

CITY OF EDGEWATER, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2016



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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Edgewater, Colorado

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

Management's Responsibility for the Financial Statements

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

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, and each major fund of the City of Edgewater, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, in the year ended December 31, 2015, the City of Edgewater adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 City of Edgewater's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hamblin and Associates

Evergreen, Colorado
June 17, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED REQUIRED SUPPLEMENTARY INFORMATION)

BASIC FINANCIAL STATEMENTS

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CITY OF EDGEWATER, COLORADO

STATEMENT OF NET POSITION

December 31, 2016

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	REDEVELOPMENT AUTHORITY
ASSETS				
Cash and Investments	\$ 6,008,269	\$ 961,816	\$ 6,970,085	\$ 741,853
Cash in Escrow	-	-	-	-
Accounts Receivable	144,822	161,561	306,383	7
Taxes Receivable	648,094	-	648,094	-
Intergovernmental Receivables	31,021	-	31,021	-
Inventory	-	16,650	16,650	-
Other Assets	12,268	-	12,268	-
Property Held for Resale	-	-	-	346,559
Capital Assets, Not Being Depreciated	930,088	-	930,088	134,000
Capital Assets, Net	4,467,449	2,475,926	6,943,375	29,324
TOTAL ASSETS	12,242,011	3,615,953	15,857,964	1,251,743
DEFERRED OUTFLOWS OF RESOURCES				
Items Related to Pensions	14,954	-	14,954	-
Loss on Debt Refunding, Net of Accumulated Amortization	42,752	-	42,752	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	57,706	-	57,706	-
LIABILITIES				
Accounts Payable	945,607	67,283	1,012,890	-
Accrued Liabilities	62,801	-	62,801	-
Court Bonds and Deposits	103,018	-	103,018	-
Noncurrent Liabilities				
Net Pension Liability	110,314	-	110,314	-
Due Within One Year	386,563	86,198	472,761	-
Due in More Than One Year	1,211,181	930,350	2,141,531	-
TOTAL LIABILITIES	2,819,484	1,083,831	3,903,315	-
NET POSITION				
Net Investment in Capital Assets	3,980,004	1,475,603	5,455,607	163,324
Restricted for Parks and Open Space	1,424,359	-	1,424,359	-
Restricted for Debt Service	356,322	-	356,322	-
Restricted for Emergencies	174,500	-	174,500	-
Unrestricted	3,545,048	1,056,519	4,601,567	1,088,419
TOTAL NET POSITION	\$ 9,480,233	\$ 2,532,122	\$ 12,012,355	\$ 1,251,743

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

CITY OF EDGEWATER, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			COMPONENT UNIT REDEVELOPMENT AUTHORITY
	EXPENSES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL	
		GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS				
Governmental Activities							
General Government	\$ 1,974,661	\$ 95,358	\$ -	\$ (1,406,405)	\$ -	\$ (1,406,405)	\$ -
Public Safety	1,745,422	63,381	95,358	(1,483,811)	-	(1,483,811)	-
Public Works	1,011,764	161,214	-	(850,550)	-	(850,550)	-
Parks and Recreation	371,885	172,215	-	(146,155)	-	(146,155)	-
Interest on Long-Term Debt	42,200	-	-	(42,200)	-	(42,200)	-
TOTAL GOVERNMENTAL ACTIVITIES	5,145,932	492,168	95,358	(4,075,154)	-	(3,929,121)	-
Business-Type Activities							
Water	1,482,774	-	-	-	(117,735)	(117,735)	-
Sewer	501,484	-	-	-	(28,775)	(28,775)	-
Trash	223,840	-	-	-	13,534	13,534	-
TOTAL BUSINESS - TYPE ACTIVITIES	2,208,098	-	-	-	(132,976)	(132,976)	-
TOTAL PRIMARY GOVERNMENT	\$ 7,354,030	\$ 492,168	\$ 95,358	(4,075,154)	(132,976)	(4,062,097)	-
COMPONENT UNIT Redevelopment Authority	\$ 30,958	\$ -	\$ -	-	-	-	23,842
GENERAL REVENUES							
Property Taxes							34,525
Sales and Use Taxes				5,872,234		5,872,234	-
Franchise Taxes				259,626		259,626	-
Intergovernmental Revenues not Restricted to Specific Programs				260,765		260,765	-
Investment Income				6,796		6,796	-
Miscellaneous				28,862	14,461	43,323	-
TOTAL GENERAL REVENUES				6,428,283	14,461	6,442,744	34,525
CHANGE IN NET POSITION				2,353,129	(118,515)	2,380,647	58,367
NET POSITION - Beginning of Year				7,130,843	2,650,637	9,781,480	1,193,376
NET POSITION- Ending				\$ 9,483,972	\$ 2,532,122	\$ 12,162,127	\$ 1,251,743

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

CITY OF EDGEWATER, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2016

	<u>GENERAL</u>	<u>OPEN SPACE</u>	<u>CAPITAL IMPROVEMENTS</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
ASSETS					
Cash and Investments	\$ 4,313,772	\$ 1,034,001	\$ 168,021	\$ 492,475	\$ 6,008,269
Accounts Receivable	144,822	-	-	-	144,822
Taxes Receivable	648,094	-	-	-	648,094
Intergovernmental Receivables	-	31,021	-	-	31,021
Prepays	12,268	-	-	-	12,268
TOTAL ASSETS	\$ 5,118,956	\$ 1,065,022	\$ 168,021	\$ 492,475	\$ 6,844,474
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 848,647	\$ 289	\$ 95,351	\$ 1,320	\$ 945,607
Accrued Liabilities	62,801	-	-	-	62,801
Court Bonds and Deposits	103,018	-	-	-	103,018
TOTAL LIABILITIES	1,014,466	289	95,351	1,320	1,111,426
FUND BALANCE					
Restricted for Parks and Open Space	-	1,064,733	-	359,626	1,424,359
Restricted for Debt Service	356,322	-	-	-	356,322
Restricted for Emergencies	174,500	-	-	-	174,500
Assigned to Capital Outlay	-	-	72,670	131,529	204,199
Unrestricted, Unassigned	3,573,668	-	-	-	3,573,668
TOTAL FUND BALANCE	4,104,490	1,064,733	72,670	491,155	5,733,048
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,118,956	\$ 1,065,022	\$ 168,021	\$ 492,475	\$ 6,844,474

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

Total Fund Balance of Governmental Funds	\$ 5,733,048
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	5,397,537
Pension liability is non-current and not reported in the funds.	(110,314)
Deferred outflows of resources due to pensions are not financial resources, and therefore, are not reported in governmental funds.	14,954
Long-term liabilities and related items, including bonds (\$1,460,285), compensated absences (\$137,459), and loss on debt refunding \$42,752, are not due and payable in the current year and, therefore, are not reported in governmental funds.	(1,554,992)
Total Net Position of Governmental Activities	\$ 9,480,233

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

CITY OF EDGEWATER, COLORADO

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

	GENERAL	OPEN SPACE	CAPITAL IMPROVEMENTS	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
REVENUES					
Taxes	\$ 6,132,507	\$ -	\$ -	\$ -	\$ 6,132,507
Licenses and Permits	169,651	-	-	-	169,651
Intergovernmental	343,646	172,215	-	59,260	575,121
Charges for Services	617,833	11,452	-	-	629,285
Fines and Forfeitures	102,872	-	-	-	102,872
Investment Income	6,796	-	-	-	6,796
Miscellaneous	28,862	-	-	-	28,862
TOTAL REVENUES	7,402,167	183,667	-	59,260	7,645,094
EXPENDITURES					
Current					
General Government	1,776,903	-	-	4,790	1,781,693
Public Safety	1,694,541	-	-	-	1,694,541
Public Works	994,272	-	-	-	994,272
Parks and Recreation	128,207	195,933	-	45,839	369,979
Capital Outlay	-	-	1,523,267	248,191	1,771,458
Debt Service					
Principal	340,000	-	-	-	340,000
Interest and Fiscal Charges	42,200	-	-	-	42,200
TOTAL EXPENDITURES	4,976,123	195,933	1,523,267	298,820	6,994,143
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,426,044	(12,266)	(1,523,267)	(239,560)	650,951
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	1,550,000	195,000	1,745,000
Transfers Out	(1,745,000)	-	-	-	(1,745,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,745,000)	-	1,550,000	195,000	-
NET CHANGE IN FUND BALANCE	681,044	(12,266)	26,733	(44,560)	650,951
FUND BALANCES, Beginning	3,423,446	1,076,999	45,937	535,715	5,082,097
FUND BALANCES, Ending	\$ 4,104,490	\$ 1,064,733	\$ 72,670	\$ 491,155	\$ 5,733,048

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

CITY OF EDGEWATER, COLORADO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE 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 Change in Fund Balance of Governmental Funds	\$ 650,951
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net positions and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capitalized Asset Additions	1,624,791
Depreciation Expense	(260,414)
Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
	340,000
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of bond premium \$11,322 and loss on refunding (\$10,688).	
	634
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in accrued compensated absences.	<u>(2,833)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,353,129</u>

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

CITY OF EDGEWATER, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2016

	<u>WATER</u>	<u>SEWER</u>	<u>NONMAJOR TRASH</u>	<u>TOTALS</u>
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ 821,397	\$ 112,543	\$ 27,876	\$ 961,816
Accounts Receivable	95,303	43,592	22,666	161,561
Inventory	<u>16,650</u>	<u>-</u>	<u>-</u>	<u>16,650</u>
TOTAL CURRENT ASSETS	933,350	156,135	50,542	1,140,027
NONCURRENT ASSETS				
Capital Assets, Net of Accumulated Depreciation	<u>1,294,826</u>	<u>1,181,100</u>	<u>-</u>	<u>2,475,926</u>
TOTAL ASSETS	<u>2,228,176</u>	<u>1,337,235</u>	<u>50,542</u>	<u>3,615,953</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	47,482	915	18,886	67,283
Current Portion of Debt	86,198	-	-	86,198
LONG-TERM LIABILITIES				
Long-Term Portion of Debt	914,125	-	-	914,125
Accrued Compensated Absences	<u>8,559</u>	<u>7,666</u>	<u>-</u>	<u>16,225</u>
TOTAL LIABILITIES	<u>1,056,364</u>	<u>8,581</u>	<u>18,886</u>	<u>1,083,831</u>
NET POSITION				
Net Investment in Capital Assets	294,503	1,181,100	-	1,475,603
Unrestricted	<u>877,309</u>	<u>147,554</u>	<u>31,656</u>	<u>1,056,519</u>
TOTAL NET POSITION	<u>\$ 1,171,812</u>	<u>\$ 1,328,654</u>	<u>\$ 31,656</u>	<u>\$ 2,532,122</u>

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

CITY OF EDGEWATER, COLORADO

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

Year Ended December 31, 2016

	<u>WATER</u>	<u>SEWER</u>	<u>NONMAJOR TRASH</u>	<u>TOTALS</u>
OPERATING REVENUES				
Charges for Services	\$ 1,365,039	\$ 472,709	\$ 237,374	\$ 2,075,122
Miscellaneous	10,105	4,356	-	14,461
TOTAL OPERATING REVENUES	1,375,144	477,065	237,374	2,089,583
OPERATING EXPENSES				
Operations	1,204,168	370,414	223,840	1,798,422
Maintenance	80,032	82,993	-	163,025
Depreciation	74,632	48,077	-	122,709
TOTAL OPERATING EXPENSES	1,358,832	501,484	223,840	2,084,156
OPERATING INCOME (LOSS)	16,312	(24,419)	13,534	5,427
NON-OPERATING REVENUES/(EXPENSES)				
Investment Income	-	-	-	-
Debt Service Interest	(123,942)	-	-	(123,942)
CHANGE IN NET POSITION	(107,630)	(24,419)	13,534	(118,515)
NET POSITION - Beginning	1,279,442	1,353,073	18,122	2,650,637
NET POSITION - Ending	\$ 1,171,812	\$ 1,328,654	\$ 31,656	\$ 2,532,122

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

CITY OF EDGEWATER, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2016

	<u>WATER</u>	<u>SEWER</u>	<u>NONMAJOR TRASH</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,382,143	\$ 476,153	\$ 237,491	\$ 2,095,787
Cash Paid to Suppliers	(1,019,458)	(395,677)	(236,688)	(1,651,823)
Cash Paid to Employees	(87,206)	(65,611)	-	(152,817)
Net Cash Provided (Used) by Operating Activities	<u>275,479</u>	<u>14,865</u>	<u>803</u>	<u>291,147</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Asset Additions	<u>(111,652)</u>	<u>-</u>	<u>-</u>	<u>(111,652)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(111,652)</u>	<u>-</u>	<u>-</u>	<u>(111,652)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	163,827	14,865	803	179,495
CASH AND CASH EQUIVALENTS, Beginning	<u>657,570</u>	<u>97,678</u>	<u>27,073</u>	<u>782,321</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 821,397</u>	<u>\$ 112,543</u>	<u>\$ 27,876</u>	<u>\$ 961,816</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net Operating Income (Loss)	\$ 16,312	\$ (24,419)	\$ 13,534	\$ 5,427
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	74,632	48,077	-	122,709
Changes in Assets and Liabilities Related to Operations:				
Accounts Receivable	6,999	(912)	117	6,204
Accounts Payable	177,672	(7,073)	(12,848)	157,751
Accrued Liabilities	768	18	-	786
Accrued Compensated Absences	(904)	(826)	-	(1,730)
Net Cash Provided by Operating Activities	<u>\$ 275,479</u>	<u>\$ 14,865</u>	<u>\$ 803</u>	<u>\$ 291,147</u>

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

CITY OF EDGEWATER, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
December 31, 2016

	FIREMEN'S PENSION
ASSETS	
Cash and Investments	
Deposits	\$ 56,856
U.S. Agency Securities	681,458
TOTAL ASSETS	\$ 738,314
 NET POSITION	
Held in Trust for Pension Benefits	738,314
TOTAL LIABILITIES AND NET POSITION	\$ 738,314

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

CITY OF EDGEWATER, COLORADO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
Year Ended December 31, 2016

	<u>FIREMEN'S PENSION</u>
ADDITIONS	
City Contributions	\$ 25,000
State Contributions	19,535
Investment Income	<u>15,846</u>
TOTAL ADDITIONS	<u>60,381</u>
DEDUCTIONS	
Pension Benefit Payments	<u>68,490</u>
CHANGE IN NET POSITION	(8,109)
NET POSITION, Beginning	<u>746,423</u>
NET POSITION, Ending	<u><u>\$ 738,314</u></u>

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

CITY OF EDGEWATER, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

CITY OF EDGEWATER, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City.

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

CITY OF EDGEWATER, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 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 City's practice to use restricted resources first, then unrestricted resources as they are needed.

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

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund type:

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

Assets, Liabilities and Net Position/Fund Balance

Cash and Investments - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents. Investments are reported at fair value.

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

Inventory - Inventories of the proprietary funds are valued at cost using the first-in, first-out method.

CITY OF EDGEWATER, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, 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 are reported as other financing uses.

Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenses or expenditures.

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

CITY OF EDGEWATER, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

These compensated absences are recognized when due in the governmental funds. A long-term liability has been reported in the government-wide and proprietary fund financial statements for the accrued compensated absences.

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed.

In the fund financial statements, governmental funds report assigned fund balances when the City Council intends to use resources for a specific purpose but without a formal action.

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

Property Taxes

Property taxes attach as an enforceable lien on January 1, are levied the following December, and collected in the subsequent year. 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 City on a monthly basis.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2016 follows:

Petty Cash	\$ 1,005
Cash Deposits	7,757,018
Investments	691,614
Total	<u>\$ 8,449,637</u>

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

Primary Government	\$ 6,969,470
Component Unit	741,853
Pension Trust Fund	738,314
Total	<u>\$ 8,449,637</u>

CITY OF EDGEWATER, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2016, the City had bank deposits of \$7,820,979 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

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

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

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

Investment Type	S&P Rating	Investment Maturities (in Years)				Fair Value
		Less Than 1	1 - 5	6 - 10	More Than 10	
Local Government Investment Pool	AAAm	\$10,156	\$ -	\$ -	\$ -	\$ 10,156
Government National Mortgage Association	N/A	-	3,630	54,517	623,311	681,458
Total		\$10,156	\$3,630	\$54,517	\$ 623,311	\$ 691,614

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

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

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in a single issuer, except for corporate securities. The Government National Mortgage Association (GNMA) securities are held by the Firemen's Pension Plan, and represent 98% of total investments.

CITY OF EDGEWATER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pool - At December 31, 2016, the City had \$10,156 invested in the Colorado Local Government Liquid Asset Trust (Colotrust). Colotrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services to Colotrust in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: CAPITAL ASSETS

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

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 930,088	\$ -	\$ -	\$ 930,088
Capital Assets, Being Depreciated				
Buildings and Improvements	1,447,672	-	-	1,447,672
Equipment	963,158	210,745	-	1,173,903
Infrastructure	2,191,531	1,414,046	-	3,605,577
Total Capital Assets, Being Depreciated	4,602,361	1,624,791	-	6,227,152
Less Accumulated Depreciation				
Buildings and Improvements	(414,195)	(18,901)	-	(433,096)
Equipment	(733,978)	(78,172)	-	(812,150)
Infrastructure	(351,116)	(163,341)	-	(514,457)
Total Accumulated Depreciation	(1,499,289)	(260,414)	-	(1,759,703)
Total Capital Assets, Being Depreciated, Net	3,103,072	1,364,377	-	4,467,449
Governmental Activities - Capital Assets, Net	\$ 4,033,160	\$ 1,364,377	\$ -	\$ 5,397,537

Depreciation expense was charge to activities of the City as follows:

Governmental Activities	
General Government	\$ 191,926
Public Safety	49,889
Public Works	16,910
Parks and Recreation	1,689
Total	\$ 260,414

CITY OF EDGEWATER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3: CAPITAL ASSETS (Continued)

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2016</u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Water System	\$ 2,331,580	\$ 111,652	\$ -	\$ 2,443,232
Sewer System	1,463,280	-	-	1,463,280
Total Capital Assets, Being Depreciated	<u>3,794,860</u>	<u>111,652</u>	<u>-</u>	<u>3,906,512</u>
Less Accumulated Depreciation				
Water System	(1,073,773)	(74,632)	-	(1,148,405)
Sewer System	(234,104)	(48,077)	-	(282,181)
Total Accumulated Depreciation	<u>(1,307,877)</u>	<u>(122,709)</u>	<u>-</u>	<u>(1,430,586)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,486,983</u>	<u>\$ (11,057)</u>	<u>\$ -</u>	<u>\$ 2,475,926</u>
Component Unit				
Capital Assets, Not Being Depreciated				
Land	\$ 134,000	\$ -	\$ -	\$ 134,000
Capital Assets, Being Depreciated				
Sign	39,987	-	-	39,987
Accumulated Depreciation	(10,663)	(2,666)	-	(13,329)
Total Capital Assets, Being Depreciated, Net	<u>29,324</u>	<u>(2,666)</u>	<u>-</u>	<u>26,658</u>
Component Unit Capital Assets, Net	<u>\$ 163,324</u>	<u>\$ (2,666)</u>	<u>\$ -</u>	<u>\$ 160,658</u>

NOTE 4: LONG-TERM DEBT

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

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance December 31, 2016</u>	<u>Due Within One Year</u>
Governmental Activities					
2012 Revenue Refunding Bonds	\$ 1,755,000	\$ -	\$ 340,000	\$ 1,415,000	\$ 345,000
Premium	56,607	-	11,322	45,285	11,322
Compensated Absences	134,626	75,415	72,582	137,459	30,241
Total Governmental	<u>\$ 1,946,233</u>	<u>\$ 75,415</u>	<u>\$ 423,904</u>	<u>\$ 1,597,744</u>	<u>\$ 386,563</u>
Business-Type Activities					
CWRPDA Water Loan	<u>\$ 1,993,181</u>	<u>\$ -</u>	<u>\$ 992,858</u>	<u>\$ 1,000,323</u>	<u>\$ 86,198</u>

CITY OF EDGEWATER, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 4: LONG-TERM DEBT (Continued)

On September 25, 2012, the City issued \$2,790,000 Sales and Use Tax Revenue Refunding Bonds, Series 2012, to refund the outstanding General Fund Revenue Bonds, Series 2001, originally issued to refund a portion of the Tax Increment Revenue Refunding Bonds, Series 1999. Principal payments are due annually on December 1, through 2020. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2% to 3%. These bonds are payable solely from the City's 3.5% sales and use tax. During the year ended December 31, 2016, revenues of \$5,485,852 were available to pay the annual debt service. Future debt service requirements are as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 345,000	\$ 35,400	\$ 380,400
2018	350,000	28,500	378,500
2019	360,000	21,600	381,600
2020	360,000	5,650	365,650
Total	\$ 1,415,000	\$ 91,150	\$ 1,506,150

On January 15, 2015, the City entered into a loan agreement with Colorado Water Resources and Power Development Authority (CWRPDA) for drinking water system improvements. Payments of \$61,971, including interest at 2.00%, are due May 1 and November 1 each year through May 2035. Future debt service requirements are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 86,198	\$ 19,087	\$ 105,284
2018	87,930	18,225	106,155
2019	89,698	17,346	107,043
2020	91,500	16,449	107,949
2021	93,340	15,534	108,873
2022-2026	495,606	63,286	558,892
2027-2031	547,457	37,489	584,946
2032-2035	416,954	9,613	426,568
Total	\$ 1,908,682	\$ 197,028	\$ 2,105,710

NOTE 5: INTERFUND TRANSACTIONS

Interfund transfers during the year ended December 31, 2016, consisted of the following.

<u>Transfers In</u>	<u>Transfers Out</u>	
Capital Improvements Fund	General Fund	\$ 1,550,000
Capital Equipment Fund	General Fund	195,000
Total		\$ 1,745,000

The General Fund transferred certain amounts to the Capital Improvements and Capital Equipment Funds to finance capital purchases and infrastructure improvements.

CITY OF EDGEWATER, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 6: RISK MANAGEMENT

Public Entity Risk Pool

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

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

CIRSA is a separate legal entity and the City does not approve budgets nor does it have ability to significantly affect the operations of CIRSA.

NOTE 7: RETIREMENT COMMITMENTS

Police Pension Plan

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

During the year ended December 31, 2016, the City contributed \$96,156 to the Plan, equal to the required contributions. All Plan assets are managed by Pension Management Associates, Inc.

Employee Pension Plan

The City contributes to a multiple-employer defined contribution retirement plan on behalf of City employees. All regular full-time employees are eligible to participate in the Plan with the exclusion of sworn police officers. The Plan provisions and contribution requirements are established and may be amended by the City Council. The City is required to contribute 4% of each participating employee's compensation, and each participating employee must contribute 4%. Employees may make additional voluntary contributions not to exceed 10% of their compensation. Employees fully vest in the City's contributions at a rate of 20% for each full twelve months of participation.

During the year ended December 31, 2016, the City contributed \$30,041 to the Plan, equal to the required contributions. The Plan is administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

CITY OF EDGEWATER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7: RETIREMENT COMMITMENTS (Continued)

Firemen’s Pension Plan

Plan Description and Administration - The City has established a single-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado statutes. The Plan is administered by a Board of Trustees composed of City Council members and other appointees selected in accordance with State statutes. This Board of Trustees also establishes and is allowed to amend contribution requirements of the City.

Effective January 1, 2013, the City ceased providing fire services. The City intends to continue the Plan for eligible volunteer firefighters but the Plan is closed to further participation. Any firefighter who had both attained the age of fifty and completed twenty years of active service was eligible for a monthly pension of \$300.

The Plan does not publish a separate stand-alone report, but is reported in these financial statements as a Pension Trust Fund. Actuarial data is published every two years. The most currently available actuarial data is provided in these financial statements.

Plan membership:

At December 31, 2014, pension plan membership consisted of the following:

Inactive plan participants or beneficiaries currently receiving benefits	23
Inactive plan participants entitled but not yet receiving benefits	1
	24

City Contributions:

The City can contribute to the Fund in an amount not to exceed one mill on its assessed valuation.

State Contributions:

The contribution by the State of Colorado toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one-half mill on the assessed valuation or 90% of City contributions, whichever is less.

If the Plan currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of:

- (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and
- (2) the amount of the State contributions received during 2001.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources Related to Pensions:

The Plan's Net Pension Liability was \$106,575, Pension Expense was \$8,984, and Deferred Outflows of Resources at December 31, 2015 was \$14,954. The amount reported as Deferred Outflows of Resources was due to investment earnings less than projected of \$18,693 and will be recognized as pension expense of \$3,739 for each of the next four years.

CITY OF EDGEWATER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7: RETIREMENT COMMITMENTS (Continued)

Firemen's Pension Plan (Continued)

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation Rate - 3.25%
- Interest Rate - 5.75% per annum, compounded annually
- Retirement - Age 50 and 20 years of service or age 60 and 10 years of service
- Disability and Separation - Graduated rates based on ages from 20 to 55
- Mortality - RP-2014 projected 15 years from the valuation date
- Marital Status - 90% married
- Age Difference - Males assumed to be 3 years older
- Asset Valuation - Market value

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 weighting 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 pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected Rate of Return</u>
Fixed Income	90%	5.20%
Cash	<u>10%</u>	<u>3.25%</u>
Total	100%	5.01%

Discount rate:

The discount rate used to measure the total pension liability was 5%. The projection of cash flows used to determine the discount rate assumed that contributions from the City of Edgewater and the State of Colorado will be made in accordance with Colorado Revised Statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan participants. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF EDGEWATER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7: RETIREMENT COMMITMENTS (Continued)

Firemen's Pension Plan (Continued)

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability calculated using the discount rate of 5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (4%) or 1% point higher (6%) than the current rate:

	1% Decrease 4%	Current Discount Rate 5%	1% Increase 6%
Net pension liability (asset)	\$ 198,552	\$ 106,575	\$ 29,761

NOTE 8: COMMITMENTS AND CONTINGENCIES

Enhanced Sales Tax Incentive Program

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

In 2001, the City agreed to rebate a portion of the sales taxes generated by King Soopers. The agreement expired on December 31, 2015. Rebate payments totaled \$404,454.

In 2005, the City agreed to rebate a portion of the sales taxes generated by Target. The agreement terminates at the earlier of December 31, 2026, or upon reaching the cumulative maximum rebate amount of \$10,890,767. During the year ended December 31, 2016, Target earned \$555,220 under this agreement. Payments since inception totaled \$3,971,014 at December 31, 2016.

In 2007, the City entered into an agreement with Sloans Lake Partners LLC, the owner and developer of the Edgewater Marketplace. The agreement requires the City to rebate certain sales taxes generated by the Edgewater Marketplace as reimbursement for infrastructure constructed at the Edgewater Marketplace. The agreement terminates at the earlier of December 31, 2019, or upon reaching the cumulative maximum rebate amount of \$1,384,993. During the year ended December 31, 2016, Sloans Lake Partners LLC earned \$187,130 under this agreement. Payments since inception totaled \$722,394 at December 31, 2016.

CITY OF EDGEWATER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

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

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

The City has established emergency reserves, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2016, the emergency reserve of \$174,500 was reported as restricted fund balance in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EDGEWATER, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes	\$ 5,214,771	\$ 5,214,771	\$ 6,132,507	\$ 917,736
Licenses and Permits	134,000	134,000	169,651	35,651
Intergovernmental	238,660	333,660	343,646	9,986
Charges for Services	497,914	497,914	617,833	119,919
Fines and Forfeitures	157,000	157,000	102,872	(54,128)
Investment Income	5,000	5,000	6,796	1,796
Miscellaneous	11,000	11,000	28,862	17,862
TOTAL REVENUES	<u>6,258,345</u>	<u>6,353,345</u>	<u>7,402,167</u>	<u>1,048,822</u>
EXPENDITURES				
Current				
General Government	1,836,917	1,901,917	1,776,903	125,014
Public Safety	1,648,478	1,648,478	1,694,541	(46,063)
Public Works	980,099	1,020,099	994,272	25,827
Parks and Recreation	133,943	133,943	128,207	5,736
Debt Service				
Principal	380,400	380,400	340,000	40,400
Interest and Fiscal Charges	-	-	42,200	(42,200)
TOTAL EXPENDITURES	<u>4,979,837</u>	<u>5,084,837</u>	<u>4,976,123</u>	<u>108,714</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,278,508</u>	<u>1,268,508</u>	<u>2,426,044</u>	<u>1,157,536</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	95,325	95,325	-	(95,325)
Transfers Out	<u>(1,350,000)</u>	<u>(1,745,000)</u>	<u>(1,745,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,254,675)</u>	<u>(1,649,675)</u>	<u>(1,745,000)</u>	<u>(95,325)</u>
NET CHANGE IN FUND BALANCE	23,833	(381,167)	681,044	1,062,211
FUND BALANCE, Beginning	<u>3,423,446</u>	<u>3,423,446</u>	<u>3,423,446</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 3,447,279</u>	<u>\$ 3,042,279</u>	<u>\$ 4,104,490</u>	<u>\$ 1,062,211</u>

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO
BUDGETARY COMPARISON SCHEDULE
OPEN SPACE FUND
Year Ended December 31, 2016

	<u>ORIGINAL & FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 140,000	\$ 172,215	\$ 32,215
Charges for Services	20,000	11,452	(8,548)
Investment Income	600	0	(600)
Miscellaneous	290,036	-	(290,036)
TOTAL REVENUES	<u>450,636</u>	<u>183,667</u>	<u>(266,969)</u>
EXPENDITURES			
Current			
Parks and Recreation	415,136	195,933	219,203
TOTAL EXPENDITURES	<u>415,136</u>	<u>195,933</u>	<u>219,203</u>
NET CHANGE IN FUND BALANCE	35,500	(12,266)	(486,172)
FUND BALANCE, Beginning	<u>1,076,999</u>	<u>1,076,999</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 1,112,499</u>	<u>\$ 1,064,733</u>	<u>\$ (47,766)</u>

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-
BUDGETARY COMPARISON SCHEDULES

December 31, 2016

NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

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

Budgets for the Edgewater Redevelopment Authority are adopted by the Authority's governing board, and are presented in other supplementary information.

CITY OF EDGEWATER, COLORADO

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
EDGEWATER VOLUNTEER FIREMEN'S PENSION PLAN
LAST TEN FISCAL YEARS*

<u>Fiscal Year Ended December 31,</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ -	\$ -
Interest	43,009	50,939
Changes of benefit terms	-	-
Difference between Expected and Actual Experience	-	(119,098)
Assumption Changes	-	115,136
Benefit Payments	(70,590)	(74,790)
Net Change in Total Pension Liability	<u>(27,581)</u>	<u>(27,813)</u>
Total Pension Liability - Beginning	895,476	923,289
Total Pension Liability - Ending (a)	<u>\$ 867,895</u>	<u>\$ 895,476</u>
Plan Fiduciary Net Position		
Employer Contributions	\$ 44,536	\$ 43,658
Pension Plan Net Investment Income	23,271	20,379
Benefit Payments	(70,590)	(74,790)
Pension Plan Administrative Expense	(4,200)	-
Other	-	-
Net Change in Plan Fiduciary Net Position	<u>(6,983)</u>	<u>(10,753)</u>
Plan Fiduciary Net Position - Beginning	768,304	779,057
Plan Fiduciary Net Position - Ending (b)	<u>\$ 761,321</u>	<u>\$ 768,304</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 106,574</u>	<u>\$ 127,172</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.72%	85.80%
Covered-Employee Payroll	\$ -	\$ -
Net Pension Liability as a Percentage of the Covered-Employee Payroll	Not Applicable	Not Applicable

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO

SCHEDULE OF EMPLOYER CONTRIBUTIONS
EDGEWATER VOLUNTEER FIREMEN'S PENSION PLAN
LAST TEN FISCAL YEARS*

<u>Fiscal year ending December 31,</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 25,000	\$ 25,000	\$ 32,000
Contributions in relation to the actuarially determined contribution	44,536	43,658	50,799
Contribution deficiency (excess)	<u>\$ (19,536)</u>	<u>\$ (18,658)</u>	<u>\$ (18,799)</u>
Covered-employee payroll	-	-	-
Contributions as a percentage of covered-employee payroll	Not Applicable	Not Applicable	Not Applicable

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available at beginning of fiscal year 2014.

Notes to the Required Supplementary Information - Pensions

Note 1. Changes of benefit terms.

None.

Note 2. Changes of assumptions.

In 2014, the expectation of retired life mortality was based on RP2014 Mortality Tables rather than the RP-2000 Mortality Tables, which were used prior to 2014. Mortality improvement scales was based on MP-2014 rather than AA.

In 2014, the long-term rate of investment return was reduced from 5.75% to 5% to more closely reflect the long-term returns on investments.

Note 3. Methods and assumptions used in calculations of actuarially determined contributions.

The actuarially determined contributions in the above schedule are calculated as of January 1, two years prior to the end of the fiscal year in which the contributions are reported. The following actuarial methods and assumptions were used to determine amounts reported above.

Actuarial cost method	Entry Age Normal
Asset valuation method	Market value
Inflation	3.5% per year.
Salary increases	Not Applicable
Investment rate of return	5%, net of investment expenses, compounded annually.

See the accompanying Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

CITY OF EDGEWATER, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

	<u>CONSERVATION TRUST</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTALS</u>
ASSETS			
Cash and Investments	\$ 360,946	\$ 131,529	\$ 492,475
 TOTAL ASSETS	 <u>360,946</u>	 <u>131,529</u>	 <u>492,475</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 1,320	\$ -	\$ 1,320
 TOTAL LIABILITIES	 <u>1,320</u>	 <u>-</u>	 <u>1,320</u>
 FUND BALANCE			
Restricted for Parks and Open Space	359,626	-	359,626
Assigned to Capital Outlay	<u>-</u>	<u>131,529</u>	<u>131,529</u>
 TOTAL FUND BALANCE	 <u>359,626</u>	 <u>131,529</u>	 <u>491,155</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 360,946</u>	 <u>\$ 131,529</u>	 <u>\$ 492,475</u>

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO

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

	<u>CONSERVATION TRUST</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTALS</u>
REVENUES			
Intergovernmental	\$ 59,260	\$ -	\$ 59,260
Investment Income	-	-	-
TOTAL REVENUES	<u>59,260</u>	<u>-</u>	<u>59,260</u>
EXPENDITURES			
Current			
General Government	-	4,790	4,790
Parks and Recreation	45,839	-	45,839
Capital Outlay	-	248,191	248,191
TOTAL EXPENDITURES	<u>45,839</u>	<u>252,981</u>	<u>298,820</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,421</u>	<u>(252,981)</u>	<u>(239,560)</u>
OTHER FINANCING SOURCES			
Proceeds from Sale of Assets	-	-	-
Transfers In	-	195,000	195,000
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>195,000</u>	<u>195,000</u>
NET CHANGE IN FUND BALANCE	13,421	(57,981)	(44,560)
FUND BALANCE, Beginning	<u>346,205</u>	<u>189,510</u>	<u>535,715</u>
FUND BALANCE, Ending	<u>\$ 359,626</u>	<u>\$ 131,529</u>	<u>\$ 491,155</u>

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO

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

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 54,000	\$ 59,260	\$ 5,260
Investment Income	(300)	0	300
TOTAL REVENUES	<u>53,700</u>	<u>59,260</u>	<u>5,560</u>
EXPENDITURES			
Parks and Recreation	<u>171,036</u>	<u>45,839</u>	<u>125,197</u>
TOTAL EXPENDITURES	<u>171,036</u>	<u>45,839</u>	<u>125,197</u>
NET CHANGE IN FUND BALANCE	(117,336)	13,421	130,757
FUND BALANCE, Beginning	<u>346,205</u>	<u>346,205</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 228,869</u>	<u>\$ 359,626</u>	<u>\$ 130,757</u>

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO

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

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
· Investment Income	<u>\$ 300</u>	<u>0</u>	<u>\$ (300)</u>
EXPENDITURES			
Current			
General Government	-	4,790	(4,790)
Capital Outlay	<u>285,000</u>	<u>248,191</u>	<u>36,809</u>
TOTAL EXPENDITURES	<u>285,000</u>	<u>252,981</u>	<u>32,019</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(284,700)</u>	<u>(252,981)</u>	<u>(31,719)</u>
OTHER FINANCING SOURCES			
Proceeds from Sale of Assets	-	0	-
Transfers In	<u>195,000</u>	<u>195,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>195,000</u>	<u>195,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(89,700)</u>	<u>(57,981)</u>	<u>31,719</u>
FUND BALANCE, Beginning	<u>189,510</u>	<u>189,510</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 99,810</u>	<u>\$ 131,529</u>	<u>\$ 31,719</u>

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND
Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital Outlay	1,200,000	1,700,000	1,523,267	176,733
TOTAL EXPENDITURES	1,200,000	1,700,000	1,523,267	176,733
OTHER FINANCING SOURCES				
Transfers In	1,250,000	1,800,000	1,550,000	(250,000)
NET CHANGE IN FUND BALANCE	50,000	100,000	26,733	(73,267)
FUND BALANCE, Beginning	45,937	45,937	45,937	-
FUND BALANCE, Ending	<u>\$ 95,937</u>	<u>\$ 145,937</u>	<u>\$ 72,670</u>	<u>\$ (73,267)</u>

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WATER FUND
Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Water Charges	\$ 1,194,500	\$ 1,263,011	\$ 1,365,039	\$ 102,028
Investment Income	3,000	1,000	-	(1,000)
Miscellaneous	5,000	27,500	10,105	(17,395)
TOTAL REVENUES	<u>1,202,500</u>	<u>1,291,511</u>	<u>1,375,144</u>	<u>83,633</u>
EXPENSES				
Operations	1,056,899	1,230,384	1,315,820	(85,436)
Maintenance	20,500	189,500	80,032	109,468
Interest	72,000	122,000	123,942	(1,942)
Debt Service Principal	-	-	992,858	(992,858)
TOTAL EXPENSES	<u>1,149,399</u>	<u>1,541,884</u>	<u>2,512,652</u>	<u>(970,768)</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ 53,101</u>	<u>\$ (250,373)</u>	<u>(1,137,508)</u>	<u>\$ (887,135)</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			111,652	
Debt Service Principal			992,858	
Depreciation			<u>(74,632)</u>	
CHANGE IN NET POSITION, GAAP Basis			(107,630)	
NET POSITION, Beginning			<u>1,279,442</u>	
NET POSITION, Ending			<u>\$ 1,171,812</u>	

See the accompanying Independent Auditor's Report.

CITY OF EDGEWATER, COLORADO
BUDGETARY COMPARISON SCHEDULE
SEWER FUND
Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Sewer Charges	\$ 429,365	429,365	472,709	\$ 43,344
System Connection Fees	-	-	4,356	4,356
Investment Income	500	500	-	(500)
Miscellaneous	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>(1,200)</u>
TOTAL REVENUES	<u>431,065</u>	<u>431,065</u>	<u>477,065</u>	<u>46,000</u>
EXPENSES				
Operations	383,949	383,949	370,414	13,535
Maintenance	<u>(372,500)</u>	<u>77,500</u>	<u>82,993</u>	<u>(5,493)</u>
TOTAL EXPENSES	<u>11,449</u>	<u>461,449</u>	<u>453,407</u>	<u>8,042</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ 419,616</u>	<u>\$ (30,384)</u>	23,658	<u>\$ 54,042</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			-	
Depreciation			<u>(48,077)</u>	
CHANGE IN NET POSITION, GAAP Basis			(24,419)	
NET POSITION, Beginning			<u>1,353,073</u>	
NET POSITION, Ending			<u>\$ 1,328,654</u>	

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO
BUDGETARY COMPARISON SCHEDULE
TRASH FUND
Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Trash Charges	\$ 224,000	\$ 224,000	\$ 237,374	\$ 13,374
EXPENSES				
Operations	202,049	224,049	223,840	209
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ 21,951</u>	<u>\$ (49)</u>	13,534	<u>\$ 13,583</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			-	
Loss on Disposal of Capital Assets			-	
CHANGE IN NET POSITION, GAAP Basis			13,534	
NET POSITION, Beginning			<u>18,122</u>	
NET POSITION, Ending			<u>\$ 31,656</u>	

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO

BALANCE SHEET
EDGEWATER REDEVELOPMENT AUTHORITY
December 31, 2016

ASSETS	
Cash and Investments	\$ 741,853
Property Held for Resale	<u>346,559</u>
TOTAL ASSETS	<u>\$ 1,088,419</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>
 FUND BALANCE	
Nonspendable - Property Held for Resale	346,559
Unrestricted, Unassigned	<u>741,860</u>
TOTAL FUND BALANCE	<u>1,088,419</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,088,419</u>

Amounts reported for the Component Unit in the Statement of Net Position are different because:

Total Fund Balance of Component Unit	\$ 1,088,419
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	<u>163,324</u>
Total Net Position of Component Unit	<u>\$ 1,251,743</u>

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
EDGEWATER REDEVELOPMENT AUTHORITY
Year Ended December 31, 2016

REVENUES	
Property Tax Increment	\$ 34,525
Charges for Services	54,800
Investment Income	-
	-
TOTAL REVENUES	89,325
EXPENDITURES	
Current	
General Government	30,958
TOTAL EXPENDITURES	30,958
NET CHANGE IN FUND BALANCE	58,367
FUND BALANCE, Beginning	1,030,052
FUND BALANCE, Ending	\$ 1,088,419
Net Change in Fund Balance of Component Unit	\$ 58,367
Change in Net Position of Component Unit	\$ 58,367

See the accompanying Independent Auditors' Report.

CITY OF EDGEWATER, COLORADO
BUDGETARY COMPARISON SCHEDULE
EDGEWATER REDEVELOPMENT AUTHORITY
Year Ended December 31, 2016

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Property Tax Increment	\$ 15,000	\$ 34,525	\$ 19,525
Charges for Services	47,800	54,800	7,000
Investment Income	1,000	-	(1,000)
TOTAL REVENUES	<u>63,800</u>	<u>89,325</u>	<u>25,525</u>
EXPENDITURES			
General Government	<u>43,200</u>	<u>30,958</u>	<u>12,242</u>
TOTAL EXPENDITURES	<u>43,200</u>	<u>30,958</u>	<u>12,242</u>
NET CHANGE IN FUND BALANCE	20,600	58,367	37,767
FUND BALANCE, Beginning	<u>1,030,052</u>	<u>1,030,052</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 1,050,652</u>	<u>\$ 1,088,419</u>	<u>\$ 37,767</u>

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: Edgewater
	YEAR ENDING : December 2016
This Information From the Records of the City of Edgewater:	Prepared By: Nichole Kirkpatrick Phone: (720)763-3041

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

ITEM	A. Local Motor-Fuel Taxes	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)	1,284,945
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	235,654
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	109,127
2. General fund appropriations	2,020,384	b. Snow and ice removal	3,073
3. Other local imposts (from page 2)	0	c. Other	
4. Miscellaneous local receipts (from page 2)	65,341	d. Total (a. through c.)	112,200
5. Transfers from toll facilities		4. General administration & miscellaneous	26,183
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	559,755
a. Bonds - Original Issues		6. Total (1 through 5)	2,218,737
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,085,725	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	133,012	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,218,737	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,218,737

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,218,737	2,218,737		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	37,138
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other County Road & Bridge	28,203
c. Total (a. + b.)	0	i. Total (a. through h.)	65,341
	(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	116,530	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	16,482	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	16,482	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	133,012	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		29,273	29,273
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		1,255,672	1,255,672
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,255,672	1,255,672
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,284,945	1,284,945
			(Carry forward to page 1)

Notes and Comments:

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