

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
December 31, 2016

Prepared by:
Departments of Administration and Finance



RECEIVED

By the Office of the State Auditor at 9:08 am, Jun 27, 2017

Town of Cedaredge

Table of Contents

	Page
Introductory Section	
List of Principal Officials.....	i
Letter of Transmittal.....	ii
Organizational Chart.....	v
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements:	
Governmental Funds Balance Sheet.....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	15
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.....	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	17
Statement of Net Position-Enterprise Funds.....	18
Statement of Revenues, Expenses and Changes in Net Position-Enterprise Funds.....	19
Statement of Cash Flows-Enterprise Funds.....	20
Notes to Basic Financial Statements.....	21
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual:	
General Fund.....	42
Schedule of Changes in Net Pension Asset.....	43
Schedule of Contributions to Pension Plan.....	44
Other Supplementary Information	
Combining Balance Sheet-Nonmajor Governmental Funds.....	45
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds.....	46
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Governmental Funds:	
Conservation Trust.....	47
Capital Improvement Fund.....	48

Other Supplementary Information-continued	
Statement of Revenues, Expenditures and Changes in Available Resources-Budget and Actual-Enterprise Funds:	
Waterworks Fund.....	49
Wastewater Fund.....	50
Golf Course Fund.....	51
Local Highway Finance Report.....	52
Single Audit Section	
Schedule of Expenditures of Federal Awards.....	55
Notes to Schedule of Expenditures of Federal Awards.....	56
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	57
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	59
Schedule of Findings and Questioned Costs.....	61
Summary Schedule of Prior Year Audit Findings.....	63
Statistical Section (Unaudited).....	64
Financial Trends	
Net Position by Component.....	65
Changes in Net Position.....	66
Fund Balances, Governmental Funds.....	68
Changes in Fund Balances, Governmental Funds.....	69
Revenue Capacity	
Governmental Activities Tax Revenue by Source.....	70
Assessed Value and Estimated Actual Value of Taxable Property.....	71
Principal Property Tax Payers.....	72
Property Tax Levies and Collections.....	73
Debt Capacity	
Outstanding Debt by Type.....	74
Demographic and Economic Information	
Demographic and Economic Statistics.....	75
Operating Information	
Full-time Equivalent Town Government	
Employees by Function.....	76
Operating Indicators by Function.....	77
Other Information	
Performance Evaluation.....	78



Our Town Mission is to provide quality services in the most cost effective manner and insure that the infrastructure, social services and public safety are delivered in a professional and courteous manner.

Town of Cedaredge
PO Box 398
235 W Main Street
Cedaredge, CO 81413
Telephone 970-856-3123
FAX 970-856-7292
www.cedaredgecolorado.com

Mayor - Eugene Welch
Mayor Pro-tern - Raymond Hanson
Treasurer- Patricia Michael
Trustee - Robert Michael
Trustee - Dayton Myers
Trustee - Allan Smith
Trustee- Dr. Lawrence Smith

Town Administrator - Kathleen Ann Sickles
Financial Director - Tamera Francis
Town Clerk- William A. Warner
Police Chief - Daniel Sanders
Public Works Co-Director- Scott Lock and Jerry Young
PGA Head Golf Pro - Larry Murphy
Golf Course Superintendent



June 1, 2017

To the Honorable Mayor, Member of the Board of Trustees and Citizens of the Town of Cedaredge:

State law requires that every general-purpose local government publish within seven months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blair and Associates, PC, Certified Public Accountants auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Town of Cedaredge was officially incorporated on March 25, 1907. Cedaredge, the location of the Bar-I Cattle ranch and Post Office comprised of 440 acres at the "edge of the cedars" on the date of incorporation. Today, Cedaredge covers 3,200 acres with a population of about 2,200 residents. Cedaredge is located in the Upper Surface Creek Area in a prominent location on the south slope of the Grand Mesa. Cedaredge, also known as the gateway to the Grand Mesa, provides direct access to the Grand Mesa via the National Scenic Byway Colorado Highway 65.

The Town of Cedaredge is empowered to levy a property tax on real property located within its boundaries. It has the authority by state statute to extend its corporate limits by annexation. The most recent annexation took place in 2008.

The Town of Cedaredge operates under a Board of Trustees consisting of six Trustees and one Mayor. The Mayor acts as and is considered a full member of the Board of Trustees. The Board of Trustees is the governing body of the Town and has the policymaking and legislative powers and other powers possessed by the Town not otherwise limited or conferred upon others by the Home Rule Charter approved by electors and recorded with the Secretary of State November 2008. The Board appoints the Administrator who in turn hires the department heads. Each Trustee and the Mayor shall be elected for a term of four years. Three Trustees for four year terms are elected every other year. A Mayor and two Trustees for four year terms were elected in April 2016 and one Trustee appointed to a two- year term. The remaining three Trustees were elected to a four-year term April 2014.

The Board of Trustees is required to adopt a final budget no later than December 15, of the fiscal year. This annual budget serves as the foundation for the Town of Cedaredge's financial planning and control. The budget is prepared by fund, function (i.e. elections), and department. Department heads may transfer resources within a department with Administrative approval. The Town Administrator can initiate and approve transfers between funds, unless special approval from the Board of Trustees is required.

The Town of Cedaredge provides a range of services, including police protection; code enforcement; animal control; the construction and maintenance of streets and sidewalks; parks and recreational activities. Water and Wastewater Treatment services are provided through legally separate Water and Wastewater Treatment Enterprise Funds. Golf recreational activities are provided through the legally separate Golf Course Enterprise Fund.

Local Economy

Cedaredge has a post office, two banks, library, volunteer fire department and ambulance service both operated by separate districts, in-town doctors and dentists, a hospital 15 minutes away in Delta, a grocery store, a convenience gas station, almost a dozen eateries, retail, artisan boutiques, and plentiful personal care providers. Numerous selections are available for business and service providers including electrical, plumbing, heating, construction, photographers, guest accommodations and many more. Business support is multifaceted locally and regionally. There are currently over 300 businesses licensed to provide goods and services in the Town of Cedaredge. 2009 and 2011 economic downturns took a toll on local business prosperity. Sales tax is a factor in determining economic health. Sales tax collected, in 2016, showed improved economic increases.

Long-term Financial Planning

A professional vendor is compiling a Water and Sewer Rate Study to provide the Board of Trustees with recommendations to fairly fund operations, capital improvements, maintenance, repair, debt and establish a fund balance necessary to guarantee continuum of water and sewer services. The Board of Trustees action is planned for mid-summer to adjust water and sewer rates.

In 2007, voters passed a .5% sales tax increase dedicated to Major Street Improvements. A bond election to incur debt for major street improvement was approved by the electors in 2009. The Town \$945,000 issued in Sales Tax Revenue Bonds in March of 2013. All .5% sales tax revenues dedicated to Major Street Improvement are retained for bond repayment or maintained as cash reserves required in specified fund accounts.

Major Initiatives

In 2004, the Town received voter approval to split their Town sales tax revenue 25% to Capital Improvement and 75% to the General Fund for operating expenses. This was a switch from the prior treatment of 75% to Capital Improvement and 25% to General Fund.

In 2007, the Town received voter approval to increase sales tax by .5% to 2.00%. The additional .5% is dedicated to Major Street Improvement. The Town began collection of the additional .5% in January 2008.

In 2008, the Home Rule Charter was approved by voters November 4th and became effective when recorded with the Secretary of State on November 25, 2008.

A bond election to incur debt for major street improvement was approved by the electors in 2009. Revenue from the .5% sales tax increase approved in 2007 is being used to service the bond debt.

A "Healthy Living" tax ballot initiative failed November 2015.

Respectfully submitted,

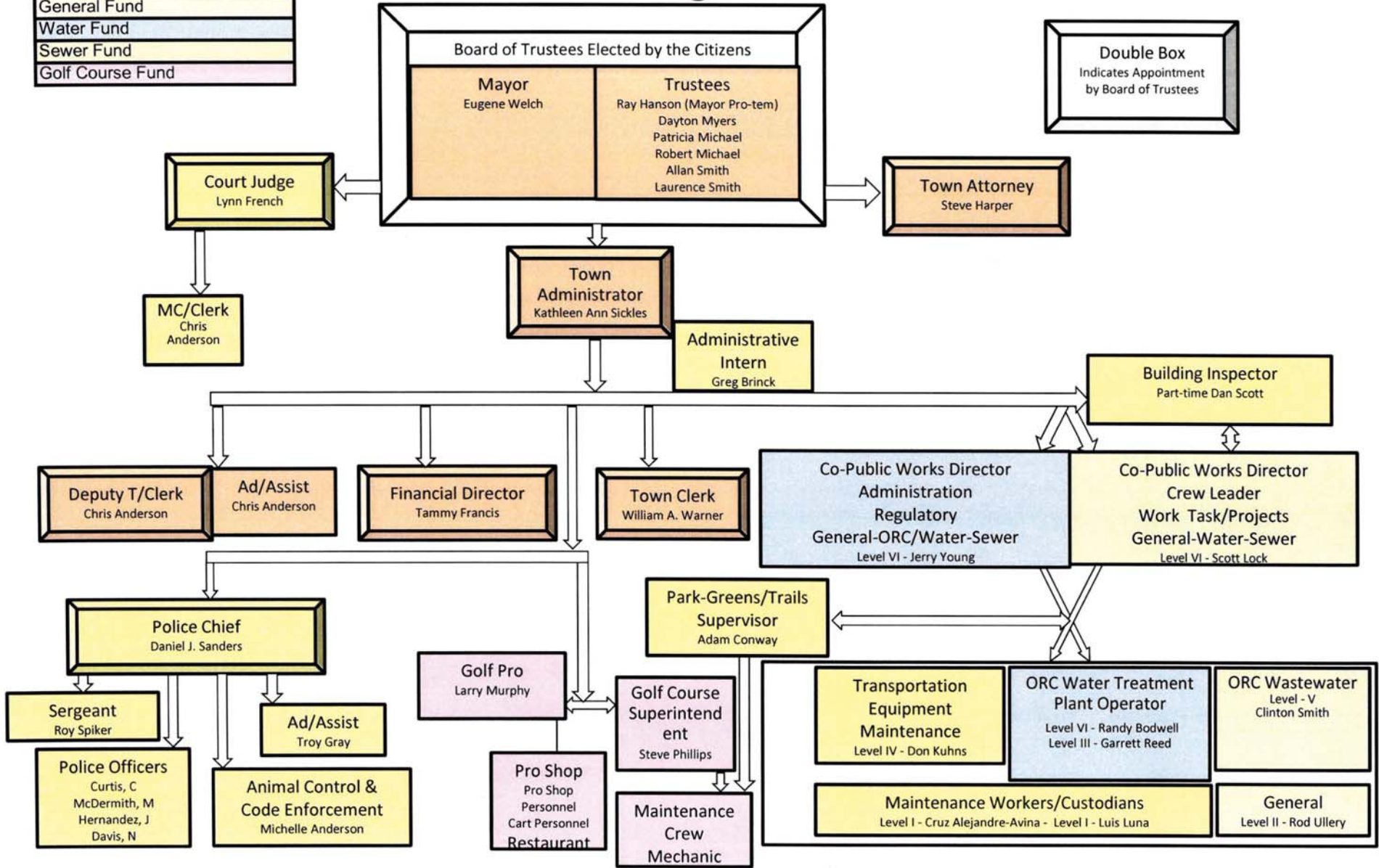


Kathleen Ann Sickles
Town Administrator

Town of Cedaredge 12/31/2016

Salary Distribution	
All Town Operations	
General Fund	
Water Fund	
Sewer Fund	
Golf Course Fund	

Double Box
Indicates Appointment by Board of Trustees



INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Cedaredge, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-11, budgetary comparison information on page 42, Schedule of Changes in Net Pension Asset page 43 and Schedule of Contributions to Pension Plan page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cedaredge, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, Local Highway Finance Report and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2017, on our consideration of the Town of Cedaredge, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Cedaredge, Colorado's internal control over financial reporting and compliance.

Blair and Associates, P.C.

Cedaredge, Colorado
May 3, 2017

TOWN OF CEDAREEDGE
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2016

As management of the Town of Cedaredge (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$18,298,299 (i.e. net position) as of December 31, 2016, an increase of \$1,215,477 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$899,598, increase of \$66,702 in comparison with the prior year.
- The Town's fund balance for the General Fund was \$328,030, increase of \$19,049 in comparison to the prior year.
- Total long-term liabilities decreased by \$125,814 in comparison with the prior year.
- General property tax, sales tax, franchise tax and intergovernmental revenues totaled \$981,646, or 104% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

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

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

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include general government administration, police, public works, and community center. The Business-type Activities of the Town include the following: water, wastewater, and golf course.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains one major government fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

Proprietary Funds – The Town maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses a separate enterprise fund to account for each of its utility funds: Waterworks and Sewer Fund, and to account for its Golf Course Fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2016, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18,298,299. Of this amount, \$1,048,290 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$17,005,431 (93% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2015 and 2016:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Assets						
Current and other assets	\$ 1,305,646	\$ 1,197,165	\$ 2,347,283	\$ 462,760	\$ 3,652,929	\$ 1,659,925
Capital assets	8,258,568	8,609,534	10,756,861	12,245,340	19,015,429	20,854,874
Total assets	<u>9,564,214</u>	<u>9,806,699</u>	<u>13,104,144</u>	<u>12,708,100</u>	<u>22,668,358</u>	<u>22,514,799</u>
Deferred Outflows	749	5,192	-	-	749	5,192
Liabilities						
Current Liabilities	\$ 107,879	\$ 102,897	\$ 1,198,435	\$ 2,910,945	\$ 1,306,314	\$ 3,013,842
Non-current liabilities						
Compensated absences	70,545	59,148	-	-	70,545	59,148
Loans payable	890,914	830,083	3,072,946	103,573	3,963,860	933,656
Total Liabilities	<u>1,069,338</u>	<u>992,128</u>	<u>4,271,381</u>	<u>3,014,518</u>	<u>5,340,719</u>	<u>4,006,646</u>
Deferred inflow of resources	<u>243,739</u>	<u>204,121</u>	<u>1,827</u>	<u>10,925</u>	<u>245,566</u>	<u>215,046</u>
Net Position						
Investment in capital assets, net of related debt	7,367,654	7,731,392	7,683,915	9,274,039	15,051,569	17,005,431
Restricted	173,006	126,885	117,693	117,693	290,699	244,578
Unrestricted	711,226	757,365	1,029,328	290,925	1,740,554	1,048,290
Total net position	<u>\$ 8,251,886</u>	<u>\$ 8,615,642</u>	<u>\$ 8,830,936</u>	<u>\$ 9,682,657</u>	<u>\$ 17,082,822</u>	<u>\$ 18,298,299</u>

An additional portion of net position, \$244,578, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$1,048,290 (6% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

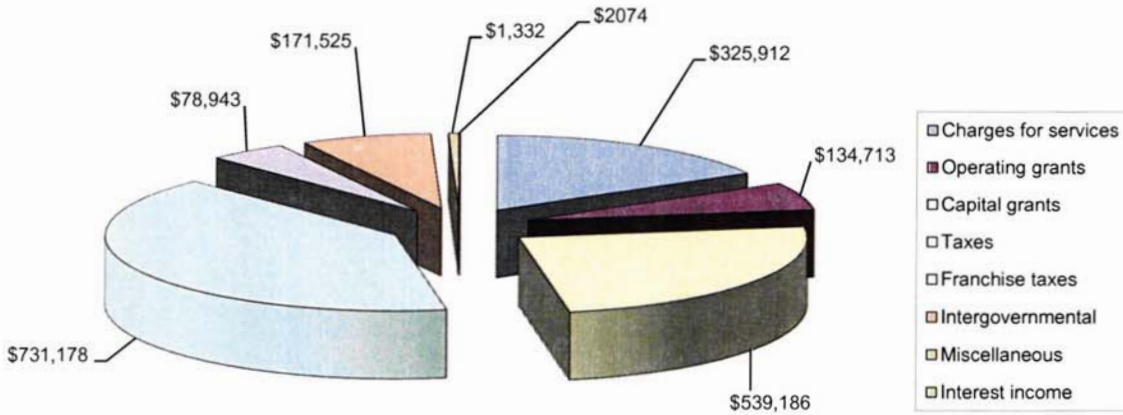
Governmental and business-type activities increased the Town's net position by \$1,210,964 in 2016.

Revenues	Governmental Activities		Business-Type Activities		Totals	
	2015	2016	2015	2016	2015	2016
Program revenues						
Charges for services	\$ 293,895	\$ 325,912	\$ 1,718,522	\$ 1,811,963	\$ 2,012,417	\$ 2,137,875
Operating grants	105,856	134,713			105,856	134,713
Capital grants	430,282	539,186			430,282	539,186
General revenues						
Taxes	714,766	731,178			714,766	731,178
Franchise Fees	76,509	78,943			76,509	78,943
Intergovernmental	127,385	171,525	1,572,319	901,690	1,699,704	1,073,215
Miscellaneous	17,159	1,332	51,149	54,518	68,308	55,850
Interest income	555	2,074	(1,595)	2,129	(1,040)	4,203
Sale of assets	(6,852)	(44,422)	3,657	698	(3,195)	(43,724)
Total revenues	<u>1,759,555</u>	<u>1,940,441</u>	<u>3,344,052</u>	<u>2,770,998</u>	<u>5,103,607</u>	<u>4,711,439</u>
Expenses						
General government	386,722	450,569			386,722	450,569
Public safety	559,945	600,949			559,945	600,949
Public works	448,587	426,349	1,712,617	1,936,093	2,161,204	2,362,442
Culture and recreation	97,658	82,002			97,658	82,002
Total expenses	<u>1,492,912</u>	<u>1,559,869</u>	<u>1,712,617</u>	<u>1,936,093</u>	<u>3,205,529</u>	<u>3,495,962</u>
Increase (decrease) in net position	266,643.0	380,572.0	1,631,435.0	834,905.0	1,898,078.0	1,215,477.0
Beginning-net position	7,985,243.0	8,251,886.0	7,199,501.0	8,830,936.0	15,184,744.0	17,082,822.0
Residual transfer		(16,816.0)		16,816.0		-
Ending-net position	<u>\$ 8,251,886</u>	<u>\$ 8,615,642</u>	<u>\$ 8,830,936</u>	<u>\$ 9,682,657</u>	<u>\$ 17,082,822</u>	<u>\$ 18,298,299</u>

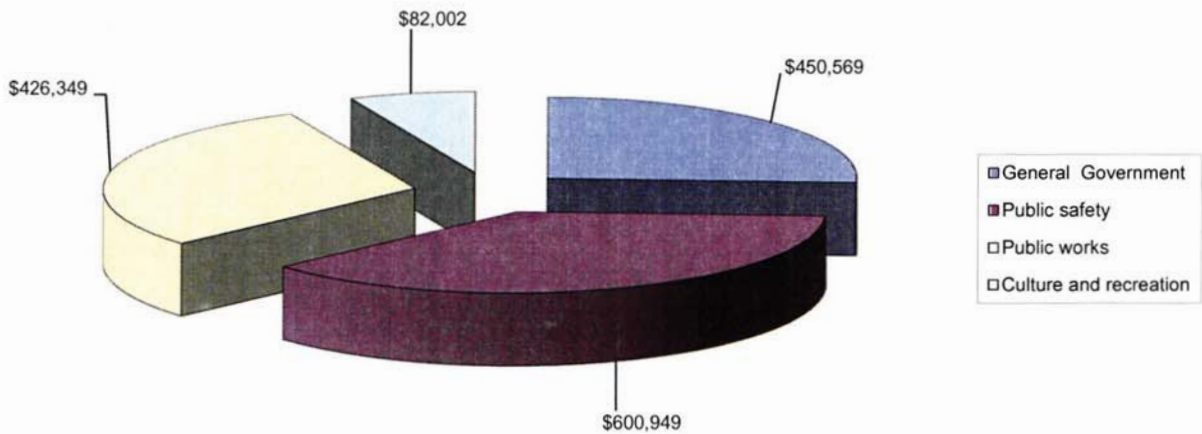
Governmental Activities

Governmental activities increased the Town's net position by \$363,756.

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



Business-type Activities

Business-type activities for the year resulted in an increase in net position of \$851,721. Charges for services accounted for 65% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of 2016, the Town's governmental funds reported combined ending fund balances of \$899,598, increase of \$66,702 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 27% of this total amount, \$244,945, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet a State constitution mandated emergency reserve, \$83,085. Also the town has restricted \$79,284 of lottery funds, and committed the following: committed \$72,497 for street improvements and \$419,787 for capital acquisition.

The Town has one major governmental fund, the General Fund, which is the primary operating fund for the Town. At the end of 2016, unassigned fund balance of the General Fund was \$244,945, while the total fund balance was \$328,030. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund increased by \$19,049 during 2016.

Proprietary funds. The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has three enterprise funds: Waterworks Fund, Wastewater Fund, and Golf Course Fund. At the end of 2016, these funds represented the following net position amounts:

Fund:	Waterworks	Wastewater	Golf Course
Unrestricted net position	\$225,493	\$60,619	\$4,813
Total net position	\$4,446,324	\$4,284,862	\$951,471
Increase or (decrease) in net position	\$(93,750)	\$901,685	\$43,786

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted \$2,562,107 for 2016 expenditures. Actual expenditures were \$1,714,843.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2016, was \$17,005,431. As required for this year by GASB 34, the investment in capital assets includes land, buildings, building improvements, and equipment.

Capital assets activity for the year ended December 31, 2016 was as follows:

	Balance January 1, 2016	Additions	Dispositions	Balance December 31, 2016
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 180,745	\$ -	\$ -	\$ 180,745
Construction in progress	-	51,811	-	51,811
	<u>180,745</u>	<u>51,811</u>	<u>-</u>	<u>232,556</u>
Capital assets being depreciated				
Buildings	509,824	-	-	509,824
Improvements other than buildings	749,516	40,406	(59,238)	730,684
Infrastructure	8,262,121	527,134	-	8,789,255
Equipment	501,991	56,360	(16,419)	541,932
	<u>10,023,452</u>	<u>623,900</u>	<u>(75,657)</u>	<u>10,571,695</u>
Less accumulated depreciation				
Buildings	(191,545)	(14,554)	-	(206,099)
Improvements	(190,651)	(21,349)	15,643	(196,357)
Infrastructure	(1,193,025)	(206,072)	14,777	(1,384,320)
Equipment	(370,408)	(37,533)	-	(407,941)
	<u>(1,945,629)</u>	<u>(279,508)</u>	<u>30,420</u>	<u>(2,194,717)</u>
Capital assets being depreciated, net	<u>8,077,823</u>	<u>344,392</u>	<u>(45,237)</u>	<u>8,376,978</u>
Total Governmental Activities Capital Assets	\$ 8,258,568	\$ 396,203	\$ (45,237)	\$ 8,609,534

	Balance January 1, 2016	Additions	Dispositions	Balance December 31, 2016
Business- Type Activities				
Capital assets not being depreciated				
Land and source of supply	\$ 1,416,772	\$ -	\$ -	\$ 1,416,772
Capital assets being depreciated				
Treatment plant	5,801,197	42,558	-	5,843,755
Collection system	7,475,918	1,772,792	-	9,248,710
Building and equipment	2,255,711	107,662	(25,758)	2,337,615
Less accumulated depreciation	(6,192,737)	(434,533)	25,758	(6,601,512)
Capital assets being depreciated, net	9,340,089	1,488,479	-	10,828,568
Total Business-Type Activities Capital Assets	\$ 10,756,861	\$ 1,488,479	\$ -	\$ 12,245,340

Long-term Debt

As of December 31, 2016, the Town had long-term debt as follows:

	January 1, 2016	Additions	Reductions	December 31, 2016	Due within one year
Governmental Activities					
		\$			
Leases Payable	\$ 20,914	30,570	\$ (13,342)	\$ 38,142	\$ 18,059
Bonds payable – UMB	870,000	-	(30,000)	840,000	30,000
Compensated absences	70,545	59,148	(70,545)	59,148	59,148
Total	\$ 961,459	\$ 89,718	\$ (113,887)	\$ 937,290	\$ 107,207
Enterprise Activities					
		\$			
Leases payable	\$ 27,285	33,400	\$ (39,237)	\$ 21,448	\$ 6,226
Bonds payable - RUS	2,070,661	-	(45,808)	2,024,853	47,347
Loan payable - SRF	975,000	-	(50,000)	925,000	50,000
Total	\$ 3,072,946	\$ 33,400	\$ (135,045)	\$ 2,971,301	\$ 103,573

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The General Fund will maintain a balance of at least one month of normal expenditures.
- A Department of Local Affairs grant was awarded for the Jay Avenue Bridge Replacement in 2016 with substantial completion estimated towards the end of May 2017.
- The Planning and Zoning Commission, Tree Board and Historic Preservation Board attracted interested individuals to serve as members.
- Conservative merit raises will be considered for employees, excluding all department heads. Minimum wage increases due to a State of Colorado amendment will raise the minimum wage from \$9.30 in 2017 to \$12.00 in 2020. All full-time employees received an additional Life Insurance and Death and Disability benefit starting in 2017.

- An Employee Retirement Transitional Plan will be considered to provide reduced working hours and allow the employee to remain on the Town's health insurance plan for a specified period. This plan will allow long term employees to train new recruits instead of retiring and leaving with valuable years of institutional knowledge.
- With one resignation the Police Department has one new officer. The officer will be given the opportunity to operate a K-9 unit. Funds have been budgeted for a new K-9 unit with training.
- Code enforcement and animal control enforcement along with fees and penalties has been updated to address ongoing issues and deal fairly with non-compliance.
- The Capital Improvement Fund expenditures in 2017 are budgeted for loan payments for Police cars, Main Street Enhancement project, Broadband, Animal Control vehicle, Surface Creek Trail, Highway 65 and Park Utility Vehicle.
- Expenses to maintain the Civic Center continue to increase. Fees have been increased with \$400 deposit for using the Dining Hall and Kitchen due to historic damage greater than traditional deposits. The fee increase has reduced rentals. Review of both expenses and revenues may be considered again to charge fees appropriately for usage abuse while retaining users that maintain the facility in good order.
- The Wastewater Treatment Facility (WWTF) went into operation May 2016. Warranty work is ongoing with equipment, adjustments to comply with the discharge permit, sidewalk failure due to expansive soil, and minor gasket/pump leaks that should be addressed.
- Water Fund improvements will include completing reclassification of media at the treatment plant, loan payments for a tractor, refinance of the USDA Loan, Highway 65 waterline replacement and other replacement and repair items.
- Settlement in the Upper Surface Creek Domestic Water Users Association (USCDWUA) Partition Complaint is to be completed in 2017 with payment of \$175,000 to USCDWUA for release of all common property and equipment to the Town of Cedaredge.
- Cedaredge Golf Club revenue continues to slightly decrease. A new Superintendent will begin employment in February. The 18-hole 2-year sponsor program will be renewed in 2017. A vendor signed a contract to lease and operate the restaurant.
- The DeerCreek Village Homeowners Association has established a process to legally and officially transfer the Surface Creek Trail between Jay and Independence to the Town.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Town Administrator * Town of Cedaredge * PO Box 398 * Cedaredge, CO 81413.

**Town of Cedaredge
Statement of Net Position
December 31, 2016**

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 711,525	\$ 184,682	\$ 896,207
Restricted Cash	196,819	117,693	314,512
Property taxes receivable	175,249	-	175,249
Accounts receivable	16,031	113,070	129,101
Loan receivable	-	-	-
Accrued interest receivable	1,722	233	1,955
Due from other governments	31,570	2,000	33,570
Construction deposits-utilities	22,528	-	22,528
Inventories (Note 1-N)	-	45,082	45,082
Net pension assets	38,608	-	38,608
Capital assets: (Note 14)			
Nondepreciable	180,745	1,416,772	1,597,517
Depreciable, net of accumulated depreciation	8,428,789	10,828,568	19,257,357
Total assets	9,806,699	12,708,100	22,514,799
DEFERRED OUTFLOWS			
Pension net difference between projected and actual investment earnings	5,192	-	5,192
Total Deferred outflows	5,192	-	5,192
LIABILITIES			
Accounts payable	27,549	2,193	29,742
Accrued payroll taxes	13,805	-	13,805
Accrued wages	12,984	8,255	21,239
Accrued interest payable	-	32,769	32,769
Funds held in trust for others	500	-	500
Current portion of debt			
Loans and leases payable (Note 7)	48,059	103,573	151,632
Compensated absences (Note 1-J)	59,148	-	59,148
Long-term liabilities (Note 7)			
Due more than one year:			
Loans and leases payable	830,083	2,867,728	3,697,811
Total liabilities	992,128	3,014,518	4,006,646
Deferred inflows of resources			
Deferred other revenue (Note 1-D)	58,678	10,925	69,603
Deferred property taxes (Note 1-D)	145,443	-	145,443
Total deferred inflows of resources	204,121	10,925	215,046
NET Position			
Invested in capital assets	7,731,392	9,274,039	17,005,431
Restricted for:			
Emergencies (Note 3)	83,085	-	83,085
Reserve for payment on bonds	-	117,693	117,693
Reserve for retirement payments	43,800	-	43,800
Unrestricted	757,365	290,925	1,048,290
Total net position	\$ 8,615,642	\$ 9,682,657	\$ 18,298,299

The accompanying notes are an integral part of this statement.

**Town of Cedaredge
Statement of Activities
For the Year Ended December 31, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 450,569	\$ 181,895	\$ -	\$ -
Public Safety	600,949	37,674	-	530,718
Public Works	426,349	102,292	81,347	-
Culture and Recreation	82,002	4,051	53,366	8,468
Total governmental activities	<u>1,559,869</u>	<u>325,912</u>	<u>134,713</u>	<u>539,186</u>
Business-type activities:				
Waterworks	873,287	846,047	-	-
Wastewater	556,668	563,281	-	-
Golf Course	506,138	402,635	-	-
Total business-type activities	<u>1,936,093</u>	<u>1,811,963</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 3,495,962</u>	<u>\$ 2,137,875</u>	<u>\$ 134,713</u>	<u>\$ 539,186</u>

General Revenues

- Taxes
- Franchise taxes
- Intergovernmental
- Miscellaneous
- Investment earnings
- Gain or (loss) on sale of assets
- Total General Revenues**

Changes in Net Position

- Net Position-January 1**
- Residual Transfer**
- Net Position-December 31**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental	Business-Type	
Activities	Activities	Total
\$ (268,674)	\$ -	\$ (268,674)
(32,557)	-	(32,557)
(242,710)	-	(242,710)
(16,117)	-	(16,117)
<u>(560,058)</u>		<u>(560,058)</u>
-	(27,240)	(27,240)
-	6,613	6,613
-	(103,503)	(103,503)
<u>-</u>	<u>(124,130)</u>	<u>(124,130)</u>
<u>(560,058)</u>	<u>(124,130)</u>	<u>(684,188)</u>
731,178	-	731,178
78,943	-	78,943
171,525	901,690	1,073,215
1,332	54,518	55,850
2,074	2,129	4,203
(44,422)	698	(43,724)
<u>940,630</u>	<u>959,035</u>	<u>1,899,665</u>
380,572	834,905	1,215,477
8,251,886	8,830,936	17,082,822
(16,816)	16,816	-
<u>\$ 8,615,642</u>	<u>\$ 9,682,657</u>	<u>\$ 18,298,299</u>

The accompanying notes are an integral part of this statement.

**Town of Cedaredge
Governmental Funds
Balance Sheet
December 31, 2016**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 348,744	\$ 362,781	\$ 711,525
Restricted cash	-	196,819	196,819
Taxes receivable	175,249	-	175,249
Due from other governments	17,602	13,968	31,570
Accrued interest receivable	1,722	-	1,722
Accounts receivable	16,031	-	16,031
Prepaid expenses	3,113	-	3,113
Construction deposits-utilities	22,528	-	22,528
Total assets	<u>\$ 584,989</u>	<u>\$ 573,568</u>	<u>\$ 1,158,557</u>
Liabilities, Deferred inflows of resources and Fund Balance			
Liabilities:			
Accounts payable	\$ 25,549	\$ 2,000	\$ 27,549
Accrued payroll liabilities	13,805	-	13,805
Accrued wages	12,984	-	12,984
Funds held in trust for others	500	-	500
Total liabilities	<u>52,838</u>	<u>2,000</u>	<u>54,838</u>
Deferred inflows of resources			
Deferred other revenue	58,678	-	58,678
Deferred property taxes	145,443	-	145,443
Total deferred inflows of resources	<u>204,121</u>	<u>-</u>	<u>204,121</u>
Fund balances:			
Restricted:			
Emergencies	83,085	-	83,085
Parks and recreation	-	79,284	79,284
Committed	-	72,497	72,497
Assigned	-	419,787	419,787
Unassigned	244,945	-	244,945
Total fund balance	<u>328,030</u>	<u>571,568</u>	<u>899,598</u>
Total liabilities and fund balance	<u>\$ 584,989</u>	<u>\$ 573,568</u>	<u>\$ 1,158,557</u>

The accompanying notes are an integral part of this statement.

**Town of Cedaredge
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2016**

Total fund balance, governmental funds \$ 899,598

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

Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$10,804,251	
Less accumulated depreciation	<u>(2,194,717)</u>	8,609,534

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Compensated absences	(59,148)	
Loan payable	<u>(878,142)</u>	(937,290)

Net pension assets and related deferred inflows and outflows of resources are not recorded in the funds.		<u>43,800</u>
--	--	---------------

Net Position of Governmental Activities in the Statement of Net Position \$ 8,615,642

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 628,979	\$ 181,142	\$ 810,121
Licenses and permits	32,577	-	32,577
Intergovernmental revenues	792,058	53,366	845,424
Charges for services	289,331	-	289,331
Fines and forfeitures	4,004	-	4,004
Miscellaneous revenue	2,944	462	3,406
Total revenues	<u>1,749,893</u>	<u>234,970</u>	<u>1,984,863</u>
Expenditures			
Current:			
General government	443,931	27,812	471,743
Public safety	528,697	-	528,697
Public works	721,929	38,281	760,210
Culture and recreation	50,856	45,462	96,318
Debt service payments	-	75,762	75,762
Total expenditures	<u>1,745,413</u>	<u>187,317</u>	<u>1,932,730</u>
Excess (deficiency) of revenues over expenditures	4,480	47,653	52,133
Other Financing sources (uses)			
Sale of assets	815	-	815
Loan proceeds	30,570	-	30,570
Total other financing sources and (uses)	<u>31,385</u>	<u>-</u>	<u>31,385</u>
Net change to fund balance	35,865	47,653	83,518
Fund balance, January 1	308,981	523,915	832,896
Residual transfer	(16,816)	-	(16,816)
Fund balance, December 31	<u>\$ 328,030</u>	<u>\$ 571,568</u>	<u>\$ 899,598</u>

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2016

Net change in fund balances - total governmental funds \$ 83,518

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

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. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed assets current additions	\$ 675,711	
Depreciation expense	(279,508)	
Excess of capital outlay over depreciation		396,203

Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of the principal portion of the lease is an expenditure in the governmental funds but a reduction of a liability in the statement of net position.

Capital lease principal payments		43,342
Lease proceeds		(30,570)

The net effect of various transactions involving sale of assets sold at a loss or written off.		(45,237)
--	--	----------

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources and revenues are not recognized until they become both measurable and available. In the statement of activities however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when the financial resources are available.

Change in compensated absences		11,397
--------------------------------	--	--------

Net pension costs that were not recorded in the governmental funds		
Contributions to employer	\$ (71,091)	
Pension expense	(6,990)	
		(78,081)

Change in net position of governmental funds		\$ 380,572
---	--	-------------------

The accompanying notes are an integral part of this statement.

**Town of Cedaredge
Statement of Net Position
Enterprise Funds
December 31, 2016**

	<u>Golf Course Fund</u>	<u>Waterworks Fund</u>	<u>Wastewater Fund</u>	<u>Total Enterprise Funds</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 8,199	\$ 156,757	\$ 19,726	\$ 184,682
Restricted Cash	-	117,693	-	117,693
Accounts receivables	304	69,827	42,939	113,070
Accrued interest receivable	8	209	16	233
Due from other governments	-	-	2,000	2,000
Inventories	9,436	35,646	-	45,082
Total current assets	<u>17,947</u>	<u>380,132</u>	<u>64,681</u>	<u>462,760</u>
Capital assets				
Land and improvements	131,000	20,811	57,151	208,962
Source of supply	-	584,610	623,200	1,207,810
Treatment and generation facilities	-	5,644,715	199,040	5,843,755
Buildings, improvements and equipment	1,916,791	258,273	162,551	2,337,615
Collection, transmission and distribution	-	3,650,741	5,597,969	9,248,710
Less accumulated depreciation	<u>(1,101,133)</u>	<u>(4,009,711)</u>	<u>(1,490,668)</u>	<u>(6,601,512)</u>
Total capital assets	<u>946,658</u>	<u>6,149,439</u>	<u>5,149,243</u>	<u>12,245,340</u>
Total Assets	<u>\$ 964,605</u>	<u>\$ 6,529,571</u>	<u>\$ 5,213,924</u>	<u>\$ 12,708,100</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current liabilities				
Accounts payable	\$ 132	\$ 593	\$ 1,468	\$ 2,193
Accrued wages	2,077	3,584	2,594	8,255
Loans to other funds	-	-	-	-
Accrued interest payable	-	32,769	-	32,769
Current portion of long term debt	-	53,573	50,000	103,573
Total current liabilities	<u>2,209</u>	<u>90,519</u>	<u>54,062</u>	<u>146,790</u>
Noncurrent liabilities				
Loans and leases payable	-	1,992,728	875,000	2,867,728
Deferred inflows of resources				
Deferred other revenue	<u>10,925</u>	<u>-</u>	<u>-</u>	<u>10,925</u>
NET POSITION				
Invested in capital assets, net of related debt	946,658	4,103,138	4,224,243	9,274,039
Reserve for payment on bonds	-	117,693	-	117,693
Unrestricted	4,813	225,493	60,619	290,925
Total net position	<u>\$ 951,471</u>	<u>\$ 4,446,324</u>	<u>\$ 4,284,862</u>	<u>\$ 9,682,657</u>

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2016

	Golf Course Fund	Waterworks Fund	Wastewater Fund	Total Enterprise Funds
Operating Revenues				
Charges for services	\$ 324,574	\$ 846,047	\$ 563,281	\$ 1,733,902
Restaurant operations	66,630	-	-	66,630
Merchandise sales (net of cost of sales)	11,431	-	-	11,431
Total operating revenues	<u>402,635</u>	<u>846,047</u>	<u>563,281</u>	<u>1,811,963</u>
Operating Expenses				
Personnel services	238,575	382,811	331,988	953,374
Contractual services	1,425	42,141	20,723	64,289
Utilities	15,947	27,236	46,356	89,539
Repairs and maintenance	75,249	40,657	24,934	140,840
Other supplies and expenses	91,974	27,824	15,946	135,744
Insurance claims and expenses	5,334	20,106	6,172	31,612
Depreciation	76,038	247,946	110,549	434,533
Total operating expenses	<u>504,542</u>	<u>788,721</u>	<u>556,668</u>	<u>1,849,931</u>
Operating income (loss)	<u>(101,907)</u>	<u>57,326</u>	<u>6,613</u>	<u>(37,968)</u>
Nonoperating revenues (expenses)				
Interest income	25	2,014	90	2,129
Contributions	39,502	-	-	39,502
Sale of assets	698	-	-	698
Other income	8,298	5,126	1,592	15,016
Grants	-	8,300	893,390	901,690
Interest expense	(1,596)	(84,566)	-	(86,162)
Total nonoperating revenues (expenses)	<u>46,927</u>	<u>(69,126)</u>	<u>895,072</u>	<u>872,873</u>
Income (loss) before transfers and and capital contributions	(54,980)	(11,800)	901,685	834,905
Capital contributions-Water rights	-	-	-	-
Change in net position	(54,980)	(11,800)	901,685	834,905
Total net position, January 1	907,685	4,540,074	3,383,177	8,830,936
Residual transfer	98,766	(81,950)	-	16,816
Total net position, December 31	<u>\$ 951,471</u>	<u>\$ 4,446,324</u>	<u>\$4,284,862</u>	<u>\$ 9,682,657</u>

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2016

	<u>Golf Course Fund</u>	<u>Waterworks Fund</u>	<u>Wastewater Fund</u>	<u>Total Enterprise Funds</u>
Cash Flows From Operating Activities				
Cash received from charges for services	\$ 425,237	\$ 846,834	\$ 561,731	\$ 1,833,802
Cash payments for goods and services	(210,160)	(159,229)	605,159	235,770
Cash payments to employees for services	(237,994)	(381,808)	(331,261)	(951,063)
Net cash provided (used) by operating activities	<u>(22,917)</u>	<u>305,797</u>	<u>835,629</u>	<u>1,118,509</u>
Cash Flows from Noncapital Financing Activities				
Contributions	39,502	-	-	39,502
Other income	8,298	5,126	1,592	15,016
Net cash provided by noncapital financing activities	<u>47,800</u>	<u>5,126</u>	<u>1,592</u>	<u>54,518</u>
Cash Flows from Capital and Related Financing Activities				
Sale of assets	698	-	-	698
Grants	-	8,300	893,390	901,690
Acquisition of capital assets	(24,317)	(91,304)	(1,807,392)	(1,923,013)
Transfer of assets	816	-	-	816
Principal paid on loans and leases	(27,285)	(57,761)	(50,000)	(135,046)
Proceeds from Loans	-	33,400	-	33,400
Interest expense	(26)	(84,566)	-	(84,592)
Net cash provided (used) by capital and related financing activities	<u>(50,114)</u>	<u>(191,931)</u>	<u>(964,002)</u>	<u>(1,206,047)</u>
Cash Flows from Investing Activities				
Interest on investments	25	444	90	559
Net increase (decrease) in cash and equivalents	(25,206)	119,436	(126,691)	(32,461)
Cash balances, January 1	33,405	155,014	146,417	334,836
Cash balances, December 31	<u>\$ 8,199</u>	<u>\$ 274,450</u>	<u>\$ 19,726</u>	<u>\$ 302,375</u>
Reconciling of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (101,907)	\$ 57,326	\$ 6,613	\$ (37,968)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	76,038	247,946	110,549	434,533
Assets (increase) decrease:				
Due from other governments	-	809	1,300,141	1,300,950
Accounts receivables	-	(22)	(1,550)	(1,572)
Loan receivable	-	-	572,307	572,307
Interest receivable	(8)	(209)	(16)	(233)
Inventories	(7)	617	-	610
Liabilities increase (decrease):				
Accounts payable	(2,712)	(900)	(1,153,142)	(1,156,754)
Due to other funds	(4,000)	-	-	(4,000)
Deferred revenues	9,098	-	-	9,098
Accrued interest payable	-	(773)	-	(773)
Accrued wages	581	1,003	727	2,311
Total adjustments	<u>78,990</u>	<u>248,471</u>	<u>829,016</u>	<u>1,156,477</u>
Net cash provided (used) by operating activities	<u>\$ (22,917)</u>	<u>\$ 305,797</u>	<u>\$ 835,629</u>	<u>\$ 1,118,509</u>

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Cedaredge, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

The Town is a home rule municipality with a mayor – council form of government with seven elected Council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Cedaredge (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respect governing body.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the Town and its component unit. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those 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.

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies – (continued)

C. Fund Financial Statements – (continued)

Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

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

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

The Capital Improvement Fund, which accounts for 25% of the 1.5% sales tax and major street improvements of .5% to be used for capital improvements, streets and acquisition.

The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

The Town reports the following major enterprise fund business-type activities:

Water, Wastewater and Golf Course Funds, which account for all operations of the Town's water, wastewater and golf course services. They are primarily financed by user charges.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies – (continued)

D. Measurement Focus and Basis of Accounting – (continued)

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Deferred Outflows / Inflows of Resources-In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources.

This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies – (continued)

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Property Taxes

Property taxes for the current year are levied and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflows of resources in the governmental and enterprise funds.

H. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds \$ 5,000.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Building and Other Improvements	15-30 years
Utility Plant and System	40-50 years
Furniture and Equipment	3-10 years
Infrastructure	15-50 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies – (continued)

I. Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net assets.

The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

J. Compensated Absences

Vacation time accumulates at the rate of 3.08 hours per pay period for an annual total of 80 hours per year in years of service from one (1) through five (5) and 4.62 hours per pay period for an annual total of 120 hours per year in years of service from five (5) and above. The maximum accrual is 120 vacation hours for service one (1) to five (5) years and 180 vacation hours for service six (6) years and above. Upon termination of employment, the employee shall be paid for each hour of earned and unused annual vacation leave.

Regular full time employees shall accrue paid sick leave at the rate of two (2) hours per pay period. There shall be a limit of 240 hours on the total amount of sick leave an employee may accrue. Upon termination of employment, employees are not paid for unused sick leave.

Accrued vacation and sick leave consist of the following at December 31, 2016:

Vacation time	<u>\$ 59,148</u>
---------------	------------------

K. Net Position

Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets.

Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies – (continued)

L. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

M. Encumbrances

The Town does not use an encumbrance system for budgetary control.

N. Inventory

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The inventory consists of golf course merchandise and water supplies.

O. Accounts Receivable

The Town considers accounts receivable for water and sewer to be fully collectible because the Town can place liens on the individual properties; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

P. Fund Balances

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies – (continued)

P. Fund Balances – (continued)

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

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The enterprise fund statement of net position and statement of revenues, expenses and changes in net position also includes reconciliation to the government-wide statement of net position and activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The Town’s voters on November 8, 1994, approved a ballot measure to permit the Town to collect, retain and expend the full proceeds of the Town’s sales tax, and state and federal grants.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment. The amount restricted at December 31, 2016 was \$83,085.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 4 - Budgets

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

- A.** Prior to November 15, or such other time as the Board of Trustees may provide by ordinance, the Town Administrator shall cause to be prepared and submitted to the Board of Trustees a proposed budget and accompanying message. The proposed budget shall provide a financial plan for all Town funds and activities for at least the next fiscal year and, except as required by this Charter, shall be in such form as required by law.
- B.** The Board of Trustees shall adopt an annual budget for the fiscal year. Such budget shall present a complete financial plan by fund and by spending agency within each fund and shall set forth the following:

 - 1. All proposed expenditures for administration, operation, maintenance, debt service and capital projects to be undertaken or executed by any spending agency during the fiscal year;
 - 2. Anticipated revenues for the fiscal year;
 - 3. Estimated beginning and ending fund balances;
 - 4. The corresponding actual figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year, including disclosures of all beginning and ending fund balances, consistent with the basis of accounting used to prepare the budget;
 - 5. A written budget message describing the important features of the proposed budget, including a statement of the budgetary basis of accounting used and description of the services to be delivered during the fiscal year;
 - 6. Explanatory schedules or statements classifying the expenditures by object and the revenues by source;
 - 7. An estimate of the amount required to be raised from an ad valorem property tax levy;
 - 8. Such other information as the Board of Trustees may require.
- C.** The Board of Trustees shall hold a public hearing on the proposed budget and capital program after receipt of the proposed budget. Notice of the time and place of such hearing shall be published at least one time at least 10 days prior to the hearing and shall state that copies of the proposed budget and the proposed capital projects programs are available for public inspection in the office of the Town Clerk.
- D.** Unless another date is provided by ordinance, the Board of Trustees shall adopt the budget, by resolution, on or before the date provided by law for certification of the ad valorem property tax levy. If the Board of Trustees fails to adopt the budget by the required date, the amount appropriated for the current fiscal year, together with any additional amounts necessary for payments of principal and interest on securities and other payment obligations, shall be deemed appropriated for the next fiscal year on a month to month basis, with all items in it prorated accordingly, until such time as the Board of Trustees adopts the budget for that fiscal year.

The total of the proposed expenditures in the adopted budget shall not exceed the total of estimated revenues including unappropriated cash reserves.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 4 – Budgets – (continued)

Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated, and shall constitute a levy of the ad valorem property tax therein provided. The Board of Trustees shall cause the ad valorem property tax levy to be certified as provided by law.

- E.** Supplemental Appropriations. If during the fiscal year, the Town Administrator certifies there are available for appropriation revenues in excess of those estimated in the budget or revenues not previously appropriated, the Board of Trustees by resolution may make supplemental appropriations for the year up to the amount of such excess or unappropriated revenues.

Emergency Appropriations. To meet a public emergency affecting life, health, property or the public peace, the Board of Trustees may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with provisions of this charter. To the extent that there are not available unappropriated revenues to meet such appropriations, the Board of Trustees may by emergency ordinance authorize the issuance of emergency securities as provided in this charter.

Reduction of Appropriations. If, at any time during the fiscal year, it appears probable to the Town Administrator that the revenues available will be insufficient to meet the amount appropriated, the Town Administrator shall report to the Board of Trustees without delay, indicating the estimated amount of deficit and the Town Administrator's recommendation as to any remedial steps to be taken.

The Board of Trustees shall then take such action as it deems necessary to prevent or minimize any deficit and for that purpose it may by resolution reduce one or more appropriations.

Transfer of Appropriations. Anytime during the fiscal year, the Town Administrator may recommend the transfer of part or all of any unencumbered appropriation balance among programs within a fund, department, office or agency and, upon written request of the Town Administrator. The Board of Trustees may by resolution transfer part of all of any unencumbered appropriation balance from one fund, department, office, agency or object to another.

- F.** Budget appropriations lapse at the end of each year.
- G.** Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 4 – Budgets – (continued)

G. – (continued)

Revisions made to the original budgeted expenditures for each fund are as follows:

	<u>Original Budget</u>	<u>Total Revisions</u>	<u>Final Budget</u>
General	\$ 2,552,107	\$ 10,000	\$ 2,562,107
Water works	879,218	8,000	887,218
Wastewater	3,996,883	8,000	4,004,883
Golf Course	477,693	-	477,693
Capital Improvement	185,285	-	185,285
Conservation Trust	<u>32,100</u>	<u>14,125</u>	<u>46,225</u>
Total	<u>\$ 8,123,286</u>	<u>\$ 40,125</u>	<u>\$ 8,163,411</u>

- H.** Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

Note 5 - Deposits and Investments

Except when required by trust or other agreements, all cash is deposited to or disbursed from bank accounts of the General Fund. Cash in excess of immediate operating requirements is invested in time deposits, government securities and a state investment pool. The accounting records of each applicable fund reflect equity in the pooled cash and investments. Amounts of negative equity in pooled cash and investments are classified as due from other funds for financial reporting purposes.

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local governments, deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Custodial Credit: Risks -Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. As of December 31, 2016 none of the Town's bank balances of \$1,049,043 were exposed to custodial credit risk as \$600,000 were insured and \$449,043 were collateralized by securities pledged by financial institutions.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 5 - Deposits and Investments – (continued)

Investments

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

	<u>Maturities</u>	<u>Fair Value</u>
CSAFE	N/A	\$ 176,773

Interest rate risk - The Town's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments may not exceed a maturity date from purchase in excess of five years. The Town has not experienced fair value losses.

Credit risk- Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written pools; written repurchase agreement collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts.

The Town had invested \$ 176,773 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local governmental entities in Colorado to pool surplus funds. CSAFE operates similarly to a money market fund and each share is equal value to \$ 1.00. Investments of CSAFE consist of U.S. Treasury and Agency securities. A designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. Substantially all securities owned by CSAFE are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by CSAFE. CSAFE is rated AAA by the Standard and Poor's Corporation.

Note 6 - Long-Term Liabilities

	<u>Balance</u>			<u>Balance</u>		<u>Due Within</u>
	<u>January 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2016</u>	<u>One Year</u>	
Governmental Activities						
Leases payable	\$ 20,914	\$ 30,570	\$ (13,342)	\$ 38,142	\$ 18,059	
Bonds payable-UMB	870,000	-	(30,000)	840,000	30,000	
Accrued compensated absences	70,545	59,148	(70,545)	59,148	59,148	
Total	\$ 961,459	\$ 89,718	\$ (113,887)	\$ 937,290	\$ 107,207	
Enterprise Activities						
Leases payable	\$ 27,285	\$ 33,400	\$ (39,237)	\$ 21,448	\$ 6,226	
Bonds payable-RUS	2,070,661	-	(45,808)	2,024,853	47,347	
Loan payable - SRF	975,000	-	(50,000)	925,000	50,000	
Total	\$ 3,072,946	\$ 33,400	\$ (135,045)	\$ 2,971,301	\$ 103,573	

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 6 - Long-Term Liabilities – (continued)

Leases Payables

2015 Ford Explorer

Town of Cedaredge has an obligation to US Bank, bearing interest at 3.105%. The loan is payable in yearly installments of \$9,000.00 and \$10,953.39, including interest, and is collateralized by 2015 Ford Explorer. Principal and interest payments for the years following December 31, 2016, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 10,619	\$ 335

Kubota

Town of Cedaredge has an obligation to US Bank, bearing interest at 2.80%. The loan is payable in monthly installments of \$562.23, including interest, and is collateralized by Kubota. Principal and interest payments for the years following December 31, 2016, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 6,226	\$ 521
2018	6,402	344
2019	6,584	163
2020	<u>2,236</u>	<u>13</u>
Total	<u>\$ 21,448</u>	<u>\$ 1,041</u>

2016 Ford Explorer

Town of Cedaredge has an obligation to US Bank, bearing interest at 2.45%. The loan is payable in monthly installments of \$669.24, including interest, and is collateralized by 2016 Ford Explorer. Principal and interest payments for the years following December 31, 2016, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 7,440	\$ 591
2018	7,624	407
2019	7,813	218
2020	<u>4,646</u>	<u>39</u>
Total	<u>\$ 27,523</u>	<u>\$ 1,255</u>

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 6 - Long-Term Liabilities – (continued)

Bonds Payable

The Town issued \$ 2,200,000 Water Revenue Bonds Series 2007 to facilitate the construction of water lines. The bonds were issued at an interest rate of 4.125% per annum and are payable in installments of \$ 56,408 on January 17 and July 17 of each year including principal and interest. The bonds mature on December 1, 2047.

The Town of Cedaredge has an obligation to RUS bearing interest at 4.125%. The loan is payable in semi-annual installments of \$ 56,408, including interest, and is collateralized by water system. Per contract, the Town has reserve cash account of \$101,538 at December 31, 2016 for payment on the bonds.

Principal and interest payments for the years following December 31, 2016, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 42,385	\$ 70,431
2018	44,152	68,664
2019	45,992	66,824
2020	47,908	64,908
2021	49,905	62,911
2022 to 2026	282,510	281,570
2027 to 2031	346,495	217,585
2032 to 2036	424,970	139,110
2037 to 2041	433,586	43,492
Total	<u>\$ 1,717,903</u>	<u>\$ 1,015,495</u>

The Town of Cedaredge has an obligation to RUS bearing interest at 4.125%. The loan is payable in semi-annual installments of \$ 8,794.00, including interest, and is collateralized by Water Plant System. Per contract, the Town has reserve cash account of \$16,155 at December 31, 2016 for payment on the bonds. Principal and interest payments for the years following December 31, 2016, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 4,962	\$ 12,626
2018	5,169	12,419
2019	5,385	12,203
2020	5,609	11,979
2021	5,843	11,745
2022 to 2026	33,075	54,865
2027 to 2031	40,566	47,374
2032 to 2036	49,754	38,186
2037 to 2041	61,023	26,917
2042 to 2046	74,843	13,097
2047 to 2050	21,076	783
Total	<u>\$ 307,305</u>	<u>\$ 242,194</u>

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 6 - Long-Term Liabilities – (continued)

Bonds Payable – (continued)

The Town issued \$1,000,000 Wastewater Enterprise Governmental Agency Bonds to the Colorado Water Resources and Power Development Authority in 2015 to facilitate the construction of wastewater treatment plant. The Colorado Water Resources and Power Development Authority loaned the Town, through Water Pollution Control Revolving Fund Disadvantage Communities Loan Program, an interest free loan and is payable in principal installments of \$ 25,000 on November 1 and May 1 of each year. The loan mature on May 1, 2035.

Principal payments for the years following December 31, 2016, are as follows:

<u>Year</u>	<u>Principal</u>
2017	\$ 50,000
2018	50,000
2019	50,000
2020	50,000
2021	50,000
2022 to 2026	250,000
2027 to 2031	250,000
2032 to 2035	<u>175,000</u>
Total	<u>\$ 925,000</u>

In March of 2013, the Town issued \$945,000 of Sales Tax Revenue Bonds, Series 2013. The interest rate for Series 2013 debt ranges from 2% to 4.25%.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 30,000	\$ 30,563
2018	30,000	29,963
2019	30,000	29,363
2020	30,000	28,688
2021	30,000	27,938
2022 to 2026	170,000	124,612
2027 to 2031	210,000	90,188
2032 to 2036	255,000	44,900
2037	<u>55,000</u>	<u>2,337</u>
Total	<u>\$ 840,000</u>	<u>\$ 408,552</u>

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 7 - Defined Pension Plan (FPPA – Police Old Hire)

The Town participates in a multiple-employer-employee retirement system (PERS). The pension plan, (volunteer and paid), have elected to affiliate with FPPA for plan administration and investments only.

The following is a summary of eligibility factors, contribution methods and benefits provisions:

Compensation Considered for Retirement Benefits

Basic salary for police officers

Contribution Rates

The Town is currently not contributing to this fund.

Eligibility to Participate

A police officer's normal retirement date shall be the date on which he has attained 55 years of age and completed 20 years of service or upon completion of 25 years of service, if earlier.

Retirement Benefits

Any police officer who elects to retire on or after his normal retirement date shall be eligible for a monthly pension equal to one half of his average monthly salary received one year before his retirement.

Severance Benefits

There are no severance benefits under this plan.

Pre-Retirement Death and Disability Benefits

None.

Post-Retirement Death and Disability Benefits

If a retired police officer dies, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one half of the monthly pension the police officer was entitled to receive prior to death.

Escalation Benefits

None at the present time.

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the Entity reported a net pension liability/ (asset) of \$(38,608). The net pension liability/ (asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of January 1, 2015.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 7 - Defined Pension Plan (FPPA – Police Old Hire) – (continued)

For the year ended December 31, 2016, the Entity recognized pension expense of \$6,990. At December 31, 2016, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	5,192	-
Contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 5,192</u>	<u>\$ -</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	\$1,344
2018	\$1,344
2019	\$1,345
2020	\$1,159
2021	\$ -
Thereafter	\$ -

Actuarial assumptions. The total pension asset in December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2014, determines the contribution amounts for 2015 and 2016

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	6 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining activities are assumed to retire immediately
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment. Disabled: (pre-1980) RP-2000 Disabled Mortality Table All tables projected with Scale AA

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 7 - Defined Pension Plan (FPPA – Police Old Hire) – (continued)

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

LONG-TERM EXPECTED RETURN ON PLAN ASSETS

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	37.00 %	6.50 %
Equity Long/Short	10.00 %	4.70 %
Illiquid Alternatives	20.00 %	8.00 %
Fixed Income	16.00 %	1.50 %
Absolute Return	11.00 %	4.10 %
Managed Futures	4.00 %	3.00 %
Cash	<u>2.00 %</u>	0.00 % *
Total	100.00 %	

*While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

The figures in the above table were supplied by Fire and Police Pension Association Staff. Gabriel, Roeder, Smith & Company does not provide investment advice.

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/ (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption for the Measurement Period Ending December 31,2015		
1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.50%	7.50%	8.50%
<u>\$ (36,945)</u>	<u>\$ (38,608)</u>	<u>\$ (40,151)</u>

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at:<http://www.fppaco.org>.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 8 - Risk Management

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-1155, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverage's and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or 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 indemnify, in accordance with the bylaws, and member of CIRSA against liability or 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 coverage at reasonable costs.

All income and assets of CIRSA shall at all time be dedicated to the exclusive benefit of its members. All Colorado municipalities who are member of the Colorado Municipal League and own property are eligible to participate. The general objectives of the Agency are to provide member municipalities' defined liability and property coverage through joint self-insurance and to assist members in loss prevention measures. Any member may withdraw from the Agency by giving written notice to the Board of Directors of the prospective effective date of its withdrawal.

The Town recognizes an expense for coverage for the amount paid to CIRSA annually for these coverages. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the Town.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of CIRSA. The Board of Directors of the Agency is composed of seven directors elected by the members at the annual meeting to be scheduled in December of each year.

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Claims have not exceeded coverage in any of the last three fiscal years.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 9 - Retirement Plans

Defined Contribution Plan

The Town has a defined contribution plan for its employees which is administered by Colorado County Officials and Employees Retirement Association (CCOERA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings.

Employees are eligible to participate six months from the date of employment. Both the employees and the Town make a basic contribution up to 6% of the employee's salary.

Employees may make additional voluntary contributions not to exceed 10% of compensations. Participants vest in employer contributions and in earnings, losses and changes in fair market value of Plan assets at a rate of 20% per year. Any nonvested Town contributions forfeited by an employee who leaves the Town's employment are remitted to the Town.

The Town's total payroll in 2016 was \$ 1,156,430. The total payroll covered by the plan was \$ 794,083. A contribution of \$ 109,590 was made to the plan in 2016. This contribution consisted of the Town's contribution of \$ 47,645 and the employee's contributions of \$ 61,945, which is 4.75 % of the covered payroll per group of contributor.

Note 10 - Disability Plan

Police Department employees participating in the Statewide Death and Disability Fund (SWD&D) through the Fire & Police Pension Association of Colorado (FPPA) and are required to contribute 1.30% of their base earnings to the FPPA and the Town matches with a 1.30% contribution.

Note 11 - Operating Lease

The Town has an operating lease for the use of 45 golf carts with the Colorado Golf and Turf, Inc. with an annual rental lease on April 1 of \$ 15,562 for 2014 thru 2017.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 12 - Capital Assets

Capital assets activity for the year ended December 31, 2016 was as follows:

Governmental Activities	Balance January 1, 2016	Additions	Dispositions	Balance December 31, 2016
Capital assets not being depreciated				
Land	\$ 180,745	\$ -	\$ -	\$ 180,745
Construction in Progress	-	51,811	-	51,811
	<u>180,745</u>	<u>51,811</u>	<u>-</u>	<u>232,556</u>
Capital assets being depreciated				
Buildings	509,824	-	-	509,824
Improvements other than buildings	749,516	40,406	(59,238)	730,684
Infrastructure	8,262,121	527,134		8,789,255
Equipment	501,991	56,360	(16,419)	541,932
	<u>10,023,452</u>	<u>623,900</u>	<u>(75,657)</u>	<u>10,571,695</u>
Less accumulated depreciation				
Buildings	(191,545)	(14,554)	-	(206,099)
Improvements	(190,651)	(21,349)	15,643	(196,357)
Infrastructure	(1,193,025)	(206,072)	14,777	(1,384,320)
Equipment	(370,408)	(37,533)	-	(407,941)
	<u>(1,945,629)</u>	<u>(279,508)</u>	<u>30,420</u>	<u>(2,194,717)</u>
Capital assets depreciated, net	<u>8,077,823</u>	<u>344,392</u>	<u>(45,237)</u>	<u>8,376,978</u>
Total Governmental Activities Capital Assets	<u>\$ 8,258,568</u>	<u>\$ 396,203</u>	<u>\$ (45,237)</u>	<u>\$ 8,609,534</u>

Town of Cedaredge
Notes to the Financial Statements
December 31, 2016

Note 12 - Capital Assets – (continued)

	Balance January 1, 2016	Additions	Dispositions	Balance December 31, 2016
Business - Type Activities				
Capital assets not being depreciated				
Land and water rights	\$ 1,416,772	\$ -	\$ -	\$ 1,416,772
Capital assets being depreciated				
Collection system	7,475,918	1,772,792	-	9,248,710
Buildings and equipment	2,255,711	107,662	(25,758)	2,337,615
Treatment plant	5,801,197	42,558	-	5,843,755
Less accumulated depreciation	<u>(6,192,737)</u>	<u>(434,533)</u>	<u>25,758</u>	<u>(6,601,512)</u>
Capital assets being depreciated, net	<u>9,340,089</u>	<u>1,488,479</u>	<u>-</u>	<u>10,828,568</u>
Total Business-Type Activities Capital Assets	<u>\$ 10,756,861</u>	<u>\$ 1,488,479</u>	<u>\$ -</u>	<u>\$ 12,245,340</u>

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

General government	\$ 15,713	Golf Course	\$ 76,038
Public safety	23,783	Waterworks	247,946
Public works	213,922	Sewer	<u>110,549</u>
Culture and recreation	<u>26,090</u>	Total business activities	<u>\$ 434,533</u>
Total governmental activities	<u>\$ 279,508</u>		

Note 13 - Restatement of Net Position and Fund Balance

A correction was made to decrease net position in the Waterworks and Wastewater Funds for \$4,513 for interest receivable. Total changes decreased net position from \$8,835,449 to \$8,830,936 for the Business-Type Activities.

Note 14 – Residual transfer

The following is a list of the residual transfers for 2016 by fund:

	<u>Fund</u>	<u>Transfer in</u>	<u>Transfer out</u>
Forgiveness of loans	Golf Course	\$97,950	
Forgiveness of loans	General		\$16,000
Forgiveness of loans	Waterworks		<u>\$81,950</u>
Total		<u>\$97,950</u>	<u>\$97,950</u>

Transfer of a vehicle was made to the Golf Course from the General fund at a book value of \$816.

Supplementary Information

Town of Cedaredge
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
	\$	\$	\$	(Unfavorable)
Taxes	600,189	600,189	628,979	28,790
Licenses and permits	22,100	22,100	32,577	10,477
Intergovernmental revenues	1,528,314	1,533,314	792,058	(741,256)
Charges for services	113,000	113,000	73,871	(39,129)
Fines and forfeitures	7,000	7,000	4,004	(2,996)
Miscellaneous revenue	5,601	5,601	2,944	(2,657)
Sale of assets	7,500	7,500	815	(6,685)
Administrative costs	222,044	222,044	215,460	(6,584)
Total revenues	2,505,748	2,510,748	1,750,708	(760,040)
Expenditures				
Legislative	31,335	31,335	28,901	2,434
Municipal court	13,913	13,913	14,004	(91)
Administrative services	353,240	353,240	359,063	(5,823)
Elections	2,750	2,750	2,199	551
Economic development	3,640	3,640	3,143	497
Abatement mitigation	2,800	2,800	3,174	(374)
Animal control	5,761	5,761	3,440	2,321
Police department	516,731	516,731	494,687	22,044
Building inspection	7,289	7,289	12,154	(4,865)
Transportation	945,917	945,917	235,565	710,352
Facilities and Buildings	17,447	17,447	18,481	(1,034)
Public works	608,950	608,950	486,364	122,586
Open space, parks and recreation	39,066	49,066	50,856	(1,790)
Community development	3,268	3,268	2,812	456
Total Expenditures	2,552,107	2,562,107	1,714,843	847,264
Excess of revenues over				
(under) expenditures	(46,359)	(51,359)	35,865	87,224
Fund balance, January 1	323,855	323,855	308,981	(14,874)
Residual transfer	-	-	(16,816)	(16,816)
Fund balance, December 31	\$ 277,496	\$ 272,496	\$ 328,030	\$ 72,350

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Schedules of Required Supplementary Information
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Multiyear
Last 10 Fiscal Years (to be built prospectively)

Measurement period ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	\$ -	\$ 2,791								
Interest on the Total Pension Liability	2,419	-								
Benefit Changes	-	-								
Difference between Expected and Actual Experience	8,445	-								
Assumption Changes	3,072	-								
Benefit Payments	(7,868)	(7,638)								
Net Change in Total Pension Liability	6,068	(4,847)								
Total Pension Liability - Beginning	36,111	40,958								
Total Pension Liability - Ending (a)	\$ 42,179	\$ 36,111								
 Plan Fiduciary Net Position										
Employer Contributions	\$(71,091)	\$ -								
Pension Plan Net Investment Income	3,078	10,482								
Benefit Payments	(7,868)	(7,638)								
Pension Plan Administrative Expense	(575)	(3,127)								
State of Colorado supplemental discretionary payment	-	-								
Net Change in Plan Fiduciary Net Position	(76,456)	(283)								
Plan Fiduciary Net Position - Beginning	157,243	157,526								
Plan Fiduciary Net Position - Ending (b)	\$ 80,787	\$ 157,243								
Net Pension Liability/(Asset) - Ending (a) - (b)	(38,608)	(121,132)								
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	191.53%	435.44%								
Covered Employee Payroll	N/A	N/A								
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A								

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Schedule of Contributions to Pension Plan- Multiyear
Last 10 Fiscal Years (To be Built Prosepectively)

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2014	\$ -	\$ -	\$ -	N/A	N/A
2015	\$ -	\$ -	\$ -	N/A	N/A

** Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.*

The accompanying notes are an integral part of this statement.

**Town of Cedaredge
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016**

	Conservation Trust Fund	Capital Improvement Fund	Total Other Governmental Funds
Assets			
Cash and cash equivalents	\$ 81,284	\$ 281,497	\$ 362,781
Restricted cash	-	196,819	196,819
Due from other governments	-	13,968	13,968
Total assets	<u>\$ 81,284</u>	<u>\$ 492,284</u>	<u>\$ 573,568</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 2,000	\$ -	\$ 2,000
Total liabilities	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Fund balances:			
Restricted			
Parks and recreation	79,284	-	79,284
Committed			
Street Improvements	-	72,497	72,497
Town Hall	-	60,503	60,503
Capital Acquisitions	-	359,284	359,284
Total fund balances	<u>79,284</u>	<u>492,284</u>	<u>571,568</u>
Total liabilities and fund balances	<u>\$ 81,284</u>	<u>\$ 492,284</u>	<u>\$ 573,568</u>

Town of Cedaredge
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2016

	Conservation Trust Fund	Capital Improvement Fund	Total Other Governmental Funds
REVENUES			
Taxes	\$ -	\$ 181,142	\$ 181,142
Intergovernmental	53,366	-	53,366
Miscellaneous	96	366	462
Total revenues	<u>53,462</u>	<u>181,508</u>	<u>234,970</u>
EXPENDITURES			
Current:			
General government	-	42,111	42,111
Public works	-	38,281	38,281
Culture and recreation	45,462	-	45,462
Debt service payments	-	61,463	61,463
Total expenditures	<u>45,462</u>	<u>141,855</u>	<u>187,317</u>
Excess revenues over (under) expenditures	8,000	39,653	47,653
Fund balance, January 1	71,284	452,631	523,915
Fund balance, December 31	<u>\$ 79,284</u>	<u>\$ 492,284</u>	<u>\$ 571,568</u>

Town of Cedaredge
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		(Unfavorable)
Revenues				
State entitlement	\$ 22,000	\$ 22,000	\$ 24,116	\$ 2,116
Grants and contributions	3,000	11,125	29,250	18,125
Interest income	100	100	96	(4)
Total revenues	<u>25,100</u>	<u>33,225</u>	<u>53,462</u>	<u>20,237</u>
Expenditures				
Culture and recreation	32,100	46,225	45,462	763
Total expenditures	<u>32,100</u>	<u>46,225</u>	<u>45,462</u>	<u>763</u>
Excess of revenues over (under) expenditures	(7,000)	(13,000)	8,000	21,000
Fund balance, January 1	<u>72,087</u>	<u>72,087</u>	<u>71,284</u>	<u>(803)</u>
Fund balance, December 31	<u>\$ 65,087</u>	<u>\$ 59,087</u>	<u>\$ 79,284</u>	<u>\$ 20,197</u>

Town of Cedaredge
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
Sales tax	\$ 162,000	\$ 162,000	\$ 181,142	\$ 19,142
Interest earnings	500	500	366	(134)
Total revenues	<u>162,500</u>	<u>162,500</u>	<u>181,508</u>	<u>19,008</u>
Expenditures				
General Government	92,700	92,700	27,812	64,888
Public Works	31,722	31,722	38,281	(6,559)
Debt Service	60,863	60,863	75,762	(14,899)
Total expenditures	<u>185,285</u>	<u>185,285</u>	<u>141,855</u>	<u>43,430</u>
Excess of revenues over				
(under) expenditures	(22,785)	(22,785)	39,653	62,438
Fund balance, January 1	<u>315,008</u>	<u>315,008</u>	<u>452,631</u>	<u>137,623</u>
Fund balance, December 31	<u>\$ 292,223</u>	<u>\$ 292,223</u>	<u>\$ 492,284</u>	<u>\$ 200,061</u>

Town of Cedaredge
Statement of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Waterworks Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
Charges for services	\$ 600,000	\$ 600,000	\$ 581,863	\$ (18,137)
Capital replacement fee	99,000	99,000	126,232	27,232
Debt service fee	137,500	137,500	137,952	452
Grants	-	-	8,300	8,300
Interest revenue	100	100	2,014	1,914
Sale of asset	5,000	5,000	-	(5,000)
Miscellaneous	750	750	5,126	4,376
Total revenues	<u>842,350</u>	<u>842,350</u>	<u>861,487</u>	<u>19,137</u>
Expenditures				
Salaries and wages	241,008	241,008	245,832	(4,824)
Accounting and administrative fees	127,832	135,832	136,979	(1,147)
Office supplies and postage	5,450	5,450	5,320	130
Insurance and bonds	19,989	19,989	20,106	(117)
Utilities	26,050	26,050	27,236	(1,186)
Vehicle	8,500	8,500	11,079	(2,579)
Miscellaneous	-	-	1,557	(1,557)
Capital Outlay	238,000	238,000	91,304	146,696
System operations, maintenance and repairs	53,375	53,375	40,657	12,718
Consulting	15,000	15,000	42,141	(27,141)
Renewal application	12,000	12,000	9,387	2,613
Education and travel	1,250	1,250	291	959
Debt service	130,764	130,764	142,517	(11,753)
Total expenditures	<u>879,218</u>	<u>887,218</u>	<u>774,406</u>	<u>112,812</u>
Excess of revenues over (under) expenditures	(36,868)	(44,868)	87,081	131,949
Available resources, January 1	187,172	187,172	304,654	117,482
Add: loan principal payments	<u>-</u>	<u>-</u>	<u>(48,550)</u>	<u>(48,550)</u>
Available resources, December 31	<u>\$ 150,304</u>	<u>\$ 142,304</u>	<u>\$ 343,185</u>	<u>\$ 200,881</u>

Town of Cedaredge
Statement of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
				(Unfavorable)
Charges for services	\$ 573,000	\$ 573,000	\$ 563,281	\$ (9,719)
Miscellaneous	250	250	1,592	1,342
Grant	3,133,775	3,133,775	893,390	(2,240,385)
Interest income	500	500	90	(410)
Loan payments	-	-	-	-
Total revenues	<u>3,707,525</u>	<u>3,707,525</u>	<u>1,458,353</u>	<u>(2,249,172)</u>
Expenditures				
Salaries and wages	216,311	216,311	203,647	12,664
Accounting and administrative fees	116,072	124,072	128,341	(4,269)
Office supplies and postage	5,500	5,500	4,841	659
Insurance and bonds	6,000	6,000	6,172	(172)
Utilities	30,300	30,300	46,356	(16,056)
Vehicle and equipment	5,000	5,000	5,675	(675)
Miscellaneous	50	50	822	(772)
System operations, maintenance and repairs	23,750	23,750	24,934	(1,184)
Renewal application	1,600	1,600	3,876	(2,276)
Contract services	82,000	82,000	20,723	61,277
Education and travel	300	300	732	(432)
Debt service	50,000	50,000	50,000	-
Capital outlay	3,460,000	3,460,000	1,807,392	1,652,608
Total expenditures	<u>3,996,883</u>	<u>4,004,883</u>	<u>2,303,511</u>	<u>1,701,372</u>
Excess of revenues over (under) expenditures	(289,358)	(297,358)	(845,158)	(547,800)
Available resources, January 1	<u>495,148</u>	<u>495,148</u>	<u>905,776</u>	<u>410,628</u>
Available resources, December 31	<u>\$ 205,790</u>	<u>\$ 197,790</u>	<u>\$ 60,618</u>	<u>\$ (137,172)</u>

Town of Cedaredge
Statement of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Golf Course Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
				(Unfavorable)
User fees	\$ 352,400	\$ 352,400	\$ 324,574	\$ (27,826)
Merchandise sales	36,000	36,000	24,943	(11,057)
Restaurant operations	21,350	153,350	66,630	(86,720)
Interest income	150	150	25	(125)
Contributions	15,000	15,000	39,502	24,502
Sale of assets	-	-	698	698
Miscellaneous	1,600	1,600	8,298	6,698
Total revenues	<u>426,500</u>	<u>558,500</u>	<u>464,670</u>	<u>(93,830)</u>
Expenditures				
Golf course operations	358,508	358,508	363,177	(4,669)
Merchandise purchases	16,000	16,000	13,512	2,488
Restaurant operations	13,550	145,307	65,327	79,980
Capital outlay	33,585	33,585	24,317	9,268
Lease or debt payment	26,847	26,847	32,881	(6,034)
Total expenditures	<u>448,490</u>	<u>580,247</u>	<u>499,214</u>	<u>81,033</u>
Excess of revenues over				
(under) expenditures	(21,990)	(21,747)	(34,544)	(12,797)
Available funds, January 1	34,941	34,941	(63,409)	(98,350)
Less: accruals and loans	<u>-</u>	<u>-</u>	<u>102,766</u>	<u>102,766</u>
Available funds, December 31	<u>\$ 12,951</u>	<u>\$ 13,194</u>	<u>\$ 4,813</u>	<u>\$ (8,381)</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Cedaredge
	YEAR ENDING : December 2016
This Information From The Records Of (example - City of or County of Town of Cedaredge)	Prepared By: Tamera Francis Phone: 970-856-3123

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,948
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	157,551
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	635
2. General fund appropriations	110,810	b. Snow and ice removal	8,169
3. Other local imposts (from page 2)	433,884	c. Other	1,326
4. Miscellaneous local receipts (from page 2)	5,329	d. Total (a. through c.)	10,130
5. Transfers from toll facilities	0	4. General administration & miscellaneous	7,824
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	360,513
a. Bonds - Original Issues	0	6. Total (1 through 5)	537,966
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	31,463
7. Total (1 through 6)	550,023	b. Redemption	30,000
B. Private Contributions	0	c. Total (a. + b.)	61,463
C. Receipts from State government (from page 2)	91,453	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	641,476	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	61,463
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	599,429

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	870,000	0	30,000	840,000
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	274,126	641,476	599,429	316,173	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	366
b. Other local imposts:		b. Traffic Fines & Penalties	3,003
1. Sales Taxes	380,232	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	22,969	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	30,683	g. Other Misc. Receipts	1,960
6. Total (1. through 5.)	433,884	h. Other	0
c. Total (a. + b.)	433,884	i. Total (a. through h.)	5,329
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	81,347	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	10,106	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.)	10,106	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	91,453	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	1,948	0	1,948
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	1,948	0	1,948
			(Carry forward to page 1)

Notes and Comments:

Single Audit Section

Town of Cedaredge, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2016

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>FEDERAL CFDA NUMBER</u>	<u>2016 AMOUNT OF AWARD EXPENDED</u>
DEPARTMENT OF THE INTERIOR		
Passed Through Colorado Department of Local Affairs Distribution of Receipts to State and Local Government s	15.227	\$ 883,390
ENVIROMENTAL PROTECTION AGENCY		
Passed Through Colorado Water Resources & Power Development Authority	66.458	<u>572,307</u>
Total Expenditures of Federal Awards		<u>\$ 1,455,697</u>

Town of Cedaredge, Colorado
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Cedaredge, Colorado, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE B - REPORTING ENTITY

The financial reporting entity consists of Town of Cedaredge, Colorado (the Town) as the primary government; organizations for which the Town is financially accountable; and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete.

NOTE C - PASS-THROUGH AWARDS

The Town receives certain federal awards from pass-through awards from the State of Colorado. The amounts received are commingled by the State of Colorado with other funds. Only the federal amount of such pass-through awards is included in the Schedule of Expenditures of Federal Awards.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Town Council
Town of Cedaredge, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Cedaredge, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Town of Cedaredge, Colorado's basic financial statements, and have issued our report thereon dated May 3, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Cedaredge, Colorado's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Cedaredge, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Cedaredge, Colorado's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Cedaredge, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Town Council
Town of Cedaredge, Colorado
Page Two

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blain and Associates, P.C.

Cedaredge, Colorado
May 3, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Town Council
Town of Cedaredge, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Town of Cedaredge, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Cedaredge, Colorado's major federal programs for the year ended December 31, 2016. Town of Cedaredge, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Cedaredge, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Cedaredge, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Cedaredge, Colorado's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Cedaredge, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of the Town of Cedaredge, Colorado, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Cedaredge, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Cedaredge, Colorado's internal control over compliance.

To the Town Council
Town of Cedaredge, Colorado
Page Two

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Blair and Associates, P.C.
Cedaredge, Colorado
May 3, 2017

Town of Cedaredge, Colorado
Schedule of Findings and Questioned Costs
Year ended December 31, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
15.227	Distribution of Receipts to State and Local Governments
66.458	Capitalization Grant for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Town of Cedaredge, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -CONTINUED
Year ended December 31, 2016

SECTION II - Financial Statement Findings

None noted in the current year audit

SECTION III - Federal Award Findings and Questioned Costs

None noted in the current year audit

Town of Cedaredge, Colorado
Summary Schedule of Prior Year Auditing Findings
Year ended December 31, 2016

SECTION II - Financial Statement Findings

None

SECTION III - Federal Award Findings and Questioned Costs

None

STATISTICAL SECTION

This section of the Town of Cedaredge's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information says about the Town's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the readers understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

TOWN OF CEDAREdge
NET POSITION BY COMPONENT
2007-2016
(Accrual Basis of Accounting)

	2007 ²	2008	2009	2010	2011	2012 ³	2013	2014	2015	2016
Governmental Activities										
Capital assets net of related debt	\$ 7,063,731	\$ 7,062,065	\$ 6,949,567	\$ 6,801,783	\$ 6,794,495	\$ 6,767,918	\$ 7,199,583	\$ 7,028,987	\$ 7,367,654	\$ 7,731,392
Restricted	44,959	47,815	40,304	36,763	96,418	98,143	50,636	51,125	51,125	83,085
Reserved									121,881	43,800
Unrestricted	710,747	523,958	692,951	885,337	920,419	921,341	654,167	794,816	711,226	757,365
Total Governmental activities net of related debt	<u>\$ 7,819,437</u>	<u>\$ 7,633,838</u>	<u>\$ 7,682,822</u>	<u>\$ 7,723,883</u>	<u>\$ 7,811,332</u>	<u>\$ 7,787,402</u>	<u>\$ 7,904,386</u>	<u>\$ 7,874,928</u>	<u>\$ 8,251,886</u>	<u>\$ 8,615,642</u>
Business Type Activities										
Capital assets net of related debt	\$ 6,015,982	\$ 6,650,297	\$ 6,560,320	\$ 6,479,954	\$ 6,383,136	\$ 6,397,054	\$ 6,407,171	\$ 6,645,775	\$ 7,708,915	\$ 9,274,039
Restricted										
Reserved							91,359	104,616	117,693	117,693
Unrestricted	1,079,188	1,101,265	959,375	734,241	642,270	492,969	325,710	449,110	1,008,841	290,925
Total Business-Type Activities net of related debt	<u>\$ 7,095,170</u>	<u>\$ 7,751,562</u>	<u>\$ 7,519,695</u>	<u>\$ 7,214,195</u>	<u>\$ 7,025,406</u>	<u>\$ 6,890,023</u>	<u>\$ 6,824,240</u>	<u>\$ 7,199,501</u>	<u>\$ 8,835,449</u>	<u>\$ 9,682,657</u>
Primary Government										
Capital assets net of related debt	\$ 13,079,713	\$ 13,712,362	\$ 13,509,887	\$ 13,281,737	\$ 13,177,631	\$ 13,164,972	\$ 13,606,754	\$ 13,674,762	\$ 15,076,569	\$ 17,005,431
Restricted	44,959	47,815	40,304	36,763	96,418	98,143	50,636	51,125	51,125	83,085
Reserved							91,359	104,616	239,574	161,493
Unrestricted	1,789,935	1,625,223	1,652,326	1,619,618	1,562,689	1,414,310	979,877	1,243,926	1,720,067	1,048,290
Total Primary Government net position	<u>\$ 14,914,607</u>	<u>\$ 15,385,400</u>	<u>\$ 15,202,517</u>	<u>\$ 14,938,118</u>	<u>\$ 14,836,738</u>	<u>\$ 14,677,425</u>	<u>\$ 14,728,626</u>	<u>\$ 15,074,429</u>	<u>\$ 17,087,335</u>	<u>\$ 18,298,299</u>

² In compliance with GASB 34 the Town at December 31, 2007 calculated its infrastructure subsystem assets using the weighted average age.

Roads \$4,807,028, Bridges \$160,000, Signs and etc. \$13,600 for a total of \$4,980,628.

³ Beginning in 2012 the Town implemented the new financial reporting model as required by the provisions of GASB Statement 63. Before 2012 this information was reported as net assets.

TOWN OF CEDAREDDGE
Net (Expenses) Revenues and Changes in Net Position
2007-2016

Expenses	2007 ¹	2008	2009	2010	2011	2012 ²	2013	2014	2015	2016
Primary Government										
Governmental activities										
General government	\$ 379,127	\$ 441,987	\$ 417,080	\$ 416,348	\$ 372,310	\$ 399,258	\$ 405,981	\$ 402,417	\$ 386,722	\$ 450,569
Public Safety	\$ 502,812	\$ 577,968	\$ 557,827	\$ 552,533	\$ 478,740	\$ 540,871	\$ 584,044	\$ 552,741	\$ 559,945	\$ 600,949
Public Works in Administration	\$ 114,528	\$ 269,269	\$ 309,864	\$ 276,189	\$ 302,383	\$ 353,540	\$ 355,010	\$ 420,904	\$ 448,587	\$ 426,349
Culture & Recreation	\$ 62,215	\$ 306,387	\$ 22,613	\$ 40,741	\$ 60,882	\$ 294,489	\$ 49,605	\$ 95,487	\$ 97,658	\$ 82,002
Total governmental activities	\$ 1,058,682	\$ 1,595,611	\$ 1,307,384	\$ 1,285,811	\$ 1,214,315	\$ 1,588,158	\$ 1,394,640	\$ 1,471,549	\$ 1,492,912	\$ 1,559,869
Business-type activities										
Water	\$ 656,687	\$ 824,168	\$ 849,173	\$ 818,979	\$ 783,386	\$ 820,536	\$ 838,870	\$ 841,426	\$ 835,086	\$ 873,287
Sewer	\$ 342,305	\$ 321,470	\$ 354,633	\$ 350,453	\$ 380,388	\$ 403,197	\$ 432,702	\$ 421,010	\$ 430,918	\$ 556,668
Golf Course	\$ 585,459	\$ 590,226	\$ 539,785	\$ 555,747	\$ 541,065	\$ 459,994	\$ 476,125	\$ 459,967	\$ 446,613	\$ 506,138
Total business-type activities expenses	\$ 1,584,451	\$ 1,735,864	\$ 1,743,591	\$ 1,725,179	\$ 1,704,839	\$ 1,683,727	\$ 1,747,697	\$ 1,722,403	\$ 1,712,617	\$ 1,936,093
Total primary government expenses	\$ 2,643,133	\$ 3,331,475	\$ 3,050,975	\$ 3,010,990	\$ 2,919,154	\$ 3,271,885	\$ 3,142,337	\$ 3,193,952	\$ 3,205,529	\$ 3,495,962
Revenues										
Governmental activities										
Program Revenues										
Charges for services										
General government	\$ 210,215	\$ 170,598	\$ 148,649	\$ 130,229	\$ 143,101	\$ 193,011	\$ 163,439	\$ 170,908	\$ 185,403	\$ 181,895
Public Safety	\$ 16,360	\$ 30,380	\$ 15,544	\$ 62,596	\$ 32,401	\$ 14,263	\$ 23,789	\$ 24,162	\$ 21,810	\$ 37,674
Public Works in Administration	\$ 36,465	\$ 27,980	\$ 93,473	\$ 107,703	\$ 116,304	\$ 95,450	\$ 119,436	\$ 139,104	\$ 85,816	\$ 102,292
Culture & Recreation	\$ 15,086	\$ 24,199	\$ 9,723	\$ 11,635	\$ 25,026	\$ -	\$ -	\$ -	\$ 866	\$ 4,051
Total governmental program revenues	\$ 278,126	\$ 253,157	\$ 267,389	\$ 312,163	\$ 316,832	\$ 302,724	\$ 306,664	\$ 334,174	\$ 293,895	\$ 325,912
Operating grants										
General government						\$ 190,500				
Public Safety						\$ -				
Public Works in Administration	\$ 67,893	\$ 66,030	\$ 81,221	\$ 81,359	\$ 81,965	\$ 80,542	\$ 78,460	\$ 79,460	\$ 81,669	\$ 81,347
Culture & Recreation	\$ 21,363	\$ 21,601	\$ 20,201	\$ 19,953	\$ 19,923	\$ 43,001	\$ 28,725	\$ 42,460	\$ 24,187	\$ 53,366
Total governmental activities operating grants	\$ 89,256	\$ 87,631	\$ 101,422	\$ 101,312	\$ 101,888	\$ 314,043	\$ 107,185	\$ 121,920	\$ 105,856	\$ 134,713
Capital Grants										
General government						\$ -			\$ 419,282	\$ 530,718
Public Safety						\$ -			\$ -	\$ -
Public Works in Administration	\$ 256,860					\$ -	\$ 233,475	\$ 16,525	\$ -	\$ -
Culture & Recreation	\$ 233,529	\$ 75,027			\$ 33,500	\$ -			\$ 11,000	\$ 8,468
Total governmental activities capital grants	\$ 490,389	\$ 75,027	\$ -	\$ -	\$ 33,500	\$ -	\$ 233,475	\$ 16,525	\$ 430,282	\$ 539,186
Total governmental activities program revenues	\$ 857,771	\$ 415,815	\$ 368,811	\$ 413,475	\$ 452,220	\$ 616,767	\$ 647,324	\$ 472,619	\$ 830,033	\$ 999,811
Business-type activities										
Charges for services										
Water	\$ 721,772	\$ 696,666	\$ 690,534	\$ 694,182	\$ 746,558	\$ 789,831	\$ 735,605	\$ 762,729	\$ 784,458	\$ 846,047
Sewer	\$ 257,798	\$ 243,594	\$ 238,525	\$ 226,657	\$ 277,493	\$ 350,606	\$ 474,610	\$ 844,137	\$ 563,208	\$ 563,281
Golf Course	\$ 347,097	\$ 418,499	\$ 446,895	\$ 409,405	\$ 379,501	\$ 403,433	\$ 375,662	\$ 356,295	\$ 370,856	\$ 402,635
Total Business-type operating revenue	\$ 1,326,667	\$ 1,358,759	\$ 1,375,954	\$ 1,330,244	\$ 1,403,552	\$ 1,543,870	\$ 1,585,877	\$ 1,963,161	\$ 1,718,522	\$ 1,811,963

TOWN OF CEDAREDDGE
Net (Expenses) Revenues and Changes in Net Position
2007-2016

Continued	2007 ²	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating grants and contributions										
Water										
Sewer										
Golf Course										
Total business-type activities operating grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital grants										
Water	\$ 1,099,700	\$ 111,500	\$ 7,950	\$ -	\$ -	\$ -	\$ -	\$ 51,600	\$ 30,000	\$ -
Sewer	\$ 22,000									
Golf Course										
Total Business-type capital grants	\$ 1,121,700	\$ 111,500	\$ 7,950	\$ -	\$ -	\$ -	\$ 51,600	\$ 30,000	\$ -	\$ -
Net (expense) revenue										
Governmental activities	\$ (200,911)	\$ (1,179,796)	\$ (938,573)	\$ (872,336)	\$ (762,095)	\$ (971,391)	\$ (747,316)	\$ (998,930)	\$ (662,879)	\$ (560,058)
Business-type activities	\$ 863,916	\$ (265,605)	\$ (359,687)	\$ (394,935)	\$ (301,287)	\$ (139,857)	\$ (110,220)	\$ 270,758	\$ 5,905	\$ (124,130)
Total primary government net (expense) revenue	\$ 663,005	\$ (1,445,401)	\$ (1,298,260)	\$ (1,267,271)	\$ (1,063,382)	\$ (1,111,248)	\$ (857,536)	\$ (728,172)	\$ (656,974)	\$ (684,188)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes	\$ 588,753	\$ 685,955	\$ 660,765	\$ 674,209	\$ 629,955	\$ 675,850	\$ 672,853	\$ 634,507	\$ 714,766	\$ 731,178
Property taxes										
Specific ownership										
Sales tax and miscellaneous										
Franchise taxes	\$ 55,274	\$ 84,701	\$ 73,153	\$ 68,509	\$ 73,327	\$ 74,759	\$ 79,037	\$ 77,582	\$ 76,509	\$ 78,943
Intergovernmental	\$ 274,823	\$ 197,759	\$ 136,499	\$ 107,693	\$ 100,815	\$ 124,493	\$ 109,281	\$ 222,206	\$ 127,385	\$ 171,525
Miscellaneous	\$ 41,710	\$ 23,970	\$ 36,248	\$ 12,737	\$ 30,890	\$ 51,211	\$ 11,237	\$ 27,893	\$ 17,159	\$ 1,332
Investment income	\$ 40,126	\$ 22,561	\$ 20,822	\$ 14,489	\$ 13,758	\$ 8,548	\$ 6,892	\$ 7,284	\$ 555	\$ 2,074
Sale of Assets			\$ 60,000	\$ 60,800	\$ 25,759	\$ 41,600	\$ -	\$ -	\$ (6,852)	\$ (44,422)
Transfers			\$ (40,000)	\$ (25,000)	\$ (25,000)	\$ (29,000)	\$ (15,000)	\$ -	\$ -	\$ -
Total governmental activities	\$ 1,000,686	\$ 1,014,946	\$ 947,487	\$ 913,437	\$ 849,504	\$ 947,461	\$ 864,300	\$ 969,472	\$ 929,522	\$ 940,630
Business-type activities										
Intergovernmental						\$ 10,225		\$ 1,572,319	\$ 901,690	
Miscellaneous	\$ 64,666	\$ 871,783	\$ 52,249	\$ 62,395	\$ 37,424	\$ 43,638	\$ 25,723	\$ 39,071	\$ 51,149	\$ 54,518
Investment income	\$ 221,870	\$ 50,214	\$ 28,772	\$ 2,040	\$ 5,693	\$ 3,850	\$ 3,714	\$ 5,020	\$ 2,918	\$ 2,129
Sale of Assets					\$ 57,600	\$ (82,239)		\$ 39,040	\$ (856)	\$ 698
Transfers			\$ 40,000	\$ 25,000	\$ 25,000	\$ 29,000	\$ 15,000	\$ 21,372	\$ -	\$ -
Total Business-type activities	\$ 286,536	\$ 921,997	\$ 121,021	\$ 89,435	\$ 125,717	\$ 4,474	\$ 44,437	\$ 104,503	\$ 1,625,530	\$ 959,035
Total Primary Government	\$ 1,287,222	\$ 1,936,943	\$ 1,068,508	\$ 1,002,872	\$ 975,221	\$ 951,935	\$ 908,737	\$ 1,073,975	\$ 2,555,052	\$ 1,899,665
Governmental activities										
Change in Net Position	\$ 799,775	\$ (164,850)	\$ 8,914	\$ 41,101	\$ 87,409	\$ (23,930)	\$ 116,984	\$ (29,458)	\$ 262,130	\$ 380,572
Net Position January 1	\$ 2,039,028	\$ 7,819,431	\$ 7,633,838	\$ 7,682,822	\$ 7,723,923	\$ 7,811,332	\$ 7,787,402	\$ 7,904,386	\$ 7,985,243	\$ 8,251,886
Infrastructure Net Position ²	\$ 4,980,628									
Prior Period Adjustment		\$ (20,743)								\$ (16,816)
Net Position December 31	\$ 7,819,431	\$ 7,633,838	\$ 7,642,752	\$ 7,723,923	\$ 7,811,332	\$ 7,787,402	\$ 7,904,386	\$ 7,874,928	\$ 8,247,373	\$ 8,615,642
Business-type activities										
Change in Net Position	\$ 1,150,452	\$ 656,392	\$ (238,666)	\$ (305,500)	\$ (175,570)	\$ (135,383)	\$ (65,783)	\$ 375,261	\$ 1,635,948	\$ 834,905
Net Position January 1	\$ 5,944,718	\$ 7,095,170	\$ 7,751,562	\$ 7,519,695	\$ 7,200,976	\$ 7,025,406	\$ 6,890,023	\$ 6,824,240	\$ 7,199,501	\$ 8,830,936
Residual Transfer			\$ 46,869							\$ 16,816
Net Position December 31	\$ 7,095,170	\$ 7,751,562	\$ 7,559,765	\$ 7,214,195	\$ 7,025,406	\$ 6,890,023	\$ 6,824,240	\$ 7,199,501	\$ 8,835,449	\$ 9,682,657
Total Primary Government	\$ 14,914,601	\$ 15,385,400	\$ 15,202,517	\$ 14,938,118	\$ 14,836,738	\$ 14,677,425	\$ 14,728,626	\$ 15,074,429	\$ 17,082,822	\$ 18,298,299

¹ In compliance with GASB 34 the Town at December 31, 2007 calculated its infrastructure subsystem assets using the weighted average age. Roads \$4,807,028, Bridges \$160,000, Signs and etc. \$13,600 for a total of \$4,980,628.

² Beginning in 2012 the Town implemented the new financial reporting model as required by the provisions of GASB Statement 63. Before 2012 this information was reported as net assets.

TOWN OF CEDAREIDGE
FUND BALANCE OF GOVERNMENTAL FUNDS
2007-2016
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011 ¹	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 44,959	\$ 47,815	\$ 40,304	\$ 36,763						
Unreserved	652,661	434,447	430,989	522,571						
Restricted					\$ 96,418	\$ 98,143	\$ 50,636	\$ 51,125	\$ 51,125	\$ 83,085
Unassigned					459,096	489,187	310,261	358,037	257,856	244,945
Total General Fund	<u>\$ 697,620</u>	<u>\$ 482,262</u>	<u>\$ 471,293</u>	<u>\$ 559,334</u>	<u>\$ 555,514</u>	<u>\$ 587,330</u>	<u>\$ 360,897</u>	<u>\$ 409,162</u>	<u>\$ 308,981</u>	<u>\$ 328,030</u>
All other Governmental Funds										
Reserved				\$ 40,000						
Unreserved, reported in:										
Special Revenue Funds	\$ 114,022	\$ 165,351	\$ 308,094	\$ 392,169						
Capital Project Funds										
Restricted					\$ 53,081	\$ 51,413	\$ 58,045	\$ 65,987	\$ 71,284	\$ 79,284
Committed										
Street Improvements					\$ 318,109	\$ 307,392	\$ 83,828	\$ 117,436	\$ 72,497	\$ 72,497
Assigned										
Town Hall					\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,503	\$ 60,503
Capital Acquisitions					\$ 91,069	\$ 82,022	\$ 209,786	\$ 267,523	\$ 319,631	\$ 359,284
Unassigned										
Total All other Governmental Funds	<u>\$ 114,022</u>	<u>\$ 165,351</u>	<u>\$ 308,094</u>	<u>\$ 432,169</u>	<u>\$ 522,259</u>	<u>\$ 500,827</u>	<u>\$ 411,659</u>	<u>\$ 510,946</u>	<u>\$ 523,915</u>	<u>\$ 571,568</u>
Total Governmental Funds										
Reserved	\$ 44,959	\$ 47,815	\$ 40,304	\$ 76,763						
Unreserved	652,661	434,447	430,989	522,571						
Unreserved, reported in:										
Special Revenue Funds	114,022	165,351	308,094	392,169						
Restricted					\$ 149,499	\$ 149,556	\$ 108,681	\$ 117,112	\$ 122,409	\$ 162,369
Committed					\$ 318,109	\$ 307,392	\$ 83,828	\$ 117,436	\$ 72,497	\$ 72,497
Assigned					\$ 151,069	\$ 142,022	\$ 269,786	\$ 327,523	\$ 380,134	\$ 419,787
Unassigned					\$ 459,096	\$ 489,187	\$ 310,261	\$ 358,037	\$ 257,856	\$ 244,945
Total Governmental Fund Balance	<u>\$ 811,642</u>	<u>\$ 647,613</u>	<u>\$ 779,387</u>	<u>\$ 991,503</u>	<u>\$ 1,077,773</u>	<u>\$ 1,088,157</u>	<u>\$ 772,556</u>	<u>\$ 920,108</u>	<u>\$ 832,896</u>	<u>\$ 899,598</u>

¹ Beginning with fiscal year 2011, the Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions".

TOWN OF CEDAREDDGE
Changes in Fund Balances of Governmental Funds
2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 644,027	\$ 770,656	\$ 733,918	\$ 742,718	\$ 703,282	\$ 750,609	\$ 751,890	\$ 712,089	\$ 791,275	\$ 810,121
Licenses and permits	\$ 36,465	\$ 51,816	\$ 32,324	\$ 36,660	\$ 23,715	\$ 19,904	\$ 27,088	\$ 38,020	\$ 25,270	\$ 32,577
Intergovernmental revenues	\$ 854,468	\$ 360,417	\$ 237,921	\$ 208,254	\$ 202,703	\$ 248,036	\$ 445,095	\$ 378,518	\$ 663,523	\$ 845,424
Charges for Services	\$ 227,726	\$ 184,954	\$ 219,521	\$ 232,726	\$ 317,657	\$ 463,899	\$ 276,166	\$ 274,026	\$ 260,658	\$ 289,331
Fines & forfeitures	\$ 13,935	\$ 16,387	\$ 15,544	\$ 10,860	\$ 8,960	\$ 9,421	\$ 7,256	\$ 4,261	\$ 7,967	\$ 4,004
Miscellaneous revenue	\$ 81,836	\$ 46,531	\$ 57,070	\$ 59,894	\$ 44,648	\$ 59,759	\$ 19,129	\$ 35,177	\$ 17,714	\$ 3,406
Total revenues	\$ 1,858,457	\$ 1,430,761	\$ 1,296,298	\$ 1,291,112	\$ 1,300,965	\$ 1,551,628	\$ 1,526,624	\$ 1,442,091	\$ 1,766,407	\$ 1,984,863
Expenditures										
General government	\$ 389,533	\$ 418,094	\$ 401,936	\$ 428,405	\$ 375,955	\$ 409,394	\$ 1,518,664	\$ 408,156	\$ 449,810	\$ 471,743
Public Safety	\$ 536,173	\$ 556,507	\$ 538,012	\$ 586,194	\$ 480,096	\$ 566,346	\$ 563,184	\$ 577,514	\$ 543,607	\$ 528,697
Public works in Administration	\$ 541,569	\$ 267,438	\$ 214,128	\$ 159,155	\$ 296,157	\$ 304,116	\$ 661,273	\$ 244,275	\$ 704,744	\$ 760,210
Culture and recreation	\$ 459,491	\$ 332,008	\$ 30,448	\$ 26,137	\$ 104,763	\$ 273,988	\$ 29,104	\$ 93,594	\$ 76,937	\$ 96,318
Debt Service payments									\$ 71,062	\$ 75,762
Total expenditures	\$ 1,926,766	\$ 1,574,047	\$ 1,184,524	\$ 1,199,891	\$ 1,256,971	\$ 1,553,844	\$ 2,772,225	\$ 1,323,539	\$ 1,846,160	\$ 1,932,730
Excess (deficiency) of revenues over expenditures	\$ (68,309)	\$ (143,286)	\$ 111,774	\$ 91,221	\$ 43,994	\$ (2,216)	\$ (1,245,601)	\$ 118,552	\$ (79,753)	\$ 52,133
Other financing sources (uses)										
Lease proceeds										
Sale of Assets			\$ 60,000	\$ 60,800	\$ 67,276	\$ 41,600			\$ 4,107	\$ 815
Loan proceeds				\$ 45,025	\$ -	\$ -	\$ 945,000	\$ 29,000	\$ -	\$ 30,570
Operating Transfers in (out)			\$ (40,000)	\$ (25,000)	\$ (25,000)	\$ (29,000)	\$ (15,000)			
Total other financing sources (uses)			\$ 20,000	\$ 80,825	\$ 42,276	\$ 12,600	\$ 930,000	\$ 29,000	\$ 4,107	\$ 31,385
Net Change to Fund Balance	\$ (68,309)	\$ (143,286)	\$ 131,774	\$ 172,046	\$ 86,270	\$ 10,384	\$ (315,601)	\$ 147,552	\$ (75,646)	\$ 83,518

TOWN OF CEDAREdge
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
2007-2016
(accrual basis of accounting)

FISCAL YEAR	Sales & Use Tax	Property Tax	Specific Ownership	Cigarette Tax	Franchise Tax	Mineral & Severance	Motor Vehicle	Highway User Tax	County Road & Bridge Tax	Motor Fuel Tax	Total
2007	\$ 443,917	\$ 123,809	\$ 24,697	\$ 3,167	\$ 55,275	\$ 53,517	\$ 10,027	\$ 78,868	\$ 9,911	\$ 909	\$ 804,097
¹ 2008	\$ 528,299	\$ 132,285	\$ 23,633	\$ 2,716	\$ 80,624	\$ 116,442	\$ 10,362	\$ 66,556	\$ 10,564	\$ 1,559	\$ 973,040
² 2009	\$ 498,858	\$ 138,961	\$ 21,784	\$ 2,426	\$ 71,890	\$ 102,520	\$ 10,266	\$ 71,221	\$ 10,353	\$ 10	\$ 928,288
2010	\$ 510,162	\$ 141,975	\$ 19,539	\$ 2,533	\$ 68,509	\$ 73,983	\$ 9,908	\$ 81,359	\$ 10,597	\$ 21	\$ 918,586
2011	\$ 465,786	\$ 143,467	\$ 18,345	\$ 2,356	\$ 73,327	\$ 80,656	\$ 9,402	\$ 81,965	\$ 10,757	\$ 23	\$ 886,083
2012	\$ 508,473	\$ 145,656	\$ 19,426	\$ 2,268	\$ 74,786	\$ 104,624	\$ 9,368	\$ 80,542	\$ 10,501	\$ 50	\$ 955,695
2013	\$ 507,274	\$ 143,071	\$ 20,235	\$ 2,220	\$ 79,037	\$ 83,402	\$ 9,485	\$ 78,460	\$ 10,394	\$ 52	\$ 933,631
2014	\$ 544,489	\$ 143,764	\$ 21,747	\$ 2,089	\$ 77,582	\$ 53,748	\$ 9,746	\$ 79,460	\$ 9,787	\$ 35	\$ 942,446
2015	\$ 547,532	\$ 143,743	\$ 21,301	\$ 2,191	\$ 76,509	\$ 72,978	\$ 9,903	\$ 81,669	\$ 9,800	\$ -	\$ 965,624
2016	\$ 562,559	\$ 144,780	\$ 21,504	\$ 2,335	\$ 78,943	\$ 31,434	\$ 10,106	\$ 81,347	\$ 9,179	\$ -	\$ 942,187

¹ First year of .5% sales tax dedicated to major street improvement.

² The Town began purchasing bulk fuel tax exempt rather than purchasing at a retail pump and receiving a refund on fuel tax.

**TOWN OF CEDAREDDGE
ASSESSED AND ACTUAL PROPERTY VALUES FOR 2007-2016**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant Assessed	\$ 2,412,620	\$ 3,269,220	\$ 4,048,085	\$ 4,069,770	\$ 2,752,910	\$ 2,702,306	\$ 1,654,676	\$ 1,629,127	\$ 1,288,330	\$ 1,320,881
Vacant Actual	\$ 8,319,379	\$ 11,273,172	\$ 13,958,971	\$ 14,033,690	\$ 9,492,793	\$ 9,318,117	\$ 5,705,546	\$ 5,617,448	\$ 4,442,661	\$ 4,554,908
Residential Assessed	\$ 13,076,420	\$ 13,530,510	\$ 14,540,312	\$ 14,551,780	\$ 13,285,130	\$ 13,213,455	\$ 11,544,959	\$ 11,551,974	\$ 11,075,220	\$ 11,156,818
Residential Actual	\$ 164,276,633	\$ 169,981,281	\$ 182,667,425	\$ 182,811,307	\$ 166,898,618	\$ 165,996,643	\$ 145,039,027	\$ 145,127,103	\$ 139,135,471	\$ 140,160,530
Commercial Assessed	\$ 3,979,600	\$ 3,975,140	\$ 4,187,749	\$ 4,729,390	\$ 4,141,620	\$ 4,543,937	\$ 4,227,600	\$ 4,274,264	\$ 4,725,829	\$ 4,591,808
Commercial Actual	\$ 13,722,759	\$ 13,707,379	\$ 14,440,522	\$ 16,308,241	\$ 14,281,448	\$ 15,668,785	\$ 14,577,902	\$ 14,738,816	\$ 16,295,951	\$ 15,833,809
Industrial Assessed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,278	\$ -	\$ -	\$ 34,591	\$ 34,591
Industrial Actual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,441	\$ -	\$ -	\$ 119,279	\$ 119,279
Agricultural Assessed	\$ 11,900	\$ 11,900	\$ 26,984	\$ 27,400	\$ 28,260	\$ 63,055	\$ 43,836	\$ 42,622	\$ 30,408	\$ 36,336
Agricultural Actual	\$ 41,034	\$ 41,034	\$ 93,049	\$ 94,483	\$ 97,448	\$ 590,690	\$ 151,157	\$ 146,971	\$ 104,855	\$ 125,293
Natural Resources Assessed	\$ 10,450	\$ 30	\$ 26	\$ 30	\$ 30	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26
Natural Resources Actual	\$ 36,034	\$ 103	\$ 91	\$ 103	\$ 103	\$ 91	\$ 91	\$ 91	\$ 91	\$ 87
State Assessed	\$ 563,620	\$ 578,430	\$ 63,961	\$ 592,070	\$ 512,600	\$ 571,135	\$ 44,516	\$ 60,818	\$ 81,256	\$ 67,305
State Actual	\$ 1,943,517	\$ 1,994,586	\$ 220,555	\$ 2,041,621	\$ 1,767,586	\$ 1,969,433	\$ 153,503	\$ 209,717	\$ 280,193	\$ 232,086
Total Taxable Assessed	\$ 20,054,610	\$ 21,365,230	\$ 22,867,117	\$ 23,970,440	\$ 20,720,550	\$ 21,093,914	\$ 17,515,613	\$ 17,558,831	\$ 17,201,069	\$ 17,173,174
Total Taxable Actual	\$ 188,339,356	\$ 196,997,555	\$ 211,380,613	\$ 215,289,444	\$ 192,537,997	\$ 193,579,200	\$ 165,627,226	\$ 165,840,146	\$ 160,378,501	\$ 161,025,992
NOTES:										
SOURCE:										
1) All property other than residential improved property assessed at 29% of Actual Value, except oil and gas production which is assessed at 87.5% of Actual Value.										
2) Residential property assessed at varying percentages of Actual Value under Colorado Constitutional Amendment as follows: 1999-2000 - 9.74%, 2001-2002: 9.15%, 2003-2013 - 7.96%.										
Source:										
Delta County Assessor										
dgriffith@deltacounty.com										
(970) 874-2127										
501 Palmer St., Ste 210										
Delta, CO 81416										

Top Fifteen Assessed Properties in Cedaredge by Owner

2007			2016		
OWNER NAME	ACTUAL	ASSESSED	OWNER NAME	ACTUAL	ASSESSED
4H INVESTMENTS LLC	699557	202870	BLACK HILLS GAS DISTRIBUTION	10617937	3079202
CEDAREEDGE PROPERTIES LLC	603661	175060	CEDAREEDGE PROPERTIES LLC	1339827	388549
WAMPUS LLC	555304	161040	DELTA COUNTY TELE-COMM INC	1146169	332389
MONTROSE BANK	476872	138290	DELTA COUNTY TELE-COMM INC	1225379	355360
SATHER PAMELA SUE TRUST	471800	136820	BLOOMER FAMILY TRUST	936066	271459
B AND S INVESTMENTS LLC	408907	118580	WAMPUS LLC	716090	207666
FIRST NATIONAL BANK OF CEDAREEDGE	478547	111790	GRAND MESA MINI STORAGE LLC	614169	178109
WIGGER KURT	360000	104400	LUTZKER LAND HOLDINGS LLC	601596	174463
SARVER ANTHONY W REVOCABLE TRUST	338603	98200	BANK OF COLORADO	584767	169582
HOTZ PERRY	335643	97340	HAZEN JOHN WASTON II	577597	167503
WILLIAMS CONSTANCE L	302071	87600	DELTA-MONTROSE ELECTRIC ASSOC	397393	115244
HILL STEPHEN B	300272	87080	B AND S INVESTMENTS LLC	374407	108578
ROBINSON CANNADY	297405	86250	FOGG CHANNING	366675	106336
BHASKER DEBRA A PC	295395	85660	WILLIAMS CONSTANCE L	356159	103286
LOCKE FAMILY REVOCABLE TRUST	611735	84660	SARVER ANTHONY W REVOCABLE TRUST	347520	100781

Source:

Delta County Assessor

dgriffith@deltacounty.com

(970) 874-2127

501 Palmer St., Ste 210

Delta, CO 81416

**TOWN OF CEDAREdge
PROPERTY TAX LEVIES AND COLLECTIONS
2007-2016**

	Mill Levy	Temporary Reduction	Total Tax Levied	Property Tax Collected	Percent of Levy Collected
	7.980				
2007	7.639	0.341 \$	121,679 \$	123,809	101.75%
2008	6.500	1.480 \$	132,555 \$	132,285	99.80%
2009	6.620	1.360 \$	141,431 \$	138,961	98.25%
2010	5.959	2.021 \$	142,557 \$	141,975	99.59%
2011	5.966	2.014 \$	142,857 \$	143,467	100.43%
2012	6.931	1.049 \$	143,157 \$	145,656	101.75%
2013	6.785	1.195 \$	143,192 \$	143,071	99.92%
2014	7.672	0.308 \$	143,367 \$	143,764	100.28%
2015	7.731	0.249 \$	143,909 \$	143,743	99.88%
2016	7.906	0.077 \$	144,892 \$	144,780	99.92%

Tax lien sale in November for any property taxes not paid in the current year.

TOWN OF CEDAREdge
Outstanding Debt by Type
2007-2016

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>				<u>Total Primary Gov</u>
	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>Capital Leases</u>	<u>Water Loan</u>	<u>Wastewater Loan</u>	<u>Bonds Payable</u>	<u>Capital Leases</u>	
2007			\$ 29,922	\$ 542,732		\$ 2,536,276	\$ 213,347	\$ 3,322,277
2008			\$ 18,232	\$ 458,798		\$ 2,430,490	\$ 162,400	\$ 3,069,920
2009			\$ 6,201	\$ 379,383		\$ 2,350,794	\$ 119,388	\$ 2,855,766
2010			\$ 32,173	\$ 296,966		\$ 2,293,226	\$ 83,731	\$ 2,706,096
2011			\$ 18,409	\$ 211,273		\$ 2,236,284	\$ 38,401	\$ 2,504,367
2012			\$ 3,667	\$ 122,194		\$ 2,197,379	\$ 224,387	\$ 2,547,627
2013	\$ 925,000		\$ -	\$ 29,557		\$ 2,156,852	\$ 159,779	\$ 3,271,188
2014	\$ 900,000		\$ 29,000	\$ -		\$ 2,114,990	\$ 92,948	\$ 3,136,938
2015	\$ 870,000		\$ 20,914	\$ -	\$ 975,000	\$ 2,070,661	\$ 27,285	\$ 3,963,860
2016	\$ 840,000		\$ 38,142	\$ -	\$ 925,000	\$ 2,024,853	\$ 21,448	\$ 3,849,443

<u>Population Year</u>	<u>Area</u>	<u>Sector</u>	<u>Jobs</u>
2016	Delta County	Estimated Total Jobs	unavailable
2015	Delta County	Estimated Total Jobs	12375
2014	Delta County	Estimated Total Jobs	12349
2013	Delta County	Estimated Total Jobs	12485
2012	Delta County	Estimated Total Jobs	12378
2011	Delta County	Estimated Total Jobs	12343
2010	Delta County	Estimated Total Jobs	12216
2009	Delta County	Estimated Total Jobs	12681
2008	Delta County	Estimated Total Jobs	13244
2007	Delta County	Estimated Total Jobs	13120

Source : Colorado Department of Labor State Demographics Website
https://dola.colorado.gov/demog_webapps/jsn_parameters.jsf

Population by Age Group Colorado Municipalities - 2010

Municipality	Median Age	Under 15	Aged 15 to 24	Aged 25 to 44	Aged 45 to 64	Aged 65+	Total Population
Cedaredge	51	366	181	403	643	660	2,253

Source : Colorado Department of Labor State Demographics Website
<http://dola.colorado.gov/dlg/demog/2010censusdata.html#>

School District 51 Statistical Information

	2016	2015	2014	2013	2012	2011
Employment ¹	101	85.5	89	114	126	104
Enrollment						
Cedaredge Elementary School	355	336	367	372	391	383
Cedaredge Middle School	200	202	219	210	206	221
Cedaredge High School	263	262	248	239	249	259
Surface Creek Vision ²					222	232
Total	818	800	834	821	1,068	1,095
Enrollment						
Surface Creek Vision ²	117	130	130	140		

¹ Employment change for 2013-2012 includes bus drivers & food services not reported for 2011 and prior.

² The Vision school changed to a Charter School in 2013, enrollment dropped as parents were concerned about how Vision looked as a Charter School and sought other options.

Over the last few years there has been a decrease of students, due to the decline in energy related jobs.

Source: Jim Ventrello
Delta County Schools
jim.ventrello@deltaschools.com

Source: Caryn Braddy
Vision Charter Schools
(970) 874-8226

TOWN OF CEDAREDDGE
Full-Time Equivalent Town Government Employees by Function
2007-2016

DEPARTMENT	2007 ¹	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL FUND										
Administration	3.85/0/1 \$ 204,108	4.85/1/0 \$ 208,446	4.85/1/0 \$ 259,925	4.85/1/0 \$ 267,742	3.85/1/0 \$ 222,577	3.85/1/0 \$ 237,131	3.925/0/0 \$ 232,000	3.925/0/0 \$ 241,795	3.925/0/0 \$ 238,910	4.925/0/0 \$ 270,803
Legislation	0/7/0 \$ 13,892	0/7/0 \$ 13,272	0/7/0 \$ 12,053	0/7/0 \$ 19,954	0/7/0 \$ 19,627	0/7/0 \$ 19,627	0/7/0 \$ 14,674	0/7/0 \$ 14,675	0/7/0 \$ 16,495	0/7/0 \$ 16,238
Police Department	6/0/0 \$ 350,617	7/1/0 \$ 373,128	7/1/0 \$ 391,605	7/1/0 \$ 399,380	7/1/0 \$ 385,190	7/1/0 \$ 440,691	7/1/0 \$ 436,470	8/0/0 \$ 483,640	8/0/0 \$ 460,290	8/0/0 \$ 450,642
Animal Control	1/1/0 \$ 34,382	1/25/0 \$ 44,433	1/25/0 \$ 44,113	1/25/0 \$ 48,249	0/90/25 \$ 22,910	0/90/0 \$ 22,585	0/90/0 \$ 22,585			
Building Dept	05/0/0 \$ 2,441						0/1/0 \$ 4,936	0/1/0 \$ 5,500	0/1/0 \$ 5,398	0/1/0 \$ 10,904
Municipal Court	0/0/0 \$ -	0/0/0 \$ -	0/2/0 \$ 13,378	0/2/0 \$ 13,703	0/2/0 \$ 13,703	0/2/0 \$ 13,378	0/2/0 \$ 13,468	0/2/0 \$ 13,468	0/2/0 \$ 11,839	0/2/0 \$ 10,580
Transportation	85/0/0 \$ 46,889	2/0/0 \$ 74,338	1/0/1 \$ 76,925	2/0/0 \$ 72,404	2/0/0 \$ 64,723	2/0/0 \$ 89,326	2/0/25 \$ 90,247	3/0/0 \$ 144,668	3/0/0 \$ 135,020	2/0/0 \$ 90,382
Open Space, Park	45/0/0 \$ 21,979	0/0/25 \$ 6,574		0/0/25 \$ 2,611	0/0/0 \$ 2,611		0/0/25 \$ 6,813	0/0/25 \$ 9,995	0/0/25 \$ 10,505	0/0/25 \$ 11,269
Motor Pool	1/0/0 \$ 35,509									
Community Devel									0/7/0 \$ 1,454	0/7/0 \$ 1,481
Gross Wages	\$ 709,817	\$ 720,191	\$ 797,999	\$ 824,043	\$ 731,341	\$ 822,738	\$ 821,193	\$ 913,741	\$ 879,910	\$ 862,300
WATER FUND	4.5/0/0 \$ 235,912	4/1/0 \$ 222,755	4/0/0 \$ 225,155	4/0/0 \$ 241,009	4/0/0 \$ 230,667	4/0/0 \$ 214,623	4/0/0 \$ 235,471	4/0/0 \$ 230,114	3.5/0/0 \$ 218,557	4/0/0 \$ 245,832
SEWER FUND	2.65/0/0 \$ 140,180	3/0 \$ 138,561	3/0/0 \$ 146,171	3/0/0 \$ 161,013	3/0/0 \$ 154,651	3/0/0 \$ 176,088	3/0/0 \$ 180,368	3/0/0 \$ 183,055	2.5/0/0 \$ 171,550	3/0/25 \$ 203,648
GOLF COURSE										
Pro Shop	1/4/2 \$ 115,509	1/2/1.25 \$ 120,230	1/2.07/1 \$ 115,618	1/4/3 \$ 113,467	1/5/3 \$ 106,635	1/5/3 \$ 105,516	1/5/5 \$ 103,498	1/5/5 \$ 113,527	1/5/5 \$ 105,416	1/5/5 \$ 105,339
GC Maintenance	2/0/1 \$ 150,086	2/0/2 \$ 149,252	2/0/2 \$ 154,961	2/0/3 \$ 158,754	2/0/3 \$ 144,215	1/0/4 \$ 127,678	1/0/6 \$ 107,375	1/0/5 \$ 120,445	1/0/5 \$ 118,151	1/0/6 \$ 118,966
Restaurant										
Gross Wages	\$ 265,595	\$ 269,482	\$ 270,579	\$ 272,221	\$ 250,850	\$ 233,194	\$ 210,873	\$ 233,972	\$ 223,568	\$ 224,305
	23/12/4	24.85/11.25/3.5	23.85/13.07/4	22.85/14.8/6.25	21.05/15.6/6.25	21.85/15.6/7	21.93/16.65/11.5	23.93/15/10.25	22.925/22/10.25	23.925/22/11.5
Total Gross Wages	\$1,235,996	\$1,350,989	\$1,439,904	\$1,498,286	\$1,367,509	\$1,446,643	\$1,447,905	\$1,560,882	\$1,493,584	\$1,536,084

¹ Prior to 2007 employees were not budgeted in FTE units. Employee counts prior to 2007 would not be comparable to current counts and are therefore not presented. FTE/PTE/TE = Full Time Employee/Part-time Employee/Temporary Employee

TOWN OF CEDAREdge
Operational Statistics by Fund
2007 - 2016

General Fund Operation Statistics

TYPES	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business License Issued	224	294	289	311	321	309	320	347	372	372
Cat License Issued	66	56	36	30	23	22	22	17	15	13
Dog License Issued	245	242	249	204	187	236	186	189	197	328
Golf Cart Registrations		0	0	2	7	6	10	9	8	8
Cedaredge Facility Applications		112	101	87	91	89	74	80	59	80
Land Use Applications		15	7	3	3	1	14	7	4	3
Building Permits Issued					47	38	40	47	47	45
Resolutions	29	32	29	41	47	23	28	21	24	26
Ordinances	17	10	13	34	10	11	10	9	10	6
Police Incidents		1037	1452	1180	1066	1109	1350	1170	615	903
Dog Owners Cited		3	9	7	37	10	8	5	8	36
Road Material used in Tons		20	18	16	31	347	310	209	126	103
Work orders issued ¹		320	410	320	561	576	393	1096	934	762

Golf Course Fund Operation Statistics

TYPES	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue from Annual Passes	\$77,698	\$88,246	\$133,627	\$109,200	\$89,710	\$98,886	\$97,030	\$92,840	\$113,611	\$82,866
Revenue from Green Fees	\$131,528	\$141,906	\$145,832	\$139,318	\$130,549	\$142,504	\$129,537	\$118,824	\$127,882	\$124,600
Revenue from Cart Fees	\$103,388	\$129,366	\$130,687	\$122,566	\$122,025	\$117,754	\$115,135	\$110,586	\$102,187	\$101,680
Average Public Fee per Round	\$25.65	\$24.58	\$27.65	\$25.68	\$24.97	\$26.26	\$25.55	\$24.54	\$26.97	\$26.30
18 hole Rounds Played	13539	13795	13868	12240	11960	12424	11729	10628	10392	9900
Days Golf Course Open	310	275	298	270	275	309	256	262	263	260

Water Fund Operation Statistics

TYPES	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
New Connections or Taps		0	1	0	0	1	0	5	2	4
Gallons Treated (Millions)		172	180	199	186	192	160	151	154	174
Average Daily Gallons Treated (Millions)		0.471	0.493	0.558	0.510	0.526	0.438	0.414	0.043	0.047
Gallons Metered (Millions)		175	136	189	153	166	120	115	112	170

Sewer Fund Operation Statistics

TYPES	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
New Connections or Taps		0	1	0	0	1	0	4	3	5
Peak Month		June	May	May	June	January	December	October	August	June
Gallons Treated (Millions)		60.83	64	60.59	60.79	54.77	57.41	51.75	46.08	59.06
Average Daily Gallons Treated (Millions)		0.167	0.175	0.166	0.179	0.150	0.157	0.142	0.126	0.161

¹ Work orders issued changed in 2014 due to new Work Order software which allows for internal work orders and other monthly, quarterly, and annual maintenance.



Town of Cedaredge
2016 Performance Evaluation



Report Provided by

Kathleen Ann Sickles – Town Administrator

Dan Sanders – Police Chief

Jerry Young and Scott Lock – Public Works co-Directors

Larry Murphy – Golf Course Pro

Golf Course Superintendent



10-300/401	Administrative Services	79
10-305/406	Legislative Branch	79
10-310/411	Elections	79
10-315/416	Economic Development.....	79
10-320/421	Police Department.....	80
10-322/423	Animal Control.....	80
10-324/425	Building Inspection	81
10-326/427	Abatement and Mitigation	81
10-328/429	Municipal Court	81
10-330/431	Transportation	81
10-332/433	Facilities	82
10-336/437	Open Space, Parks and Recreation	82
10-338/439	Community Development.....	82
10-361/461	Public Works Reserved/Restricted	82
51-350/451	Water Enterprise Fund	83
52-360/461	Wastewater Treatment Enterprise Fund	83
54-370/476	Golf Course Enterprise Fund	84
70-380/489	Capital Improvement Fund	86
70-385/485 and 70-386/486	Major Street Improvement	86
71-390/491	Trust Fund LOTTO	86

10-300/401 Administrative Services

What is Administrative Services?

Administrative services are located and operate from Town Hall at 235 W Main St. Administrative services provide financial, administrative, personnel, billing and governmental function support to all Town operations.

Mission Statement:

Provide professional administrative support for the operational, financial and customer service functions of the Town.

Budget Analysis:

Although sales and property tax continues to be stable, the town is anticipating reductions in mineral and severance tax. All general fund expenditures will be similar to 2015.

Performance Outcomes:

An intern was hired to work on economic development projects with a \$20,000 grant from DOLA. The administrative staff will continue to provide support operations as economically as possible. Administration services for Wastewater Treatment Plant construction and grant administration will continue to impact staff resources.

2016 Performance Analysis:

Administrative Services revenue was 100% and expenses 101% of budget. Employee wellness programs continue to be positive programs for employees. Training and educational opportunities were provided. New employees included a Town Clerk and Intern. WWTF construction comprised major admin hours.

10-305/406 Legislative Branch

Summary:

Legislative Branch is the elected governing body of Cedaredge a Home Rule town with one mayor and six trustees, called the Board of Trustees aka Town Council. These seven individuals serve the public by making decisions on public policy. All public policy decisions by the Legislative Branch are considered and adopted at regularly scheduled Town Council meetings and work sessions. All members of the public are encouraged to become involved in an assortment of activities before and after public decisions are made.

2016 Performance Analysis:

Legislative Branch expense was 92% of budget. The Board of Trustees adopted Ordinance 2015-10 regarding compensation for the Board of Trustees. New compensation rates applied to the new elected and appointed official. Ordinance 2015-10 will be fully implemented after the April 2018 election.

10-310/411 Elections

Summary:

Elections are the foundation of forming and maintaining a Board of Trustees, local taxes and local governing laws that require a vote of the people. In 2016, a municipal election is anticipated for Mayor and three Trustee positions.

2016 Performance Analysis:

An April 5th a municipal election was held, with two mayoral candidates and two trustee candidates. The unelected mayoral candidate was appointed to a two-year Trustee term. Election expenses 80% of budget.

10-315/416 Economic Development

Summary:

The Town has initiated small steps towards supporting Economic Development. The Cedaredge Business Support Group (CBS-Group) is currently an active group focusing on Economic Development. The CBS Group meets regularly throughout the year and supports organizational activities for economic health and business improvements. The Business License registration fees are revenues in this account the expenditures will be directed and reviewed by the CBS Group.

2016 Performance Analysis:

Economic Development revenue was 133% and expenses 86% of budget. The 3rd annual Celebrate Cedaredge was held June 4. The CBS Group continues business enhancement efforts.

10-320/421 Police Department

What is Police Department Services?

The Cedaredge Police Department currently consists of six (6) sworn police positions, an Administrative Assistant and Code/Animal Enforcement Officer. The Cedaredge Police Department has been Accredited by the State since September 2011. All six Cedaredge Officers should be P.O.S.T. Certified by January 2016. All officers receive numerous hours of additional training each year to maintain their proficiency level. The Department is centrally housed at 140 NW 2nd Street, Cedaredge, Colorado 81413, telephone number (970) 856-4301, fax number (970) 856-4304.

Mission Statement:

Maintaining quality of life in the Town of Cedaredge, while continuing to respect individual liberties and personal dignity will be the benchmark used to gauge our success in the delivery of law enforcement services. Remaining mindful of the people's will, and continuing to be responsive to the Town of Cedaredge's needs will be the standards that our performance is measured against. The elimination of criminal activity as it affects quality of life will be our mission, and it will continue to be so, as long as crime deprives citizens of their right to feel secure in their homes and in their lives. The delivery of timely, courteous, quality service is the mandate to the men and women of the Cedaredge Police Department, always without the use of unnecessary force, and always with the intent of solving problems for the citizens who call on us. Our goal will always be to serve the public with pride, professionalism, and integrity.

Budget Analysis:

The proposed budget is the minimum necessary to accomplish the goal of maintaining the mission of service to the Cedaredge Community. The K9 acquisition is anticipated in 2016 with additional training needs for the K9 officer. The last two tasers will be purchased in 2016. Patrol car payments are within the Capital Improvement Fund.

Performance Outcomes:

Chief Sanders has served Cedaredge since 2004 and Sergeant Spike since 2008. All of the officers bring a great deal of depth to the police department to serve the community sincerely and professionally. They continue the mission of protecting the lives and property of the citizens and enforcing the municipal ordinances while serving with Pride Integrity and Honor.

2016 Performance Analysis:

Police department revenue was 33% and expenses 96%. In 2016, Cedaredge Police Department had one FTE personnel change. The department maintained the volunteer Victim Advocate position and 4 reserve police officer positions that operate under the department's policy and authority. K9 funds were held over to 2017 with no activity to report regarding 2016. The final two Taser XPs were purchased and placed into field operations. One 2016 Police Interceptor was purchased, outfitted and placed into field use. Two speed radar units were purchased and placed into field use. Code Red reverse 911 system share was paid and the department utilized it for field operations. System network maintenance and support was contracted with Deeply Digital Inc., all systems performed as needed throughout the year with maintenance, and repair cost going up in 2016. All required training and certifications were accomplished and maintained for all department employees.

10-322/423 Animal Control

Summary:

Animal Control labor expenditures are funded within the Police Department as part of code enforcement. The major portion of this funding is in support of the Friends of Cedaredge Animal Control shelter operations in addition to minimal funding for feral cat management.

2016 Performance Analysis:

Animal Control revenue was 204% and expenses 60% of budget. The Animal Shelter was deeded to Friends of Cedaredge Control. Animal Control Operations in coordination with community organizers conducted two separate low cost dog vaccination clinics. Animal Control Officer attended approximately 20 hours of formal professional development. Repairs were required on the animal control vehicle keeping it operational through 2016 repairs are near overall value. The department plans to replace this vehicle in 2017. A feral cat program was not defined in 2016.

10-324/425 Building Inspection

Summary:

Building inspection is an autonomous arm of development to enforce and provide regulatory oversight of building and construction while remaining responsive to building contractors requests and questions.

2016 Performance Analysis:

Building Inspection revenue was 162% and expenses 167% of budget. The increase in building permits is a positive sign that development opportunities are improving. The Building Inspector continues to train and be effective in communicating building codes to the community.

10-326/427 Abatement and Mitigation

Summary:

The Town can initiate corrective action to property that presents a public health threat. The most common public town initiatives are funds to reduce Culex mosquitoes by roadside mosquito control. Most private property is abated through a judicial process.

2016 Performance Analysis:

Abatement and Mitigation revenue was 125% and expenses 113% of budget. Two roadside mosquito control sprays took place in 2016.

10-328/429 Municipal Court

Summary:

Municipal Court of the Town as defined by municipal code 2.24.010 shall be constituted as a qualified municipal court of record pursuant to C.R.S. 13-10-102(3) and said court shall operate in conformity with the provisions set forth within these regulations. Funds are budgeted to maintain a monthly municipal court.

2016 Performance Analysis:

Municipal Court revenue was 61% and expenses 101% of budget.

10-330/431 Transportation

What is Transportation?

The Cedaredge transportation system includes all streets and public rights-of-way operated and maintained by the Town.

Mission Statement:

Provide the community with a transportation infrastructure that provides a safe, cost effective, and sustainable transportation and mobility system for the movement of people and goods. “Good roads cost less” is our philosophy, which comes from a belief backed by statistics that high-quality, durable roads planned in conjunction with or acting as a drainage system, when regularly maintained, will provide longer-lasting, less expensive roads in the long run.

Budget Analysis:

The 2016 Town transportation budget should provide public works with minimal funds to repair and provide snow removal for town streets. Crack seal is budgeted to preserve limited town streets. No resurfacing is planned for 2016. The goal is to keep up with severe damage like pot holes. The Town will continue to support All Points Transit, manage storm water and street right of ways within available resources. Employee expense is intended to compensate employees for an assortment of public works

facilities, including water and sewer funded by indirect charges. Lack of adequate funding for streets, bridges and storm water maintenance is a prevalent problem throughout Colorado. State, County and Local Governments depend on fuel tax that has not been raised since 1991 as a charge per gallon. Gallons of fuel sold has continued to decrease while vehicle road miles have increased and the cost of road maintenance has multiplied many times since the mid 1980's. Colorado's transportation funding lags behind many western states.

2016 Performance Outcomes:

Fix potholes and provide snow removal services. Complete the Highway 65 and Main Street Enhancement project. Contract with engineer to complete engineering for replacement of the Jay Ave Bridge. Support a variety of Town programs.

2016 Performance Analysis:

Transportation Fund revenue was 65% and expenses 44% of budget. The grant funded Highway 65 and Main Street was delayed another year. A new plow and sander were purchased this year to replace equipment that had exceeded its useful lifespan. Crack sealing took place on SE Pinyon, SE Pine, SE Spruce Way, and SE Stonebridge. A concerted and ongoing effort was made to patch potholes with cold patch. A portion of the road millings reclaimed from the West Main Street Project were used on gravel roads in Town. Road millings will be used on alleys and gravel roads in the future.

10-332/433 Facilities

Summary:

The Facilities includes all Town buildings, properties, and their associated accessories and contents within general fund operations. It is the goal of Public Works to provide appropriate and well maintained facilities.

2016 Performance Analysis:

Facilities revenue was 124% and expenses 106% of budget.

10-336/437 Open Space, Parks and Recreation

Summary:

Town funds are set aside to develop, operate or update open space, parks or recreation. The Town has a limited trail system with a trail plan, one town park, skate park, flower program and works with the School District on shared outdoor recreation facilities. The Tree Board is included in this charted account. In addition the Recreation and Cultural Advisory Committee is relied upon to discuss and make recommendations to the Cedaredge Board of Trustees on recreation and cultural activities. There are an assortment of restricted accounts based on larger projects that are funded by grants. In 2015, a community High Country Park project took place with a new trail created.

2016 Performance Analysis:

Park revenue was 201% and expenses 103% of budget.

10-338/439 Community Development

Summary:

Community Development is currently the Planning and Zoning Commission. Town of Cedaredge Planning and Zoning Commission Vision and Mission: To retain the small town character with its natural mesa openness and create positive economic and living opportunities for current and future residents. The purpose of the Commission shall be to take the lead in preparing the Town's Comprehensive Plan with continuing duties regarding all Land Use Codes. The Historic Preservation Board expenses are included as part of this category.

2016 Performance Analysis: Community Development revenue was 50% and expenses 86% of budget.

10-361/461 Public Works Reserved/Restricted

Summary:

Public Works Reserved Restricted revenue was 88% and expenses 80% of budget per Resolution 11-2015.

51-350/451 Water Enterprise Fund

What is Raw Water Collection Treatment and Distribution?

This enterprise is funded to manage the Cedaredge water system, including all water rights, resources and assets owned, operated, and maintained by the Town relating to the collection, treatment, storage, transmission, and distribution of domestic water resources. Cedaredge collects spring and surface water from the Grand Mesa, treats and distributes for use by domestic, commercial and governmental customers.

Mission Statement:

Provide dependable water service in the desired quantities at a quality level that meets or exceeds regulatory standards in a cost effective manner through thoughtful management and operational practices, and appropriate application of technology. Be responsible stewards of the Town's water infrastructure and natural resources. Uphold the Town's standards and specifications.

Budget Analysis:

The 2016 budget for Water Operations should fund additional new meters, continue the investigation of leaks and engineering within areas of failing waterlines, replacement of critical waterlines near Cedar and Birch Avenue, a second year of replacement of media at the treatment plant, raw water collection maintenance, continuing investment regarding Pressure Reducing Vaults and monitoring of Northridge. The water treatment and distribution is being operated optimally with committed Operator in Responsible Charge (ORC) and support staff acquiring higher levels of training.

Performance Outcomes:

A number of medium sized projects are planned for the water system with a mixture of contract and in house work while moving ahead with the construction phase of the Town's new Wastewater Treatment Facility (WWTF). Staff continue to seek solutions to accurately monitor Northridge for potential water loss. Upper Surface Creek Domestic Water Users Association (USCDWUA) have filed suit regarding their 20% ownership of the water collection and treatment infrastructure. It is unknown how legal action will affect the water fund. Cook Ditch organization was not accomplished in 2015 and will be scheduled for 2016. Continue to uphold the Town's water quality and quantity.

2016 Performance Analysis:

Water Fund revenue was 102% and expenses were 96% of budget. The Town settled with USCDWUA for \$175,000 to be paid in 2017. The Cook Ditch organization was not accomplished in 2016.

Raw Water: Much of the raw waterline system was inspected this year with several repairs being made. A new ATV was purchased to assist with inspection, operation and repair.

Water Plant: All the material was purchased to re-class the #4 filter at the water plant. Work is scheduled to begin in early 2017.

Distribution System: New meter reading equipment was purchased this year along with approximately 60 new radio read meters. It is ongoing project to replace touch read and faulty meters with radio read meters. The SE Greenwood Project was postponed to be included with the Highway 65 Project, which is scheduled to take place in 2017.

52-360/461 Wastewater Treatment Enterprise Fund

What is Wastewater Treatment Collection and Treatment?

For the fees collected from system users, the Town must collect the portion of our treated domestic water that has been soiled by all types of human use, transfer in a sanitary manner to a treatment facility, and treat it to a level suitable for release back into highly regulated state waters. The town is responsible to prevent or regulate discharge to the sewer system.

Mission Statement:

To provide dependable sewer collection and treatment and discharge the effluent at a quality level that meets or exceeds regulatory standards in a cost effective manner through innovative management and operational practices, using appropriate application of technology. To be responsible stewards of the Town's sewer infrastructure and waters discharged to. After all, water is our most important resource.

Budget Analysis:

The new Wastewater Treatment Facility started construction July 2015 and is scheduled to be complete December 31, 2016. Staff will continue to operate the sewer lagoons and manage collection issues throughout the new WWTF construction phase. Training will be provided to operate the new WWTF.

Performance Outcomes:

Dedicated funds, such as; grants, loans and reserves for the new WWTF will be managed throughout 2016. Continued routine maintenance on the collection system will be augmented by selected jetting and manhole rehabilitation as funds have been increased to properly maintain the system. A part-time Sewer Lagoon operator was hired and will remain on staff until the WWTF Operator position is filled and properly staffed. One pickup will be replaced within this fund.

2016 Performance Analysis:

Wastewater Treatment Fund revenue was 39.3% and expenses were 13.9% of budget. The fulltime WWTF operator position was filled January 2016 while retaining the part-time WWTF operator on staff through 2016.

New WWTF Construction: *Figure 1* estimate was provided at the adoption of the 2016 budget. The facility discharged on May 4, 2016, 26 months ahead of the July 1, 2018 compliance schedule. The project was 2% or \$118,110 over the estimate. Light construction continued into the summer and fall, with full completion that ended in 2016.

Wastewater Treatment Facility

The Town will begin construction on a Wastewater Treatment Facility (Sequencing Batch Reactor) to replace the Sewer Lagoons around the first of July. The Town received five bids for construction with an apparent low bid of \$4,274,400. The estimated revenue and expenditures from initial design to ribbon cutting below.

<u>Revenue</u>	
Department of Local Affairs (EIAF)	\$2,211,000
Colorado Department of Public H&E	\$1,050,000
SRF CWRPDA Grant	\$20,000
SRF Principal Loan Forgiveness	\$457,761
SRF CWRPDA Loan (0% Interest)	\$1,000,000
Town of Cedaredge (Sewer) Reserves	<u>\$673,949</u>
TOTAL	\$5,312,710
<u>Expenditures</u>	
Engineering Testing Inspection	\$615,710
Construction	\$2,784,500
Equipment	<u>\$1,912,500</u>
TOTAL	\$5,312,710

Figure 1

The following is the actual cost:

Revenue

Department of Local Affairs (EIAF)	\$2,211,000
Colorado Department of Public H&E	\$1,050,000
SRF CWRPDA Grant	\$20,000
SRF Principal Loan Forgiveness	\$457,761
SRF CWRPDA Loan (0% Interest)	\$1,000,000
Town of Cedaredge	<u>\$692,059</u>
TOTAL	\$5,430,820

Expenditures

Engineering/Testing/Inspection	\$636,122
Construction	\$2,794,600
Equipment	<u>\$2,000,098</u>
TOTAL	\$5,430,820

Sanitary Sewer Collection System: Public Works continues the goal of finding manholes and raising them to grade. Public Works responded to two emergency backup calls. Approximately 17,500 feet of line were jetted, which accounts for approximately 13% of the entire system. This is below our goal of jetting 20% of the system annually in addition to "trouble spots", but is an increase over years past.

54-370/476 Golf Course Enterprise Fund

What is Golf Course Operations?

The Cedaredge Golf Club serves as an attraction for the Town of Cedaredge by providing a recreational golfing opportunity for those interested in playing social and tournament golf. The clubhouse provides a social gathering place for groups and individuals as well as dining for those living and visiting the Town of Cedaredge.

Mission Statement:

The Golf Club is owned by the Town of Cedaredge and is entrusted to the Town's Board of Trustees. Cedaredge Golf Club provides the opportunity and access for everyone to enjoy the game of golf at a fair and reasonable price. The Golf Course protects the local environment and wildlife habitat, which enhances the town's open space. Cedaredge Golf Club strives to provide the best playing conditions, best customer service, and the finest golfing experience on the Western Slope.

Budget Analysis:

Annual green fee and cart fee passes will remain consistent with 2015. Expenditures continue to decrease to match expected revenues. Local and state marketing programs are in place to maximize usage of the facility.

Performance Outcomes:

Continue efforts to market Cedaredge Golf Club and maintain the course within available resources.

Restaurant Summary: The Town leases space to a private company to operate a restaurant. The lease entered spring of 2014 with K & C's Local Grill may be terminated by the owner effective 2016. The desired outcome is that the restaurant operations cover the dining area expenses and provides a satisfactory food service to the community and convenience for the golfing public.

2016 Restaurant Performance Outcomes: Golf Pro Larry Murphy managed the opening and operation of the Clubhouse restaurant. The restaurant provided packaged food and canned refreshments for golfers with limited food service in the evenings and weekends.

2016 Performance Review for the Cedaredge Golf Club:

Golf Course Fund revenue was 83% and expenses 90%.

Golf Rounds and Financial Report:

The 2016 year ending 18 hole rounds of Golf were down 4.5% compared to 2015. Total rounds for 2016 were 9,960 compared to 10,392 in 2015. Public rounds for 2016 were unchanged compared with 2015 rounds. The remaining annual Pass-holder rounds for 2016 were down 4.5% due to the loss of 21 annual pass holders for 2016.

Breakdown of 2016 Revenue compared with 2015 Revenue:

Green Fees: Down 2%

Annual Golf Passes (green fees): Down 27%

Golf Carts: Unchanged

Driving Range: Down 7%

Merchandise Gross Sales: Down 2%

Gross Profit Margin was the same in 2015.

Golf Shop Operations: The emphasis is to provide excellent customer service to our pass holders and club guests as a result of employee training and direct supervision. Part-time and temporary staff at the course includes front counter, cart and groundskeepers. Full time staff includes one golf pro and a superintendent. The vacated superintendent position candidate will begin employment February 2017.

Public Relations: The Golf Committee actively met through the season and provided feedback about policies and course playability. Feedback from the golfers about course conditions was positive while following through with improvements as suggested. Volunteers continue to benefit the golf operations.

Marketing: Marketing efforts continue to define the Cedaredge Golf Club brand in all advertising forms.

- ✓ Emphasis placed on directing golfers to www.cedaredgegolf.com with new e-subscribers.
- ✓ Develop social media presence for the Golf Club through Facebook.
- ✓ Retain core golfers (Annual Pass Holders)
- ✓ Encourage frequent golfers to play more through dynamic pricing of green fees
- ✓ Encourage new players through golf clinics and junior programs
- ✓ Continue Western Slope Players Card and other programs that encourage return customers.

2017 Golf Outlook: The state of golf in Colorado for 2017 is projected to look about the same as 2016. Most Colorado Golf Courses in 2016 were up slightly in revenue. The three main factors that affect revenues are "sign up" for annual passes, weather, and local/state economy. The 2017 goal for Cedaredge will be to offer the best golfing value and customer service for the fees charged. Local golf courses will continue to put pressure on Cedaredge to discount fees; however, the goal is to maximize all fees without lowering below resources necessary to maintain the course.

70-380/486 Capital Improvement Fund

What is Capital Improvement Fund?

Capital improvements are town streets, water and sewer system improvements, municipal buildings, motor vehicles, including police vehicles, and other capital expenditures. Ordinance 2004-4 2/19/2004 approved by the voters April 6, 2004. Resolution 5-2004

Mission Statement:

Capital expenditures costs.

Budget Analysis:

The capital expenditures include a telephone system and consistent Microsoft Office software versions starting with administration and providing to other departments as funding is available. Hunsicker Cafeteria will not be funded until the served public and entity engages in the process. Large improvements were made to complete Phase I of the Civic Center. In the Police Department the second year of three years for one new police vehicle, a first year on three years for a second police car and radar units adequate to provide service within new technology. In Public Works funds for a park mower and Enhancement Project at Main Street and Highway 65.

Performance Outcomes:

Use revenues effectively to continue to invest in capital improvements within the general fund operations of the Town.

2016 Performance Analysis:

Capital Improvements Fund revenue was 112% and expenses 77% of budget. Main Street Enhancement was postponed again. Expenditures included police vehicle payments, park mower, irrigation diversion box, utility vehicle, telephone replacement at Town Hall and MS Office 2016 for all computers.

70-385/485 and 70-386/486 Major Street Improvement

Summary:

Major Street Improvement within the Capital Improvements Fund is a fund for major street improvements. Ordinance 2007-8 & Resolution 11-2007 adopted 7/19/2007 approved by the voters November 6, 2007. All sales tax revenues have been restricted for bond obligations since mid-March 2013 for 10 years.

71-390/491 Trust Fund LOTTO

What is Trust Fund LOTTO?

The Trust Fund LOTTO is in accordance with C.R.S. 29-21-101. Revenues are generated from population as determined by the decennial census.

Mission Statement:

Comply with C.R.S. 29-21-101 and provide timely and accurate reports to the State. The Recreation and Cultural Advisory Committee will be relied upon to make recommendations to the Cedaredge Board of Trustees on recreation and cultural activities within the Town and support county area existing recreation and cultural activities.

Budget Analysis:

Tennis Court re-painting, Use of Trust funds for a pedestrian bridge, Community Garden and Golf Course maintenance.

Performance Outcomes:

Provide funding for Parks in the General Fund, the Golf Course open space and support Community Garden efforts by being a pass through for funds donated by Delta County.

2016 Performance Analysis:

The Trust Fund Lotto revenue was 213% and expenses 94% of budget. Town funds totaling \$23,332 and Delta County grant of \$28,500 to fund \$51,832 worth of the following projects; irrigation modification at SW Centennial Plaza, security cameras at the skate park, park upgrades for Applefest, park mower, skate park resurfacing, irrigation diversion box, tennis court light extensions, tennis court resurfacing and park curb stop/bumpers. An amount of \$15,000 was used for Golf Course fertilizer. In addition, the Town was a pass through for Delta County's grant for the Community Garden.