

TOWN OF FLAGLER, COLORADO

Financial Statements

For the Year Ended December 31, 2017



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Office of the State Auditor

July 24, 2018

TOWN OF FLAGLER, COLORADO
 Table of Contents
 December 31, 2017

	<u>Page</u>
Independent Auditor's Report -----	1
Management's Discussion and Analysis -----	a-i
 <u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Statement of Net Position -----	2
Statement of Activities -----	3
Fund Financial Statements	
Governmental Funds	
Balance Sheet -----	4
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position-----	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities -	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities -	6
Proprietary Funds	
Statement of Net Position-----	7
Statement of Revenues, Expenses and Changes in Net Position -----	8
Statement of Cash Flows-----	9
Notes to Financial Statements -----	10-20
 <u>Required Supplementary Information</u>	
Budgetary Comparison Schedule - General Fund -----	21
 <u>Supplementary Information</u>	
GENERAL FUND	
Comparative Balance Sheet -----	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -----	23
Statement of Expenditures - Budget and Actual -----	24-25
SPECIAL REVENUE FUND	
Conservation Trust Fund - Comparative Balance Sheet -----	26
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -----	26

TOWN OF FLAGLER, COLORADO
Table of Contents
December 31, 2017
(Continued)

Page

PROPRIETARY FUNDS

Garbage - Comparative Statement of Net Position-----	27
Statement of Revenues, Expenses and Changes in Net Position	
- Budget (Non-GAAP) and Actual -----	28
Water - Comparative Statement of Net Position-----	29
Statement of Revenues, Expenses and Changes in Net Position	
- Budget (Non-GAAP) and Actual -----	30
Wastewater - Comparative Statement of Net Position-----	31
Statement of Revenues, Expenses and Changes in Net Position	
- Budget (Non-GAAP) and Actual -----	32

Additional Information

Highway Users Tax Report

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Town of Flagler, Colorado
Flagler, Colorado 80815

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flagler, Colorado, as of and for the year ended December 31, 2017, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flagler, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages a-i and 21 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. For the management discussion & analysis we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Flagler, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Winfrey, County & Hays, PC

WINFREY, COUNTY & HAYS, PC
Certified Public Accountants

July 19, 2018,

Town of Flagler, Colorado
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017

Purpose

The purpose of the Town of Flagler's Management's Discussion and Analysis Report (MD&A) is designed to:

- Assist the reader in focusing on significant financial issues.
- Provide an overview of the Town's financial activity
- Identify changes in the Town's financial position
- Identify any material deviation from the budget
- Identify individual fund issues or concerns

Introduction

The MD&A is designed to focus on the report year's activities, resulting changes and currently known facts. Please read it in conjunction with the Town's Financial Statements beginning on page 2.

The Town of Flagler is a Statutory Rule Municipality that was incorporated in 1916. The type of government is Town Board-Mayor with the seven elected officials being responsible for all policy decisions that affect the Town's financial condition. The appointed Town Clerk/Treasurer is responsible for preparing the annual budget, which is adopted by the Board by December 15th. The Clerk/Treasurer is responsible for financial reporting to the Town Board and to the public-at-large. The Town maintains one major governmental fund, the general fund.

Financial Information

The Town's government-wide statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. The Town's fund financial statements for governmental funds have been prepared using the modified accrual basis of accounting. The financial system of the Town incorporates financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. To ensure budgeting controls, the Town Board approves all major budgetary changes by passage of a resolution amending the budget.

Financial Highlights

- The Town of Flagler remains in stable condition, as the General Fund balance at year-end is \$11,548. This fund has a bank account of \$46,407. This balance is considered to be safe levels of reserves.
- The assets of the Town exceed its liabilities at the close of the fiscal year by \$4,262,992. Of this amount, \$298,429 may be used to meet the Town's ongoing obligations to residents and creditors.
- \$3,927,778 is invested in capital assets, and \$11,071 is restricted for TABOR and \$25,715 is restricted for recreation.
- At December 31, 2017 the Town's governmental funds reported a combined ending fund balance of \$37,263, reflecting a decrease of \$30,534 from last year.
- Sales tax revenues decreased 1.13% from 2016 and property tax increased 3.8%. Total revenue in the General Fund decreased by \$148,029 due to less grants received.
- The Garbage Fund shows a loss of \$8,270 versus a gain of \$4,293 in 2016. Primarily due to decreased expenses and no capital outlay purchases.

Town of Flagler, Colorado
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
(Continued)

- The Water Fund shows a gain of \$3,430 versus a gain in 2016 of \$1,414,376. The 2016 had grants of \$843,000 and debt forgiveness of \$569,980. Expenses increased by \$10,455.
- The Wastewater Fund has a loss of \$6,706 versus a gain of \$2,846 in 2016. Revenues increased \$9,824, but expenditures decreased \$8,592 and there were no transfers in from other funds.

Using This Annual Report

This discussion and analysis is intended to serve as an introduction to the Town of Flagler's financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. 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 other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statement

The government-wide financial statements use an accounting method similar to those used by private sector companies. The focus of the Statement of Net Position (the unrestricted net position) is designed similar to a bottom line for the Town and its government and business like activities. The statement reports all the governmental fund's current financial resources (short term spendable resources) with capital assets and long term obligations. Over time, increase or decrease in net position may serve as a useful indicator of whether the financial position of the Town of Flagler is improving or deteriorating. However, in evaluating the overall position of the Town, non-financial factors such as the Town's tax base, change in property tax laws, and the condition of the capital assets should also be considered.

The Statement of Activities presents information showing how the Town's net position changed during the current 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 flow. Thus, revenue and expenses are reported in this statement for times that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

The government-wide statements are divided into two categories:

Governmental activities reflect the Town's basic services including administrative, public safety, public works, and parks and recreation. Property tax, sales tax, and intergovernmental taxes finance the majority of these activities.

Business-type activities are funds that reflect private sector type operations, which include the Town's water, wastewater, and trash funds. Fees for services should cover the majority of the cost of these operations including depreciation.

Town of Flagler, Colorado
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
(Continued)

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 of objectives. The Town of Flagler used 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

Most of the Town's basic services are reported in governmental funds, which focus on cash flows. The unrestricted balances left at year-end are available for spending in the future years. The funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view as to cash, operations, and basic services provided.

The Town of Flagler maintains two governmental funds. Only the General Fund is considered to be a major fund. Information is presented in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. Annual budget appropriations are adopted for each of these funds. Budgetary comparison statements are provided to demonstrate compliance with budgets.

Proprietary Funds

The Town's water, wastewater, and trash services are reported in proprietary funds. They focus on overall economic position rather than year-end fund balances. Enterprise funds are the type of proprietary funds used to account for each of the Town's utilities. Enterprise funds are used to report the same functions presented in business-type activities in the governmental-wide financial statements, only in more detail.

Notes to Financial Statement

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

Government-Wide Financial Analysis

This financial report for the year ended December 31, 2017 reflects the reporting requirements of GASB 34. GASB 34 requires governments to report the information found in the Basic Financial Statements and to include a presentation of comparative data from the prior period.

Town of Flagler, Colorado
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
(Continued)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Flagler's assets exceeded liabilities by \$4,262,992 at the close of 2017.

Statement of Net Position

	Government Activities		Business-type Activities		<u>Total</u>	
	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
Current assets	371,671	200,432	307,374	223,779	679,045	424,211
Capital assets	<u>973,269</u>	<u>940,300</u>	<u>3,245,698</u>	<u>3,438,188</u>	<u>4,218,968</u>	<u>4,378,489</u>
Total Assets	1,344,940	1,140,733	3,553,072	3,661,967	4,898,013	4,802,700
Current liabilities	13,434	18,035	68,573	106,770	82,007	124,805
Long-term liabilities	<u>0</u>	<u>0</u>	<u>232,038</u>	<u>291,190</u>	<u>232,038</u>	<u>291,190</u>
Total Liabilities	13,434	18,035	300,612	397,960	314,045	415,995
Deferred Grants	208,601	0	0	0	208,601	0
Deferred Inflows of Resources	112,374	114,601	0	0	112,374	114,601
Net Position						
Invested in capital assets	973,269	940,300	2,954,508	3,079,198	3,927,778	4,019,498
Restricted	36,786	36,256	0	0	36,786	36,256
Unrestricted	<u>476</u>	<u>31,540</u>	<u>297,952</u>	<u>184,809</u>	<u>298,428</u>	<u>216,349</u>
Total Net Position	<u>1,010,531</u>	<u>1,008,097</u>	<u>3,252,461</u>	<u>3,264,007</u>	<u>4,262,992</u>	<u>4,272,104</u>

The largest of the Town's net position, 92% reflects its investment in capital assets (land, buildings and systems, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The Town used these capital assets to provide services to residents and businesses; consequently, these assets are not available for future spending. Net position of \$298,429 is unrestricted and may be used to meet the Town's ongoing obligations to residents, businesses and creditors.

Town of Flagler, Colorado
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
(Continued)

Statement of Activities

For 2017, total revenues for Governmental Activities exceeded expenditures by \$2,435. Total expenses for Business-type Activities (Enterprise Fund) exceeded revenues \$11,546. The following condensed table of changes in net position for 2017.

	Government Activities		Business-type Activities		Total	
	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/17</u>	<u>12/31/16</u>
Revenues						
Program Revenues						
Charges for service	6,930	11,116	448,388	415,160	455,318	426,276
Operating grants & contributions	68,401	79,062	0	0	68,401	79,062
Capital grants & contributions	26,176	164,088	0	843,000	26,176	1,007,088
General Revenues						
Property taxes	115,608	111,381	0	0	115,608	111,381
Sales Taxes	148,088	146,431	0	0	148,088	146,431
Other taxes	27,807	27,824	0	0	27,807	27,824
Investment interest	448	607	91	89	539	696
Other	20,739	22,454	0	0	20,739	22,454
Loan forgiveness	0	0	0	569,900	0	569,900
Transfers	<u>16,000</u>	<u>51,288</u>	<u>(16,000)</u>	<u>(51,288)</u>	<u>0</u>	<u>0</u>
Total Revenues	430,198	614,251	432,479	1,776,861	862,676	2,391,112
Expenses						
General Government	177,019	145,384	0	0	177,019	145,384
Public Works	189,716	205,446	0	0	189,716	205,446
Public Safety	1,052	1,356	0	0	1,052	1,356
Culture & Recreation	59,975	50,061	0	0	59,975	50,061
Garbage	0	0	165,763	139,699	165,763	139,699
Water	0	0	190,240	131,460	190,240	131,460
Wastewater	<u>0</u>	<u>0</u>	<u>88,021</u>	<u>84,187</u>	<u>88,021</u>	<u>84,187</u>
Total Expenses	<u>427,762</u>	<u>402,247</u>	<u>444,025</u>	<u>355,346</u>	<u>871,787</u>	<u>757,593</u>
Increase (decrease) in Net Position	2,435	212,004	(11,546)	1,421,515	(9,111)	1,633,519
Net Position - Beginning	<u>1,008,097</u>	<u>796,093</u>	<u>3,264,007</u>	<u>1,842,492</u>	<u>4,272,104</u>	<u>2,638,584</u>
Net Position - Ending	<u>1,010,532</u>	<u>1,008,097</u>	<u>3,252,461</u>	<u>3,264,007</u>	<u>4,262,993</u>	<u>4,272,104</u>

Town of Flagler, Colorado
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
(Continued)

As previously noted, governmental activities are principally supported by taxes, intergovernmental revenues, grant funding and charges for services. These revenues support General governmental activities, including Administration, Planning, Data Processing, Economic Development and Town Board, Public Works, including Streets, Mosquito Control, Parks and Recreation.

Financial Analysis of the Government's Funds

Governmental Funds

The Town of Flagler uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds are accounted for using the modified accrual basis of accounting, and the balance of spendable resources (unreserved fund balance) is shown at year end. The unreserved fund balance serves as a useful measure of a government's net resources available for spending at year end. At year end, the Town's Governmental funds reported a combined balance of \$37,263. \$477 of the combined balance was unassigned and is available for spending at the Town's discretion.

The individual major funds are discussed below.

General Fund - The General Fund is the chief operating fund of the Town of Flagler. It accounts for all general services provided by the Town, excluding special revenue funds, debt services funds.

Proprietary Funds - The Town's water, wastewater, and garbage funds are used to account for those operations that are financed and operated in a manner similar to private business, in that fees are charged to external users for goods and service.

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the Town. Council is provided with a detailed line item budget for all departments and after a discussion at a regularly held council meeting and Budget Hearing for the public, the budget is adopted at the fund level by Town Council. Within each fund, appropriations can be transferred between line items with the approval of the Town Council. Council must approve any revisions in the budget that alter the fund level totals.

No changes were made to the original budget.

Town of Flagler, Colorado
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
(Continued)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2017, the Town of Flagler had \$4,218,968 invested in land, buildings, equipment and construction in progress.

Table 3 shows fiscal 2017 balances of Capital Assets as compared to 2016.

	<u>At December 31, 2017</u>			<u>Prior Year</u>		
	Government	Business-type	<u>Total</u>	Government	Business-type	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Land	75,489	194,862	270,351	75,489	194,862	270,351
Infrastructure	277,817	0	277,817	218,908	0	218,908
System	0	3,898,277	3,898,277	0	3,898,277	3,898,277
Buildings	603,606	103,994	707,600	577,429	103,994	681,423
Improvements	96,535	28,597	125,132	96,535	28,597	125,132
Equipment	344,963	473,217	818,180	343,013	529,048	872,060
Vehicles	<u>61,745</u>	<u>0</u>	<u>61,745</u>	<u>61,745</u>	<u>0</u>	<u>61,745</u>
Total	1,460,155	4,698,947	6,159,103	1,373,119	4,754,778	6,127,898
Less accumulated depreciation	<u>(486,886)</u>	<u>(1,453,249)</u>	<u>(1,940,135)</u>	<u>(432,819)</u>	<u>(1,316,590)</u>	<u>(1,749,409)</u>
Net Fixed Assets	<u>973,269</u>	<u>3,245,698</u>	<u>4,218,968</u>	<u>940,300</u>	<u>3,438,188</u>	<u>4,378,489</u>

Net of depreciation, the balances for the above capital assets increased \$32,969 in governmental activities and decreased \$192,490 for business-type activities. The Town has an aggressive stance on maintaining its assets, including infrastructure, in excellent condition. Vehicles are planned for well in advance by the respective department heads and a scheduled maintenance and replacement time table is followed to provide peak performance for the maximum time frame. The older vehicles are either traded in to the dealers or sold to the highest bidder in the open market.

With regard to the infrastructure, the Town manager maintains a comprehensive listing of all streets, water and sewer lines in the Town. As part of the Town's annual road maintenance program, the Manager evaluates the condition of each street after each winter and prepares a list of streets to be resurfaced or crack-sealed and in the case of concrete alley pans and street-pans, replaced or repaired. After approval from council, the projects are bid in early to late spring to get the best possible pricing from contractors.

Town of Flagler, Colorado
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
(Continued)

There were a few purchases of fixed assets for the Town in 2017. The Wastewater Fund purchased a mower for \$11,169. The Garbage Fund sold a trash truck that was purchased originally for \$67,000.

Debt

As of December 31, 2017 the Town of Flagler had \$291,190 in outstanding debt, of which is outlined in Table 4 below.

	<u>At December 31, 2017</u>			<u>Prior Year</u>		
	Government	Business-type	<u>Total</u>	Government	Business-type	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Loan payable	0	158,543	158,543	0	185,385	185,385
Lease payable	<u>0</u>	<u>132,647</u>	<u>132,647</u>	<u>0</u>	<u>173,605</u>	<u>173,605</u>
Total	<u>0</u>	<u>291,190</u>	<u>291,190</u>	<u>0</u>	<u>358,990</u>	<u>358,990</u>

Summary of Financial Condition

The Town of Flagler establishes a budget for five separate funds or accounting divisions. The operation for the town has five major fund groupings: General Fund, Water Fund, Garbage Fund, Wastewater Fund and Conservation Trust Fund. Water, Garbage and Wastewater are Enterprise Funds, funded by income from services provided by each fund. The General Fund is funded primarily from tax revenue. Conservation Trust Fund is funded by lottery proceeds from the State of Colorado.

The forecasted income from property tax and sales tax are again the two largest sources of income for the General Fund. Water and Wastewater Funds have completed large improvement project over the past five years, this should help prevent large expenditures for future repairs and maintenance.

The town continues to monitor rates and plan ahead for the future.

All funds except the General Fund have cash available and the ability to raise revenue to be self-sustaining. The General Fund does not have cash available for 2018 expenditures, but the revenue should be fairly stable for 2018. Expenditures can be controlled to only fund necessary expenditures.

Town of Flagler, Colorado
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2017
(Continued)

Economic Factors and Next Year's Budget

The street department is one of the main focuses in the budget for the General Fund. Flagler has 24.98 miles of streets with 19.72 miles asphalted with curb and gutter. The town budgets the maximum amount possible to maintain the streets. This again will be a focus in 2018.

The Water Fund continues to provide the best possible water for its residents and maintain the infrastructure. Rates will be reviewed and raised in 2018.

The Garbage Fund has purchased a new truck replacing the used truck causing major financial expenditure from repairs. The trash truck driver and town manager are constantly searching for ways to provide an affordable service for more customers.

The Wastewater department continues to set reserves in savings and CDs to prepare for future needs.

The Town of Flagler continues to prepare for the future and be active in the future of Flagler.

Requests for Information

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer/Town Clerk, Doris King at the Town of Flagler, 311 Main Avenue, PO Box 126, Flagler Colorado 80815, 719-765-4571 or townflag@ersta.com.



BASIC FINANCIAL STATEMENTS

TOWN OF FLAGLER, COLORADO
Statement of Net Position
December 31, 2017

ASSETS	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Cash and cash equivalents	70,563	266,999	337,562
Certificates of deposit	155,876	7,020	162,896
Accounts/grants receivable	32,858	33,355	66,213
Accrued taxes receivable	112,374	0	112,374
Capital assets, net of accumulated depreciation	<u>973,269</u>	<u>3,245,698</u>	<u>4,218,968</u>
Total Assets	1,344,940	3,553,072	4,898,013
LIABILITIES			
Accounts payable	13,434	4,836	18,269
Meter deposits	0	4,586	4,586
Noncurrent Liabilities			
Due within 1 year	0	59,152	59,152
Due in more than 1 year	<u>0</u>	<u>232,038</u>	<u>232,038</u>
Total Liabilities	13,434	300,612	314,045
DEFERRED INFLOWS OF RESOURCES			
Deferred Grants	208,601	0	208,601
Deferred property taxes	112,374	0	112,374
NET POSITION			
Invested in capital assets	973,269	2,954,508	3,927,778
Restricted for TABOR	11,071	0	11,071
Restricted for Recreation	25,715	0	25,715
Unrestricted	<u>476</u>	<u>297,952</u>	<u>298,428</u>
Total Net Position	<u>1,010,531</u>	<u>3,252,461</u>	<u>4,262,992</u>

TOWN OF FLAGLER, COLORADO
Statement of Activities
For the Year Ended December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants</u>	<u>Capital Grants</u>
Governmental Activities				
General Government	177,019	1,444	0	26,176
Public Works	189,716		51,436	
Public Safety	1,052			
Culture & Recreation	<u>59,975</u>	<u>5,486</u>	<u>16,964</u>	<u>0</u>
Total Governmental Activities	427,762	6,930	68,401	26,176
Business Activities				
Garbage	165,763	157,493		
Water	190,240	209,593		0
Wastewater	<u>88,021</u>	<u>81,303</u>	<u>0</u>	<u>0</u>
Total Business Activities	<u>444,025</u>	<u>448,388</u>	<u>0</u>	<u>0</u>
Total	<u>871,787</u>	<u>455,318</u>	<u>68,401</u>	<u>26,176</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Auto taxes

Franchise taxes

Cigarette taxes

Sales taxes

Miscellaneous

Investment earnings

Loan forgiveness

Transfers

 Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position		
<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>
(149,398)		(149,398)
(138,280)		(138,280)
(1,052)		(1,052)
<u>(37,525)</u>		<u>(37,525)</u>
(326,256)		(326,256)
	(8,270)	(8,270)
	19,352	19,352
	<u>(6,718)</u>	<u>(6,718)</u>
	<u>4,363</u>	<u>4,363</u>
<u>(326,256)</u>	<u>4,363</u>	<u>(321,892)</u>
115,608		115,608
16,281		16,281
10,431		10,431
1,096		1,096
148,088		148,088
20,739		20,739
448	91	539
0	0	0
<u>16,000</u>	<u>(16,000)</u>	<u>0</u>
<u>328,691</u>	<u>(15,909)</u>	<u>312,782</u>
2,435	(11,546)	(9,111)
<u>1,008,097</u>	<u>3,264,007</u>	<u>4,272,104</u>
<u>1,010,532</u>	<u>3,252,461</u>	<u>4,262,993</u>



TOWN OF FLAGLER, COLORADO
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Conservation Trust Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	46,407	24,156	70,563
Certificates of Deposit	155,876	0	155,876
Due from Other Funds	0	1,559	1,559
Accounts receivable	32,858	0	32,858
Accrued taxes receivable	<u>112,374</u>	<u>0</u>	<u>112,374</u>
Total Assets	<u>347,515</u>	<u>25,715</u>	<u>373,229</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	13,434	0	13,434
Due to Other Funds	1,558	0	1,558
Deferred Grants	208,601	0	208,601
Deferred property taxes receivable	<u>112,374</u>	<u>0</u>	<u>112,374</u>
Total Liabilities	335,967	0	335,967
Fund Balances			
Restricted for TABOR	11,071	0	11,071
Restricted for Recreation	0	25,715	25,715
Unrestricted	<u>477</u>	<u>0</u>	<u>477</u>
Total Fund Balances	<u>11,548</u>	<u>25,715</u>	<u>37,263</u>
 Total Liabilities and Fund Balances	 <u>347,515</u>	 <u>25,715</u>	 <u>373,229</u>

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
December 31, 2017

Total Governmental Fund Balances 37,263

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

 Capital assets used in governmental activities are not
 financial resources and therefore are not reported in the funds 973,269

Net Position of Governmental Activities 1,010,532

See auditor's report and notes to the financial statements.

TOWN OF FLAGLER, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	<u>General</u>	<u>Trust</u>	Total <u>Governmental Funds</u>
REVENUES			
Taxes	279,977	0	279,977
Licenses & Permits	1,444	0	1,444
Intergovernmental	62,962	5,550	68,512
Charges For Service	5,486	0	5,486
Interest	436	12	448
Miscellaneous	<u>58,331</u>	<u>0</u>	<u>58,331</u>
Total Revenues	408,636	5,562	414,198
EXPENDITURES			
Current			
General government	144,169	0	144,169
Operations & Maintenance	184,469	0	184,469
Parks & recreation	34,716	3,000	37,716
Library	32,499	0	32,499
Capital Outlay	<u>61,879</u>	<u>0</u>	<u>61,879</u>
Total Expenditures	<u>457,731</u>	<u>3,000</u>	<u>460,731</u>
Revenues over (under) Expenditures	(49,096)	2,562	(46,534)
Other Financing Sources (Uses)			
Operating Transfers In (Out)	<u>16,000</u>	<u>0</u>	<u>16,000</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(33,096)	2,562	(30,534)
Fund Balance - Beginning	<u>44,644</u>	<u>23,153</u>	<u>67,796</u>
Fund Balance - Ending	<u>11,548</u>	<u>25,715</u>	<u>37,263</u>

TOWN OF FLAGLER, COLORADO
 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

Net change in fund balances - total governmental funds		(30,534)
--	--	----------

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the period.

Capital outlays	87,036	
Depreciation expense	<u>(54,067)</u>	<u>32,969</u>
Change in net position of government activities		<u>2,435</u>

TOWN OF FLAGLER, COLORADO
Statement of Net Position
Proprietary Funds
For the Year Ended December 31, 2017

ASSETS	Garbage	Water	Wastewater	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Current Assets				
Cash and cash equivalents	7,586	173,186	86,227	266,999
Certificates of deposit	0	7,020	0	7,020
Due From other Funds	0	0	0	0
Accounts receivable	<u>14,227</u>	<u>12,325</u>	<u>6,803</u>	<u>33,355</u>
Total Current Assets	21,813	192,531	93,031	307,374
Capital Assets				
Land	0	184,548	10,314	194,862
Buildings & improvements	21,698	82,296	28,597	132,591
System	0	2,870,937	1,027,340	3,898,277
Equipment	328,880	61,746	82,591	473,217
Accumulated depreciation	<u>(192,207)</u>	<u>(781,889)</u>	<u>(479,153)</u>	<u>(1,453,249)</u>
Net Capital Assets	<u>158,371</u>	<u>2,417,638</u>	<u>669,689</u>	<u>3,245,698</u>
 TOTAL ASSETS	 180,184	 2,610,169	 762,720	 3,553,072
LIABILITIES				
Current Liabilities				
Accounts payable	2,092	1,859	885	4,836
Meter deposits	0	4,586	0	4,586
Due to Other Funds	0	0	0	0
Current portion of long-term	<u>31,106</u>	<u>28,046</u>	<u>0</u>	<u>59,152</u>
Total Current Liabilities	33,198	34,491	885	68,573
Long-Term Liabilities				
Leases payable	<u>101,541</u>	<u>130,497</u>	<u>0</u>	<u>232,038</u>
 TOTAL LIABILITIES	 134,739	 164,988	 885	 300,612
NET POSITION				
Investment in capital assets	25,724	2,259,095	669,689	2,954,508
Unrestricted	<u>19,720</u>	<u>186,086</u>	<u>92,146</u>	<u>297,952</u>
Total Net Position	<u>45,445</u>	<u>2,445,181</u>	<u>761,835</u>	<u>3,252,461</u>

TOWN OF FLAGLER, COLORADO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Garbage <u>Fund</u>	Water <u>Fund</u>	Wastewater <u>Fund</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	131,503	171,079	72,899	375,481
Other revenue	<u>8,478</u>	<u>16,763</u>	<u>8,404</u>	<u>33,645</u>
Total Operating Revenues	139,981	187,842	81,303	409,125
OPERATING EXPENSES				
Salaries	40,564	14,735	29,341	84,640
Payroll taxes	4,116	1,530	1,107	6,753
Employee benefits	6,129	561	415	7,105
Maintenance	48,108	37,798	5,090	90,995
Utilities	0	17,588	16,841	34,430
Tipping fees	23,229	0	0	23,229
Testing	0	13,885	3,310	17,195
Fuel	0	763	197	960
Permits & fees	0	0	800	800
Depreciation	<u>37,109</u>	<u>98,142</u>	<u>30,920</u>	<u>166,171</u>
Total Operating Expenses	<u>159,255</u>	<u>185,002</u>	<u>88,021</u>	<u>432,278</u>
OPERATING INCOME (LOSS)	(19,274)	2,840	(6,718)	(23,152)
NONOPERATING INCOME (EXPENSES)				
Farm lease	0	21,751	0	21,751
Grant Income	0	0	0	0
Forgiveness of debt	0	0	0	0
Operating Transfers	0	(16,000)	0	(16,000)
Sale of Assets	17,512	0	0	17,512
Interest income	0	78	13	91
Interest expense	<u>(6,508)</u>	<u>(5,238)</u>	<u>0</u>	<u>(11,747)</u>
Change in Net Position	(8,270)	3,430	(6,706)	(11,546)
Net Position - Beginning	<u>53,715</u>	<u>2,441,751</u>	<u>768,541</u>	<u>3,264,007</u>
Net Position - Ending	<u>45,445</u>	<u>2,445,181</u>	<u>761,835</u>	<u>3,252,461</u>

TOWN OF FLAGLER, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	<u>Garbage Fund</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	144,961	186,754	80,603	412,318
Payments to suppliers	(96,944)	(75,771)	(27,511)	(200,226)
Payments for salaries and benefits	<u>(48,717)</u>	<u>(16,265)</u>	<u>(30,448)</u>	<u>(95,429)</u>
Net Cash Provided by Operating Activities	(700)	94,718	22,644	116,663
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	0	0	(11,169)	(11,169)
Sale of Assets	55,000	0	0	55,000
Lease payments	(40,958)	0	0	(40,958)
Debt payments	0	(26,842)	0	(26,842)
Interest expense	<u>(6,508)</u>	<u>(5,238)</u>	<u>0</u>	<u>(11,747)</u>
Net Cash Provided by Capital Financing Activities	7,534	(32,081)	(11,169)	(35,716)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Due to/from	0	(29,273)	29,273	0
Transfers	0	(16,000)	0	(16,000)
Farm income (loss)	<u>0</u>	<u>21,751</u>	<u>0</u>	<u>21,751</u>
Net Cash Provided by Non-Capital Financing Activities	0	(23,523)	29,273	5,751
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	0	78	13	91
Changes in savings & CDs	<u>0</u>	<u>(35)</u>	<u>0</u>	<u>(35)</u>
Net Cash Provided by Investing Activities	<u>0</u>	<u>43</u>	<u>13</u>	<u>56</u>
Net increase (decrease) in cash	6,834	39,158	40,761	86,753
Cash Balance - Beginning of year	<u>752</u>	<u>134,028</u>	<u>45,467</u>	<u>180,247</u>
Cash Balance - End of year	<u>7,586</u>	<u>173,186</u>	<u>86,227</u>	<u>266,999</u>
Reconciliation of operating income (loss) to net cash provided (used) by operations				
Operating income (loss)	(19,274)	2,840	(6,718)	(23,152)
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	37,109	98,142	30,920	166,171
(Increase) decrease in:				
Accounts receivable	4,980	(1,088)	(700)	3,192
(Decrease) increase in:				
Accounts payable	<u>(23,515)</u>	<u>(5,175)</u>	<u>(858)</u>	<u>(29,548)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(700)</u>	<u>94,718</u>	<u>22,644</u>	<u>116,663</u>

See auditor's report and notes to the financial statements.



TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Flagler, Colorado conform to generally accepted accounting principles (GAAP) as applicable to governments. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant principles.

A. Financial Reporting Entity

The Town is a political subdivision of the State of Colorado which is governed by an elected mayor and elected 6 member board of trustees. In determining how to define the reporting entity, management has considered all potential component units. These criteria state that the financial reporting entity consist of (a) the primary government, (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these criteria, there are no additional agencies or entities which should be included in the financial statements of the Town.

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

Government-wide financial statements include a statement of net position and the statement of activities. These statements present summaries of governmental and business-type activities for the Town, accompanied by a total column. Governmental activities, which generally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Amounts recorded as program revenues include (1) charges to customers for goods or services (2) operating grants and contributions, and (3) capital grants and contributions.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

The government-wide financial statements and proprietary funds are accounted for under economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual method of accounting, revenues are recognized in the period in which the liability is incurred.

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017
(Continued)

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

The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property tax, sales and use tax, intergovernmental revenues and other taxes. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The general fund is the Town's primary operating fund. It accounts for all financial resources except those required to be in another fund.

Operating revenues for proprietary funds are those revenues that are a result of providing services to individuals and businesses that are serviced by the various Town proprietary funds. The Town also recognizes as operating revenues in Water and Sewer funds the tap fees intended to recover the cost of connecting new customers to the system.

All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The Town reports the following major proprietary funds:

The garbage, water, and wastewater accounts for activities of the Town's distribution and collection operations.

C. Assets, Liabilities and Net Position or Equity

1. Cash and Cash Equivalents

For purposes of the statement of cash flow, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The Town pools cash from several funds for the purpose of increasing interest income. Interest is allocated to individual funds based on the average cash of the funds.

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017
(Continued)

2. Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable balances are recorded on the statement of net position, net of allowance for uncollectible accounts of \$14,227 in the Garbage Fund, \$12,325 in the Water Fund, and \$6,803 in the Wastewater Fund.

The Town uses a bad debt allowance that are not limited to a specific percent of receivables, but are reviewed annually to determine their adequacy. Actual bad debts are low due to continued review.

3. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between funds for goods provided or services rendered. These receivable and payables are classified as “due to/due from other funds” on the balance sheet for governmental funds and on the statement of position for the proprietary funds when they are expected to be liquidated within one year.

Through the budgetary process, the Town budgets transfers between funds. The amounts are for funding purposes per the budget.

4. Property taxes

Taxes are levied by December 15, tax bills are mailed January 1 of the following year, creating an enforceable lien on the property. If paid by installments of one-half each, the first is due February 28, the second by June 15. If paid in one payment, the due date is April 30. Taxes are delinquent if not paid by those dates. Notices of delinquencies are mailed in September, and tax sales are scheduled for November.

5. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method in proprietary funds. Inventories of governmental funds are recorded as expenditures when purchased.

6. Prepaid Items

Payments to vendors for services that will benefit periods beyond the year-end are recorded as prepaid items.

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation.

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017
(Continued)

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

Property, plant and equipment are depreciated in the proprietary funds using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	40
Improvements	20-30
Buildings	10-50
Equipment	5-20
Vehicles	5-10

General infrastructure assets acquired prior to January 1, 2001 are not being reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to January 1, 2001.

8. Compensated Absences

The Town does not provide for any compensated absences other than vacation for the current year. No liability deemed necessary.

9. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bonds issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017
(Continued)

10. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure. Actual results could differ from those estimates.

11. Encumbrances

Encumbrance accounting where purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation is not utilized by the Town.

12. Net Position/Fund Balance

In the government-wide and proprietary fund financial statements, net position is classified in the following categories;

Invested in Capital Assets – this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – indicates that portion of net position which has been legally segregated for specific purposes or is not available for appropriation

Unrestricted Net Position – represents the amount which is not reserved for any purpose and is available for appropriation and expenditure in future periods.

When both restricted and unrestricted funds are available, restricted are deemed first spent.

In the fund financial statements, fund balances of governmental funds are classified in the following categories;

Nonspendable – amounts that cannot be spent because they are either in not spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of a permanent fund which is required to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

Restricted – when constraints placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be only used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017
(Continued)

Assigned – amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or the Town Clerk to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - amounts that are available for any purpose. These amounts are reported only in the General Fund.

The Town Board is the sole authority with the ability to commit funds for specific purposes. Committed funds cannot be used for any other purposes unless the Town Board uses the same action that it took to originally commit the amounts.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

All funds must have budgets to be allowed expenditures. Budgets for all funds except proprietary funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary funds are prepared on the accrual basis of accounting excluding depreciation expense. All annual appropriations lapse at year end.

By August 25 the County Assessor forwards certification of assessed valuation to the Town. On or before October 1, departments must submit to the budget officer an estimate of their expenditure requirements and their estimated revenue for the ensuing budget year.

The budget officer shall prepare and submit to the Board of Trustees a proposed budget by October 15. Upon receipt of the proposed budget, the Board of Trustees shall publish a notice showing the proposed budget is open for inspection by the public and the date the Board will consider adoption of such proposed budget.

By December 15, the Board of Trustees certifies to County Commissioners the mill levy against the assessed valuation.

Final adoption and an ordinance or resolution making appropriations is due by December 31 and submitted to division of local government within 30 days.

Expenditures may not legally exceed budgeted appropriations at the fund level.

- a. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment’s language in order to determine its compliance.
- b. Expenditures in the Wastewater Proprietary Fund of \$68,270 exceeded the budgeted amount of \$67,456. This may be a violation of state budget laws.
- c. The Water Fund transferred \$16,000 to the General Fund for general operating activities.

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017
(Continued)

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

- A. The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Regulatory Commission for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk - the risk that, in the event of bank failure, the Town's deposit may not be returned to it. The Town does not have a written deposit policy for custodial credit risk.

Deposits - all are in a single financial institution. They are displayed on the balance sheets as "Cash in Bank" and "Certificates of Deposit" and are carried at cost.

	Bank <u>Balance</u>	Carrying <u>Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured: Collateral Held by District's Agent in Agent's Name	267,038	93,266
With County Treasurer	<u>0</u>	<u>1,316</u>
Total Cash	517,038	344,582
Shown as CD		<u>(162,896)</u>
Net Cash		<u>181,686</u>

- B. Accrued Property Taxes Receivable - the amount of current year property taxes which are due January 1 of the following year. There is an offsetting amount of deferred property tax revenue. This amount has not been included in the revenues of the current year.

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2015
(Continued)

C. Changes in General Fixed Assets - a summary of changes in the general fixed assets follows:

Governmental Activities	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Land	75,489	0	0	75,489
Buildings	577,429	26,176	0	603,605
Infrastructure	218,908	58,909	0	277,817
Improvements Other Than Buildings	96,535	0	0	96,535
Equipment	343,013	1,950	0	344,963
Vehicles	<u>61,745</u>	<u>0</u>	<u>0</u>	<u>61,745</u>
Total	1,373,118	87,035	0	1,460,154
Less Accumulated Depreciation				
Land	0	0	0	0
Buildings	54,581	15,078	0	69,659
Infrastructure	64,850	5,963	0	70,813
Improvements Other Than Buildings	64,539	3,359	0	67,898
Equipment	210,577	23,876	0	234,453
Vehicles	<u>38,272</u>	<u>5,791</u>	<u>0</u>	<u>44,063</u>
Total	<u>432,819</u>	<u>54,067</u>	<u>0</u>	<u>486,886</u>
Government Activities Net Capital Assets	<u>940,299</u>	<u>32,968</u>	<u>0</u>	<u>973,268</u>

Depreciation has been allocated \$22,611 to general government, \$1,052 to public safety, \$24,229 to public works, and \$6,175 to culture & recreation.

Business-type Activities

Land	194,862	0	0	194,862
Buildings	103,994	0	0	103,994
Improvements	28,597	0	0	28,597
Sewer System	1,027,341	0	0	1,027,341
Water System	2,870,936	0	0	2,870,936
Equipment	173,661	11,169	0	184,830
Vehicles	<u>355,385</u>	<u>0</u>	<u>67,000</u>	<u>288,385</u>
Total	4,754,776	11,169	67,000	4,698,945

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017
(Continued)

Less Accumulated Depreciation

Land	0	0	0	0
Buildings	88,651	732	0	89,383
Improvements	16,092	619	0	16,711
Sewer System	391,047	25,509	0	416,556
Water System	545,562	96,979	0	642,541
Equipment	139,817	5,837	0	145,654
Vehicles	<u>135,422</u>	<u>36,495</u>	<u>29,512</u>	<u>142,405</u>
Total	<u>1,316,591</u>	<u>166,171</u>	<u>29,512</u>	<u>1,453,250</u>
Business-type Activities				
Net Capital Assets	<u>3,438,185</u>	<u>(155,002)</u>	<u>37,488</u>	<u>3,245,695</u>

D. Changes in Long-Term Debt

	Balance <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31</u>
Business Activities				
Loans Payable	358,990	0	67,799	291,191

In 2005, the Town entered into a loan agreement with the Colorado Department of Local Affairs for purchase of land with a water well to supplement the water system in the amount of \$300,000. The agreement is for 15 years at 5% with the first payment on September 1, 2006. Below is a schedule of payments.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	25,279	3,985	29,264
2019	26,543	2,721	29,264
2020	<u>27,870</u>	<u>1,394</u>	<u>29,264</u>
Total	79,692	8,100	87,792

In 2013, the Town entered into a lease/purchase agreement with the Tax Exempt Leasing Corp for the purchase of a trash truck in the amount of \$42,035. The agreement calls for 16 payments of \$2,826 due quarterly with interest at 3.49%. This was paid off in 2017.

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017
(Continued)

Also in 2015, the Town entered into another loan with Colorado Water Resources and Power Development Authority in the amount of \$652,900 at 0% interest. The agreement calls for forgiveness in the amount of \$569,900 as of January 26, 2016, leaving a balance of \$83,000.

<u>Year</u>	<u>Principal</u>
2018	2,767
2019	2,766
2020	2,767
2021	2,767
2022	2,767
2023-2027	13,833
2028-2032	13,833
2033-2037	13,833
2038-2042	13,833
2043-2046	<u>9,684</u>
Total	78,850

In 2016 the Town entered into a lease/purchase agreement with Mercedes-Benze Financial Services for the purchase of a trash truck in the amount of \$162,475. The agreement calls for 20 payments of \$9,053 due quarterly with interest at 4.22%.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	31,106	5,105	36,211
2019	32,438	3,773	36,211
2020	33,827	2,383	36,210
2021	<u>35,276</u>	<u>935</u>	<u>36,211</u>
Total	132,647	12,196	144,843

Total long term debt requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	59,152	9,090	68,241
2019	61,748	6,493	68,241
2020	64,464	3,778	68,241
2021	38,043	934	38,977
2022	2,767	0	2,767
2023-2027	13,833	-0-	13,833
2028-2032	13,833	-0-	13,833
2033-2037	13,833	-0-	13,833
2038-2042	13,833	-0-	13,833
2043-2046	<u>9,684</u>	<u>-0-</u>	<u>9,984</u>
Total	291,190	20,295	311,485

TOWN OF FLAGLER, COLORADO
Notes to Financial Statements
December 31, 2017
(Continued)

(4) OTHER INFORMATION

- A. Pension Plan - the employees of the Town are covered under the Social Security system.

In 1994, the Town instituted pension benefits for all its full-time employees through Principal Mutual Life Insurance Co., a defined contribution plan. All full-time employees who are 21 years of age and older are eligible to participate after one year of service. Participants are fully vested after 3 years of service. The Town is required to contribute 3% of the base wage of all full-time employees.

The payroll for employees covered by the defined contribution plan was \$83,958, and the total payroll was \$194,000. The required contribution by the Town was \$2,519

- B. The Town is exposed to various risks of loss related to torts; theft of, damage of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all risks including workers' compensation, employee unemployment, and employee health and accident. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.



REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FLAGLER, COLORADO
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2017

	<u>Budget</u>			Variance with Final Budget
REVENUES	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Taxes	295,101	295,101	279,977	(15,124)
Licenses & Permits	1,000	1,000	1,444	444
Intergovernmental	66,938	66,938	62,962	(3,976)
Charges For Service	7,500	7,500	5,486	(2,014)
Interest	500	500	436	(64)
Miscellaneous	<u>187,407</u>	<u>187,407</u>	<u>58,331</u>	<u>(129,076)</u>
TOTAL REVENUES	558,446	558,446	408,636	(149,810)
EXPENDITURES				
General government	321,045	321,045	144,169	176,876
Operations & Maintenance	221,924	221,924	246,348	(24,424)
Parks & recreation	39,000	39,000	34,716	4,284
Library	<u>30,934</u>	<u>30,934</u>	<u>12,501</u>	<u>18,434</u>
TOTAL EXPENDITURES	<u>612,903</u>	<u>612,903</u>	<u>437,733</u>	<u>175,170</u>
Revenues over (under) Expenditures	(54,457)	(54,457)	(29,098)	25,359
Other Financing Sources (Uses)				
Operating Transfers In (Out)	54,457	54,457	16,000	(38,457)
Fund Balance - Beginning	<u>0</u>	<u>0</u>	<u>44,644</u>	<u>44,644</u>
Fund Balance - Ending	<u>0</u>	<u>0</u>	<u>31,546</u>	<u>31,546</u>

SUPPLEMENTARY INFORMATION



GENERAL FUND

The General Fund accounts for all transactions of the Town not required to be accounted for in other funds. This fund represents an accounting for the Town's ordinary operations financed primarily from taxes. It is the most significant fund in relation to the Town's overall operation.

TOWN OF FLAGLER, COLORADO
 General Fund
 Comparative Balance Sheet
 At December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>Change</u>
ASSETS			
Cash			
In Bank	45,091	26,585	18,506
With County Treasurer	<u>1,316</u>	<u>1,452</u>	<u>(136)</u>
Total Cash	46,407	28,037	18,370
Certificates of Deposit	155,876	0	155,876
Accounts Receivable	32,858	34,642	(1,784)
Accrued Property Tax Receivable	<u>112,374</u>	<u>114,601</u>	<u>(2,227)</u>
Total Assets	<u>347,515</u>	<u>177,280</u>	<u>170,235</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities			
Accounts Payable	13,434	18,035	(4,601)
Due to Conservation Trust Fund	1,558	0	1,558
Deferred Inflows of Resources			
Deferred Property Tax Revenue	112,374	114,601	(2,227)
Deferred Grants	<u>208,601</u>	<u>0</u>	<u>208,601</u>
Total Liabilities	335,967	132,636	203,331
Fund Balance			
Restricted for TABOR	11,071	13,103	(2,032)
Unassigned	<u>477</u>	<u>31,540</u>	<u>(31,064)</u>
Total Fund Balance	<u>11,548</u>	<u>44,644</u>	<u>(33,096)</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>347,515</u>	<u>177,280</u>	<u>170,235</u>

TOWN OF FLAGLER, COLORADO
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended December 31, 2017
 With Comparative Actual Amounts for the Year Ended December 31, 2016

REVENUES	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
Taxes				
Property	114,601	115,608	1,007	111,381
Auto	15,500	16,281	781	16,603
Sales	<u>165,000</u>	<u>148,088</u>	<u>(16,912)</u>	<u>146,431</u>
Total Taxes	295,101	279,977	(15,124)	274,415
Intergovernmental				
Cigarette	1,000	1,096	96	1,216
Franchise	12,000	10,431	(1,569)	10,005
Highway Users Tax	37,938	37,298	(640)	36,531
Road & Bridge	<u>16,000</u>	<u>14,138</u>	<u>(1,862)</u>	<u>13,623</u>
Total Intergovernmental	66,938	62,962	(3,976)	61,375
Charges for Service				
Participant Recreation	7,500	5,486	(2,014)	6,703
Licenses & Permits	1,000	1,444	444	613
Interest	500	436	(64)	596
Sale of Assets	0	0	0	0
Other				
Library	1,400	1,450	50	1,460
Grants & Donations	165,000	36,141	(128,859)	185,247
Miscellaneous	<u>21,007</u>	<u>20,739</u>	<u>(268)</u>	<u>26,254</u>
Total Other Revenues	<u>187,407</u>	<u>58,331</u>	<u>(129,076)</u>	<u>212,961</u>
Total Revenues	558,446	408,636	(149,810)	556,664
Expenditures	<u>612,903</u>	<u>457,731</u>	<u>155,172</u>	<u>759,253</u>
Excess of Revenues over (under) Expenditures	(54,457)	(49,096)	5,361	(202,589)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>54,457</u>	<u>16,000</u>	<u>(38,457)</u>	<u>51,288</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	0	(33,096)	(33,096)	(151,301)
Fund Balance - Beginning	<u>0</u>	<u>44,644</u>	<u>44,644</u>	<u>195,945</u>
Fund Balance - Ending	<u>0</u>	<u>11,548</u>	<u>11,548</u>	<u>44,644</u>

TOWN OF FLAGLER, COLORADO
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended December 31, 2017
 With Comparative Actual Amounts for the Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior Year
GENERAL GOVERNMENT				
Current				
Clerk & Assistant Salary	17,689	18,320	(631)	28,088
County Treasurer Fee	2,600	2,595	5	2,500
Telephone	5,000	5,421	(421)	4,162
Auditing & Legal	5,000	6,872	(1,872)	4,133
Insurance	22,000	29,523	(7,523)	22,338
Employee Insurance	28,017	21,308	6,709	23,179
Taxes, Payroll & Other	4,500	4,676	(176)	5,345
Other Employee Benefits	1,561	135	1,426	126
Election Expense	0	0	0	9
Office Supplies	8,000	10,979	(2,979)	11,027
Sign Expense	1,100	1,007	93	1,236
Municipal Building Utilities	5,500	4,248	1,252	4,390
Municipal Building Maintenance	1,000	3,007	(2,007)	2,279
Dues	1,800	1,948	(148)	1,164
Medical Clinic	5,000	2,760	2,240	5,514
Publications	2,500	2,385	115	971
Town Hall Expenses	187,500	26,176	161,324	402,872
Miscellaneous	3,000	2,807	193	2,853
Capital Outlay	0	0	0	0
Appropriated Reserve	<u>19,278</u>	<u>0</u>	<u>19,278</u>	<u>0</u>
Total General Government	321,045	144,169	176,876	522,187
 OPERATIONS & MAINTENANCE				
Current				
Street Salaries	50,487	51,001	(514)	50,035
Payroll Taxes	5,000	5,831	(831)	5,722
Employee Insurance	13,512	10,085	3,427	9,778
Other Employee Benefits	4,925	4,436	489	3,268
Street Maintenance	97,500	76,343	21,157	61,643
Equipment Repairs	25,000	12,689	12,311	22,932
Shop Maintenance	5,500	5,530	(30)	8,102
Street Light Electricity	18,000	18,554	(554)	18,528
Debt Service	0	0	0	0
Capital Outlay	<u>2,000</u>	<u>61,879</u>	<u>(59,879)</u>	<u>1,975</u>
Total Operations & Maintenance	221,924	246,348	(24,424)	181,982

See auditor's report and notes to the financial statements.

TOWN OF FLAGLER, COLORADO
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended December 31, 2017
 With Comparative Actual Amounts for the Year Ended December 31, 2016
 (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
CULTURE, RECREATION AND AUXILIARY SERVICES				
Current				
Pool Salaries	14,000	10,916	3,084	13,061
Pool Expenses	1,500	0	1,500	1,137
Participant Recreation	5,000	5,089	(89)	5,442
Park Salaries	8,000	6,521	1,479	8,045
Payroll Taxes	500	492	8	575
Other Employee Benefits	500	805	(305)	477
Park Maintenance	8,000	9,573	(1,573)	13,169
Utilities	1,500	1,319	181	1,342
Library				
Salaries	16,864	19,998	(3,134)	0
Payroll Taxes	500	0	500	0
Telephone	1,500	1,138	362	1,156
Books	8,000	4,307	3,693	7,305
Summer Reading	1,000	1,070	(70)	161
Miscellaneous	3,070	5,986	(2,916)	3,215
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Culture & Recreation	<u>69,934</u>	<u>67,214</u>	<u>2,720</u>	<u>55,085</u>
 TOTAL EXPENDITURES	 <u>612,903</u>	 <u>457,731</u>	 <u>155,172</u>	 <u>759,253</u>



SPECIAL REVENUE FUND

Conservation Trust Fund - to account for lottery funds from the state which are to be expended for recreational purposes.

TOWN OF FLAGLER, COLORADO
 Conservation Trust Special Revenue Fund
 Comparative Balance Sheet
 At December 31, 2017

ASSETS	<u>2017</u>	<u>2016</u>	<u>Change</u>
Cash In Bank	24,156	23,153	1,003
Due from General Fund	<u>1,559</u>	<u>0</u>	<u>1,559</u>
TOTAL ASSETS	<u>25,715</u>	<u>23,153</u>	<u>2,562</u>
FUND BALANCE - Restricted	<u>25,715</u>	<u>23,153</u>	<u>2,562</u>

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended December 31, 2017
 With Comparative Actual Amounts for the Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Lottery Receipts	6,500	5,550	(950)	6,288
Investment Interest	<u>10</u>	<u>12</u>	<u>2</u>	<u>11</u>
Total Revenues	6,510	5,562	(948)	6,299
 EXPENDITURES				
Park Maintenance	3,000	3,000	0	3,000
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Excess of Revenues over (under) Expenditures	3,510	2,562	(948)	3,299
Fund Balance - Beginning	<u>23,153</u>	<u>23,153</u>	<u>0</u>	<u>19,854</u>
Fund Balance - Ending	<u>26,663</u>	<u>25,715</u>	<u>(948)</u>	<u>23,153</u>



PROPRIETARY FUNDS

Garbage Fund - to account for the trash collection services to residents of the Town. All activities necessary to provide such services are accounted for in this fund.

Water Fund - to account for the provision of water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund.

Wastewater Fund - to account for the provision of wastewater services to residents of the Town and some surrounding residents. All activities necessary to provide such services are accounted for in this fund.

TOWN OF FLAGLER, COLORADO
 Garbage Proprietary Fund
 Comparative Statement of Net Position
 December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash	7,586	752	6,834
Accounts Receivable	<u>14,227</u>	<u>19,207</u>	<u>(4,980)</u>
Total Current Assets	21,813	19,959	1,853
Fixed Assets			
Building	21,698	21,698	0
Equipment	328,880	395,880	(67,000)
Less: Accumulated Depreciation	<u>(192,207)</u>	<u>(184,610)</u>	<u>(7,597)</u>
Net Fixed Assets	<u>158,371</u>	<u>232,968</u>	<u>(74,597)</u>
TOTAL ASSETS	180,184	252,928	(72,744)
LIABILITIES			
Current Liabilities			
Accounts Payable	2,092	25,608	(23,515)
Current Portion of Long Term	<u>31,106</u>	<u>29,828</u>	<u>1,278</u>
Total Current Liabilities	33,198	55,436	(22,238)
Long Term Liabilities			
Lease Payable	<u>101,541</u>	<u>143,777</u>	<u>(42,236)</u>
TOTAL LIABILITIES	134,739	199,213	(64,473)
NET POSITION			
Invested in capital assets	25,724	59,363	(33,639)
Unrestricted	<u>19,720</u>	<u>(5,648)</u>	<u>25,369</u>
TOTAL NET POSITION	<u>45,445</u>	<u>53,715</u>	<u>(8,270)</u>

TOWN OF FLAGLER, COLORADO
 Garbage Proprietary Fund
 Statement of Revenues, Expenses, and Changes in Net Position
 Budget (Non-GAAP) and Actual
 For the Year Ended December 31, 2017
 With Comparative Actual Amounts for the Year Ended December 31, 2016

	Budget	Actual	Variance - Favorable	Actual
REVENUES	<u>(Non-GAAP)</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Prior Year</u>
Charges for Service	130,000	131,503	1,503	137,666
Hauling	8,000	0	(8,000)	0
Dumpster Lease	250	521	271	141
Lease Proceeds	0	162,475	162,475	182,475
Miscellaneous	<u>3,200</u>	<u>7,957</u>	<u>4,757</u>	<u>2,186</u>
Total Revenues	141,450	302,456	161,006	322,467
EXPENDITURES				
Salaries	40,888	40,564	324	41,684
Payroll Taxes	3,500	4,116	(616)	4,072
Employee Benefits	12,911	6,129	6,782	9,522
Maintenance	34,000	48,108	(14,108)	49,741
Tipping Fee	25,000	23,229	1,771	23,875
Debt Service	36,349	47,466	(11,117)	11,305
Capital Outlay	<u>20,000</u>	<u>0</u>	<u>20,000</u>	<u>182,475</u>
Total Expenditures	<u>172,648</u>	<u>169,612</u>	<u>3,036</u>	<u>322,675</u>
Excess of Revenues over (under) Expenditures	(31,198)	132,844	164,042	(208)
Adjustments to Proprietary Fund Basis of Accounting				
Capital Outlay	0	0	0	182,475
Lease Payments	0	40,958	40,958	10,685
Lease Proceeds	0	(162,475)	(162,475)	(182,475)
Operating Transfers In (Out)	29,698	0	(29,698)	4,000
Sale of Assets	1,500	17,512	16,012	0
Depreciation	<u>0</u>	<u>(37,109)</u>	<u>(37,109)</u>	<u>(10,184)</u>
Net Income (Loss) Proprietary Fund Basis of Accounting	0	(8,270)	(8,270)	4,293
Net Position - Beginning	<u>0</u>	<u>53,715</u>	<u>53,715</u>	<u>49,422</u>
Net Position - Ending	<u>0</u>	<u>45,445</u>	<u>45,445</u>	<u>53,715</u>

TOWN OF FLAGLER, COLORADO
Water Proprietary Fund
Comparative Statement of Net Position
December 31, 2017

ASSETS	<u>2017</u>	<u>2016</u>	<u>Change</u>
Current Assets			
Cash In Bank	173,186	134,028	39,158
Certificate of Deposit	7,020	6,985	35
Accounts Receivable	<u>12,325</u>	<u>11,237</u>	<u>1,088</u>
Total Current Assets	192,531	152,249	40,282
Fixed Assets			
Land	184,548	184,548	0
Buildings	82,296	82,296	0
Water System	2,870,937	2,870,937	0
Equipment	61,746	61,746	0
Less: Accumulated Depreciation	<u>(781,889)</u>	<u>(683,747)</u>	<u>(98,142)</u>
Net Fixed Assets	<u>2,417,638</u>	<u>2,515,780</u>	<u>(98,142)</u>
 TOTAL ASSETS	 2,610,169	 2,668,029	 (57,860)
 LIABILITIES			
Current Liabilities			
Accounts Payable	1,859	7,034	(5,175)
Meter Deposits	4,586	4,586	0
Due to Waste Water	0	29,273	(29,273)
Current Portion of Long-Term	<u>28,046</u>	<u>26,842</u>	<u>1,204</u>
Total Current Liabilities	34,491	67,735	(33,245)
Long-Term Liabilities			
Loans Payable	<u>130,497</u>	<u>158,543</u>	<u>(28,046)</u>
 TOTAL LIABILITIES	 164,988	 226,278	 (61,291)
 NET POSITION			
Invested in capital assets	2,259,095	2,330,395	(71,300)
Unrestricted	<u>186,086</u>	<u>111,356</u>	<u>74,730</u>
TOTAL NET POSITION	<u>2,445,181</u>	<u>2,441,751</u>	<u>3,430</u>

TOWN OF FLAGLER, COLORADO
Water Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP) and Actual
For the Year Ended December 31, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	Budget (Non-GAAP)	Actual	Variance - Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Charges for Service	180,000	167,360	(12,640)	159,975
Connect Fees	2,000	3,719	1,719	700
Interest	50	78	28	77
Other	10,000	7,959	(2,041)	12,615
Late Charges	<u>6,000</u>	<u>8,804</u>	<u>2,804</u>	<u>8,648</u>
Total Revenues	198,050	187,920	(10,130)	182,015
EXPENDITURES				
Salaries	13,037	14,735	(1,698)	14,042
Payroll Taxes	1,000	1,530	(530)	1,162
Employee Benefits	800	561	239	184
Maintenance	17,475	37,798	(20,323)	39,987
Utilities	18,000	17,588	412	16,017
Testing	4,000	13,885	(9,885)	3,184
Fuel	2,000	763	1,237	497
Interest Expense	0	5,238	(5,238)	6,335
Principal Payments	36,596	24,076	12,520	24,312
Capital Outlay	<u>42,738</u>	<u>(0)</u>	<u>42,738</u>	<u>1,542,075</u>
Total Expenditures	<u>135,646</u>	<u>116,174</u>	<u>19,472</u>	<u>1,647,794</u>
Income (Loss) Before Adjustment Below	62,404	71,746	9,342	(1,465,779)
Adjustments to Proprietary Fund Basis of Accounting				
Farm Lease	21,751	21,751	(1)	21,751
Grants/Donations	0	0	0	843,000
Transfer to General Fund	(84,155)	(16,000)	68,155	(70,830)
Debt Forgiveness	0	0	0	569,900
Depreciation	0	(98,142)	(98,142)	(50,053)
Capital Outlay	0	(0)	(0)	1,542,075
Principal Payment	<u>0</u>	<u>24,076</u>	<u>24,076</u>	<u>24,312</u>
Net Income Proprietary Fund Basis of Accounting	0	3,430	3,430	1,414,376
Net Position - Beginning	<u>0</u>	<u>2,441,751</u>	<u>2,441,751</u>	<u>1,027,375</u>
Net Position - Ending	<u>0</u>	<u>2,445,181</u>	<u>2,445,181</u>	<u>2,441,751</u>

TOWN OF FLAGLER, COLORADO
Wastewater Proprietary Fund
Comparative Statement of Net Position
December 31, 2017

ASSETS	<u>2017</u>	<u>2016</u>	<u>Change</u>
Current Assets			
Cash in Bank	86,227	45,467	40,761
Accounts Receivable	6,803	6,104	700
Due From Water Fund	<u>0</u>	<u>29,273</u>	<u>(29,273)</u>
Total Current Assets	93,031	80,844	12,187
Fixed Assets			
Land	10,314	10,314	0
Collection System	1,027,340	1,027,340	0
Improvements Other Than Buildings	28,597	28,597	0
Equipment	<u>82,591</u>	<u>71,422</u>	<u>11,169</u>
Total Fixed Assets	1,148,842	1,137,673	11,169
Less: Accumulated Depreciation	<u>(479,153)</u>	<u>(448,233)</u>	<u>(30,920)</u>
Net Fixed Assets	<u>669,689</u>	<u>689,440</u>	<u>(19,751)</u>
 TOTAL ASSETS	 762,720	 770,283	 (7,564)
 LIABILITIES			
Current Liabilities			
Accounts Payable	885	1,742	(858)
 NET POSITION			
Invested in capital assets	669,689	689,440	(19,751)
Unrestricted	<u>92,146</u>	<u>79,101</u>	<u>13,045</u>
 TOTAL NET POSITION	 <u>761,835</u>	 <u>768,541</u>	 <u>(6,706)</u>

TOWN OF FLAGLER, COLORADO
Wastewater Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP) and Actual
For The Year Ended December 31, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	Budget (Non-GAAP)	Actual	Variance - Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Charges for Service				
Sewer Charges	67,406	72,899	5,493	71,479
Miscellaneous	0	8,404	8,404	0
Interest Income	<u>0</u>	<u>13</u>	<u>13</u>	<u>12</u>
Total Revenues	67,406	81,315	13,909	71,491
EXPENDITURES				
Salaries	27,506	29,341	(1,835)	26,187
Payroll Taxes	1,200	1,107	93	1,075
Workers Compensation	500	415	85	410
Permits & Testing	4,500	4,110	390	3,339
Utilities	15,000	16,841	(1,841)	18,237
Repairs & Maintenance	10,850	4,790	6,060	4,222
Fuel	400	197	203	206
Miscellaneous	0	300	(300)	292
Capital Outlay	<u>7,500</u>	<u>11,169</u>	<u>(3,669)</u>	<u>5,710</u>
Total Expenditures	<u>67,456</u>	<u>68,270</u>	<u>(814)</u>	<u>59,678</u>
Income (Loss) Before Adjustment Below	(50)	13,045	13,095	11,813
Adjustments to Proprietary Fund				
Basis of Accounting				
Operating Transfers In (Out)	50	0	(50)	15,542
Depreciation	0	(30,920)	(30,920)	(30,219)
Capital Outlay	<u>0</u>	<u>11,169</u>	<u>11,169</u>	<u>5,710</u>
Net Income Proprietary Fund Basis of Accounting	0	(6,706)	(6,706)	2,846
Net Position - Beginning	<u>0</u>	<u>768,541</u>	<u>768,541</u>	<u>765,695</u>
Net Position - Ending	<u>0</u>	<u>761,835</u>	<u>761,835</u>	<u>768,541</u>

ADDITIONAL INFORMATION

HIGHWAY USERS TAX REPORT

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: smbailey@centurytel.net

City/County: Flagler

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	<input type="text" value="115,768.00"/>
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	<input type="text" value="104,103.00"/>
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	<input type="text" value="0.00"/>
5. Transfers from toll facilities	\$	<input type="text" value="0.00"/>
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	<input type="text" value="0.00"/>
b. Bonds - Refunding Issues:	\$	<input type="text" value="0.00"/>
c. Notes:	\$	<input type="text" value="0.00"/>
SubTotal:	\$	<input type="text" value="219,871.00"/>

B. Private Contributions

\$

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	<input type="text" value="0.00"/>
b. Other Local Imposts		
1. Sales Taxes:	\$	<input type="text" value="75,000.00"/>
2. Infrastructure and Impact Fees:	\$	<input type="text" value="0.00"/>

3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	29,103.00
Total: <i>(a + b) carried to 'Other local imposts' above)</i>		\$ 104,103.00

A.4. Miscellaneous local receipts**Please no commas or dollar signs for the input**

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

C. Receipts from State Government**Please no commas or dollar signs for the input**

1. Highway User Taxes:	\$	37,199.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	0.00
d. Other (Specify):		
Comments: <input type="text" value="undefined"/>	\$	0.00
e. Other (Specify):		
Comments: <input type="text" value="undefined"/>	\$	0.00
Total: <i>(1+3c,d,e)</i>		\$ 37,199.00

D. Receipts from Federal Government**Please no commas or dollar signs for the input**

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

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	0.00
2. Maintenance:	\$	231,241.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	0.00
c. Other:	\$	18,675.00
4. General administration & miscellaneous	\$	7,154.00
5. Highway law enforcement and safety	\$	0.00
Total: <i>(A.1-5)</i>	\$	257,070.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

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

Please no commas or dollar signs for the input

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

Total Disbursements: *(A+B+C+D)* \$ 257,070.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

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

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

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

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 257,070.00	\$ 257,070.00	\$ 0.00	\$ 0.00

Notes & Comments:

undefined

Please enter your name: Sarah M Bailey

Please provide a telephone number where you may be reached: 7193467216

Save

Print Mode

Edit Mode

Please click on the "Save" button before viewing the data in a print format.

FORM FHWA-536e (Version 4.5) - CY17