

CITY OF FORT LUPTON

Colorado



2016 Comprehensive Annual Financial Report For the Year Ended December 31, 2016



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City of Fort Lupton, Colorado

Comprehensive Annual Financial Report

For The Fiscal Year Ending

December 31, 2016

Issued by:

City of Fort Lupton
Finance Department



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City of Fort Lupton

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2016

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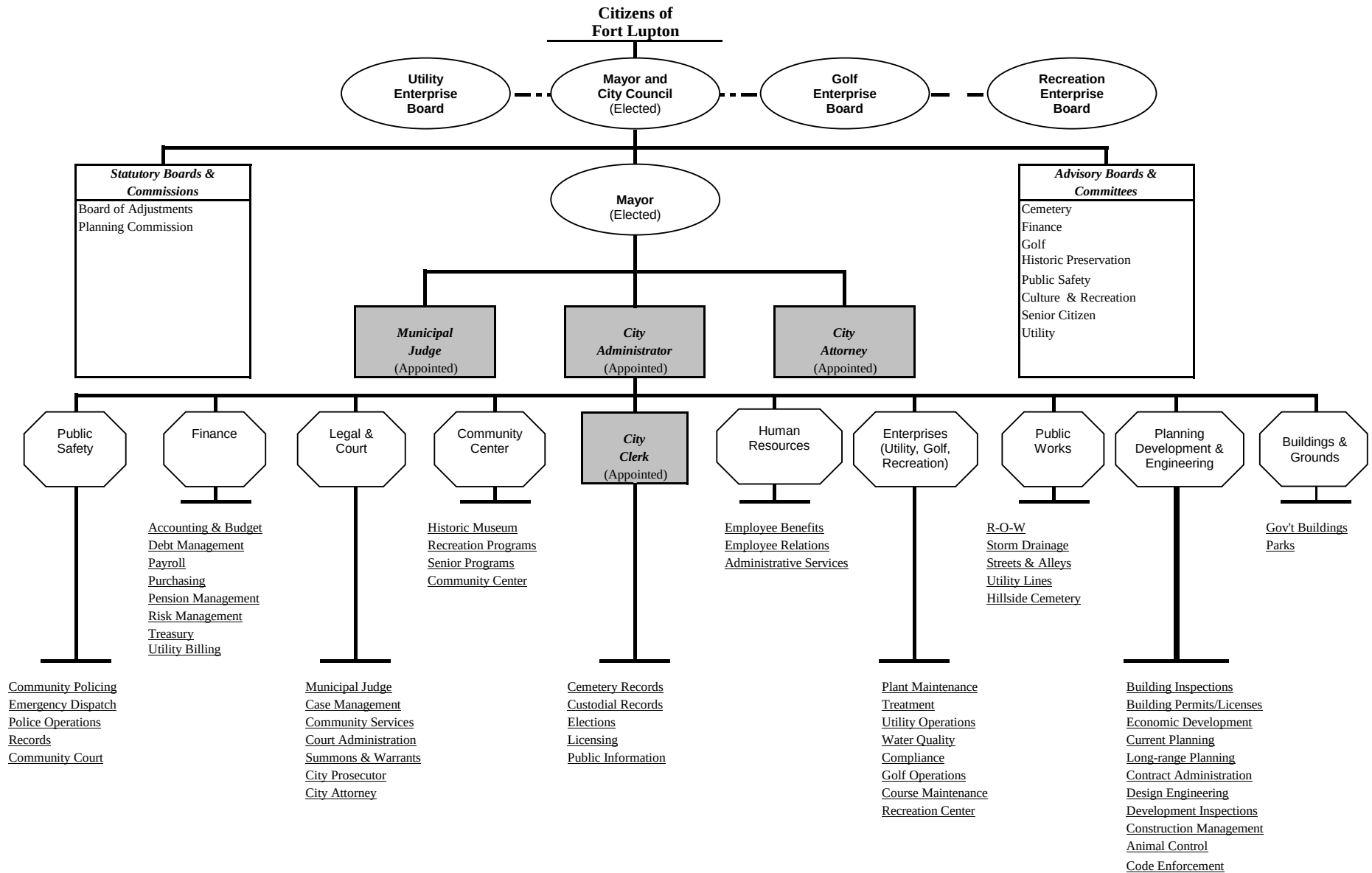
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CITY OF FORT LUPTON

2015 ORGANIZATIONAL CHART FOR THE PRIMARY GOVERNMENT



By Function

○ - City Departments.

■ - Appointed Officials.

○ - Elected Officials.

**CITY OF FORT LUPTON
PRINCIPAL OFFICIALS
OF THE PRIMARY GOVERNMENTS**

CITY COUNCIL

TOMMY HOLTON

Mayor
At-Large

SHANNON RHODA

Council Member
Ward 1

ZO STIEBER

Treasurer
Ward 2

MICHAEL SANCHEZ

Council Member
Ward 3

DAVID CRESPIN

Council Member
Ward 1

CHRIS CERETTO

Council Member Ward 2
Mayor Pro-Tem

BOB MCWILLIAMS

Council Member
Ward 3

LEGAL AND COURT

ANDREW AUSMUS

City Attorney

LOUIS A. GRESH

Municipal Court Judge

CITY ADMINISTRATION

CLAUD HANES

City Administrator

KENNETH PONCELOW

Public Safety Director

LEANN PERINO

Finance Director

LAURA HOWE

Human Resource Manager

ROY VESTAL

Public Works Manager

TYLER TARPLEY

Golf Course Manager

SARA FRANK

Library Director

NANETTE FORNOF

City Clerk

JEANELLE ANDERSEN

Court Coordinator

MICHAEL ROUSEY

Wastewater/Water Plant
Operator - OMI

MONTY SCHUMAN

Recreation Director

TODD HODGES

City Planner

STACY ROBINSON

Building & Grounds Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fort Lupton
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

City Council
City of Fort Lupton
Fort Lupton, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fort Lupton 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 a Matter

As noted in Note 14, the Golf Course Enterprise Fund has been in technical default since June 2000 resulting in a current bond payable balance at December 31, 2016 of \$1,785,000. The 2016 payments on the remaining balance were not paid and the outstanding warrants will remain in default. Our opinions are not modified with respect to this matter.

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 as 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 Fort Lupton's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
May 25, 2017



CITY OF FORT LUPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2016

This discussion and analysis of the City's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2016. Please read it in conjunction with the transmittal letter and the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City's financial position continues to be strong and improving during 2016.
- The City's assets exceeded liabilities and deferred inflows of resources by \$80,712,928 at the end of 2016. Of this amount \$5,514,987 or 7% is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$75,197,941 is invested in capital assets or restricted by agreement or regulation.
- The City's total net position increased by \$3,716,605 in 2016. \$1,883,630 of the increase was in the Governmental Activities. In the Governmental Activities current assets increased \$637,470 current liabilities increased \$40,364, and deferred inflows of resources increased \$732,408.
- The City's General Fund balance was \$7,326,607 as of December 31, 2016; which is a decrease of \$529,738 from the previous year. The unassigned fund balance in 2016 is \$2,799,649 or 30% of expenditures.
- Sales tax revenue for the Governmental Funds increased by \$145,197 or 30% in 2016.
- The enterprise funds had an unrestricted net position of \$1,715,637 at the end of 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information including combining statements for non-major funds, and individual fund statements.

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

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

The *statement of activities* presents information showing how the government's assets changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, public works, parks and recreation, and other auxiliary services. The business-type activities include water treatment, sewage treatment, storm water drainage, recreation center, and a golf course.

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

Governmental Funds *Governmental funds* are used to account for essentially the same function as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows* of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, which is considered to be the City's only major fund. Data from the other four funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* elsewhere in the report.

The basic governmental fund financial statements can be found from pages 16 through 19 of this report.

Proprietary Funds The City maintains four operations that are considered enterprise in nature. The four *enterprise funds* are the Recreation Center, Utility Fund, Storm Water Drainage Fund and the Golf Fund that are presented in the *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate

information for the Recreation Center, Utility Fund, Storm Water Drainage Fund and the Golf Fund, which are all considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 20 through 24 of this report.

Budget Comparisons The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all governmental and enterprise funds to demonstrate compliance with the budgets.

Notes to Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the financial statements.

Other Information In addition to the financial statements and accompanying notes this report also includes required and other supplementary information.

CITY-WIDE FINANCIAL ANALYSIS

Net position As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December, 31, 2016, assets exceeded liabilities and deferred inflows of resources by \$80,712,928.

The following table provides a summary of the City's governmental and business-type net position for 2015 and 2016.

Table 1
Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current assets	\$11,874	\$11,236	\$ 5,928	\$ 4,413	\$ 17,802	\$15,649
Capital Assets	27,241	25,210	59,302	59,702	86,542	84,912
Total Assets	39,115	36,446	65,230	64,115	104,344	100,561
Liabilities						
Current liabilities	569	529	5,936	4,991	6,505	5,520
Long term liabilities	148	136	13,218	14,986	13,366	15,122
Total liabilities	717	665	19,154	19,977	19,871	20,641
Deferred Inflows of Resources						
Property Taxes	\$ 2,674	\$ 1,942	\$ 1,086	\$ 981	\$ 3,760	\$ 2,923
Net position						
Net Investment in capital assets	27,241	25,210	42,568	41,729	69,809	66,940

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Restricted	4,684	4,316	706	587	5,389	4,903
Unrestricted	3,799	4,313	1,716	840	5,515	5,154
Total net position	\$ 35,724	\$33,840	\$ 44,990	\$43,156	\$ 80,713	\$ 76,996

A significant portion of the City's net position (86%) reflects its investment in capital assets. These assets include land, buildings, machinery, equipment, and infrastructure. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in 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.

Another small portion of the City's net position (6.5%) represents resources that are subject to external restrictions and City ordinance on how they may be used. 0.7% of the funds are restricted for the payment of debt. 3.7% of the funds have been legally restricted by ordinance for the purchase and maintenance of infrastructure. 1.6% of funds have been restricted by ordinance for use in parks and recreation. 0.03% of funds are restricted for perpetual care of the cemetery. 0.3% of the funds have been restricted by the State of Colorado Conservation Trust Fund for use in parks and recreation.

Changes in Net Position Governmental and Business-type activities increased the City's net position by \$3,716,610 in 2016. The following table indicates the changes in net position for governmental and business-type activities in 2016.

Table 2
Changes in Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for Service	\$1,257	\$1,214	\$6,345	\$6,958	\$7,602	\$8,172
Operating Grants & Contributions	186	182	-	-	186	182
Capital grants & contributions	1,222	177	83	2,947	1,305	3,124
General revenue:						
Sales tax	4,399	3,863	-	-	4,399	3,862
Property taxes	1,936	1,849	979	1,010	2,915	2,860
Other taxes	1,056	1,294	-	-	1,056	1,294
Other revenue	145	148	1,356	329	1,501	477
Total revenue	10,201	8,727	8,763	11,244	18,964	19,971

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Expenses						
General government	3,224	2,765	-	-	3,224	2,765
Public safety	1,708	1,642	-	-	1,708	1,642
Public works	1,495	1,355	-	-	1,495	1,355
Culture, parks, recreation	681	667	1,330	1,289	2,011	1,956
Other	733	723	-	-	733	723
Utilities	-	-	4,972	4,319	4,972	4,319
Storm Water Drainage	-	-	27	22	27	22
Golf	-	-	1,076	1,186	1,076	1,186
Total expenses	7,841	7,152	7,405	6,816	15,246	13,968
Increase in Net Position Before Transfers	2,360	1,575	1,358	4,429	3,718	6,003
Transfers	(476)	(461)	476	461	-	-
Gain on Extinguishment of Debt	-	-	-	6,663	-	6,663
Increase in net position	1,884	1,113	1,834	11,553	3,718	12,666
Beginning Net Position	\$33,840	\$32,726	\$43,156	\$31,604	\$76,996	\$64,330
Ending Net Position	\$35,724	\$33,840	\$44,990	\$43,156	\$80,714	\$76,996

Governmental Activities Governmental activities increased the City's net position by \$1,883,630 in 2016. Key elements of this increase are as follows:

- Revenues increased \$1,474,000 or 17% primarily in taxes and assessment and building intergovernmental revenues.
- Expenses increased \$689,000. This represents a 42% increase primarily capital outlay.

Business-type Activities Business-type activities increased the City's net position by \$1,834,000 in 2016. The key elements are as follows:

- Revenues decreased \$(2,481,000) or 8.8% from 2015 primarily in charges for services in the utility fund due in large part to the termination of a three year contract to provide bulk water to Anadarko Petroleum Corporation.
- Expenses increased \$589,000 from 2015, which equates to a 7.7% increase primarily due to three factors:
 - An increase in water assessment for lease Windy Gap water.
 - The beginning of a study of expansion to the waste water treatment plant.
 - Maintenance on waterlines.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of 2016, the combined ending fund balance of the City's government funds was \$8,687,819, with \$2,799,649 unassigned, which is available as working capital and for current spending in accordance with the purposes of specific funds.

The City has one major governmental fund. The General Fund:

1. General Fund. This is the primary operating fund of the City. It accounts for many of the City's core services, such as law enforcement, legal and court, public works, planning, finance and administration. The general fund balance was \$7,326,607 as of December 31, 2016, of which \$2,799,649 was unassigned. The 2016 general fund balance decreased (\$529,738). This fund generates a 1% sales tax reserved for the operation and maintenance of the water treatment facility, as well as purchase of water for future needs. The fund also collects a ½ % sales tax reserved for street improvements and maintenance. The water and street sales tax accounts for 91% of the \$3,322,384 restricted balance in the general fund.

PROPRIETARY FUNDS OVERVIEW

The City's proprietary fund statements provide the same information found in the government-wide statements, but in more detail. The City has four enterprise-type funds. These are 1) Utility Enterprise Fund, 2) Storm Water Drainage Fund, 3) Golf Course Fund, and 4) Recreation Center Fund.

1. Utility Enterprise Fund - This fund generates revenue through billings for water and sewer usage in the incorporated area of the City. Funds are utilized for the maintenance of the sewer treatment plant, water treatment plant, and the various water and sewer infrastructure for the City. The net position for this fund was \$43,110,259 up \$1,476,122 from 2015, with 1.3% of the assets obligated to debt service. The increase was due to two factors caused by the increase in new home building within the City: 1) an increase in tap fees; 2) an increase in payment in lieu of water.
2. Storm Water Drainage Fund – This fund was created to address storm water issues in the City and has accumulated \$310,520 in unrestricted funds for this purpose by year end. Revenues increased 47% in 2016 due to a rate increase implemented in June 2016 and infrastructure assessment charged on building permits for new construction.
3. Golf Course Fund - This fund accounts for the operation of the Coyote Creek Golf Course, which is City owned. At year end the golf course net position was (\$48,776), an decrease of 58%. The decrease is largely due accrued interest on debt.

4. Recreation Center Fund - The recreation center opened in 2004 and provides various activities for the citizenry of all ages. At year end the net position totaled \$604,472, up 10% from 2015.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund; excluding funds consolidated with the General Fund for reporting purposes (see General Fund Budgetary Comparison Schedule in Required Supplementary information).

The Council appropriated \$8,154,719 for general fund expenditures and other financing uses, no reserves. The budget was amended to include an additional \$1,779,629 in expenditures.

Table 3
2016 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenue and other Financing Sources	\$6,427,466	\$ 750,000	\$7,177,466	\$7,397,627
Expenditures and other financing uses	\$8,154,719	\$1,779,629	\$9,934,348	\$7,892,075

Actual expenditures were within the budgetary limits. General government expenditures of \$7,788,732 came in \$1,963,781 under budget, due to three factors 1) capital projects were not completed; 2) salaries and wages were under budget; 3) the comprehensive update was not completed.

The over budgeted revenue of \$220,161 is a result of the increase in new building permits in 2016. The City issued eighty six building permits for new single family homes but had forty budgeted for 2016. There were sixty six more building permits issued in 2016 than in 2015.

The ending fund balance decreased \$494,448 from the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION

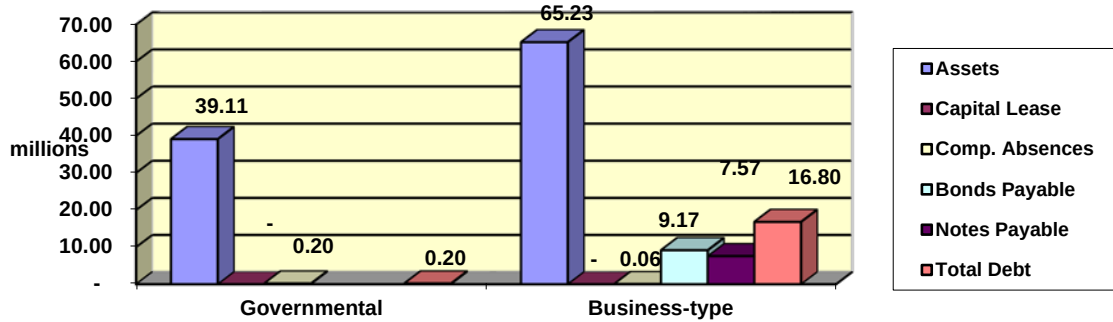
Capital Assets The City's investment in capital assets for its governmental and business-type activities as of December 31, 2016 totals \$86,542,435 (net of accumulated depreciation). This investment includes land, buildings, machinery, equipment, and infrastructure. The increase in investment in capital assets for the current fiscal year is \$1,630,494.

Additional information on the City's capital assets can be found in Note 5 of this report.

Long-Term Debt At December 31, 2016, the City had outstanding long-term debt totaling \$17 million. This debt consists of: 1) bonds payable; 2) notes payable; 3) capital leases; and 4) compensated absences payable.

A debt limit is not imposed by the State of Colorado, but it is measured by the worth of the entity. Below is a graphic presentation of each of the debt segments compared to the assets of the City segregated into governmental and business-type activities:

Table 4
Debt compared to Asset (in millions)



Additional information on the City's debt can be found in Notes 6 through 8.

Other matters: The following factors are expected to have a significant effect on the City's financial position or results of operations and were taken into account in developing the 2016 budget.

- The City experienced a slight increase in growth in 2016. As future growth occurs it will cause increased demands in all service areas of the City, especially in the infrastructure to service new areas with roads, water supply and sewer capacity.
- The Planning director continues to work with landowners as the annexation demand is increasing monthly. He continues to assist developers in their site plan review process to assure proper infrastructure is in place on each annexation.
- The City Council is supportive of the development plan for the City, which will position us well for the upcoming growth and development that the City should experience.
- The State Board of Adjustment determined that a constitutionally required adjustment to the residential assessment rate will decrease the assessed value of property for the 2017 property tax assessment year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this or for additional financial information should be addressed to the Fort Lupton City Administrator, 130 South McKinley Avenue, Fort Lupton, CO 80621.

BASIC FINANCIAL STATEMENTS

CITY OF FORT LUPTON, COLORADO

STATEMENT OF NET POSITION

December 31, 2016

	Primary Government			Component Units	
	Governmental	Business-type	Total	Public & School Library	Fort Lupton Urban Renewal Authority
	Activities	Activities	2016		
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and investments	\$ 6,485,123	\$ 4,630,664	\$ 11,115,787	\$ 3,781,960	36,326
Restricted cash	49,852	666,606	716,458	113,094	-
Receivables:					
Accounts	473,264	451,259	924,523	299	-
Sales taxes	615,057	-	615,057	-	-
Property taxes	2,674,360	1,086,123	3,760,483	-	-
Internal Balance	1,567,479	(1,567,479)	-	-	-
Prepaid items	8,576	360,293	368,869	-	-
Other assets	-	300,893	300,893	-	-
Total Current Assets	<u>11,873,711</u>	<u>5,928,359</u>	<u>17,802,070</u>	<u>3,895,353</u>	<u>36,326</u>
LONG-TERM ASSETS					
Capital assets					
Nondepreciable capital assets	9,808,414	16,798,818	26,607,232	-	-
Depreciable capital assets, net	<u>17,432,127</u>	<u>42,503,076</u>	<u>59,935,203</u>	<u>-</u>	<u>-</u>
Total Long-term Assets	<u>27,240,541</u>	<u>59,301,894</u>	<u>86,542,435</u>	<u>-</u>	<u>-</u>
Total Assets	<u>39,114,252</u>	<u>65,230,253</u>	<u>104,344,505</u>	<u>3,895,353</u>	<u>36,326</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>					
CURRENT LIABILITIES					
Accounts payable	296,875	535,458	832,333	66,309	125
Accrued expenses	140,139	1,771,998	1,912,137	17,561	-
Bonds payable - current	-	3,059,998	3,059,998	-	-
Notes payable - current		498,152	498,152		
Payment in lieu of water	-	54,000	54,000	-	-
Compensated absences - current	57,364	16,694	74,058	10,503	-
Unearned Revenue	74,518	-	74,518	-	-
Total Current Liabilities	<u>568,896</u>	<u>5,936,300</u>	<u>6,505,196</u>	<u>94,373</u>	<u>125</u>
LONG-TERM LIABILITIES					
Bonds payable - Long-Term	-	6,106,825	6,106,825	-	-
Notes payable - Long-Term	-	7,068,634	7,068,634	-	50,000
Compensated absences payable	<u>147,509</u>	<u>42,930</u>	<u>190,439</u>	<u>27,009</u>	<u>-</u>
Total Long-Term Liabilities	<u>147,509</u>	<u>13,218,389</u>	<u>13,365,898</u>	<u>27,009</u>	<u>50,000</u>
Total Liabilities	<u>716,405</u>	<u>19,154,689</u>	<u>19,871,094</u>	<u>121,382</u>	<u>50,125</u>
DEFERRED INFLOWS OF RESOURCES					
Property tax revenue	2,674,360	1,086,123	3,760,483	-	-

CITY OF FORT LUPTON, COLORADO

STATEMENT OF NET POSITION

December 31, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total 2016	Public & School Library	Fort Lupton Urban Renewal Authroity
NET POSITION					
Net investment in capital assets	27,240,541	42,568,285	69,808,826	-	-
Restricted for debt service	-	666,606	666,606	-	-
Restricted for streets & water projects	3,032,665	-	3,032,665	-	-
Restricted for culture, parks & recreation	1,304,796	-	1,304,796	-	-
Restricted for cemeteries	26,631	-	26,631	-	-
Restricted for donations	11,681	-	11,681	113,094	-
Restricted for emergencies	307,823	38,913	346,736	88,538	-
Unrestricted	3,799,350	1,715,637	5,514,987	3,572,339	(13,799)
Total Net Position	<u>\$ 35,723,487</u>	<u>\$ 44,989,441</u>	<u>\$ 80,712,928</u>	<u>\$ 3,773,971</u>	<u>\$ (13,799)</u>

The accompanying notes are an integral part of the financial statements

CITY OF FORT LUPTON, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Functions	Expenses	Program Revenues	
		Charges for Services, Sales and Fines	Operating Grants, and Contributions
GOVERNMENTAL ACTIVITIES			
General Government	\$ 3,223,613	\$ 436,871	\$ 98,375
Public Safety	1,707,739	285,126	-
Public Works	1,495,318	301,513	-
Culture, Parks and Recreation	681,405	233,201	87,253
Other	732,755	-	-
Total Governmental Activities	7,840,830	1,256,711	185,628
BUSINESS-TYPE ACTIVITIES			
Utilities	4,971,703	4,549,974	-
Storm Water Drainage	27,492	350,590	-
Golf	1,076,466	1,048,208	-
Recreation	1,329,787	396,250	86
Total Business Activities	7,405,448	6,345,022	86
Total Primary Government	15,246,278	7,601,733	185,714
COMPONENT UNITS			
Public and School Library	861,904	11,569	2,939,712
Fort Lupton Urban Renewal Authority	7,750	3,068	-
Total Component Units	869,654	14,637	2,939,712
GENERAL REVENUES			
Taxes:			
Sales and use			
Property			
Other			
Investment earnings			
Miscellaneous			
Transfers			
Total General Revenues and Transfers			
CHANGE IN NET POSITION			
NET POSITION			
NET POSITION, End of Year			

The accompanying notes are an integral part of the financial statements

Net (Expense) Revenue and Changes in Net Position

Capital Grants, and Contributions	Governmental Activities	Business-Type Activities	Total 2016	Component Units	
				Public & School Library	Fort Lupton Urban Renewal Authority
\$ 1,221,755	\$ (1,466,612)	\$	\$ (1,466,612)	\$ -	\$ -
-	(1,422,613)	-	(1,422,613)	-	-
-	(1,193,805)	-	(1,193,805)	-	-
-	(360,951)	-	(360,951)	-	-
-	(732,755)	-	(732,755)	-	-
1,221,755	(5,176,736)	-	(5,176,736)	-	-
83,420	-	(338,309)	(338,309)	-	-
-	-	323,098	323,098	-	-
-	-	(28,258)	(28,258)	-	-
-	-	(933,451)	(933,451)	-	-
83,420	-	(976,920)	(976,920)	-	-
1,305,175	(5,176,736)	(976,920)	(6,153,656)	-	-
-	-	-	-	2,089,377	-
-	-	-	-	-	(4,682)
-	-	-	-	2,089,377	(4,682)
4,399,231	-	-	4,399,231	-	-
1,936,197	978,857	-	2,915,054	-	-
1,055,742	-	-	1,055,742	-	-
17,574	22,162	-	39,736	-	-
127,133	1,333,370	-	1,460,503	-	-
(475,511)	475,511	-	-	-	-
7,060,366	2,809,900	-	9,870,266	-	-
1,883,630	1,832,980	-	3,716,610	2,089,377	(4,682)
33,839,857	43,156,461	-	76,996,318	1,684,594	(9,117)
\$ 35,723,487	\$ 44,989,441	\$ 80,712,928	\$ 3,773,971	\$ (13,799)	

CITY OF FORT LUPTON, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	<u>General</u>	<u>Non Major Governmental Funds</u>	<u>Total 2016</u>
<u>ASSETS</u>			
Cash	\$ 5,222,774	\$ 1,312,201	\$ 6,534,975
Receivables			
Accounts	473,048	216	473,264
Property Taxes	2,674,360	-	2,674,360
Sales Tax	540,274	74,783	615,057
Prepaid Items	8,576	-	8,576
Due from Other Funds	1,567,479	-	1,567,479
Total Assets	<u>\$ 10,486,511</u>	<u>\$ 1,387,200</u>	<u>\$ 11,873,711</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 284,295	\$ 12,580	\$ 296,875
Accrued Expenses	126,731	13,408	140,139
Unearned Revenue	74,518	-	74,518
Total Liabilities	485,544	25,988	511,532
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Tax Revenue	2,674,360	-	2,674,360
<u>FUND BALANCES</u>			
Nonspendable	8,576	-	8,576
Restricted	3,322,384	1,361,212	4,683,596
Committed	134,514	-	134,514
Assigned	1,061,484	-	1,061,484
Unassigned	2,799,649	-	2,799,649
Total Fund Balances	<u>7,326,607</u>	<u>1,361,212</u>	<u>8,687,819</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,486,511</u>	<u>\$ 1,387,200</u>	<u>\$ 11,873,711</u>

The accompanying notes are an integral part of the financial statements

CITY OF FORT LUPTON, COLORADO

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION-GOVERNMENTAL ACTIVITIES
December 31, 2016

TOTAL GOVERNMENTAL FUND BALANCE \$ 8,687,819

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

Cost	45,790,084	
Less accumulated depreciation	<u>(18,549,543)</u>	27,240,541

Liabilities, including compensated absences are
not due and payable in the current
period and therefore are not reported in the funds:

Compensated absences	<u>(204,873)</u>	<u>(204,873)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 35,723,487

The accompanying notes are an integral part of the financial statements

CITY OF FORT LUPTON, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

	General	Non Major Governmental Funds	Total 2016
REVENUES			
Taxes & Assessments	\$ 6,005,796	\$ 549,903	\$ 6,555,699
Licenses & Permits	367,397	-	367,397
Intergovernmental	1,707,009	86,542	1,793,551
Charges for Services	533,348	140,985	674,333
Fines & Forfeits	237,224	-	237,224
Other	417,166	215,414	632,580
Total Revenues	<u>9,267,940</u>	<u>992,844</u>	<u>10,260,784</u>
EXPENDITURES			
Current:			
General Government	3,129,031	-	3,129,031
Public Safety	1,631,175	-	1,631,175
Public Works	527,957	-	527,957
Culture, Parks & Recreation	-	509,810	509,810
Other	584,471	142,344	726,815
Capital Outlay	3,346,190	45,176	3,391,366
Total Expenditures	<u>9,218,824</u>	<u>697,330</u>	<u>9,916,154</u>
Excess of Revenues Over Expenditures	<u>49,116</u>	<u>295,514</u>	<u>344,630</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	103,343	103,343
Transfers Out	(578,854)	-	(578,854)
Total Other Financing Sources (Uses)	<u>(578,854)</u>	<u>103,343</u>	<u>(475,511)</u>
NET CHANGE IN FUND BALANCES	<u>(529,738)</u>	<u>398,857</u>	<u>(130,881)</u>
FUND BALANCES, Beginning of Year	<u>7,856,345</u>	<u>962,355</u>	<u>8,818,700</u>
FUND BALANCES, End of Year	<u>\$ 7,326,607</u>	<u>\$ 1,361,212</u>	<u>\$ 8,687,819</u>

The accompanying notes are an integral part of the financial statements

CITY OF FORT LUPTON, COLORADO

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

NET CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS \$ (130,881)

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense	(1,300,255)	
Net book value of disposed assets	(75,809)	
Capital additions	<u>3,406,367</u>	2,030,303

Compensated absences 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.

Balance at 12/31/2015	189,081	
Balance at 12/31/2016	<u>(204,873)</u>	(15,792)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,883,630

The accompanying notes are an integral part of the financial statements

CITY OF FORT LUPTON, COLORADO

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2016

	Utility Enterprise Fund	StormWater Drainage Fund	Golf Course Fund	Recreation Center Fund	Total 2016
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 3,999,955	\$ 306,166	\$ 314,519	\$ 10,024	\$ 4,630,664
Restricted Cash	541,606	-	125,000	-	666,606
Receivables:					
Accounts Receivable	394,951	17,349	212	38,747	451,259
Property Tax Receivable	-	-	-	1,086,123	1,086,123
Inventory	-	-	25,491	-	25,491
Prepaid Items	360,293	-	-	-	360,293
Total Current Assets	<u>5,296,805</u>	<u>323,515</u>	<u>465,222</u>	<u>1,134,894</u>	<u>7,220,436</u>
CAPITAL ASSETS					
Non-Depreciable					
Land and Improvements	485,184	-	4,208,882	-	4,694,066
Water Rights	11,588,399	-	-	-	11,588,399
Construction in Progress	364,195	111,119	41,038	-	516,352
Depreciable					
Wells	777,975	-	-	-	777,975
Buildings	13,113,554	-	618,517	6,802,830	20,534,901
Utility System	37,908,547	915,633	-	-	38,824,180
Equipment	2,282,466	-	666,069	347,651	3,296,186
Total	66,520,320	1,026,752	5,534,506	7,150,481	80,232,059
Less: Accumulated Depreciation	<u>(16,212,080)</u>	<u>(13,786)</u>	<u>(1,678,717)</u>	<u>(3,025,582)</u>	<u>(20,930,165)</u>
Total Capital Assets	<u>50,308,240</u>	<u>1,012,966</u>	<u>3,855,789</u>	<u>4,124,899</u>	<u>59,301,894</u>
OTHER ASSETS					
Inclusion Fee	275,402	-	-	-	275,402
Total Other Assets	<u>275,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,402</u>
Total Assets	<u><u>\$ 55,880,447</u></u>	<u><u>\$ 1,336,481</u></u>	<u><u>\$ 4,321,011</u></u>	<u><u>\$ 5,259,793</u></u>	<u><u>\$ 66,797,732</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF FORT LUPTON, COLORADO

STATEMENT OF NET POSITION (Continued)

PROPRIETARY FUNDS

December 31, 2016

	Utility Enterprise Fund	StormWater Drainage Fund	Golf Course Fund	Recreation Center Fund	Total 2016
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 434,943	\$ 11,609	\$ 59,560	\$ 29,346	\$ 535,458
Due to Other Funds	-	-	789,880	777,599	1,567,479
Accrued Expenses	24,149	-	1,722,754	25,095	1,771,998
Bonds and Loans Payable	846,086	-	1,785,000	428,912	3,059,998
Payment in Lieu of Water	54,000	-	-	-	54,000
Compensated Absences	6,451	388	3,526	6,329	16,694
Total Current Liabilities	1,365,629	11,997	4,360,720	1,267,281	7,005,627
LONG-TERM LIABILITIES					
Bonds Payable	3,821,184	-	-	2,285,641	6,106,825
Loans Payable	7,566,786	-	-	-	7,566,786
Compensated absences	16,589	998	9,067	16,276	42,930
Total Long-Term Liabilities	11,404,559	998	9,067	2,301,917	13,716,541
Total Liabilities	12,770,188	12,995	4,369,787	3,569,198	20,722,168
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	-	-	-	1,086,123	1,086,123
NET POSITION					
Net investment in capital assets	38,074,184	1,012,966	2,070,789	1,410,346	42,568,285
Restricted for debt service	541,606	-	125,000	-	666,606
Restricted for emergencies	-	-	-	38,913	38,913
Unrestricted	4,494,469	310,520	(2,244,565)	(844,787)	1,715,637
Total Net Position	43,110,259	1,323,486	(48,776)	604,472	44,989,441
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 55,880,447	\$ 1,336,481	\$ 4,321,011	\$ 5,259,793	\$ 66,797,732

The accompanying notes are an integral part of the financial statements

CITY OF FORT LUPTON, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2016

	Utility Enterprise Fund	StormWater Drainage Fund	Golf Course Fund	Recreation Center Fund	Total 2016
OPERATING REVENUES					
Charges for Services	\$ 4,198,584	\$ 350,590	\$ 780,095	\$ 369,229	\$ 5,698,498
Sales of Merchandise	-	-	258,607	-	258,607
Other Income	351,390	-	9,506	27,021	387,917
Total Operating Revenues	4,549,974	350,590	1,048,208	396,250	6,345,022
OPERATING EXPENSES					
Salaries and Benefits	425,704	16,248	422,923	625,647	1,490,522
Professional Fees	15,885	-	21,758	-	37,643
Contract Management	907,297	-	-	-	907,297
Insurance	62,027	-	5,029	23,470	90,526
Maintenance	258,722	104	50,215	52,688	361,729
Merchandise for Resale	-	-	125,400	1,170	126,570
Supplies	90,618	671	86,236	63,597	241,122
Utilities	241,359	-	71,922	108,659	421,940
Water Assessments	981,307	-	-	-	981,307
Depreciation	1,201,300	10,469	96,390	239,736	1,547,895
Other	350,961	-	118,118	120,229	589,308
Total Operating Expenses	4,535,180	27,492	997,991	1,235,196	6,795,859
Net Operating Income (Loss)	14,794	323,098	50,217	(838,946)	(450,837)
NONOPERATING REVENUES (EXPENSES)					
Property Taxes (Pledged for Debt)	-	-	-	978,857	978,857
Grant Income	-	-	-	86	86
Investment Income (Loss)	7,100	202	114	14,746	22,162
Gain (Loss) on Disposal of Assets	(31,315)	-	-	1,550	(29,765)
Interest Expense	(405,208)	-	(160,475)	(94,591)	(660,274)
Enhancement Fees	-	-	82,000	-	82,000
Other	1,331,820	-	-	-	1,331,820
Total Nonoperating Revenues (Expenses)	902,397	202	(78,361)	900,648	1,724,886
Net Income (Loss) Before Transfers	917,191	323,300	(28,144)	61,702	1,274,049
TRANSFERS AND CAPITAL CONTRIBUTIONS					
Transfers In	475,511	-	-	-	475,511
Capital Contributions	83,420	-	-	-	83,420
Transfers and Capital Contributions	558,931	-	-	-	558,931
Change In Net Position	1,476,122	323,300	(28,144)	61,702	1,832,980
NET POSITION, Beginning of Year	41,634,137	1,000,186	(20,632)	542,770	43,156,461
NET POSITION, End of Year	\$ 43,110,259	\$ 1,323,486	\$ (48,776)	\$ 604,472	\$ 44,989,441

The accompanying notes are an integral part of the financial statements

CITY OF FORT LUPTON, COLORADO

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

	Utility Enterprise Fund	StormWater Drainage Fund	Golf Course Fund	Recreation Center Fund	Total 2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 4,861,598	\$ 350,199	\$ 1,129,407	\$ 391,222	\$ 6,732,426
Cash Paid to Suppliers	(2,456,216)	(36,709)	(474,119)	(355,660)	(3,322,704)
Cash Paid to Employees	(422,623)	(15,808)	(416,348)	(624,355)	(1,479,134)
Net Cash Provided by Operating Activities	<u>1,982,759</u>	<u>297,682</u>	<u>238,940</u>	<u>(588,793)</u>	<u>1,930,588</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers from Other Funds	475,511	-	-	-	475,511
Due to Other Funds	-	-	-	125,456	125,456
Property Taxes	-	-	-	469,710	469,710
Net Cash Provided By Non-Capital and Related Financing Activities	<u>475,511</u>	<u>-</u>	<u>-</u>	<u>595,166</u>	<u>1,070,677</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(687,025)	(396,658)	(41,038)	(23,337)	(1,148,058)
Disposal of Assets	(31,315)	-	-	1,550	(29,765)
Principal Paid on Notes and Bonds	(824,824)	-	-	(400,000)	(1,224,824)
Interest Paid on Notes and Bonds	(405,208)	-	-	(108,502)	(513,710)
Property Taxes	-	-	-	509,148	509,148
Building Permit Assessments	1,331,820	-	-	-	1,331,820
Capital Contributions	83,420	-	-	-	83,420
Other	(28)	-	82,000	86	82,058
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(533,160)</u>	<u>(396,658)</u>	<u>40,962</u>	<u>(21,056)</u>	<u>(909,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	<u>7,100</u>	<u>202</u>	<u>114</u>	<u>14,746</u>	<u>22,162</u>
Net Cash Provided by Investing Activities	<u>7,100</u>	<u>202</u>	<u>114</u>	<u>14,746</u>	<u>22,162</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,932,210</u>	<u>(98,774)</u>	<u>280,016</u>	<u>63</u>	<u>2,113,515</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>2,609,351</u>	<u>404,940</u>	<u>159,503</u>	<u>9,961</u>	<u>3,183,755</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 4,541,561</u>	<u>\$ 306,166</u>	<u>\$ 439,519</u>	<u>\$ 10,024</u>	<u>\$ 5,297,270</u>
Cash and Cash Equivalents	\$ 3,999,955	\$ 306,166	\$ 314,519	\$ 10,024	\$ 4,630,664
Restricted Cash	541,606	-	125,000	-	666,606
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 4,541,561</u>	<u>\$ 306,166</u>	<u>\$ 439,519</u>	<u>\$ 10,024</u>	<u>\$ 5,297,270</u>

CITY OF FORT LUPTON, COLORADO

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

	<u>Utility Enterprise Fund</u>	<u>StormWater Drainage Fund</u>	<u>Golf Course Fund</u>	<u>Recreation Center Fund</u>	<u>Total 2016</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating Income (Loss)	14,794	323,098	50,217	(838,946)	(450,837)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Depreciation	1,201,300	10,469	96,390	239,736	1,547,895
Changes in Assets and Liabilities:					
Accounts Receivable	311,624	(391)	79,849	(5,028)	386,054
Prepaid Expenses	189,721	-	-	-	189,721
Inventory	-	-	1,350	-	1,350
Accounts Payable	262,664	(35,934)	5,309	11,061	243,100
Accrued Expenses	<u>2,656</u>	<u>440</u>	<u>5,827</u>	<u>4,384</u>	<u>13,307</u>
Total Adjustments	<u>1,967,965</u>	<u>(25,416)</u>	<u>188,725</u>	<u>250,153</u>	<u>2,381,427</u>
Net Cash Provided by (Used In)					
Operating Activities	<u><u>\$ 1,982,759</u></u>	<u><u>\$ 297,682</u></u>	<u><u>\$ 238,942</u></u>	<u><u>\$ (588,793)</u></u>	<u><u>\$ 1,930,590</u></u>

The accompanying notes are an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fort Lupton (City) incorporated on February 4, 1890. In compliance with the Colorado Revised Statutes, the City Council is the policy making legislative body of the City. Council is made up of six members from three wards. The Mayor is elected at large and can vote on all matters. Two-thirds vote of the Council is required to pass, change or veto any ordinance.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The determination to include separate governmental entities is based on the criteria of Governmental Accounting Standards Board (GASB), which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either A) the primary government must be able to impose its will, or B) the primary government may potentially benefit financially or be financially responsible for the component unit.

Management has considered all potential component units in defining the City for financial reporting purposes. As required by generally accepted accounting principles, these financial statements present the City of Fort Lupton (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Discretely Presented Component Units

The Fort Lupton Urban Renewal Authority (FLURA) was established by Resolution 2015R43 on August 18, 2015 as an independent organization under Colorado Law with the objective of carrying on urban renewal activities. The FLURA board is appointed by the Mayor with the consent of the City Council. The City council will have no authority to modify or approve FLURA's budget. The City will not be able to significantly influence the programs and decisions of the FLURA board. FLURA does not issue separate financial statements.

The Fort Lupton Public and School Library (Library) was created in 1976 by an intergovernmental agreement between the City and Weld County School District RE-8 (the School). In 1985 the City and School entered into an intergovernmental agreement with Weld County and five other municipalities to create the Weld County Library District, now High Plains Library District. The City and the School appoint 3 members of the seven member Library board. The six appointed members appoint their seventh member. The Library is currently funded by a property tax levied by the High Plains Library District. The City council approves by resolution the budget set by the Library board but has no ability to significantly influence the programs and running of the Library. The Library does not issue separate financial statements.

Basis of Presentation

The objectives of the statements are to establish a basic financial reporting model that will result in greater accountability by governments, while providing more useful information to a wider range of users.

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole and its component units. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with usage fees charged. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets.

These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

The government-wide financial statements are reported using the *economic resource measurement focus* and the *accrual basis of accounting*, as are the proprietary finds. Revenues are recorded when earned and liabilities are recorded when incurred regardless of the timing of cash flows.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collected within the current year or

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

soon thereafter to pay liabilities of the current year. For this purpose the City considers revenues available if they are collected within 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 in the current year. All other revenues are considered to be measurable and available only when cash is received.

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and the enterprise funds are reported in separate columns. The General Fund is the only major governmental fund and accounts for the general activities of the City including administration, community policing, community development, and public works.

Governmental Funds - Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are separate for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law to another fund are used to finance general operating expenditures.

Special Revenue Funds - Special Revenue Funds (Conservation Trust, Perpetual Care Cemetery, Memorial Trust Fund, and Culture, Parks, and Recreation Sales Tax) are established to account for revenues derived from specific taxes or other restricted revenue sources which finance specific activities as required by law or administrative action.

Proprietary Funds - The focus of the proprietary funds is on the measurement of net income (e.g., revenues, expenses). This measurement focus allows the proprietary fund to report all assets and liabilities associated with an activity.

Enterprise Funds are established to account for the financing where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

There are four major enterprise funds:

Utilities Enterprise Fund – includes all activities relating to the City’s water and sanitary sewer systems.

Storm Water Drainage Fund – includes maintenance, repair of all lines and installation of new storm drainage lines.

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Golf Course Fund – provides pro-shop and restaurant services and repair and maintenance of the golf course, club house and restaurant.

Recreation Center Fund – provides recreational services including exercise classes and equipment, gym facilities and a swimming pool.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Statement of Cash Flows

For purposes of the statement of cash flows, the City considers highly liquid investments with maturity of three months or less at date of purchase to be cash equivalents.

Pooled Cash

The City has a single checking account for all cash transactions, with separate accounting into each fund. An overdraft in one fund will not result in returned checks with the single checking accounts. At December 31, 2016, the checking account of the City shows a positive bank balance. Any fund that issued checks in excess of its available funds from the checking account is treated as having borrowed cash from other funds.

Capital Assets

Capital assets, which include land, buildings, equipment, water shares and all infrastructure owned by the City, are reported in the applicable governmental or business type activities columns in the government-wide

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

financial statements and the proprietary funds. 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.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets, including water rights, fire hydrants, water and sewer lines from sub-dividers and property owners, are recorded at estimated fair market value at the time received.

Acquisitions of capital assets are recorded as capital outlay expenditures within the governmental funds.

Depreciation is charged as an expense against their operations and accumulated depreciation is reported on proprietary fund balance sheets.

Depreciation has been provided using the straight-line method over the estimated useful lives as follows:

<u>Description</u>	<u>Estimated Useful life</u>
Water Rights	N/A
Land & Improvements	0-50
Buildings & Improvements	0-50
Streets	20-50
Distribution Systems	10-100
Machinery & Equipment	5-10

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return include property taxes, specific ownership taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Unearned Revenue – An acquisition of net position that applies to future periods and is not recognized as revenue in the current period. The City’s unearned revenues consist primarily of revenue for the sale of bulk water for industrial use.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section as deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and is not recognized as an outflow of

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

resources (expense/expenditure) in the current period. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section as deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and is not recognized as an inflow of resources (revenue) in the current period. The City has one item reported in this category. Property tax revenue which is considered a deferred inflow of resources in the year the taxes are levied and measurable and recognized as an inflow of resources in the period they are collected.

Basis of Accounting

Since property taxes are levied in December (i.e., there is a legal claim) for the next calendar year's operations, the total levy is reported as taxes receivable and a deferred inflow of resources.

Those revenues susceptible to accrual are property taxes, use tax, tobacco tax, highway user tax, and franchise fees. Sales taxes collected and held by the state for the current year on behalf of the City are also recognized as revenue. Fines, permits and license revenues are not susceptible to accrual, generally they are not measurable until received in cash.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Budget and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the City Council in accordance with Colorado State Statutes. The City adopts annual budgets on a basis consistent with general accepted accounting principles for all governmental funds. The budget for the proprietary finds are adopted on a non GAAP basis. The appropriated budget is adopted at the fund level. On or about October 15th, the finance department submits to the Council a proposed budget for the next fiscal year beginning January 1st. The operating budget includes proposed expenditures and the revenues or reserves used to finance them. A public hearing is conducted in October at a special meeting to obtain comments from citizens. The budget must be adopted before the mill levy certification deadline of December 15th.

Property Taxes

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes are recognized as revenue when received by the County Treasurer. The 2016 fiscal year property tax calendar for Weld County was as follows:

Lien Date	January 1
Levy Date	December 29
Tax bills mailed	January 1
First installment due	February 28
Second installment due	June 15

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

If paid in full, due
Tax sale - delinquent property taxes

April 30
November 6

Accumulated Unpaid Vacation and Sick Leave

Under terms of City personnel policies, City employees are granted vacation and sick leave in varying amounts. In the event of termination or retirement, an employee who was hired prior to February 14, 2001 is paid for accumulated vacation days up to a maximum of 30 days. They are also paid 50% of their accumulated sick leave up to a maximum of 90 days. An employee hired after February 14, 2001 is paid for accumulated vacation days up to a maximum of 30 days. They are paid 25% of accumulated sick leave up to a maximum of 90 days.

Inventory

Inventory is valued at cost (first-in, first-out) in the proprietary funds. Inventory in all other funds is not recorded, as it is not significant. The cost is recorded as an expenditure when the individual inventory items are purchased.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year end are recorded as other current assets in the government-wide financial statements and will be reported as expenditures in the following year.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities and deferred inflows of resources. In the fund financial statement, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. Fund Balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City’s Finance Director to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balances only in the general fund. Negative unassigned fund balances may be reported in all funds.

Minimum Fund Balance Requirement- Resolution 98-035 set the minimum fund balances as follows: The Culture, Parks & Recreation Sales Tax Fund must maintain the 3% emergency reserve defined under Article X, Section 20 to the Colorado Constitution also known as the Taxpayer’s Bill of Rights (TABOR); the General Fund, Utility Enterprise Fund and the Golf Enterprise Fund are required to maintain the 3% TABOR reserve plus an additional 10% in emergency reserves. Ordinance 2012-950 created a contingency reserve starting with \$500,000 transferred from the General Fund’s fund balance. A percentage of the General Fund’s property tax is transferred to the contingency reserve annually. In 2016 the percentage transferred was 2% set and was set by council as part of the budget process.

Flow Assumptions – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net positions is reported as unrestricted.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the City, these revenues are charges for services. Operating expenses are necessary costs incurred to provide the good or services.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in the

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated.

NOTE 2: CASH AND INVESTMENTS

The City categorizes its fair value measurements within the fair value hierarchy established by the 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 unobservable inputs.

As of December 31, 2016, the City had invested \$2,758,946 in the Colorado Local Government Liquid Asset Trust – PLUS, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. As of December 31, 2016, the investments in COLOTRUST were valued at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

As of December 31, 2016, the City had invested \$175,906 in the Federated Government Obligation Fund #5, a money market fund. The Fund operates similarly to a money market fund and each share is equal in value to \$1.00. As of December 31, 2016, the investments in the Fund were valued at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

As of December 31, 2016, the City had invested \$115,827 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust is valued at amortized cost.

As of December 31, 2016 The City has the following recurring fair value measurements.

Type	Rating	Carrying Value
Deposits:		
Cash on hand		\$ 4,350
Demand deposits		8,777,216
Investments		
Money Market	AAAm by S & P	175,906
ColoTrust	AAAm by S & P	2,758,946
CSAFE	AAAm by S & P	115,827
Total deposits and investments		<u><u>\$ 11,832,245</u></u>
Reconciliation to Statement of net position		
Current:		
Cash and investments		\$ 11,115,787
Restricted cash		716,458
Total deposits and investments		<u><u>\$ 11,832,245</u></u>

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools and obligations of the United States Government, and certain other investment types.

The City maintains a cash pool that is available for use by all funds.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash only in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by the financial institution. The eligible collateral is determined by the PDPA.

PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution and held in trust for all the uninsured public deposits as a group. Colorado State Statutes require the market value of the collateral to be at least 102 percent of the aggregate uninsured deposits.

Interest Rate Risk - The City 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. State statute limits investment maturities to five years or less. Investments in local government pools have a maturity of less than one year.

Credit Risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - The City places no limit on the amount the City may invest in any one issuer.

The City invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) safety; 2) liquidity; and 3) yield.

The City invests in two investment pools, the Colorado Liquid Assets Trust (COLOTRUST) and Colorado Surplus Asset Fund Trust (CSAFE). COLOTRUST and CSAFE operate under the Colorado Revised Statutes (24-75-701) and are overseen by Colorado Securities Commissioner. The pool invests in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA).

Discretely Presented Component Units

As of December 31, 2016 the Library had the following cash and investments

Reconciliation to Statement of net position

Current:

Cash and investments	\$ 3,781,960
Investments	113,094
Total deposits and investments	<u>\$ 3,895,054</u>

As of December 31, 2016 FLURA had the following cash and investments

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Reconciliation to Statement of net position

Current:

Cash on hand	\$ 36,326
Total deposits and investments	<u>\$ 36,326</u>

NOTE 3: RESTRICTED CASH AND INVESTMENTS

The restricted cash in the Governmental funds and Enterprise Funds represents special development loan accounts, and specific use funds.

Enterprise Fund	
2000 Water & Wastewater Bonds	\$ 177,390
2005 Series B Bond	364,216
Golf Course Operations	<u>125,000</u>
	\$ 666,606
Governmental Funds	
Revolving Loan Fund	\$ 25,000
Children's Fund	11,681
Museum Bequest	<u>13,171</u>
	\$ 49,852
Total Restricted	<u><u>716,458</u></u>

NOTE 4: INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

	General Fund	Non-Major Funds	Utility Enterprise Fund	Recreation Center Enterprise Fund	Golf Course Enterprise Fund	Total
Due From Golf Enterprise Fund	\$ 1,372,177	\$ 347,847	\$ 548,428	\$ -	\$ -	\$ 2,268,452
Golf – Allowance for Doubtful Receivables	(582,297)	(347,847)	(548,428)	-	-	(\$1,478,572)
Due From Recreation Center	777,599	-	-	(777,599)		-
Due to the General Fund	-	-	-	-	(789,880)	(789,880)
Total	<u>\$ 1,567,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 777,599)</u>	<u>(\$ 789,880)</u>	<u>\$ -</u>

The General Fund, Culture Parks and Recreation Sales Tax Fund, and the Utility Enterprise Fund loaned cash to the Golf Enterprise Fund during the initial startup for the purpose of funding operations. The loans have been written off as there is no expectation of repayment.

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

In 2016 the Golf Enterprise Fund made an offer to purchase all outstanding warrants (see note 14). The offer was funded by a \$1,100,000 loan from the General Fund. At the close of the offer the cash remaining from the untendered bonds of \$310,120 was repaid to the General Fund. The loan due from the Golf Course to the General Fund as of December 31, 2016 is \$789,880.

Over a period of 10 years, from 2006-2014, the General Fund loaned \$532,3983 in cash to the Recreation Center Enterprise Fund for operations. Revenues in 2015 and 2016 were insufficient to cover operations. The General Fund loaned the Recreation Center \$119,745 in 2015 and \$125,456 in 2016.

City ordinance requires the sales tax for debt service of the utility fund be collected by a separate fund. The funds are moved monthly to cover a portion of the debt service.

Transfers In:	Transfers Out:
	<u>General Fund</u>
Governmental Funds:	
Non-Major Funds	
Culture, Parks & Recreation Sales Tax Fund	\$ 36,704
Perpetual Care Cemetery	66,639
	<u>General Fund</u>
Proprietary Fund:	
Major Fund	
Utility Enterprise Fund	475,511
	<u>\$ 578,854</u>

The general fund transfers 100% of the museum's expenditures to the Culture, Parks and Recreation Sales Tax (CPR Fund). This transfer insures none of the sales tax collected for the operation of the CPR fund are used in for purposes not approved by the voters.

NOTE 5: CAPITAL ASSETS

Primary Government Capital Asset activity for the year ended December 31, 2016 is as follows:

	Balance 1/1/2016	Additions	Disposals	Transfers	Balance 12/31/2016
Government Activities					
Capital Assets not Being Depreciated					
Land	\$ 8,919,636	\$ -	\$ -	\$ -	\$ 8,919,636
Water Rights	323,700	-	-	-	323,700
Construction in Progress	221,152	523,347	(68,377)	(111,044)	565,078
Total Capital Assets not Being Depreciated	9,464,488	523,347	(68,377)	(111,044)	9,808,414
Capital Assets Being Depreciated					
Building and Improvements	5,186,882	30,325	-	-	5,217,207
Equipment and Machinery	3,274,485	377,980	(116,941)	9,940	3,545,464
Furniture and Fixtures	18,059	-	-	-	18,059

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>12/31/2016</u>
Government Activities					
Infrastructure	24,625,121	2,474,715	-	101,104	27,200,940
Total Capital Being Depreciated	33,104,547	2,883,020	(116,941)	111,044	35,981,670
Total Capital Assets	42,569,035	3,406,367	(185,318)	-	45,790,084
Accumulated Depreciation					
Buildings and Improvements	(2,673,638)	(161,765)	-	-	(2,835,403)
Equipment and Machinery	(2,140,876)	(281,913)	109,509	-	(2,313,280)
Furniture and Fixtures	(18,060)	-	-	-	(18,060)
Infrastructure	(12,526,223)	(856,577)	-	-	(13,382,800)
Total Accumulated Depreciation	(17,358,797)	(1,300,255)	109,509	-	(18,549,543)
Depreciated Capital Assets, Net	15,745,750	1,582,765	(7,432)	111,044	17,432,127
Government Activities Capital Assets, Net	\$ 25,210,238	\$ 2,106,112	\$ (75,809)	\$ -	\$ 27,240,541

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>12/31/2016</u>
Business-Type Activities					
Capital Assets not Being Depreciated					
Land	\$ 4,694,066	\$ -	\$ -	\$ -	\$ 4,694,066
Water Rights	11,516,399	72,000	-	-	11,588,399
Construction in Progress	553,266	455,852	(31,315)	(461,452)	516,351
Total Capital Assets not Being Depreciated	16,763,731	527,852	(31,315)	(461,452)	16,798,817
Capital Assets Being Depreciated					
Wells	777,975	-	-	-	777,975
Buildings	20,534,901	-	-	-	20,534,901
Utility Systems	37,906,662	456,066	-	461,452	38,824,180
Equipment	3,100,704	195,482	-	-	3,296,186
Total Capital Being Depreciated	62,320,242	651,548	-	461,452	63,433,242
Total Capital Assets	79,083,973	1,179,401	(31,315)	-	80,232,059
Accumulated Depreciation					
Wells	(380,207)	(26,383)	-	-	(406,590)
Buildings	(8,860,599)	(717,575)	-	-	(9,578,174)
Utility Systems	(7,865,262)	(671,342)	-	-	(8,536,604)
Equipment	(2,276,202)	(132,595)	-	-	(2,408,797)
Total Accumulated Depreciation	(19,382,270)	(1,547,895)	-	-	(20,930,165)

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>12/31/2016</u>
Business-Type Activities					
Depreciated Capital Assets, Net	42,937,972	(896,347)	-	461,452	42,503,077
Business-Type Activities Capital Assets, Net	\$ 59,701,703	\$ (368,494)	\$ (31,315)	\$ -	\$ 59,301,894

	<u>Amount</u>
Depreciation By Function	
Governmental Activities:	
General Government	\$ 71,683
Public Safety	83,677
Public Works	967,361
Cemetery	5,940
Culture, Parks & Recreation	<u>171,594</u>
Total depreciation for governmental activities	<u>\$ 1,300,255</u>
Business-Type Activities:	
Utility	\$ 1,201,300
Storm Drainage	10,469
Golf Course	96,390
Recreation	<u>239,736</u>
Total depreciation for business-type activities	<u>\$ 1,547,895</u>

Discretely Presented Component Units Capital Asset activity for the year ended December 31, 2016 is as follows:

The Library has no investment in capital assets. The Library building is part of Fort Lupton High School and is owned by Weld County School District RE-8. Although the Library owns all the contents, collections, and equipment in the Library none of these items exceed the \$5,000 limit required for capitalization.

FLURA has no investments in capital assets.

NOTE 6: LEASE AGREEMENT

The City entered into an agreement to sublease/sell a parcel of real property known as "The Fort" at a total contract amount of \$125,000 to the South Platte Valley Historical Society (a nonprofit organization) to be used for historical preservation purposes. The South Platte Valley Historical Society agreement provides for annual rental payments of \$1,000 payable December 31, 1992, through December 31, 1996, followed by \$3,000 annual payments through December 31, 2001, and finally, annual payments of \$5,250 through December 31, 2021. There is no interest provided in the agreement. The agreement provides that the Historical Society has the option on any payment date to pay the entire principal balance plus one dollar and own the property. The Historical Society exercised this option and paid off the balance of the lease in September 2016.

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

NOTE 7: NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Due in</u> <u>1 Year</u>
<u>Enterprise Funds-Utility:</u>					
\$4,396,456 Carter Lake Pipeline Construction Loan from the State of Colorado through the Colorado Water Conservation Board. The forty-year loan requires annual payments of \$160,716 beginning January 1, 1997, and provides for interest at 2%.	\$2,499,833	-	\$110,719	\$2,389,114	\$112,933
 \$8,902,556 Loan from the Bank of Colorado. This fifteen year loan requires monthly payments of \$62,203 for the first five years with an interest rate of 3.125%. At five year increments the interest rate will change based on the Federal Home Loan Bank of Topeka Advanced Rate Plus 1.65 percentage points per annum. In no event will interest be less than 3.125% of higher than 5.125%	 8,549,047		 484,105	 8,064,942	 498,153
 \$2,300,000 Revenue Bond, Series 2005, owned by the Colorado Water Resources and Power Development Authority for the purchase of 3 units of Windy Gap water. Principal payment due on November 1, 2006 through 2025. Principal and interest are payable each May 1 and November 1, thereafter, with interest rates varying between 3% to 4.625%.	 1,370,000	 -	 115,000	 1,255,000	 115,000
 \$1,850,000 Water Fund Revenue Anticipation Warrants, Series 2000, construction expansion of the water plant. Principal payments due in increasing amounts from \$60,000 in 2001 to \$140,000 in 2020 and interest rates varying from 4.35% in 2001	 640,000	 -	 115,000	 525,000	 120,000

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Due in</u> <u>1 Year</u>
to 5.3% in 2020. The warrants are a special revenue obligation of the Utility Enterprise Fund payable from net operating income of the water system.					
<u>Recreation Center Fund:</u>					
\$4,930,000 Principal with a \$139,108 Premium, General Obligation Bond Series 2011 for the construction of the Recreation Center refinanced October 28, 2016. Principal and interest payments due December 1 starting in 2016 ending December 1, 2022. Interest only payments due Jun 1 starting 2016. Interest rates start at 3.0% in 2016 and increase to 3.5%.	3,045,000	-	400,000	2,645,000	415,000
Remaining Bond Premium	83,466		13,913	69,553	13,912
<u>Golf Enterprise Fund:</u>					
\$5,900,000, Bond for construction of a Golf Course, went into default in 2002	1,785,000	-	-	1,785,000	1,785,000
Total Business Type Activities	\$17,972,346	\$ -	\$1,238,737	\$16,733,609	\$3,059,998

Golf Enterprise Fund bonds are classified as current bond payable. (Please see note 14.)

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Due in</u> <u>1 Year</u>
<u>Governmental Activities</u>					
Accrued Compensated Absences	\$ 189,081	\$ 202,994	\$ (187,202)	\$ 204,873	\$ 57,364
<u>Business Type Activities</u>					
Accrued Compensated Absences	\$ 48,236	\$ 55,097	\$ (43,709)	\$ 59,624	\$ 16,696

The City will liquidate compensated absences in the General, Utility Enterprise, Storm Water Drainage and Recreation Center funds.

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

The annual requirements to amortize all debt outstanding, excluding accrued compensated absences, as of December 31, 2016 are as follows:

Business Type Activities		
<u>Bonds and Notes Payable</u>		
	Principal	Interest
2017	\$ 3,059,998	\$ 465,320
2018	1,313,270	424,502
2019	1,347,103	380,928
2020	1,390,936	336,721
2021	1,291,502	287,605
2022-2026	4,879,817	866,564
2027-2031	3,014,870	214,674
2032-2035	436,113	16,986
Total	<u>\$ 16,733,609</u>	<u>\$ 2,993,300</u>

The principal of outstanding debt due in 2017 includes the default bonds of the Golf Course, amounting to \$1,785,000 after the tender offer.

Discretely Presented Component Units long term debt activity for the year ended December 31, 2016
FLURA General Fund

A ten year \$50,000 loan from the City to FLURA. There are no interest rates specified in the loan

Library General Fund

	Balance <u>1/1/2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/2016</u>	Due in <u>1 Year</u>
<u>Governmental Activities</u>					
Accrued Compensated Absences	\$ 74,459	\$ 45,685	\$ (82,632)	\$ 37,512	\$ 10,503

NOTE 8: NET POSITION AND FUND BALANCE

Net position:

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2016 are as follows:

	Governmental Activities	Business- Type Activities
Net Investment in capital assets		
Cost of capital assets	\$ 45,790,084	\$ 80,232,059
Less accumulated depreciation	(18,549,543)	(20,930,165)
Book value	27,240,541	59,301,894
Less capital related debt		(16,664,056)
Less deferred refunding amounts and bond premiums and discounts (net)		(69,553)
Net investment in capital assets	<u>\$ 27,240,541</u>	<u>\$ 42,568,285</u>

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Primary Government's nonspendable, restricted, committed and assigned fund balances of the governmental funds consist of the following:

	General Fund	Non-Major Governmental Funds	Total
<i>Restricted Fund Balance</i>			
<u>Emergency Reserves</u> – A portion restricted for emergencies as defined under Article X, Section 20 to the Colorado Constitution also known as the Taxpayer's Bill of Rights (TABOR)	\$ 278,038	\$ 29,785	\$ 307,823
<u>Children's Fund</u> – Private donations made to the police department	11,681	-	11,681
<u>Street Sales Tax</u> – used to maintain, build and replace streets, sidewalks, curbs and gutters	1,337,051	-	1,337,051
<u>Water Sales Tax</u> – to support maintenance of water systems, assure quality and quantity and acquire water	1,695,614	-	1,695,614
<u>Culture Parks & Recreation Sales Tax Fund</u> – to provide culture and recreation programs and maintain parks	-	1,090,619	1,090,619
<u>Perpetual Care Cemetery Fund</u> – maintain cemetery grounds, provide services and acquire new property	-	23,549	23,549
<u>Memorial Trust Fund</u> – administer funds donated to the cemetery	-	3,082	3,082
<u>Conservation Trust Fund</u> – for the administration of lottery funds.	-	214,177	214,177
Total Restricted Fund Balance	3,322,384	1,361,212	4,683,596
<i>Committed Fund Balance:</i>			
Police Equipment	11,745	-	11,745
Victims Compensation	116,194	-	116,194
Court Surcharge	6,575	-	6,575
Total Committed Fund Balance	134,514	-	134,514
<i>Assigned Fund Balance:</i>			
Fireworks	7,500	-	7,500
Boys & Girls Club Building Fund	100,396	-	100,396
IT Equipment	25,000	-	25,000
Subsequent Year Expenditures	928,588	-	928,588
Total Assigned Fund Balance	1,061,484	-	1,061,484
<i>Non spendable</i>	8,576	-	8,576
<i>Unassigned</i>	2,799,649	-	2,799,649

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

	General Fund	Non-Major Governmental Funds	Total
Total Fund Balance	\$ 7,326,607	\$ 1,361,212	\$ 8,687,819

The Restricted Fund Balance of \$541,606 in the Proprietary Funds is primarily for debt service. The Recreation Center Fund has an additional \$38,913 restricted for emergencies.

Discretely Presented Component Units restricted and unassigned fund balances are as follows.

	Library General Fund	FLURA General Fund
<i>Restricted Fund Balance</i>		
<u>Emergency Reserves</u> – A portion restricted for emergencies as defined under Article X, Section 20 to the Colorado Constitution also known as the Taxpayer’s Bill of Rights (TABOR)	\$ 88,538	\$ -
<u>Restricted Donations</u> – Private donations made to the library	113,094	-
Total Restricted Fund Balance	201,632	-
<i>Unassigned</i>	3,572,339	(13,799)
Total Fund Balance	\$ 3,773,971	(\$ 13,799)

NOTE 9: RETIREMENT PLAN

The City and its employees participate in a defined contribution pension plan with AIG Retirement.

A defined contribution plan states that contributions of the employee and contributions of the City are, although invested jointly, maintained in separate accounts for each employee. The amount of benefit to be received at retirement is determined by the amount of monies accumulated in the employee's account at the time of retirement. All sworn police department employees contribute 9.7% of their salaries to the plan with all other employees contributing 4.0% of their salaries to the plan. The total amount of the City's current year covered payroll was \$3,614,321 and the total current year payroll was \$4,208,239. The City matches the respective contributions, with the total contribution made by the City during 2016 amounting to \$201,641.

The FPPA of the State of Colorado continues to provide death and disability to all police officers in accordance with state statutes, Section 31-30-1008; C.R.S. Survivors’ benefits are available for spouses, dependent parents and children under the age of 18.

Component Units

The Library employee participate in the City’s defined contribution pension plan with AIG Retirement. Employees’ contribute 4.0% of their salaries to the plan. The total amount of the Library’s current year

CITY OF FORT LUPTON
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For the Year Ended December 31, 2016

covered payroll was \$470,850 and the total current year payroll was \$489,089. The City matches the respective contributions, with the total contribution made by the City during 2016 amounting to \$18,834.

NOTE 10: CONTINGENCY

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The ultimate liability to the City resulting from claims not covered by CIRSA is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the City's financial statements.

There is only one case wherein CIRSA would not be involved and it involves the warrant holders of the Golf Course bonds. The City Attorney states "The City has kept no funds from the Enterprise revenues, so there is no possibility that there would be a ruling that the City improperly kept funds, and there are no funds to "pay back". The City itself is in no way obligated to pay Enterprise debt or liability and is not a guarantor of the Enterprise. As such, no provision is necessary to further protect the general fund of the City".

NOTE 11: RISK MANAGEMENT

Fort Lupton is exposed to various risks of loss related to torts: theft of, damage to, destruction of assets: errors and omissions: injuries to employees: and natural disasters. On January 1, 1984, the City Council authorized Fort Lupton to participate in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). A separate and independent governmental and legal entity, which was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, C.R.S. as amended, 29-1-101 et. seq., C.R.S., as amended, 29-13-102, C.R.S., as amended, and 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 in CIRSA against stated liability or loss to the limit of the financial resources of CIRSA. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

The scope, terms, conditions and limitations of the coverages are governed by the applicable coverage policies and/or excess coverage policies, the CIRSA bylaws, and other applicable documents. There has been no change in the deductibles or coverage over the last three years. The types and monetary limits of the coverages are generally described below.

I. TYPES OF COVERAGES (subject to the limit of CIRSA's liability as described in Section II below):

1. Property coverage.
2. Liability coverage.
 - a. General liability.
 - b. Auto liability.

CITY OF FORT LUPTON
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For the Year Ended December 31, 2016

- c. Law enforcement liability.
- d. Public official errors and omissions liability.
- e. Excess liability (for federal and out-of-state public official's claims and federal and out-of-state law enforcement).
3. Crime coverage (including employee dishonesty and money and securities).
4. Supplemental defense cost coverage for Colorado liability claims.

II. EXCESS INSURERS, AGGREGATE LIMITS AND MEMBER DEDUCTIBLE:

For the coverages described in Section I, CIRSA is liable only for payment of the applicable self-insured retentions and only to a total annual aggregate amount for CIRSA members as a whole of the amount of the applicable CIRSA loss fund for the coverage period. There is no aggregate excess coverage over any loss fund. Only the applicable excess insurers in applicable excess and reinsurance policies shall be payable, and only by those excess insurers in excess of these CIRSA self-insured retentions. Fort Lupton has no settlements that exceeded insurance coverage in the past three years.

A member-selected deductible applies to each municipality's claims/occurrences. Payment of the deductible shall reduce the amount otherwise payable under the applicable CIRSA retention.

2016 CIRSA SELF-INSURED RETENTIONS:

1. \$500,000 per claim/occurrence property
2. \$1,000,000 per claim/occurrence liability
3. \$100,000 per claim/occurrence Public Officials Liability.

2016 CIRSA LOSS FUND AMOUNTS:

Loss fund amounts are as adopted or amended from time to time by the Board of Directors based on the members in the property/casualty pool for the year and interest earnings on those amounts. Information on current loss fund amounts is available from the CIRSA Deputy Executive Director/Chief Financial Officer, at (303) 757-5475.

There is a deductible paid by the City of \$1,000 (liability) and \$1,000 (property), which applies to each of its claims/occurrences.

Fort Lupton continues to carry CIRSA insurance for Workers' Compensation, and Voluntary Accident Medical Insurance for volunteer and service workers.

NOTE 12: JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an on-going financial interest or an on-going financial responsibility. The City participates in the following joint venture:

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Northern Colorado Water Conservancy District - NISP.

Northern Colorado Water Conservancy District (District), a quasi-municipal entity and political subdivision of the State of Colorado was established July 6, 1970, pursuant to the Water Conservancy District Act. Acting by and through its Northern Integrated Supply Project Water Activity Enterprise (NISP) (a government owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. 37-45,1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513. In January 2003, Fort Lupton entered into an agreement with NISP in developing a water project for the purpose of developing a new reliable water supply.

Overall Project costs will be divided among the entities that participate in the Project.

The First Phase of the Project consisted of preliminary studies to evaluate both the potential of Poudre reservoir sites and the South Platte Water Conservation Project. The First Phase has been accomplished and there appears to be potential project configurations that may serve the needs of the Project.

The Second Phase of the Project, which consists of additional reservoir site evaluations, alternatives analysis, environmental studies, financial analyses, and related work, will require funding to complete the phase.

The Third Phase of the Project consists of further agency consultation, permitting with the U.S. Army Corps of Engineers and other agencies, compliance with the National Environmental Policy Act and other requirements for federal permitting, field work and analysis for permitting, modeling, and other activities related to designing and permitting the Project.

The City has agreed to provide to the NISP Enterprise funds for its pro rata share of the costs necessary to complete the Project.

Our pro rata share is:

<u>Year Paid</u>	<u>Amount</u>
2003-2011	\$ 776,802
2012	75,000
2013	75,000
2014	112,500
2015	195,000
2016	<u>262,500</u>
Total	<u>\$1,496,802</u>

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

Complete financial statements of the District can be obtained from Northern Colorado Water Conservancy District.

Town of Hudson

The Town of Hudson and the City are Colorado municipal corporations empowered to enter into intergovernmental agreements pursuant to the provisions of Article XIV, Section 18 of the Constitution of the

CITY OF FORT LUPTON
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State of Colorado, and the provisions of C.R.S. 29-1-201 et seq. in those circumstances where governmental entities may make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with each other to accomplish mutually beneficial ends. They entered into an Intergovernmental Agreement on July 26, 1995, to jointly provide for the construction, operation and maintenance of the water treatment plant to treat raw water, owned, controlled by the respective parties hereto, which water when treated will be available for use and consumption by the residents and customers of Hudson and Fort Lupton respectively.

Upon completion of the original water treatment plant, each party owned the following rights and interests: Fort Lupton owned an undivided five-sixths (5/6ths) of the treatment capacity of said plant, as well as an undivided five-sixths (5/6ths) of the personal property which constitutes the physical plant. Hudson owned the remaining undivided one-sixth (1/6th) of the treatment capacity and personal property constituting the physical plant. Each party shall own as its sole and separate property the right to deliver to the plant for treatment the raw untreated water that it owns or controls and is entitled to receive by means of the Northern Colorado Water Conservancy District's Southern Water Supply Project.

A separate flow meter is installed at the discharge point of the plant and at which treated water is delivered to the separate delivery systems of Fort Lupton and Hudson, which separate flow meters shall measure the number of gallons of treated water delivered to each party. On a monthly basis, the total of the treated water delivered from the plant to each party shall be added together to determine the total number of gallons in and delivered from the plant. The number of gallons of treated water separately delivered to Hudson shall then become the numerator in a fraction in which the entire total of treated gallons delivered to both parties is the denominator. The fraction which results shall be multiplied by the total operations and maintenance costs incurred by the operator in operating the plant during the month, and shall constitute the cost to each party of operations and maintenance for the month including fixed monthly operating costs. Hudson's amount shall be billed to Hudson on or before the 12th day of the following calendar month, and must be received by the next to the last business day of the calendar month.

Complete financial statements for the Town of Hudson may be obtained from the Town of Hudson, Colorado.

NOTE 13: TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

As a result of this constitutional requirement, the residents of Fort Lupton, in 1993, passed Referendum A. This referendum requires that if, in any given year, the City has revenues in excess of current spending limits due to property (ad valorem), sales, or use taxes, then that excess must be used for water and wastewater projects, purchase of water rights, and construction of the water system.

In 2010, the residents of Fort Lupton renewed the ½ cent Sales and Use Tax for Street Improvements for 20 years; in 2001, the ½ cent Sales and Use Tax for Culture, Parks and Recreation was renewed for 20 years; in 2002, the residents approved a \$6.7 million general obligation tax to construct a Recreation Center, and in 2005 the citizens authorized extension of the ½ cent water sales tax slated to expire in 2006 for an additional

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20 years. All four of these issues have been exempted from the revenue restrictions of Article X, Section 20, and from the requirements of Referendum A.

NOTE 14: DEFAULT ON GOLF COURSE REVENUE ANTICIPATION WARRANTS

The Golf Enterprise has been in technical default since June 2000, due to the level of its bond reserves. The course has not collected sufficient green fees and other revenues to pay the bond interest or principal on its 1996 Revenue Anticipation Warrants.

As a result of the default, the bond covenant states that the bonds become due and payable and thus the balance has been re-classed to Current Bonds Payable, resulting in a Current Bond Payable Balance at December 31, 2016 of \$1,785,000.

The Golf Enterprise Fund issued an offer to purchase any and all outstanding warrants on December 19, 2015 for the consideration described in the table below:

<u>Security</u>	<u>Principal Amount</u>	<u>Consideration</u>
	<u>Outstanding</u>	<u>Per \$1,000</u> <u>Principal Amount</u>
Senior Warrants	\$ 4,500,000	\$ 208
Subordinate 1996A1 Warrants	1,000,000	25
"B" Registered Coupons	27,000	25
Subordinate 1996B Warrants	300,000	10

If all outstanding warrants were to be tendered the Golf Course Enterprise Fund's future debt service payments would decrease by \$5,800,000, resulting in a net present value savings of \$10,570,328. The Golf Enterprise will, additionally, pay all costs and expenses incurred in connection with the offer. The City (General Fund) has loaned the Golf Enterprise Fund the funds necessary to pay the Warrants Consideration assuming 100% of the warrant holders tender their outstanding warrants. The offer expired on January 30, 2016 at 5:00 p.m. Eastern Time and was extended twice. The final closing date was March 31, 2016 at 5:00pm Eastern Time.

As a result of this offer, \$4,015,000 of the outstanding warrants (\$3,115,000 of the Senior Warrants, \$875,000 of the Subordinate 1996A1 Warrants and \$25,000 of the "B" Registered Coupons) were tendered and purchased by the Golf Course Enterprise. The result is a decrease in future debt service principal payments of \$4,015,000 and a net present value savings of \$6,955,713. The remaining warrants outstanding, totaling \$1,785,000, will remain as current bonds payable outstanding in fiscal year 2017. It is anticipated that the 2017 payments on the remaining balance will not be paid and the outstanding warrants will remain in default.

NOTE 15: COMMITMENTS AND CONTRACTS & BUDGET OVERAGES

On July 30, 2008 the City entered into an agreement with Weld County Dispatch Center (WELDCOM), until December 31, 2009 with automatic one year renewals through December 19, 2019. The City's share of expenses for 2016 total \$13,132.

The City and CH2MHill entered into an agreement for compensation for services to manage, operate, and maintain the effluent discharged from the Wastewater Treatment Plant and the finished water discharged for the Water Treatment Facility. Compensation for services is negotiated every three years. Compensation for years two & three will be adjusted based on the base fee adjustment formula shown in Appendix F of the

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

negotiated agreement. Subsequent years' base fees shall be determined as hereinafter specified. 2016 fees were \$1,007,297. A 1.36% increase compared to 2015.

On April 1, 2013 the City entered into a ten year agreement with Consolidated Mutual Water Company to lease 150 acre feet of water storage in the Perry Pit East Reservoir. The lease base rate is \$206.21 per acre foot of water capacity. The rate will increase annually based on a formula in paragraphs 6 (b) (c) and (d) of the lease agreement. Subsequently, the City has agreed to lease the remaining 300 acre feet of capacity in the Perry Pit East Reservoir for the same terms as the initial lease and an additional 50 acre feet for \$1,434 per acre foot. In 2016 the City paid \$86,214 for 511.15 acre feet of storage in the Perry Pit.

On October 22, 2016 the City and Anadarko Petroleum Corporation entered into a three year agreement with two consecutive one year extensions. On a take or pay agreement the City will provide 300 acre feet per year of non-potable water to Anadarko at a rate of \$3,260 per acre foot or \$978,000 per year in 2013-2015. Anadarko did not exercise the option to renew the lease in 2016.

In 2010 The City and Halliburton Energy Services, Inc. (Halliburton) entered into an agreement to extend water lines and sanitary sewer lines to the Halliburton facility at Denver Avenue and Weld County Road 8. Halliburton funded the construction in the amount of \$2,400,000. The lines will benefit all properties in the service area and as sites are developed along the services lines a proportionate share of the original cost and accrued interest will be charged by the City on building permits and refunded to Halliburton. On December 31, 2016, \$2,057,839 was the amount of the original construction costs to be collected on future development along the water and sewer lines. The interest accrued in 2016 at a rate of prime plus one percent (4.75%) was \$112,302. The total accrued interest as of December 31, 2016 is \$406,090. As the City is not required to reimburse Halliburton unless sufficient development occurs, these balances are not reported as a liability in the City's financial statements.

In 2015 The City and Martin Marietta Materials, Inc. (Martin Marietta) entered into an agreement to extend water lines from Weld County Road 8 525 lineal feet south along Denver Avenue to the Martin Marietta facility. Martin Marietta funded the construction in the amount of \$114,077. The lines will benefit all properties in the service area and as sites are developed along the service lines a proportionate share of the original cost and accrued interest will be charged by the City on building permits and refunded to Martin Marietta.

NOTE 16: COMPLIANCE

The Recreation Center Enterprise Fund may be in violation of state statutes as the expenditures exceed the appropriated budgets.

Primary Government Expenditures				Favorable (Unfavorable) Variance
	Original Budget	Final Budget	Actual	
<u>Enterprise Fund Expenditures</u>				
Recreation Center				
Enterprise Fund	\$ 1,056,620	\$ 1,305,194	\$ 1,329,787	(\$ 24,593)

CITY OF FORT LUPTON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

NOTE 17: SALES TAX REBATES

In 2013 the City entered into an annexation agreement with L.G. Everest, Inc. The agreement contains a “Development Incentive Payment” requiring the City to refund the City’s portion of sales tax collected by the State Department of Revenue for the previous year less \$35,000 by April 30. The City gained the ability to extend the City’s boundary lines in the future and keep us in compliance with all State and County annexation requirements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FORT LUPTON, COLORADO

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2016

	2016			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance
REVENUES				
Taxes	\$ 3,884,635	\$ 3,884,635	\$ 4,317,359	\$ 432,724
Licenses and Permits	145,212	145,212	367,397	222,185
Intergovernmental	1,655,142	2,405,142	1,707,009	(698,133)
Charges for Services	497,977	497,977	533,348	35,371
Fines and Forfeits	191,200	191,200	237,224	46,024
Other	53,300	53,300	235,290	181,990
Total Revenues	<u>6,427,466</u>	<u>7,177,466</u>	<u>7,397,627</u>	<u>220,161</u>
EXPENDITURES				
General Government	3,604,055	3,645,328	3,129,030	516,298
Public Safety	1,557,523	1,557,523	1,631,107	(73,584)
Public Works	505,424	508,933	479,697	29,236
Capital Outlay	1,843,500	3,560,844	2,307,843	1,253,001
Other	462,382	479,885	241,055	238,830
Total Expenditures	<u>7,972,884</u>	<u>9,752,513</u>	<u>7,788,732</u>	<u>1,963,781</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,545,418)</u>	<u>(2,575,047)</u>	<u>(391,105)</u>	<u>2,183,942</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(181,835)</u>	<u>(181,835)</u>	<u>(103,343)</u>	<u>78,492</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,727,253)</u>	<u>\$ (2,756,882)</u>	<u>(494,448)</u>	<u>\$ 2,262,434</u>
FUND BALANCES, Beginning of Year			<u>4,088,810</u>	
FUND BALANCES, End of Year			<u>\$ 3,594,362</u>	

CITY OF FORT LUPTON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2016

NOTE 1: EXPLANATION OF DIFFERENCES BETWEEN REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) FOR THE GENERAL FUND BUDGETARY COMPARISON SCHEDULE AND THE GENERAL FUND AS REPORTED IN THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Certain funds used for accounting purposes are combined with the General Fund for reporting purposes. In accordance with GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the activity of such funds is not included in the General Fund budgetary comparison schedule. The following is a reconciliation of the General Fund budgetary comparison schedule to the General Fund as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended December 31, 2016.

Revenue

General Fund Budgetary Comparison Schedule	\$ 7,397,627
Adjustments:	0
Street Sales Tax	723,380
Water Sales Tax	1,104,137
Contingency	42,796
Total General Fund revenues as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 9,267,940</u>

Expenditures

General Fund Budgetary Comparison Schedule	7,788,732
Adjustments:	0
Street Sales Tax	918,831
Water Sales Tax	511,261
Total General Fund expenditures as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance	<u>9,218,824</u>

Other Financing Sources (uses)

General Fund Budgetary Comparison Schedule	(103,343)
Adjustments:	0.00
Water Sales Tax	(475,511)
Total General Fund other financing sources (uses) as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance	<u>(578,854)</u>

SUPPLEMENTARY INFORMATION

CITY OF FORT LUPTON, COLORADO

CONTINGENCY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	2016		
	Original and Final Budget	Actual	Positive (Negative) Variance
REVENUES			
Property Tax	\$ 38,839	\$ 38,725	\$ (114)
Interest Income	600	4,071	3,471
Total Revenues	<u>39,439</u>	<u>42,796</u>	<u>3,357</u>
EXPENDITURES			
Capital Outlay	<u>640,348</u>	<u>-</u>	<u>640,348</u>
Total Expenditures	<u>640,348</u>	<u>-</u>	<u>640,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (600,909)</u>	42,796	<u>\$ 643,705</u>
 FUND BALANCES, Beginning of Year		<u>601,959</u>	
 FUND BALANCES, End of Year		<u>\$ 644,755</u>	

CITY OF FORT LUPTON, COLORADO

STREET IMPROVEMENT SALES TAX FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2016

	2016			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance
REVENUES				
Sales Tax	\$ 451,630	\$ 451,630	\$ 549,904	\$ 98,274
Interest Income	700	700	3,900	3,200
Infrastructure Assessment Fees	32,200	32,200	169,576	137,376
Total Revenues	484,530	484,530	723,380	238,850
EXPENDITURES				
Current:				
Other	110,000	110,000	48,327	61,673
Capital Outlay:				
Streets	656,000	1,307,100	870,504	436,596
Total Expenditures	766,000	1,417,100	918,831	498,269
Excess (Deficiency) of Revenues Over Expenditures	\$ (281,470)	\$ (932,570)	(195,451)	\$ 737,119
FUND BALANCES, Beginning of Year			1,554,203	
FUND BALANCES, End of Year			\$ 1,358,752	

CITY OF FORT LUPTON, COLORADO

WATER SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	2016		
	Original and Final Budget	Actual	Positive (Negative) Variance
REVENUE			
Sales Tax	\$ 903,261	\$ 1,099,808	\$ 196,547
Interest Income	1,000	4,329	3,327
Total Revenues	904,261	1,104,137	199,874
EXPENDITURES			
Water Carryover	38,000	8,221	29,779
Capital Outlay	192,843	167,843	25,000
Other	493,000	335,197	157,805
Total Expenditures	723,843	511,261	212,584
Excess of Revenues Over Expenditures	180,418	592,876	412,458
Other Financing Sources (Uses)			
Operating Transfer Out	(475,511)	(475,511)	-
Excess (Deficiencies) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ (295,093)</u>	117,365	<u>\$ 412,458</u>
FUND BALANCE, Beginning of Year		<u>1,611,373</u>	
FUND BALANCE, End of Year		<u>\$ 1,728,738</u>	

CITY OF FORT LUPTON, COLORADO

NON MAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2016

	Culture, Parks & Recreation Sales Tax Fund	Conservation Trust Fund	Perpetual Care Cemetery Fund	Memorial Trust Fund	Non Major Governmental Funds
<u>ASSETS</u>					
Cash	\$ 1,065,249	\$ 216,776	\$ 27,094	\$ 3,082	\$ 1,312,201
Accounts Receivable	216	-	-	-	216
Sales Tax Receivable	74,783	-	-	-	74,783
Total Assets	<u>\$ 1,140,248</u>	<u>\$ 216,776</u>	<u>\$ 27,094</u>	<u>\$ 3,082</u>	<u>\$ 1,387,200</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities					
Accounts Payable	\$ 12,580	\$ -	\$ -	\$ -	\$ 12,580
Accrued Expenses	12,004	-	1,404	-	13,408
Total Liabilities	<u>24,584</u>	<u>-</u>	<u>1,404</u>	<u>-</u>	<u>25,988</u>
Fund Balances					
Non-Spendable	-	-	-	-	-
Restricted	1,090,619	214,177	8,924	3,082	1,316,802
Tabor	25,045	2,599	2,141	-	29,785
Perpetual Care	-	-	14,625	-	14,625
Total Fund Balances	<u>1,115,664</u>	<u>216,776</u>	<u>25,690</u>	<u>3,082</u>	<u>1,361,212</u>
Total Liabilities and Fund Balances	<u>\$ 1,140,248</u>	<u>\$ 216,776</u>	<u>\$ 27,094</u>	<u>\$ 3,082</u>	<u>\$ 1,387,200</u>

CITY OF FORT LUPTON, COLORADO

NON MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended December 31, 2016

	Culture, Parks & Recreation Sales Tax Fund	Conservation Trust Fund	Perpetual Care Cemetery Fund	Memorial Trust Fund	Total
REVENUES					
Sales Taxes	\$ 549,903	\$ -	\$ -	\$ -	\$ 549,903
Federal and State Sources	-	86,542	-	-	86,542
Charges for Services	89,265	-	51,720	-	140,985
Interest Income	836	96	585	-	1,517
Other	194,820	-	19,075	2	213,897
Total Revenues	834,824	86,638	71,380	2	992,844
EXPENDITURES					
Current:					
Other	83,579	-	10,824	-	94,403
Salaries and Benefits	341,881	-	49,460	-	391,341
Supplies	23,012	-	692	-	23,704
Utilities	34,457	-	67,351	-	101,808
Maintenance	26,881	-	14,017	-	40,898
Capital Outlay:					
Land and Land Improvements	45,176	-	-	-	45,176
Total Expenditures	554,986	-	142,344	-	697,330
Excess (Deficiency) of Revenues Over Expenditures	279,838	86,638	(70,964)	2	295,514
Other Financing Sources (Uses)					
Transfers In	36,704	-	66,639	-	103,343
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	36,704	-	66,639	-	103,343
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	316,542	86,638	(4,325)	2	398,857
FUND BALANCE, Beginning of Year	799,122	130,138	30,015	3,080	962,355
FUND BALANCE, End of Year	\$ 1,115,664	\$ 216,776	\$ 25,690	\$ 3,082	\$ 1,361,212

CITY OF FORT LUPTON, COLORADO

CULTURE, PARKS, AND RECREATION SALES TAX FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2016

	2016		
	Original and Final Budget	Actual	Positive (Negative) Variance
REVENUES			
Sales Tax	\$ 451,630	\$ 549,903	\$ 98,273
Interest Income	300	836	536
Enhancement Fees	57,000	143,936	86,936
Private Contributions	1,600	711	(889)
Usage Fees	111,650	89,265	(22,385)
Other	11,250	50,173	38,921
Total Revenues	633,430	834,824	201,392
EXPENDITURES			
Current:			
Salaries and Benefits	344,759	341,881	2,878
Maintenance	32,300	26,881	5,419
Supplies	23,800	23,012	788
Utilities	37,150	34,457	2,693
Other	89,121	83,579	5,542
Capital Outlay:			
Community Center	60,000	45,176	14,824
Total Expenditures	587,130	554,986	32,144
Excess (Deficiency) of Revenues Over Expenditures	46,300	279,838	233,536
Other Financing Sources (Uses)			
Transfers In	41,835	36,704	(5,131)
Transfers Out	(381,435)	-	381,435
Total Other Financing Sources (Uses)	(339,600)	36,704	376,304
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (293,300)	316,542	\$ 609,840
FUND BALANCES, Beginning of Year		799,122	
FUND BALANCES, End of Year		\$ 1,115,664	

CITY OF FORT LUPTON, COLORADO

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

	2016		
	Original and Final Budget	Actual	Positive (Negative) Variance
REVENUES			
Lottery Funds	\$ 65,000	\$ 86,542	\$ 21,542
Interest Income	100	96	(4)
Total Revenues	65,100	86,638	21,538
EXPENDITURES			
Capital Outlay:			
Land and Improvements	88,000	-	88,000
Excess (Deficiency) of Revenues Over Expenditures	\$ (22,900)	86,638	\$ 109,538
FUND BALANCES, Beginning of Year		130,138	
FUND BALANCES, End of Year		\$ 216,776	

CITY OF FORT LUPTON, COLORADO

PERPETUAL CARE CEMETERY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	2016		
	Original and Final Budget	Actual	Positive (Negative) Variance
REVENUES			
Charges for Services	\$ 40,200	\$ 51,720	\$ 11,520
Perpetual Care	7,250	14,625	7,375
Interest Income	100	585	485
Other	3,000	4,450	1,450
Total Revenues	50,550	71,380	20,830
EXPENDITURES			
Current:			
Salaries and Benefits	56,852	49,460	7,392
Maintenance	14,500	14,017	483
Supplies	2,100	692	1,408
Utilities	61,200	67,351	(6,151)
Other	12,050	10,824	1,226
Capital Outlay:			
Other Capital	80,000	-	80,000
Total Expenditures	226,702	142,344	84,358
Excess (Deficiency) of Revenues Over Expenditures	(176,152)	(70,964)	105,188
Other Financing Sources (Uses)			
Transfers In	140,000	66,639	(73,361)
Total Other Financing Sources (Uses)	140,000	66,639	(73,361)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (36,152)	(4,325)	\$ 31,827
FUND BALANCES, Beginning of Year		30,015	
FUND BALANCES, End of Year		\$ 25,690	

CITY OF FORT LUPTON, COLORADO

MEMORIAL TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	2016		
	Original and Final Budget	Actual	Positive (Negative) Variance
Other	\$ -	\$ 2	\$ 2
Total Revenues		2	2
Excess of Revenues Over Expenditures	-	2	2
Excess of Revenues Over Expenditures	<u>\$ -</u>	2	<u>\$ 2</u>
FUND BALANCES, Beginning of Year		<u>3,080</u>	
FUND BALANCES, End of Year		<u>\$ 3,082</u>	

CITY OF FORT LUPTON, COLORADO

UTILITY ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the Year Ended December 31, 2016

	2016			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance
Operating Revenues				
Charges for Services	\$ 3,840,885	\$ 3,840,885	\$ 4,198,584	\$ 357,696
Other Income	106,700	106,700	351,390	244,690
Total Operating Revenues	3,947,585	3,947,585	4,549,974	602,386
Operating Expenses				
Salaries and Benefits	445,065	455,592	425,704	29,888
Professional Fees	71,000	71,000	15,885	55,115
Contract Management	897,297	897,297	907,297	(10,000)
Insurance	72,027	72,027	62,027	10,000
Maintenance	367,900	367,900	258,722	109,178
Supplies	119,442	119,442	90,618	28,824
Utilities	280,075	280,075	241,359	38,716
Water Assessments	1,238,884	1,238,884	981,307	257,577
Depreciation and Amortization	1,080,796	1,080,796	-	1,080,796
Other	140,900	140,900	350,961	(241,376)
Total Operating Expenses	4,713,386	4,723,913	3,333,880	1,358,718
Net Operating Income	(765,801)	(776,328)	1,216,094	1,992,422
Nonoperating Revenues (Expenses)				
Investment Income (Loss)	2,000	2,000	7,100	5,100
Gain (Loss) on Disposal of Assets	-	-	(31,315)	(31,315)
Capital Contributions	-	-	83,420	83,420
Interest Expense	(408,601)	(408,601)	(405,208)	3,393
Capital Expenditures	(800,000)	(1,185,336)	(687,025)	1,185,336
Other	807,031	807,031	1,331,820	524,793
Total Nonoperating Revenues (Expenses)	(399,570)	(784,906)	298,792	1,770,727
Net Income (Loss) Before Transfers	(1,165,371)	(1,561,234)	1,514,886	3,076,120
Transfers In	475,512	475,512	475,511	1
Net Transfers In	475,512	475,512	475,511	1
Net Income (Loss) - Budgetary Basis	<u>\$ (689,859)</u>	<u>\$ (1,085,722)</u>	1,990,397	<u>\$ 3,076,119</u>
Reconciliation to GAAP Basis				
Debt Proceeds				
Capital Outlay			687,025	
Depreciation and Amortization			(1,201,300)	
Net Income (Loss) - GAAP Basis			1,476,122	
NET POSITION, Beginning of Year			41,634,137	
NET POSITION, End of Year			<u>\$ 43,110,259</u>	

CITY OF FORT LUPTON, COLORADO

STORM WATER DRAINAGE ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

For the Year Ended December 31, 2016

	2016			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
Operating Revenues				
Charges for Services	\$ 160,025	\$ 160,025	\$ 350,590	\$ 190,564
Operating Expenses				
Salaries and Benefits	16,090	16,090	16,248	(158)
Professional Fees	10,000	10,000	-	10,000
Maintenance	2,000	2,000	104	1,896
Supplies	2,500	2,500	671	1,829
Depreciation and Amortization	1,106	1,106	-	1,106
Other	2,000	2,000	-	2,000
Total Operating Expenses	<u>33,696</u>	<u>33,696</u>	<u>17,023</u>	<u>16,673</u>
Net Operating Income	<u>126,329</u>	<u>126,329</u>	<u>333,567</u>	<u>173,891</u>
Nonoperating Revenues (Expenses)				
Investment Income	150	150	202	52
Capital Expenditures	<u>-</u>	<u>(397,536)</u>	<u>(396,658)</u>	<u>878</u>
Total Nonoperating Revenues	<u>150</u>	<u>(397,386)</u>	<u>(396,456)</u>	<u>930</u>
Net Income Before Transfers	<u>126,479</u>	<u>(271,057)</u>	<u>(62,889)</u>	<u>174,821</u>
Net Income	<u>\$ 126,479</u>	<u>\$ (271,057)</u>	<u>(62,889)</u>	<u>\$ 174,821</u>
Reconciliation to GAAP Basis				
Capital Outlay			396,658	
Depreciation and Amortization			<u>(10,469)</u>	
Net Income (Loss) - GAAP Basis			323,300	
NET POSITION, Beginning of Year			<u>1,000,186</u>	
Prior Period Adjustment				
NET POSITION, End of Year			<u>\$ 1,323,486</u>	

CITY OF FORT LUPTON, COLORADO

RECREATION CENTER ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the Year Ended December 31, 2016

	2016		
	Original and Final Budget	Actual	Positive (Negative) Variance
Operating Revenues			
Charges for Services	\$ 378,650	\$ 369,229	\$ (9,422)
Other	28,800	27,021	(1,779)
Total Operating Revenues	407,450	396,250	(11,201)
Operating Expenses			
Salaries	558,582	625,647	(67,065)
Insurance	24,970	23,470	1,500
Maintenance	50,000	52,688	(2,688)
Merchandise for Resale	1,500	1,170	330
Supplies	48,500	63,597	(15,097)
Utilities	119,500	108,659	10,841
Depreciation	231,435	-	231,435
Recreation Programs	48,050	47,283	767
Other	70,280	72,946	(2,666)
Total Operating Expenses	1,152,817	995,460	157,357
Net Operating Income	(745,367)	(599,210)	146,157
Nonoperating Revenues (Expenses)			
Property Taxes	981,253	978,857	(2,396)
Grant Income	1,000	86	(914)
Gain on Disposal of Assets	1,000	1,550	550
Investment Income	500	14,746	14,246
Bond Principal	-	(400,000)	(400,000)
Interest Expense	(95,238)	(94,591)	647
Capital Expenditures	(40,000)	(23,337)	16,663
Total Nonoperating Revenues	848,515	477,311	(371,204)
Net Income (Loss) - Budgetary Basis	<u>\$ 103,148</u>	(121,899)	<u>\$ (225,047)</u>
Reconciliation to GAAP Basis			
Bond Principal Payments		400,000	
Capital Outlay		23,337	
Depreciation and Amortization		<u>(239,736)</u>	
Net Income (Loss) - GAAP Basis		61,702	
NET POSITION, Beginning of Year		<u>542,770</u>	
NET POSITION, End of Year		<u>\$ 604,472</u>	

CITY OF FORT LUPTON, COLORADO

GOLF COURSE ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

For the Year Ended December 31, 2016

	2016			Positive (Negative) Variance
	Original Budget	Final Budget	Actual	
Operating Revenues				
Charges for Services	\$ 735,431	\$ 735,431	\$ 780,095	\$ 44,662
Sales of Merchandise	255,721	255,721	258,607	2,886
Other	540	540	9,506	8,966
Total Operating Revenues	991,692	991,692	1,048,208	56,514
Operating Expenses				
Salaries and Benefits	448,215	448,215	422,923	25,292
Professional Fees	34,300	34,300	21,758	12,542
Insurance	5,029	5,029	5,029	-
Maintenance	47,360	47,360	50,215	(2,855)
Merchandise for Resale	106,591	106,591	125,400	(18,809)
Supplies	103,500	103,500	86,236	17,264
Utilities	80,044	80,044	71,922	8,122
Depreciation and Amortization	75,032	75,032	-	75,032
Other	116,705	116,705	118,118	(1,413)
Total Operating Expenses	1,016,776	1,016,776	901,601	115,175
Net Operating Loss	(25,084)	(25,084)	146,607	171,691
Nonoperating Revenues (Expenses)				
Interest Income	-	-	114	114
Enhancement Assessment	40,000	40,000	82,000	42,000
Interest Expense	1,279	1,279	(160,475)	(161,754)
Capital Expenditures	-	(34,980)	(41,038)	(6,058)
Total Nonoperating Revenues (Expenses)	41,279	6,299	(119,399)	(125,698)
Net Income (Loss) - Budgetary Basis	\$ 16,195	\$ (18,785)	27,208	\$ 45,993
Reconciliation to GAAP Basis				
Capital Outlay			41,038	
Depreciation and Amortization			(96,390)	
Net Income (Loss) - GAAP Basis			(28,144)	
NET POSITION, Beginning of Year			(20,632)	
NET POSITION, End of Year			\$ (48,776)	

COMPONENT UNITS

FORT LUPTON PUBLIC and SCHOOL LIBRARY

GENERAL FUND
COMPARATIVE BALANCE SHEETS

	<u>2016</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 3,781,960
Restricted Cash	113,094
Receivables:	
Other	299
Total Current Assets	<u>3,895,353</u>
Total Assets	<u><u>3,895,353</u></u>
<u>LIABILITIES AND FUND BALANCES</u>	
LIABILITIES	
Accounts Payable	\$ 66,309
Accrued Expenses	<u>17,561</u>
Total Liabilities	<u>\$ 83,870</u>
FUND BALANCES	
Restricted	
Emergency Reserve	\$ 88,538
Restricted Donations	113,094
Fund Balance	<u>3,609,851</u>
Total Fund Balances	<u>3,811,483</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,895,353</u></u>

FORT LUPTON PUBLIC AND SCHOOL LIBRARY

Reconciliation of the Balance Sheet to the Statement of Net Position
December 31, 2016

	2016 Balance Sheet	Adjustments	Statement of Net Position
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	\$ 3,781,960	\$ -	\$ 3,781,960
Restricted Cash	113,094	-	113,094
Receivables:			
Other	299	-	299
Total Current Assets	<u>3,895,353</u>	<u>-</u>	<u>3,895,353</u>
Total Assets	<u><u>3,895,353</u></u>	<u><u>-</u></u>	<u><u>3,895,353</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts Payable	66,309	-	66,309
Accrued Expenses	17,561	37,512 ¹	55,073
Contingent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>83,870</u>	<u>37,512</u>	<u>121,382</u>
FUND BALANCES/NET POSITION			
Restricted			
Emergency Reserve	88,538	-	88,538
Restricted Donations	113,094	-	113,094
Unrestricted	<u>3,609,851</u>	<u>(37,512)</u>	<u>3,572,339</u>
Total Fund Balances	<u>3,811,483</u>	<u>(37,512)</u>	<u>3,773,971</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,895,353</u></u>		<u><u>\$ 3,895,353</u></u>

¹ Long-Term Liabilities including compensated absences are not due and payable in the current period, therefore not reported in the funds.

FORT LUPTON PUBLIC AND SCHOOL LIBRARY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2016

	2016			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance
REVENUES				
Intergovernment Revenue	\$ 2,885,364	\$ 2,885,364	\$ 2,939,712	\$ 54,348
Other	2,500	2,500	11,569	(9,072)
Total Revenues	2,887,864	2,887,864	2,951,281	45,276
EXPENDITURES				
Salary & Benefits	670,146	670,146	615,663	54,483
Maintenance	20,000	20,000	-	20,000
Supplies	163,000	163,000	114,998	48,002
Utilities	16,000	16,000	8,739	7,261
Programs	62,000	62,000	44,408	17,592
Other	177,606	177,606	54,908	122,698
Capital Outlay	165,300	165,300	60,135	105,165
Total Expenditures	1,274,052	1,274,052	898,851	375,201
Revenues Over (Under) Expenditures	1,613,812	1,613,812	2,052,430	420,477
Excess (Deficiency) Of Revenues Over Expenditure And The Other Sources	<u>\$ 1,613,812</u>	<u>\$ 1,613,812</u>	2,052,430	<u>\$ 438,618</u>
FUND BALANCES, Beginning of Year Prior Period Adjustment			<u>1,759,053</u>	
FUND BALANCES, Year to Date			<u>\$ 3,811,483</u>	

FORT LUPTON PUBLIC AND SCHOOL LIBRARY

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF NET POSITION

For the Year Ended December 31, 2016

	Total 2016	Adjustments	Statement of Activities
Expenditures / Expenses			
Expenditures / Expenses	\$ 898,851	\$ (36,947)	\$ 935,798
Program Revenues			
Charges for Services	11,569	-	11,569
Operating Grants, and Contributions	<u>2,939,712</u>	<u>-</u>	<u>2,939,712</u>
Net Program Revenue	<u>2,951,281</u>	<u>-</u>	<u>2,951,281</u>
Net Program Expenses	<u>2,052,430</u>	<u>36,947</u>	<u>2,015,483</u>
Change in Net Position	2,052,430	36,947	2,089,377
Fund Balance / Net Position			
Beginning of Year	<u>1,759,053</u>	<u>(74,459)</u>	<u>1,684,594</u>
End of Year	<u><u>3,811,483</u></u>	<u><u>(37,512)</u></u>	<u><u>3,773,971</u></u>

FORT LUPTON URBAN RENEWAL AUTHORITY

BALANCE SHEETS
December 31, 2016

	<u>2016</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 36,326
Total Current Assets	<u>36,326</u>
Total Assets	<u><u>\$ 36,326</u></u>
<u>LIABILITIES AND FUND BALANCES</u>	
LIABILITIES	
Accounts Payable	<u>125</u>
Total Liabilities	<u>125</u>
FUND BALANCES	
Restricted	
Emergency Reserve	\$ 92
Fund Balance	<u>36,109</u>
Total Fund Balances	<u>36,201</u>
Total Liabilities and Fund Balances	<u><u>\$ 36,326</u></u>

FORT LUPTON URBAN RENEWAL AUTHORITY

Reconciliation of the Balance Sheet to the Statement of Net Position

	2016 Balance Sheet	Adjustments	Statement of Net Position
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	\$ 36,326	\$ -	\$ 36,326
Total Current Assets	36,326	-	36,326
Total Assets	36,326	-	36,326
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts Payable	125	-	125
Loan from City of Fort Lupton	-	50,000 ¹	50,000
Total Liabilities	125	50,000	50,125
FUND BALANCES/NET POSITION			
Unrestricted	36,109	(50,000)	(13,891)
Total Fund Balances	36,201	(50,000)	(13,799)
Total Liabilities and Fund Balances	\$ 36,326		\$ 36,326

¹ Long-Term Liabilities are not due and payable in the current period, therefore not reported in the funds.

FORT LUPTON URBAN RENEWAL AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2016

	2016			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance
REVENUES				
Property Taxes	\$ 3,768	\$ 3,768	\$ 3,068	\$ (700)
Total Revenues	3,768	3,768	3,068	(700)
EXPENDITURES				
Supplies	-	-	262	(262)
Services	-	-	2,500	(2,500)
Other	-	-	4,988	(4,991)
Capital Outlay	44,681	44,681	-	44,681
Total Expenditures	44,681	44,681	7,750	36,928
Revenues Over (Under) Expenditures	(40,913)	(40,913)	(4,682)	36,228
Excess (Deficiency) Of Revenues Over Expenditure	<u>\$ (40,913)</u>	<u>\$ (40,913)</u>	(4,682)	<u>\$ 36,231</u>
FUND BALANCES, Beginning of Year			40,883	
FUND BALANCES, Year to Date			<u>\$ 36,201</u>	

FORT LUPTON URBAN RENEWAL AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

	<u>2016</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures / Expenses			
Expenditure	\$ 7,750	\$	\$ 7,750
Program Revenues			
Charges for Services	-	-	-
TIFF Increment	3,068	-	3,068
Operating Grants, and Contributions	-	-	-
Capital Grants, and Contributions	-	-	-
Net Program Revenue	<u>3,068</u>	<u>-</u>	<u>3,068</u>
Net Program Expenses	<u>(4,682)</u>	<u>-</u>	<u>(4,682)</u>
Change in Net Position	<u>(4,682)</u>	<u>-</u>	<u>(4,682)</u>
Fund Balance / Net Position	-	-	-
Beginning of Year	<u>40,883</u>	<u>(50,000)</u>	<u>(9,117)</u>
End of Year	<u>\$ 36,201</u>	<u>\$ (50,000)</u>	<u>\$ (13,799)</u>

STATISTICAL SECTION

STATISTICAL SECTION

The part of the Cities comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time..... 75

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax 80

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's outstanding debt and the ability to issue new debt in the future 87

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place..... 91

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to services the government provides and the activities it performs..... 93

Sources: Unless otherwise noted the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

City of Fort Lupton, Colorado

Government-wide Net Position by Category

Fiscal Years 2007-2016

(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 25,222,628	\$ 24,815,079	\$ 24,710,688	\$ 24,136,541	\$ 24,253,776	\$ 25,423,316	\$ 25,382,338	\$ 25,369,586	\$ 25,210,238	\$ 27,240,541
Restricted	112,141	259,208	259,208	226,073	3,121,421	2,233,960	2,932,189	3,488,518	4,316,235	4,683,596
Unrestricted	2,103,523	2,061,766	2,215,273	2,690,489	750,712	1,736,771	2,410,189	3,868,299	4,313,384	3,799,350
Subtotal Government Activities Net Position	27,438,292	27,136,053	27,185,169	27,053,103	28,125,909	29,394,047	30,724,716	32,726,403	33,839,857	35,723,487
Business Type Activities										
Net Investment in Capital Assets	22,663,126	22,367,478	23,244,405	24,948,580	24,474,959	25,524,613	32,494,395	33,275,694	41,729,359	42,568,285
Restricted	1,278,536	1,566,173	1,587,049	1,807,957	1,624,858	1,616,906	1,356,597	1,271,912	586,963	580,519
Unrestricted	960,334	441,735	76,219	(484,213)	345,497	394,235	(3,215,546)	(2,943,955)	840,139	1,840,637
Subtotal Business Type Activities Net Position	24,901,996	24,375,386	24,907,673	26,272,324	26,445,314	27,535,754	30,635,446	31,603,651	43,156,461	44,989,441
Total Government										
Net Investment in Capital Assets	47,885,754	47,182,557	47,955,093	49,085,121	48,728,735	50,947,929	57,876,733	58,645,280	66,939,597	69,808,826
Restricted	1,390,677	1,825,381	1,846,257	2,034,030	4,746,279	3,850,866	4,288,786	4,760,430	4,903,198	5,264,115
Unrestricted	3,063,857	2,503,501	2,291,492	2,206,276	1,096,209	2,131,006	(805,357)	924,344	5,153,523	5,639,987
Total Net Position	\$ 52,340,288	\$ 51,511,439	\$ 52,092,842	\$ 53,325,427	\$ 54,571,223	\$ 56,929,801	\$ 61,360,162	\$ 64,330,054	\$ 76,996,318	\$ 80,712,928

Source: City of Fort Lupton Finance Department

City of Fort Lupton, Colorado
Government-wide Changes in Net Position
Fiscal Years 2007-2016
(accrual basis of accounting)

	2007	2008	2009	2011	2012	2013	2014	2015	2016
Expenses									
Governmental Activities:									
General Government	\$ 1,842,978	\$ 1,146,647	\$ 1,402,046	\$ 1,511,845	\$ 1,649,002	\$ 1,983,618	\$ 2,336,076	\$ 2,765,380	\$ 3,208,613
Public Safety	1,676,527	1,775,631	1,674,082	1,181,606	1,132,846	1,188,061	1,269,834	1,642,454	1,707,739
Public Works	1,300,203	1,307,542	1,303,317	1,028,537	1,232,748	1,351,463	1,406,244	1,354,525	1,495,318
Culture, Parks and Recreation	159,055	676,103	754,907	803,453	902,575	639,145	621,742	666,666	681,405
Other	763,731	1,289,420	626,418	687,754	527,565	546,855	591,798	723,047	732,755
Total Governmental Activities Expenses	5,742,494	6,195,343	5,760,770	5,213,195	5,444,736	5,709,142	6,225,694	7,152,072	7,825,830
Business Type Activities:									
Utilities	3,149,678	2,883,404	2,856,120	3,170,747	3,534,405	4,591,194	5,738,153	4,318,890	4,971,703
Storm Water Drainage	-	29,459	21,523	12,192	14,884	33,747	28,852	21,788	27,492
Golf	1,040,200	956,207	879,753	899,114	983,607	1,060,304	1,231,840	1,185,890	1,076,466
Recreation	1,161,252	1,240,599	1,137,713	1,073,717	1,051,829	1,139,988	1,212,567	1,289,317	1,329,787
Interest	1,596,119	1,558,828	1,416,072	1,476,667	1,057,081	-	-	-	-
Other	35,100	49,568	50,359	52,855	50,196	12,750	-	-	-
Total Business Type Activities Expenses	6,982,349	6,718,065	6,361,540	6,685,292	6,692,002	6,837,983	8,211,412	6,815,885	7,405,448
Total Government Expenses	12,724,843	12,913,408	12,122,310	11,898,487	12,136,738	12,547,125	14,437,106	13,967,957	15,231,278
Program Revenues									
Governmental Activities:									
Charges for Services, Sales & Fines									
General Government	95,258	104,061	107,139	85,753	124,611	103,153	78,354	117,306	436,871
Public Safety	179,402	178,486	220,495	179,063	290,970	208,226	168,597	290,045	285,126
Public Works	185,499	81,810	238,474	832,671	343,635	371,754	276,280	648,451	301,513
Culture, Parks and Recreation	76,843	83,009	139,290	73,977	80,132	116,998	122,409	158,472	233,201
Other	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	147,456	113,100	150,875	155,057	179,023	172,698	235,720	182,179	185,628
Capital Grants and Contributions	133,580	504,215	569,355	121,752	164,740	461,155	529,298	177,101	1,221,755
Total Governmental Activities Program Revenue	818,038	1,064,681	1,425,628	1,448,273	1,183,111	1,433,984	1,410,658	1,573,554	2,664,094
Business Type Activities:									
Utilities	3,145,264	3,358,923	3,506,146	4,122,995	4,498,327	4,967,660	4,915,359	5,218,152	4,549,974
Storm Water Drainage	49,271	66,852	126,781	67,774	107,887	106,172	139,480	237,721	350,590
Golf	857,740	951,583	865,126	830,940	916,153	859,367	987,288	1,138,444	1,048,208
Recreation	314,454	340,706	299,529	351,235	348,839	369,748	371,570	363,156	396,250
Operating Grants and Contributions	-	-	-	-	-	-	3,336	-	86
Capital Grants and Contributions	271,012	116,822	854,924	102,902	1,000	298,120	669,042	2,947,240	83,420
Total Business Activities Program Revenue	4,637,741	4,834,886	5,652,506	5,475,846	5,872,206	6,601,067	7,086,075	9,904,713	6,428,528
Total Program Revenues	5,455,779	5,899,567	7,078,134	6,924,119	7,055,317	8,035,051	8,496,733	11,478,267	9,092,622
Net (Expenses) / Revenues									
Government Activities	(4,924,456)	(5,130,662)	(4,335,142)	(3,764,922)	(4,261,625)	(4,275,158)	(4,815,036)	(5,578,518)	(5,161,736)
Business Type Activities	(2,344,608)	(1,883,179)	(709,034)	(1,209,446)	(819,796)	(236,916)	(1,125,337)	3,088,828	(976,920)
Total Government Net Expense	(7,269,064)	(7,013,841)	(5,044,176)	(4,974,368)	(5,081,421)	(4,512,074)	(5,940,373)	(2,489,690)	(6,138,656)

City of Fort Lupton, Colorado
Government-wide Changes in Net Position
Fiscal Years 2007-2016
(accrual basis of accounting)

	2007	2008	2009	2011	2012	2013	2014	2015	2016
General Revenues and Transfers									
Governmental Activities:									
Taxes:									
Sales & Use Tax	\$ 2,878,165	\$ 2,750,000	\$ 2,317,028	\$ 2,644,241	\$ 2,970,656	\$ 3,177,171	\$ 4,141,976	\$ 3,862,467	\$ 4,399,231
Property Tax	1,082,948	1,121,854	1,215,210	1,401,364	1,410,597	1,501,966	1,668,804	1,849,386	1,936,197
Other	996,444	945,544	1,064,981	997,937	1,067,750	1,068,065	1,278,040	1,293,521	1,055,742
Investment Earnings	79,325	27,001	5,851	6,386	6,806	6,142	7,998	8,203	17,574
Miscellaneous	168,797	323,479	130,008	255,511	478,296	(367,316)	147,115	139,663	112,133
Transfers	(329,204)	(339,455)	(348,820)	(467,711)	(404,342)	219,799	(427,210)	(461,268)	(475,511)
Total Governmental Activities	4,876,475	4,828,423	4,384,258	4,837,728	5,529,763	5,605,827	6,816,723	6,691,972	7,045,366
Business Type Activities:									
Property Tax	897,590	929,837	884,175	880,245	871,184	1,252,924	952,629	1,010,267	978,857
Investment Earnings	164,368	87,277	8,326	4,101	18,225	38,520	17,190	(167,692)	22,162
Miscellaneous	46,503	-	-	30,380	616,485	111,121	696,511	6,663,013	1,333,370
Transfers	329,204	339,455	348,820	467,711	404,342	342,340	427,210	497,126	475,511
Total Business Activities	1,437,665	1,356,569	1,241,321	1,382,437	1,910,236	1,744,905	2,093,540	8,002,714	2,809,900
Total General Revenues and Transfers	6,314,140	6,184,992	5,625,579	6,220,165	7,439,999	7,350,732	8,910,263	14,694,686	9,855,266
Changes in Net Position									
Government Activities	(47,981)	(302,239)	49,116	1,072,806	1,268,138	1,330,669	2,001,687	1,113,454	1,883,630
Business Type Activities	(906,943)	(526,610)	532,287	172,991	1,090,440	1,507,989	968,203	11,091,542	1,832,980
Total Government-wide Changes in Net Position	\$ (954,924)	\$ (828,849)	\$ 581,403	\$ 1,245,797	\$ 2,358,578	\$ 2,838,658	\$ 2,969,890	\$ 12,204,996	\$ 3,716,610

Source: City of Fort Lupton Finance Department

City of Fort Lupton, Colorado

Fund Balances - Governmental Funds

Fiscal Years 2007-2016

(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Restricted For:										
Emergency Reserve	\$ 128,772	\$ 175,879	\$ 168,317	\$ 141,993	\$ 133,517	\$ 172,124	\$ 186,151	\$ 257,218	\$ 237,422	\$ 278,038
Drug Forfeitures	10,685	8,588	10,414	10,685	5,207	5,208	-	-	-	-
Water Sales Tax	1,010,329	1,168,188	1,048,380	815,127	802,356	875,257	1,119,897	1,319,780	1,582,361	1,695,614
Street Sales Tax	680,568	742,109	1,169,635	1,440,946	1,703,013	559,717	889,080	954,895	1,527,542	1,337,051
Children's Fund	-	-	-	-	-	5,038	1,248	12,248	6,629	11,681
Committed						136,960	133,707	131,235	117,507	134,514
Assigned						12,500	338,177	1,291,328	1,804,824	1,061,484
Non-Spendable						5,670	-	124,949	10,787	8,576
Unassigned	383,574	174,070	33,328	245,162	901,187	1,726,873	2,081,212	2,485,096	2,569,273	2,799,649
Total General Fund	2,213,928	2,268,834	2,430,074	2,653,913	3,545,280	3,499,347	4,749,472	6,576,749	7,856,345	7,326,607
All Other Governmental Funds										
Restricted for:										
Culture, Parks & Recreation	124,990	(11,971)	17,104	161,850	214,385	295,911	422,336	590,013	779,421	1,090,619
Other Non-Major Governmental Funds	141,923	206,675	195,421	243,419	262,943	320,705	313,477	354,364	182,860	270,593
Non-Spendable								49	74	-
Total All Other Governmental Funds	266,913	194,704	212,525	405,269	477,328	616,616	735,813	944,426	962,355	1,361,212
Total Governmental Funds										
Restricted	1,830,354	2,094,764	2,396,746	2,408,751	2,644,093	2,233,960	2,932,189	3,488,518	4,316,235	4,683,596
Committed						136,960	133,707	131,235	117,507	134,514
Assigned						12,500	338,177	1,291,328	1,804,824	1,061,484
Non-Spendable						5,670	-	124,998	10,861	8,576
Unassigned	650,487	368,774	245,853	650,431	1,378,515	1,726,873	2,081,212	2,485,096	2,569,273	2,799,649
Total Governmental Fund Balances	\$ 2,480,841	\$ 2,463,538	\$ 2,642,599	\$ 3,059,182	\$ 4,022,608	\$ 4,115,963	\$ 5,485,285	\$ 7,521,175	\$ 8,818,700	\$ 8,687,819

Source: City of Fort Lupton Finance Department

City of Fort Lupton, Colorado

Changes in Fund Balance - Governmental Funds

Fiscal Years 2007-2016

(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Taxes & Assessments	\$ 4,209,904	\$ 4,113,137	\$ 3,947,531	\$ 3,918,656	\$ 4,239,950	\$ 4,589,158	\$ 4,892,341	\$ 6,059,815	\$ 5,930,563	\$ 6,555,699
Licenses & Permits	75,938	51,583	59,794	168,899	151,975	131,636	126,146	111,044	\$ 182,204	\$ 367,397
Intergovernmental	688,428	1,013,837	1,292,855	683,294	747,953	877,978	1,151,973	971,940	\$ 895,658	\$ 1,793,551
Charges for Services	527,804	493,824	454,567	504,533	543,975	510,629	601,898	600,935	\$ 684,204	\$ 674,333
Fines & Forfeits	173,741	169,964	193,210	194,716	171,826	285,163	155,089	131,096	\$ 241,974	\$ 237,224
Other	347,903	342,449	199,167	198,421	765,327	722,654	472,612	779,758	\$ 792,602	\$ 632,580
Total Revenues	6,023,718	6,184,794	6,147,124	5,668,519	6,621,006	7,117,218	7,400,059	8,654,588	8,727,205	10,260,784
EXPENDITURES										
Current:										
General Government	1,867,318	1,247,760	1,360,426	1,317,658	1,480,055	1,678,331	1,961,113	2,270,095	2,688,586	3,129,031
Public Safety	1,608,426	1,705,871	1,641,162	1,589,310	1,157,474	1,103,279	1,136,985	1,221,589	1,572,600	1,631,175
Public Works	474,108	477,622	513,447	416,827	396,787	482,720	472,512	488,460	460,295	527,957
Culture, Parks & Recreation	229,475	684,398	683,580	568,170	626,472	723,720	462,009	439,996	484,036	509,810
Other	746,514	837,270	626,102	703,964	678,315	525,532	544,822	588,768	717,070	726,815
Capital Outlay	839,573	879,875	764,681	149,103	850,766	2,105,939	1,118,019	1,182,582	1,045,826	3,391,366
Total Expenditures	5,765,414	5,832,796	5,589,398	4,745,032	5,189,869	6,619,521	5,695,460	6,191,490	6,968,413	9,916,154
Excess (Deficiency) of Revenues Over Expenditures	258,304	351,998	557,726	923,487	1,431,137	497,697	1,704,599	2,463,098	1,758,792	344,630
Other Financing Sources (Uses)										
Payment of Loan	(29,845)	(29,845)	(29,845)	(29,845)	-	-	-	-	-	-
Transfers In	384,501	350,905	415,536	302,995	285,100	416,904	39,799	107,341	108,105	103,343
Transfers Out	(713,705)	(690,360)	(764,356)	(780,054)	(752,811)	(821,246)	(382,139)	(534,551)	(569,373)	(578,854)
Other	-	-	-	-	-	-	7,063	-	-	-
Total Other Financing Sources (Uses)	(359,049)	(369,300)	(378,665)	(506,904)	(467,711)	(404,342)	(335,277)	(427,210)	(461,268)	(475,511)
NET CHANGE IN FUND BALANCES	\$ (100,745)	\$ (17,302)	\$ 179,061	\$ 416,583	\$ 963,426	\$ 93,355	\$ 1,369,322	\$ 2,035,888	\$ 1,297,524	\$ (130,881)
Debt Service as a percentage of Noncapital Expenditures	0.61%	0.60%	0.62%	0.65%	0%	0%	0%	0%	0%	0%

Source: City of Fort Lupton Finance Department

City of Fort Lupton, Colorado

General Governmental Tax Revenue by Source
Fiscal Years 2007-2016

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES SOURCE											
Sales Tax		\$ 2,807,706	\$ 2,750,000	\$ 2,317,028	\$ 2,342,006	\$ 2,317,299	\$ 2,822,830	\$ 3,119,863	\$ 4,050,978	\$ 3,795,736	\$ 4,116,667
Property Tax		1,082,948	1,121,854	1,215,210	1,274,416	1,401,365	1,410,597	1,471,927	1,668,804	1,849,386	1,936,197
Motor Vehicle Tax		37,228	36,643	41,306	33,913	30,102	28,324	28,728	29,732	27,958	34,726
Specific Ownership Tax	10-010-31105	211,562	195,024	196,257	134,835	164,243	179,581	184,481	219,304	190,753	185,546
Other	10-010-31130	70,460	9,616	177,730	133,486	326,941	147,826	87,342	90,997	66,730	282,563
Total Revenues		\$ 4,209,904	\$ 4,113,137	\$ 3,947,531	\$ 3,918,656	\$ 4,239,950	\$ 4,589,158	\$ 4,892,341	\$ 6,059,815	\$ 5,930,563	\$ 6,555,699

Source: City of Fort Lupton Finance Department

City of Fort Lupton, Colorado

Sales Tax by Category

Fiscal Years 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES SOURCE										
Motor Vehicle	\$ 582,214	\$ 586,909	\$ 386,339	\$ 334,486	\$ 373,966	\$ 477,499	\$ 551,239	\$ 939,480	\$ 612,699	\$ 812,825
Hotels/motels	14,543	21,612	15,766	16,677	20,416	23,581	29,594	31,145	28,364	34,043
Restaurant	309,751	303,337	283,762	298,750	334,350	361,030	411,571	476,089	476,114	480,344
Food/grocery	510,113	511,838	459,563	458,181	475,766	503,190	533,937	585,585	570,364	601,844
Gas Stations/convenience	55,611	27,974	21,495	22,889	20,285	21,737	24,718	49,956	58,186	51,696
Utilities	510,189	487,821	446,835	399,472	410,238	394,362	446,456	469,668	447,897	405,310
Liquor/beer	98,203	112,182	109,888	111,697	127,394	143,911	149,661	166,235	163,093	158,144
Auto	181,798	119,053	107,504	125,661	123,024	152,924	162,591	161,063	144,766	187,348
Retail	113,151	161,562	141,458	156,364	156,922	188,070	220,988	282,560	291,123	284,504
Other	395,702	416,395	270,282	372,494	234,973	470,892	439,151	737,190	890,481	669,123
Wholesale	36,431	1,317	74,136	45,335	39,965	85,634	149,958	163,991	95,092	166,019
Total Revenues	\$ 2,807,706	\$ 2,750,000	\$ 2,317,028	\$ 2,342,006	\$ 2,317,299	\$ 2,822,830	\$ 3,119,863	\$ 4,062,961	\$ 3,778,179	\$ 3,851,200

Source: Sales Tax reports provided by Colorado Department of Revenue

City of Fort Lupton, Colorado

Assessed and Estimated Actual Value of Taxable Property
Fiscal Years 2007-2016

Fort Lupton							
Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land	Other
2007	26,792,580	20,500,150	4,466,820	155,200	6,873,980	1,957,850	24,085,110
2008	27,054,540	18,950,020	4,565,800	154,430	4,475,690	1,801,000	24,766,310
2009	20,390,160	19,720,250	4,125,420	162,230	8,034,530	1,454,460	28,713,590
2010	20,449,300	19,174,600	4,270,680	218,150	7,209,310	1,451,790	28,647,170
2011	18,841,290	17,711,660	5,074,390	251,640	8,634,070	1,162,660	29,969,690
2012	18,971,660	18,144,720	5,607,200	259,340	22,494,410	1,123,790	32,472,850
2013	18,510,770	19,159,730	10,138,620	256,010	16,188,079	976,600	31,313,940
2014	18,826,110	19,687,500	11,989,010	399,200	12,016,590	894,760	30,632,340
2015	25,956,340	25,005,200	13,447,860	547,520	7,426,490	1,013,950	43,833,530
2016	26,189,080	30,797,040	15,197,690	559,230	27,856,950	1,019,480	21,871,800
uation decrease 2016	232,740	5,791,840	1,749,830	11,710	20,430,460	5,530	(21,961,730)
	1%	23%	13%	2%	275%	1%	-50%

	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Grand Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2007	8,957,690	84,831,690	25.952	552,852,859	15.34%
2008	10,098,050	81,767,790	26.359	439,897,338	18.59%
2009	11,505,430	82,600,640	28.041	452,643,407	18.25%
2010	11,788,130	81,421,000	27.981	451,060,161	18.05%
2011	14,870,340	81,645,400	27.767	435,101,260	18.76%
2012	14,844,050	99,073,970	27.166	465,816,142	21.27%
2013	14,771,850	96,543,749	27.166	466,145,510	20.71%
2014	15,758,840	94,445,510	30.274	471,538,955	20.03%
2015	16,308,230	100,922,660	28.977	569,925,138	17.71%
2016	16,490,750	107,000,520	26.785	604,356,199	17.70%

Source: Weld County Assessor

City of Fort Lupton, Colorado

Property Tax Levy from District and Overlapping Governments

Fiscal Years 2007-2016

Weld County								
Levy Year Rates (in mills)	City of Fort Lupton	Weld County	School District RE8	Fort Lupton Fire Protection District	Fort Lupton Fire Bond (2022)	High Plains Library District	Aims Junior College	Central CO Water Conservancy District
2007	24.531	16.800	23.784	8.201		3.253	6.308	0.487
2008	25.952	16.804	24.220	8.465		3.260	6.323	0.540
2009	26.359	16.804	22.200	6.112	1.879	3.255	6.312	0.425
2010	28.041	16.804	25.319	6.101	2.380	3.281	6.360	0.425
2011	27.981	16.804	22.780	6.051	1.963	3.271	6.355	0.392
2012	27.767	16.804	22.350	8.524	1.514	3.261	6.318	1.856
2013	27.166	16.804	20.703	9.295	1.239	3.264	6.302	1.887
2014	30.274	15.800	19.563	9.303	1.032	3.267	6.333	1.737
2015	28.977	15.800	15.755	9.343	0.632	3.308	6.325	1.533
2016	30.766	15.800	21.379	9.302	0.583	3.271	6.308	2.004
Collection Year								
2007	\$ 1,981,888	\$ 70,643,162	\$ 7,538,765	\$ 2,028,143	\$ -	\$ 12,128,026	\$ 22,688,970	\$ 714,887
2008	2,081,006	75,088,043	7,469,531	2,049,586	-	12,727,831	23,740,372	626,277
2009	2,122,038	76,724,097	7,260,190	1,920,185	-	13,012,470	24,212,078	663,436
2010	2,177,270	96,972,420	8,181,861	1,754,847	539,489	16,606,558	31,080,404	758,186
2011	2,283,126	78,999,116	7,075,670	1,359,770	531,610	13,294,958	24,509,558	518,945
2012	2,284,520	91,108,983	7,801,583	1,575,093	513,434	15,555,381	28,430,261	594,635
2013	2,750,987	109,452,573	9,775,936	2,916,831	520,590	18,760,406	34,250,321	3,371,803
2014	2,622,707	119,624,895	11,401,035	3,833,699	512,476	21,087,951	38,349,920	4,064,629
2015	2,859,243	143,469,905	12,588,987	4,648,631	516,853	27,510,678	51,249,131	5,167,759
2016	2,923,180	183,013,032	21,712,180	7,676,851	520,152	35,346,739	63,979,797	5,584,741

Source: Weld County Assessor

City of Fort Lupton
Property Tax Levy
Fiscal Years 2007-2

Levy Year Rates (in mills)	Central CO Water Sub District	Northern CO Water Conservancy District	Cottonwood Green District #1	Cottonwood Green District #2	Cottonwood Green District #3	Cottonwood Green District #4	Cottonwood Green District #5	Total (excluding metro districts)
2007	0.746	1.000	43.000	43.000	43.000	43.000	43.000	85.110
2008	1.306	1.000	43.000	43.000	43.000	43.000	43.000	87.870
2009	1.338	1.000	43.000	43.000	43.000	43.000	43.000	85.684
2010	1.339	1.000	43.000	43.000	43.000	43.000	43.000	91.050
2011	1.319	1.000	43.000	43.000	43.000	43.000	43.000	87.916
2012	1.291	1.000	43.000	43.000	43.000	43.000	43.000	90.685
2013	1.301	1.000	43.000	43.000	43.000	43.000	43.000	88.961
2014	1.309	1.000	43.000	43.000	43.000	43.000	43.000	89.618
2015	1.272	1.000	43.000	43.000	43.000	43.000	43.000	83.945
2016	1.583	1.000	43.000	43.000	43.000	43.000	43.000	91.996
Collection Year								
2007	\$ 3,157,565	\$ 3,186,435	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ 124,067,841
2008	724,378	3,430,828	0	0	0	0	-	127,937,851
2009	1,203,894	3,494,476	0	0	0	0	27,268	130,612,865
2010	1,795,272	4,197,907	0	0	0	0	20,758	164,064,214
2011	1,250,025	3,498,148	0	0	0	0	27,137	133,320,926
2012	1,452,128	3,901,547	1	1	1	1	13,016	153,217,564
2013	1,707,595	4,412,136	1	1	1	1	20,102	187,919,177
2014	1,916,219	4,418,338	115	115	115	115	11,714	207,831,869
2015	2,722,329	4,821,505	1	1	1	1	12,475	255,555,022
2016	2,945,435	5,983,037	1	1	1	1	10,992	329,685,144

Source: Weld Cour

City of Fort Lupton, Colorado
Property Tax Levies and Collections
Fiscal Years 2007-2016

Year Levied	Tax Levy	Year Collected	Tax Collected	Percent of Levy Collected	Delinquent Tax Collection	Total Collection	Percent of Total Tax Collected
2006	\$ 1,981,897	2007	\$ 1,980,538	100%	\$ 453	\$ 1,980,991	100%
2007	2,081,006	2008	2,051,691	99%	30,161	2,081,852	100%
2008	2,122,038	2009	2,099,385	99%	534	2,099,919	99%
2009	2,177,270	2010	2,164,289	99%	3,822	2,168,111	100%
2010	2,283,126	2011	2,281,596	100%	13	2,281,609	100%
2011	2,284,520	2012	2,276,265	100%	5,516	2,281,781	100%
2012	2,750,987	2013	2,754,890	100%	774	2,755,664	100%
2013	2,622,707	2014	2,624,832	100%	(3,399)	2,621,433	100%
2014	2,859,243	2015	2,869,349	100%	(9,696)	2,859,653	100%
2015	2,923,180	2016	2,920,190	100%	(5,137)	2,915,053	100%

Source: Fort Lupton Finance Department Source: Fort Lupton Finance Department & Weld County Assessor's Office

Note: Taxes Levied in one year are collected the following year. Years listed above represent the year taxes were

City of Fort Lupton, Colorado
Principal Property Taxpayers
Fiscal Years 2016

	City of Fort Lupton			City of Fort Lupton			Weld County					
	2015			2016			2015			2016		
	Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
Kerr-McGee Oil & Gas Onshore LP	\$ 5,796,790	3	5.74%	\$ 26,654,470	1	24.91%	2,742,921,420	1	30.04%	\$ 1,584,580,240	1	
Tri-State Cogeneration Partnership	16,922,700	1	16.77%	10,719,800	2	10.02%						
Halliburton Energy Services Inc	6,185,110	2	6.13%	9,568,470	3	8.94%						
Public Service Co Of Colo (Xcel)	4,035,640	4	4.00%	4,389,760	4	4.10%	236,338,400	6	2.59%	232,083,800	7	
Golden Aluminum Inc	3,537,880	5	3.51%	4,104,150	5	3.84%						
Black Diamond Energy Services Inc				2,741,520	6	2.56%						
Kerr-McGee Gathering LLC	1,969,000	8	1.95%	2,321,000	7	2.17%	158,389,110	11	1.73%	186,704,400	9	
Qwest Corporation	1,690,100	9	1.67%	1,808,870	8	1.69%						
KLX Energy Services, Inc				1,807,850	9	1.69%						
A&W Water Services Inc	2,613,140	6	2.59%	1,586,180	10	1.48%						
Noble Energy Inc							2,115,829,960	2	23.17%	1,097,651,870	2	
Encana Oil & Gas (USA) Inc	1,133,740	12	1.12%				639,256,280	3	7.00%	414,785,300	3	
PDC Energy Inc							432,068,270	5	4.73%	355,983,010	4	
Bonanza Creek Energy Inc							432,940,970	4	4.74%	275,021,570	5	
Extraction Oil & Gas LLC							186,796,300	8	2.05%	238,401,360	6	
DCP Midstream LP							202,790,600	7	2.22%	195,420,250	8	
Whiting Oil and Gas							162,453,010	10	1.78%	184,679,510	10	
Vision Oil Tools LLC	2,021,050	7	2.00%									
Safeway Stores 46 Inc	1,228,460	10	1.22%									
United Power Inc	1,228,460	11	1.22%									
Bill Barrett Corporation							164,266,450	9	1.80%			
Carrizo Oil & Gas Inc							142,591,950	12	1.56%			
	<u>\$ 48,362,070</u>		<u>47.92%</u>	<u>\$ 65,702,070</u>		<u>61.40%</u>	<u>\$ 7,616,642,720</u>		<u>83.42%</u>	<u>\$ 4,765,311,310</u>		<u>0.00%</u>

Source: Weld County Assessor's Office

City of Fort Lupton, Colorado
Ratio of Outstanding Debt by Type
Fiscal Years 2007-2016
(Unaudited)

Governmental								
	Activities	Business Type Activities					Weld County	
		General					Percentage of	
		Revenue	Obligation	Construction		Total Primary	Personal	
Year	Capital Leases	Bonded Debt	Bond	Loans	Capital Leases	Government	Income	Per Capita
2007	1,014,981	19,531,600	5,560,000	6,238,009	146,418	32,491,008	0.522%	4,442
2008	775,985	19,201,200	5,280,000	5,692,308	109,182	31,058,675	0.466%	4,197
2009	527,414	18,861,800	4,990,000	5,123,965	70,041	29,573,220	0.401%	3,944
2010	268,886	18,503,300	4,690,000	4,527,627	28,886	28,018,699	0.396%	3,798
2011	-	18,125,400	4,560,000	6,015,374	-	28,700,774	0.414%	3,835
2012	-	17,731,800	4,200,000	3,138,014	-	25,069,814	0.323%	3,398
2013	-	17,318,400	3,936,282	2,714,804	-	23,969,486	0.287%	3,249
2014	-	16,882,900	3,542,379	2,608,381	-	23,033,660	0.297%	3,122
2015	-	12,344,045	3,128,466	2,499,833	-	17,972,344	0.215%	2,309
2016	-	11,670,282	2,714,554	2,389,118	-	16,773,906	0.201%	2,155

Source: Fort Lupton Finance Department

City of Fort Lupton, Colorado

Ratio of General Bonded Debt Outstanding

Fiscal Years 2007-2016

(Unaudited)

Year	City Population (1)	Estimated Actual Value (2)	General Obligation Bond (3)	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2007	7,315	537,221,144	5,560,000	1.03%	760
2008	7,400	552,852,859	5,280,000	0.96%	714
2009	7,498	439,897,338	4,990,000	1.13%	666
2010	7,377	452,643,407	4,690,000	1.04%	636
2011	7,483	451,060,161	4,560,000	1.01%	609
2012	7,377	435,101,260	4,200,000	0.97%	569
2013	7,377	465,816,142	3,825,000	0.82%	519
2014	7,377	466,145,510	3,445,000	0.74%	467
2015	7,651	471,538,955	3,128,466	0.66%	409
2016	7,651	569,925,138	2,714,554	0.48%	355

Source: Fort Lupton Finance Department

(1) Department of Local Affairs / US Census

(2) Weld County Assessors Office

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

City of Fort Lupton, Colorado

Pledged Revenue Coverage
(Unaudited)

Year	Utility Revenues	Less: Operating Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	3,145,264	3,149,678	(4,414)	838,249	948,698	(0.00)
2008	3,358,923	2,883,404	475,519	872,951	908,351	0.27
2009	3,506,146	2,856,120	650,026	909,598	866,328	0.37
2010	3,918,328	2,800,607	1,117,721	956,802	822,435	0.63
2011	4,122,995	3,170,747	952,248	1,004,759	774,030	0.54
2012	4,498,327	3,534,405	963,922	1,058,035	723,345	0.54
2013	5,398,703	4,603,944	794,759	836,613	675,520	0.53
2014	4,915,359	4,603,119	312,240	316,420	168,472	0.64
2015	5,218,152	3,778,458	1,439,694	220,000	104,726	4.43
2016	4,549,974	350,961	4,199,013	230,000	94,826	12.93

Source: Fort Lupton Finance Department current & prior year financial statements
Operating expenditures are net of depreciation expense

City of Fort Lupton, Colorado

Direct and Overlapping General Bonded Debt

December 31, 2016

(Unaudited)

	Outstanding General Obligation Bond Debt	Percentage Applicable to the City	Share of Debt Applicable to the City
Direct Debt			
City of Fort Lupton	\$ 2,714,554	100%	\$ 2,714,554
Overlapping General Obligation Bond Debt			
Fort Lupton Fire Protection District	4,042,500	28.81%	1,164,644
Weld County School District RE-8	15,135,000	20.78%	3,145,053
Direct & Overlapping General Obligation Bonded Debt	<u>\$ 21,892,054</u>		<u>\$ 7,024,251</u>

Source: Provided by each entity

Note:

The following governments had no outstanding general obligation bond debt as of December 31, 2014:

Weld County, High Plains Library District, Northern Colorado Water Conservancy District, Central Colorado Water Conservancy District, Aims Community College

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses of The City of Fort Lupton. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Fort Lupton, Colorado
Demographic and Economic Statistics
Fiscal Years 2007-2016
(Unaudited)

Year	City Population (1)	Weld County (2)		
		Personal Income Amounts (expressed in billions)	Per Capita Income	Unemployment Rate
2006	7,234	5.84	25,495	3.80%
2007	7,315	6.23	26,280	4.63%
2008	7,400	6.66	27,238	6.30%
2009	7,498	7.38	27,788	8.16%
2010	7,377	7.07	28,503	9.80%
2011	7,483	6.93	27,186	9.10%
2012	7,377	7.76	25,233	8.70%
2013	7,377	8.35	29,986	6.70%
2014	7,783	8.35	31,657	3.90%
2015	7,783	10.74	27,047	3.80%
2016	7,783			3.90%

(1) Source: Census Data or State of Colorado Department of Local Affairs, Division of Local Government.

(2) Weld County.

Source: Upstate Colorado in cooperation with University of Northern Colorado and the State of Colorado demographer.

City of Fort Lupton, Colorado

Principal Employers

Fiscal Years 2015

(Unaudited)

	Employees	Rank	% of Total Employment
Halliburton	800	1	29%
Weld School RE8	246	2	9%
Golden Aluminum	176	3	6%
City of Fort Lupton	159	4	6%
Salud Clinic	120	5	4%
A&W Water Supply	117	6	4%
Safeway	80	7	3%
Merritt Aluminum	77	8	3%
BMC Truss	53	9	2%
Leed Energy Services	52	10	2%

Source: City of Fort Lupton Economic Development Department
and Upstate Colorado

City of Fort Lupton, Colorado

Full time Equivalent City Government Employees by Function

Fiscal Years 2006-2015

(Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014
Function:								
General Government	21.65	21.9	22.15	22.15	16.53	17.65	18.15	19.65
Building & Grounds	9.52	8.43	8.43	8.43	8.39	9.39	10.89	10.79
Public Works	10	12	12	12	11	10	12	12
Public Safety	20	19	19	19	13	12	13	13
Culture, Parks & Recreation	5.61	3.32	3.32	3.32	2.11	1.98	2.23	2.23
Utility	0	0	0	0	0	0	0	0
Recreation Center	5.15	4.53	4.53	4.53	3.44	3.44	3.44	3.44
Golf Course	0	0	0	0	0	0	0	0
Total	71.93	69.18	69.43	69.43	54.47	54.46	59.71	61.11

Source: City of Fort Lupton Finance Department

Miscellaneous Statistics
Fiscal Years 2016
(Unaudited)

	2016	
Number of Employees		
Non-Exempt (hourly)	116	2016
Exempt (salary)	19	2016
Area (sq. miles)	10.56	2016
Miles of streets maintained	50.28	2015
Population (est.)	7651	
Elected Officials	7	2016
Employees (Full-time equivalents)	87.04	2015
Police Protection:		
Number of Stations	1	2016
Number of Sworn Police Officers	15	2015
Municipal Water and Sewer:		
Miles of Water Mains	45	2016
Miles of Sanitary Sewer Mains	36	2016
Miles of Storm Sewer Mains	26	2016
Municipal Parks and Recreation:		
Number of Indoor Swimming Pools	1	2016
Parks (Developed/Undeveloped)	11/3	2016
Services not included in the reporting entity:		
Fire Protection (Fort Lupton Fire Protection District):	2	2016
Electricity Services (United Power)	-	
Natural Gas Service (Xcel Energy)	-	
School District - Weld County School District RE-8	4	2016

Source: City of Fort Lupton Finance Department

Information not available for prior years. Ten year data will be accumulated over time.

Calendar Year 2016

LOCAL HIGHWAY FINANCE REPORT

COUNTY/CITY:Fort Lupton

II - RECEIPTS FOR ROAD AND STREET PURPOSES

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. Total' below)</i>	\$	
4. Miscellaneous local receipts: <i>from A.4. Total' below)</i>	\$	
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 50,000.00

B. Private Contributions

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	477,025.00
2. Infrastructure and Impact Fees:	\$	169,576.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	258,436.00
Total: (a + b) carried to 'Other local imposts' above)	\$	

A.4. Miscellaneous local receipts

a. Interest on Investments:	\$	3,900.00
b. Traffic fines & Penalties:	\$	113,578.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	70,641.00
Total: (a through h) carried to 'Misc local receipts' above)	\$	

C. Receipts from State Government

1. Highway User Taxes:	\$	253,941.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	34,726.00
d. Other:		
Comments: Grants for 16th St. & 14th St.	\$	823,477.00
e. Other:		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)	\$	

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)	\$	

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES**A. Local highway disbursements**

1. Capital outlay: (from A.1.d. Total Capital Outlay below)	\$	
2. Maintenance:	\$	388,587.00
3. Road and street services		
a. Traffic control operations:	\$	78,707.00
b. Snow and ice removal:	\$	5,027.00
c. Other:	\$	9,854.00
4. General administration & miscellaneous	\$	0.00
5. Highway law enforcement and safety	\$	540,475.00
Total: (A.1-5)	\$	

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)	\$	

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D) \$

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$
b. Engineering Costs:	\$ 0.00	\$ 186,412.00	\$
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$
3. System Preservation:	\$ 0.00	\$ 0.00	\$
4. System Enhancement:	\$ 0.00	\$ 2,389,510.00	\$
5. Total Construction:			\$ <u> </u>
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ <u> </u>

IV. LOCAL HIGHWAY DEBT STATUS

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$

V - LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ -1,376,216.00	\$ 2,255,300.00	\$ 3,598,572.00	\$ -2,719,488.00	\$ 0.00

Notes & Comments:
undefined

Date Submitted: