



Town of Avon, Colorado

Comprehensive Annual Financial Report

for the year ended December 31, 2017

Prepared by:
Department of Finance

Scott C. Wright, CPA, CPFO
Asst. Town Manager / Director of Finance



RECEIVED

Office of the State Auditor

June 19, 2018

TOWN OF AVON, COLORADO
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2017

TOWN COUNCIL

Jennie Fancher, Mayor
Sarah Smith Hymes, Mayor Pro Tem
Megan Burch
Matt Gennett
Amy Phillips
Scott Prince
Jake Wolf

MANAGEMENT

Virginia Egger, Town Manager
Preston Neill, Executive Assistant to the Town Manager
Scott Wright, Asst. Town Manager / Finance Director
John Curutchet, Recreation Director
Greg Daly, Police Chief
Justin Hildreth, Town Engineer
Rego Omerigic, Fleet Director
Gary Padilla, Public Works Director
Matt Pielsticker, Planning Director
Lance Richards, Human Resources Director
Eva Wilson, Transportation Director

TOWN OF AVON, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

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TOWN OF AVON, COLORADO

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INTRODUCTION



May 17, 2018

To the Honorable Mayor, Members of the Town Council and Citizens of the Town of Avon:

Town Charter and State statutes require that the Town of Avon (Town) issue a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants. Pursuant to these requirements, we hereby issue the comprehensive annual financial report of the Town of Avon for the fiscal year ended December 31, 2017.

This report consists of management's representations concerning the finances of the Town of Avon. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Avon has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Avon's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the Town of Avon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Avon's financial statements have been audited by McMahan and Associates, L.L.C., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Avon's financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's

Letter of Transmittal
Town of Avon, Colorado
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Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Avon's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of Avon was incorporated in 1978 and is located in Eagle County, eight miles west of the Town of Vail and seventeen miles east of the Town of Eagle. The Town sits north of U.S. Highway 6, directly adjacent to the Beaver Creek Resort and is bisected by Interstate Highway 70 from east to west. The primary transportation route to and from Avon is I-70. Aviation services and transportation are available at the Eagle County Airport, 24 miles west of the Town. The Town provides bus transportation services within the Town and offers, in funding partnership with the Beaver Creek Resort Company, a high-speed gondola that provides direct access to Beaver Creek Resort. Avon is also served by the Eagle County Regional Transit Authority which provides bus service throughout Eagle County. Eagle County encompasses approximately 1,694 square miles and spans from the summit of Vail Pass to Glenwood Canyon. Approximately 80% of Eagle County's land is public – comprised of National Forests, wilderness areas, Bureau of Land Management properties, and state and local public lands.

The Town of Avon currently encompasses approximately 8¼ square miles. The 2010 Census reported a population of 6,447. This figure represents the permanent resident population. Total population increases significantly during the winter tourist ski season.

The Town operates under the council/manager form of government. Policy-making and legislative authority are vested in the Town Council, which consists of a mayor and a six-member council. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing a Town Manager, Town Attorney, Town Prosecutor and Municipal Judge. The Town Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments.

The Council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with three council members elected in November, 2016, and the remaining four to be elected in November, 2018. The mayor and mayor pro-tem are elected from amongst the elected council members by a majority vote. The mayor presides at meetings of council and shall not vote until all other Council members present who are eligible to vote have had reasonable opportunity to vote. The affirmative concurring vote of four (4) Council members is required for the adoption of an ordinance, resolution, order for appropriation, approval of a contract or approval of an intergovernmental agreement.

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The Town is a home-rule community empowered to levy a property tax on the assessed value of real property located within the Town. The Town collects a 4% sales tax on all retail sales, and a 4% accommodations tax on the lease or rental of hotel rooms, condominium units and other accommodations within the Town. The Town also collects a 2% real estate transfer tax on all sales of real property located within the Town. An important exception is within The Village at Avon Planned Unit Development where, in accordance with the Annexation and Development Agreement of October 13, 1998, and as subsequently amended, the Town does not currently collect these taxes. The Town has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Town Council.

The Town provides a full range of municipal services including police protection; the construction and maintenance of parks, streets and roads, and infrastructure; recreational amenities and cultural activities and events; community planning and zoning; and general administrative services.

The annual budget serves as the foundation for the Town of Avon's financial planning and control. No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (e.g. the department of public works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budget to actual comparison are provided in this report for all funds and are presented at a lower-than-required level of control to facilitate detailed financial analysis.

Budgetary comparisons for the Town's General Fund and its major special revenue fund, the Avon Urban Renewal Authority, are presented as required supplemental information in this report. Budget to actual comparisons for all other Town funds are included as other supplemental information in this report.

Letter of Transmittal
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Factors Affecting Financial Condition

The information presented in the financial statements is best understood when considered from a broader perspective rather than just the specific environment in which the Town operates.

Local Economy. Year-round tourism and winter recreation-related businesses account for a significant portion of the employment and earned income of area residents. Skier and snowboarder visits at Vail and Beaver Creek Resort account for almost 20% of the total such visits in Colorado. Called “A skier’s Disneyland” Skinet.com ranked Vail as the #6 ski resort in the West for the 2016-2017 season, while Beaver Creek Resort was ranked 9th.

In addition to skiing and associated winter-time activities, the area promotes a number of summer activities. The Town of Avon sponsors numerous special events throughout the year to area residents and visitors including a 4th of July fireworks display; multiple sporting events, such as Colorado’s annual Triple Bypass Bike Tour; and family-friendly activities like the Father’s Day Fishing Derby. Avon’s Whitewater Park, with three distinct water features, is also open all summer for boaters and spectators to enjoy. Offering several championship golf courses, Eagle County has earned a rating by Golf Digest Magazine as one of the top 40 golf communities in which to live. Other summer activities include hiking, horseback riding, bicycling, kayaking and rafting, as well as other recreational sports.

Property Values. Property tax, which is based on assessed property values and a mill rate, represents approximately thirty percent of the Town’s total tax revenues. Assessed values are dependent upon real property growth and market values of property, along with assessment ratios established by the State legislature. Overall, real property values in Eagle County increased by 6.6 percent for the 2017 assessment, after increasing by 0.55 percent from the previous year.

In Avon, real property values increased by a net 5.63 percent in 2017 which resulted in an increase of approximately \$139,337 annually in general fund revenues used for basic municipal services.

Strategic Plan

Strategic Planning. Town Council updated and approved its *2017-19 Town of Avon Strategic Plan* on July 25, 2017. The 2017-18 budget utilizes a priority-based budget approach for using a strategic decision-making process in funding programs and services to best ensure effective use of the Town’s limited resources. This process is intended to evolve over time to provide more useful information as to the relative importance of individual programs and services which can then be prioritized within and across departments. This budget approach requires budget narratives which

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describe discrete and specific activities and/or operations for each Town fund and program. Each operation is then quantified in terms of estimated personnel and nonpersonnel costs providing a total cost for the operation.

Current Initiatives

Avon's strategic plan recognizes the importance of vibrancy and activity within the Town and states that it will be supported by partnering with existing special events and attracting an array of new and diverse cultural, educational and recreational events to Avon which meet the Town's brand and are in concert with the values of our community. The 2018 budget has been developed to address priorities identified in the *Strategic Plan* with major emphasis on the following:

- *Town of Avon Properties Development Strategies.*
 - Finalize the development strategies for Tract G, Lot 5, and Swift Gulch, including an evaluation of the expansion of the Avon Recreation Center and a parking garage.
- *Investment in Multi-modal Improvements.*
 - Complete the Beaver Creek Blvd. rebuild/walkability project;
 - Design the Nottingham, Road / I70 / Avon Road Overpass Improvements
 - Support Avon Transit as a key element of a walkable community;
 - Implement the Zagster bike share program.
- *Climate Action Plan.*
 - Implement the new paper bag fee;
 - Incorporate paperless workflows and waste reduction strategies. For 2018, the Finance and Human Resources departments are implementing processes and software products based on and an optimization study conducted in the prior year that analyzed work efficiencies surrounding the use of mission critical software systems. The Community Development department also conducted a similar optimization study and is evaluating software products for implementation in 2019.
- *Inclusive and Diverse Economic, Educational, Recreational and Cultural Opportunities.*
 - Complete the Destination Jump, Splash, Learn playground, which is funded with a GOCO grant and Community Enhancement funds;
 - Implement the action plan to pursue a Colorado Creative District designation;
 - Issue a Community Survey;
 - Continue to solicit, develop and fund, in partnership with qualified producers, a diverse program of special events;
 - Continue the Town's significant investment in special events with several new and returning events for 2018. A total budget of \$400,000 is budgeted for special events, with another \$100,000 set aside in fund balances for events unnamed at the time the budget was adopted.

Letter of Transmittal
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May 17, 2018

- *Implement Marketing Plan Priorities.*
 - Pool marketing resources among departments for cross promotion and integrated communication;
 - Develop partnerships with local and regional businesses to stay updated on Town priorities and activities;
 - Continue Town Council festival booth outreach, host coffee chats and create stand-alone displays;
 - Expand wayfinding for the visitor/resident experience;
 - Create a regional media strategy and focus social media by audience.
- *Community Support and Funding.* Funding for some of the more significant programs and agencies included in the 2018 budget are as follows:
 - \$15,000 to the Vail Valley Partnership;
 - \$15,000 to Mountain Family Health Centers;
 - \$20,000 to Youth Power 365;
 - \$30,000 for the Walking Mountains Science Center;
 - \$20,000 for the Eagle Air Alliance

Capital Improvement Projects.

The Town updates its capital improvements long-range plan annually. Several improvement projects are approved for 2018 that have been in the planning and design stage for several years.

Most of the anticipated major projects will be carried-forward from 2017 and include the new Town Hall tenant finish, the Nottingham Park playground, and the Beaver Creek Blvd. Rebuild project.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2016. This was the twenty-fifth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

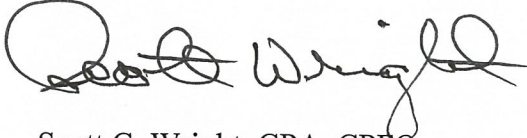
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the

Letter of Transmittal
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May 17, 2018

department has my sincere appreciation for the contributions made in the preparation of this report. Due credit should also be given to the Mayor, Town Council, and Town Manager for their interest, support and leadership in planning and conducting the operations of the Town in a responsible and progressive manner.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Scott C. Wright". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Scott C. Wright, CPA, CPFO
Asst. Town Manager / Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Avon
Colorado**

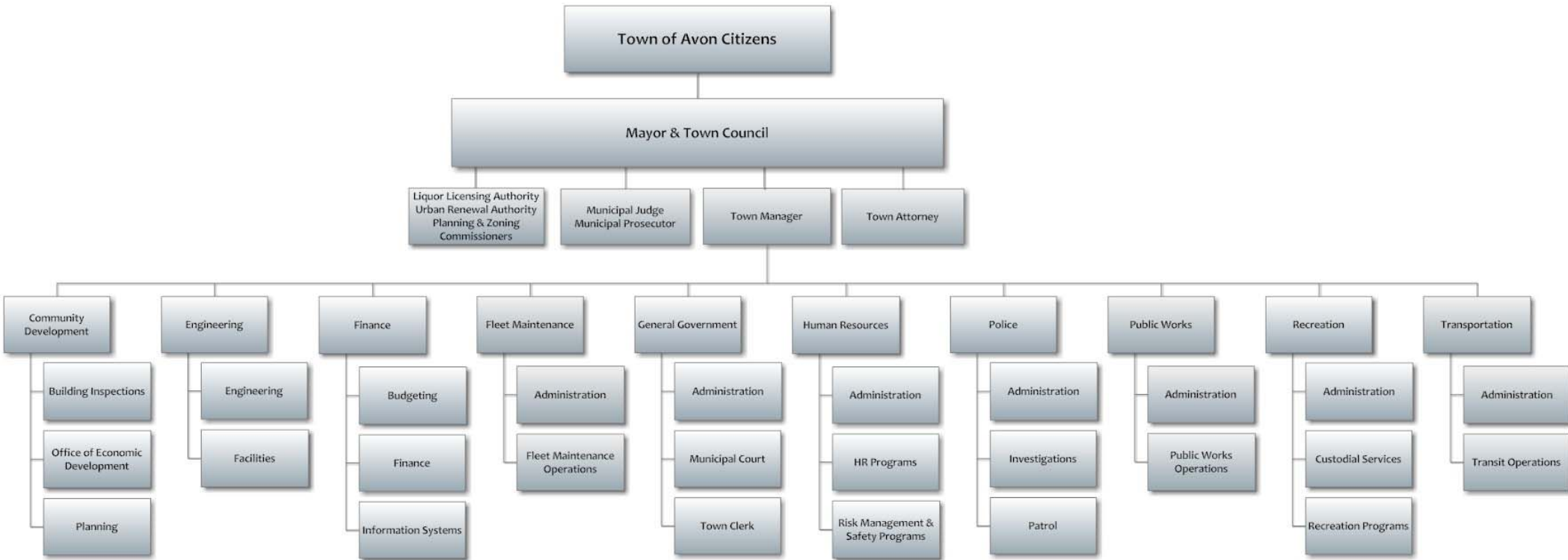
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

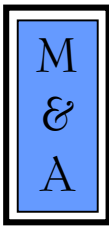
Executive Director/CEO

Town of Avon Organizational Chart





FINANCIAL SECTION



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Town Council
Town of Avon, Colorado**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado, Colorado (the "Town"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statement presentation. 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 Town of Avon, Colorado, Colorado as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3-16 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.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

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INDEPENDENT AUDITOR'S REPORT
To the Honorable Mayor and Town Council
Town of Avon, Colorado

Other Matters (continued)

The budgetary comparison information on pages 55-57 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements taken as a whole. The introductory section, combining fund financial statements, individual fund budgetary information, the Debt Schedule, the Local Highway Finance Report, and the statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the Town's financial statements. The combining fund financial statements, the individual fund budgetary information, the Debt Schedule, detailed budgetary schedules and the Local Highway Finance Report on pages 59-89 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 express no opinion on them.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 16, 2018

Management's Discussion and Analysis

As management of the Town of Avon, we offer readers of the Town of Avon's financial statements this narrative overview and analysis of the financial activities of the Town of Avon for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows at the close of its fiscal year ended December 31, 2017 by \$95,305,386 (net position). Of this amount, \$21,039,526 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies as more fully described below.
- The Town's total net position increased by \$83,704.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$19,800,674, an increase of \$939,462 from the prior year. Approximately 25.9 percent of this total amount, \$5,125,805, is available for spending at the Town's discretion (unassigned fund balance).
- The unassigned fund balance for the General Fund was \$5,125,805, or 30.6 percent of total General Fund expenditures and other financing uses. This represents a \$187,145 decrease from the prior year.
- The Town of Avon's long-term liabilities increased by a net \$2,107,901 during the current fiscal year. Regular principal payments were made on bonded debt of \$1,234,638, and capital leases of \$177,066. New debt of \$3,355,818 was issued.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the Town of Avon's assets and liabilities, with the difference between the two reported as net position. Over time, increases or

decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town of Avon that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Avon include general government, community development, public safety, public works and utilities, and recreation and culture. The business-type activities of the Town include transportation and fleet maintenance operations.

The government-wide financial statements include not only the Town of Avon itself (known as the *primary government*), but also the Avon Urban Renewal Authority, a legally separate entity, which was established in August, 2007 to undertake urban renewal plans and projects with the Town. All members of the governing body are Town Council members. For financial reporting purposes, AURA is blended into the Town's financial statements and is reported as a major fund in the basic financial statements.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Avon, 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 Town can be divided into two categories: governmental funds, and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflow and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's 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 Town'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 Town of Avon maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Avon Urban Renewal Authority fund, Water Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other two nonmajor governmental funds (community enhancement fund, affordable housing fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary funds. The Town of Avon maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The Town of Avon uses enterprise funds to account for its transportation operations and its fleet maintenance operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town of Avon uses an internal service fund to account for the rental of vehicles and equipment to Town departments for the accumulation of funds for future replacement. Because this service predominately benefits governmental rather than business-type functions, it has been included within *governmental 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 transit fund and the fleet maintenance fund operations. Separate information is also provided for the Town's internal service fund. The basic proprietary fund financial statements can be found on pages 24-27 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-54 of this report.

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The Town of Avon adopts an annual appropriated budget for its General Fund and major special revenue fund. Budgetary comparison statements have been provided for the General Fund and the Avon Urban Renewal Authority Fund to demonstrate compliance with these budgets and can be found on pages 55-56 of this report.

Other Supplemental Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information. Individual fund statements and schedules and other miscellaneous schedules can also be found in this section on pages 59-89 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Avon, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$95,305,386 as of December 31, 2017.

The largest portion of the Town's net position (71.5%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), net of any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Town's 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.

An additional portion of the Town's net position (6.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (22.1%) may be used to meet the Town's ongoing obligations to citizens and creditors.

Condensed Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 25,384,703	\$ 22,060,949	\$ 958,937	\$ 1,088,169	\$ 26,343,640	\$ 23,149,118
Restricted Assets	4,879,406	7,065,106	-	-	4,879,406	7,065,106
Capital Assets, net	<u>77,452,494</u>	<u>76,741,508</u>	<u>13,990,735</u>	<u>14,201,730</u>	<u>91,443,229</u>	<u>90,943,238</u>
Total Assets	<u>107,716,603</u>	<u>105,867,563</u>	<u>14,949,672</u>	<u>15,289,899</u>	<u>122,666,275</u>	<u>121,157,462</u>
Deferred Outflows of Resources	-	-	-	-	-	-
Other Liabilities	1,598,588	2,243,412	153,863	82,862	1,752,451	2,326,274
Noncurrent Liabilities	<u>21,112,349</u>	<u>19,004,448</u>	<u>2,614,114</u>	<u>2,821,824</u>	<u>23,726,463</u>	<u>21,826,272</u>
Total Liabilities	<u>22,710,937</u>	<u>21,247,860</u>	<u>2,767,977</u>	<u>2,904,686</u>	<u>25,478,914</u>	<u>24,152,546</u>
Deferred Inflows of Resources	<u>1,835,120</u>	<u>1,737,308</u>	<u>46,855</u>	<u>45,926</u>	<u>1,881,975</u>	<u>1,783,234</u>
Net Position:						
Net Investment in Capital Assets	56,693,531	58,088,785	11,424,412	11,430,538	68,117,943	69,519,323
Restricted	6,147,917	8,452,322	-	-	6,147,917	8,452,322
Unrestricted	<u>20,329,098</u>	<u>16,341,288</u>	<u>710,428</u>	<u>908,749</u>	<u>21,039,526</u>	<u>17,250,037</u>
Total Net Position	<u>\$ 83,170,546</u>	<u>\$ 82,882,395</u>	<u>\$ 12,134,840</u>	<u>\$ 12,339,287</u>	<u>\$ 95,305,386</u>	<u>\$ 95,221,682</u>

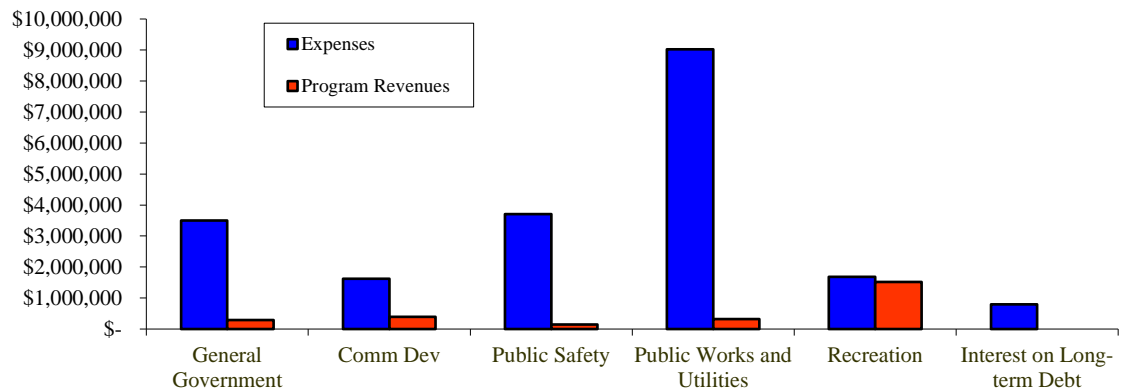
Analysis of the Town's Operations

Overall, the Town's net position increased by \$83,704 for 2017. Governmental activities increased net position by \$288,151, while business-type activities decreased net position by \$204,447. The largest contributor to this increase was the issuance of \$3 million in tax increment revenue bonds to finance the tenant finish construction of a new Avon Town Hall, and the issuance of \$355,818 in capital lease proceeds to purchase a new snowplow and electricians lift truck. The Town also received a federal grant in the amount of \$328,000 for purchase of a new bus in the Transit Fund.

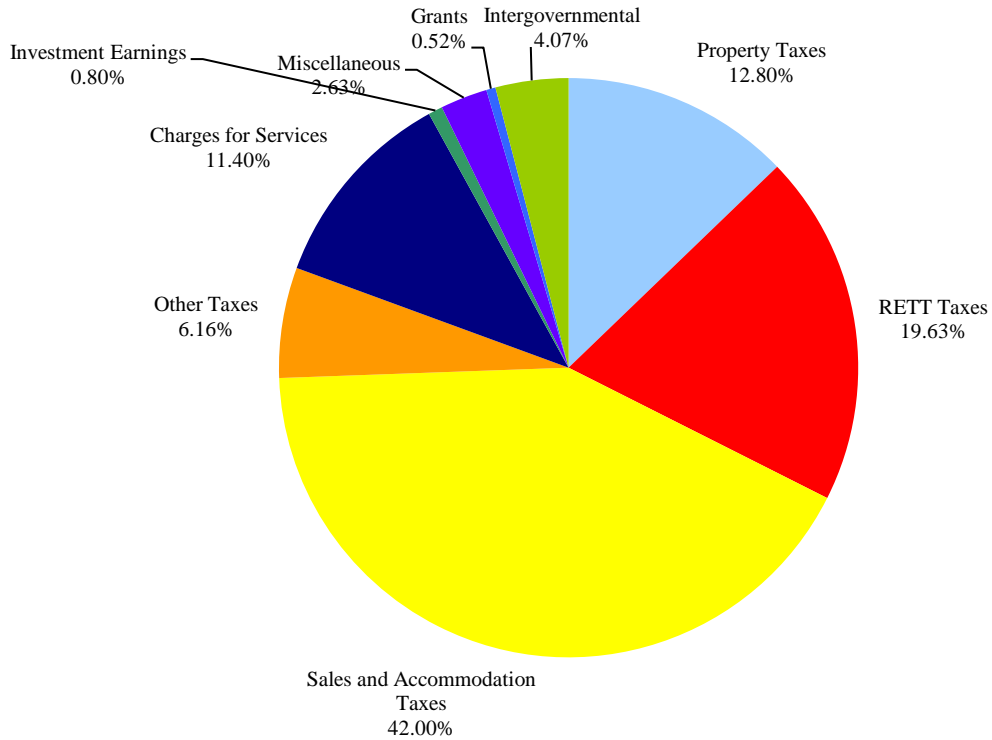
Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 2,561,842	\$ 2,741,179	\$ 1,482,770	\$ 1,557,439	\$ 4,044,612	\$ 4,298,618
Operating Grants and Contributions	84,761	104,217	-	-	84,761	104,217
Capital Grants and Contributions	31,237	1,816,456	328,000	100,000	359,237	1,916,456
General Revenues:						
Taxes:						
Property Taxes	2,876,177	3,315,020	40,297	40,258	2,916,474	3,355,278
Real Estate Transfer Tax	4,411,530	3,497,602	-	-	4,411,530	3,497,602
Sales and Accommodation Taxes	9,437,658	9,540,260	-	-	9,437,658	9,540,260
Other Taxes	1,385,171	1,389,896	-	-	1,385,171	1,389,896
Unrestricted Investment Earnings	178,997	139,665	-	-	178,997	139,665
Unrestricted Grants & Contributions	913,784	513,912	-	-	913,784	513,912
Miscellaneous	589,767	558,618	-	-	589,767	558,618
Total Revenues	<u>22,470,924</u>	<u>23,616,825</u>	<u>1,851,067</u>	<u>1,697,697</u>	<u>24,321,991</u>	<u>25,314,522</u>
EXPENSES						
Program Activities:						
Governmental Activities:						
General Government	3,500,101	3,291,190	-	-	3,500,101	3,291,190
Community Development	1,617,329	1,202,097	-	-	1,617,329	1,202,097
Public Safety	3,703,871	3,214,680	-	-	3,703,871	3,214,680
Public Works and Utilities	9,026,700	9,656,808	-	-	9,026,700	9,656,808
Recreation	1,684,492	1,584,531	-	-	1,684,492	1,584,531
Interest on Long-term Debt	754,238	754,238	-	-	754,238	754,238
Business-type Activities:						
Transportation	-	-	2,253,558	1,963,223	2,253,558	1,963,223
Fleet Maintenance	-	-	1,655,774	1,623,046	1,655,774	1,623,046
Total Expenses	<u>20,328,955</u>	<u>19,703,544</u>	<u>3,909,332</u>	<u>3,586,269</u>	<u>24,238,287</u>	<u>23,289,813</u>
Excess (Deficiency) Before Contributions and Transfers	2,141,969	3,913,281	(2,058,265)	(1,888,572)	83,704	2,024,709
Capital Contributions	(103,403)	(150,215)	103,403	150,215	-	-
Transfers	(1,750,415)	(1,584,994)	1,750,415	1,584,994	-	-
Increase (Decrease) in Net Position	288,151	2,178,072	(204,447)	(153,363)	83,704	2,024,709
Net Position, Beginning of Year	<u>88,882,395</u>	<u>80,704,323</u>	<u>12,339,287</u>	<u>12,492,650</u>	<u>95,221,692</u>	<u>93,196,973</u>
Net Position, Ending	<u>\$ 83,170,546</u>	<u>\$ 82,882,395</u>	<u>\$12,134,840</u>	<u>\$12,339,287</u>	<u>\$ 95,305,386</u>	<u>\$ 95,221,692</u>

Expenses and Program Revenues – Governmental Activities



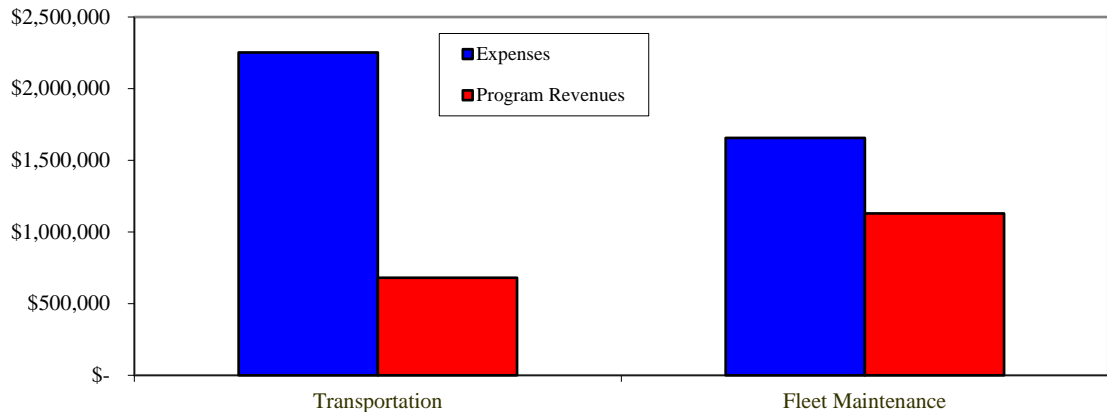
Revenues by Source – Governmental Activities



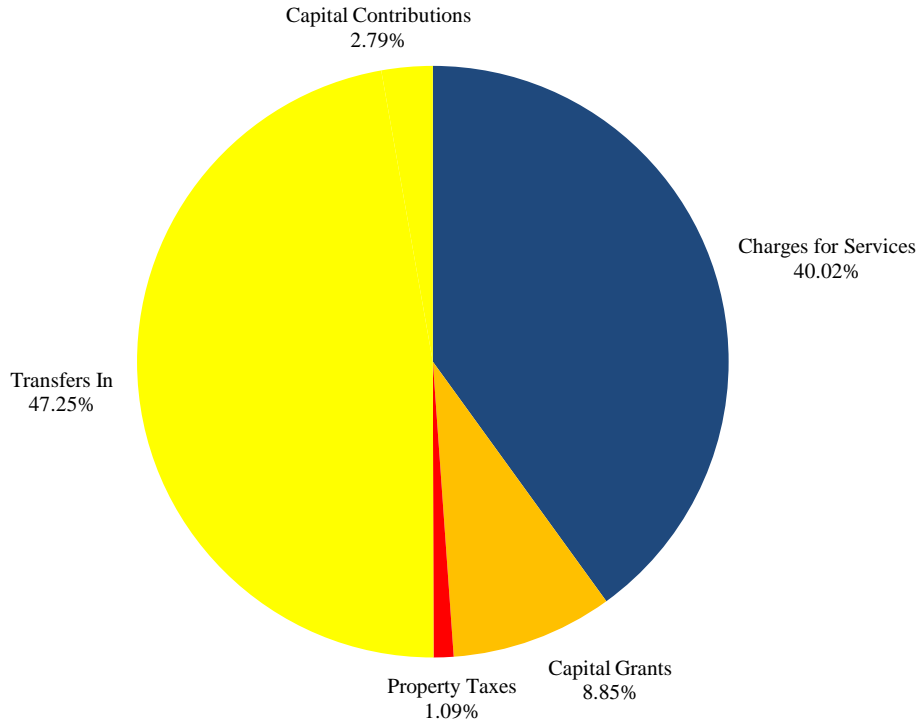
Business-type activities.

Net position of business-type activities decreased by \$204,447 in 2017. The key element of this decrease was depreciation of capital assets held by the Transit and Fleet Maintenance Enterprise Funds.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Town’s Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2017 and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	2017 Amount	Percent of Total	2016 Amount	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$18,148,536	80.68%	\$17,742,776	\$ 405,760	2.29%
Licenses and Permits	374,311	1.66%	259,997	114,314	43.97%
Intergovernmental	1,029,782	4.58%	2,868,277	(1,838,495)	(64.10%)
Charges for Services	2,005,812	8.91%	1,772,510	233,302	13.16%
Fines and Forfeitures	94,311	0.42%	91,014	3,297	3.62%
Investment Earnings	178,997	0.80%	139,665	39,332	28.16%
Other Revenues	<u>664,037</u>	<u>2.95%</u>	<u>651,603</u>	<u>12,434</u>	1.91%
Total	<u>\$22,495,786</u>	<u>100.00%</u>	<u>\$23,525,842</u>	<u>\$ (1,030,056)</u>	

Total tax collections increased by \$405,760 from the prior year. Property taxes decreased by \$439,930 due to a decrease in the mill rate. The general operating mill rate for the Town remained the same at 8.956 mills and the debt service mill rate of 2.809 mills was eliminated due to the final maturity of the Town's general obligation debt in 2016. Net assessed values decreased by 0.3% or \$602,950. Sales taxes decreased by \$117,164 or 1.3% from the previous year while accommodations taxes increased by 3.4% or \$44,060.

The Town collects a 2% tax from all sales of real property within the Town. These revenues are dedicated solely for capital improvement projects. Real estate transfer tax collections increased by 47.6%, from \$3,497,602 in 2016 to \$4,448,666 in 2017.

License and permit revenues increased by \$114,314 from the previous year. However, construction permit values decreased \$5,847,589 in total from the prior year with commercial permits valued at only \$143,337 and six residential units valued at \$18,930,069. The primary reason for this unusual anomaly was the permitting of the Joint Public Safety Facility in 2015 which was exempted from paying building permit fees by an Intergovernmental Agreement with the Eagle River Fire Protection District.

Intergovernmental revenues decreased in 2017 by \$1,838,495 due to grants received in 2016 from the Department of Transportation and Eagle County totaling \$1,814,136 for the construction of Phase 3 of the Eagle County Regional Trail.

Charges for services increased \$233,302 due primarily to an increase in water tap fees and surcharges of \$46,276, and an increase in Avon Recreation Center admission fees and other recreation fees of approximately \$166,452.

Investment earnings increased in 2017 by \$39,332 due to higher yields offered by investments in U.S Government Treasury and Agency securities and by the Colotrust local government investment pool that the Town utilizes.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2017 and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	2017 <u>Amount</u>	Percent of <u>Total</u>	2016 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Current:					
General Government	\$ 3,379,282	14.76%	\$ 3,119,007	\$ 260,275	8.34%
Community Development	1,505,073	6.57%	1,201,086	303,987	25.31%
Public Safety	3,416,991	14.93%	3,122,942	294,049	9.42%
Public Works and Utilities	4,318,222	18.87%	5,067,825	(749,603)	(14.79%)
Parks and Recreation	1,436,483	6.28%	1,293,277	143,206	11.07%
Capital Improvements	6,721,147	29.37%	8,864,565	(2,143,418)	(24.18%)
Debt Service:					
Principal	1,239,743	5.42%	1,382,506	(142,763)	(10.33%)
Interest	746,385	3.26%	473,674	272,711	57.57%
Bond Issuance Costs	81,625	0.36%	147,270	(65,645)	(44.57%)
Fiscal Charges	<u>41,162</u>	<u>0.18%</u>	<u>54,071</u>	<u>(12,909)</u>	<u>(23.87%)</u>
Total	<u>\$22,886,113</u>	<u>100.00%</u>	<u>\$24,726,223</u>	<u>\$(1,840,110)</u>	

Overall, total governmental fund expenditures decreased by \$1,840,110 in 2017. This was largely due to decreases in spending in 2016 in the areas of capital improvements and utilities, offset by small increases in operating costs within departmental budgets. One major capital improvement project was completed during the 2017 year - the Joint Public Safety Facility - with

2017 expenditures of \$3,803,705 and total project expenditures of \$6,390,304. Projects completed in 2016 included the purchase of the new Avon Town Hall building, (\$1,504,751), the Metcalf Rd. bike lane (\$1,035,873), and the Eagle Valley Trail Phase 3 (\$2,341,526).

Expenditures in 2017 in public works and utilities are back to normal levels after a large increase in 2016 for a financial contribution of \$855,707 towards the construction of the Mountain Star water tank. Other departmental operating expenditures remained fairly stable with only small percentage increase due mainly to continuation of the Town's salary step program, launched in January 2014, and small increases in group health insurance and commodities.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$19,800,674, an increase of \$939,462 from the prior year. Of this total, \$6,147,917 is restricted due to external limitations on its use, such as by debt covenants, legal restrictions, or intention of grantors, donors or trustees. A total of \$8,526,952 has been committed or assigned meaning there are limitations resulting from its intended use, such as construction of capital assets, affordable housing, and for other purposes. The remaining \$5,125,805 is unassigned and can be used for any lawful purpose.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund is \$5,125,805, while total fund balance is \$5,814,591. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance and total fund balance to total fund expenditures and other financing sources. Unassigned fund balance represents 30.6% of total fund expenditures and other financing uses, while total fund balance represents 34.7% of that same amount.

The fund balance of the General Fund decreased by \$249,300, or 4.1%, in 2017. This increase is due largely to a flattening of tax revenues compared to the previous year and less than expected departmental expenditure savings.

The fund balance of the General Fund represents approximately 35% of 2018 General Fund appropriations or the equivalent of approximately 4.2 months of operations. The Town has felt it necessary to retain this level of fund balance because of its heavy reliance on sales tax revenues. The Town's position as a resort community also places a heavy reliance upon several other factors including weather, the national economy, and tourism in general. The Town's fund balance provides the resources necessary to be more adaptable to the short-term financial environment and limits the need for capital financing.

Avon Urban Renewal Fund. At the end of the current fiscal year, the Avon Urban Renewal Fund had an ending fund balance of \$1,357,451. Of this amount, \$639,711 is restricted as a bond reserve and \$717,740 is restricted for urban renewal projects. The fund issues \$3 million in tax increment revenue bonds in 2017 to finance the tenant finish for the Town's new town hall. The net proceeds at issuance were transferred to the Capital Projects Fund to be expended. Fund balance increased by \$169,688 in 2017, primarily due to property tax increment revenues exceeding required payments for debt service.

Debt Service Fund. The Debt Service Fund has a fund balance at the end of the fiscal year of \$535,590, all of which is restricted for the payment of debt service.

Capital Projects Fund. The Capitals Project Fund has an ending fund balance at the end of the fiscal year of \$11,282,615. Restricted fund balances include unspent bond proceeds in the amount of \$2,653,917 and escrowed monies for future asphalt repairs pursuant to a lawsuit settlement in the amount of \$720,000. The remaining amount of \$7,908,698 is committed entirely to capital improvement projects.

Non-major Funds. The aggregate non-major funds have a combined fund balance of \$843,791. The net increase in fund balance during the current fiscal year in the aggregate non-major funds was \$152,144. Three of the four non-major funds had surplus changes in fund balances which offset a deficit change in fund balance in the Community Enhancement Fund resulting from an operating transfer-out to the Capital Projects Fund in the amount of \$140,750.

The Water Fund had a surplus net change of \$112,278 resulting from tap fees and surcharges collected in excess of its operating budget. The Affordable Housing Fund had a surplus net change of \$69,303 due to the payoff of an employee housing loan. A new fund, the Exterior Energy Offset Fund has a surplus and ending fund balance of \$32,768 from the collection of fees intended to be used to create financial assistance, rebates, and incentives to promote energy efficient projects within the Town.

General Fund Budgetary Highlights

The 2017 budget was guided by the *2017-2018 Town of Avon Strategic Plan*, which was updated and approved by the Town Council on June 28, 2016. The 2017 budget was developed to address priorities identified in the *Strategic Plan* with major emphasis on the following:

- Planning for the construction of new facilities incorporating paperless workflows and strategies to reduce waste into several areas of the budget.
- Partnering with existing special events and attracting an array of new and diverse cultural, educational and recreational events to Avon which meet the Town's brand and are in concert with the values of the community.
- Solicit and develop a diverse program of arts, educational, cultural and recreational offerings, and continue to expand the use of the Nottingham Park Pavilion.
- Implement marketing plan priorities, including pooling marketing resources among departments for cross promotion and integrated communication.
- Investing in multi-modal improvements prioritizing walkability and bicycle use on streets, with transit, parking and wayfinding.
- Preparing a master land use plan for Town-owned properties including Tract G, Lot 5 and Swift Gulch. Evaluate expansion of the Avon Recreation Center and a parking garage.

A number of budget changes are typically made throughout the year and at the Town's adoption of its final revised budget in October. For the most part these changes are very minor and the increases and decreases are offsetting. The difference between the original budget and the final amended budget resulted in a net increase of \$303,729 in expenditure appropriations and an increase of \$1,168,415 in appropriated transfers-out for the 2017 budget year. Estimated

revenues were increased by \$1,072,547 from the original budget, and beginning fund balance was increased by \$1,487,197.

Actual revenues further failed to meet estimates by a total of \$262,822. Sales and accommodation tax revenues were flat most of the year and ended the year with a decline of 1.3% and a gain of 3.9%, respectively over the prior year. Departmental expenditures ended the year under the final revised budget by a net total of \$172,641.

Capital Assets and Debt Administration

Capital assets. The Town of Avon's investment in capital assets for its governmental and business-type activities as of December, 31, 2017, amounts to \$91,443,229 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, public art, water rights, construction in progress, buildings and building improvements, utility systems, machinery and equipment, and infrastructure (see table below). The total increase in the Town's investment in capital assets for the current fiscal year was 0.55% (a 0.93% increase for governmental activities and a 1.5% decrease for business-type activities).

Major capital assets events during the current fiscal year included the following:

- Capital Project Fund capital improvement expenditures totaled \$6,688,496 in 2017.
- One major project began the year in construction-in-progress: the Joint Public Safety Facility. During the year ended December 31, 2017, the building was completed and capitalized at a total cost of \$5,990,300. In 2016, land cost for the Joint Public Safety Facility was capitalized in the amount of \$852,042.
- Significant projects remaining in construction in progress include New Town Hall (\$262,088), East and West B/C Blvd. street rebuild (\$198,943), the Nottingham Park Playground (\$329,386), and the Nottingham Road paving and street improvement project (604,383).
- Other Governmental-type capital assets added during the year included the Nottingham Park restroom remodel (\$348,970), and lighting upgrades at the Interstate 70 Overpass (\$28,354), and Nottingham Park (\$110,905). In addition, parking improvements for the Nottingham Road trailhead of \$59,661 was capitalized.
- In Business-type activities, a new bus was purchased in the Transit fund for \$415,415, and two bus shelters in the amount of \$103,403 were constructed.
- In the Equipment Replacement Fund a total of \$1,059,496 in equipment was capitalized including a new phone system (\$38,365), network firewall (\$6,509), Toughbook laptop computers (\$26,008) and fingerprinting system (\$27,252) for the Police Department, a rock climbing wall at the Recreation Center (\$8,943) and the Joint Public Safety Facility security system, elevator, and HVAC systems (\$860,130) identified above in the total capitalized cost of the facility.

Town of Avon's Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 11,626,736	\$ 11,588,728	\$ 411,834	\$ 411,834	\$12,000,562	\$12,000,562
Public Art	1,361,400	1,361,400	-	-	1,361,400	1,361,400
Water Rights	1,792,959	1,792,959	-	-	1,792,959	1,792,959
Constr. in Prog.	1,539,297	2,469,920	-	-	2,469,920	2,469,920
Buildings	14,788,183	10,592,227	11,658,613	11,948,849	22,541,076	22,541,076
Utilities	3,127,457	3,245,234	-	-	3,245,234	3,245,234
Mach. & Equip.	2,613,989	2,002,829	1,920,288	1,841,047	3,843,876	3,843,876
Infrastructure	<u>40,602,473</u>	<u>43,688,211</u>	<u>-</u>	<u>-</u>	<u>43,688,211</u>	<u>43,688,211</u>
Total	<u>\$77,452,494</u>	<u>\$76,741,508</u>	<u>\$13,990,735</u>	<u>\$14,201,730</u>	<u>\$90,943,238</u>	<u>\$90,943,238</u>

Additional information on the Town of Avon's capital assets can be found in Note 4 on pages 40-41 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Avon had total long-term debt outstanding in the amount of \$22,365,362. Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements total \$14,140,000. The remainder of the Town's debt, \$8,225,362, represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Town of Avon's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
G. O. Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	8,225,362	5,790,000	-	-	8,225,362	5,790,000
Certificates of Participation	<u>11,675,000</u>	<u>12,235,000</u>	<u>2,465,000</u>	<u>2,605,000</u>	<u>14,140,000</u>	<u>14,840,000</u>
Total	<u>\$19,900,362</u>	<u>\$18,025,000</u>	<u>\$ 2,465,000</u>	<u>\$ 2,605,000</u>	<u>\$22,365,362</u>	<u>\$20,630,000</u>

The Town of Avon's long-term debt increased by a net amount of \$1,735,362 during the current fiscal year. Certificates of Participation in the amount of \$3 million were issued in 2017 and all regular principal payments totaling \$1,234,638 were made on outstanding bonded debt.

The Avon Town Charter limits the amount of general obligation debt the Town may issue to 25% of assessed valuation of all taxable property within the Town, or \$15 million, whichever is greater. The current legal debt margin for the Town is \$48,495,645. The Town has no outstanding general obligation bonds outstanding as of December 31, 2017. In addition, the Town's total debt per capita is \$3,535. Additional information on the Town's long-term debt can be found in Note 5 on pages 41-47 of this report.

Economic Factors and Next Year's Budget and Rates

The 2018-19 budget is guided by the *2017-2019 Town of Avon Strategic Plan*, which was updated and approved by the Town Council on July 25, 2017. The Strategic Plan is updated

each year to reflect dynamic change and to present to the Avon community the important work planned by the Town over the next year. The four key outcomes identified in the Strategic Plan are:

- Support a strong community, building on strengths as a year-round mountain resort community;
- Preserve and enhance the natural environment;
- Develop inclusive & diverse economic, educational & cultural opportunities;
- Provide a responsive, cutting-edge & effective government

2018 Budget Highlights

The 2018 budget has been developed to address priorities identified in the *Strategic Plan* with major emphasis on the following:

- *Town of Avon Properties Development Strategies.*
 - Finalize the development strategies for Tract G, Lot 5, and Swift Gulch, including an evaluation of the expansion of the Avon Recreation Center and a parking garage.
- *Investment in Multi-modal Improvements.*
 - Complete the Beaver Creek Blvd. rebuild/walkability project;
 - Design the Nottingham, Road / I70 / Avon Road Overpass Improvements
 - Support Avon Transit as a key element of a walkable community;
 - Implement the Zagster bike share program.
- *Climate Action Plan.*
 - Implement the new paper bag fee; Incorporate paperless workflows and waste reduction strategies. For 2018, the Finance and Human Resources departments are implementing processes and software products based on and an optimization study conducted in the prior year that analyzed work efficiencies surrounding the use of mission critical software systems.
- *Inclusive and Diverse Economic, Educational, Recreational and Cultural Opportunities.*
 - Complete the Destination Jump, Splash, Learn playground, which is funded with a GOCO grant and Community Enhancement funds;
 - Implement the action plan to pursue a Colorado Creative District designation;
 - Issue a Community Survey;
 - Continue to solicit, develop and fund, in partnership with qualified producers, a diverse program of special events;
 - Continue the Town's significant investment in special events with several new and returning events for 2018. A total budget of \$400,000 is budgeted for special events, with another \$100,000 set aside in fund balances for events unnamed at the time the budget was adopted.
- *Implement Marketing Plan Priorities.*
 - Pool marketing resources among departments for cross promotion and integrated communication;
 - Develop partnerships with local and regional businesses to stay updated on Town priorities and activities;
 - Continue Town Council festival booth outreach, host coffee chats and create stand-alone displays;

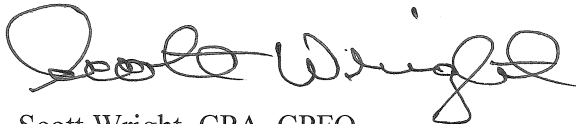
- Expand wayfinding for the visitor/resident experience;
- Create a regional media strategy and focus social media by audience.

The Town's net assessed valuation increased by 5.6% in 2017, to a total value of 204,903,930. The Town's mill rate for general operating purposes will remain at 8.956 mills. The mill rate for debt service was eliminated in 2016 due to the final maturity of the Town's general obligation bonds.

Sales tax revenues for 2018 are budgeted to remain flat over revised 2017 estimates, with accommodation tax revenues projected to decline by 1%. The Town's total 2018 appropriations for all funds equals \$26,795,734. Total estimated revenues for 2017 are \$27,792,910, and estimated total ending fund balances are \$17,985,370.

Requests for Information

This financial report is designed to provide a general overview of the Town of Avon's finances for all those with an interest in the Town's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town of Avon, Colorado, PO Box 975, Avon, CO 81620.



Scott Wright, CPA, CPFO
Asst. Town Manager / Finance Director



BASIC FINANCIAL STATEMENTS

TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2017

	Governmental Activites	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 11,572,694	\$ 136,921	\$ 11,709,615
Investments	6,198,598	-	6,198,598
Receivables	7,513,411	223,828	7,737,239
Internal Balances	100,000	(100,000)	-
Prepaid Expenses	-	163,283	163,283
Inventory	-	534,905	534,905
Restricted Assets - Cash and Cash Equivalents	4,879,406	-	4,879,406
Capital Assets, net of accumulated depreciation:			
Nondepreciable	16,320,392	411,834	16,732,226
Depreciable	61,132,102	13,578,901	74,711,003
Total Assets	107,716,603	14,949,672	122,666,275
LIABILITIES			
Accounts Payable	394,083	114,097	508,180
Accrued Liabilities	168,359	30,653	199,012
Accrued Interest Payable	47,647	9,113	56,760
Deposits and Reserves	974,721	-	974,721
Unearned Revenues	13,778	-	13,778
Noncurrent Liabilities:			
Due Within One Year	1,737,307	264,474	2,001,781
Due In More Than One Year	19,375,042	2,349,640	21,724,682
Total Liabilities	22,710,937	2,767,977	25,478,914
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	1,835,120	41,532	1,876,652
Gain on Advance Refunding of Debt	-	5,323	5,323
Total Deferred Inflows of Resources	1,835,120	46,855	1,881,975
NET POSITION			
Net Investment in Capital Assets	56,693,531	11,424,412	68,117,943
Restricted For:			
Emergencies	688,786	-	688,786
Debt Service	1,175,301	-	1,175,301
Capital Improvements	3,373,917	-	3,373,917
Urban Renewal	717,740	-	717,740
Purposes of Grantors	192,173	-	192,173
Unrestricted	20,329,098	710,428	21,039,526
Total Net Position	\$ 83,170,546	\$ 12,134,840	\$ 95,305,386

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

TOWN OF AVON, COLORADO

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government, Finance and Administration	\$ 3,500,101	\$ 294,431	\$ -	\$ -
Community Development	1,617,329	396,731	-	-
Public Safety	3,703,871	64,275	84,761	1,237
Public Works and Utilities	9,026,700	287,151	-	30,000
Recreation	1,684,492	1,519,254	-	-
Interest and Fiscal Charges on Long-term Debt	796,462	-	-	-
Total Governmental Activities	20,328,955	2,561,842	84,761	31,237
Business-type Activities:				
Transportation	2,253,558	353,346	-	328,000
Fleet Maintenance	1,655,774	1,129,424	-	-
Total Business-type Activities	3,909,332	1,482,770	-	328,000
Total Primary Government	\$ 24,238,287	\$ 4,044,612	\$ 84,761	\$ 359,237

General Revenues:
 Property Taxes
 Real Estate Transfer Taxes
 Sales and Accommodation Taxes
 Other Taxes
 Unrestricted Investment Earnings
 Grants and Contributions Not Restricted
 to Specific Programs
 Miscellaneous
 Capital Contributions
 Transfers

Total General Revenues and Transfers

Increase (Decrease) in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (3,205,670)	\$ -	\$ (3,205,670)
(1,220,598)	-	(1,220,598)
(3,553,598)	-	(3,553,598)
(8,709,549)	-	(8,709,549)
(165,238)	-	(165,238)
(796,462)	-	(796,462)
<u>(17,651,115)</u>	<u>-</u>	<u>(17,651,115)</u>
-	(1,572,212)	(1,572,212)
-	(526,350)	(526,350)
-	(2,098,562)	(2,098,562)
<u>(17,651,115)</u>	<u>(2,098,562)</u>	<u>(19,749,677)</u>
2,876,177	40,297	2,916,474
4,411,530	-	4,411,530
9,437,658	-	9,437,658
1,385,171	-	1,385,171
178,997	-	178,997
913,784	-	913,784
589,767	-	589,767
(103,403)	103,403	-
<u>(1,750,415)</u>	<u>1,750,415</u>	<u>-</u>
<u>17,939,266</u>	<u>1,894,115</u>	<u>19,833,381</u>
288,151	(204,447)	83,704
<u>82,882,395</u>	<u>12,339,287</u>	<u>95,221,682</u>
<u>\$ 83,170,546</u>	<u>\$ 12,134,840</u>	<u>\$ 95,305,386</u>

TOWN OF AVON, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2017

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,085,501	\$ 718,040	\$ 25,648	\$ 4,798,846	\$ 685,742
Investments	2,997,790	-	-	3,200,808	-
Receivables:					
- Interest	5,430	-	-	6,178	-
- Taxes	3,578,131	-	-	99,220	-
- Accounts	8,433	-	-	-	78,689
- Intergovernmental	120,557	-	-	-	58,800
- Employees	15,104	-	-	-	-
Due from Other Funds	100,000	-	-	-	-
Notes Receivable	-	-	-	-	20,560
Restricted Assets - Cash and Cash Equivalents	80,222	639,711	509,942	3,373,917	-
Total Assets	\$ 8,991,168	\$ 1,357,751	\$ 535,590	\$ 11,478,969	\$ 843,791
LIABILITIES					
Accounts Payable	\$ 195,676	\$ 300	\$ -	\$ 193,021	\$ 5,060
Accrued Liabilities	167,738	-	-	-	621
Deposits and Reserves	971,098	-	-	-	3,623
Unearned Revenues	6,945	-	-	3,333	3,500
Total Liabilities	1,341,457	300	-	196,354	12,804
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Notes Receivable	-	-	-	-	20,560
Unavailable Revenue - Property Taxes	1,835,120	-	-	-	-
Total Deferred Inflows of Resources	1,835,120	-	-	-	20,560
FUND BALANCES					
Restricted For:					
Emergencies	688,786	-	-	-	-
Urban Renewal	-	717,740	-	-	-
Water Projects	-	-	-	-	192,173
Capital Improvements	-	-	-	3,373,917	-
Debt Service	-	639,711	535,590	-	-
Committed For:					
Capital Improvements	-	-	-	7,908,698	-
Exterior Energy Offset Programs	-	-	-	-	32,768
Assigned For:					
Affordable Housing	-	-	-	-	585,486
Unassigned	5,125,805	-	-	-	-
Total Fund Balances	5,814,591	1,357,451	535,590	11,282,615	810,427
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,991,168	\$ 1,357,751	\$ 535,590	\$ 11,478,969	\$ 843,791

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

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund
Revenues				
Taxes	\$ 12,562,229	\$ 1,136,777	\$ -	\$ 4,449,530
Licenses and Permits	341,543	-	-	-
Intergovernmental	959,782	-	-	70,000
Charges for Services	1,716,388	-	-	-
Fines and Forfeitures	94,311	-	-	-
Investment Earnings	126,329	7,114	5,023	39,811
Other Revenues	408,720	-	-	99,002
Total Revenues	16,209,302	1,143,891	5,023	4,658,343
Expenditures				
Current:				
General Govt., Finance & Administration	3,356,161	-	-	-
Community Development	1,505,073	-	-	-
Public Safety	3,416,991	-	-	-
Public Works and Utilities	4,180,010	-	-	-
Recreation	1,436,483	-	-	-
Capital Improvements	-	32,651	-	6,688,496
Debt Service:				
Principal	-	564,637	560,000	115,106
Interest	-	282,253	457,469	6,663
Bond Issuance Costs	-	81,625	-	-
Fiscal Charges	-	34,662	6,500	-
Total Expenditures	13,894,718	995,828	1,023,969	6,810,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,314,584	148,063	(1,018,946)	(2,151,922)
Other Financing Sources (Uses)				
Transfers In	226,327	-	1,017,969	4,264,125
Transfers Out	(2,870,415)	(2,978,375)	-	(1,244,296)
Debt Issuance Proceeds	80,204	3,000,000	-	-
Total Other Financing Sources (Uses)	(2,563,884)	21,625	1,017,969	3,019,829
Net Change in Fund Balances	(249,300)	169,688	(977)	867,907
Fund Balances, Beginning of Year	6,063,891	1,187,763	536,567	10,414,708
Fund Balances, End of year	\$ 5,814,591	\$ 1,357,451	\$ 535,590	\$ 11,282,615

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

**RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Other Governmental Funds	Total		
		Net change in fund balances - Total Governmental Funds	\$ 939,462
		<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
		Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
\$ -	\$ 18,148,536	- Capital outlay	4,577,299
32,768	374,311	- Depreciation	(4,387,958)
-	1,029,782		189,341
289,424	2,005,812		
-	94,311		
720	178,997		
156,315	664,037		
479,227	22,495,786		
		Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
23,121	3,379,282	- Loss on Disposal of Capital Assets	(16,292)
-	1,505,073	- Change in compensated absences payable	(1,661)
-	3,416,991	- Change in accrued interest payable on outstanding bonds	62,876
138,212	4,318,222	- Amortization of bond premium	9,834
-	1,436,483		54,757
-	6,721,147		
-	1,239,743	Debt issuance proceeds are reported as Other Financing Sources in the governmental funds, but are reported as noncurrent liabilities in the Statement of Net Position	(3,080,204)
-	746,385		
-	81,625		
-	41,162		
161,333	22,886,113	Payment received on affordable housing notes receivable are reported as revenue in the governmental funds, but the repayment reduces notes receivable in the Statement of Net Position	(74,270)
317,894	(390,327)		
		Repayment of bond and lease principal are reported an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
-	5,508,421	- Certificates of Participation retirements	560,000
(165,750)	(7,258,836)	- Tax Increment Revenue Bond principal retirements	564,637
-	3,080,204		1,124,637
(165,750)	1,329,789		
152,144	939,462	The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The decrease in net position of the internal service fund is included in governmental activities.	1,134,428
658,283	18,861,212		
\$ 810,427	\$ 19,800,674	Change in Net Positon of Governmental Activities	\$ 288,151

TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 136,921	\$ -	\$ 136,921	\$ 3,258,917
Receivables:				
- Taxes	41,532	-	41,532	-
- Accounts	2,304	1,382	3,686	-
- Intergovernmental	49,203	129,407	178,610	-
Deferred Expense	163,283	-	163,283	-
Due From Other Funds	357,238	-	357,238	-
Inventory	-	534,905	534,905	-
Restricted Assets - Cash and Cash Equivalents	-	-	-	275,614
Total Current Assets	750,481	665,694	1,416,175	3,534,531
Noncurrent Assets:				
Capital Assets:				
- Land	281,450	130,384	411,834	-
- Buildings	9,928,323	5,639,287	15,567,610	1,704,285
- Machinery and Equipment	4,355,632	284,117	4,639,749	6,324,655
- Accumulated Depreciation	(3,588,050)	(3,040,408)	(6,628,458)	(4,977,428)
Total Noncurrent Assets	10,977,355	3,013,380	13,990,735	3,051,512
Total Assets	11,727,836	3,679,074	15,406,910	6,586,043
LIABILITIES				
Current Liabilities:				
Accounts Payable	12,457	101,640	114,097	26
Accrued Liabilities	18,085	12,568	30,653	-
Accrued Interest Payable	-	9,113	9,113	-
Compensated Absences Payable	17,943	35,171	53,114	-
Due to Other Funds	-	457,238	457,238	-
Certificates of Participation - Current	-	147,496	147,496	-
Capital Leases Payable - Current	58,821	5,043	63,864	154,365
Total Current Liabilities	107,306	768,269	875,575	154,391
Noncurrent Liabilities:				
Certificates of Participation	-	2,349,640	2,349,640	-
Capital Leases Payable	-	-	-	331,660
Total Noncurrent Liabilities	-	2,349,640	2,349,640	331,660
Total Liabilities	107,306	3,117,909	3,225,215	486,051
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	41,532	-	41,532	-
Gain on Advance Refunding of Debt	-	5,323	5,323	-
Total Deferred Inflows of Resources	41,532	5,323	46,855	-
NET POSITION				
Net Investment in Capital Assets	10,918,534	505,878	11,424,412	2,565,487
Unrestricted	660,464	49,964	710,428	3,534,505
Total Net Position	\$ 11,578,998	\$ 555,842	\$ 12,134,840	\$ 6,099,992

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

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
Operating Revenues:				
Charges for Services	\$ 267,215	\$ 1,127,815	\$ 1,395,030	\$ 646,800
Other Operating Revenues	86,131	1,609	87,740	-
Total Operating Revenues	353,346	1,129,424	1,482,770	646,800
Operating Expenses:				
Cost of Operations	1,661,559	1,403,972	3,065,531	61,030
Depreciation and Amortization	588,784	141,029	729,813	502,667
Total Operating Expenses	2,250,343	1,545,001	3,795,344	563,697
Operating Income (Loss)	(1,896,997)	(415,577)	(2,312,574)	83,103
Nonoperating Revenues (Expenses):				
Taxes	40,297	-	40,297	-
Capital Grants	328,000	-	328,000	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	14,070
Interest Expense	(3,215)	(110,773)	(113,988)	-
Total Nonoperating Revenues (Expenses)	365,082	(110,773)	254,309	14,070
Income (Loss) Before Contributions and Transfers	(1,531,915)	(526,350)	(2,058,265)	97,173
Capital Contributions and Transfers				
Contributed Capital	103,403	-	103,403	1,037,255
Transfers In (Out)	1,390,415	360,000	1,750,415	-
Total Capital Contributions and Transfers	1,493,818	360,000	1,853,818	1,037,255
Change in Net Position	(38,097)	(166,350)	(204,447)	1,134,428
Net Position, Beginning of Year	11,617,095	722,192	12,339,287	4,965,564
Net Position, End of Year	\$ 11,578,998	\$ 555,842	\$ 12,134,840	\$ 6,099,992

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

TOWN OF AVON, COLORADO

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
Cash Flows From Operating Activities				
Cash Received from Customers and Users	\$ 266,441	\$ 514,140	\$ 780,581	\$ -
Cash Received from Interfund Services Provided	-	584,919	584,919	646,800
Cash Payments to Suppliers	(781,924)	(760,409)	(1,542,333)	(61,004)
Cash Payments to Employees	(782,655)	(494,580)	(1,277,235)	-
Cash Payments for Interfund Services Used	(261,222)	(74,379)	(335,601)	-
Other Operating Revenues	86,131	1,609	87,740	-
Net Cash Provided by (Used in) Operating Activities	<u>(1,473,229)</u>	<u>(228,700)</u>	<u>(1,701,929)</u>	<u>585,796</u>
Cash Flows From Noncapital Financing Activities				
Taxes Received	40,297	-	40,297	-
Grants Received	328,000	-	328,000	-
Net Borrowings (To) From Other Funds	(457,238)	457,238	-	-
Repayments of Borrowings From Other Entities	335,406	(335,406)	-	-
Transfers In from Other Funds	1,390,415	360,000	1,750,415	-
Net Cash Provided by Noncapital Financing Activities	<u>1,636,880</u>	<u>481,832</u>	<u>2,118,712</u>	<u>-</u>
Cash Flows From Capital Financing Activities				
Acquisition and Construction of Capital Assets	(415,415)	-	(415,415)	(137,348)
Proceeds from Sales of Capital Assets	-	-	-	46,362
Proceeds from Debt Issuance	-	-	-	275,614
Interest Paid on Long-term Debt	(3,215)	(108,177)	(111,392)	-
Principal Paid on Long-term Debt	(57,005)	(144,955)	(201,960)	-
Net Cash Provided by (Used in) Capital Financing Activities	<u>(475,635)</u>	<u>(253,132)</u>	<u>(728,767)</u>	<u>184,628</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(311,984)	-	(311,984)	770,424
Cash and Cash Equivalents, Beginning of Year	448,905	-	448,905	2,764,107
Cash and Cash Equivalents, End of Year	<u>\$ 136,921</u>	<u>\$ -</u>	<u>\$ 136,921</u>	<u>\$ 3,534,531</u>

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ (1,896,997)</u>	<u>\$ (415,577)</u>	<u>\$ (2,312,574)</u>	<u>\$ 83,103</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	588,784	141,029	729,813	502,667
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(774)	(2,942)	(3,716)	-
(Increase) Decrease in Intergov. Receivable	4,875	(31,698)	(26,823)	-
(Increase) in Deferred Expense	(163,283)	-	(163,283)	-
Decrease in Inventory	-	6,528	6,528	-
Increase in Accounts Payable	3,462	61,425	64,887	26
Increase in Accrued Liabilities	4,165	2,328	6,493	-
Increase (Decrease) in Comp. Absences Payable	(13,461)	10,207	(3,254)	-
Total Adjustments	<u>423,768</u>	<u>186,877</u>	<u>610,645</u>	<u>502,693</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (1,473,229)</u></u>	<u><u>\$ (228,700)</u></u>	<u><u>\$ (1,701,929)</u></u>	<u><u>\$ 585,796</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Noncash Transactions Affecting Financial Position				
Contributions of Capital Assets from				
Governmental Activities	\$ 103,403	\$ -	\$ 103,403	\$ 922,148
Capital Assets Disposed	-	-	-	(18,892)
Principal on Capital Leases Paid from				
Governmental Activities	-	-	-	115,107
	<u><u>\$ 103,403</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 103,403</u></u>	<u><u>\$ 1,018,363</u></u>

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

The financial statements of the Town of Avon have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the Town’s Comprehensive Annual Financial Report.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

Primary Government. The Town of Avon, Colorado, was incorporated as a Town on April 24, 1978. On June 13, 1978, the citizenry voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture-recreation, public improvements, community development, planning and zoning, transportation, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Town of Avon (the primary government) and its component unit for which the Town is considered financially accountable. Financial accountability exists if the Town appoints a voting majority of an organization’s governing board and is able to impose its will on the organization, or if the organization provided benefits to, or imposes financial burdens upon the Town. Blended component units, although legally separate entities, are, in substance, part of the Town’s operations, so data from these units are combined with data of the Town.

The Town’s blended component unit are –

Avon Urban Renewal Authority (AURA) – The AURA is a body corporate duly organized and existing as an urban renewal authority established by the Town of Avon, Colorado pursuant to the Urban Renewal Law of the State of Colorado for undertaking certain urban renewal activities within the Town. The boundaries of the AURA are coterminous with the boundaries of the Town. The bylaws of the AURA provide that the members of the Avon Town Council shall constitute the Commissioners of the AURA. The Mayor of the Town services as Chairman, the Mayor Pro-Tem serves as Vice Chairman, the Town Manager serves as the Executive Director and Secretary, the Finance Director serves as Treasurer, and the Town Clerk serves as the AURA Clerk. For financial reporting purposes, the AURA is blended into the Town’s financial statements and is reported in a single special revenue fund as a blended component unit. A separate budget is adopted for the AURA, however separate financial statements of the AURA are not issued.

Avon General Improvement District No. 1 – The Town of Avon General Improvement District No. 1 was organized on August 28, 2007, by adoption of Ordinance No. 07-07. The the services to be provided within and for the District include transportation and recreation

services and include the property known as Lots 1 and 2 of the final plat of the Chateau St. Claire subdivision, now commonly known as the Ascent. The members of the Avon Town Council constitute the Board of the District. The District levies a property tax to be used for transportation operations. For financial reporting purposes, the District is blended into the Town's financial statements and is reported in the Transit enterprise fund as a blended component unit. Separate budgets and financial statements of the District are not adopted or issued.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town (the primary government) and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Generally, interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the Town. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the Town with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes, accommodations and sales taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The Town uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The Town's funds are classified into two broad fund categories and six generic fund types for financial reporting purposes: Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise funds and an internal service fund.

The Town's major governmental funds are:

- *General Fund* – This is the Town's primary operating fund. It is used to account for all activities of the Town not required to be accounted for in some other fund.
- *Avon Urban Renewal Fund* – This fund is used to account for the receipt of tax increment revenues and the activities of redevelopment that are undertaken by the Avon Urban Renewal Authority, including issuing debt and constructing public improvements.
- *Debt Service Fund* – This fund is used to account for the accumulation of resources and payment of principal and interest on the Town's general obligation and sales tax revenue bonds.
- *Capital Projects Fund* – This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the Town's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal

service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town's major proprietary funds are:

- *Transit Fund* – This fund is used to account for the activities involved in operating the Town's transportation system.
- *Fleet Maintenance Fund* – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

The Town's only internal service fund is the Equipment Replacement Fund. This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

D. Budget Information

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, except for proprietary funds which are budgeted on the modified accrual basis of accounting. According to the Town's Charter, all appropriations except for capital projects or special revenue funds lapse at fiscal year-end. However, as a matter of practice, the Town adopts annual budgets for all funds. During the year, changes may be made to budgets by adoption of supplemental amendments by resolution of the Town Council.

E. Assets, Liabilities, and Deferred Outflows/Inflows of Resources

Cash, Cash Equivalents, and Investments. The Town concentrates the cash resources of its various funds to facilitate the management of cash. The balance in this concentration account is available to meet the Town's current operating requirements. Cash resources more than current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Town Charter and Colorado State statutes authorize the Town to invest its excess funds in direct U.S. Government treasury and agency securities, bonds and other obligations of states and political subdivisions, corporate bonds, and local government investment pools. Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Investment income is recognized when earned.

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Inventories. Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of any governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Restricted Assets. Restricted assets in the amount of \$80,222 are reported in the General Fund. This amount consists of unspent capital lease proceeds held in an escrow account at Commerce Bank for the purchase of equipment.

Restricted assets in the amount of \$639,711 are reported in the Avon Urban Renewal Fund. This consists of a \$628,240 required debt service reserve plus additional funds of \$11,471 both held in a separate Colotrust fund for purposes of the Authority's 2013 Tax Increment Revenue Bonds.

Restricted assets in the amount of \$509,942 are reported in the Debt Service Fund. This amount consists of a \$509,875 required debt service reserve, \$42 in a base rental fund for the Series 2010 Certificates of Participation, and \$25 in a base rental fund for the Series 2014B Certificates of Participation. These reserves are all held in UMB Bank's trust department.

Restricted assets in the amount of \$3,373,917 are reported in the Capital Project Fund. This consists of unspent bond proceeds of \$2,652,084 for the Series 2017 Tax Increment Revenue Bonds issued on January 5, 2017 for the construction of tenant finishes at the new Avon Town Hall, and an additional \$721,833 held in an escrow account with FirstBank for accumulating funds for asphalt overlay in the Village at Avon pursuant to the Town's lawsuit settlement agreement with Traer Creek Metropolitan District and the developer.

Restricted assets in the amount of \$275,614 are reported in the Equipment Replacement Fund. This amount consists of unspent capital lease proceeds held in an escrow account at Commerce Bank for the purchase of equipment.

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

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. It is the Town's policy to capitalize expenditures with a cost greater than \$5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available. Donated capital assets are recorded at their estimated fair market value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

The Town's infrastructure consists of streets and roads, bridges, storm drainage, water rights and storage, heat recovery system, irrigation ditches, bike paths, and public parking.

The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings	10-50 years
Utilities	10-50 years
Machinery and Equipment	3-15 years
Infrastructure	10-100 years

Deferred Inflows of Resources. The government-wide and proprietary funds statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category: deferred gain on advance refunding of debt and unavailable revenue. In the government-wide and proprietary funds statement of net position *deferred gain on advance refunding of debt* is the result of the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding bonds. The other type of item, *unavailable revenue*, is reported in the government-wide and proprietary fund statement of net position and in the governmental funds balance sheet. The Town reports *unavailable revenues* from two sources: property tax and notes receivable. *Unavailable revenue - notes receivable* arises only under a modified accrual basis of accounting and as such is only reported in the governmental funds balance sheet. *Unavailable revenue – property taxes* is reported in the government-wide and proprietary funds statement of net position and in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations. In the government-wide and proprietary fund statement of net position long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

F. Property Taxes

Property taxes are levied by the Town Council. The levy is based on the assessed valuation of property located within the Town as determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners. The County Treasurer collects the property taxes during the ensuing calendar year and remits the taxes collected to the Town on a monthly basis.

Property taxes are payable in full by April 30, or if in two equal installments, by February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. Property taxes, net of estimated uncollectible taxes, are recorded as receivable in the year levied and offset to deferred inflows of resources as unavailable revenue since they typically do not meet the availability criterion.

G. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused personal time off (a combination of vacation and holidays) and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Town's policy is to not pay for accumulated sick leave when employees separate from service. The liability for compensated absences is recorded as a non-current liability in the government-wide financial statements.

The current portion of this debt is estimated based on historical trends. In the fund financial statements governmental funds report a compensated liability payable only if they have matured, for example, as a result of employee resignations and retirements, while the proprietary funds report the liability as it is incurred. Within the governmental funds, the General Fund typically is used to liquidate any liabilities for compensated absences.

H. Fund Equity

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

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. In Avon's case this is an ordinance adopted by the Town Council. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

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- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
 - Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Town establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Town Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Town considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

I. Statements of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

J. Debt Costs

Unamortized premiums of \$292,371 are reflected in noncurrent liabilities. Premiums are amortized over the remaining lives of the related debt issues using the effective interest method.

Note 2. Legal Compliance – Budgets

No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (e.g. the Department of Public Works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis. The Debt Service Fund, Transit Fund and Fleet Maintenance Fund expenditures exceeded budgeted appropriations during 2017. This may be a violation of Colorado budget law.

Note 3. Cash and Investments

Cash and investments as of December 31, 2017 are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	\$ 11,709,615
Investments	6,198,598
Restricted Assets - Cash and Cash Equivalents	<u>4,879,406</u>
Total	<u>\$ 22,787,619</u>

Cash and investments as of December 31, 2017 consist of the following:

Cash on Hand	\$ 4,925
Demand Deposits	618,057
Other Deposits with Financial Institutions	4,239,695
Local Government Investment Pools	11,726,344
Investments	<u>6,198,598</u>
Total	<u>\$ 22,787,619</u>

Investments Authorized by the Town of Avon Investment Policy

The table below identifies the investment types that are authorized for the Town by the Town's investment policy. The table also identifies certain provision of the Town's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Government Treasury Securities	5 years	None	None
U.S. Government Agency Securities	5 years	None	None
Repurchase Agreements	180 days	None	None
Commercial Paper	270 days	20%	5%
General Obligation Debt	5 years	None	None
Revenue Obligation Debt	5 years	None	None
Local Government Investment Pools	N/A	None	None

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2017, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Government Treasury Securities	\$ 498,690	\$ 498,690	\$ -	\$ -
Federal Instrumentality Securities	<u>5,699,908</u>	<u>5,699,908</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,198,598</u>	<u>\$ 6,198,598</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colotrust	<u>\$11,726,344</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Government treasury securities, U.S. Government agency securities, and commercial paper: quoted prices for identical securities in markets that are not active;
- Corporate and municipal bonds: quoted prices for similar securities in active markets;
- Repurchase agreements, negotiable certificates of deposit, and collateralized debt obligations: matrix pricing based on the securities' relationship to benchmark quoted prices.

At December 31, 2017, unrealized losses were \$46,780 which reflects changes in the fair market value of investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The investment policy of the Town states that, to the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

requirement, the Town will not invest in securities maturing more than five years from the date of purchase. In addition, the Town shall maintain at least 15% of its total investment portfolio in investments maturing in 120 days or less. At least 10% of the portfolio shall be invested in overnight investments or securities that can be sold to raise cash on one day's notice.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity:

		Weighted Average Maturity (in Years)
U.S. Government Treasury Notes	\$ 498,690	1.915
U.S. Government Agency Securities:		
Federal Home Loan Bank	2,997,790	2.061
Federal National Mortgage Assn.	993,350	0.953
Federal Farm Credit Bank	1,708,768	1.798
Colotrust	<u>11,726,344</u>	NA
Total	<u>\$ 17,924,942</u>	

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating, as required by the Town's investment policy, for investments of the Town as of December 31, 2017.

Ratings Standard & Poor's	Investment
AAAm	Colotrust
AA+	US Treasury
AA+	Government National Mortgage Assoc.
AA+	Federal Farm Credit Bank
AA+	Federal Home Loan Bank
AA+	Federal Home Loan Mortgage Corporation
AA+	Federal National Mortgage Corporation

Concentration of Credit Risk

Except for commercial paper investments, the investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Commercial paper issuers are limited to no more than 5% of the Town's portfolio. The Town had no investments in commercial paper at December 31, 2017.

Investments in any one issuer (other than U.S. Treasury obligations, mutual funds, and local government investment pools) that represent 5% or more of total Town investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of Total Investments</u>
Federal Home Loan Bank	Federal Instrumentality Securities	\$ 2,997,790	16.70%
Federal National Mortgage Assn.	Federal Instrumentality Securities	993,350	5.54%
Federal Farm Credit Bank	Federal Instrumentality Securities	1,708,768	9.543%

Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Town’s deposits are entirely covered by federal depository insurance (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). The FDIC insures the first \$250,000 of the Town’s deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the Town being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping, and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA. The carrying amount of the Town’s demand deposits was \$618,057 at year end.

Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Town would not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town’s investment policy provides that all investment securities, except certificates of deposit, local government investment pools, and money market funds purchased by the Town shall be settled on a delivery versus payment basis and will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the Town’s approved custodian bank, its correspondent bank or the Depository Trust Company. An approved Safekeeping Agreement must be executed with each custodian bank prior to utilizing that bank’s safekeeping services.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

Local Government Investment Pools

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. The trusts value their shares based on a stable net value of \$1.00 per share. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

As of December 31, 2017, the Town of Avon held investments in the Colorado Local Government Liquid Asset Trust (Colostrust Plus portfolio). The Plus portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. At December 31, 2017, the Town's investments in COLOTRUST were 65.4% of the Town's investment portfolio.

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 11,588,728	\$ 38,008	\$ -	\$ 11,626,736
Public Art	1,361,400	-	-	1,361,400
Water Rights	1,792,959	-	-	1,792,959
Construction in Progress	<u>2,469,920</u>	<u>5,600,063</u>	<u>(6,530,686)</u>	<u>1,539,297</u>
Total Capital Assets, Not Being Depreciated	<u>17,213,007</u>	<u>5,638,071</u>	<u>(6,530,686)</u>	<u>16,320,392</u>
Capital Assets, Being Depreciated:				
Buildings	19,808,907	4,895,700	(90,100)	24,614,507
Utilities	4,484,891	91,065	-	4,575,956
Machinery and Equipment	5,435,323	1,059,496	(170,164)	6,324,655
Infrastructure	<u>85,980,572</u>	<u>483,149</u>	<u>-</u>	<u>86,463,721</u>
Total Capital Assets, Being Depreciated	<u>115,709,693</u>	<u>6,529,410</u>	<u>(260,264)</u>	<u>121,978,839</u>
Less Accumulated Depreciation:				
Buildings	(9,216,680)	(683,452)	73,808	(9,826,324)
Utilities	(1,239,657)	(208,842)	-	(1,448,499)
Machinery and Equipment	(3,432,494)	(429,444)	151,272	(3,710,666)
Infrastructure	<u>(42,292,361)</u>	<u>(3,568,887)</u>	<u>-</u>	<u>(45,861,248)</u>
Total Accumulated Depreciation	<u>(56,181,192)</u>	<u>(4,890,625)</u>	<u>225,080</u>	<u>(60,846,737)</u>
Total Capital Assets, Being Depreciated, Net	<u>59,528,501</u>	<u>1,638,785</u>	<u>(35,184)</u>	<u>61,132,102</u>
Governmental Activities Capital Assets, Net	<u>\$ 76,741,508</u>	<u>\$ 7,276,856</u>	<u>\$ (6,565,870)</u>	<u>\$ 77,452,494</u>

Business-type Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 411,834	\$ -	\$ -	\$ 411,834
Capital Assets, Being Depreciated:				
Buildings	15,464,207	103,403	-	15,567,610
Machinery and Equipment	<u>4,234,112</u>	<u>415,415</u>	<u>(9,778)</u>	<u>4,639,749</u>
Total Capital Assets, Being Depreciated	<u>19,698,319</u>	<u>518,818</u>	<u>(9,778)</u>	<u>20,207,359</u>
Less Accumulated Depreciation:				
Buildings and Facilities	(3,515,358)	(393,639)	-	(3,908,997)
Machinery and Equipment	<u>(2,393,065)</u>	<u>(336,174)</u>	<u>9,778</u>	<u>(2,719,461)</u>
Total Accumulated Depreciation	<u>(5,908,423)</u>	<u>(729,813)</u>	<u>9,778</u>	<u>(6,628,458)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,789,896</u>	<u>(210,995)</u>	<u>-</u>	<u>13,578,901</u>
Business-type Activities Capital Assets, Net	<u>\$ 14,201,730</u>	<u>\$ (210,995)</u>	<u>\$ -</u>	<u>\$ 13,990,735</u>

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

Governmental Activities:	
General Government	\$ 136,833
Community Development	1,414
Public Safety	204,952
Public Works and Utilities, including depreciation of general infrastructure assets	4,186,406
Recreation and Culture	<u>361,020</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 4,890,625</u>
Business-type Activities:	
Transportation	\$ 588,784
Fleet Maintenance	<u>141,029</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 729,813</u>

Note 5. Long-term Debt

Revenue Bonds and Loans – Avon Urban Renewal Authority. Pursuant to the Urban Renewal Plan adopted for the Town Center West Urban Renewal Project Area (Project Area), generally known as Avon Town Center West, the Avon Urban Renewal Authority issued \$25 million in Series 2008 Tax Increment Adjustable Rate Revenue Bonds (Series 2008 Bonds) in February 2008 for financing the cost of constructing traffic, street and pedestrian improvements. In 2009, the Avon Urban Renewal Authority entered into a Series 2009 Variable Rate Loan Agreement (Series 2009 Loan) in the amount of \$7,200,000 with Vectra Bank for refinancing the Authority's Series 2008 Tax Increment Adjustable Rate Revenue Bonds. Net proceeds from the Series 2009 Loan, along with unused proceeds and

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

the reserve account balance from the Series 2008 bonds, were used to redeem the Series 2008 bonds.

In 2013, the Avon Urban Renewal Authority issued Series 2013 Tax Increment Revenue Bonds to refinance outstanding obligations of the Authority and to finance certain capital improvements. The 2013 Bonds have a reserve requirement of \$628,240. If, at any time, the balance of the Reserve Account is less than the Reserve Requirement the Town Council has agreed to consider but is not obligated to, replenish the Reserve Account balance to the Reserve Requirement. The Bonds shall be subject to optional redemption on any interest payment date with a redemption price of the Bonds not exceeding 101% of the principal amount so redeemed.

In 2017, the Avon Urban Renewal Authority issued Series 2017 Tax Increment Revenue Bonds to finance tenant improvements related to the future occupancy of a new Town Hall. The 2013 and 2017 Bonds constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien), on all pledged revenues. Pledged revenues include the portion of the ad valorem proprietary taxes produced by the levies at the rates fixed each year by the governing bodies of the various taxing jurisdictions within the Urban Renewal Project Area. The levies are assessed upon that portion of the valuation for assessment of all taxable property in excess of a defined property tax base amount. The pledged revenues are reduced by a) any County collection fee (b) tax increment revenues required to be remitted by the Authority to the Confluence Metropolitan District pursuant to the Avon Station/Confluence IGA; and (c) ad valorem property taxes produced by a mill levy of any special district formed after May 28, 2009. Pledged revenues also include all amounts appropriated to the Authority to replenish reserves along with applicable investment earnings and any other legally available moneys which the Town determines, in its sole discretion, to deposit in the Bond Account. Revenue bonds and loans outstanding at December 31, 2017, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Avon Urban Renewal Authority	2.9% - 3.52%	<u>\$ 8,225,362</u>

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2017, are as follows:

<u>Year Ending December 31</u>	<u>Avon Urban Renewal Authority</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 410,000	\$ 189,904
2019	425,000	175,472
2020	440,000	160,512
2021	455,000	145,024
2022	470,000	129,008
2023-2027	2,615,000	384,736
2028	<u>580,000</u>	<u>20,416</u>
Total	<u>\$ 8,225,362</u>	<u>\$ 1,205,072</u>

Certificates of Participation. In 1998, the Town of Avon Finance Authority issued Certificates of Participation to finance the cost of constructing a fleet maintenance facility. The Certificates evidence assignments of proportionate interest in rights to receive payments pursuant to an annually terminable Lease Purchase and Sublease Agreement, dated as of July 1, 1998, between the Authority as lessor, and the Town of Avon as lessee. In 1999, the fleet maintenance facility was completed and the proceeds from the Certificates that were used directly in the construction of the fleet maintenance facility in the amount of \$5,141,250 (approximately 75%) were capitalized in the Fleet Maintenance Fund.

On November 16, 2010, the Town issued \$6,680,000 of Series 2010 Certificates of Participation with interest rates of 2% to 5%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of November 1, 2010, between UMB Bank, solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee. These Certificates were used to refund the outstanding 1998 Certificates of Participation in the aggregate principal amount of \$3,990,000. The refunding resulted in an economic gain of \$43,298 with a cash flow savings of \$904,642. The remaining funds from the 2010 Certificates were used as matching funds for the construction of the Avon Regional Transit Facility, which was completed and placed into service in October 2013.

On January 14, 2015, the Town issued \$3,800,000 of Series 2014B Certificates of Participation with an interest rate of 3.03% to finance the cost of street improvements. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of January 14, 2015, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

On May 3, 2016, the Town held a special election concerning the financing for a joint public safety facility in partnership with the Eagle River Fire Protection District. The election was successful and on August 2, 2016, the Town issued \$6,300,000 of Series 2016 Certificates of Participation with an interest rates 2% to 4%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of August 2, 2016, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

Certificates of Participation outstanding at December 31, 2017, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Refunding and Capital	2.0% - 5.0%	<u>\$14,140,000</u>

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2017, are as follows:

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Year Ending December 31	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2018	\$ 630,000	\$ 381,855	\$ 145,000	\$ 109,357
2019	650,000	362,707	150,000	104,825
2020	675,000	342,413	155,000	99,575
2021	695,000	324,167	160,000	94,150
2022	710,000	302,944	170,000	86,150
2023-2027	3,910,000	1,153,746	980,000	297,725
2028-2032	3,150,000	457,995	705,000	64,350
2033-2035	<u>1,255,000</u>	<u>76,050</u>	-	-
Total	<u>\$ 11,675,000</u>	<u>\$ 3,401,877</u>	<u>\$ 2,465,000</u>	<u>\$ 856,132</u>

Capital Lease Obligations. The following leases are renewable on an annual basis, at the option of the Town, for consecutive one-year periods. Upon final payment, title to the leased assets will pass to the Town.

- Lease obligation for equipment with a total cost of \$563,811 and a book value net of accumulated depreciation at December 31, 2017 of \$285,487. Due in four remaining semi-annual installments of \$45,210 through August 2018. Amortization is based on an interest rate of 3.162%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2017, is \$88,320.
- Lease obligation for equipment with a total cost of \$217,004 and a book value net of accumulated depreciation at December 31, 2017 of \$109,414. Due in five remaining semi-annual installments of \$16,803.27 through March 2019. Amortization is based on an interest rate of 2.19%. The Town may terminate the lease by paying the applicable purchase option price on any scheduled payment. Balance at December 31, 2017, is 49,326.
- Lease obligation for equipment with a total cost of \$208,418 and a book value net of accumulated depreciation at December 31, 2017 of \$139,489. Due in four semi-annual installments of \$18,397 through August 2018. Amortization is based on an interest rate of 1.77%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2017 is \$36,312.
- Lease obligation for equipment with a total cost of \$168,986 and a book value net of accumulated depreciation at December 31, 2017 of \$122,092. Due in ten semi-annual installments of \$13,139 through July 2021. Amortization is based on an interest rate of 2.10%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2017 is \$100,319.
- Lease obligation for equipment with a total cost of \$355,818 and a book value net of accumulated depreciation at December 31, 2017 of \$0. Due in seven annual installments beginning with the first installment in November 2018 of \$55,720 through November 2024. Amortization is based on an interest rate of 2.35%. The

Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2017 is \$355,818.

Annual debt service requirements to maturity for Capital Lease Obligations outstanding at December 31, 2017, are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 165,129	\$ 12,360	\$ 63,864	\$ 1,466
2019	89,905	8,897	-	-
2020	74,947	7,052	-	-
2021	76,647	5,352	-	-
2022	51,969	3,751	-	-
2023-2024	<u>107,632</u>	<u>3,809</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 566,229</u>	<u>\$ 41,221</u>	<u>\$ 63,864</u>	<u>\$ 1,466</u>

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
- Revenue Bonds	\$ 5,790,000	\$ 3,000,000	\$ 564,638	\$ 8,225,362	\$ 576,079
- Certificates of Participation	<u>12,235,000</u>	<u>-</u>	<u>560,000</u>	<u>11,675,000</u>	<u>630,000</u>
	18,025,000	3,000,000	1,124,638	19,900,362	1,206,079
- Bond Premium	<u>302,205</u>	<u>-</u>	<u>9,834</u>	<u>292,371</u>	<u>12,712</u>
Total Bonds Payable	18,327,205	3,000,000	1,134,472	20,192,733	1,218,791
Capitalized Leases Payable	325,518	355,818	115,106	566,230	165,130
Compensated Absences	<u>351,725</u>	<u>632,811</u>	<u>631,150</u>	<u>353,386</u>	<u>353,386</u>
Governmental Activity Long-term Liabilities	<u>\$19,004,448</u>	<u>\$ 3,988,629</u>	<u>\$ 1,880,728</u>	<u>\$21,112,349</u>	<u>\$ 1,737,307</u>
Business-type Activities:					
Certificates of Participation	\$ 2,605,000	\$ -	\$ 140,000	\$ 2,465,000	\$ 145,000
Bond Premium	<u>34,632</u>	<u>-</u>	<u>2,496</u>	<u>32,136</u>	<u>2,496</u>
Total Bonds Payable	2,639,632	-	142,496	2,497,136	147,496
Capitalized Leases Payable	125,824	-	61,960	63,864	63,864
Compensated Absences	<u>56,368</u>	<u>104,421</u>	<u>107,674</u>	<u>53,115</u>	<u>53,115</u>
Business-type Activity Long-term Liabilities	<u>\$ 2,821,824</u>	<u>\$ 104,421</u>	<u>\$ 312,130</u>	<u>\$ 2,614,115</u>	<u>\$ 264,475</u>

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Conduit Debt Obligations. The Town has sponsored the issuance of revenue bonds in prior years to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. Neither the Town, the State of Colorado, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements. Conduit debt obligations at December 31, 2017, are described as follows:

Eaglebend Affordable Housing Corporation. The Eaglebend Affordable Housing Corporation (Eaglebend) was formed on October 23, 1990, to help provide for affordable housing within the Town of Avon. Eaglebend operates exclusively on behalf and for the benefit of the Town to operate a 294-unit apartment project within the Town. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings and equipment upon payment in full of the outstanding indebtedness of Eaglebend.

On August 30, 2006, Eaglebend issued \$18,495,000 of Multifamily Housing Project Revenue Refunding Bonds Series 2006A, Series 2006B, and Series C Subordinate Multifamily Housing Project Bonds to defease \$17,455,000 of outstanding Series 1997A Eaglebend Affordable Housing Corporation Revenue Refunding Bonds, and \$1,355,000 of outstanding Series 1997B&C Subordinate Eaglebend Affordable Housing Corporation Revenue Refunding Bonds. In June 2017 the Series 2006A and 2006C were paid in full by the execution of a promissory note collateralized by a deed of trust on the property and issued in order to pay off all outstanding bonds and fund a construction project on the property.

Eaglebend Dowd Affordable Housing Corporation. The Eaglebend Dowd Affordable Housing Corporation (Dowd) was formed on March 24, 1998, to help provide for affordable housing within Eagle County. Dowd operates a 50-unit apartment project within Eagle County. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings and equipment upon payment in full of the bonds. The Town, however, is in no way obligated to pay the debt service on the bonds.

In 2003, the Town approved the issuance by Dowd of \$9,520,000 in Series 2003 Refunding Revenue Bonds to defease the outstanding Series 1998A Revenue Bonds by placing the proceeds of the Series 2003 bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. In August 2013, Dowd issued \$8,450,000 in Series 2013 Multifamily Housing Project Refunding Revenue Bonds to refund the Series 2003 Bonds. In November 2014, Dowd issued \$8,850,000 of Multifamily Housing Project Refunding Revenue Bonds, Series 2014A to refund and defease the Series 2013 bonds. As of December 31, 2017, there was \$8,336,216 outstanding in Series 2014A Multifamily Housing Project Refunding Revenue Bonds, and \$1,600,000 outstanding in Series 1998 B&C Subordinate Revenue Bonds.

Buffalo Ridge I and II Apartment Project. The Buffalo Ridge I Apartment Project consists of 68 units composed of 2 and 3-bedroom units in four buildings located on the north side of Interstate 70 east of the Town of Avon municipal fleet maintenance facility. The owner of the Buffalo Ridge I Apartments is the Buffalo Ridge Affordable Housing Corporation. In 2002 the Project issued Multifamily Housing Project Revenue Bonds, Series 2002 in order to finance construction costs relating to the Project. As part of the transaction, the lender originated a mortgage loan to the Project insured by the FHA, which was secured by a promissory note and a deed of trust. In addition, to provide security for the Bonds, the Project entered into a Financing Agreement among the Project, the lender and Wells Fargo Bank, NA, as trustee for the Bonds, pursuant to which the Project directed the Trustee to use proceeds of the Bonds to purchase from the lender fully modified mortgage-backed securities secured by the Government National Mortgage Association (the “GNMA Securities”). The bonds were redeemed in 2011 upon the sale of the GNMA Securities. Pursuant to the plan of financing, this project will be transferred to the Town of Avon upon the repayment in full of the outstanding debt.

The project above is part of a total development comprised of 244 units. The Buffalo Ridge II Apartment Project consists of approximately 176 units in eleven (11) three-story buildings. The Town of Avon issued multifamily housing revenue bonds dated May 1, 2002, to provide financing to Buffalo Ridge II, LLLP, a Colorado limited liability partnership formed for the principal purpose of owning the project. On January 11, 2012, the \$14,940,000 outstanding in the Series 2002A Multifamily Housing Project Revenue Bonds and outstanding Series 2002B Taxable Multifamily Housing Project Revenue Bonds were defeased in full.

Defeased Debt. Certain other bonds previously issued by the Town have been defeased by the issuance of refunding bonds. As of December 31, 2017, there are no amounts outstanding on any refunded bonds.

Note 6. Employee Retirement Plans

Full-time Employees. The Town maintains two single-employer, defined contribution pension plans for full-time employees: (1) the Town of Avon Police Officers Money Purchase Pension Plan of which there are 19 participants, and (2) the Town of Avon General Employee Money Purchase Pension Plan of which there are 108 participants as of December 31, 2017. Plan administration and recordkeeping of these plans is provided by The Principal Financial Group.

A defined contribution pension plan has terms that specify how contributions to an individual’s account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant’s account, earnings on investments of those contributions, and forfeitures of other participant’s benefits that may be allocated to the participant’s account.

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All full-time employees are required to participate in one of the above retirement plans upon employment with the Town. The type of plan that an employee participates in is dependent on the type of employee (police officer or general government employee). Town ordinance provides that both the employee and the Town will contribute an amount equal to 11% of the employee's base salary each month.

Employees hired prior to September 30, 1990, become vested in accordance with a vesting schedule which is dependent on the type of employee and hire date. All employees hired after September 30, 1990, start partial vesting after two years of service and are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied, first, to offset administrative expenses of the plans, and second, to reduce matching employer contributions. Forfeitures totaling \$42,595 were used in 2017 for administrative expenses. No forfeitures were used to reduce matching employer contributions.

Contributions made by employees and the Town for the three years ended December 31, 2017, are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employee Contributions	<u>\$ 659,359</u>	<u>\$ 607,999</u>	<u>\$ 577,084</u>
Town Contributions	<u>\$ 659,359</u>	<u>\$ 607,999</u>	<u>\$ 577,084</u>

Both the Town and the covered employees each made the required 11% contributions to the plans. There are no liabilities for benefits beyond the Town's matching payments. No changes in the various plan's provisions occurred in 2017.

Part-time, Temporary and Seasonal Employees. On October 14, 1997, the Town adopted a PTS Retirement Plan administered by the ICMA Retirement Corporation, and established under Section 457 of the Internal Revenue Code that pertains to deferred compensation plans. Plan administration and recordkeeping of this plans was transferred to The Principal Financial Group in November 2017. The PTS plan is designed specifically for employees who are part-time, temporary, or seasonal, and is defined as a Social Security replacement retirement plan. The PTS plan allows participants to defer federal and state income taxes on savings until retirement. The PTS plan requires a minimum contribution of 7.5% of an employee's salary per plan year. This 7.5% may be the employee's contribution, the employer's contribution or a combination of both. The Town elected to have 3.75% contributed by the employee and 3.75% matched by the Town. Employees also have the option to contribute additional amounts.

Upon separation of service, participants may withdraw the account balance in a lump-sum payment, roll the account balance over into another 457 plan, or continue to allow the account balance earn interest tax free. Taxes are paid when funds are withdrawn from the plan.

Contributions made by plan members and the Town for the three years ended December 31, 2017, are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employees	<u>\$33,993</u>	<u>\$36,031</u>	<u>\$36,655</u>
Town	<u>\$26,697</u>	<u>\$25,239</u>	<u>\$25,490</u>

Both the Town and the covered employees each made the required 3.75% contributions to the plan. There are no liabilities for benefits beyond the Town's matching payments. As of December 31, 2017, there were 117 participants in this plan.

Note 7. 457 Deferred Compensation Plan

The Town offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plan administration and recordkeeping is provided by The Principal Financial Group. The 457 plan allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2017, there were 48 participants in the 457 plan.

Note 8. Employee Health Care

The Town has a self-insurance plan for employee health and dental care. A third-party administrator processes individual employee claims and negotiates excess stop-loss insurance policies. Excess stop-loss insurance policies are purchased to cover individual claims in excess of \$35,000 and aggregate total yearly claims in excess of \$1,721,178. Settled benefit claims did not exceed the aggregate total yearly claims for 2017. As of December 31, 2017, the Town held reserves for future claims in the amount of \$449,162.

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The following represents the changes in the claims reserve for the Town for 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Claims Reserve for Future Claims, Beginning of Year	\$ 615,630	\$ 472,594
Current Year Deposits for Estimated Claims	1,484,558	1,537,574
Excess Stop Loss Refunds for Specific (Individual) Claims	240,840	78,413
Claim Payments	<u>(1,891,866)</u>	<u>(1,472,951)</u>
Claims Reserve for Future Claims, End of Year	<u>\$ 449,162</u>	<u>\$ 615,630</u>

Note 9. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as “due to/from other funds”. These interfund receivables and payables are expected to be repaid within the next year. The composition of these interfund balances as of December 31, 2017, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fleet Maintenance Fund	\$ 100,000
Transit Fund	Fleet Maintenance Fund	<u>357,238</u>
Total		<u>\$ 457,238</u>

Interfund Transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 226,327	\$ 2,870,415
Urban Renewal Authority Fund	-	2,978,375
Debt Service	1,017,969	-
Capital Projects Fund	4,264,125	1,244,296
Transit Enterprise Fund	1,390,415	-
Fleet Maintenance Enterprise Fund	360,000	-
Nonmajor Funds:		
Water Fund	-	25,000
Community Enhancement Fund	-	<u>140,750</u>
	<u>7,258,836</u>	<u>7,258,836</u>
Transfer In of Non-financial Resources:		
Transit Enterprise Fund	103,403	-
Internal Service Fund	<u>1,037,255</u>	<u>-</u>
Total	<u>\$ 8,399,494</u>	<u>\$ 7,258,836</u>

In the fund financial statements, total transfers in of \$8,399,494 are greater than total transfers out of \$7,258,836 because of the treatment of transfers of non-financial resources to the Transit enterprise fund and the internal service fund. During the year, capital assets purchased in 2017 related to governmental funds, with a book value of \$103,403 and \$922,148 were transferred to the Transit enterprise fund and internal service fund, respectively. In addition, capital lease principal payments of \$115,107 were made on behalf of the internal service fund. No amounts were reported in the governmental funds as the amounts did not involve the transfer of financial resources. However, the internal service fund reported a transfer in for the capital resources received.

Note 10. Commitments and Contingencies

Litigation. The Town is a party to various legal proceedings. Town management believes ultimate disposition of those subsequent pending claims and legal proceedings will not likely have a material adverse effect, if any, on the financial condition of the Town.

Construction Contract Commitments. As of December 31, 2017, the Town had several construction contract commitments outstanding in the amount of \$819,536.

Intergovernmental Agreement. The Town entered into an Intergovernmental Agreement (IGA) with the Eagle River Fire Protection District (Fire District) on April 28, 2015 for jointly designing, financing, and constructing a Joint Public Safety Facility in the Town of Avon. The IGA expires on June 2, 2020. The IGA provides for many covenants and mutual agreements including temporary financing, design, construction bid process, construction financing, sale and conveyance of land, and construction.

As of December 31, 2017, there have been three amendments to the IGA including entering into a memorandum of agreement regarding cost sharing, and the waiver of various fees by both parties.

Tax, Spending and Debt Limitations. Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

In November 1997, voters within the Town passed a ballot issue which permanently authorizes the Town, without an election, to take action on all spending and revenue raising measures which are limited by TABOR. In addition, voters authorized the Town to keep and spend all revenue collected by the Town regardless of any limitation contained in

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TABOR. The only exceptions are proposed sales or use tax rate increases and property tax rate increases which must be submitted to the voters, unless otherwise allowed by law.

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. TABOR also requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has established an emergency reserve in the General Fund for the year ended December 31, 2017 in the amount of \$688,786.

Town management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 11. Risk Management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 228 municipalities and 41 special districts to provide property, general and automobile liability and public officials coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that 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 Town's annual contribution to CIRSA amounted to \$201,512 for 2017. The Town has not been informed of any excess losses that may have been incurred by the pool.

The Town continues to carry commercial insurance coverage for other risks of loss including workers compensation. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 12. Upper Eagle Regional Water Authority

The Town is a participant in the Upper Eagle Regional Water Authority. The Authority was formed pursuant to an establishing contract on September 18, 1984, by the following municipal and quasi-municipal corporations (Members) located in Eagle County, Colorado.

- Arrowhead Metropolitan District
- Beaver Creek Metropolitan District
- Berry Creek Metropolitan District
- Eagle-Vail Metropolitan District
- Edwards Metropolitan District
- Town of Avon

The Authority also provides water services to the Cordillera and Bachelor Gulch developments through contracts with Members.

The Authority was formed to make the best practicable use of the Members' joint resources in supplying water to the members and to further develop water resources and facilities in Eagle County. The Authority may not be terminated so long as bonds, notes or other obligations are outstanding, unless provision for full payment of such obligations has been made. At December 31, 2017, the Authority had debt with maturities through the year 2039.

The Town has a service contract with the Authority whereby the Authority provides and bills residents of the Town with water at a rate which is expected to cover its costs in providing water services and other functions. Such costs specifically include debt service requirements, depreciation, and operations and maintenance, including maintenance of the Town's water distribution system. As part of the agreement, the Town conveyed its water distributions facilities and leased its water rights, associated easements and improvements to the Authority at no cost. In consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the Town's plan for augmentation and water decrees at no cost.

During 2017, the Authority collected \$154,459 in water surcharges for the Town.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

Note 13. Tax Abatements

The Town has entered into various agreements in order to meet development goals within certain areas of Town. The following areas have continuing development requirements or abatement agreements requiring disclosure.

<u>Development Area</u>	<u>Revenues Impacted</u>	<u>Governing Document</u>	<u>Amount</u>	<u>Requirements</u>
Village at Avon PUD	Sales Tax, Accommodation Tax, Real Estate Transfer Tax	Consolidated, Amended and Restated Annexation and Development Agreement	\$3,921,493	100% tax credit against sales, accommodations and real estate transfer taxes paid within the development area.
Riverfront PUD	Property Tax Increment	Intergovernmental Agreement	\$ 319,232	100% tax rebate of incremental property taxes received from Avon Station Metropolitan District, excluding Lot B.

Note 14. Major Taxpayers

For the year ended December 31, 2017 forty-seven percent (47%) of the Town's sales tax revenues were received from the ten highest-paying companies.



REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

(BUDGETARY BASIS) - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,245,424	12,770,684	\$ 12,562,229	\$ (208,455)
Licenses and Permits	206,100	323,878	341,543	17,665
Intergovernmental	1,010,926	1,055,129	959,782	(95,347)
Charges for Services	1,504,782	1,665,189	1,716,388	51,199
Fines and Forfeitures	92,445	92,445	94,311	1,866
Investment Earnings	25,000	135,000	126,329	(8,671)
Other Revenues	314,900	429,799	408,720	(21,079)
Total Revenues	15,399,577	16,472,124	16,209,302	(262,822)
Expenditures				
Current:				
General Govt., Finance & Administration	3,330,643	3,427,608	3,356,161	71,447
Community Development	935,279	1,533,484	1,505,073	28,411
Public Safety	3,370,680	3,304,540	3,416,991	(112,451)
Public Works	4,442,906	4,389,796	4,180,010	209,786
Recreation	1,434,122	1,411,931	1,436,483	(24,552)
Contingency	250,000	-	-	-
Total Expenditures	13,763,630	14,067,359	13,894,718	172,641
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,635,947	2,404,765	2,314,584	(90,181)
Other Financing Sources (Uses)				
Transfers In:				
Capital Projects Fund	226,327	226,327	226,327	-
Transfers Out:				
Capital Projects Fund	(120,000)	(1,120,000)	(1,120,000)	-
Transit Enterprise Fund	(1,182,000)	(1,390,415)	(1,390,415)	-
Fleet Maintenance Enterprise Fund	(400,000)	(360,000)	(360,000)	-
Debt Issuance Proceeds	-	80,000	80,204	204
Total Other Financing Sources (Uses)	(1,475,673)	(2,564,088)	(2,563,884)	204
Net Change in Fund Balances	160,274	(159,323)	(249,300)	(89,977)
Fund Balances, Beginning of Year	4,576,694	6,063,891	6,063,891	-
Fund Balances, End of year	\$ 4,736,968	\$ 5,904,568	\$ 5,814,591	\$ (89,977)

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTAL INFORMATION AVON URBAN RENEWAL AUTHORITY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,000,832	\$ 1,124,116	\$ 1,136,777	\$ 12,661
Investment Earnings	4,712	6,282	7,114	832
Total Revenues	<u>1,005,544</u>	<u>1,130,398</u>	<u>1,143,891</u>	<u>13,493</u>
Expenditures				
Current:				
General Government	3,450	3,450	-	3,450
Capital Improvements	-	50,000	32,651	17,349
Debt Service:				
Principal	545,000	564,637	564,637	-
Interest	282,569	282,253	282,253	-
Bond Issuance Costs	90,000	81,625	81,625	-
Fiscal Charges	39,500	34,500	34,662	(162)
Total Expenditures	<u>960,519</u>	<u>1,016,465</u>	<u>995,828</u>	<u>20,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>45,025</u>	<u>113,933</u>	<u>148,063</u>	<u>34,130</u>
Other Financing Sources (Uses)				
Transfers Out:				
Capital Project Fund	(2,900,000)	(2,978,375)	(2,978,375)	-
Debt Issuance Proceeds	3,000,000	3,000,000	3,000,000	-
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>21,625</u>	<u>21,625</u>	<u>-</u>
Net Change in Fund Balances	145,025	135,558	169,688	34,130
Fund Balances, Beginning of Year	<u>1,162,585</u>	<u>1,187,763</u>	<u>1,187,763</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 1,307,610</u>	<u>\$ 1,323,321</u>	<u>\$ 1,357,451</u>	<u>\$ 34,130</u>

TOWN OF AVON, COLORADO

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION DECEMBER 31, 2017

Note 1. Budgetary Information

An annual budget is legally adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. Appropriations lapse at fiscal year-end except for capital projects and special revenue funds which may have project-length budgets that carryover from year-to-year. However, as a matter of practice, the Town adopts annual budgets for all funds. The budget is prepared by fund, department, program, object and project. Expenditures may not legally exceed budgeted appropriations at the fund level.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (e.g. the Department of Public Works).

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SUPPLEMENTAL SECTION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Water Fund – This fund is used to account for the cost of maintaining certain water-related assets and for the receipt of water surcharges and tap fees within the Town limits.

Community Enhancement Fund – This fund is used to account for revenues received from a franchisee and restricted for use for beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events, and undergrounding of overhead electric and other utility lines.

Affordable Housing Fund – This fund is used to accumulate and account for resources received and restricted for use in the Town's affordable housing program.

Exterior Energy Offset Fund – This fund is used to account for fees collected at building permit to create financial assistance, rebates, and incentives to promote energy efficient projects within the Town of Avon. Fees are established based on a formula using BTUs required for certain amenities over a 20-year period.

TOWN OF AVON, COLORADO

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2017

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Water Fund	Community Enhancement Fund	Affordable Housing Fund	Exterior Energy Offset Fund	
ASSETS					
Cash and Cash Equivalents	\$ 138,541	\$ (78,545)	\$ 592,978	\$ 32,768	\$ 685,742
Receivables:					
- Accounts	-	78,545	144	-	78,689
- Intergovernmental	58,800	-	-	-	58,800
Notes Receivable	-	-	20,560	-	20,560
Total Assets	\$ 197,341	\$ -	\$ 613,682	\$ 32,768	\$ 843,791
LIABILITIES					
Accounts Payable	\$ 4,547	\$ -	\$ 513	\$ -	\$ 5,060
Accrued Liabilities	621	-	-	-	621
Deposits and Reserves	-	-	3,623	-	3,623
Unearned Revenue	-	-	3,500	-	3,500
Total Liabilities	5,168	-	7,636	-	12,804
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Notes Receivable	-	-	20,560	-	20,560
Total Deferred Inflows of Resources	-	-	20,560	-	20,560
FUND BALANCES					
Restricted For:					
Water Projects	192,173	-	-	-	192,173
Affordable Housing Programs	-	-	585,486	-	585,486
Exterior Energy Offset Programs	-	-	-	32,768	32,768
Total Fund Balances	192,173	-	585,486	32,768	810,427
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 197,341	\$ -	\$ 613,682	\$ 32,768	\$ 843,791

TOWN OF AVON, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Water Fund	Community Enhancement Fund	Affordable Housing Fund	Exterior Energy Offset Fund	
Revenues					
Licenses and Permits	-	-	-	32,768	32,768
Charges for Services	275,490	-	13,934	-	289,424
Investment Earnings	-	-	720	-	720
Other Revenues	-	78,545	77,770	-	156,315
Total Revenues	<u>275,490</u>	<u>78,545</u>	<u>92,424</u>	<u>32,768</u>	<u>479,227</u>
Expenditures					
Current:					
General Government	-	-	23,121	-	23,121
Public Works and Utilities	138,212	-	-	-	138,212
Total Expenditures	<u>138,212</u>	<u>-</u>	<u>23,121</u>	<u>-</u>	<u>161,333</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	137,278	78,545	69,303	32,768	317,894
Other Financing Sources (Uses):					
Transfers Out:					
Capital Projects Fund	(25,000)	(140,750)	-	-	(165,750)
Net Change in Fund Balances	112,278	(62,205)	69,303	32,768	152,144
Fund Balances, Beginning of Year	<u>79,895</u>	<u>62,205</u>	<u>516,183</u>	<u>-</u>	<u>658,283</u>
Fund Balances, End of year	<u>\$ 192,173</u>	<u>\$ -</u>	<u>\$ 585,486</u>	<u>\$ 32,768</u>	<u>\$ 810,427</u>

TOWN OF AVON, COLORADO

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 211,200	\$ 213,475	\$ 275,490	\$ 62,015
Total Revenues	<u>211,200</u>	<u>213,475</u>	<u>275,490</u>	<u>62,015</u>
Expenditures				
Current:				
Public Works and Utilities	<u>157,977</u>	<u>156,424</u>	<u>138,212</u>	<u>18,212</u>
Total Expenditures	<u>157,977</u>	<u>156,424</u>	<u>138,212</u>	<u>18,212</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,223	57,051	137,278	80,227
Other Financing Sources (Uses)				
Transfers Out:				
Capital Projects Fund	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balances	53,223	32,051	112,278	80,227
Fund Balances, Beginning of Year	<u>38,173</u>	<u>79,895</u>	<u>79,895</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 91,396</u>	<u>\$ 111,946</u>	<u>\$ 192,173</u>	<u>\$ 80,227</u>

TOWN OF AVON, COLORADO

COMMUNITY ENHANCEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other Revenues	\$ 84,000	\$ 80,000	\$ 78,545	\$ (1,455)
Total Revenues	84,000	80,000	78,545	(1,455)
Expenditures				
Current:				
Public Works and Utilities	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	84,000	80,000	78,545	(1,455)
Other Financing Sources (Uses):				
Transfers Out:				
Capital Projects Fund	(158,000)	(142,000)	(140,750)	1,250
Net Change in Fund Balances	(74,000)	(62,000)	(62,205)	(205)
Fund Balances, Beginning of Year	74,469	62,205	62,205	-
Fund Balances, End of year	\$ 469	\$ 205	\$ -	\$ (205)

TOWN OF AVON, COLORADO

AFFORDABLE HOUSING FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment Earnings	\$ 721	\$ 721	\$ 720	\$ (1)
Charges for Services	-	-	13,934	13,934
Other Revenues	3,020	72,425	77,770	5,345
Total Revenues	3,741	73,146	92,424	19,278
Expenditures				
Current:				
General Government	25,000	26,000	23,121	2,879
Total Expenditures	25,000	26,000	23,121	2,879
Net Change in Fund Balances	(21,259)	47,146	69,303	22,157
Fund Balances, Beginning of Year	506,220	516,183	516,183	-
Fund Balances, End of year	\$ 484,961	\$ 563,329	\$ 585,486	\$ 22,157

TOWN OF AVON, COLORADO

EXTERIOR ENERGY OFFSET FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits	\$ -	\$ 32,768	\$ 32,768	\$ -
Total Revenues	-	32,768	32,768	-
Expenditures				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	-	32,768	32,768	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of year	\$ -	\$ 32,768	\$ 32,768	\$ -

TOWN OF AVON, COLORADO

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Investment Earnings	2,100	4,500	5,023	523
Total Revenues	<u>2,100</u>	<u>4,500</u>	<u>5,023</u>	<u>523</u>
Expenditures				
Debt Service:				
Principal	560,000	560,000	560,000	-
Interest	457,469	457,469	457,469	-
Fiscal Charges	10,000	5,000	6,500	(1,500)
Total Expenditures	<u>1,027,469</u>	<u>1,022,469</u>	<u>1,023,969</u>	<u>(1,500)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,025,369)	(1,017,969)	(1,018,946)	(977)
Other Financing Sources (Uses)				
Transfers In:				
Capital Projects Fund	1,025,369	1,017,969	1,017,969	-
Net Change in Fund Balances	-	-	(977)	(977)
Fund Balances, Beginning of Year	<u>530,467</u>	<u>536,567</u>	<u>536,567</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 530,467</u>	<u>\$ 536,567</u>	<u>\$ 535,590</u>	<u>\$ (977)</u>

TOWN OF AVON, COLORADO

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Real Estate Transfer Tax	\$ 2,200,000	\$ 4,200,000	\$ 4,449,530	\$ 249,530
Intergovernmental	390,000	420,000	70,000	(350,000)
Investment Earnings	10,460	75,000	39,811	(35,189)
Other Revenues	80,000	80,000	99,002	19,002
Total Revenues	2,680,460	4,775,000	4,658,343	(116,657)
Expenditures				
Capital Projects:				
Facilities	2,961,841	7,153,034	4,370,924	2,782,110
Land and Land Improvements	1,220,150	1,260,703	700,987	559,716
Roads and Streets	3,110,000	5,120,671	1,458,111	3,662,560
Water Fund Projects	25,000	25,000	24,618	382
Strategic Planning	-	75,000	95,856	(20,856)
Other	-	38,000	38,000	-
Debt Service:				
Capital Leases	121,770	121,770	121,769	1
Total Expenditures	7,438,761	13,794,178	6,810,265	6,983,913
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,758,301)	(9,019,178)	(2,151,922)	6,867,256
Other Financing Sources (Uses)				
Transfers In:				
General Fund	120,000	1,120,000	1,120,000	-
Avon Urban Renewal Fund	2,900,000	2,978,375	2,978,375	-
Water Fund	-	25,000	25,000	-
Community Enhancement Fund	158,000	142,000	140,750	(1,250)
Transfers Out:				
General Fund	(226,327)	(226,327)	(226,327)	-
Debt Service Fund	(1,025,369)	(1,017,969)	(1,017,969)	-
Total Other Financing Sources (Uses)	1,926,304	3,021,079	3,019,829	(1,250)
Net Change in Fund Balances	(2,831,997)	(5,998,099)	867,907	6,866,006
Fund Balances, Beginning of Year	4,840,168	10,416,611	10,414,708	(1,903)
Fund Balances, End of Year	\$ 2,008,171	\$ 4,418,512	\$ 11,282,615	\$ 6,864,103

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or where the Town Council has decided that periodic determination of net income is appropriate for accountability purposes.

Transit Fund – This fund is used to account for the activities involved in operating the Town’s transportation system.

Fleet Maintenance Fund – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

TOWN OF AVON, COLORADO

TRANSIT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 40,397	\$ 40,297	\$ 40,297	\$ -
Intergovernmental	328,000	328,000	328,000	-
Charges for Services	239,930	219,351	267,215	47,864
Other Revenue	93,940	93,940	86,131	(7,809)
Total Revenues	702,267	681,588	721,643	40,055
Expenditures:				
Administration	247,060	258,360	247,658	10,702
Operations	1,571,189	1,727,168	1,754,258	(27,090)
Wash Bay	130,110	146,534	135,278	11,256
Total Expenditures	1,948,359	2,132,062	2,137,194	(5,132)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,246,092)	(1,450,474)	(1,415,551)	34,923
Other Financing Sources (Uses):				
Transfers In:				
General Fund	1,182,000	1,390,415	1,390,415	-
Net Change in Fund Balances	(64,092)	(60,059)	(25,136)	34,923
Fund Balances, Beginning of Year	630,441	685,600	685,600	-
Fund Balances, End of Year	\$ 566,349	\$ 625,541	\$ 660,464	\$ 34,923

Fund Balances at December 31, 2017, is computed as follows:

Current Assets	\$ 750,481
Less: Current Liabilities and Deferred Inflows of Resources	(148,838)
Add: Current Portion of Capital Leases Payable	58,821
Fund Balances - December 31, 2017	\$ 660,464

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET POSITION (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis) \$ (25,136)

**Adjustments to Reconcile Budgetary
Basis to GAAP Basis**

Capitalization of Capital Assets	415,415
Principal Paid on Capital Leases	57,005
Transfers In of Non-financial Resources	103,403
Depreciation	<u>(588,784)</u>

Total Adjustments (12,961)

Change in Net Position (GAAP Basis) \$ (38,097)

TOWN OF AVON, COLORADO

FLEET MAINTENANCE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services:				
Third-party Fleet Maintenance Charges	\$ 758,240	\$ 758,240	\$ 516,781	\$ (241,459)
Departmental Fleet Maintenance Services	511,186	511,186	584,919	73,733
Fuel Mark-up	10,000	10,000	26,115	16,115
Other Revenues	-	-	1,609	1,609
Total Revenues	<u>1,279,426</u>	<u>1,279,426</u>	<u>1,129,424</u>	<u>(150,002)</u>
Expenditures:				
Fleet Maintenance	<u>1,652,546</u>	<u>1,622,757</u>	<u>1,662,609</u>	<u>(39,852)</u>
Total Expenditures	<u>1,652,546</u>	<u>1,622,757</u>	<u>1,662,609</u>	<u>(39,852)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(373,120)</u>	<u>(343,331)</u>	<u>(533,185)</u>	<u>(189,854)</u>
Other Financing Sources (Uses):				
Transfers In:				
General Fund	400,000	360,000	360,000	-
Net Change in Fund Balances	<u>26,880</u>	<u>16,669</u>	<u>(173,185)</u>	<u>(189,854)</u>
Fund Balances, Beginning of Year	<u>139,750</u>	<u>223,149</u>	<u>223,149</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 166,630</u>	<u>\$ 239,818</u>	<u>\$ 49,964</u>	<u>\$ (189,854)</u>

Fund Balances at December 31, 2017, is computed as follows:

Current Assets	\$ 665,694
Less: Current Liabilities	(768,269)
Add: Current Portion of Certificates of Participation	147,496
Add: Current Portion of Capital Leases Payable	5,043
Fund Balances - December 31, 2017	<u>\$ 49,964</u>

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET POSITION (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis) \$ (173,185)

**Adjustments to Reconcile Budgetary
Basis to GAAP Basis**

Principal Paid on Certificates of Participation	140,000
Principal Paid on Capital Lease Obligations	4,955
Amortization of Premium and Gain on Advance Refunding of Debt	2,909
Depreciation	<u>(141,029)</u>

Total Adjustments 6,835

Change in Net Position (GAAP Basis) \$ (166,350)

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town and to other government units, on a cost reimbursement basis.

Equipment Replacement Fund – This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

TOWN OF AVON, COLORADO

EQUIPMENT REPLACEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services:				
Equipment Replacement Charges	\$ 646,800	\$ 646,800	\$ 646,800	\$ -
Total Revenues	646,800	646,800	646,800	-
Expenditures:				
Capital Outlay:				
Fleet and Heavy Equipment	220,500	311,190	35,575	275,615
Recreation Center Equipment & Improvements	8,857	12,297	12,405	(108)
Computer and Office Equipment	152,948	151,716	147,194	4,522
Machinery and Equipment	4,895	4,895	3,204	1,691
Heat Recovery System	-	3,205	-	3,205
Total Expenditures	387,200	483,303	198,378	284,925
Excess (Deficiency) of Revenues Over (Under) Expenditures	259,600	163,497	448,422	284,925
Other Financing Sources (Uses):				
Sales of Capital Assets	15,000	15,000	32,962	17,962
Debt Issuance Proceeds	185,000	275,615	275,614	(1)
Total Other Financing Sources (Uses)	200,000	290,615	308,576	17,961
Net Change in Fund Balances	459,600	454,112	756,998	302,886
Fund Balances, Beginning of Year	2,640,322	2,777,507	2,777,507	-
Fund Balances, End of Year	\$ 3,099,922	\$ 3,231,619	\$ 3,534,505	\$ 302,886

Fund Balances at December 31, 2017, is computed as follows:

Current Assets	\$ 3,534,531
Less: Current Liabilities	(154,391)
Add: Current Portion of Capital Leases Payable	154,365
Fund Balances - December 31, 2017	\$ 3,534,505

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET POSITION (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	<u>\$ 756,998</u>
Basis to GAAP Basis	
Capitalization of Capital Assets	1,059,496
Debt Issuance Proceeds Received	(275,614)
Book Value of Capital Assets Disposed	(18,892)
Transfers In of Non-financial Resources	115,107
Depreciation	<u>(502,667)</u>
Total Adjustments	<u>377,430</u>
Change in Net Position (GAAP Basis)	<u><u>\$ 1,134,428</u></u>

MISCELLANEOUS SCHEDULES

TOWN OF AVON, COLORADO

DEBT SCHEDULE DECEMBER 31, 2017

Purpose	Schedule of Indebtedness					Payments Due In 2018	
	Date Issued	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding	Principal	Interest
Revenue Bonds:							
Series 2013, Avon URA Tax Increment Revenue Bonds	11/27/13	3.52%	12/1/28	\$ 6,825,000	\$ 5,395,000	\$ 410,000	\$ 189,904
Series 2017, Avon URA Tax Increment Revenue Bonds	1/5/17	2.90%	12/1/31	3,000,000	2,830,362	166,079	82,004
Total Revenue Bonds				<u>9,825,000</u>	<u>8,225,362</u>	<u>576,079</u>	<u>271,908</u>
Certificates of Participation:							
Series 2010, Certificates of Participation	11/16/10	2.00%-5.00%	12/1/30	6,680,000	4,885,000	290,000	216,688
Series 2014B, Certificates of Participation	1/14/15	3.03%	12/1/29	3,800,000	3,160,000	220,000	95,748
Series 2016, Certificates of Participation	8/2/16	2.00%-4.00%	12/1/35	6,300,000	6,095,000	265,000	178,775
Total Certificates of Participation				<u>16,780,000</u>	<u>14,140,000</u>	<u>775,000</u>	<u>491,211</u>
Capital Lease Obligations							
Master Lease-Purchase, US Bancorp	8/26/11	3.162%	8/26/18	563,811	88,320	88,320	2,100
Master Lease-Purchase, US Bancorp	3/15/12	2.19%	3/15/19	217,004	49,326	32,704	902
Master Lease-Purchase, Commerce Bank	8/27/13	1.77%	8/27/18	175,326	36,312	36,312	483
Master Lease-Purchase, US Bancorp	7/25/14	2.10%	7/15/21	170,246	100,319	24,300	1,979
Master Lease-Purchase, Clayton Holdings	10/5/17	2.35%	11/27/24	355,818	355,818	47,358	8,362
Total Capital Lease Obligations				<u>1,482,205</u>	<u>630,095</u>	<u>228,994</u>	<u>13,826</u>
Total Long-term Debt				<u>\$ 28,087,205</u>	<u>\$ 22,995,457</u>	<u>\$ 1,580,073</u>	<u>\$ 776,945</u>

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Mayor and Town Council	\$ 210,472	\$ 218,786	\$ 218,454	\$ 332
Boards and Commissions	15,299	18,192	13,228	4,964
Town Attorney	132,000	132,000	120,393	11,607
Town Clerk	103,471	124,455	106,185	18,270
Municipal Court	129,000	137,287	120,667	16,620
Town Manager	403,797	382,240	349,501	32,739
Community Relations	171,497	187,372	197,403	(10,031)
Subtotal General Government	1,165,536	1,200,332	1,125,831	74,501
Human Resources:				
Human Resources	431,677	445,365	443,676	1,689
Finance and Information Technology:				
Finance	844,922	886,438	872,178	14,260
Information Systems	406,753	400,647	394,014	6,633
Nondepartmental	481,755	494,826	520,462	(25,636)
Subtotal Finance and Administration	1,733,430	1,781,911	1,786,654	(4,743)
Total General Government, Finance and Administration	3,330,643	3,427,608	3,356,161	71,447
Community Development:				
Planning	263,033	282,393	267,413	14,980
Building Inspection	149,265	148,302	145,487	2,815
Town Produced Events	302,421	598,952	609,604	(10,652)
Signature Event Seed Funding	50,000	296,217	309,449	(13,232)
Community Grants	170,560	207,620	173,120	34,500
Total Community Development	935,279	1,533,484	1,505,073	28,411

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Safety: Police				
Administration	683,437	685,087	686,727	(1,640)
Patrol	2,415,803	2,352,401	2,449,547	(97,146)
Investigations	271,440	267,052	280,717	(13,665)
Total Public Safety	3,370,680	3,304,540	3,416,991	(112,451)
Public Works:				
Engineering	\$ 240,776	\$ 245,969	\$ 239,144	\$ 6,825
Buildings and Facilities	1,152,037	1,218,952	1,121,669	97,283
Roads and Bridges	2,354,312	2,259,519	2,204,890	54,629
Parks and Grounds	695,781	665,356	614,307	51,049
Total Public Works	4,442,906	4,389,796	4,180,010	209,786
Recreation:				
Administration	227,282	227,743	226,021	1,722
Adult Programs	56,087	55,962	52,019	3,943
Aquatics	558,841	533,684	573,607	(39,923)
Fitness	150,785	150,645	148,095	2,550
Guest Services	295,366	308,017	307,098	919
Youth Programs	145,761	135,880	129,643	6,237
Total Recreation	1,434,122	1,411,931	1,436,483	(24,552)
Contingency	250,000	-	-	-
TOTAL EXPENDITURES	\$ 13,763,630	\$ 14,067,359	\$ 13,894,718	\$ 172,641

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes:				
General Property Tax	\$ 1,735,425	\$ 1,735,425	\$ 1,736,538	\$ 1,113
General Property Tax - Delinquent Collections	500	500	22	(478)
General Property Tax - Interest and Penalties	1,000	1,673	2,840	1,167
Specific Ownership Tax	120,000	120,000	99,498	(20,502)
Sales Tax	7,809,521	8,218,606	8,051,066	(167,540)
Utility Tax	110,000	110,000	102,279	(7,721)
Accommodations Tax	1,323,978	1,319,538	1,333,939	14,401
Penalties and Interest	25,000	25,000	32,450	7,450
Sales Tax Audit Assessments	5,000	20,000	20,203	203
VAA Retail Sales Fee	700,000	781,822	763,915	(17,907)
Franchise Fees	415,000	438,120	419,479	(18,641)
Total Taxes	12,245,424	12,770,684	12,562,229	(208,455)
Licenses and Permits:				
Liquor Licenses	7,000	7,000	8,086	1,086
Business Licenses	65,000	84,678	85,425	747
Contractor's Licenses	10,500	10,500	10,765	265
Building Permits	115,000	185,000	200,756	15,756
Road Cut Permits	8,000	11,100	11,361	261
Mobile Vendor Cart Permits	600	600	150	(450)
School Site In-lieu-of Payment	-	25,000	25,000	-
Total Licenses and Permits	206,100	323,878	341,543	17,665
Intergovernmental:				
Federal:				
Click It or Ticket	5,500	5,500	4,180	(1,320)
Bullet Proof Vest Grant	2,000	2,000	1,237	(763)
State:				
LEAF Grant	23,000	23,000	10,972	(12,028)
High Visibility Grants	27,000	27,000	24,524	(2,476)
Other State Grants	-	34,203	38,608	4,405
Local Government/Other Agency				
Eagle River Youth Coalition	8,500	8,500	6,477	(2,023)
State/County Shared Revenue:				
Conservation Trust	62,000	72,000	64,771	(7,229)
Motor Vehicle Registration	22,000	22,000	24,613	2,613
Highway User's Tax	201,963	201,963	193,875	(8,088)
Cigarette Tax	42,000	42,000	37,696	(4,304)
County Sales Tax	483,743	483,743	424,225	(59,518)
Road & Bridge Fund	132,220	132,220	127,800	(4,420)
State Severance Tax	1,000	1,000	804	(196)
Total Intergovernmental	1,010,926	1,055,129	959,782	(95,347)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Charges for Services:				
General Government:				
Photocopying Charges	\$ 300	\$ 300	\$ -	\$ (300)
License Hearing Fees	100	100	-	(100)
Other Fees and Charges	1,250	1,250	2,576	1,326
Credit Card and Paper Filing Fees	-	-	2,691	2,691
Plan Check Fees	95,000	95,000	111,012	16,012
Subdivision Review Fees	1,000	1,000	-	(1,000)
Design Review Fees	14,295	14,295	14,485	190
Animal Control Fees	500	500	120	(380)
Abatement Services	-	-	300	300
Impact Fee Administrative Fees	750	750	1,795	1,045
Police Reports	600	600	620	20
Off-duty Police Employment	25,000	25,000	23,922	(1,078)
Fingerprinting Fees	4,500	4,500	5,844	1,344
VIN Inspection Fees	18,000	18,000	13,540	(4,460)
False Alarm Fees	500	500	70	(430)
National Night Out	2,000	2,000	3,476	1,476
Kids, Cops, Hoops	-	-	400	400
DUI Reimbursement	24,250	24,250	16,283	(7,967)
Subtotal: General Government	188,045	188,045	197,134	9,089
Recreation Center:				
Admission Fees	888,200	925,000	963,861	38,861
Program Fees	70,610	88,810	87,796	(1,014)
Rentals	45,000	45,000	49,543	4,543
Merchandise Sales	8,500	8,500	7,660	(840)
Other Recreation Center Services	9,200	9,200	9,531	331
Fitness Program Revenues	52,000	52,000	52,534	534
Other Recreation:				
Adult Program Revenues	25,350	25,350	19,350	(6,000)
Cabin Equipment Rentals	13,500	22,000	24,254	2,254
Athletic Field Rentals	-	2,000	2,270	270
Youth Program Revenues	145,565	145,565	170,710	25,145
Ticket Sales	-	84,500	80,807	(3,693)
Revenues from Vendor Sales	-	7,040	6,868	(172)
Sponsorships	38,000	25,600	22,175	(3,425)
Event Fees	10,525	20,100	10,600	(9,500)
Special Event Admission Fees	10,287	16,479	11,295	(5,184)
Subtotal: Recreation	1,316,737	1,477,144	1,519,254	42,110
Total Charges for Services	1,504,782	1,665,189	1,716,388	51,199

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Fines and Forfeitures:				
Court Fines - Traffic	\$ 51,300	\$ 51,300	\$ 63,765	\$ 12,465
Court Fines - Criminal	21,000	21,000	16,081	(4,919)
Court Fines - Parking	6,735	6,735	3,775	(2,960)
Court Costs	7,000	7,000	5,210	(1,790)
Jury Fees	100	100	-	(100)
Bond Forfeitures	100	100	-	(100)
Police Training Surcharge	6,210	6,210	5,480	(730)
Total Fines and Forfeitures	92,445	92,445	94,311	1,866
Investment Earnings	25,000	135,000	126,329	(8,671)
Miscellaneous Revenues:				
Recreational Amenity Fees	235,000	325,000	275,511	(49,489)
Bond Issuance Fee	9,800	10,532	10,476	(56)
Lease of Town-owned Property	40,000	40,000	37,258	(2,742)
Miscellaneous Nonclassified Revenues	30,100	54,267	85,475	31,208
Total Miscellaneous Revenues	314,900	429,799	408,720	(21,079)
TOTAL REVENUES	\$ 15,399,577	\$ 16,472,124	\$ 16,209,302	\$ (262,822)

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TOWN OF AVON, COLORADO

SCHEDULE OF CAPITAL PROJECT FUND PROJECT EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2017

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
CAPITAL IMPROVEMENT PROJECTS					
Facilities:					
<i>General Government Facilities:</i>					
<i>New Town Hall:</i>					
Tenant Finish Design	\$ 37,838	\$ 163,574	\$ 201,412	\$ 219,725	\$ 18,313
Tenant Finish Construction	62,447	(1,771)	60,676	2,699,500	2,638,824
Sustainability/Leed Designation	-	-	-	60,000	60,000
Fiber - PSF to NTH	-	112,709	112,709	135,275	22,566
<i>Joint Public Safety Facility Project:</i>					
Design	332,736	119,303	452,039	450,000	(2,039)
Construction	2,586,599	3,803,705	6,390,304	6,320,855	(69,449)
Fiber - ARTF to PSF	-	91,065	91,065	141,305	50,240
<i>Transportation Facilities:</i>					
Transit Bus Stop - Traer Creek Plaza	57,433	3,082	60,515	60,000	(515)
Transit Bus Stop - Eaglebend / US Hwy 6	40,249	2,638	42,887	48,000	5,113
ARTF Doors	-	13,137	13,137	55,000	41,863
<i>Cultural and Recreational Facilities:</i>					
Nottingham Park Pavilion Retractable Doors	4,496	2,807	7,303	204,496	197,193
<i>Other Facilities</i>					
Avon Elementary Parking Lot Repair	-	60,675	60,675	60,676	1
Land and Land Improvements:					
Nottingham Park Zone C Imp. - Playground	73,966	255,420	329,386	872,266	542,880
Nottingham Park Restroom Remodel	-	327,942	327,942	348,430	20,488
Eagle River Whitewater Park Repair	-	6,720	6,720	90,000	83,280
Nottingham Park Light Upgrade	-	110,905	110,905	125,000	14,095
Roads and Streets:					
<i>Streetscape Improvements:</i>					
Avon Rd. / I70 Overpass Pedestrian Safety Imp.	12,209	30,799	43,008	88,000	44,992
Wayfinding Signage	24,145	10,497	34,642	59,145	24,503
Avon Rd./I70 Overpass Aesthetics Imp.	-	-	-	270,000	270,000

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
CAPITAL IMPROVEMENT PROJECTS					
Roads and Streets (Continued)					
<i>Street Maintenance and Repair:</i>					
Microsurface Slurry Seal:	\$ -	\$ 246,023	\$ 246,023	\$ 250,000	\$ 3,977
Post Blvd. Settlement Repair	9,550	500	10,050	75,000	64,950
Wildwood Road Repair	7,834	1,016	8,850	75,000	66,150
Eaglebend Dr. and Nottingham Rd. Repaving	7,500	664,043	671,543	1,097,500	425,957
<i>Street Improvements:</i>					
Walkability - East and West B/C Blvd.	\$ 86,992	\$ 111,951	\$ 198,943	\$ 3,110,739	\$ 2,911,796
2017 Safety Improvements	-	2,000	2,000	30,000	28,000
West B/C Blvd. RR Crossing Improvements	5,970	3,861	9,831	110,000	100,169
East Benchmark Rd./Beaver Creek Place	-	384,821	384,821	425,587	40,766
<i>Recreational Trails Program:</i>					
Soft and Hard Surface Trail Improvements	49,115	2,600	51,715	150,000	98,285
2017 Trail Improvements	-	-	-	100,000	100,000
Water Fund Projects:					
Nottingham Rd. Debris Flow Study	-	24,618	24,618	425,000	400,382
Strategic Planning					
Tract G Core / Parking Plan	-	95,856	95,856	75,000	(20,856)
Other					
RETT Rebate	-	38,000	38,000	38,000	-
Total Capital Improvement Projects	\$ 3,399,079	\$ 6,688,496	\$ 10,087,575	\$ 18,269,499	\$ 8,181,924

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Avon
		YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of _):	Prepared By: Phone:	Valerie Barry 970-748-4044

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,601,959
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	367,432
2. General fund appropriations	1,844,654	b. Snow and ice removal	680,447
3. Other local imposts (from page 2)	99,498	c. Other	
4. Miscellaneous local receipts (from page 2)	1,294,887	d. Total (a. through c.)	1,047,879
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,649,838
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	269,791
7. Total (1 through 6)	3,239,039	b. Redemption	537,899
B. Private Contributions		c. Total (a. + b.)	807,690
C. Receipts from State government (from page 2)	218,489	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,457,527	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	807,690
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,457,527

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	8,335,190		537,899	7,797,291
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	3,457,527	3,457,527		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	99,498	g. Other Misc. Receipts	
6. Total (1. through 5.)	99,498	h. Other Real Estate Xfer Tax	1,294,887
c. Total (a. + b.)	99,498	i. Total (a. through h.)	1,294,887
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	193,875	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	24,613	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	24,613	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	218,489	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

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STATISTICAL SECTION

STATISTICAL SECTION

This section of the Town of Avon's comprehensive annual 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 Town's overall financial health.

Financial Trends (Pages 92-100) – These schedules contain trend information to help readers understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity (Pages 101-105) – These schedules contain information to help readers understand and assess the factors affecting the Town's ability to generate its own-source revenues, specifically property taxes.

Debt Capacity (Pages 106-109) – These schedules present information to help readers understand and assess the Town's debt burden and ability to issue additional debt.

Demographic and Economic Information (Pages 110-112) – These schedules offer demographic and economic information to help readers understand the environment in which the Town's financial activities take place and to provide information that facilitates comparisons of financial statement information over time and among other local governments.

Operating Information (Pages 113-115) – These schedules contain service and infrastructure information to help readers understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

TOWN OF AVON, COLORADO

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Governmental Activities				
Net Investment in Capital Assets	\$ 16,344,236	\$ 34,458,411	\$ 35,651,654	\$ 34,738,700
Restricted For:				
Emergencies	566,949	470,037	503,650	447,963
Debt Service	4,962,675	1,258,256	1,055,410	1,047,077
Capital Improvements	14,762,243	-	3,000,722	2,972,175
Urban Renewal	-	-	-	242,620
Purposes of Grantors	-	-	-	2,725,334
Unrestricted	17,245,855	16,488,477	15,935,700	14,345,936
Total Governmental Activities Net Position	<u>\$ 53,881,958</u>	<u>\$ 52,675,181</u>	<u>\$ 56,147,136</u>	<u>\$ 56,519,805</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 2,855,688	\$ 2,729,412	\$ 2,154,069	\$ 1,815,425
Unrestricted	1,057,813	1,147,965	1,219,055	1,256,004
Total Business-type Activities Net Position	<u>\$ 3,913,501</u>	<u>\$ 3,877,377</u>	<u>\$ 3,373,124</u>	<u>\$ 3,071,429</u>
Primary Government				
Net Investment in Capital Assets	\$ 19,199,924	\$ 37,187,823	\$ 37,805,723	\$ 36,554,125
Restricted	20,291,867	1,728,293	4,559,782	7,435,169
Unrestricted	18,303,668	17,636,442	17,154,755	15,601,940
Total Primary Government Net Position	<u>\$ 57,795,459</u>	<u>\$ 56,552,558</u>	<u>\$ 59,520,260</u>	<u>\$ 59,591,234</u>

Source: Town of Avon Finance Department

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 36,904,217	\$ 34,774,531	\$ 64,112,399	\$ 60,000,945	\$ 58,088,785	\$ 56,693,531
428,947	476,619	598,376	552,335	664,805	688,786
1,015,589	1,139,575	1,136,228	1,157,629	1,169,163	1,175,301
2,530,266	4,635,904	3,386,451	6,198,817	5,921,087	3,373,917
216,002	367,082	305,379	404,048	555,167	717,740
2,238,966	2,007,140	929,226	1,106,628	142,100	192,173
<u>13,544,676</u>	<u>10,217,136</u>	<u>10,466,381</u>	<u>11,283,921</u>	<u>16,341,288</u>	<u>20,329,098</u>
<u>\$ 56,878,663</u>	<u>\$ 53,617,987</u>	<u>\$ 80,934,440</u>	<u>\$ 80,704,323</u>	<u>\$ 82,882,395</u>	<u>\$ 83,170,546</u>
\$ 1,761,245	\$ 12,583,125	\$ 12,097,298	\$ 11,633,282	\$ 11,430,538	\$ 11,424,412
943,960	783,529	843,503	859,368	908,749	710,428
<u>\$ 2,705,205</u>	<u>\$ 13,366,654</u>	<u>\$ 12,940,801</u>	<u>\$ 12,492,650</u>	<u>\$ 12,339,287</u>	<u>\$ 12,134,840</u>
\$ 38,665,462	\$ 47,357,656	\$ 76,209,697	\$ 71,634,227	\$ 69,519,323	\$ 68,117,943
6,429,770	8,626,320	6,355,660	9,419,457	8,452,322	6,147,917
<u>14,488,636</u>	<u>11,000,665</u>	<u>11,309,884</u>	<u>12,143,289</u>	<u>17,250,037</u>	<u>21,039,526</u>
<u>\$ 59,583,868</u>	<u>\$ 66,984,641</u>	<u>\$ 93,875,241</u>	<u>\$ 93,196,973</u>	<u>\$ 95,221,682</u>	<u>\$ 95,305,386</u>

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Expenses				
Governmental Activities:				
General Government	\$ 3,082,524	\$ 2,431,143	\$ 2,832,514	\$ 3,539,636
Community Development	2,212,996	1,286,956	644,968	519,631
Public Safety	4,458,553	2,608,604	2,409,115	2,569,100
Public Works and Utilities	5,024,946	6,302,284	5,948,003	5,821,879
Recreation and Culture	2,572,347	2,752,142	2,437,556	2,276,473
Interest and Fiscal Charges on Long-term Debt	1,225,348	1,195,981	637,344	575,100
Total Governmental Activity Expenses	18,576,714	16,577,110	14,909,500	15,301,819
Business-type Activities:				
Transportation	2,224,427	1,485,763	1,175,818	1,123,640
Fleet Maintenance	2,424,791	2,325,339	2,076,364	1,618,698
Total Business-type Activity Expenses	4,649,218	3,811,102	3,252,182	2,742,338
Total Primary Government Expenses	\$ 23,225,932	\$ 20,388,212	\$ 18,161,682	\$ 18,044,157
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 194,938	\$ 164,061	\$ 59,768	\$ 259,609
Community Development	325,992	143,826	216,263	230,570
Public Safety	223,056	221,262	376,440	248,442
Public Works and Utilities	1,096,172	504,403	407,391	524,047
Recreation and Culture	1,408,587	1,272,902	1,207,964	1,208,130
Operating Grants and Contributions	21,573	59,857	51,048	59,329
Capital Grants and Contributions	3,458,199	269,853	1,855,346	247,368
Total Governmental Activity Program Revenues	6,728,517	2,636,164	4,174,220	2,777,495
Business-type Activities:				
Charges for Services	3,084,123	2,437,178	2,081,674	1,520,018
Capital Grants and Contributions	310,624	-	-	-
Total Business-type Activity Program Revenues	3,394,747	2,437,178	2,081,674	1,520,018
Total Primary Government Program Revenues	\$ 10,123,264	\$ 5,073,342	\$ 6,255,894	\$ 4,297,513
Net (Expense) Revenue				
Governmental Activities	\$ (11,848,197)	\$ (13,940,946)	\$ (10,735,280)	\$ (12,524,324)
Business-type Activities	(1,254,471)	(1,373,924)	(1,170,508)	(1,222,320)
Total Primary Government Net Expense	\$ (13,102,668)	\$ (15,314,870)	\$ (11,905,788)	\$ (13,746,644)

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 3,400,499	\$ 2,836,303	\$ 3,186,870	\$ 3,042,126	\$ 3,291,190	\$ 3,500,101
421,554	365,960	463,821	1,341,706	1,202,097	1,617,329
2,554,404	2,551,559	2,792,174	3,039,333	3,214,680	3,703,871
5,479,239	4,814,364	7,179,132	8,458,218	9,656,808	9,026,700
2,737,458	3,851,812	2,061,033	1,430,648	1,584,531	1,684,492
516,160	600,367	504,343	639,267	754,238	796,462
<u>15,109,314</u>	<u>15,020,365</u>	<u>16,187,373</u>	<u>17,951,298</u>	<u>19,703,544</u>	<u>20,328,955</u>
1,083,097	1,193,289	1,686,778	1,979,505	1,963,223	2,253,558
1,382,954	1,608,295	1,609,134	1,506,138	1,623,046	1,655,774
<u>2,466,051</u>	<u>2,801,584</u>	<u>3,295,912</u>	<u>3,485,643</u>	<u>3,586,269</u>	<u>3,909,332</u>
<u>\$ 17,575,365</u>	<u>\$ 17,821,949</u>	<u>\$ 19,483,285</u>	<u>\$ 21,436,941</u>	<u>\$ 23,289,813</u>	<u>\$ 24,238,287</u>
\$ 183,969	\$ 135,448	\$ 163,429	\$ 219,364	\$ 239,199	\$ 294,431
225,778	485,406	279,179	380,130	369,867	396,731
52,649	54,205	66,662	69,629	99,862	64,275
278,662	256,749	564,090	764,549	698,195	287,151
1,116,947	1,064,314	1,092,276	1,238,395	1,334,056	1,519,254
39,607	39,217	52,151	11,713	104,217	84,761
1,715,337	7,823,132	1,027,911	61,779	1,816,456	31,237
<u>3,612,949</u>	<u>9,858,471</u>	<u>3,245,698</u>	<u>2,745,559</u>	<u>4,661,852</u>	<u>2,677,840</u>
1,135,929	1,450,388	1,645,083	1,670,213	420,357	681,346
305,351	90,494	-	-	1,237,082	1,129,424
<u>1,441,280</u>	<u>1,540,882</u>	<u>1,645,083</u>	<u>1,670,213</u>	<u>1,657,439</u>	<u>1,810,770</u>
<u>\$ 5,054,229</u>	<u>\$ 11,399,353</u>	<u>\$ 4,890,781</u>	<u>\$ 4,415,772</u>	<u>\$ 6,319,291</u>	<u>\$ 4,488,610</u>
\$ (11,496,365)	\$ (5,161,894)	\$ (12,941,675)	\$ (15,205,739)	\$ (15,041,692)	\$ (17,651,115)
(1,024,771)	(1,260,702)	(1,650,829)	(1,815,430)	(1,928,830)	(2,098,562)
<u>\$ (12,521,136)</u>	<u>\$ (6,422,596)</u>	<u>\$ (14,592,504)</u>	<u>\$ (17,021,169)</u>	<u>\$ (16,970,522)</u>	<u>\$ (19,749,677)</u>

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 3,340,475	\$ 3,640,183	\$ 4,195,297	\$ 3,672,307
Real Estate Transfer Taxes	3,093,021	1,761,980	2,159,525	1,616,982
Sales and Accommodation Taxes	6,841,114	5,651,085	5,748,325	6,190,839
Other Taxes	710,624	1,334,692	1,268,120	1,323,246
Unrestricted Investment Earnings	1,496,801	246,225	163,991	87,099
Loss on Disposal of Capital Assets	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	890,750	872,084	854,130	857,474
Miscellaneous	532,046	522,920	442,522	372,222
Capital Contributions	-	-	907,500	-
Transfers	(1,633,000)	(1,295,000)	(1,532,175)	(950,000)
Total Governmental Activities	15,271,831	12,734,169	14,207,235	13,170,169
Business-type Activities:				
Property Taxes	-	42,800	41,580	40,371
Capital Contributions	-	-	(907,500)	-
Loss on Disposal of Capital Assets	-	-	-	-
Transfers	1,633,000	1,295,000	1,532,175	950,000
Total Business-type Activities	1,633,000	1,337,800	666,255	990,371
Total Primary Government	\$ 16,904,831	\$ 14,071,969	\$ 14,873,490	\$ 14,160,540
Change in Net Position				
Governmental Activities	\$ 3,423,634	\$ (1,206,777)	\$ 3,471,955	\$ 645,845
Business-type Activities	378,529	(36,124)	(504,253)	(231,949)
Total Primary Government	\$ 3,802,163	\$ (1,242,901)	\$ 2,967,702	\$ 413,896

Source: Town of Avon Finance Department

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 3,027,319	\$ 3,039,132	\$ 2,873,055	\$ 2,904,509	\$ 3,315,020	\$ 2,876,177
1,707,648	1,574,502	3,764,526	2,369,314	3,497,602	4,411,530
6,340,557	7,249,935	8,089,010	8,754,673	9,540,260	9,437,658
499,114	625,756	1,197,603	1,208,352	1,389,896	1,385,171
37,827	21,296	45,844	53,161	139,665	178,997
(30,857)	-	-	-	-	-
839,112	864,231	883,884	482,769	513,912	913,784
344,503	408,142	500,925	529,843	558,618	589,767
-	(10,955,776)	24,063,281	-	(150,215)	(103,403)
(910,000)	(926,000)	(1,160,000)	(1,326,999)	(1,584,994)	(1,750,415)
<u>11,855,223</u>	<u>1,901,218</u>	<u>40,258,128</u>	<u>14,975,622</u>	<u>17,219,764</u>	<u>17,939,266</u>
40,032	40,375	40,079	40,280	40,258	40,297
-	10,955,776	24,897	-	150,215	103,403
(291,485)	-	-	-	-	-
910,000	926,000	1,160,000	1,326,999	1,584,994	1,750,415
<u>658,547</u>	<u>11,922,151</u>	<u>1,224,976</u>	<u>1,367,279</u>	<u>1,775,467</u>	<u>1,894,115</u>
<u>\$ 12,513,770</u>	<u>\$ 13,823,369</u>	<u>\$ 41,483,104</u>	<u>\$ 16,342,901</u>	<u>\$ 18,995,231</u>	<u>\$ 19,833,381</u>
\$ 358,858	\$ (3,260,676)	\$ 27,316,453	\$ (230,117)	\$ 2,178,072	\$ 288,151
(366,224)	10,661,449	(425,853)	(448,151)	(153,363)	(204,447)
<u>\$ (7,366)</u>	<u>\$ 7,400,773</u>	<u>\$ 26,890,600</u>	<u>\$ (678,268)</u>	<u>\$ 2,024,709</u>	<u>\$ 83,704</u>

TOWN OF AVON, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Revenues				
Taxes	\$ 13,985,234	\$ 11,710,148	\$ 12,728,883	\$ 12,083,403
Licenses and Permits	245,793	124,130	215,635	219,265
Intergovernmental	1,178,614	1,201,794	2,760,524	1,164,171
Charges for Services	2,584,856	1,706,803	1,474,968	1,593,303
Fines and Forfeitures	131,525	129,530	147,057	197,103
Investment Earnings	1,496,801	246,225	163,991	87,099
Other Revenues	498,973	469,688	442,522	368,568
Total Revenues	20,121,796	15,588,318	17,933,580	15,712,912
Expenditures				
Current:				
General Government and Housing	3,038,856	3,138,391	2,560,405	3,411,329
Community Development	823,902	697,820	598,692	519,268
Public Safety	2,628,330	2,511,717	2,354,235	2,516,612
Public Works and Utilities	3,725,749	3,660,540	3,224,695	3,429,238
Recreation and Culture	2,579,779	2,375,945	2,144,447	2,054,477
Capital Improvements	9,979,969	2,746,286	5,554,096	1,023,914
Debt Service:				
Principal	1,407,500	26,416,250	1,495,000	1,195,000
Interest	1,048,416	824,535	543,331	526,288
Fiscal Charges	157,722	57,315	70,657	56,614
Bond Issuance Costs	280,734	160,000	77,695	-
Total Expenditures	25,670,957	42,588,799	18,623,253	14,732,740
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,549,161)	(27,000,481)	(689,673)	980,172
Other Financing Sources (Uses)				
Transfers In	1,337,667	1,810,032	1,945,004	1,090,335
Transfers Out	(2,970,667)	(3,105,032)	(3,477,179)	(2,040,335)
Debt Issuance Proceeds	25,000,000	7,200,000	3,310,000	-
Premium on Debt Issued	-	-	-	-
Payments to Escrow Agent	-	-	(92,067)	-
Sales of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	23,367,000	5,905,000	1,685,758	(950,000)
Net Change in Fund Balances	\$ 17,817,839	\$ (21,095,481)	\$ 996,085	\$ 30,172
Debt Service as a Percentage of Noncapital Expenditures	13.41%	66.88%	14.76%	12.39%

Source: Town of Avon Finance Department

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 11,574,638	\$ 12,489,325	\$ 15,924,194	\$ 15,236,848	\$ 17,742,776	\$ 18,148,536
207,670	336,548	210,636	335,741	259,997	374,311
2,594,056	8,324,980	1,963,946	989,546	2,868,277	1,029,782
1,473,552	1,556,262	1,757,625	1,682,724	1,772,510	2,005,812
151,533	104,736	131,513	129,356	91,014	94,311
37,827	21,296	45,827	53,158	139,665	178,997
380,647	531,738	503,354	532,353	651,603	664,037
<u>16,419,923</u>	<u>23,364,885</u>	<u>20,537,095</u>	<u>18,959,726</u>	<u>23,525,842</u>	<u>22,495,786</u>
3,088,911	2,762,979	3,084,616	2,916,095	3,119,007	3,379,282
421,133	369,158	456,063	1,348,166	1,201,086	1,505,073
2,551,488	2,539,475	2,726,711	3,007,164	3,122,942	3,416,991
3,192,763	1,911,225	3,799,489	4,080,272	5,067,825	4,318,222
2,148,410	3,328,177	1,654,078	1,147,149	1,293,277	1,436,483
4,087,083	11,837,101	7,927,709	3,284,852	8,864,565	6,721,147
1,240,000	7,300,000	1,491,042	1,264,966	1,382,506	1,239,743
470,455	423,487	453,883	503,269	473,674	746,385
43,622	39,145	51,007	41,289	54,071	81,625
-	133,330	-	80,569	147,270	41,162
<u>17,243,865</u>	<u>30,644,077</u>	<u>21,644,598</u>	<u>17,673,791</u>	<u>24,726,223</u>	<u>22,886,113</u>
<u>(823,942)</u>	<u>(7,279,192)</u>	<u>(1,107,503)</u>	<u>1,285,935</u>	<u>(1,200,381)</u>	<u>(390,327)</u>
1,591,071	2,081,160	4,888,511	4,361,441	2,819,319	5,508,421
(2,501,071)	(3,007,160)	(6,048,511)	(5,138,440)	(4,404,313)	(7,258,836)
-	6,851,367	-	3,800,000	6,300,000	3,080,204
-	-	-	-	302,205	-
-	-	-	-	-	-
-	1,151	-	-	-	-
<u>(910,000)</u>	<u>5,926,518</u>	<u>(1,160,000)</u>	<u>3,023,001</u>	<u>5,017,211</u>	<u>1,329,789</u>
<u>\$ (1,733,942)</u>	<u>\$ (1,352,674)</u>	<u>\$ (2,267,503)</u>	<u>\$ 4,308,936</u>	<u>\$ 3,816,830</u>	<u>\$ 939,462</u>
12.60%	39.77%	12.95%	11.37%	10.95%	10.85%

TOWN OF AVON, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Nonspendable	\$ -	\$ -	\$ 7,710	\$ -	\$ -
Restricted	566,949	470,037	503,650	447,963	428,947
Assigned	-	-	-	413,251	413,251
Unassigned	5,835,283	3,959,093	3,581,941	3,329,981	3,134,327
Total General Fund	6,402,232	4,429,130	4,093,301	4,191,195	3,976,525
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	22,779,562	3,933,265	6,930,731	6,987,206	6,045,396
Committed	5,701,165	5,539,422	3,968,735	4,100,746	3,656,294
Assigned	1,275,830	1,218,920	1,066,626	810,418	680,408
Unassigned	-	(57,429)	-	-	-
Total All Other Governmental Funds	\$ 29,756,557	\$ 10,634,178	\$ 11,966,092	\$ 11,898,370	\$ 10,382,098

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 7,442	\$ -	\$ 13,061	\$ 86,136	\$ -
Restricted	476,619	598,376	552,335	664,805	688,786
Assigned	413,251	325,000	47,878	-	-
Unassigned	4,369,187	3,540,922	5,046,651	5,312,950	5,125,805
Total General Fund	5,266,499	4,464,298	5,659,925	6,063,891	5,814,591
All Other Governmental Funds					
Nonspendable	-	270	-	-	-
Restricted	2,803,943	2,370,833	2,668,305	7,787,517	5,459,131
Committed	3,624,653	3,386,451	6,198,817	4,493,621	7,941,466
Assigned	1,307,854	513,594	517,335	516,183	585,486
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	\$ 7,736,450	\$ 6,271,148	\$ 9,384,457	\$ 12,797,321	\$ 13,986,083

Source: Town of Avon Finance Department

Notes:

(1) Fiscal years 2006 through 2010 have been reclassified with implementation of GASB Statement No. 54 in fiscal year 2011.

TOWN OF AVON, COLORADO

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Year	Property Tax				Sales Tax
	General	Specific Ownership	Penalties, Interest & Abatements	Delinquent Taxes	
2008	\$ 3,335,594	\$ 160,180	\$ 4,766	\$ 115	\$ 6,311,439
2009	3,608,547	132,059	12,663	18,973	5,104,620
2010	4,187,345	117,354	6,566	1,387	5,120,543
2011	3,689,677	93,596	(42,784)	25,414	5,461,559
2012	2,953,002	92,105	1,805	(19,593)	5,607,160
2013	2,935,986	96,850	5,421	875	6,492,756
2014	2,824,449	112,848	(64,246)	6	7,777,302
2015	2,783,905	113,308	7,124	172	8,320,021
2016	3,310,530	119,483	4,491	-	8,985,661
2017	2,870,600	99,498	5,555	22	8,868,497

Year	Utility Tax	Franchise Tax	Accommodations Tax	Real Estate Transfer Tax	Total
2008	\$ 153,842	\$ 396,602	\$ 529,675	\$ 3,093,021	\$ 13,985,234
2009	129,118	371,192	570,996	1,761,980	11,710,148
2010	146,852	361,530	627,782	2,159,525	12,728,883
2011	125,155	367,778	746,026	1,616,982	12,083,403
2012	127,060	372,054	733,397	1,707,648	11,574,638
2013	110,474	383,594	888,867	1,574,502	12,489,325
2014	109,441	404,328	995,540	3,764,526	15,924,194
2015	106,786	403,642	1,132,576	2,369,314	15,236,848
2016	102,643	432,488	1,289,879	3,497,602	17,742,776
2017	102,279	419,479	1,333,939	4,448,666	18,148,536

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Levy Year	Collection Year	Vacant Land	Residential Property	Commercial Property	Other Property	Total Gross Assessed Value
2007	2008	\$ 25,836,770	\$ 110,306,220	\$ 88,205,160	\$ 2,153,460	\$ 226,501,610
2008	2009	22,764,190	120,861,970	90,753,760	2,030,920	236,410,840
2009	2010	23,830,510	138,215,140	98,306,000	3,079,680	263,431,330
2010	2011	23,241,510	138,877,350	97,287,710	3,127,070	262,533,640
2011	2012	17,238,450	101,871,140	73,141,140	3,361,120	195,611,850
2012	2013	15,456,680	102,328,980	71,704,020	3,441,730	192,931,410
2013	2014	16,403,340	90,703,150	67,157,140	4,576,530	178,840,160
2014	2015	15,183,630	92,056,060	66,419,690	4,280,110	177,939,490
2015	2016	14,261,780	121,724,600	70,940,420	3,929,820	211,061,910
2016	2017	13,201,140	123,870,280	69,822,570	4,310,460	211,204,450

Levy Year	Collection Year	Less TIF District Increment (1)	Total Net Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2007	2008	\$ 2,257,820	\$ 224,243,790	12.271	\$ 1,746,859,870	12.97%
2008	2009	10,266,600	226,144,240	11.392	1,880,466,430	12.57%
2009	2010	17,517,540	245,913,790	11.208	2,125,079,840	12.40%
2010	2011	17,481,590	245,052,050	11.220	2,127,634,050	12.34%
2011	2012	12,538,960	183,072,890	12.072	1,566,445,080	12.49%
2012	2013	12,511,160	180,420,250	11.983	1,564,516,920	12.33%
2013	2014	12,105,380	166,734,780	12.258	1,406,594,920	12.71%
2014	2015	11,501,900	166,437,590	12.207	1,417,405,720	12.55%
2015	2016	16,476,380	194,585,530	11.765	1,806,178,690	11.69%
2016	2017	17,221,870	193,982,580	8.956	1,825,187,770	11.57%

Source: Eagle County Assessor's Office, Abstract of Assessments

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. Other property includes state assessed, agricultural, and abatements and corrections.

(1) The Avon Urban Renewal Authority was established in August, 2007.

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Taxing Entity	Collection Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Town of Avon										
General Operating	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
General Obligation Debt Service	3.315	2.436	2.252	2.264	3.116	3.027	3.302	3.251	2.809	0.000
Total Direct	12.271	11.392	11.208	11.220	12.072	11.983	12.258	12.207	11.765	8.956
Eagle County										
8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499
Colleges and School Districts										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997
Eagle County School District RE-50J	20.051	20.414	19.402	19.474	21.601	21.362	20.826	21.517	20.331	25.209
Metropolitan Districts										
Avon Metropolitan District	3.281	2.705	2.535	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avon Station Metropolitan District	45.000	45.000	45.000	45.000	58.000	58.000	58.000	58.000	58.000	63.000
Confluence Metropolitan District	45.000	45.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mountain Vista Metropolitan District	33.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Village Metropolitan District	15.000	15.000	15.000	40.000	50.000	50.000	50.000	50.000	50.000	50.000
Other Special Districts										
Avon General Improvement District No. 1	0.000	9.396	9.396	9.396	15.288	15.288	17.557	17.557	14.077	14.005
Eagle River Fire Protection District	5.550	5.550	5.550	5.550	5.650	7.553	9.238	9.392	8.205	9.740
Eagle Valley Library District	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750
Eagle River Water and Sanitation District	0.826	0.826	0.795	0.796	0.932	0.931	0.946	0.954	1.375	1.385
Colorado River Water Conservancy District	0.191	0.199	0.166	0.188	0.228	0.242	0.254	0.253	0.243	0.253
Eagle County Health Services District	2.019	2.055	1.780	1.768	1.764	2.023	2.006	2.019	2.008	2.755

Source: Eagle County Assessor's Office, Abstract of Assessment

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. The Town's general operating mill rate may be increased only by a majority approval of the Town's residents during a general election. Rates for debt service are set based on each year's debt service requirements.

TOWN OF AVON, COLORADO

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value
CSB Properties Holdings LLC	\$ 9,710,940	1	4.28%			
Traer Creek-WMT LLC	5,967,740	2	2.63%	\$ 7,508,370	1	3.31%
Avon MOB LLC	4,803,630	3	2.12%			
Traer Creek-HD LLC	4,315,330	4	1.90%	5,382,540	4	2.38%
Avon Wynfield LLC	3,747,820	5	1.65%	2,957,460	10	1.31%
Beaver Creek Vacation Ownership Plan	3,740,230	6	1.65%			
Prime Group Mountain Center LLC	3,654,870	7	1.61%			
Points of Colorado - Time Share	2,816,750	8	1.24%	6,667,680	2	2.94%
Riverfront Village Hotel, LLC	2,733,000	9	1.21%	3,022,540	7	1.33%
Dillon Real Estate Co, Inc	2,412,080	10	1.06%	2,174,780	11	0.96%
Prime Grou Avon LLC	2,181,200	11	0.96%			
Mountain Vista Condominium Assoc Inc.	2,169,350	12	0.96%			
Public Service Co. of Colorado (Xcel)	2,138,870	13	0.94%			
Avon Partners II, LLC	1,875,350	14	0.83%	5,300,770	5	2.34%
Christie Lodge Assoc Ltd	1,708,190	15	0.75%			
Traer Creek-L2 LLC	-	NA	0.00%	6,051,120	3	2.67%
Chapel Square Ventures LP	-	NA	0.00%	3,993,090	6	1.76%
CSC Land LLC	-	NA	0.00%	3,044,000	8	1.34%
ARI Mountain Center LLC	-	NA	0.00%	2,963,800	9	1.31%
Riverview Park Assoc., Inc	-	NA	0.00%	2,082,610	12	0.92%
Comcast of Colorado VII, LLC	-	NA	0.00%	2,023,260	13	0.89%
Traer Creek-RP LLC	-	NA	0.00%	1,995,310	14	0.88%
East Avon-Hudson LLC	-	NA	0.00%	1,560,930	15	0.69%
Total Assessed Value of the Fifteen Largest Taxpayers	53,975,350		23.80%	56,728,260		25.05%
Total Gross Assessed Value of Other Taxpayers	172,786,010		76.20%	169,773,350		74.95%
Total Gross Assessed Value of All Taxpayers	\$ 226,761,360		100.00%	\$ 226,501,610		100.00%

Source: Eagle County Assessor's Office

TOWN OF AVON, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Levy Year	Collection Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2007	2008	\$ 3,243,214	\$ 3,205,612	98.84%	\$ 115	\$ 3,205,727	98.84%
2008	2009	3,110,763	3,060,762	98.39%	21,861	3,082,623	99.10%
2009	2010	3,285,710	3,208,908	97.66%	1,387	3,210,295	97.70%
2010	2011	2,789,855	2,704,440	96.94%	4,970	2,709,409	97.12%
2011	2012	2,250,055	2,209,593	98.20%	(19,296)	2,190,298	97.34%
2012	2013	2,202,287	2,160,634	98.11%	875	2,161,509	98.15%
2013	2014	2,083,835	2,042,508	98.02%	6	2,042,514	98.02%
2014	2015	2,071,895	2,029,571	97.96%	172	2,029,743	97.97%
2015	2016	2,329,489	2,286,146	98.14%	-	2,286,146	98.14%
2016	2017	1,777,498	1,736,538	97.70%	22	1,736,560	97.70%

Source: Town of Avon Finance Department

Notes: (1) Taxes are due and payable on January 1 based on the prior year's assessed valuation.

(2) Information on outstanding delinquent taxes is not available.

TOWN OF AVON, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Certificates of Participation	Loans	Capital Leases
2008	\$ 4,546,752	\$ -	\$ 27,420,000	\$ 1,083,750	\$ -	\$ 665,176
2009	3,714,230	-	2,050,000	997,500	7,075,000	503,368
2010	2,842,835	-	1,670,000	3,310,000	6,825,000	335,205
2011	2,411,440	-	1,275,000	3,195,000	6,565,000	420,063
2012	1,960,045	-	870,000	3,075,000	6,295,000	476,227
2013	1,498,650	-	7,270,000	2,950,000	-	516,378
2014	1,017,255	-	6,520,000	2,825,000	-	547,990
2015	520,860	-	6,200,000	6,280,000	-	438,024
2016	-	-	5,790,000	12,235,000	-	325,518
2017	-	-	8,225,362	11,675,000	-	566,231

Fiscal Year	Business-Type Activities				
	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2008	\$ 3,251,250	\$ 32,822	\$ 36,999,750	1.39%	\$ 5,348
2009	2,992,500	20,954	17,353,553	0.69%	2,582
2010	3,419,606	8,621	18,411,267	0.73%	2,856
2011	3,302,110	377,753	17,546,366	0.70%	2,477
2012	3,174,614	326,774	16,177,660	0.64%	2,533
2013	3,047,119	303,251	15,585,398	0.62%	2,440
2014	2,914,623	244,259	14,069,127	0.56%	2,195
2015	2,777,127	185,937	16,401,948	0.65%	2,534
2016	2,605,000	125,825	21,081,343	0.84%	3,241
2017	2,465,000	63,864	22,995,457	0.92%	3,535

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2017

Government Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Confluence Metropolitan District	\$ 21,875,000	100.00%	\$ 21,875,000
Eagle County School District RE-50J	281,775,470	7.48%	21,084,510
Eagle River Fire Protection District	23,270,000	20.92%	4,867,047
Other Debt			
Eagle County	15,210,000	7.48%	1,138,124
Traer Creek Metropolitan District	32,625,000	100.00%	<u>32,625,000</u>
Subtotal - Overlapping debt			81,589,682
Town of Avon Direct Debt			<u>18,350,518</u>
Total Direct and Overlapping Debt			<u><u>\$ 99,940,200</u></u>

Source: Various Governmental Entities, Eagle County Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Avon. This process recognizes that, when considering the Town'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.

^a The basic approach to estimating the applicable percentage of overlapping debt was to divide the assessed value of the portion overlapping the Town to the total assessed value of the overlapping entity.

TOWN OF AVON, COLORADO

RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
General Bonded Debt Outstanding General Obligation Bonds	\$ 3,601,127	\$ 3,215,000	\$ 2,805,000	\$ 2,380,000
Actual Taxable Property Value	1,746,859,870	1,880,466,430	2,125,079,840	2,127,634,050
Net Assessed Value	224,243,790	226,144,240	245,913,790	245,052,050
Percentage of General Bonded Debt Outstanding to Actual Taxable Property Value	0.21%	0.17%	0.13%	0.11%
Town of Avon Population	6,919	6,720	6,447	7,085
Per Capita	\$ 520	\$ 478	\$ 435	\$ 336
Legal Debt Limit	\$ 56,060,948	\$ 56,536,060	\$ 61,478,448	\$ 61,263,013
Total Debt Applicable to Limit	(3,601,127)	(3,215,000)	(2,805,000)	(2,380,000)
Legal Debt Margin	\$ 52,459,821	\$ 53,321,060	\$ 58,673,448	\$ 58,883,013
Total Debt Applicable to the Limit as a Percentage of Legal Debt Limit	6.42%	5.69%	4.56%	3.88%

Source: Eagle County Assessor's Office, State of Colorado Division of Local Governments

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ 2,380,000	\$ 1,480,000	\$ 1,005,000	\$ 515,000	\$ -	\$ -	
1,566,445,080	1,564,516,920	1,406,594,920	1,417,405,720	1,806,178,690	1,825,187,770	
183,072,890	180,420,250	166,734,780	166,437,590	194,585,530	193,982,580	
0.15%	0.09%	0.07%	0.04%	0.00%	0.00%	
6,393	6,388	6,410	6,472	6,505	6,383	
\$ 372	\$ 232	\$ 157	\$ 80	\$ -	\$ -	
\$ 45,768,223	\$ 45,105,062	\$ 41,683,695	\$ 41,609,398	\$ 48,646,382	\$ 48,495,645	
(2,380,000)	(1,480,000)	(1,005,000)	(515,000)	-	-	
\$ 43,388,223	\$ 43,625,062	\$ 40,678,695	\$ 41,094,398	\$ 48,646,382	\$ 48,495,645	
5.20%	3.28%	2.41%	1.24%	0.00%	0.00%	

TOWN OF AVON, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Town of Avon Population	Eagle County Population	Eagle County Personal Income (In \$1,000's)	Eagle County Per Capita Personal Income	Eagle County Median Age	Eagle County RE-50J School Enrollment	Denver / Boulder Consumer Price Index	Eagle County Unemployment Rate
2008	6,919	53,898	\$ 2,740,563	\$ 49,635	35.70	5,445	209.9	3.60%
2009	6,720	55,269	2,511,100	45,430	36.30	6,249	208.5	7.30%
2010	6,447	52,197	2,533,900	44,709	36.60	6,181	212.4	8.80%
2011	7,085	54,212	2,521,062	48,618	36.30	6,344	220.3	8.70%
2012	6,393	51,874	2,515,096	48,485	35.20	6,244	224.6	8.20%
2013	6,388	53,811	2,005,000	48,750	36.00	6,549	230.8	5.20%
2014	6,410	52,460	2,644,828	50,416	36.20	6,713	237.2	4.75%
2015	6,472	53,605	3,065,540	57,927	36.50	6,546	240.0	2.10%
2016	6,505	53,989	3,297,869	61,522	36.70	6,901	246.6	2.81%
2017	6,383	52,576	3,486,688	64,581	35.60	6,959	254.9	2.22%

N/A - Information not available.

Information was compiled by the Demographic Section of the Colorado Division of Local Government, Bureau of Labor Statistics and U.S. Census Bureau. School Enrollment was obtained by Eagle County School District Administration Office based on June Enrollment. Per Capita Personal Income obtained from Bureau of Economic Analysis, Regional Economic Accounts.

TOWN OF AVON, COLORADO

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2017		2008	
	Employees	Rank	Employees	Rank
Wal-Mart	286	1	300	1
Westin Riverfront Resort & Spa	265	2	195	2
Home Depot	249	3	120	6
Maya, Mexican Kitchen	150	4	na	na
City Market	141	5	138	4
Eagle River Water & Sanitation	114	6	90	8
Christie Lodge	104	7	167	3
Town of Avon	89	8	118	7
Colorado Mountain Medical - Avon	68	9	na	na
Sheraton Mountain Vista	48	10	80	10
Finnegan's			89	9
Restaurant Avondale			135	5

Sources: Various Town of Avon businesses, Department of Labor

TOWN OF AVON, COLORADO

COMMERCIAL AND RESIDENTIAL CONSTRUCTION LAST TEN FISCAL YEARS

Year	Total Permits Issued	Commercial Construction		Residential Construction		Total Building Construction Value
		Square Footage	Value	No. of Units	Value	
2008	145	11,416	\$ 2,525,749	15	\$ 11,165,780	\$ 13,691,529
2009	91	-	725,000	3	8,683,371	9,408,371
2010	112	16,517	3,215,036	7	9,806,550	13,021,586
2011	125	2,210	922,600	9	8,412,190	9,334,790
2012	126	54,250	11,400,000	8	2,448,500	13,848,500
2013	159	217,293	27,121,876	12	9,027,760	36,149,636
2014	156	-	1,500,000	10	13,735,900	15,235,900
2015	153	114,614	14,336,000	10	6,970,000	21,306,000
2016	15	56,641	16,369,635	7	8,551,360	24,920,995
2017	4	698	143,337	6	18,930,069	19,073,406

Source: Town of Avon Community Development Department

TOWN OF AVON, COLORADO

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of December 31				
	2008	2009	2010	2011	2012
General Government					
Administration	3.75	3.75	3.75	3.75	2.75
Human Resources	2.00	2.00	2.00	2.00	2.00
Finance	7.00	7.00	8.00	8.00	8.00
Nondepartmental	8.00	6.00	5.00	3.00	1.00
Community Development	9.75	7.75	7.75	6.00	5.00
Police	21.00	22.00	22.00	20.00	20.00
Public Works:					
Engineering	3.00	3.00	3.00	3.00	2.00
Buildings and Facilities	4.00	4.00	3.75	2.75	2.75
Roads and Bridges, Parks	18.00	17.00	16.25	16.25	15.25
Transportation	14.00	8.00	4.50	4.35	4.35
Fleet Maintenance	12.10	13.10	13.10	9.25	7.25
Recreation	10.00	8.00	7.00	8.00	9.00
Total	<u>112.60</u>	<u>101.60</u>	<u>96.10</u>	<u>86.35</u>	<u>79.35</u>
	2013	2014	2015	2016	2017
General Government					
Administration	3.75	4.75	4.75	4.60	4.60
Human Resources	2.00	2.00	3.00	3.00	3.00
Finance	8.00	8.00	9.00	8.00	9.00
Nondepartmental	1.00	1.00	1.00	1.00	
Community Development	4.00	4.00	4.00	4.00	5.00
Police	20.00	20.00	20.00	20.40	20.40
Public Works:					
Engineering	2.00	2.00	2.00	2.00	2.00
Buildings and Facilities	3.00	3.00	4.00	4.00	5.00
Roads and Bridges, Parks	16.00	14.00	14.00	15.00	16.00
Transportation	4.00	4.00	6.00	6.00	6.00
Fleet Maintenance	8.00	8.00	8.00	8.00	8.00
Recreation	6.00	7.00	9.00	9.00	10.00
Total	<u>77.75</u>	<u>77.75</u>	<u>84.75</u>	<u>85.00</u>	<u>89.00</u>

Source: Town of Avon Budget

TOWN OF AVON, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Town of Avon Facilities and Services:				
Miles of Streets	23.73	23.73	23.73	23.73
Number of Street Lights	433	433	454	632
Culture and Recreation:				
Miles of Bike/Pedestrian Paths	5.60	5.60	5.60	8.75
Miles of dirt, singletrack trails	0.00	0.00	0.00	0.00
Parks / Lakes	5/1	5/1	5/1	5/1
Park Acreage	672	672	672	672
Tennis/Volleyball /Basketball Courts/Pickleball Courts	4 / 3 / 3	4 / 3 / 3	4 / 3 / 3	4 / 2 / 3
Recreation Centers	1	1	1	1
Softball / Soccer Fields	1 / 2	1 / 2	1 / 2	1 / 2
Playgrounds	4	4	4	4
Performance Art Pavilion				
Police Protection:				
Number of Stations	1	1	1	1
Number of Police Personnel and Officers	18	21	20	18
Number of Patrol Units	14	13	15	15
Number of Law Violations:				
General Ordinance Violations	267	168	157	218
Traffic Violations	351	287	831	1,204
Parking Violations	3	13	379	285
Facilities and Services Not Included in the Reporting Entity:				
Libraries:				
Number of Libraries / Volumes	1 / 76,228	1 / 79,560	1 / 80,054	1 / 83,008
Water System:				
Miles of Water Mains	24.99	24.99	24.99	24.99
Number of Service Connections	3,761	3,787	3,802	3,799
Daily Average Consumption in Gallons	943,787	687,693	672,789	687,099
Maximum Daily Capacity of Plant in Gallons	10MGD	10MGD	10MGD	10MGD
Sanitary Sewer System:				
Miles of Sanitary Sewers	33.44	33.44	33.44	33.44
Number of Treatment Plants	1	1	1	1
Number of Service Connections	3,821	3,913	3,916	3,933
Maximum Daily Capacity of Treatment Plant in Gallons	4.3MGD	4.3MGD	4.3MGD	4.3MGD
Education:				
Number of Elementary Schools / Instructors	1 / 27	1 / 23	1 / 23	1 / 23
Fire Protection:				
Number of Stations	9	9	9	9
Number of Fire Personnel and Officers	56	47	56	55
Number of Calls Answered	2,855	2,262	2,167	2,198
Number of Inspections Conducted	565	397	141	166

Fiscal Year					
2012	2013	2014	2015	2016	2017
23.73	23.73	23.73	23.73	23.73	23.73
632	632	613	619	634	646
8.75	8.75	8.82	8.82	9.32	9.32
0.00	0.00	11.00	11.00	11.00	11.00
5/1	5/1	5/1	5/1	5/1	5/2
672	672	672	672	672	672
4 / 2 / 3	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2
1	1	1	1	1	1
1 / 2	1 / 2	1 / 2	1 / 2	1 / 2	1 / 2
4	4	4	4	4	4
		1	1	1	1
1	1	1	1	1	1
20	20	20	21	23	23
16	16	16	15	15	15
396	207	438	384	419	91
495	285	372	314	543	446
110	165	366	282	234	147
1 / 82,193	1 / 79,405	1 / 80,239	1 / 79,226	1 / 77,490	1 / 78,779
24.99	24.99	24.99	24.99	24.99	24.99
3,814	3,831	3,897	3,917	3,917	3,980
589,567	675,728	706,833	706,833	709,478	712,521
10MGD	10MGD	10MGD	10MGD	10MGD	10MGD
33.44	33.44	33.44	33.44	33.44	33.44
1	1	1	1	1	1
3,953	3,969	4,038	4,086	4,086	4,118
4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD
1 / 23	1 / 27	1 / 25	1 / 27	1 / 47	1 / 62
8	5	5	5	6	6
55	66	64	67	68	68
2,089	2,244	2,357	636	670	644
190	154	154	122	175	179