

TOWN OF FREDERICK, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2016



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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the Town Council
Town of Frederick
Frederick, Colorado

INDEPENDENT AUDITORS' REPORT

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 Frederick, Colorado, as of and for the year ended December 31, 2016, which collectively comprise the basic financial statements of the Town, as listed in the table of contents. These financial statements are the responsibility of the Town of Frederick, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Frederick, 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 and budgetary comparison information on pages 35-39 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 Fredericks' basic financial statements. The combining and individual fund schedules and State compliance listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 fund schedules and State compliance are fairly stated in all material respects in relation to the financial statements as a whole.

The other financial information and the statistical section has 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 it.

John Lutter & Associates, LLC

June 23, 2017

Management's Discussion and Analysis

This section of the annual financial report offers readers of the Town of Frederick a discussion and analysis of the Town's financial performance during the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Financial Highlights

- Assets and deferred outflow of resources for The Town exceeded liabilities and deferred inflow of resources by \$113 million, an increase of \$5.6 million, or 5.3 percent.
- As of December 31, 2016, net position for governmental activities was \$35.8 million, up \$1.2 million or 3.52 percent from December 31, 2015. Business type activities reported a net position of \$77.2 million, up \$4.47 million or 6.14 percent in the same time frame.
- General revenues account for \$7,007,871 or 33.6 percent of all revenues. The Town had \$13,850,449 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.
- The Town had \$9,866,232 in expenses related to governmental activities, of which \$3,688,656 were offset by program specific charges for services and operating grants, contributions. Taxes of \$6,273,870 and other general revenues of \$695,272 and transfers in of \$428,127 as shown on the statement of activities, offset the costs.
- The Town had water, electric, and storm water charges for service income totaling \$7,308,309. Grants and capital contributions revenues for these funds totaled \$2,853,484. The cost of providing water, electric, and storm water services totaled \$5,302,914.
- Outlays for capital assets were primarily comprised of street infrastructure, vehicles and equipment. See the Capital Assets Section of the Financial Statements for detail.
- The Town's governmental funds have outstanding debt consisting of capital leases and the 2015 sales and use tax bond totaling \$5,905,354 at December 31, 2016.
- The Town's business-type funds have outstanding debt consisting of a note payable that totals \$896,106 at December 31, 2016.

Overview of the 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) specific 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.

There are two government-wide financial statements:

Statement of net position – This statement presents information on all the Town’s assets, liabilities, deferred inflows and deferred outflows, with the difference between them 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.

Statement of activities – This statement presents information showing how the Town of Frederick’s net position changed during 2016. 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 reflect three distinct activities:

Governmental Activities – These activities are primarily supported by taxes and intergovernmental revenues. The Governmental Activities of the Town of Frederick include general government, public safety (police), public works, community development and events.

Business-type Activities - These activities are supported by user fees and service charges which are intended to recover all of their costs. The Business-type Activities of the Town of Frederick include Water, Electric and Storm Water. Governmental activities and business-type activities combined comprise the primary government.

Component Units – There is only one entity that is legally separate and is reported separately from the primary government, however, the Town of Frederick is financially accountable for it. That entity is the Frederick Urban Renewal Authority (FURA).

Governmental activities and business-type activities combine to comprise the primary government. The government wide financial statements begin on page 1 of this report.

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. Some funds are required to be established by State law and bond covenants; however, the Town Board establishes other funds to help control and manage money for particular purposes. All of 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 used is *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*.

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 and other major funds. The minor funds are combined in the *Other Governmental Funds* into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Governmental fund financial statements begin on page 3 of this report.

Proprietary Funds – The Town of Frederick 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 an enterprise fund to account for its Water, Electric and Storm Water Funds. These funds are considered major funds of the Town of Frederick.

Proprietary fund statements begin on page 6 of this report.

Fiduciary Funds - The Town of Frederick maintains one type of fiduciary fund. Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities. The Oil Royalty Fund is the only fiduciary fund held by the Town.

Fiduciary fund statements begin on page 9 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes can be found on pages 11 to 34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules. The budgetary comparisons are included on pages 35 to 39 of this report.

Financial Analysis of the Town as a Whole

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ending December 31, 2016, the Town's combined assets exceeded liabilities and deferred inflows of resources by \$113,052,035.

TOWN OF FREDERICK, COLORADO
CONDENSED STATEMENT OF NET POSITION
2016/2015

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Assets						
Current Assets	15,970,946	16,777,223	19,505,292	18,013,235	35,476,238	34,790,458
Capital Assets - Net	28,827,485	29,765,503	55,717,352	60,872,973	84,544,837	90,638,476
Total Assets	<u>44,798,431</u>	<u>46,542,726</u>	<u>75,222,644</u>	<u>78,886,208</u>	<u>120,021,075</u>	<u>125,428,934</u>
Deferred Outflow of Resources						
Related to Pensions	59,831	214,824	-	-	59,831	214,824
Liabilities						
Current Liabilities	2,181,449	3,241,616	644,284	741,360	2,825,733	3,982,976
Long-Term Liabilities	6,506,631	6,353,827	1,834,382	931,387	8,341,013	7,285,214
Total Liabilities	<u>8,688,080</u>	<u>9,595,443</u>	<u>2,478,666</u>	<u>1,672,747</u>	<u>11,166,746</u>	<u>11,268,190</u>
Deferred Inflows of Resources						
Related to Pensions	11,432	18,473	-	-	11,432	18,473
Deferred Property Tax Revenue	1,539,869	1,305,060	-	-	1,539,869	1,305,060
Net Position						
Net Investment in Capital Assets	22,508,531	23,620,697	53,925,352	59,976,867	76,433,883	83,597,564
Restricted	260,000	305,000	-	-	260,000	305,000
Unrestricted	11,850,350	11,912,877	18,818,628	17,236,594	30,668,978	29,149,471
Total Net Position at December 31	<u>34,618,881</u>	<u>35,838,574</u>	<u>72,743,980</u>	<u>77,213,461</u>	<u>107,362,861</u>	<u>113,052,035</u>
Total Increase in Net Position						5,689,174
Percent Increase in Net Position						5.30%

The largest portion of the Town of Frederick's net position (74%) reflects its investment in capital assets (e.g. land, buildings, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

The restricted portion of net position (1.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position (\$29,149,471) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town reports positive balances in all three categories of net position, for the government as a whole, as well as for its separate Governmental and Business-type Activities.

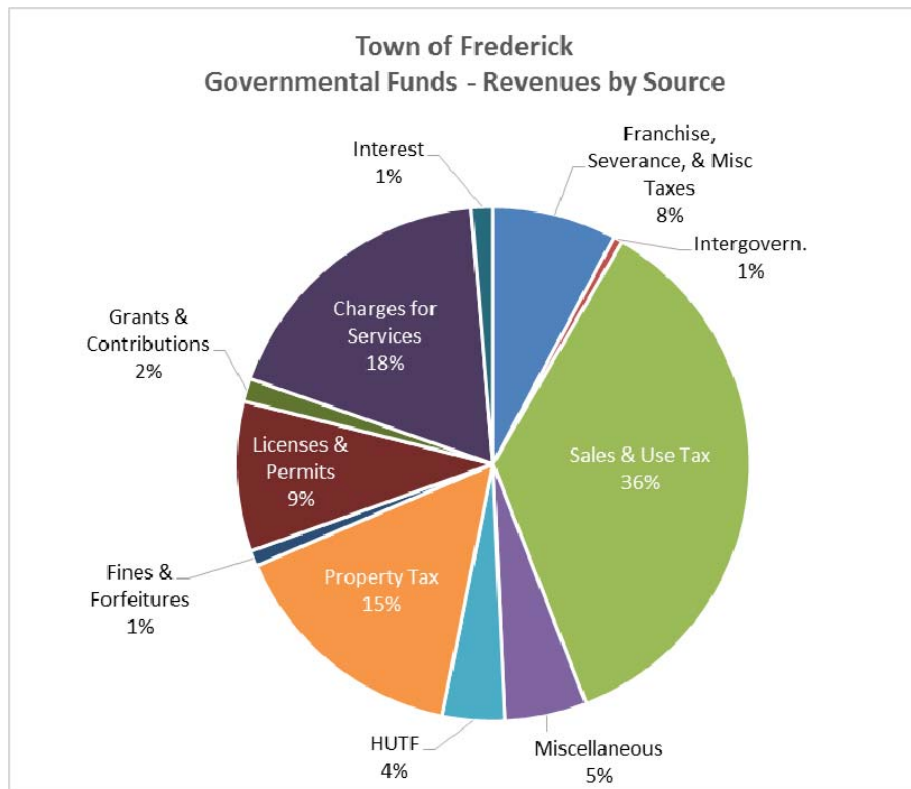
**TOWN OF FREDERICK, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2016/2015**

Revenues	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Program Revenues						
Charges for Services	1,713,232	1,830,301	6,623,410	7,308,309	8,336,642	9,138,610
Operating Grants and Contributions	209,241	95,578	-	-	209,241	95,578
Capital Grants and Contributions	1,809,581	1,762,777	3,269,927	2,853,484	5,079,508	4,616,261
General Revenues						
Property Taxes	1,301,235	1,635,113	-	-	1,301,235	1,635,113
Sales and Use Taxes	3,320,802	3,806,495	-	-	3,320,802	3,806,495
Franchise Taxes	159,215	185,358	-	-	159,215	185,358
Other Taxes	757,243	646,904	-	-	757,243	646,904
Interest	72,094	144,015	14,726	38,729	86,820	182,744
Other Revenues	87,644	551,257	-	-	87,644	551,257
Loss on Disposal of Assets	-	-	-	-	-	-
Total Revenues	9,430,287	10,657,798	9,908,063	10,200,522	19,338,350	20,858,320
Expenses						
General Government	2,712,183	2,403,069	-	-	2,712,183	2,403,069
Public Safety	2,464,806	2,708,584	-	-	2,464,806	2,708,584
Public Works	3,195,499	4,504,214	-	-	3,195,499	4,504,214
Parks and Recreation	64,722	28,982	-	-	64,722	28,982
Economic Development	64,133	37,735	-	-	64,133	37,735
Interest on Long-Term Debt	292,793	183,648	-	-	292,793	183,648
Water	-	-	1,950,134	1,793,615	1,950,134	1,793,615
Electric	-	-	3,324,686	3,190,848	3,324,686	3,190,848
Storm Water	-	-	1,024,458	313,676	1,024,458	313,676
Interest on Long-Term Debt	-	-	3,751	4,775	3,751	4,775
Total Expenses	8,794,136	9,866,232	6,303,029	5,302,914	15,097,165	15,169,146
Excess (deficiency) before transfers	636,151	791,566	3,605,034	4,897,608	4,241,185	5,689,174
Transfers	416,268	428,127	(416,268)	(428,127)	-	-
Prior Period Adjustment						
Change in Net Position	1,052,419	1,219,693	3,188,766	4,469,481	4,241,185	5,689,174
NET POSITION, Beginning	33,566,462	34,618,881	69,555,214	72,743,980	103,121,676	107,362,861
NET POSITION, Ending	34,618,881	35,838,574	72,743,980	77,213,461	107,362,861	113,052,035

Financial Analysis of the Town's Funds

Governmental Activities. The focus of the Town of Frederick'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.

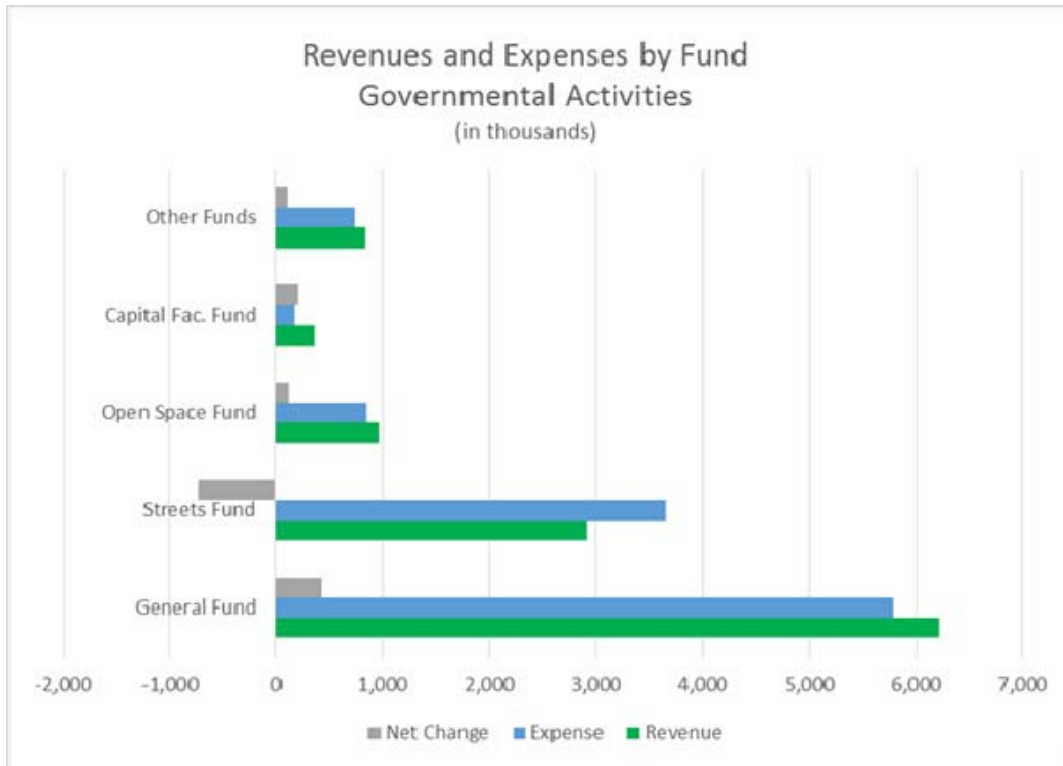
As of the end of the current fiscal year, the Town’s governmental funds reported a combined ending fund balance of \$12,267,184, an increase of \$111,792. Overall revenue increased \$1.19 million or 12.6 percent. Areas of substantial revenue increase included taxes and fees \$946,883 and miscellaneous \$430,611. The General Fund revenue increase of \$790,506, was primarily the result of strong residential and commercial growth and the resulting sales and use tax collections. The revenue increase in the Street and Alley Fund of \$67,580, the increase in the Open Space Fund \$128,933, and the increase in the Capital Facilities Fund \$77,436 are all primarily due to a strong and growing economy indicated by increases in taxes and fees collected.



Expenditures for the current year increased \$2.3 million or 25.9%. The increase in expenses is largely attributed to additional capital outlay in the Streets Fund for construction of a roundabout on Colorado Boulevard, and in the General Fund and Open Space Funds for the construction of the gateway project on the corner of Colorado Boulevard and Hwy 52. The increase in capital expenditures in 2016 caused the governmental activities fund balance to increase at a lesser amount than the net position for those funds.

The statement of net position reports a combined net position for governmental activities of \$35,838,574, an increase of \$1,219,693. The increase is primarily attributed to an increase in capital assets and cash and investments.

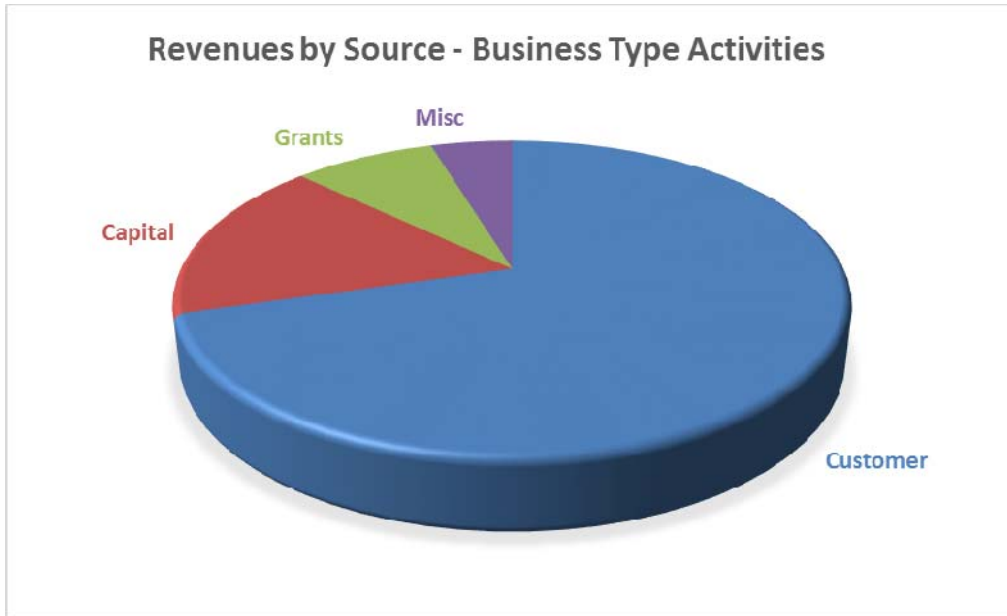
The graph below provides the program revenue and expenses for each governmental activity as well as providing net change.



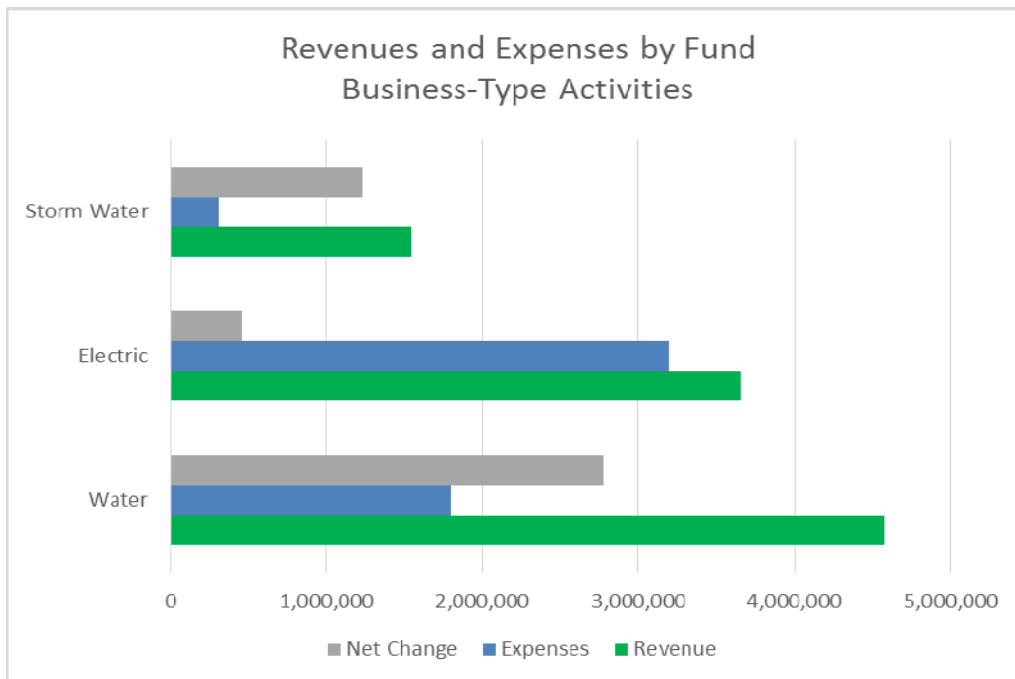
Business-type Activities. Net position of business-type activities increased by \$4.47 million primarily due to an increase in capital assets, including the purchase of water shares, the construction of a pump house, Wetlands Loop drainage project, and new electric infrastructure. The Electric Fund’s Net Position increased \$461,471, while the Water Fund increased \$2.776 million and the Storm Water increased \$1.231 million. This net position is dedicated solely to finance the continuing operations of the water, storm water and electric operations.

Revenues for the Town’s business-type activities, net of the transfer out, were \$9,772,395, a 2.96 percent increase. The increase in revenues is largely attributed to an increase in charges for service in the Water Fund and an expanded customer base in the Electric Fund. Charges for services for business-type activities increased \$414,424. Operating revenues increased \$684,899. Operating expenses decreased \$1,001,139.

As you can see from the following graph, the highest source of revenue for business-type activities is customer charges.



The following graph provides program revenue and expenses for each of the Business-Type activities operated by the Town.



General Fund Budgetary Highlights

The General Fund is the chief operating fund of the Town. It accounts for all of the general services provided by the Town. In 2016, total fund balance increased 9.6% or \$429,637. The unassigned fund balance of the General Fund at the end of 2016, totaled \$4,589,110 while the total fund balance totaled \$4,894,710. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. For 2016, unassigned fund balance represents approximately 79.2 percent of total General Fund Expenditures and transfers out, while total fund balance represents 84.5 percent of that same amount.

The Town budgeted for General Fund expenditures of \$7,068,070 for the year ended December 31, 2016 and actual expenditures were \$5,792,214. Expenditures were \$1.276 million less than budgeted as a result of capital projects that were postponed until 2017. Revenues, excluding transfers, for 2016 were budgeted at \$4,342,545 and actual revenues were \$6,199,477. Revenues from sales taxes, use taxes and permitting for new construction were much stronger than anticipated.

Capital Assets and Debt Administration

Capital Assets

By the end of 2016, the Town had invested \$90,638,476 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, infrastructure, vehicles and other equipment. This amount represents a net increase of \$6,093,639 or 7.2% increase from last year. Additional information on the Town's capital assets can be found in Note 4 of the financial statements. Total accumulated depreciation expense was \$29,698,493 in the governmental activities and \$7,475,360 in the business-type activities. There have been no significant changes in the condition level of the capital assets of the Town.

Long-Term Debt

At year-end the Town's governmental funds had outstanding capital leases, accrued compensated absences, Sales and Use Tax Revenue Refunding Bonds Series 2015A and Sales and Use Tax Revenue Bonds Series 2015B outstanding, which totaled \$6,353,827 at December 31, 2016.

The Town's business-type funds have a note payable and accrued compensated absences totaling \$933,493 at December 31, 2016.

Additional information on the Town's long-term debt can be found in Note 5 on pages 24 and 26 of this report.

Fiduciary Fund Activities

Oil Royalty Trust Fund

The fund received \$24,159 of oil royalties and paid out \$17,782 in scholarships and support of other community organizations. The fund balance at December 31, 2016, is \$1,344,319.

Economic Factors and Next Year's Budgets and Rates

The annual budget ensures the efficient and effective uses of Town funds, as well as highlights the priority objectives. Direction for the upcoming year is established by the Board when the budget is adopted, funds are appropriated and resources are allocated.

The following factors were taken into account when adopting the budget for 2017:

- The Town has forecast revenues as relatively steady from 2016 through 2017. Revenues from property taxes are expected to decrease as a result of reduced oil production in the area. The largest increase in budgeted revenues comes from grants that have been applied for and awarded to the Town. The Town has been awarded a \$1.4 million grant from the Colorado Department of Local Affairs to construct improvements to Tipple Parkway.
- The Town has conservatively forecast new growth which was projected at 150 homes and the mill levy for property tax revenues has been set at a steady 6.555.
- Expenditures exceed revenues by \$5.657 million, reflecting a large increase in Capital Outlay for the 2017 budget year. Capital projects planned for 2017 include Tipple Parkway improvements, the conclusion of the entry way project, raw water line extensions, alley improvements and park and trail improvements. The difference between revenues and expenditures will be filled by accumulated fund balances which grew from unanticipated revenue growth and lower than expected expenditures in recent years.
- There are four new full-time positions, 1 shift from part-time to full-time, and 1 new part-time position included in the 2017 Budget. Those positions include, a full-time Assistant Town Manager, 2 full-time Public Works employees, 1 full-time Electric employee, 1 Planning employee that will shift from a part-time position to a full-time position, and 1 part-time Staff Accountant.
- The Town's business-type activities are expected to have revenues that remain steady compared to 2016 actuals. There was no rate increase in the electric or storm water funds. There was a 5% increase in the usage rates in the water fund that go into effect January 1, 2017.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Town of Frederick Finance Department
401 Locust Street
Frederick, Colorado 80530-0435
(720)382-5500

BASIC FINANCIAL STATEMENTS

TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2016	2015
ASSETS				
Cash and Investments	\$ 14,256,543	\$ 16,732,030	\$ 30,988,573	\$ 31,412,390
Restricted Cash and Investments	222,317	-	222,317	-
Receivables				
Property Taxes	1,305,060	-	1,305,060	1,539,869
Sales and Other	845,509	417,848	1,263,357	1,692,001
Accounts	-	713,800	713,800	561,488
Prepaid Items	600	149,557	150,157	136,151
Due from the Oil Royalty Fund	144,956	-	144,956	-
Net Pension Asset	2,238	-	2,238	134,339
Capital Assets, Not Depreciated	4,863,708	47,201,641	52,065,349	50,051,963
Capital Assets, Depreciated				
Net of Accumulated Depreciation	24,901,795	13,671,332	38,573,127	34,492,874
TOTAL ASSETS	<u>46,542,726</u>	<u>78,886,208</u>	<u>125,428,934</u>	<u>120,021,075</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	214,824	-	214,824	59,831
LIABILITIES				
Accounts Payable	386,794	681,243	1,068,037	980,263
Accrued Salaries and Benefits	50,699	22,084	72,783	46,599
Accrued Interest	38,875	4,025	42,900	43,854
Developer Escrow	1,298,748	-	1,298,748	1,243,507
Deposits	-	34,008	34,008	45,008
Due to the Oil Royalty Fund	1,466,500	-	1,466,500	466,500
Noncurrent Liabilities				
Accrued Compensated Absences	209,021	35,281	244,302	230,059
Due within One Year	425,129	895,894	1,321,023	1,266,556
Due in More Than One Year	5,719,677	212	5,719,889	6,844,398
TOTAL LIABILITIES	<u>9,595,443</u>	<u>1,672,747</u>	<u>11,268,190</u>	<u>11,166,744</u>
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	18,473	-	18,473	11,432
Deferred Property Tax Revenue	1,305,060	-	1,305,060	1,539,869
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,323,533</u>	<u>-</u>	<u>1,323,533</u>	<u>1,551,301</u>
NET POSITION				
Net Investment in Capital Assets	23,620,697	59,976,867	83,597,564	76,433,883
Restricted for Emergencies	305,000	-	305,000	260,000
Unrestricted	11,912,877	17,236,594	29,149,471	30,668,978
TOTAL NET POSITION	<u>\$ 35,838,574</u>	<u>\$ 77,213,461</u>	<u>\$ 113,052,035</u>	<u>\$ 107,362,861</u>

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,403,069	\$ 1,004,770	\$ 95,578	\$ 477,477
Public Safety	2,708,584	104,833	-	-
Public Works	4,504,214	655,248	-	1,002,491
Parks and Recreation	28,982	65,450	-	282,809
Economic Development	37,735	-	-	-
Interest and Other Fiscal Charges	183,648	-	-	-
Total Governmental Activities	<u>9,866,232</u>	<u>1,830,301</u>	<u>95,578</u>	<u>1,762,777</u>
Business-Type Activities				
Water	1,793,615	3,036,789	-	1,630,231
Electric	3,190,848	3,776,204	-	154,559
Storm Water	313,676	495,316	-	1,068,694
Interest on Long-Term Debt	4,775	-	-	-
Total Business-Type Activities	<u>5,302,914</u>	<u>7,308,309</u>	<u>-</u>	<u>2,853,484</u>
Total Primary Government	<u>\$ 15,169,146</u>	<u>\$ 9,138,610</u>	<u>\$ 95,578</u>	<u>\$ 4,616,261</u>

GENERAL REVENUES

- Sales Taxes
- Property Taxes
- Franchise Taxes
- Other Taxes
- Interest
- Other

TRANSFERS

TOTAL GENERAL REVENUES
AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2016	2015
\$ (825,244)	\$ -	\$ (825,244)	\$ (1,156,494)
(2,603,751)	-	(2,603,751)	(2,359,678)
(2,846,475)	-	(2,846,475)	(1,405,976)
319,277	-	319,277	216,992
(37,735)	-	(37,735)	(64,133)
(183,648)	-	(183,648)	(292,793)
<u>(6,177,576)</u>	<u>-</u>	<u>(6,177,576)</u>	<u>(5,062,082)</u>
-	2,873,405	2,873,405	2,852,330
-	739,915	739,915	19,293
-	1,250,334	1,250,334	722,436
-	(4,775)	(4,775)	(3,751)
<u>-</u>	<u>4,858,879</u>	<u>4,858,879</u>	<u>3,590,308</u>
(6,177,576)	4,858,879	(1,318,697)	(1,471,774)
3,806,495	-	3,806,495	3,320,802
1,635,113	-	1,635,113	1,301,235
185,358	-	185,358	159,215
646,904	-	646,904	757,243
144,015	38,729	182,744	86,820
551,257	-	551,257	87,644
428,127	(428,127)	-	-
<u>7,397,269</u>	<u>(389,398)</u>	<u>7,007,871</u>	<u>5,712,959</u>
1,219,693	4,469,481	5,689,174	4,241,185
<u>34,618,881</u>	<u>72,743,980</u>	<u>107,362,861</u>	<u>103,121,676</u>
<u>\$ 35,838,574</u>	<u>\$ 77,213,461</u>	<u>\$ 113,052,035</u>	<u>\$ 107,362,861</u>

TOWN OF FREDERICK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2016

	General Fund	Street and Alley Fund	Open Space Fund	Capital Facilities Fund	Other Governmental Funds
ASSETS					
Cash and Investments	\$ 5,096,300	\$ 4,152,131	\$ 2,547,963	\$ 855,337	\$ 1,604,812
Restricted Cash and Investments	-	222,317	-	-	-
Taxes Receivable	1,305,060	-	-	-	-
Accounts Receivable	447,612	270,173	114,465	-	13,259
Prepaid Items	600	-	-	-	-
Due from Other Funds	144,956	-	569,683	-	-
Advances to Other Funds	50,000	-	-	-	-
TOTAL ASSETS	\$ 7,044,528	\$ 4,644,621	\$ 3,232,111	\$ 855,337	\$ 1,618,071
LIABILITIES AND FUND EQUITY					
EQUITY					
LIABILITIES					
Accounts Payable	\$ 217,763	\$ 113,844	\$ 5,446	\$ -	\$ 49,741
Accrued Liabilities	36,019	3,880	4,129	-	6,671
Developer Escrows and Deposits	590,976	594,772	-	-	113,000
Due to Other Funds	-	-	-	603,104	-
Advances from Other Funds	-	1,433,079	-	-	50,000
TOTAL LIABILITIES	844,758	2,145,575	9,575	603,104	219,412
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	1,305,060	-	-	-	-
FUND EQUITY					
Fund Balance					
Nonspendable	600	-	-	-	-
Restricted for Emergencies	305,000	-	-	-	-
Restricted for Open Space	-	-	3,222,536	-	-
Restricted for Street Improvements	-	2,499,046	-	-	-
Restricted for Parks and Recreation	-	-	-	-	114,646
Restricted for Urban Renewal	-	-	-	-	34,711
Committed for Parks, Open Space, and Capital Outlay	-	-	-	252,233	1,249,302
Unassigned	4,589,110	-	-	-	-
TOTAL FUND EQUITY	4,894,710	2,499,046	3,222,536	252,233	1,398,659
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 7,044,528	\$ 4,644,621	\$ 3,232,111	\$ 855,337	\$ 1,618,071

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Long-term liabilities and related assets are not due and payable in the current period and are not reported in the fund. These include Bonds Payable of (\$3,535,000), Premium on Bonds (\$239,452), Notes Payable (\$2,148,037), Capital Lease Payable (\$222,317), Accrued Compensated Absences (\$209,021), Accrued Interest Payable (\$38,875), Net Pension Asset \$2,238, Deferred Outflows Related to Pensions \$214,824, and Deferred Inflows Related to Pensions of (\$18,473).

Net position of governmental activities

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

Total
Governmental
Funds

2016	2015
\$ 14,256,543	\$ 13,352,770
222,317	-
1,305,060	1,539,869
845,509	940,839
600	3,129
714,639	136,604
50,000	50,000
<u>\$ 17,394,668</u>	<u>\$ 16,023,211</u>

\$ 386,794	\$ 402,489
50,699	28,850
1,298,748	1,243,507
603,104	603,104
1,483,079	50,000
<u>3,822,424</u>	<u>2,327,950</u>

<u>1,305,060</u>	<u>1,539,869</u>
------------------	------------------

600	3,129
305,000	260,000
3,222,536	3,107,973
2,499,046	3,231,705
114,646	82,783
34,711	867
1,501,535	1,266,991
<u>4,589,110</u>	<u>4,201,944</u>
<u>12,267,184</u>	<u>12,155,392</u>

29,765,503 28,827,485

(6,194,113) (6,363,996)

\$ 35,838,574 \$ 34,618,881

TOWN OF FREDERICK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	General Fund	Street and Alley Fund	Open Space Fund	Capital Facilities Fund	Other Governmental Funds
REVENUES					
Taxes and Fees	\$ 4,334,791	\$ 2,054,085	\$ 948,367	\$ 365,500	\$ 283,579
Licenses and Permits	1,004,770	-	-	-	-
Intergovernmental	-	-	-	-	60,809
Charges for Services	-	585,305	-	-	65,450
Fines and Forfeitures	104,833	-	-	-	-
Grants and Contributions	95,578	59,460	-	-	-
Interest	123,031	9,840	5,881	1,979	3,284
Miscellaneous	536,474	4,387	9,638	-	757
TOTAL REVENUES	<u>6,199,477</u>	<u>2,713,077</u>	<u>963,886</u>	<u>367,479</u>	<u>413,879</u>
EXPENDITURES					
General Government	2,219,557	-	-	-	-
Public Safety	2,598,966	-	-	-	-
Public Works	386,358	1,504,091	297,165	-	474,776
Parks and Recreation	-	-	-	-	28,982
Economic Development	-	-	-	-	37,735
Capital Outlay	587,333	1,734,931	548,615	-	192,824
Miscellaneous	-	3,777	-	-	-
Debt Service					
Principal	-	280,000	-	93,722	-
Interest	-	131,700	-	75,918	-
TOTAL EXPENDITURES	<u>5,792,214</u>	<u>3,654,499</u>	<u>845,780</u>	<u>169,640</u>	<u>734,317</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>407,263</u>	<u>(941,422)</u>	<u>118,106</u>	<u>197,839</u>	<u>(320,438)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	32,374	-	-	-	422,850
Transfers Out	(10,000)	(13,554)	(3,543)	-	-
Proceeds from the Issuance of Debt	-	222,317	-	-	-
Payment of Refunded Bonds	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>22,374</u>	<u>208,763</u>	<u>(3,543)</u>	<u>-</u>	<u>422,850</u>
NET CHANGE IN FUND BALANCES	429,637	(732,659)	114,563	197,839	102,412
FUND BALANCES, Beginning	<u>4,465,073</u>	<u>3,231,705</u>	<u>3,107,973</u>	<u>54,394</u>	<u>1,296,247</u>
FUND BALANCES, Ending	<u>\$ 4,894,710</u>	<u>\$ 2,499,046</u>	<u>\$ 3,222,536</u>	<u>\$ 252,233</u>	<u>\$ 1,398,659</u>

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

Total
Governmental
Funds

2016	2015
\$ 7,986,322	\$ 7,039,439
1,004,770	988,534
60,809	48,749
650,755	563,016
104,833	105,128
155,038	525,682
144,015	72,094
551,256	120,645
<u>10,657,798</u>	<u>9,463,287</u>
2,219,557	2,533,095
2,598,966	2,392,800
2,662,390	1,851,679
28,982	64,722
37,735	64,133
3,063,703	1,359,383
3,777	1,649
373,722	403,382
207,618	221,778
<u>11,196,450</u>	<u>8,892,621</u>
<u>(538,652)</u>	<u>570,666</u>
455,224	559,034
(27,097)	(142,766)
222,317	4,419,938
-	(3,505,000)
-	(98,055)
<u>650,444</u>	<u>1,233,151</u>
111,792	1,803,817
<u>12,155,392</u>	<u>10,351,575</u>
<u>\$ 12,267,184</u>	<u>\$ 12,155,392</u>

TOWN OF FREDERICK, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 111,792
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 outlay \$3,051,929, exceeded depreciation (\$2,113,911), in the current period.	938,018
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include proceeds from the issuance of debt (\$222,317), bond payments of \$280,000, amortization of bond premium \$22,742, payment of notes payable of \$93,722, change in accrued compensated absences of (\$21,344), and change in accrued interest of \$1,228.	154,031
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>15,852</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,219,693</u></u>

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2016

ASSETS	WATER FUND	ELECTRIC FUND	STORM WATER FUND	TOTALS	
				2016	2015
Current Assets					
Cash and Investments	\$ 4,765,793	\$ 11,262,554	\$ 703,683	\$ 16,732,030	\$ 18,059,620
Accounts Receivable	223,964	447,594	42,242	713,800	561,488
Grants Receivable	-	-	417,848	417,848	751,162
Prepaid Items	149,557	-	-	149,557	133,022
Total Current Assets	5,139,314	11,710,148	1,163,773	18,013,235	19,505,292
Noncurrent Assets					
Capital Assets, net of Accumulated Depreciation	53,556,994	4,441,332	2,874,647	60,872,973	55,717,352
TOTAL ASSETS	58,696,308	16,151,480	4,038,420	78,886,208	75,222,644
LIABILITIES					
Current Liabilities					
Accounts Payable	253,557	401,504	26,182	681,243	577,774
Accrued Expenses	10,060	6,563	5,461	22,084	17,749
Accrued Interest Payable	4,025	-	-	4,025	3,751
Accrued Compensated Absences	15,464	11,458	8,359	35,281	42,382
Total Current Liabilities	283,106	419,525	40,002	742,633	641,656
Noncurrent Liabilities					
Deposits	8,800	25,208	-	34,008	45,008
Notes Payable	896,106	-	-	896,106	1,792,000
Total Noncurrent Liabilities	904,906	25,208	-	930,114	1,837,008
TOTAL LIABILITIES	1,188,012	444,733	40,002	1,672,747	2,478,664
NET POSITION					
Net Investment in Capital Assets	52,660,888	4,441,332	2,874,647	59,976,867	53,925,352
Unrestricted	4,847,408	11,265,415	1,123,771	17,236,594	18,818,628
TOTAL NET POSITION	\$ 57,508,296	\$ 15,706,747	\$ 3,998,418	\$ 77,213,461	\$ 72,743,980

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2016

	WATER FUND	ELECTRIC FUND	STORM WATER FUND	TOTALS	
				2016	2015
OPERATING REVENUES					
Charges for Services	\$ 3,006,810	\$ 3,401,488	\$ 479,924	\$ 6,888,222	\$ 6,473,798
Miscellaneous	29,979	374,716	15,392	420,087	149,612
TOTAL OPERATING REVENUES	3,036,789	3,776,204	495,316	7,308,309	6,623,410
OPERATING EXPENSES					
Administration	275,892	193,411	-	469,303	448,296
Operations	1,238,067	2,818,979	290,979	4,348,025	5,389,739
Depreciation	279,656	178,458	22,697	480,811	461,243
TOTAL OPERATING EXPENSES	1,793,615	3,190,848	313,676	5,298,139	6,299,278
OPERATING INCOME	1,243,174	585,356	181,640	2,010,170	324,132
NON-OPERATING REVENUES (EXPENSES)					
Grants and Contributions	-	-	800,811	800,811	1,245,581
Interest Income	11,033	26,068	1,628	38,729	14,726
Interest Expense	(4,775)	-	-	(4,775)	(3,751)
TOTAL NON-OPERATING REVENUES (EXPENSES)	6,258	26,068	802,439	834,765	1,256,556
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,249,432	611,424	984,079	2,844,935	1,580,688
Capital Contributions	1,630,231	154,559	267,883	2,052,673	2,024,346
Transfers Out	(103,365)	(304,512)	(20,250)	(428,127)	(416,268)
NET INCOME	2,776,298	461,471	1,231,712	4,469,481	3,188,766
NET POSITION, Beginning	54,731,998	15,245,276	2,766,706	72,743,980	69,555,214
NET POSITION, Ending	\$ 57,508,296	\$ 15,706,747	\$ 3,998,418	\$ 77,213,461	\$ 72,743,980

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2016
 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	ELECTRIC FUND	STORM WATER FUND	TOTALS	
				2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 3,002,796	\$ 3,657,568	\$ 495,633	\$ 7,155,997	\$ 6,718,088
Cash Paid to Suppliers	(1,489,945)	(2,806,006)	(437,208)	(4,733,159)	(5,613,441)
Net Cash Provided (Used) by Operating Activities	<u>1,512,851</u>	<u>851,562</u>	<u>58,425</u>	<u>2,422,838</u>	<u>1,104,647</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	(3,204,156)	(1,299,760)	(1,132,516)	(5,636,432)	(4,179,219)
Proceeds from the Issuance of Debt	-	-	-	-	1,792,000
Note Payments	(895,894)	-	-	(895,894)	-
Interest Payments	(4,503)	-	-	(4,503)	-
Grants and Contributions	-	-	1,134,125	1,134,125	494,419
Capital Contributions	1,630,231	154,559	267,883	2,052,673	2,024,346
Deposits from Customers	(11,000)	-	-	(11,000)	31,807
Payments to Other Funds	(103,365)	(304,512)	(20,250)	(428,127)	(416,268)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,588,687)</u>	<u>(1,449,713)</u>	<u>249,242</u>	<u>(3,789,158)</u>	<u>(252,915)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	11,033	26,067	1,628	38,728	14,725
Net Cash Provided by Investing Activities	<u>11,033</u>	<u>26,067</u>	<u>1,628</u>	<u>38,728</u>	<u>14,725</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,064,803)	(572,084)	309,295	(1,327,592)	866,457
CASH AND INVESTMENTS, Beginning	<u>5,830,596</u>	<u>11,834,638</u>	<u>394,388</u>	<u>18,059,622</u>	<u>17,193,165</u>
CASH AND INVESTMENTS, Ending	<u>\$ 4,765,793</u>	<u>\$ 11,262,554</u>	<u>\$ 703,683</u>	<u>\$ 16,732,030</u>	<u>\$ 18,059,622</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 1,243,174	\$ 585,356	\$ 181,640	\$ 2,010,170	\$ 324,132
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation and Amortization	279,656	178,458	22,697	480,811	461,243
Changes in Assets and Liabilities					
Accounts Receivable	(33,993)	(118,636)	317	(152,312)	94,678
Prepaid Items	(25,774)	9,239	-	(16,535)	(27,858)
Accounts Payable	49,762	198,403	(144,695)	103,470	286,039
Accrued Expenses	2,250	1,493	592	4,335	(43,984)
Accrued Compensated Absences	(2,224)	(2,751)	(2,126)	(7,101)	10,397
Total Adjustments	<u>269,677</u>	<u>266,206</u>	<u>(123,215)</u>	<u>412,668</u>	<u>780,515</u>
Net Cash Provided by Operating Activities	<u>\$ 1,512,851</u>	<u>\$ 851,562</u>	<u>\$ 58,425</u>	<u>\$ 2,422,838</u>	<u>\$ 1,104,647</u>

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION
OIL ROYALTY TRUST FUND
December 31, 2016

	<u>PRIVATE PURPOSE TRUST</u>
ASSETS	
Cash and Investments	\$ -
Accounts Receivable	22,775
Due from Other Funds	<u>1,466,500</u>
 TOTAL ASSETS	 <u>1,489,275</u>
 LIABILITIES	
Due to Other Funds	144,956
 NET POSITION	 <u>\$ 1,344,319</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$ 1,489,275</u></u>

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF CHANGES IN NET POSITION
 OIL ROYALTY TRUST FUND
 Year Ended December 31, 2016

	<u>PRIVATE PURPOSE TRUST</u>
ADDITIONS	
Oil Royalties	<u>\$ 24,159</u>
 TOTAL ADDITIONS	 <u>24,159</u>
DEDUCTIONS	
Purchased Services	3,082
Scholarships	9,000
Donations	5,700
Miscellaneous	<u>-</u>
 TOTAL DEDUCTIONS	 <u>17,782</u>
 CHANGE IN NET POSITION	 6,377
NET POSITION, Beginning	<u>1,337,942</u>
NET POSITION, Ending	<u><u>\$ 1,344,319</u></u>

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

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Frederick, Colorado was incorporated in 1907. The Town is governed by a Mayor and six-member council elected by the residents.

The accounting policies of the Town of Frederick, Colorado (the “Town”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town of Frederick has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Frederick Urban Renewal Authority

The Frederick Urban Renewal Authority (the “Authority”) is considered to be financially accountable to the Town. The purpose of the Authority is to improve condition of blighted areas of the Town. The Authority is considered to be part of the Town for financial reporting purposes because its resources are entirely for the direct benefit of the Town and is blended into the Town’s financial statements as a special revenue fund. Separate financial statements are not available.

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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 *Street and Alley Fund* accounts for revenues from specific sources and to account for the construction and maintenance of the Town's streets and alleys

The *Open Space Fund* accounts for allocated impact fee and sales tax revenues approved by voters to provide funding for the acquire and maintain open space areas within the Town.

The *Capital Facilities Fund* accounts for allocated impact fee revenues to provide funding for the acquisition of property and equipment, construction of streets, drainage, and planning and engineering studies.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Electric Fund* accounts for the financial activities associated with the provision of electric services.

The *Storm Water Fund* accounts for the financial activities associated with the provision of drainage services.

Additionally, the Town reports the following fund type:

The *Fiduciary Fund* accounts for the activities of the Town's oil royalties.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Buildings	20 - 50 years
Water System	10 - 50 years
Machinery and Equipment	5 - 10 years
Vehicles	5 - 10 years
Infrastructure	10 - 30 years

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time up to 160 hours if they have less than 15 years of service. Employees with over 15 years can accumulate 400 hours. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time at their current pay rate.

Employees are not compensated for any of their accrued sick time.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The Town reports prepaid expenses as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the Open Space Fund as restricted because its use is restricted by taxpayer initiative, the Street and Alley Fund as restricted as the revenues are restricted through taxpayer initiatives and State Statute, and the Conservation Trust Fund is classified as restricted because its revenues are restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town reports the fund balances of the Park Improvement Fund and the Capital Facilities Fund as committed as the Town has passed ordinances to create impact fees that are committed for the costs of infrastructure necessary to support new development.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

TOWN OF FREDERICK, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

- Budgets are legally adopted for all funds of the Town. Budgets for the General, Special Revenue, and Private Purpose Trust Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2016 follows:

Petty Cash	\$ 450
Cash Deposits	9,335,711
Investments	<u>21,874,729</u>
Total	<u>\$ 31,210,890</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments	\$ 30,988,573
Restricted Cash and Investments	222,317
Fiduciary Funds	<u>-</u>
Total	<u>\$ 31,210,890</u>

TOWN OF FREDERICK, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2016, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2016, the Town had deposits with financial institutions with a carrying amount of \$9,335,711. The bank balances with the financial institutions were \$9,383,997. Of these balances, \$750,000 was covered by federal depository insurance and \$8,633,997 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2016 the Town had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
		<u>0 – 1 Years</u>	<u>1 – 5 Years</u>
U.S. Government Securities	\$ 499,630	\$ -	\$ 499,630
U.S. Government Agencies	3,351,858	2,850,068	501,790
Corporate Bonds	399,608	-	399,608
Local Government Investment Pools	<u>17,623,633</u>	<u>17,623,633</u>	<u>-</u>
Total	<u>\$ 21,874,729</u>	<u>\$ 20,473,701</u>	<u>\$ 1,401,028</u>

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities. The Town's securities at December 31, 2016, are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Services for its U.S. Government Agencies and Securities. The Town's Corporate Debt is rated at AA- by Standard and Poor's and Aa2 by Moody's Investors Services. Fair Value

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

At December 31, 2016, the Town held investments in U.S. Government Agencies and Securities in the amount of \$399,608 with maturity dates of less than one and four years. Given the low risk of this type of investment, the Town has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

At December 31, 2016, the Town held investments in Corporate Bonds in the amount of \$3,851,488 with maturity dates of less than one and four years. Given the low risk of this type of investment, the Town has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Fair Value (Continued)

The Town had invested \$12,044,552 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is considered to be a 2a7 like investments and is valued using the NAV per share (or its equivalent) of the investments. The 2a-7 like investments do not have any unfunded commitments, redemption restrictions or redemption notice periods.

The 2a-7 like investments conform to Colorado Statutes CRS 24-75-601 et. seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. The investments will conform to its Permitted Investments and will meet Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool.

The District had invested \$5,579,081 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned 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 the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables. This investment is valued using Level 2 inputs.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2016 is summarized below:

	<u>Balances</u> <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/16</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 4,054,798	\$ -	\$ -	\$ 4,054,798
Construction in Process	<u>1,100,376</u>	<u>649,293</u>	<u>940,759</u>	<u>808,910</u>
Total Capital Assets, not depreciated	<u>5,155,174</u>	<u>649,293</u>	<u>940,759</u>	<u>4,863,708</u>
Capital Assets, depreciated				
Buildings	5,693,721	27,144	-	5,720,865
Improvements other than buildings	8,628,582	906,317	341,835	9,193,064
Infrastructure	33,051,024	2,397,872	-	33,448,896
Equipment	<u>3,883,566</u>	<u>353,897</u>	<u>-</u>	<u>4,237,463</u>
Total Capital Assets, depreciated	<u>51,256,893</u>	<u>3,685,230</u>	<u>341,835</u>	<u>54,600,288</u>
Less Accumulated Depreciation				
Buildings	1,007,166	133,114	-	1,140,280
Improvements	2,076,830	248,504	-	2,325,334
Infrastructure	21,932,701	1,487,284	-	23,419,985
Equipment	<u>2,567,885</u>	<u>245,009</u>	<u>-</u>	<u>2,812,894</u>
Total Accumulated Depreciation	<u>27,584,582</u>	<u>2,113,911</u>	<u>-</u>	<u>29,698,493</u>
Total Capital Assets, depreciated, Net	<u>23,672,311</u>	<u>1,571,319</u>	<u>(341,835)</u>	<u>24,901,795</u>
Governmental Activities, Capital Assets, Net	<u>\$ 28,827,485</u>	<u>\$ 2,220,612</u>	<u>\$ (1,282,594)</u>	<u>\$ 29,765,503</u>

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

Governmental Activities

General Government	\$ 162,168
Public Safety	125,470
Public Works	<u>1,826,273</u>
Total	<u>\$ 2,113,911</u>

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/16</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 1,229,794	\$ -	\$ -	\$ 1,229,794
Water Rights	40,437,212	1,798,900	-	42,236,112
System Enhancement	1,019,000	-	-	1,019,000
Construction in Progress	<u>2,210,783</u>	<u>1,469,801</u>	<u>963,849</u>	<u>2,716,735</u>
Total Capital Assets, not depreciated	<u>44,896,789</u>	<u>3,268,701</u>	<u>963,849</u>	<u>47,201,641</u>
Capital Assets, depreciated				
Intangible Assets	74,850	-	-	74,850
Buildings	475,826	15,000	-	490,826
Utility Systems	16,837,225	3,283,580	-	20,120,805
Equipment	<u>427,211</u>	<u>33,000</u>	-	<u>460,211</u>
Total Capital Assets, depreciated	<u>17,815,112</u>	<u>3,331,580</u>	-	<u>21,146,692</u>
Less: Accumulated Depreciation				
Intangible Assets	74,850	-	-	74,850
Buildings	110,769	12,208	-	122,977
Utility Systems	6,576,716	428,864	-	7,005,580
Equipment	<u>232,214</u>	<u>39,739</u>	-	<u>271,953</u>
Total Accumulated Depreciation	<u>6,994,549</u>	<u>480,811</u>	-	<u>7,475,360</u>
Total Capital Assets, depreciated, Net	<u>10,820,563</u>	<u>2,850,769</u>	-	<u>13,671,332</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 55,717,352</u>	<u>\$ 6,119,470</u>	<u>\$ (963,849)</u>	<u>\$ 60,872,973</u>

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

Business-type Activities

Water Fund	\$ 279,656
Storm Water Fund	22,697
Electric Fund	<u>178,458</u>
 Total	 <u>\$ 480,811</u>

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2016.

	Balance <u>12/31/15</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/16</u>	Due In <u>One Year</u>
PW Facility – Loan	\$ 2,241,759	\$ -	\$ 93,722	\$ 2,148,037	\$ 94,121
2015 Revenue and Refunding Bonds	3,815,000	-	280,000	3,535,000	285,000
2015 Bond Premium	262,195	-	22,743	239,452	-
Street Sweeper – Lease	-	222,317	-	222,317	46,008
Accrued Compensated Absences	<u>187,677</u>	<u>191,279</u>	<u>169,935</u>	<u>209,021</u>	<u>-</u>
Total	<u>\$ 6,506,631</u>	<u>\$ 413,596</u>	<u>\$ 566,400</u>	<u>\$ 6,353,827</u>	<u>\$ 425,129</u>

Accrued Compensated Absences are being paid from resources generated by the General Fund.

Public Works Facility Loan

In December 2013, the Town entered into a loan payable and lease agreement with Valley Bank and Trust to finance the construction of a public works facility. Principal and interest payments are due semi-annually on January 20 and July 20 through July 20, 2033. Interest accrues at a rate of 3.50%.

2015 Revenue Refunding Bonds

In December 2015, the Town issued Sales and Use Tax Revenue Refunding Bonds Series 2015A and Sales and Tax Revenue Bonds Series 2015B to refund the Town’s 2006 Revenue Bonds and to finance capital improvements and bond issuance costs. Principal and interest payments are due annually on December 15 through December 15, 2029. Interest accrues at rates ranging from 2.00% of 4.00%.

Street Sweeper Lease

In November 2016, the Town entered into lease purchase agreement with Wells Fargo Bank to finance the of a Street Sweeper. Principal and interest payments are due annually on January 31 through January 31, 2021. Interest accrues at a rate of 2.59%. As of December 31, 2016, the asset related to this lease purchase had not been received by the Town and funds were deposited in a Wells Fargo escrow account until the purchase is complete. These funds, in the amount of \$222,317 are reported as Restricted Cash and Investments in the Street and Alley Fund.

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds and loans at December 31, 2016 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 379,121	\$ 201,619	\$ 580,740
2018	382,491	192,549	575,040
2019	400,981	180,509	581,490
2020	409,421	168,070	577,491
2021	423,335	155,005	578,340
2022 - 2026	2,382,565	517,237	2,899,802
2027 - 2031	983,481	151,119	1,134,600
2032 - 2033	<u>321,642</u>	<u>14,578</u>	<u>336,220</u>
Total Debt Service Requirements	<u>\$ 5,683,037</u>	<u>\$ 1,580,686</u>	<u>\$ 7,263,723</u>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2016.

<u>Year Ended December 31,</u>	
2017	\$ 46,968
2018	46,968
2019	46,968
2020	46,968
2021	<u>46,967</u>
Total Minimum Lease Payments	234,839
Less: Interest	<u>(12,522)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 222,317</u>

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2016.

	<u>Balance</u> 12/31/15	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> 12/31/16	<u>Due In</u> <u>One Year</u>
Note Payable	\$ 1,792,000	\$ -	\$ 895,894	\$ 896,106	\$ 896,106
Accrued Compensated Absences	<u>42,382</u>	<u>30,498</u>	<u>37,599</u>	<u>35,281</u>	<u>-</u>
Total	<u>\$ 1,834,382</u>	<u>\$ 30,498</u>	<u>\$ 21,789</u>	<u>\$ 933,493</u>	<u>\$ 895,894</u>

Note Payable – Water Shares

In December 2013, the Town entered into a note payable in the amount of \$1,792,000 for the purchase of water shares. Two principal and interest payments in the amount of \$900,395 are due annually in January 2016 and January 2017. Interest accrues at a rate of 0.48% per annum

NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2016, were comprised of the following:

Street and Alley Fund	\$ 13,554
Water Fund	10,765
Electric Fund	4,512
Open Space Fund	<u>3,543</u>
Transfer to the General Fund	<u>\$ 32,374</u>
Water Fund	\$ 92,600
Electric Fund	300,000
Storm Water Fund	<u>20,250</u>
Transfer to the Park Improvement Fund	<u>\$ 412,850</u>
General Fund	<u>\$ 10,000</u>
Transfer to the Frederick Urban Renewal Authority	<u>\$ 10,000</u>

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 6: INTERFUND TRANSFERS (Continued)

The transfers to the General Fund were made to assist with operating and administrative costs. The transfers to the Park Improvement Fund were made to assist with Park Improvements and the transfer to the Frederick Urban Renewal Authority were made to assist with costs associated with economic development and urban renewal. These transfers are budgeted annually.

NOTE 7: TAX ABATEMENTS

The Town entered into a Developer Incentive agreement with a local business under Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes (“C.R.S.”) and under C.R.S. § 30-11-123 which provides that the Town may negotiate incentive payments to taxpayers who establish new business facilities or who expand existing business facilities.

During the year ended December 31, 2016, the Town entered into an incentive agreement with a new local business to promote economic development within the Town and to generate employment opportunities for residents of the Town. Under this agreement, the Town abated sales taxes totaling \$184,738. In addition, this agreement provided for permit and plan review fee waivers totaling \$120,721.

NOTE 8: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The Town contributes to the Statewide Defined Benefit Pension Plan (“SWDB Plan”), a cost-sharing multiple employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund.

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually.

Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

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

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Members of the SWDB Plan and their employers are contributing at the rate of 8.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 16.5 percent through 2015. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5 percent of base salary through 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.25 percent of base salary for a total contribution rate of 8.25 percent through 2015. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016 the Town reported an asset in the amount of \$2,238 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2015 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2015, the Town's proportion was 0.12696%, which was an increase of 0.00793% from its proportion measured as of December 31, 2014.

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

For the year ended December 31, 2016 the Town recognized pension income of \$15,852. At December 31, 2016, the Town 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	\$18,102	\$2,642
Net difference between projected and actual earnings on pension plan investments	\$113,913	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$15,831
Change in assumptions and other inputs	\$35,156	N/A
Contributions subsequent to the measurement date	\$47,653	N/A
Total	\$214,824	\$18,473

\$47,653 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2017	\$ 32,874
2018	\$ 32,874
2019	\$ 32,874
2020	\$ 30,049
2021	\$ 3,689
Thereafter	\$ 16,338

Actuarial assumptions. The actuarial valuations for the SWBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuations used the following actuarial assumptions and other inputs:

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

Total Pension Liability:

Actuarial Valuation Date	January 1, 2016
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2015
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 3.0%	

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

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

TOWN OF FREDERICK, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the roll-forward calculation of the total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	1.00%	0.00%
Total	100.00%	

TOWN OF FREDERICK, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment) to determine the total pension liability.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate, based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is +7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net asset liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$313,538	(\$2,238)	(\$264,163)

Pension plan fiduciary net position. Detailed information about the SWDB Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 9: OTHER RETIREMENT COMMITMENTS

Deferred Compensation Plan

All full-time employees are eligible to participate in a voluntary 457 Deferred Comp Plan. The Plan is administered by the International Town/County Management Association (ICMA-RC). Effective for the year ended December 31, 2016, the Town matches up to 6% (up from 4% for the years ended December 31, 2014 and 2015). The Town contributed \$54,940, \$63,755 and \$138,877 to the plan for the years ended December 31, 2014, 2015 and 2016, respectively, equal to the required contribution.

NOTE 10: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town carries commercial insurance to cover these risks. The Town has not had any claims that exceeded insurable amounts for the last three years.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 5, 2013, voters within the Town approved the collection, retention and expenditure the full amount of the town taxes, grants and all other revenue collected from all sources including property taxes, received in 2012 and each subsequent year, without regard to any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado constitution or any other law.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2016, the emergency reserve of \$305,000 was recorded in the General Fund.

NOTE 12: SUBSEQUENT EVENTS

The Town has evaluated subsequent events through the date which the financial statements were issued. There were no material subsequent events that required recognition or additional disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FREDERICK, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	2016			VARIANCE	2015
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Taxes and Fees	\$ 3,495,795	\$ 3,495,795	\$ 4,334,791	\$ 838,996	\$ 3,958,849
Licenses and Permits	569,600	569,600	1,004,770	435,170	988,534
Fines and Forfeitures	105,000	105,000	104,833	(167)	105,128
Grants and Contributions	111,100	111,100	95,578	(15,522)	209,241
Interest	2,050	2,050	123,031	120,981	65,239
Miscellaneous	59,000	59,000	536,474	477,474	81,980
TOTAL REVENUES	<u>4,342,545</u>	<u>4,342,545</u>	<u>6,199,477</u>	<u>1,856,932</u>	<u>5,408,971</u>
EXPENDITURES					
General Government	3,603,120	3,653,120	2,219,557	1,433,563	2,533,095
Public Safety	2,911,255	2,911,255	2,598,966	312,289	2,392,800
Public Works	472,195	472,195	386,358	85,837	171,045
Capital Outlay	31,500	31,500	587,333	(555,833)	52,638
TOTAL EXPENDITURES	<u>7,018,070</u>	<u>7,068,070</u>	<u>5,792,214</u>	<u>1,275,856</u>	<u>5,149,578</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,675,525)</u>	<u>(2,725,525)</u>	<u>407,263</u>	<u>3,132,788</u>	<u>259,393</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	672,700	672,700	32,374	(640,326)	81,184
Transfers Out	(15,500)	(15,500)	(10,000)	5,500	(65,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>657,200</u>	<u>657,200</u>	<u>22,374</u>	<u>(634,826)</u>	<u>16,184</u>
NET CHANGE IN FUND BALANCE	<u>(2,018,325)</u>	<u>(2,068,325)</u>	<u>429,637</u>	<u>2,497,962</u>	<u>275,577</u>
FUND BALANCE, Beginning	<u>3,756,756</u>	<u>3,756,756</u>	<u>4,465,073</u>	<u>708,317</u>	<u>4,189,496</u>
FUND BALANCE, Ending	<u>\$ 1,738,431</u>	<u>\$ 1,688,431</u>	<u>\$ 4,894,710</u>	<u>\$ 3,206,279</u>	<u>\$ 4,465,073</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

STREET AND ALLEY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016			VARIANCE	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes and Fees	\$ 1,394,000	\$ 1,394,000	\$ 2,054,085	\$ 660,085	\$ 1,804,248
Charges for Services	522,120	522,120	585,305	63,185	509,071
Grants and Contributions	-	-	59,460	59,460	316,441
Interest	1,200	1,200	9,840	8,640	2,815
Miscellaneous	200,000	200,000	4,387	(195,613)	12,922
TOTAL REVENUES	<u>2,117,320</u>	<u>2,117,320</u>	<u>2,713,077</u>	<u>595,757</u>	<u>2,645,497</u>
EXPENDITURES					
Public Works	1,836,100	1,851,100	1,504,091	347,009	1,079,504
Capital Outlay	431,000	5,279,658	1,734,931	3,544,727	1,088,619
Miscellaneous	-	-	3,777	(3,777)	1,649
Debt Service					
Principal	280,000	280,000	280,000	-	320,000
Interest	131,700	131,700	131,700	-	135,519
TOTAL EXPENDITURES	<u>2,678,800</u>	<u>7,542,458</u>	<u>3,654,499</u>	<u>3,887,959</u>	<u>2,625,291</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(561,480)</u>	<u>(5,425,138)</u>	<u>(941,422)</u>	<u>4,483,716</u>	<u>20,206</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	(650,450)	(650,450)	(13,554)	636,896	(76,046)
Proceeds from the Issuance of Debt	-	-	222,317	222,317	4,419,938
Payment of Refunded Bonds	-	-	-	-	(3,505,000)
Bond Issuance Costs	-	-	-	-	(98,055)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(650,450)</u>	<u>(650,450)</u>	<u>208,763</u>	<u>859,213</u>	<u>740,837</u>
NET CHANGE IN FUND BALANCE	(1,211,930)	(6,075,588)	(732,659)	5,342,929	761,043
FUND BALANCE, Beginning	<u>1,642,615</u>	<u>3,231,705</u>	<u>3,231,705</u>	<u>-</u>	<u>2,470,662</u>
FUND BALANCE, Ending	<u>\$ 430,685</u>	<u>\$ (2,843,883)</u>	<u>\$ 2,499,046</u>	<u>\$ 5,342,929</u>	<u>\$ 3,231,705</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

OPEN SPACE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes	\$ 788,882	\$ 788,882	\$ 836,390	\$ 47,508	\$ 739,408
Open Space Fees	-	-	111,977	111,977	89,000
Interest Income	1,000	1,000	5,881	4,881	2,455
Miscellaneous	-	-	9,638	9,638	4,090
TOTAL REVENUES	<u>789,882</u>	<u>789,882</u>	<u>963,886</u>	<u>174,004</u>	<u>834,953</u>
EXPENDITURES					
Public Works	333,400	333,400	297,165	36,235	236,787
Capital Outlay	780,250	780,250	548,615	231,635	169,029
TOTAL EXPENDITURES	<u>1,113,650</u>	<u>1,113,650</u>	<u>845,780</u>	<u>267,870</u>	<u>405,816</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(323,768)</u>	<u>(323,768)</u>	<u>118,106</u>	<u>441,874</u>	<u>429,137</u>
OTHER FINANCING USES					
Transfers Out	<u>(2,000)</u>	<u>(435,079)</u>	<u>(3,543)</u>	<u>431,536</u>	<u>(1,564)</u>
TOTAL OTHER FINANCING USES	<u>(2,000)</u>	<u>(435,079)</u>	<u>(3,543)</u>	<u>431,536</u>	<u>(1,564)</u>
NET CHANGE IN FUND BALANCES	<u>(325,768)</u>	<u>(758,847)</u>	<u>114,563</u>	<u>873,410</u>	<u>427,573</u>
FUND BALANCES, Beginning	<u>2,804,736</u>	<u>2,804,736</u>	<u>3,107,973</u>	<u>303,237</u>	<u>2,680,400</u>
FUND BALANCES, Ending	<u>\$ 2,478,968</u>	<u>\$ 2,045,889</u>	<u>\$ 3,222,536</u>	<u>\$ 1,176,647</u>	<u>\$ 3,107,973</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.108%	0.119%	0.119%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (96,865)	\$ (134,339)	\$ (2,238)
Town's covered-employee payroll	\$ 941,000	\$ 1,068,711	\$ 1,230,975
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	-10.3%	-12.6%	-0.2%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS
 STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Statutorily required contributions	\$ 37,640	\$ 42,824	\$ 49,239	\$ 47,653
Contributions in relation to the Statutorily required contributions	<u>37,640</u>	<u>42,824</u>	<u>49,239</u>	<u>47,653</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 941,000	\$ 1,068,711	\$ 1,230,975	\$ 1,191,312
Contributions as a percentage of covered-employee payroll	4.00%	4.01%	4.00%	4.00%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF FREDERICK, COLORADO

CAPITAL FACILITIES FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016		VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Capital Improvement Fees	\$ 225,000	\$ 365,500	\$ 140,500	\$ 268,914
Interest Income	500	1,979	1,479	491
Miscellaneous	-	-	-	20,638
TOTAL REVENUES	<u>225,500</u>	<u>367,479</u>	<u>141,979</u>	<u>290,043</u>
EXPENDITURES				
Debt Service				
Principal	93,722	93,722	-	83,382
Interest	<u>76,003</u>	<u>75,918</u>	<u>85</u>	<u>86,259</u>
TOTAL EXPENDITURES	<u>169,725</u>	<u>169,640</u>	<u>85</u>	<u>169,641</u>
NET CHANGE IN FUND BALANCES	55,775	197,839	142,064	120,402
FUND BALANCES, Beginning	<u>1,834</u>	<u>54,394</u>	<u>52,560</u>	<u>(66,008)</u>
FUND BALANCES (DEFICIT), Ending	<u>\$ 57,609</u>	<u>\$ 252,233</u>	<u>\$ 194,624</u>	<u>\$ 54,394</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2016

	SPECIAL REVENUE			TOTALS	
	CONSERVATION TRUST FUND	PARK IMPROVEMENT FUND	FREDERICK URBAN RENEWAL AUTHORITY	2016	2015
ASSETS					
Cash and Investments	\$ 114,646	\$ 1,408,435	\$ 81,731	\$ 1,604,812	\$ 1,444,818
Accounts Receivable	-	10,019	3,240	13,259	15,824
TOTAL ASSETS	<u>\$ 114,646</u>	<u>\$ 1,418,454</u>	<u>\$ 84,971</u>	<u>\$ 1,618,071</u>	<u>\$ 1,460,642</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ 49,481	\$ 260	\$ 49,741	\$ 26,530
Accrued Liabilities	-	6,671	-	6,671	4,505
Developer Escrows and Deposits	-	113,000	-	113,000	83,360
Advances from Other Funds	-	-	50,000	50,000	50,000
TOTAL LIABILITIES	<u>-</u>	<u>169,152</u>	<u>50,260</u>	<u>219,412</u>	<u>164,395</u>
FUND EQUITY					
Fund Balance					
Restricted for Parks & Recreation	114,646	-	-	114,646	82,783
Restricted for Urban Renewal	-	-	34,711	34,711	867
Committed for Parks, Open Space, and Capital Outlay	-	1,249,302	-	1,249,302	1,212,597
TOTAL FUND EQUITY	<u>114,646</u>	<u>1,249,302</u>	<u>34,711</u>	<u>1,398,659</u>	<u>1,296,247</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 114,646</u>	<u>\$ 1,418,454</u>	<u>\$ 84,971</u>	<u>\$ 1,618,071</u>	<u>\$ 1,460,642</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2016

	SPECIAL REVENUE			TOTALS	
	CONSERVATION	PARK	FREDERICK	2016	2015
	TRUST FUND	IMPROVEMENT FUND	URBAN RENEWAL AUTHORITY		
REVENUES					
Taxes	\$ -	\$ -	\$ 61,579	\$ 61,579	\$ -
Intergovernmental	60,809	-	-	60,809	48,749
Park Impact Fees	-	222,000	-	222,000	179,020
Charges for Services	-	65,450	-	65,450	53,945
Interest Income	36	3,248	-	3,284	1,094
Miscellaneous	-	757	-	757	1,015
TOTAL REVENUES	60,845	291,455	61,579	413,879	283,823
EXPENDITURES					
Public Works	-	474,776	-	474,776	364,343
Parks and Recreation	28,982	-	-	28,982	64,722
Economic Development	-	-	37,735	37,735	64,133
Capital Outlay	-	192,824	-	192,824	49,097
TOTAL EXPENDITURES	28,982	667,600	37,735	734,317	542,295
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	31,863	(376,145)	23,844	(320,438)	(258,472)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	412,850	10,000	422,850	477,850
Transfers Out	-	-	-	-	(156)
TOTAL OTHER FINANCING SOURCES (USES)	-	412,850	10,000	422,850	477,694
NET CHANGE IN FUND BALANCES	31,863	36,705	33,844	102,412	219,222
FUND BALANCES, Beginning	82,783	1,212,597	867	1,296,247	1,077,025
FUND BALANCES, Ending	\$ 114,646	\$ 1,249,302	\$ 34,711	\$ 1,398,659	\$ 1,296,247

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016		VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 47,000	\$ 60,809	\$ 13,809	\$ 48,749
Interest Income	55	36	(19)	38
TOTAL REVENUES	<u>47,055</u>	<u>60,845</u>	<u>13,790</u>	<u>48,787</u>
EXPENDITURES				
Parks and Recreation	<u>45,250</u>	<u>28,982</u>	<u>16,268</u>	<u>64,722</u>
TOTAL EXPENDITURES	<u>45,250</u>	<u>28,982</u>	<u>16,268</u>	<u>64,722</u>
NET CHANGE IN FUND BALANCE	1,805	31,863	30,058	(15,935)
FUND BALANCE, Beginning	<u>65,620</u>	<u>82,783</u>	<u>17,163</u>	<u>98,718</u>
FUND BALANCE, Ending	<u>\$ 67,425</u>	<u>\$ 114,646</u>	<u>\$ 47,221</u>	<u>\$ 82,783</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

PARK IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Park Impact Fees	\$ 203,000	\$ 203,000	\$ 222,000	\$ 19,000	\$ 179,020
Charges for Services	-	-	65,450	65,450	53,945
Interest Income	-	-	3,248	3,248	1,056
Miscellaneous	-	-	757	757	1,015
TOTAL REVENUES	<u>203,000</u>	<u>203,000</u>	<u>291,455</u>	<u>88,455</u>	<u>235,036</u>
EXPENDITURES					
Public Works	572,970	632,970	474,776	158,194	364,343
Capital Outlay	483,500	483,500	192,824	290,676	49,097
TOTAL EXPENDITURES	<u>1,056,470</u>	<u>1,116,470</u>	<u>667,600</u>	<u>448,870</u>	<u>413,440</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(853,470)</u>	<u>(913,470)</u>	<u>(376,145)</u>	<u>537,325</u>	<u>(178,404)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	412,850	412,850	412,850	-	412,850
Transfers Out	(3,000)	(3,000)	-	3,000	(156)
TOTAL OTHER FINANCING SOURCES	<u>409,850</u>	<u>409,850</u>	<u>412,850</u>	<u>3,000</u>	<u>412,694</u>
NET CHANGE IN FUND BALANCES	<u>(443,620)</u>	<u>(503,620)</u>	<u>36,705</u>	<u>540,325</u>	<u>234,290</u>
FUND BALANCES, Beginning	<u>1,074,603</u>	<u>1,074,603</u>	<u>1,212,597</u>	<u>137,994</u>	<u>978,307</u>
FUND BALANCES, Ending	<u>\$ 630,983</u>	<u>\$ 570,983</u>	<u>\$ 1,249,302</u>	<u>\$ 678,319</u>	<u>\$ 1,212,597</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

FREDERICK URBAN RENEWAL AUTHORITY
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes	\$ 5,500	\$ 40,000	\$ 61,579	\$ 21,579	\$ -
TOTAL REVENUES	5,500	40,000	61,579	21,579	-
EXPENDITURES					
Economic Development	\$ 10,000	\$ 40,000	\$ 37,735	\$ 2,265	\$ 64,133
TOTAL EXPENDITURES	10,000	40,000	37,735	2,265	64,133
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,500)	-	23,844	23,844	(64,133)
OTHER FINANCING SOURCES (USES)					
Transfers In	10,000	10,000	10,000	-	65,000
TOTAL OTHER FINANCING SOURCES	10,000	10,000	10,000	-	65,000
NET CHANGE IN FUND BALANCES	5,500	10,000	33,844	23,844	867
FUND BALANCES, Beginning	-	-	867	867	-
FUND BALANCES, Ending	\$ 5,500	\$ 10,000	\$ 34,711	\$ 24,711	\$ 867

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 1,944,750	\$ 1,944,750	\$ 3,006,810	\$ 1,062,060	\$ 2,757,291
Contributions	1,194,000	1,194,000	1,630,231	436,231	1,641,093
Interest Income	4,200	4,200	11,033	6,833	4,754
Miscellaneous	1,506,500	1,506,500	29,979	(1,476,521)	20,827
TOTAL REVENUES	<u>4,649,450</u>	<u>4,649,450</u>	<u>4,678,053</u>	<u>28,603</u>	<u>4,423,965</u>
EXPENDITURES					
Administration	399,400	399,400	275,892	123,508	256,584
Operations	2,695,780	2,695,780	1,238,067	1,457,713	1,412,005
Capital Outlay	2,503,750	4,303,850	3,204,159	1,099,691	3,003,413
Depreciation Expense	306,000	306,000	279,656	26,344	281,545
Debt Service	-	-	4,775	(4,775)	3,751
Transfers Out	98,350	98,350	103,365	(5,015)	94,236
TOTAL EXPENDITURES	<u>6,003,280</u>	<u>7,803,380</u>	<u>5,105,914</u>	<u>2,697,466</u>	<u>5,051,534</u>
NET INCOME, Budget Basis	<u>\$ (1,353,830)</u>	<u>\$ (3,153,930)</u>	(427,861)	<u>\$ 2,726,069</u>	(627,569)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			<u>3,204,159</u>		<u>3,003,413</u>
NET INCOME, GAAP Basis			2,776,298		2,375,844
NET POSITION, Beginning			<u>54,731,998</u>		<u>52,356,154</u>
NET POSITION, Ending			<u>\$ 57,508,296</u>		<u>\$ 54,731,998</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

ELECTRIC FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 2,850,000	\$ 2,850,000	\$ 3,401,488	\$ 551,488	\$ 3,258,005
Contribution	97,500	97,500	154,559	57,059	134,777
Reimbursed Expenses	-	-	309,143	309,143	-
Interest Income	-	-	26,068	26,068	9,651
Miscellaneous	71,900	71,900	65,573	(6,327)	85,974
TOTAL REVENUES	3,019,400	3,019,400	3,956,831	937,431	3,488,407
EXPENDITURES					
Administration	570,510	570,510	193,411	377,099	191,712
Operations	2,806,170	2,806,170	2,818,979	(12,809)	2,965,515
Capital Outlay	430,000	2,330,000	1,299,760	1,030,240	32,423
Depreciation Expense	180,000	180,000	178,458	1,542	167,459
Transfers Out	304,000	304,000	304,512	(512)	300,000
TOTAL EXPENDITURES	4,290,680	6,190,680	4,795,120	1,395,560	3,657,109
NET INCOME, Budget Basis	<u>\$ (1,271,280)</u>	<u>\$ (3,171,280)</u>	(838,289)	<u>\$ 2,332,991</u>	(168,702)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			1,299,760		32,423
NET INCOME, GAAP Basis			461,471		(136,279)
NET POSITION, Beginning			15,245,276		15,381,555
NET POSITION, Ending			<u>\$ 15,706,747</u>		<u>\$ 15,245,276</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

STORM WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016			VARIANCE	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Drainage Fees	\$ 465,000	\$ 465,000	\$ 479,924	\$ 14,924	\$ 458,502
Contributions	146,550	146,550	267,883	121,333	248,476
State and Federal Grants	-	-	800,811	800,811	1,245,581
Reimbursed Expenses	-	-	15,392	15,392	40,422
Interest Income	-	-	1,628	1,628	321
Miscellaneous	5,500	5,500	-	(5,500)	2,389
TOTAL REVENUES	617,050	617,050	1,565,638	948,588	1,995,691
EXPENDITURES					
Operations	411,695	411,695	290,979	120,716	1,012,219
Capital Outlay	200,000	1,792,000	1,132,518	659,482	1,143,383
Depreciation Expense	-	-	22,697	(22,697)	12,239
Transfers Out	22,250	22,250	20,250	2,000	22,032
TOTAL EXPENDITURES	633,945	2,225,945	1,466,444	759,501	2,189,873
NET INCOME, Budget Basis	\$ (16,895)	\$ (1,608,895)	99,194	\$ 1,708,089	(194,182)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			1,132,518		1,143,383
NET INCOME, GAAP Basis			1,231,712		949,201
NET POSITION, Beginning			2,766,706		1,817,505
NET POSITION, Ending			\$ 3,998,418		\$ 2,766,706

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

OIL ROYALTY TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES					
Oil Royalties	\$ 35,000	\$ 35,000	\$ 24,159	\$ (10,841)	\$ 13,835
Investment Income	-	-	-	-	694
TOTAL REVENUES	35,000	35,000	24,159	(10,841)	14,529
EXPENDITURES					
Purchased Services	70,000	70,000	3,082	66,918	1,121
Scholarships	13,500	13,500	9,000	4,500	6,000
Donations	15,000	15,000	5,700	9,300	10,060
Miscellaneous	700	700	-	700	495
Transfers out	-	1,000,000	-	1,000,000	-
TOTAL EXPENDITURES	99,200	1,099,200	17,782	1,081,418	17,676
CHANGE IN NET POSITION	(64,200)	(1,064,200)	6,377	1,070,577	(3,147)
NET ASSETS, Beginning	1,295,167	1,295,167	1,337,942	42,775	1,341,089
NET ASSETS Ending	\$ 1,230,967	\$ 230,967	\$ 1,344,319	\$ 1,113,352	\$ 1,337,942

See the accompanying independent auditors' report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Frederick
	YEAR ENDING : December 2016
This Information From The Records Of (example - City of _ or County of _) Town of Frederick	Prepared By: Mitzi McCoy Phone: 720-382-5500

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)	1,454,639
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	697,795
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	27,139
3. Other local imposts (from page 2)	1,397,668	c. Other	79,853
4. Miscellaneous local receipts (from page 2)	195,359	d. Total (a. through c.)	106,992
5. Transfers from toll facilities		4. General administration & miscellaneous	430,991
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,690,417
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	131,700
7. Total (1 through 6)	1,593,026	b. Redemption	280,000
B. Private Contributions		c. Total (a. + b.)	411,700
C. Receipts from State government (from page 2)	534,745	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,127,771	b. Redemption	
		c. Total (a. + b.)	
		3. Total (1.c + 2.c)	411,700
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,102,117

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)		●	280,000	
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,228,439	2,127,771	3,102,117	2,254,093	

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	9,840
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	945,207	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	356,557	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	95,904	g. Other Misc. Receipts	185,518
6. Total (1. through 5.)	1,397,668	h. Other	
c. Total (a. + b.)	1,397,668	i. Total (a. through h.)	195,359
	(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	416,882	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	58,403	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	59,460	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	117,863	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	534,745	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			1,454,639
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	1,454,639
			(Carry forward to page 1)

Notes and Comments: