventory* - Inventories are valued at cost, using the first-in, first-out method. The costs of inventories are recorded as expenses when consumed rather than when purchased.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2017

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Assets, Liabilities and Net Position/Fund Balances** (Continued)

*Property Held for Resale* - Property that is held with the intent to sell is reported at cost, which approximates fair value.

*Capital Assets* - Capital assets, which include land, buildings, equipment, infrastructure, and water and sewer systems owned by the City, are reported in the applicable governmental or business-type activities in the government-wide financial statements and in the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. Infrastructure assets, which include streets, bridges, sidewalks, drainage systems and trails, purchased or constructed prior to January 1, 2004, are not reported in the financial statements.

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

Buildings and Improvements	40 years
Equipment	5 - 15 years
Infrastructure	10 - 15 years
Water and Sewer Systems	35 years

*Long-Term Debt* - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Debt premiums, discounts, and losses resulting from debt refunding's are deferred and amortized over the life of the debt using the straight-line method. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Compensated Absences* - Employees of the City are allowed to accumulate unused vacation and sick time. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time and, if the employee has completed 5 years of continuous service, will be compensated for 10% of accrued sick time at their final hourly rate. This percentage increases 2% per year of service, to a maximum of 40% of accrued sick time. Effective January 1, 2013, the payout of sick leave was frozen, and no additional amounts accrue.

These compensated absences are expended when earned in the proprietary funds and when paid in the governmental funds. A liability for the accrued compensated absences has been reported in the government-wide financial statements and the proprietary funds in the fund financial statements.



# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2017

### Note 1: Summary of Significant Accounting Policies (Continued)

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

*Pensions* - In November 2017, the City began participating in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan, a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA). The City had no measurable proportion of the net pension asset (liability) of these plans at the measurement date of December 31, 2016. At December 31, 2017, the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense related to these plans were not significant and are not reported in the financial statements.

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. As reported in the governmental fund financial statements, the City Council establishes a fund balance commitment through passage of an ordinance, and is authorized to informally assign amounts to a specific purpose.

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

### Note 2: Cash and Investments

Cash and investments at December 31, 2017, consisted of the following:

Petty Cash	\$	985
Cash Deposits		9,729,482
Investments		712,373
Debt Proceeds Held by Third Party		<u>9,214,023</u>
Total	\$	<u>19,656,863</u>

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

Cash and Investments	\$	8,926,585
Restricted Cash and Investments		9,214,023
Pension Trust Fund Cash and Investments		720,764
Component Unit Cash and Investments		<u>795,491</u>
Total	\$	<u>19,656,863</u>

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2017

**Note 2: Cash and Investments (Continued)**

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2017, the City had bank deposits of \$9,201,977 collateralized with securities held by the financial institutions' agents but not in the City's name.

**Investments**

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. State statutes do not apply to public funds held or invested as part of a pension plan.

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

The City had the following investments at December 31, 2017:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Investment Maturities (in Years)</u>			<u>Total</u>
		<u>Less Than 1</u>	<u>1 - 5 Years</u>	<u>More Than 5</u>	
Local Government Investment Pool	AAAm	\$ 10,270	\$ -	\$ -	\$ 10,270
Government National Mortgage Association	N/A	-	8,224	693,879	702,103
<b>Total</b>		<b>\$ 10,270</b>	<b>\$ 8,224</b>	<b>\$ 693,879</b>	<b>\$ 712,373</b>

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2017

**Note 2: Cash and Investments (Continued)**

**Investments** (Continued)

*Fair Value Measurements* - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2017, investments in U.S. Agency securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs). The City's investment in the local government investment pool was measured at the net asset value per share.

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

*Credit Risk* - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

*Concentration of Credit Risk* - State statutes do not limit the amount the City may invest in a single issuer of investment securities, except for corporate securities.

The Government National Mortgage Association securities are held by the Firemen's Pension Plan, represent 100% of total investments of the plan.

*Custodial Credit Risk* - At December 31, 2017, the City's investments in U.S. Agency securities were held by the counterparty (broker), but not in the City's name.

*Local Government Investment Pool* - At December 31, 2017, the City had \$10,270 invested in the Colorado Local Government Liquid Asset Trust (Colostrust). The pool is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pool. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7. The pool is measured at the net asset value per share, with each share valued at \$1. The pool is rated AAAM by Standard and Poor's. Investments of the pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

**Restricted Cash and Investments**

At December 31, 2017, cash and investments of \$9,214,023 representing lease proceeds restricted for capital projects, were reported in the Capital Improvements Fund.

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2017

**Note 3: Capital Assets**

Capital asset activity for the year ended December 31, 2017, is summarized below.

	<b>Balance 12/31/16</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/17</b>
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 930,088	\$ -	\$ -	\$ 930,088
Construction in Progress	-	1,942,384	-	1,942,384
<b>Total Capital Assets, Not Being Depreciated</b>	<b>930,088</b>	<b>1,942,384</b>	<b>-</b>	<b>2,872,472</b>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	1,447,672	109,242	-	1,556,914
Equipment	1,173,903	9,227	(130,614)	1,052,516
Infrastructure	3,605,577	151,740	-	3,757,317
<b>Total Capital Assets, Being Depreciated</b>	<b>6,227,152</b>	<b>270,209</b>	<b>(130,614)</b>	<b>6,366,747</b>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(433,096)	(18,981)	-	(452,077)
Equipment	(812,150)	(75,332)	130,614	(756,868)
Infrastructure	(514,457)	(200,798)	-	(715,255)
<b>Total Accumulated Depreciation</b>	<b>(1,759,703)</b>	<b>(295,111)</b>	<b>130,614</b>	<b>(1,924,200)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>4,467,449</b>	<b>(24,902)</b>	<b>-</b>	<b>4,442,547</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 5,397,537</b>	<b>\$ 1,917,482</b>	<b>\$ -</b>	<b>\$ 7,315,019</b>
<b>Business-Type Activities</b>				
<i>Capital Assets, Being Depreciated</i>				
Water System	\$ 2,443,232	\$ -	\$ -	\$ 2,443,232
Sewer System	1,463,280	-	-	1,463,280
<b>Total Capital Assets, Being Depreciated</b>	<b>3,906,512</b>	<b>-</b>	<b>-</b>	<b>3,906,512</b>
<i>Less Accumulated Depreciation</i>				
Water System	(1,148,405)	(76,494)	-	(1,224,899)
Sewer System	(282,181)	(48,079)	-	(330,260)
<b>Total Accumulated Depreciation</b>	<b>(1,430,586)</b>	<b>(124,573)</b>	<b>-</b>	<b>(1,555,159)</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 2,475,926</b>	<b>\$ (124,573)</b>	<b>\$ -</b>	<b>\$ 2,351,353</b>
<b>Component Unit</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 134,000	\$ -	\$ -	\$ 134,000
<b>Total Capital Assets, Not Being Depreciated</b>	<b>134,000</b>	<b>-</b>	<b>-</b>	<b>134,000</b>
<i>Capital Assets, Being Depreciated</i>				
Sign	39,987	-	-	39,987
Less Accumulated Depreciation	(13,329)	(2,666)	-	(15,995)
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>26,658</b>	<b>(2,666)</b>	<b>-</b>	<b>23,992</b>
<b>Component Unit Capital Assets, Net</b>	<b>\$ 160,658</b>	<b>\$ (2,666)</b>	<b>\$ -</b>	<b>\$ 157,992</b>

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2017

**Note 3: Capital Assets (Continued)**

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

<b>Governmental Activities</b>	
General Government	\$ 23,942
Public Safety	45,596
Public Works	219,679
Parks and Recreation	<u>5,894</u>
<b>Total</b>	<b>\$ <u>295,111</u></b>

**Note 4: Long-Term Debt**

**Governmental Activities**

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2017.

	<b>Balance 12/31/16</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance 12/31/17</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
2012 Revenue Refunding Bonds	\$ 1,415,000	\$ -	\$ 345,000	\$ 1,070,000	\$ 350,000
Premium	45,285	-	11,322	33,963	-
2017 Capital Lease	-	9,900,000	-	9,900,000	200,000
Compensated Absences	<u>137,459</u>	<u>-</u>	<u>7,168</u>	<u>130,291</u>	<u>28,664</u>
<b>Total</b>	<b>\$ <u>1,597,744</u></b>	<b>\$ <u>9,900,000</u></b>	<b>\$ <u>363,490</u></b>	<b>\$ <u>11,134,254</u></b>	<b>\$ <u>578,664</u></b>

\$2,790,000 Sales and Use Tax Revenue Refunding Bonds, Series 2012, were issued to refund the outstanding General Fund Revenue Bonds, Series 2001, originally issued to refund a portion of the Tax Increment Revenue Refunding Bonds (Edgewater Redevelopment Project), Series 1999, originally issued by the Authority. Interest payments are payable semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2% to 3% per annum. Principal payments are due annually on December 1, through 2020. These bonds are payable solely from the City's 3.5% sales and use tax. During the year ended December 31, 2017, revenues of \$6,119,242 were available to pay annual debt service of \$380,400. Future debt service requirements are as follows:

<b><u>Year Ended December 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$ 350,000	\$ 28,500	\$ 378,500
2019	350,000	18,000	368,000
2020	<u>370,000</u>	<u>9,250</u>	<u>379,250</u>
<b>Total</b>	<b>\$ <u>1,070,000</u></b>	<b>\$ <u>55,750</u></b>	<b>\$ <u>1,125,750</u></b>

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2017

**Note 4: Long-Term Debt** (Continued)

**Governmental Activities** (Continued)

During 2017, the City entered into a capital lease in the amount of \$9,900,000 to finance the construction of a new City Hall and recreation center. The lease agreement requires annual principal payments beginning on December 1, 2018, through 2032. Interest accrues at 2.85% per annum and is payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Construction in progress of \$1,942,384 has been reported as a result of this agreement.

Capital lease payments, to maturity, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 200,000	\$ 285,285	\$ 485,285
2019	300,000	276,450	576,450
2020	375,000	267,900	642,900
2021	495,000	257,213	752,213
2022	510,000	243,105	753,105
2023 - 2027	3,550,000	958,455	4,508,455
2028 - 2032	<u>4,470,000</u>	<u>390,023</u>	<u>4,860,023</u>
Total	<u>\$ 9,900,000</u>	<u>\$ 2,678,431</u>	<u>\$ 12,578,431</u>

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

**Business-Type Activities**

A summary of long-term debt transactions of the business-type activities for the year ended December 31, 2017, follows.

	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/17</u>	<u>Due Within</u> <u>One Year</u>
<b>Business-Type Activities</b>					
Water Loan	\$ 909,005	\$ -	\$ 40,129	\$ 868,876	\$ 41,921
Compensated Absences	<u>16,225</u>	<u>345</u>	<u>-</u>	<u>16,570</u>	<u>3,646</u>
Total	<u>\$ 925,230</u>	<u>\$ 345</u>	<u>\$ 40,129</u>	<u>\$ 885,446</u>	<u>\$ 45,567</u>

In January 2015, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA). Loan proceeds were used for improvements to the water system. In October 2016, unused loan proceeds were used to pay down the loan balance and the agreement was modified. Semi-annual payments of \$29,545, including principal and interest accruing at 2% per annum, are due on May 1 and November 1, through May 1, 2035.

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2017

**Note 4: Long-Term Debt** (Continued)

**Business-Type Activities** (Continued)

Annual debt service requirements are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 41,921	\$ 17,169	\$ 59,090
2019	42,763	16,327	59,090
2020	43,623	15,467	59,090
2021	44,500	14,590	59,090
2022	45,394	13,696	59,090
2023-2027	241,031	54,419	295,450
2028-2032	266,249	29,201	295,450
2033-2035	143,395	4,330	147,725
Total	<u>\$ 868,876</u>	<u>\$ 165,199</u>	<u>\$ 1,034,075</u>

**Note 5: Interfund Transactions**

During the year ended December 31, 2017, the General Fund transferred \$965,000 and \$100,000 to the Capital Improvements and Capital Equipment Funds for capital projects and equipment purchases.

**Note 6: Risk Management**

**Public Entity Risk Pool**

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

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2017

### **Note 7: Retirement Commitments**

#### **Police Pension Plan**

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of police officers. All sworn police officers are required to participate in the Plan. The plan provisions and contribution requirements are established and may be amended by the City Council. The City is required to contribute 9% of each participating employee's compensation and each employee must contribute a matching amount. Employees vest in 25% of the City contributions after two years of employment, and an additional 25% each year thereafter. Employees fully vest after five years of participation in the Plan.

During the year ended December 31, 2017, the City contributed \$92,611 to the Plan, equal to the required contributions. All Plan assets are managed by Pension Management Associates, Inc.

#### **Employee Pension Plan**

The City contributes to a multiple-employer defined contribution retirement plan on behalf of City employees. All regular full-time employees are eligible to participate in the Plan with the exclusion of sworn police officers. The plan provisions and contribution requirements are established and may be amended by the City Council. The City is required to contribute 4% of each participating employee's compensation, and each participating employee must contribute 4%. After one year of service, the employee may contribute an additional 2% of compensation, which the City will match. Employees may make additional voluntary contributions according to the various plan documents. Employees fully vest in the City's contributions at a rate of 20% for each full twelve months of participation.

During the year ended December 31, 2017, the City contributed \$34,051 to the Plan, equal to the required contributions. The Plan is administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

### **Note 8: Defined Benefit Pension Plan**

#### **Firemen's Pension Plan**

Effective January 1, 2013, the City's fire protection services were merged with the Wheat Ridge Fire Protection District, which subsequently merged with the West Metro Fire Protection District. As such, the City no longer employs either paid or volunteer firefighters. However, individuals who previously served the City as volunteer firefighters may be eligible to participate in the Firemen's Pension Plan.

*Plan Description* - The City has established a single-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado statutes. The Plan is administered by a Board of Trustees composed of the Mayor, City Finance Director and 3 other appointees appointed by Council in accordance with State statutes. This Board of Trustees also establishes and is allowed to amend contribution requirements of the City. The Plan does not publish a separate stand-alone report, but is reported in these financial statements as a Pension Trust Fund.



# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2017

### Note 8: Defined Benefit Pension Plan (Continued)

#### Firemen's Pension Plan (Continued)

*Benefits Provided* - Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension of \$300.

*Plan Membership* - At December 31, 2017, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	<u>1</u>
Total	<u>24</u>

*Contributions* - As established by State statutes, the Plan may receive contributions from the City in an amount not to exceed one-half mill of property tax revenue. The State of Colorado contributes 90% of the City's contribution. Plan members are not required to contribute to the plan. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2016, indicated that the current level of contributions to the Plan are adequate to support on an actuarially sound basis the prospective benefits, including administrative costs, for the present Plan. For the year ended December 31, 2017, the City and State contributed \$25,000 and \$22,500, respectively, to the Plan.

#### Investments

*Investment Policy* - The Board of Trustees has the authority to establish an investment policy for the plan, but has not done so. City management currently makes all investment decisions.

*Rate of Return* - For the year ended December 31, 2017, the annual money-weighted rate of return on plan investments, net of investment expense, was 2.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Net Pension Liability

At December 31, 2017, the City reported a net pension liability of \$77,198. The net pension liability was measured at December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

*Actuarial Assumptions* - The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Interest Rate - 5% per annum, compounded annually, net of operating expenses.

Mortality - RP-2014 with fully generational mortality improvement, using Scale MP-2014.

Retirement - Age 50 and 20 years of service.

Probability of achieving 20 years total service for inactive members who had served between five and ten years of service starting after June 3, 1977 - 25%.

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2017

**Note 8: Defined Benefit Pension Plan (Continued)**

**Firemen's Pension Plan** (Continued)

The long-term expected rate of return on 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 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 and by adding expected inflation.

Best estimates of rates of return for each major asset class included in the plan's target asset allocation at January 1, 2016, are summarized in the following table (note that the rates shown below include the inflation component):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Fixed Income	90%	5.20%
Cash	10%	3.25%
Total	<u>100%</u>	

*Discount Rate* - The discount rate used to measure the total pension liability was 5%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 5% was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended December 31, 2017, changes in the net pension liability of the City were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability</u> (a) - (b)
Balances, <i>Beginning of year</i>	\$ 867,895	\$ 761,321	\$ (106,574)
Changes for the year:			
Interest	43,009	-	(43,009)
Differences Between Expected and Actual Experience	-	-	-
Assumption Changes	-	-	-
Benefit Payments	(67,435)	(67,435)	-
Employer Contributions	-	47,500	47,500
Pension Plan Net Investment Income	-	24,885	24,885
Balances, <i>End of year</i>	<u>\$ 843,469</u>	<u>\$ 766,271</u>	<u>\$ (77,198)</u>

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2017

### Note 8: Defined Benefit Pension Plan (Continued)

#### Firemen's Pension Plan (Continued)

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* - The following table presents the net pension liability of the City at December 31, 2017, calculated using the discount rate of 5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4%) or one percentage point higher (6%) than the current rate, as follows:

	<u>1% Decrease (4%)</u>	<u>Current Discount Rate (5%)</u>	<u>1% Increase (6%)</u>
City's net pension liability	\$ <u>198,552</u>	\$ <u>77,198</u>	\$ <u>29,761</u>

### Note 9: Commitments and Contingencies

#### Litigation

The City is involved in various threatened or pending litigation. The outcome of this litigation cannot be determined at this time.

#### Enhanced Sales Tax Incentive Program

The City has entered into various agreements to increase economic development within City limits.

In 2005, the City agreed to rebate a portion of the sales taxes generated by Target. The agreement terminates at the earlier of September, 2027, or upon reaching the cumulative maximum rebate amount of \$10,890,767. During the year ended December 31, 2017, Target earned \$600,775 under this agreement. Payments since inception totaled \$4,571,789 at December 31, 2017.

In 2007, the City entered into an agreement with Sloans Lake Partners LLC, the owner and developer of the Edgewater Marketplace. The agreement requires the City to rebate certain sales taxes generated by the Edgewater Marketplace as reimbursement for infrastructure constructed at the Edgewater Marketplace. The agreement terminates at the earlier of May, 2020, or upon reaching the cumulative maximum rebate amount of \$1,384,993. During the year ended December 31, 2017, Sloans Lake Partners LLC earned \$197,924 under this agreement. Payments since inception totaled \$920,318 at December 31, 2017.

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2017

**Note 9: Commitments and Contingencies** (Continued)

**TABOR Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of the State and local governments.

On June 24, 2008, voters within the City authorized the City to collect, retain and expend all of the sales and use tax revenues and all revenues generated by the City, subject only to those limitations previously approved by the voters, notwithstanding any limitation contained in the Amendment or any other law. The City's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

In accordance with the Amendment, the City has established an emergency reserve representing 3% of qualifying expenditures. At December 31, 2017, the reserve was reported as restricted fund balance in the General Fund in the amount of \$311,000.

**Note 10: Correction of Error**

During 2017, management determined that the principal reductions of the CWRPDA loan (See Note 4) were not accurately reported in the financial statements. As a result, beginning net position of the Water Fund has been restated, as follows.

	<u>Water Fund</u>	<u>Business-type Activities</u>
Net Position, December 31, 2016, <i>as Originally Stated</i>	\$ 1,171,812	\$ 2,532,122
Loan Reduction	<u>91,318</u>	<u>91,318</u>
Net Position, December 31, 2016, <i>as Restated</i>	<u>\$ 1,263,130</u>	<u>\$ 2,623,440</u>

## **Required Supplementary Information**

## City of Edgewater, Colorado

### Schedule of Changes in Net Pension Liability and Related Ratios and Investment Returns Volunteer Firemen's Pension Plan December 31, 2017

	2017	2016	2015
<b>Total Pension Liability</b>			
Interest	\$ 43,009	\$ 43,009	\$ 50,939
Differences Between Expected and Actual Experience	-	-	(119,098)
Changes of Assumptions	-	-	115,136
Benefit Payments	(67,435)	(70,590)	(74,790)
<b>Net Change in Total Pension Liability</b>	(24,426)	(27,581)	(27,813)
<b>Total Pension Liability, Beginning of year</b>	867,895	895,476	923,289
<b>Total Pension Liability, End of year</b>	\$ 843,469	\$ 867,895	\$ 895,476
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	\$ 25,000	\$ 25,000	\$ 25,000
State Contributions	22,500	19,536	18,658
Net Investment Income	24,885	23,271	20,379
Benefit Payments	(67,435)	(70,590)	(74,790)
Administrative Expenses	-	(4,200)	-
<b>Net Change in Plan Fiduciary Net Position</b>	4,950	(6,983)	(10,753)
<b>Plan Fiduciary Net Position, Beginning of year</b>	761,321	768,304	779,057
<b>Plan Fiduciary Net Position, End of year</b>	\$ 766,271	\$ 761,321	\$ 768,304
<b>City's Net Pension Liability, End of year</b>	\$ (77,198)	\$ (106,574)	\$ (127,172)
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91%	88%	86%
 <b>Investment Returns</b>			
Annual Money-Weighted Rate of Return, Net of Investment Expense	-	2.54%	-

\* Information regarding the money-weighted rate of return was not available for these reporting periods

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.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 5,470,000	\$ 5,470,000	\$ 6,384,487	\$ 914,487
Licenses and Permits	201,000	201,000	385,066	184,066
Intergovernmental	603,000	603,000	633,965	30,965
Charges for Services	614,161	614,161	697,506	83,345
Fines and Forfeitures	100,000	100,000	132,428	32,428
Investment Income	5,000	5,000	7,200	2,200
Miscellaneous	60,000	60,000	23,860	(36,140)
<b>Total Revenues</b>	<u>7,053,161</u>	<u>7,053,161</u>	<u>8,264,512</u>	<u>1,211,351</u>
<b>Expenditures</b>				
General Government	2,283,000	2,623,000	2,562,938	60,062
Public Safety	1,738,257	1,798,257	1,788,652	9,605
Public Works	726,377	726,377	697,380	28,997
Parks and Recreation	139,510	139,510	139,333	177
Debt Service				
Principal	345,000	345,000	345,000	-
Interest and Fiscal Charges	35,400	35,400	35,400	-
<b>Total Expenditures</b>	<u>5,267,544</u>	<u>5,667,544</u>	<u>5,568,703</u>	<u>98,841</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	1,785,617	1,385,617	2,695,809	1,310,192
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(950,000)	(1,065,000)	(1,065,000)	-
<b>Net Change in Fund Balance</b>	835,617	320,617	1,630,809	1,310,192
<b>Fund Balance, Beginning of year</b>	<u>3,134,841</u>	<u>3,134,841</u>	<u>4,118,626</u>	<u>983,785</u>
<b>Fund Balance, End of year</b>	<u>\$ 3,970,458</u>	<u>\$ 3,455,458</u>	<u>\$ 5,749,435</u>	<u>\$ 2,293,977</u>

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Open Space Fund  
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Intergovernmental	\$ 150,000	\$ 178,432	\$ 28,432
Charges for Services	20,000	-	(20,000)
Investment Income	600	1,249	649
Total Revenues	170,600	179,681	9,081
<b>Expenditures</b>			
Parks and Recreation	225,071	170,409	54,662
Total Expenditures	225,071	170,409	54,662
<b>Net Change in Fund Balance</b>	(54,471)	9,272	63,743
<b>Fund Balance, Beginning of year</b>	1,071,645	1,064,733	(6,912)
<b>Fund Balance, End of year</b>	\$ 1,017,174	\$ 1,074,005	\$ 56,831



**City of Edgewater, Colorado**  
Notes to Required Supplementary Information  
December 31, 2017

**Note 1: Firemen's Pension Plan**

**Contributions**

The City and the State of Colorado made contributions of \$25,000 and \$22,500, respectively, to the Firemen's Pension Plan during the year ended December 31, 2017. The plan members consist only of volunteer firefighters and, therefore, employee payroll information is not applicable.

**Actuarial Assumptions**

Significant actuarial methods and assumptions used to determine the contribution rates for the Firemen's Pension Plan are as follows:

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry age
Amortization Method	Level amount, open
Remaining Amortization Period	20 years
Asset Valuation Method	Fair value
Interest Rate	5% per annum, compounded annually, net of operating expenses
Inflation Rate	3.25%
Retirement Age	Age 50 and 20 years of service
Mortality	Projected 15 years from the valuation date

**Note 2: Stewardship, Compliance, and Accountability**

**Budgets and Budgetary Accounting**

Budgets are legally adopted for all funds of the City, except the pension trust fund. Budgets are presented on a basis consistent with generally accepted accounting principles except for the enterprise funds which budget using a non-GAAP basis, whereby capital outlay is budgeted as an expenditure but depreciation is not budgeted.

The City follows these procedures to establish the budgetary information reflected in the financial statements:

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

Budgets for the Edgewater Redevelopment Authority are adopted by the Authority's governing board.

## **Supplementary Information**

**City of Edgewater, Colorado**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2017

	Conservation Trust	Capital Equipment	Totals
<b>Assets</b>			
Cash and Investments	\$ 258,811	\$ 209,302	\$ 468,113
Due from Other Funds	305	246	551
 Total Assets	 \$ 259,116	 \$ 209,548	 \$ 468,664
 <b>Liabilities</b>			
Accounts Payable	\$ 4,747	\$ 6,000	\$ 10,747
 Total Liabilities	 4,747	 6,000	 10,747
 <b>Fund Balances</b>			
Restricted for Parks and Open Space	254,369	-	254,369
Assigned to Capital Outlay	-	203,548	203,548
 Total Fund Balances	 254,369	 203,548	 457,917
 Total Liabilities and Fund Balances	 \$ 259,116	 \$ 209,548	 \$ 468,664

**City of Edgewater, Colorado**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
Year Ended December 31, 2017

	Conservation Trust	Capital Equipment	Totals
<b>Revenues</b>			
Intergovernmental	\$ 52,671	\$ -	\$ 52,671
Investment Income	305	246	551
Miscellaneous	-	15,000	15,000
	52,976	15,246	68,222
Total Revenues			
<b>Expenditures</b>			
General Government	-	29,775	29,775
Public Safety	-	8,452	8,452
Public Works	-	5,000	5,000
Parks and Recreation	158,233	-	158,233
	158,233	43,227	201,460
Total Expenditures			
<b>Excess of Revenues Over (Under) Expenditures</b>	(105,257)	(27,981)	(133,238)
<b>Other Financing Sources</b>			
Transfers In	-	100,000	100,000
	-	100,000	100,000
<b>Net Change in Fund Balances</b>	(105,257)	72,019	(33,238)
<b>Fund Balances, Beginning of year</b>	359,626	131,529	491,155
<b>Fund Balances, End of year</b>	\$ 254,369	\$ 203,548	\$ 457,917

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Conservation Trust Fund  
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 54,000	\$ 54,000	\$ 52,671	\$ (1,329)
Investment Income	300	300	305	5
Total Revenues	<u>54,300</u>	<u>54,300</u>	<u>52,976</u>	<u>(1,324)</u>
<b>Expenditures</b>				
Parks and Recreation	<u>43,000</u>	<u>163,000</u>	<u>158,233</u>	<u>4,767</u>
Total Expenditures	<u>43,000</u>	<u>163,000</u>	<u>158,233</u>	<u>4,767</u>
<b>Net Change in Fund Balance</b>	11,300	(108,700)	(105,257)	3,443
<b>Fund Balance, Beginning of year</b>	<u>357,050</u>	<u>357,050</u>	<u>359,626</u>	<u>2,576</u>
<b>Fund Balance, End of year</b>	<u>\$ 368,350</u>	<u>\$ 248,350</u>	<u>\$ 254,369</u>	<u>\$ 6,019</u>

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Capital Equipment Fund  
 Year Ended December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ -	\$ -
Investment Income	-	246	246
Miscellaneous	-	15,000	15,000
	<u>-</u>	<u>15,246</u>	<u>15,246</u>
Total Revenues	<u>-</u>	<u>15,246</u>	<u>15,246</u>
<b>Expenditures</b>			
General Government	25,000	29,775	(4,775)
Public Safety	40,000	8,452	31,548
Public Works	200,000	5,000	195,000
	<u>265,000</u>	<u>43,227</u>	<u>221,773</u>
Total Expenditures	<u>265,000</u>	<u>43,227</u>	<u>221,773</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(265,000)	(27,981)	237,019
<b>Other Financing Sources</b>			
Transfers In	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
<b>Net Change in Fund Balance</b>	(115,000)	72,019	187,019
<b>Fund Balance, Beginning of year</b>	<u>111,677</u>	<u>131,529</u>	<u>19,852</u>
<b>Fund Balance, End of year</b>	<u>\$ (3,323)</u>	<u>\$ 203,548</u>	<u>\$ 206,871</u>

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Capital Improvements Fund  
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment Income	\$ -	\$ -	\$ 124	\$ 124
Total Revenues	-	-	124	124
<b>Expenditures</b>				
Capital Outlay	915,000	2,390,000	2,234,530	155,470
Debt Issuance Costs	-	-	132,958	(132,958)
Total Expenditures	915,000	2,390,000	2,367,488	22,512
<b>Excess of Revenues Over (Under) Expenditures</b>	(915,000)	(2,390,000)	(2,367,364)	22,636
<b>Other Financing Sources</b>				
Debt Issued	-	-	9,900,000	9,900,000
Transfers In	900,000	1,015,000	965,000	(50,000)
Total Other Financing Sources (Uses)	900,000	1,015,000	10,865,000	9,850,000
<b>Net Change in Fund Balance</b>	(15,000)	(1,375,000)	8,497,636	9,872,636
<b>Fund Balance, Beginning of year</b>	12,741	12,741	58,524	45,783
<b>Fund Balance, End of year</b>	<u>\$ (2,259)</u>	<u>\$ (1,362,259)</u>	<u>\$ 8,556,160</u>	<u>\$ 9,918,419</u>

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Water Fund  
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$ 1,340,300	\$ 1,306,059	\$ (34,241)
Investment Income	1,000	1,032	32
Miscellaneous	10,000	3,539	(6,461)
Total Revenues	1,351,300	1,310,630	(40,670)
<b>Expenditures</b>			
Service Operating Expenses	1,254,931	1,183,779	71,152
Capital Outlay	21,500	-	21,500
Debt Service	72,000	61,962	10,038
Total Expenditures	1,348,431	1,245,741	102,690
<b>Change in Net Position, Budgetary Basis</b>	\$ 2,869	64,889	\$ 62,020
<b>Reconciliation to GAAP Basis</b>			
Depreciation		(76,494)	
Debt Principal		40,129	
<b>Change in Net Position, GAAP Basis</b>		\$ 28,524	



**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Sewer Fund  
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Charges for Services	\$ 493,200	\$ 509,437	\$ 16,237
Investment Income	250	213	(37)
	493,450	509,650	16,200
<b>Expenditures</b>			
Service Operating Expenses	406,180	442,242	(36,062)
Capital Outlay	64,000	-	64,000
	470,180	442,242	27,938
<b>Change in Net Position, Budgetary Basis</b>	\$ 23,270	67,408	\$ 44,138
<b>Reconciliation to GAAP Basis</b>			
Depreciation		(48,079)	
<b>Change in Net Position, GAAP Basis</b>		\$ 19,329	

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Trash Fund  
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Charges for Services	\$ 225,500	\$ 240,498	\$ 14,998
Investment Income	-	67	67
	225,500	240,565	15,065
<b>Expenditures</b>			
Service Operating Expenses	213,678	210,736	2,942
	213,678	210,736	2,942
<b>Change in Net Position, Budgetary Basis</b>	\$ 11,822	\$ 29,829	\$ 18,007

**City of Edgewater, Colorado**  
 Balance Sheet  
 Component Unit  
 December 31, 2017

	<u>Edgewater Redevelopment Authority</u>
<b>Assets</b>	
Cash and Investments	\$ 795,491
Taxes Receivable	10
Property Held for Resale	346,559
Due from Other Funds	<u>936</u>
 Total Assets	 \$ <u><u>1,142,996</u></u>
<b>Liabilities</b>	
Accounts Payable	\$ <u>232</u>
 Total Liabilities	 <u>232</u>
<b>Fund Balance</b>	
Nonspendable Property Held for Resale	346,559
Unrestricted, Unassigned	<u>796,205</u>
 Total Fund Balance	 <u>1,142,764</u>
 Total Liabilities and Fund Balance	 \$ <u><u>1,142,996</u></u>
 <b>Amounts Reported for the Component Unit in the Statement of Net Position are Different Because:</b>	
Total Fund Balance of Component Unit	\$ 1,142,764
 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	 <u>157,992</u>
 Total Net Position of Component Unit	 \$ <u><u>1,300,756</u></u>

**City of Edgewater, Colorado**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Component Unit  
Year Ended December 31, 2017

	<u>Edgewater Redevelopment Authority</u>
<b>Revenues</b>	
Property Tax Increment	\$ 40,041
Charges for Services	46,800
Investment Income	<u>936</u>
Total Revenues	<u>87,777</u>
<b>Expenditures</b>	
General Government	<u>33,432</u>
Total Expenditures	<u>33,432</u>
<b>Net Change in Fund Balance</b>	54,345
<b>Fund Balance, <i>Beginning of year</i></b>	<u>1,088,419</u>
<b>Fund Balance, <i>End of year</i></b>	<u><u>\$ 1,142,764</u></u>

**Amounts Reported for the Component Unit in the Statement of Activities are Different Because:**

Net Change in Fund Balance of Component Unit	\$ 54,345
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation Expense	<u>(2,666)</u>
Change in Net Position of Component Unit	<u><u>\$ 51,679</u></u>

## **State Compliance**

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

**LOCAL HIGHWAY FINANCE REPORT**

City or County:  
Edgewater  
YEAR ENDING:  
December 2017

This Information From The Records Of: The City of Edgewater

Prepared By: Nichole Kirkpatrick  
Phone: (720)763-3041

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

ITEM	A. Local Motor-Fuel Taxes	8. 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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	5,063
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	246,015
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	144,097
2. General fund appropriations	815,420	b. Snow and ice removal	2,786
3. Other local imposts (from page 2)	0	c. Other	0
4. Miscellaneous local receipts (from page 2)	62,531	d. Total (a. through c.)	146,883
5. Transfers from toll facilities	0	4. General administration & miscellaneous	27,335
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	587,825
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,013,121
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	877,951	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	135,170	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	1,013,121	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,013,121

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,013,121	1,013,121		0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2017

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	31,537
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	0
6. Total (1. through 5.)	0	h. Other County Road & Bridge	30,994
c. Total (a + b)	0	i. Total (a. through h.)	62,531
(Carry forward to page 1)		(Cnn-v forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	118,716	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	16,454	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	16,454	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	135,170	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	5,063	5,063
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	5,063	5,063
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	5,063	5,063
		(Carry forward to page 1)	

Notes and Comments: