

TOWN OF FREDERICK, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2017

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June 27, 2018

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frederick, Colorado, as of and for the year ended December 31, 2017, which collectively comprise the basic financial statements of the Town, as listed in the table of contents. These financial statements are the responsibility of the Town of Frederick, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frederick, as of December 31, 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 35-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fredericks' basic financial statements. The combining and individual fund schedules and State Compliance listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and State compliance are fairly stated in all material respects in relation to the financial statements as a whole.

The other financial information and the statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

John Lutter & Associates, LLC

June 7, 2018

Management's Discussion and Analysis

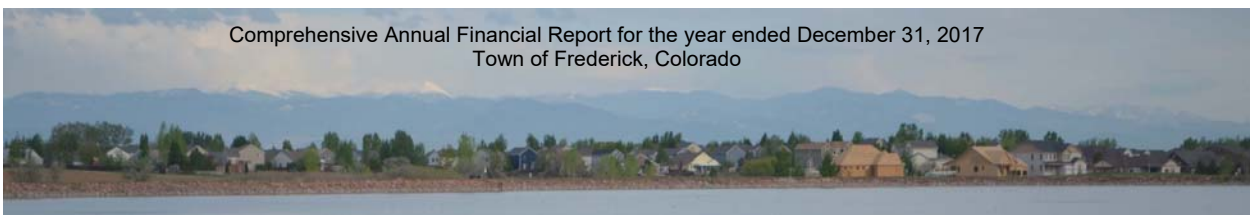
This section of the annual financial report offers readers of the Town of Frederick a discussion and analysis of the Town's financial performance during the year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Financial Highlights

- Assets and deferred outflow of resources for The Town exceeded liabilities and deferred inflow of resources by \$119 million, an increase of \$6.6 million, or 5.8 percent.
- As of December 31, 2017, net position for governmental activities was \$39 million, up \$3.18 million or 8.87 percent from December 31, 2016. Business type activities reported a net position of \$80.67 million, up \$3.46 million or 4.48 percent in the same time frame.
- General revenues account for \$7,717,972 or 34.8 percent of all revenues. The Town had \$14,427,132 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.
- The Town had \$9,702,163 in expenses related to governmental activities, of which \$5,224,026 were offset by program specific charges for services and operating grants, contributions. Taxes of \$6,322,265 and other general revenues of \$1,324,119 and transfers in of \$12,381 as shown on the statement of activities, offset the costs.
- The Town had water, electric, and storm water charges for service income totaling \$7,411,657. Grants and capital contributions revenues for these funds totaled \$1,791,449. The cost of providing water, electric, and storm water services totaled \$5,800,584.
- Outlays for capital assets were primarily comprised of street infrastructure, vehicles and equipment. See the Capital Assets Section of the Financial Statements for detail.
- The Town's governmental funds have outstanding debt consisting of capital leases and the 2015 sales and use tax bond totaling \$5,480,225 at December 31, 2017.
- The Town's business-type funds have no outstanding debt at December 31, 2017.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) specific fund financial statements, and 3) notes to the financial statements.



Government-Wide Financial Statements

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

There are two government-wide financial statements:

Statement of net position – This statement presents information on all the Town's assets, liabilities, deferred inflows and deferred outflows, with the difference between them being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Statement of activities – This statement presents information showing how the Town of Frederick's net position changed during 2017. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements reflect three distinct activities:

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

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

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

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants; however, the Town Board establishes other funds to help control and manage money for particular purposes. All of the Town's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.



Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s short-term financing requirements. The accounting method used is *modified accrual* accounting.

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and other major funds. The minor funds are combined in the *Other Governmental Funds* into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds – The Town of Frederick maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its Water, Electric, Storm Water and Golf Course Funds. These funds are considered major funds of the Town of Frederick.

Proprietary fund statements begin on page 6 of this report.

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

Fiduciary fund statements begin on page 9 of this report.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules. The budgetary comparisons are included on pages 35 to 50 of this report.



Financial Analysis of the Town as a Whole

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ending December 31, 2017, the Town's combined assets exceeded liabilities and deferred inflows of resources by \$119,694,392.

TOWN OF FREDERICK, COLORADO CONDENSED STATEMENT OF NET POSITION 2017/2016

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Assets						
Current Assets	16,777,223	18,773,354	18,013,235	19,050,638	34,790,458	37,823,992
Capital Assets - Net	29,765,503	31,187,127	60,872,973	62,221,808	90,638,476	93,408,935
Total Assets	46,542,726	49,960,481	78,886,208	81,272,446	125,428,934	131,232,927
Deferred Outflow of Resources						
Related to Pensions	214,824	228,306	-	-	214,824	228,306
Liabilities						
Current Liabilities	3,241,616	3,283,350	741,360	554,832	3,982,976	3,838,182
Long-Term Liabilities	6,353,827	5,951,313	931,387	42,424	7,285,214	5,993,737
Total Liabilities	9,595,443	9,234,663	1,672,747	597,256	11,268,190	9,831,919
Deferred Inflows of Resources						
Related to Pensions	18,473	16,184	-	-	18,473	16,184
Deferred Property Tax Revenue	1,305,060	1,918,738	-	-	1,305,060	1,918,738
Net Position						
Net Investment in Capital Assets	23,620,697	25,490,193	59,976,867	62,221,808	83,597,564	87,712,001
Restricted	305,000	308,000	-	-	305,000	308,000
Unrestricted	11,912,877	13,221,009	17,236,594	18,453,382	29,149,471	31,674,391
Total Net Position at December 31	35,838,574	39,019,202	77,213,461	80,675,190	113,052,035	119,694,392
Total Increase in Net Position						6,642,357
Percent Increase in Net Position						5.88%



The largest portion of the Town of Frederick's net position (73%) reflects its investment in capital assets (e.g. land, buildings, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

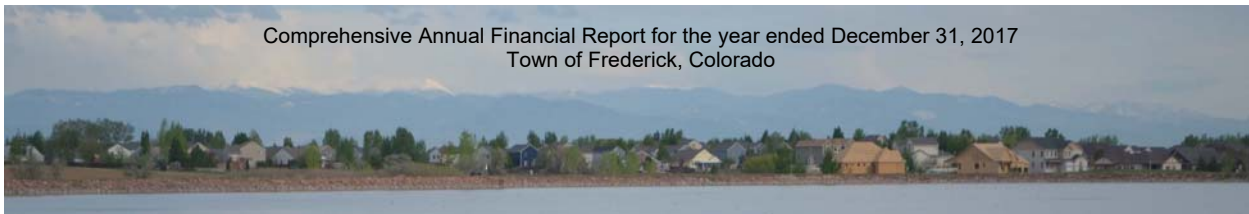
The restricted portion of net position (.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position (\$31,674,391) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

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



**TOWN OF FREDERICK, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2017/2016**

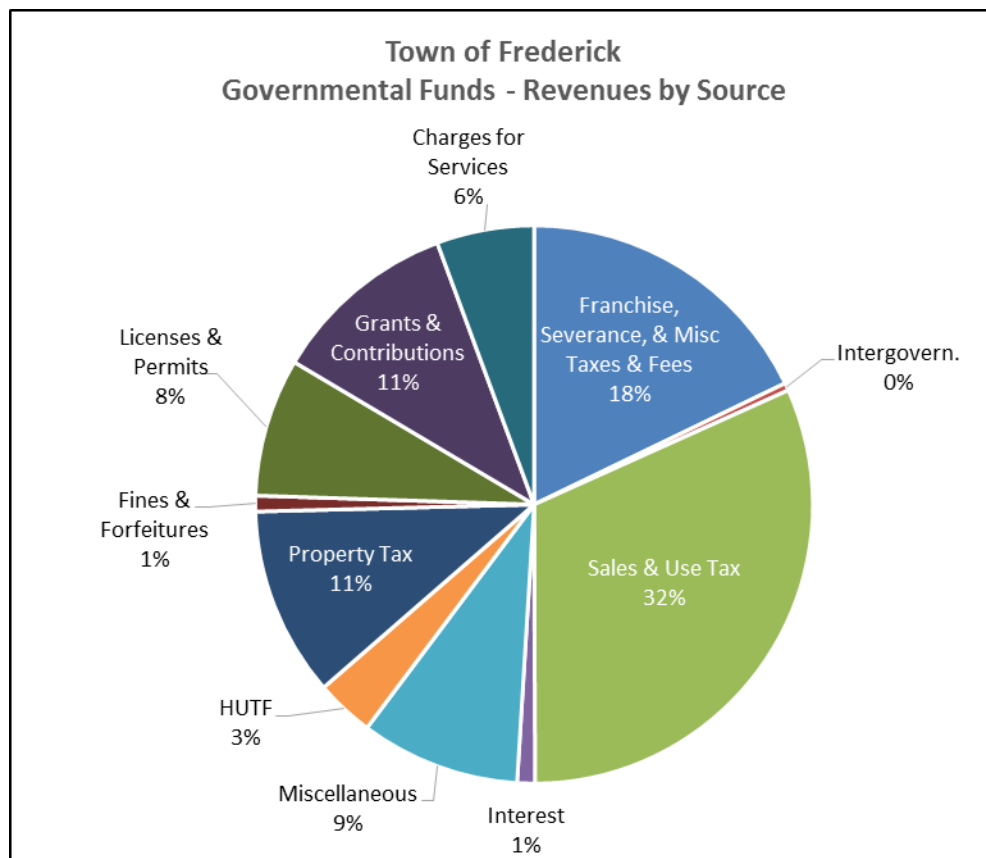
Revenues	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Program Revenues						
Charges for Services	1,830,301	1,974,383	7,308,309	7,411,657	9,138,610	9,386,040
Operating Grants and Contributions	95,578	136,958	-	-	95,578	136,958
Capital Grants and Contributions	1,762,777	3,112,685	2,853,484	1,791,449	4,616,261	4,904,134
General Revenues						
Property Taxes	1,635,113	1,412,799	-	-	1,635,113	1,412,799
Sales and Use Taxes	3,806,495	4,074,972	-	-	3,806,495	4,074,972
Franchise Taxes	185,358	218,111	-	-	185,358	218,111
Other Taxes	646,904	616,383	-	-	646,904	616,383
Interest	144,015	132,577	38,729	71,588	182,744	204,165
Other Revenues	551,257	1,191,542	-	-	551,257	1,191,542
Loss on Disposal of Assets	-	-	-	-	-	-
Total Revenues	10,657,798	12,870,410	10,200,522	9,274,694	20,858,320	22,145,104
Expenses						
General Government	2,403,069	2,051,006	-	-	2,403,069	2,051,006
Public Safety	2,708,584	2,711,375	-	-	2,708,584	2,711,375
Public Works	4,504,214	4,733,571	-	-	4,504,214	4,733,571
Parks and Recreation	28,982	8,673	-	-	28,982	8,673
Economic Development	37,735	16,687	-	-	37,735	16,687
Interest on Long-Term Debt	183,648	180,851	-	-	183,648	180,851
Water	-	-	1,793,615	1,767,997	1,793,615	1,767,997
Electric	-	-	3,190,848	3,547,917	3,190,848	3,547,917
Storm Water	-	-	313,676	413,483	313,676	413,483
Golf Course	-	-	-	70,852	-	70,852
Interest on Long-Term Debt	-	-	4,775	335	4,775	335
Total Expenses	9,866,232	9,702,163	5,302,914	5,800,584	15,169,146	15,502,747
Excess (deficiency) before transfers	791,566	3,168,247	4,897,608	3,474,110	5,689,174	6,642,357
Transfers	428,127	12,381	(428,127)	(12,381)	-	-
Prior Period Adjustment						
Change in Net Position	1,219,693	3,180,628	4,469,481	3,461,729	5,689,174	6,642,357
NET POSITION, Beginning	34,618,881	35,838,574	72,743,980	77,213,461	107,362,861	113,052,035
NET POSITION, Ending	<u>35,838,574</u>	<u>39,019,202</u>	<u>77,213,461</u>	<u>80,675,190</u>	<u>113,052,035</u>	<u>119,694,392</u>



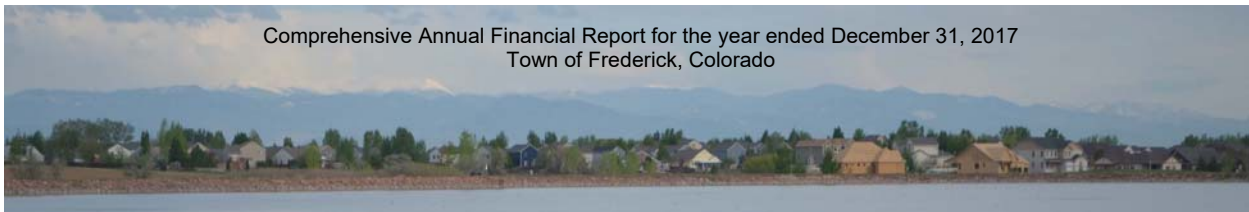
Financial Analysis of the Town's Funds

Governmental Activities. The focus of the Town of Frederick's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$13,606,947, an increase of \$1,339,763. Overall revenue increased \$2.21 million or 20.76 percent. Areas of substantial revenue increase included grants and contributions \$1,239,154 and miscellaneous \$640,287. The General Fund revenue decrease of \$314,625, was primarily the result of a drop in miscellaneous revenues and interest as all other revenues saw increases due to strong residential and commercial growth and the resulting sales and use tax collections. The revenue increase in the Street and Alley Fund of \$1,524,772 was primarily grant related. The increase in the Capital Facilities Fund of \$848,349 was primarily due to a reimbursement agreement for infrastructure. The increase in the Open Space Fund \$73,338, and the increase in Other Governmental Funds \$80,778 are all primarily due to a strong and growing economy indicated by increases in taxes and fees collected.



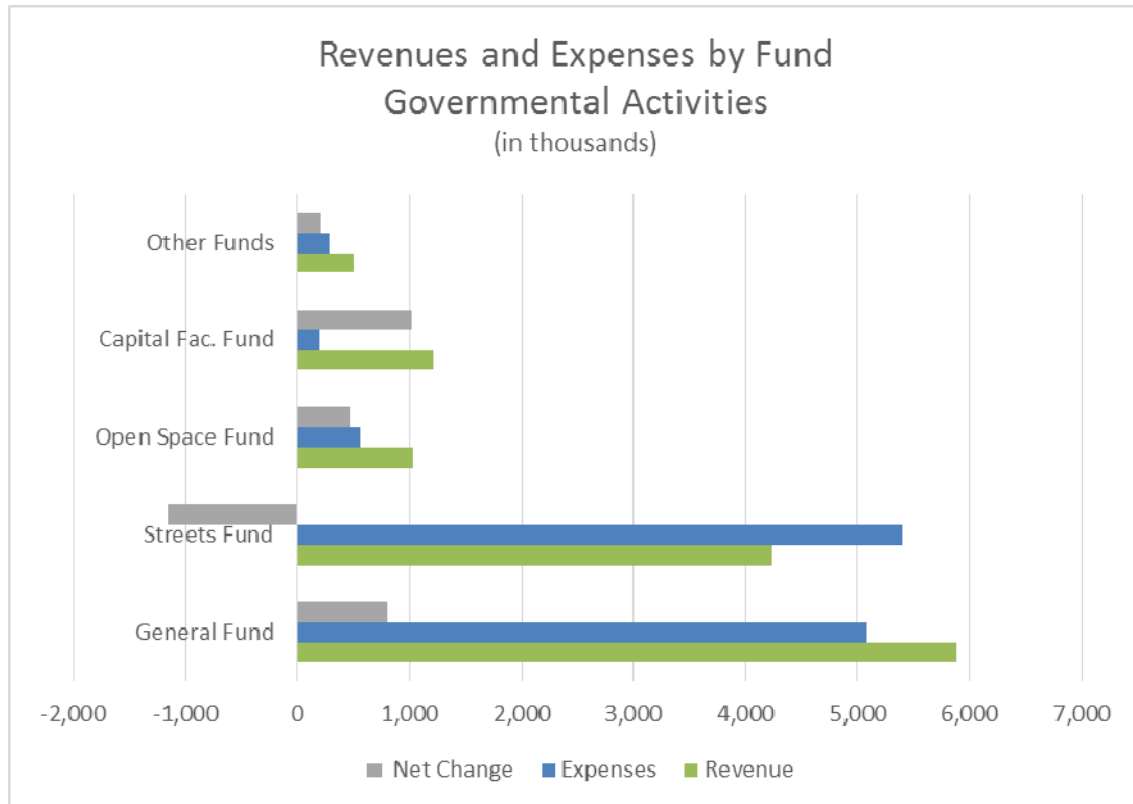
Expenditures for the current year increased \$346,578 or 3.1%. The increase in expenses is largely attributed to additional capital outlay in the Streets Fund for extension of Tipple Parkway. The increase in capital expenditures in the Street and Alley fund offset decreases in capital outlay and public works costs for the General Fund, Open Space Fund and Other Governmental Funds.



The increase in capital expenditures in 2017 caused the governmental activities fund balance to increase at a lesser amount than the net position for those funds.

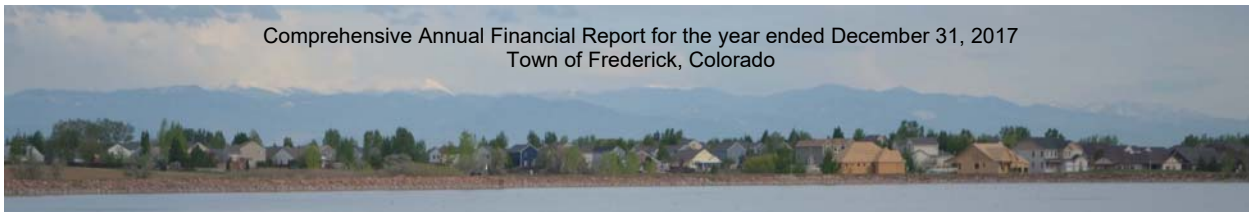
The statement of net position reports a combined net position for governmental activities of \$39,019,202, an increase of \$3,180,628. The increase is primarily attributed to an increase in capital assets, receivables, and cash and investments.

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

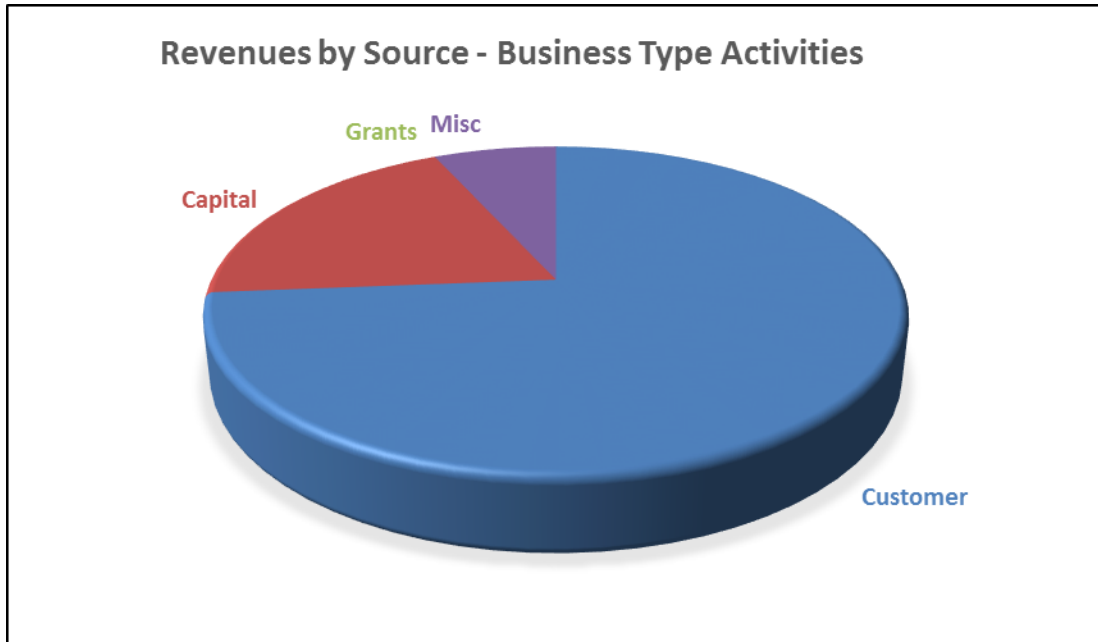


Business-type Activities. Net position of business-type activities increased by \$3.46 million primarily due to an increase in cash and investments and capital assets, including: electric infrastructure, raw water lines, water projects, and golf course equipment. The Electric Fund's Net Position increased \$356,050, while the Water Fund increased \$2.187 million and the Storm Water increased \$489,200. This year was the first year that the Golf Course Fund was in existence. The Net Position for the non-major Golf Course Fund was \$428,627. This net position is dedicated solely to finance the continuing operations of the water, storm water, electric and golf course operations.

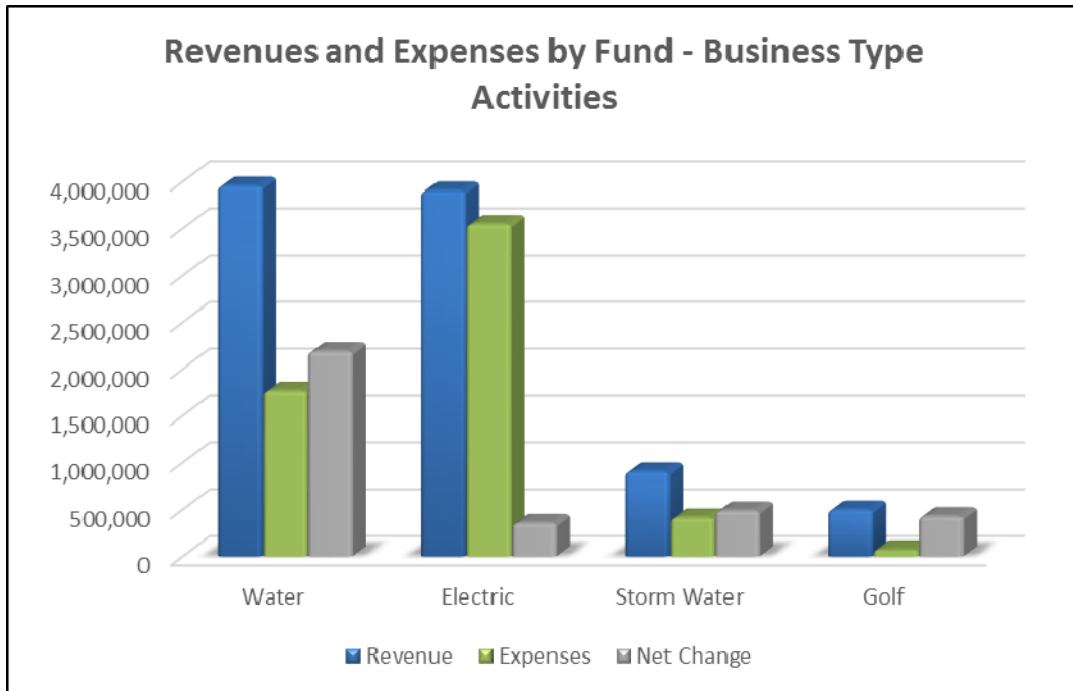
Revenues for the Town's business-type activities, net of the transfer out, were \$9,262,313, a 5.2 percent decrease. The decrease in revenues is largely attributed to a decrease in grant funding in the Storm Water Fund. Charges for services for business-type activities decreased \$100,878. Operating revenues increased \$103,348. Operating expenses increased \$502,110.



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



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



General Fund Budgetary Highlights

The General Fund is the chief operating fund of the Town. It accounts for all of the general services provided by the Town. In 2017, total fund balance increased 16.27% or \$796,382. The unassigned fund balance of the General Fund at the end of 2017, totaled \$5,372,329 while the total fund balance totaled \$5,691,092. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. For 2017, unassigned fund balance represents approximately 104 percent of total General Fund Expenditures and transfers out, while total fund balance represents 110.1 percent of that same amount.

The Town budgeted for General Fund expenditures of \$6,655,358 for the year ended December 31, 2017 and actual expenditures were \$4,898,666. Expenditures were \$1.756 million less than budgeted as a result of capital projects that were postponed until 2018. Revenues, excluding transfers, for 2017 were budgeted at \$4,409,360 and actual revenues were \$5,884,852. Revenues from sales taxes, use taxes and permitting for new construction were much stronger than anticipated.

Capital Assets and Debt Administration

Capital Assets

By the end of 2017, the Town had invested \$93,408,935 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, infrastructure, vehicles and other equipment. This amount represents a net increase of \$2,770,459 or 3 percent increase from last year. Additional information on the Town's capital assets can be found in Note 4 of the financial statements. Total accumulated depreciation expense was \$31,890,876 in the governmental activities and \$8,057,874 in the business-type activities. There have been no significant changes in the condition level of the capital assets of the Town.

Long-Term Debt

At year-end the Town's governmental funds had outstanding capital leases, accrued compensated absences, Sales and Use Tax Revenue Refunding Bonds Series 2015A and Sales and Use Tax Revenue Bonds Series 2015B outstanding, which totaled \$5,909,257 at December 31, 2017.

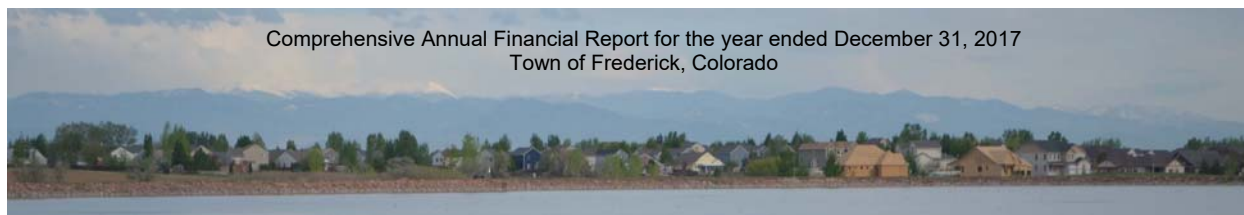
The Town's business-type funds have accrued compensated absences totaling \$42,424 at December 31, 2017.

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

Fiduciary Fund Activities

Oil Royalty Trust Fund

The fund received \$21,732 in oil royalty and investment revenues and paid out \$21,113 in scholarships and support of other community organizations. The fund balance at December 31, 2017, is \$1,344,938.



Economic Factors and Next Year's Budgets and Rates

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

The following factors were taken into account when adopting the budget for 2018:

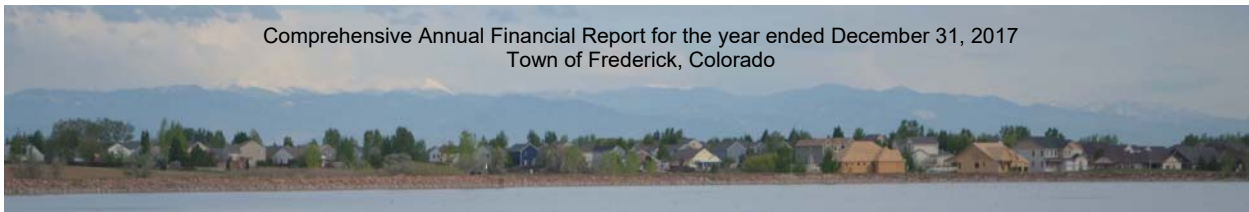
- The Town has forecast most revenues as relatively steady from 2017 through 2018. Revenues from property taxes are expected to increase as a result of increased oil production in the area and well as increased property values. The Town does have two large grant revenues budgeted in 2018, one for \$1.1 million to address downtown drainage concerns and \$1.3 million for the construction of a skate park.
- The Town has conservatively forecast new growth which was projected at 150 homes and the mill levy for property tax revenues has been set at a steady 6.555.
- Expenditures exceed revenues by \$6.137 million, reflecting a large increase in Capital Outlay for the 2018 budget year. Capital projects planned for 2018 include downtown drainage improvements, raw water line extensions, alley improvements, construction of a skate park, playground and trail improvements. The difference between revenues and expenditures will be filled by accumulated fund balances which grew from unanticipated revenue growth and lower than expected expenditures in recent years.
- There are three new full-time positions, and 1 new part-time position included in the 2018 Budget. Those positions include, a full-time Deputy Town Manager, 1 full-time Public Works employees, 1 full-time Police Officer and 1 part-time Staff Accountant.
- The Town's business-type activities are expected to have revenues that remain steady compared to 2017 actuals. There was no rate increase in the storm water fund. There was a 5% increase in the usage rates in the water fund that go into effect January 1, 2018 and there was a 20% increase in the base rate in the electric fund.

Contacting the Town's Financial Management

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

Town of Frederick Finance Department

401 Locust Street
Frederick, Colorado 80530-0435
(720)382-5500



BASIC FINANCIAL STATEMENTS

TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2017	2016
ASSETS				
Cash and Investments	\$ 14,839,052	\$ 17,918,578	\$ 32,757,630	\$ 30,988,573
Restricted Cash and Investments	-	-	-	222,317
Receivables				
Property Taxes	1,918,738	-	1,918,738	1,305,060
Sales and Other	1,266,570	36,986	1,303,556	1,263,357
Accounts	-	922,610	922,610	713,800
Prepaid Items	12,753	165,398	178,151	150,157
Inventory	-	7,066	7,066	-
Due from the Oil Royalty Fund	-	-	-	144,956
Due from Other Governments	736,241	-	736,241	-
Net Pension Asset	-	-	-	2,238
Capital Assets, Not Depreciated	5,168,130	47,732,479	52,900,609	52,065,349
Capital Assets, Depreciated				
Net of Accumulated Depreciation	26,018,997	14,489,329	40,508,326	38,573,127
TOTAL ASSETS	<u>49,960,481</u>	<u>81,272,446</u>	<u>131,232,927</u>	<u>125,428,934</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	228,306	-	228,306	214,824
LIABILITIES				
Accounts Payable	422,175	488,820	910,995	1,068,037
Accrued Salaries and Benefits	47,394	23,241	70,635	72,783
Accrued Interest	35,681	-	35,681	42,900
Developer Escrow	1,448,204	-	1,448,204	1,298,748
Deposits	-	42,771	42,771	34,008
Due to the Oil Royalty Fund	1,329,896	-	1,329,896	1,466,500
Noncurrent Liabilities				
Accrued Compensated Absences	212,323	42,424	254,747	244,302
Net Pension Liability	42,056	-	42,056	-
Due within One Year	430,556	-	430,556	1,321,023
Due in More Than One Year	5,266,378	-	5,266,378	5,719,889
TOTAL LIABILITIES	<u>9,234,663</u>	<u>597,256</u>	<u>9,831,919</u>	<u>11,268,190</u>
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	16,184	-	16,184	18,473
Deferred Property Tax Revenue	1,918,738	-	1,918,738	1,305,060
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,934,922</u>	<u>-</u>	<u>1,934,922</u>	<u>1,323,533</u>
NET POSITION				
Net Investment in Capital Assets	25,490,193	62,221,808	87,712,001	83,597,564
Restricted for Emergencies	308,000	-	308,000	305,000
Unrestricted	13,221,009	18,453,382	31,674,391	29,149,471
TOTAL NET POSITION	<u>\$ 39,019,202</u>	<u>\$ 80,675,190</u>	<u>\$ 119,694,392</u>	<u>\$ 113,052,035</u>

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,051,006	\$ 1,030,910	\$ 136,958	\$ 486,530
Public Safety	2,711,375	117,732	-	-
Public Works	4,733,571	759,626	-	2,267,633
Parks and Recreation	8,673	66,115	-	358,522
Economic Development	16,687	-	-	-
Interest and Other Fiscal Charges	180,851	-	-	-
Total Governmental Activities	<u>9,702,163</u>	<u>1,974,383</u>	<u>136,958</u>	<u>3,112,685</u>
Business-Type Activities				
Water	1,767,997	2,846,688	-	1,226,775
Electric	3,547,917	4,005,965	-	159,162
Storm Water	413,483	510,966	-	405,512
Golf Course	70,852	48,038	-	-
Interest on Long-Term Debt	335	-	-	-
Total Business-Type Activities	<u>5,800,584</u>	<u>7,411,657</u>	<u>-</u>	<u>1,791,449</u>
Total Primary Government	<u>\$ 15,502,747</u>	<u>\$ 9,386,040</u>	<u>\$ 136,958</u>	<u>\$ 4,904,134</u>

GENERAL REVENUES

Sales Taxes
Property Taxes
Franchise Taxes
Other Taxes
Interest
Other

TRANSFERS

TOTAL GENERAL REVENUES
AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2017	2016
\$ (396,608)	\$ -	\$ (396,608)	\$ (825,244)
(2,593,643)	-	(2,593,643)	(2,603,751)
(1,706,312)	-	(1,706,312)	(2,846,475)
415,964	-	415,964	319,277
(16,687)	-	(16,687)	(37,735)
(180,851)	-	(180,851)	(183,648)
<u>(4,478,137)</u>	<u>-</u>	<u>(4,478,137)</u>	<u>(6,177,576)</u>
-	2,305,466	2,305,466	2,873,405
-	617,210	617,210	739,915
-	502,995	502,995	1,250,334
-	(22,814)	(22,814)	-
-	(335)	(335)	(4,775)
<u>-</u>	<u>3,402,522</u>	<u>3,402,522</u>	<u>4,858,879</u>
(4,478,137)	3,402,522	(1,075,615)	(1,318,697)
4,074,972	-	4,074,972	3,806,495
1,412,799	-	1,412,799	1,635,113
218,111	-	218,111	185,358
616,383	-	616,383	646,904
132,577	71,588	204,165	182,744
1,191,542	-	1,191,542	551,257
12,381	(12,381)	-	-
<u>7,658,765</u>	<u>59,207</u>	<u>7,717,972</u>	<u>7,007,871</u>
3,180,628	3,461,729	6,642,357	5,689,174
<u>35,838,574</u>	<u>77,213,461</u>	<u>113,052,035</u>	<u>107,362,861</u>
<u>\$ 39,019,202</u>	<u>\$ 80,675,190</u>	<u>\$ 119,694,392</u>	<u>\$ 113,052,035</u>

TOWN OF FREDERICK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2017

	General Fund	Street and Alley Fund	Open Space Fund	Capital Facilities Fund	Other Governmental Funds
ASSETS					
Cash and Investments	\$ 5,608,907	\$ 3,437,214	\$ 3,095,588	\$ 1,007,448	\$ 1,689,895
Restricted Cash and Investments	-	-	-	-	-
Taxes Receivable	1,918,738	-	-	-	-
Accounts Receivable	477,730	595,750	140,678	3,000	49,412
Prepaid Items	10,763	716	182	-	1,092
Due from Other Funds	-	-	569,683	-	-
Advances to Other Funds	50,000	-	-	-	-
Due from Other Governments	-	-	-	736,241	-
TOTAL ASSETS	\$ 8,066,138	\$ 4,033,680	\$ 3,806,131	\$ 1,746,689	\$ 1,740,399
LIABILITIES AND FUND EQUITY					
EQUITY					
LIABILITIES					
Accounts Payable	\$ 224,085	\$ 73,888	\$ 104,722	\$ 3,000	\$ 16,480
Accrued Liabilities	32,195	4,891	4,661	-	5,647
Developer Escrows and Deposits	200,028	1,186,151	-	-	62,025
Due to Other Funds	-	-	-	466,500	-
Advances from Other Funds	-	1,433,079	-	-	50,000
TOTAL LIABILITIES	456,308	2,698,009	109,383	469,500	134,152
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	1,918,738	-	-	-	-
FUND EQUITY					
Fund Balance					
Nonspendable	10,763	-	-	-	-
Restricted for Emergencies	308,000	-	-	-	-
Restricted for Open Space	-	-	3,696,748	-	-
Restricted for Street Improvements	-	1,335,671	-	-	-
Restricted for Parks and Recreation	-	-	-	-	162,447
Restricted for Urban Renewal	-	-	-	-	62,218
Committed for Parks, Open Space, and Capital Outlay	-	-	-	1,277,189	1,381,582
Unassigned	5,372,329	-	-	-	-
TOTAL FUND EQUITY	5,691,092	1,335,671	3,696,748	1,277,189	1,606,247
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 8,066,138	\$ 4,033,680	\$ 3,806,131	\$ 1,746,689	\$ 1,740,399

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

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

Long-term liabilities and related assets are not due and payable in the current period and are not reported in the fund. These include Bonds Payable of (\$3,250,000), Premium on Bonds (\$216,709), Notes Payable (\$2,053,916), Capital Lease Payable (\$176,309), Accrued Compensated Absences (\$212,323), Accrued Interest Payable (\$35,681), Net Pension Liability (\$42,056), Deferred Outflows Related to Pensions \$228,306, and Deferred Inflows Related to Pensions of (\$16,184).

Net position of governmental activities

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

Total
Governmental
Funds

2017	2016
\$ 14,839,052	\$ 14,256,543
-	222,317
1,918,738	1,305,060
1,266,570	845,509
12,753	600
569,683	714,639
50,000	50,000
736,241	-
<u>\$ 19,393,037</u>	<u>\$ 17,394,668</u>

\$ 422,175	\$ 386,794
47,394	50,699
1,448,204	1,298,748
466,500	603,104
<u>1,483,079</u>	<u>1,483,079</u>
<u>3,867,352</u>	<u>3,822,424</u>

<u>1,918,738</u>	<u>1,305,060</u>
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10,763	600
308,000	305,000
3,696,748	3,222,536
1,335,671	2,499,046
162,447	114,646
62,218	34,711
2,658,771	1,501,535
<u>5,372,329</u>	<u>4,589,110</u>
<u>13,606,947</u>	<u>12,267,184</u>

31,187,127	29,765,503
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<u>(5,774,872)</u>	<u>(6,194,113)</u>
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<u>\$ 39,019,202</u>	<u>\$ 35,838,574</u>
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TOWN OF FREDERICK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended December 31, 2017

	General Fund	Street and Alley Fund	Open Space Fund	Capital Facilities Fund	Other Governmental Funds
REVENUES					
Taxes and Fees	\$ 4,356,598	\$ 2,169,768	\$ 1,024,857	\$ 364,875	\$ 304,209
Licenses and Permits	1,030,910	-	-	-	-
Intergovernmental	-	-	-	-	56,422
Charges for Services	-	660,612	-	-	66,115
Fines and Forfeitures	117,732	-	-	-	-
Grants and Contributions	136,958	1,257,234	-	-	-
Interest	81,594	13,774	12,367	19,016	5,826
Miscellaneous	161,060	136,461	-	831,937	62,085
TOTAL REVENUES	<u>5,884,852</u>	<u>4,237,849</u>	<u>1,037,224</u>	<u>1,215,828</u>	<u>494,657</u>
EXPENDITURES					
General Government	1,856,447	-	-	-	-
Public Safety	2,570,384	-	-	-	-
Public Works	354,290	1,986,803	248,591	-	489,509
Parks and Recreation	-	-	-	-	8,673
Economic Development	-	-	-	-	16,687
Capital Outlay	117,545	2,940,099	311,347	4,500	3,050
Miscellaneous	-	51,631	-	-	-
Debt Service					
Principal	-	285,000	-	94,878	-
Interest	-	126,100	-	77,494	-
TOTAL EXPENDITURES	<u>4,898,666</u>	<u>5,389,633</u>	<u>559,938</u>	<u>176,872</u>	<u>517,919</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>986,186</u>	<u>(1,151,784)</u>	<u>477,286</u>	<u>1,038,956</u>	<u>(23,262)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	35,196	-	-	-	455,850
Transfers Out	(225,000)	(11,591)	(3,074)	(14,000)	(225,000)
Proceeds from the Issuance of Debt	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(189,804)</u>	<u>(11,591)</u>	<u>(3,074)</u>	<u>(14,000)</u>	<u>230,850</u>
NET CHANGE IN FUND BALANCES	796,382	(1,163,375)	474,212	1,024,956	207,588
FUND BALANCES, Beginning	<u>4,894,710</u>	<u>2,499,046</u>	<u>3,222,536</u>	<u>252,233</u>	<u>1,398,659</u>
FUND BALANCES, Ending	<u>\$ 5,691,092</u>	<u>\$ 1,335,671</u>	<u>\$ 3,696,748</u>	<u>\$ 1,277,189</u>	<u>\$ 1,606,247</u>

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

Total
Governmental
Funds

2017	2016
\$ 8,220,307	\$ 7,986,322
1,030,910	1,004,770
56,422	60,809
726,727	650,755
117,732	104,833
1,394,192	155,038
132,577	144,015
1,191,543	551,256
<u>12,870,410</u>	<u>10,657,798</u>
1,856,447	2,219,557
2,570,384	2,598,966
3,079,193	2,662,390
8,673	28,982
16,687	37,735
3,376,541	3,063,703
51,631	3,777
379,878	373,722
203,594	207,618
<u>11,543,028</u>	<u>11,196,450</u>
<u>1,327,382</u>	<u>(538,652)</u>
491,046	455,224
(478,665)	(27,097)
-	222,317
<u>12,381</u>	<u>650,444</u>
1,339,763	111,792
<u>12,267,184</u>	<u>12,155,392</u>
<u>\$ 13,606,947</u>	<u>\$ 12,267,184</u>

TOWN OF FREDERICK, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 1,339,763
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$3,614,007, exceeded depreciation (\$2,192,383), in the current period.	1,421,624
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include capital lease payments of \$46,008, bond payments of \$285,000, amortization of bond premium \$22,743, payment of notes payable of \$94,121, change in accrued compensated absences of (\$3,302), and change in accrued interest of \$3,194.	447,764
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>(28,523)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,180,628</u></u>

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2017

	WATER FUND	ELECTRIC FUND	STORM WATER FUND	NONMAJOR FUND GOLF COURSE FUND
ASSETS				
Current Assets				
Cash and Investments	\$ 4,989,125	\$ 10,952,470	\$ 1,616,260	\$ 360,723
Accounts Receivable	534,146	342,974	44,149	1,341
Grants Receivable	-	-	36,986	-
Prepaid Items	158,132	419	324	6,523
Inventory	-	-	-	7,066
Total Current Assets	<u>5,681,403</u>	<u>11,295,863</u>	<u>1,697,719</u>	<u>375,653</u>
Noncurrent Assets				
Capital Assets, net of Accumulated Depreciation	<u>54,193,209</u>	<u>5,154,928</u>	<u>2,802,452</u>	<u>71,219</u>
TOTAL ASSETS	<u>59,874,612</u>	<u>16,450,791</u>	<u>4,500,171</u>	<u>446,872</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	141,543	335,607	2,675	8,995
Accrued Expenses	7,225	8,780	3,365	3,871
Accrued Interest Payable	-	-	-	-
Accrued Compensated Absences	<u>16,496</u>	<u>18,399</u>	<u>6,513</u>	<u>1,016</u>
Total Current Liabilities	<u>165,264</u>	<u>362,786</u>	<u>12,553</u>	<u>13,882</u>
Noncurrent Liabilities				
Deposits	13,200	25,208	-	4,363
Notes Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>13,200</u>	<u>25,208</u>	<u>-</u>	<u>4,363</u>
TOTAL LIABILITIES	<u>178,464</u>	<u>387,994</u>	<u>12,553</u>	<u>18,245</u>
NET POSITION				
Net Investment in Capital Assets	54,193,209	5,154,928	2,802,452	71,219
Unrestricted	<u>5,502,939</u>	<u>10,907,869</u>	<u>1,685,166</u>	<u>357,408</u>
TOTAL NET POSITION	<u>\$ 59,696,148</u>	<u>\$ 16,062,797</u>	<u>\$ 4,487,618</u>	<u>\$ 428,627</u>

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

TOTALS

<u>2017</u>	<u>2016</u>
\$ 17,918,578	\$ 16,732,030
922,610	713,800
36,986	417,848
165,398	149,557
7,066	-
<u>19,050,638</u>	<u>18,013,235</u>
<u>62,221,808</u>	<u>60,872,973</u>
<u>81,272,446</u>	<u>78,886,208</u>
488,820	681,243
23,241	22,084
-	4,025
42,424	35,281
<u>554,485</u>	<u>742,633</u>
42,771	34,008
-	896,106
<u>42,771</u>	<u>930,114</u>
<u>597,256</u>	<u>1,672,747</u>
62,221,808	59,976,867
18,453,382	17,236,594
<u>\$ 80,675,190</u>	<u>\$ 77,213,461</u>

TOWN OF FREDERICK, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2017

	WATER FUND	ELECTRIC FUND	STORM WATER FUND	NONMAJOR FUND GOLF COURSE FUND
OPERATING REVENUES				
Charges for Services	\$ 2,812,086	\$ 3,434,255	\$ 510,441	\$ 30,562
Miscellaneous	34,602	571,710	525	17,476
TOTAL OPERATING REVENUES	2,846,688	4,005,965	510,966	48,038
OPERATING EXPENSES				
Administration	285,156	300,393	-	-
Operations	1,178,676	3,051,443	338,781	63,286
Depreciation	304,165	196,081	74,702	7,566
TOTAL OPERATING EXPENSES	1,767,997	3,547,917	413,483	70,852
OPERATING INCOME	1,078,691	458,048	97,483	(22,814)
NON-OPERATING REVENUES (EXPENSES)				
Grants and Contributions	-	-	-	-
Interest Income	19,931	43,761	6,455	1,441
Interest Expense	(335)	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	19,596	43,761	6,455	1,441
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,098,287	501,809	103,938	(21,373)
Capital Contributions	1,226,775	159,162	405,512	-
Transfers In	-	-	-	450,000
Transfers Out	(137,210)	(304,921)	(20,250)	-
NET INCOME	2,187,852	356,050	489,200	428,627
NET POSITION, Beginning	57,508,296	15,706,747	3,998,418	-
NET POSITION, Ending	\$ 59,696,148	\$ 16,062,797	\$ 4,487,618	\$ 428,627

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

TOTALS

2017	2016
\$ 6,787,344	\$ 6,888,222
624,313	420,087
7,411,657	7,308,309
585,549	469,303
4,632,186	4,348,025
582,514	480,811
5,800,249	5,298,139
1,611,408	2,010,170
-	800,811
71,588	38,729
(335)	(4,775)
71,253	834,765
1,682,661	2,844,935
1,791,449	2,052,673
450,000	-
(462,381)	(428,127)
3,461,729	4,469,481
77,213,461	72,743,980
\$ 80,675,190	\$ 77,213,461

TOWN OF FREDERICK, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE

Year Ended December 31, 2017

Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	ELECTRIC FUND	STORM WATER FUND	NONMAJOR FUND GOLF COURSE FUND
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 2,536,506	\$ 4,110,585	\$ 509,059	\$ 46,697
Cash Paid to Suppliers	(1,586,224)	(3,408,993)	(366,554)	(62,993)
Net Cash Provided (Used) by Operating Activities	<u>950,282</u>	<u>701,592</u>	<u>142,505</u>	<u>(16,296)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Property and Equipment	(940,380)	(909,677)	(2,507)	(78,785)
Note Payments	(896,106)	-	-	-
Interest Payments	(4,360)	-	-	-
Grants and Contributions	-	-	380,862	-
Capital Contributions	1,226,775	159,162	405,512	-
Deposits from Customers	4,400	-	-	4,363
Payments (to) from Other Funds	(137,210)	(304,921)	(20,250)	450,000
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(746,881)</u>	<u>(1,055,436)</u>	<u>763,617</u>	<u>375,578</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	19,931	43,760	6,455	1,441
Net Cash Provided by Investing Activities	<u>19,931</u>	<u>43,760</u>	<u>6,455</u>	<u>1,441</u>
Net Increase (Decrease) in Cash and Cash Equivalents	223,332	(310,084)	912,577	360,723
CASH AND INVESTMENTS, Beginning	<u>4,765,793</u>	<u>11,262,554</u>	<u>703,683</u>	<u>-</u>
CASH AND INVESTMENTS, Ending	<u>\$ 4,989,125</u>	<u>\$ 10,952,470</u>	<u>\$ 1,616,260</u>	<u>\$ 360,723</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ 1,078,691</u>	<u>\$ 458,048</u>	<u>\$ 97,483</u>	<u>\$ (22,814)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation and Amortization	304,165	196,081	74,702	7,566
Changes in Assets and Liabilities				
Accounts Receivable	(310,182)	104,620	(1,907)	(1,341)
Prepaid Items	(8,575)	(419)	(324)	(6,523)
Inventory	-	-	-	(7,066)
Accounts Payable	(112,014)	(65,896)	(23,507)	8,995
Accrued Expenses	(2,835)	2,217	(2,096)	3,871
Accrued Compensated Absences	1,032	6,941	(1,846)	1,016
Total Adjustments	<u>(128,409)</u>	<u>243,544</u>	<u>45,022</u>	<u>6,518</u>
Net Cash Provided by Operating Activities	<u>\$ 950,282</u>	<u>\$ 701,592</u>	<u>\$ 142,505</u>	<u>\$ (16,296)</u>

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

TOTALS

2017	2016
\$ 7,202,847	\$ 7,155,997
(5,424,764)	(4,733,159)
1,778,083	2,422,838
(1,931,349)	(5,636,432)
(896,106)	(895,894)
(4,360)	(4,503)
380,862	1,134,125
1,791,449	2,052,673
8,763	(11,000)
(12,381)	(428,127)
(663,122)	(3,789,158)
71,587	38,728
71,587	38,728
1,186,548	(1,327,592)
16,732,030	18,059,622
\$ 17,918,578	\$ 16,732,030
\$ 1,611,408	\$ 2,010,170
582,514	480,811
(208,810)	(152,312)
(15,841)	(16,535)
(7,066)	-
(192,422)	103,470
1,157	4,335
7,143	(7,101)
166,675	412,668
\$ 1,778,083	\$ 2,422,838

TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION
OIL ROYALTY TRUST FUND
December 31, 2017

	<u>PRIVATE PURPOSE TRUST</u>
ASSETS	
Cash and Investments	\$ 2,085
Accounts Receivable	12,957
Due from Other Funds	<u>1,329,896</u>
 TOTAL ASSETS	 <u>1,344,938</u>
LIABILITIES	
Due to Other Funds	-
NET POSITION	<u>\$ 1,344,938</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,344,938</u></u>

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF CHANGES IN NET POSITION
 OIL ROYALTY TRUST FUND
 Year Ended December 31, 2017

	<u>PRIVATE PURPOSE TRUST</u>
ADDITIONS	
Oil Royalties	\$ 19,000
Interest	<u>2,732</u>
TOTAL ADDITIONS	<u>21,732</u>
DEDUCTIONS	
Purchased Services	1,123
Scholarships	12,000
Donations	7,990
Miscellaneous	<u>-</u>
TOTAL DEDUCTIONS	<u>21,113</u>
CHANGE IN NET POSITION	619
NET POSITION, Beginning	<u>1,344,319</u>
NET POSITION, Ending	<u><u>\$ 1,344,938</u></u>

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

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

Frederick Urban Renewal Authority

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

Government-Wide and Fund Financial Statements

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

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

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund type:

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

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

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

Investments are recorded at fair value.

Capital Assets

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

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

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

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

Compensated Absences

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

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

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

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

Net Position

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

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification

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

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

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

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

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

Property Taxes

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

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

TOWN OF FREDERICK, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

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

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2017 follows:

Petty Cash	\$ 450
Cash Deposits	10,702,099
Investments	<u>22,057,166</u>
Total	<u>\$ 32,759,715</u>

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

Cash and Investments	\$ 32,757,630
Fiduciary Funds	<u>2,085</u>
Total	<u>\$ 32,759,715</u>

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2017, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

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

At December 31, 2017, the Town had deposits with financial institutions with a carrying amount of \$10,702,099. The bank balances with the financial institutions were \$11,337,695. Of these balances, \$802,090 was covered by federal depository insurance and \$10,535,605 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2017, the Town had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
		<u>0 – 1 Years</u>	<u>1 – 5 Years</u>
U.S. Government Securities	\$ 499,860	\$ 499,860	\$ -
U.S. Government Agencies	3,478,585	2,490,955	987,630
Corporate Bonds	1,395,527	399,732	995,795
Local Government Investment Pools	<u>16,683,194</u>	<u>16,683,194</u>	<u>-</u>
Total	<u>\$ 22,057,166</u>	<u>\$ 20,073,741</u>	<u>\$ 1,983,425</u>

Interest Rate Risk

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

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

Investments (Continued)

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado municipalities. The Town's securities at December 31, 2017, are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Services for its U.S. Government Agencies and Securities. The Town's Corporate Debt rates range from a A to AA- by Standard and Poor's and A2 to Aa2 by Moody's Investors Services.

Local Government Investment Pools

The Town had invested \$11,041,367 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pools (Continued)

The Town had invested \$5,641,827 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

Fair Value

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

At December 31, 2017, the Town held investments in U.S. Government Agencies and Securities in the amount of \$3,978,445 with maturity dates of less than one and four years. Given the low risk of this type of investment, the Town has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

At December 31, 2017, the Town held investments in Corporate Bonds in the amount of \$1,395,527 with maturity dates of less than one and four years. Given the low risk of this type of investment, the Town has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 is summarized below:

	Balances <u>12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2017</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 4,054,798	\$ -	\$ -	\$ 4,054,798
Construction in Process	<u>808,910</u>	<u>709,716</u>	<u>405,294</u>	<u>1,113,332</u>
Total Capital Assets, not depreciated	<u>4,863,708</u>	<u>709,716</u>	<u>405,294</u>	<u>5,168,130</u>
Capital Assets, depreciated				
Buildings	5,720,865	-	-	5,720,865
Improvements other than buildings	9,193,064	481,938	-	9,675,002
Infrastructure	33,448,896	2,738,408	-	33,187,304
Equipment	<u>4,237,463</u>	<u>89,239</u>	-	<u>4,326,702</u>
Total Capital Assets, depreciated	<u>54,600,288</u>	<u>3,309,585</u>	-	<u>57,909,873</u>
Less Accumulated Depreciation				
Buildings	1,140,280	131,715	-	1,271,995
Improvements	2,325,334	288,868	-	2,614,202
Infrastructure	23,419,985	1,519,676	-	24,939,661
Equipment	<u>2,812,894</u>	<u>252,124</u>	-	<u>3,065,018</u>
Total Accumulated Depreciation	<u>29,698,493</u>	<u>2,192,383</u>	-	<u>31,890,876</u>
Total Capital Assets, depreciated, Net	<u>24,901,795</u>	<u>1,117,202</u>	-	<u>26,018,997</u>
Governmental Activities, Capital Assets, Net	<u>\$ 29,765,503</u>	<u>\$ 1,826,918</u>	<u>\$ (405,294)</u>	<u>\$ 31,187,127</u>

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

Governmental Activities

General Government	\$ 194,451
Public Safety	112,468
Public Works	<u>1,885,464</u>
Total	<u>\$ 2,192,383</u>

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2017</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 1,229,794	\$ -	\$ -	\$ 1,229,794
Water Rights	40,236,112	397,500	-	42,633,612
System Enhancement	1,019,000	-	-	1,019,000
Construction in Progress	<u>2,716,735</u>	<u>916,562</u>	<u>783,224</u>	<u>2,850,073</u>
Total Capital Assets, not depreciated	<u>47,201,641</u>	<u>1,314,062</u>	<u>783,224</u>	<u>47,732,479</u>
Capital Assets, depreciated				
Intangible Assets	74,850	-	-	74,850
Buildings	490,826	-	-	490,826
Utility Systems	20,120,805	1,142,489	-	21,263,294
Equipment	<u>460,211</u>	<u>258,022</u>	-	<u>718,233</u>
Total Capital Assets, depreciated	<u>21,146,692</u>	<u>1,400,511</u>	-	<u>22,547,203</u>
Less: Accumulated Depreciation				
Intangible Assets	74,850	-	-	74,850
Buildings	122,977	12,645	-	135,622
Utility Systems	7,005,580	517,244	-	7,522,824
Equipment	<u>271,953</u>	<u>52,625</u>	-	<u>324,578</u>
Total Accumulated Depreciation	<u>7,475,360</u>	<u>582,514</u>	-	<u>8,057,874</u>
Total Capital Assets, depreciated, Net	<u>13,671,332</u>	<u>817,997</u>	-	<u>14,489,329</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 60,872,973</u>	<u>\$ 2,132,059</u>	<u>\$ (783,224)</u>	<u>\$ 62,221,808</u>

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

Business-type Activities

Water Fund	\$ 304,165
Storm Water Fund	74,702
Electric Fund	196,081
Golf Course Fund	<u>7,566</u>
Total	<u>\$ 582,514</u>

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2017.

	<u>Balance</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Due In</u> <u>One Year</u>
PW Facility – Loan	\$ 2,148,037	\$ -	\$ 94,121	\$ 2,053,916	\$ 97,491
2015 Revenue and Refunding Bonds	3,535,000	-	285,000	3,250,000	285,000
2015 Bond Premium	239,452	-	22,743	216,709	-
Street Sweeper – Lease	222,317	-	46,008	176,309	48,065
Accrued Compensated Absences	<u>209,021</u>	<u>135,829</u>	<u>132,527</u>	<u>212,323</u>	<u>21,232</u>
Total	<u>\$ 6,353,827</u>	<u>\$ 135,829</u>	<u>\$ 580,399</u>	<u>\$ 5,909,257</u>	<u>\$ 451,788</u>

Compensated Absences are expected to be liquidated with resources of the Governmental Funds. The Town currently estimates that 10% of the accrued compensated absences shown above will be liquidated currently.

Public Works Facility Loan

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

2015 Revenue Refunding Bonds

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

Street Sweeper Lease

In November 2016, the Town entered into lease purchase agreement with Wells Fargo Bank to finance the acquisition of a Street Sweeper. Principal and interest payments are due annually on January 31 through January 31, 2021. Interest accrues at a rate of 2.59%.

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds and loans at December 31, 2017 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 382,491	\$ 192,549	\$ 575,040
2019	400,981	180,509	581,490
2020	409,421	168,070	577,491
2021	423,335	155,005	578,340
2022	442,214	139,227	581,441
2023 - 2027	2,159,137	424,464	2,583,601
2028 - 2032	924,179	114,821	1,039,000
2033	<u>162,158</u>	<u>4,422</u>	<u>166,580</u>
Total Debt Service Requirements	<u>\$ 5,306,916</u>	<u>\$ 1,379,067</u>	<u>\$ 6,682,983</u>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2017.

<u>Year Ended December 31,</u>	
2018	\$ 46,968
2019	46,968
2020	46,968
2021	<u>46,967</u>
Total Minimum Lease Payments	187,871
Less: Interest	<u>(11,562)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 176,309</u>

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2017.

	Balance <u>12/31/2016</u>	<u>Additions</u>	Payments	Balance <u>12/31/2017</u>	Due In <u>One Year</u>
Note Payable	\$ 896,106	\$ -	\$ 896,106	\$ -	\$ -
Accrued Compensated Absences	<u>35,281</u>	<u>31,741</u>	<u>24,598</u>	<u>42,424</u>	<u>4,242</u>
Total	<u>\$ 931,387</u>	<u>\$ 31,741</u>	<u>\$ 920,704</u>	<u>\$ 42,424</u>	<u>\$ 4,242</u>

Compensated Absences are expected to be liquidated with resources of the Proprietary Funds and the Town currently estimates that 10% of the accrued compensated absences shown above will be liquidated currently.

Note Payable – Water Shares

In December 2013, the Town entered into a note payable in the amount of \$1,792,000 for the purchase of water shares. Two principal and interest payments in the amount of \$900,395 are due annually in January 2016 and January 2017. This note was paid in full during the year ended December 31, 2017.

NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2017, were comprised of the following:

Street and Alley Fund	\$ 11,591
Capital Facilities Fund	14,000
Water Fund	1,610
Electric Fund	4,921
Open Space Fund	<u>3,074</u>
Transfer to the General Fund	<u>\$ 35,196</u>
Water Fund	\$ 135,600
Electric Fund	300,000
Storm Water Fund	<u>20,250</u>
Transfer to the Park Improvement Fund	<u>\$ 455,850</u>

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6: INTERFUND TRANSFERS (Continued)

General Fund	\$ 225,000
Park Improvement Fund	<u>225,000</u>
Transfer to the Golf Course Fund	<u>\$ 450,000</u>

The transfers to the General Fund were made to assist with operating and administrative costs. The transfers to the Park Improvement Fund were made to assist with park improvements and the transfers to the Golf Course Fund were made to assist with the expenditures related to the operation and maintenance of the Golf Course fund. These transfers are budgeted annually.

NOTE 7: TAX ABATEMENTS

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

During the year ended December 31, 2016, the Town entered into an incentive agreement with a new local business to promote economic development within the Town and to generate employment opportunities for residents of the Town. Under this agreement, the Town abated sales taxes totaling \$184,738 and \$273,179, for the years ended December 31, 2016 and 2017, respectively. In addition, this agreement provided for permit and plan review fee waivers totaling \$120,721 for the year ended December 31, 2016.

NOTE 8: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan

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

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

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

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

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

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

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Members of the SWDB Plan and their employers are contributing at the rate of 9 percent and 8 percent, respectively, of base salary for a total contribution rate of 17 percent in 2016. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

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

The contribution rate for members and employers of affiliated social security employers is 4.5 and 4 percent, respectively, of base salary for a total contribution rate of 8.5 percent in 2016. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2017 the Town reported a liability in the amount of \$42,056 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2016 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2016, the Town's proportion was 0.11639%, which was a decrease of 0.01057% from its proportion measured as of December 31, 2015.

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

For the year ended December 31, 2017 the Town recognized pension expense of \$76,865. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$37,551	\$2,139
Net difference between projected and actual earnings on pension plan investments	\$113,519	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$167	\$14,045
Change in assumptions and other inputs	\$28,728	N/A
Contributions subsequent to the measurement date	\$48,341	N/A
Total	\$228,306	\$16,184

\$48,341 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2018	\$ 41,567
2019	\$ 41,567
2020	\$ 41,567
2021	\$ 12,225
2022	\$ 5,852
Thereafter	\$ 21,003

Actuarial assumptions. The actuarial valuations for the SWBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2016. The valuations used the following actuarial assumptions and other inputs:

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

Total Pension Liability:

Actuarial Valuation Date	January 1, 2017
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

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

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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

The assumption changes were effective for actuarial valuations beginning January 1, 2017 and were used in the roll-forward calculation of the total pension liability as of December 31, 2016. Actuarial assumptions effective for actuarial valuations prior to January 1, 2017 were used in the determination of the actuarially determined contributions as of December 31, 2016. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.00%*
Total	100.0%	

*While expected inflation exceeds the expected rate of return for cash, a 0% real rate of return is utilized.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net asset liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$357,830	\$42,056	(\$220,210)

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

TOWN OF FREDERICK, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9: OTHER RETIREMENT COMMITMENTS

Deferred Compensation Plan

All full-time employees are eligible to participate in a voluntary 457 Deferred Comp Plan. The Plan is administered by the International Town/County Management Association (ICMA-RC). Effective for the years ended December 31, 2017 and 2016, the Town matches up to 6% (up from 4% for the year ended December 31, 2015). The Town contributed \$63,755, \$138,877 and \$148,568 to the plan for the years ended December 31, 2015, 2016 and 2017, respectively, equal to the required contribution.

NOTE 10: RISK MANAGEMENT

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

NOTE 11: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2017, the emergency reserve of \$308,000 was recorded in the General Fund.

NOTE 12: SUBSEQUENT EVENTS

In April 2018, the Town and United Power, an electric cooperative utility, jointly announced that they have reached an agreement for United Power to purchase the Town's municipal electric utility. The Town has agreed to sell its electrical infrastructure to United Power, who will provide on-going services to the citizens in the Town's original municipal utility.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FREDERICK, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			VARIANCE	2016
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Taxes and Fees	\$ 3,495,060	\$ 3,495,060	\$ 4,356,598	\$ 861,538	\$ 4,334,791
Licenses and Permits	600,000	600,000	1,030,910	430,910	1,004,770
Fines and Forfeitures	100,000	100,000	117,732	17,732	104,833
Grants and Contributions	131,330	131,330	136,958	5,628	95,578
Interest	3,430	3,430	81,594	78,164	123,031
Miscellaneous	79,540	79,540	161,060	81,520	536,474
TOTAL REVENUES	<u>4,409,360</u>	<u>4,409,360</u>	<u>5,884,852</u>	<u>1,475,492</u>	<u>6,199,477</u>
EXPENDITURES					
General Government	2,498,658	2,518,658	1,856,447	662,211	2,219,557
Public Safety	2,811,960	2,811,960	2,570,384	241,576	2,598,966
Public Works	369,850	369,850	354,290	15,560	386,358
Capital Outlay	534,000	954,890	117,545	837,345	587,333
TOTAL EXPENDITURES	<u>6,214,468</u>	<u>6,655,358</u>	<u>4,898,666</u>	<u>1,756,692</u>	<u>5,792,214</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,805,108)</u>	<u>(2,245,998)</u>	<u>986,186</u>	<u>3,232,184</u>	<u>407,263</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	503,360	503,360	35,196	(468,164)	32,374
Transfers Out	(40,860)	(265,860)	(225,000)	40,860	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>462,500</u>	<u>237,500</u>	<u>(189,804)</u>	<u>(427,304)</u>	<u>22,374</u>
NET CHANGE IN FUND BALANCE	(1,342,608)	(2,008,498)	796,382	2,804,880	429,637
FUND BALANCE, Beginning	<u>4,060,366</u>	<u>4,060,366</u>	<u>4,894,710</u>	<u>834,344</u>	<u>4,465,073</u>
FUND BALANCE, Ending	<u>\$ 2,717,758</u>	<u>\$ 2,051,868</u>	<u>\$ 5,691,092</u>	<u>\$ 3,639,224</u>	<u>\$ 4,894,710</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

STREET AND ALLEY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes and Fees	\$ 1,358,200	\$ 2,169,768	\$ 811,568	\$ 2,054,085
Charges for Services	610,000	660,612	50,612	585,305
Grants and Contributions	2,866,158	1,257,234	(1,608,924)	59,460
Interest	750	13,774	13,024	9,840
Miscellaneous	-	136,461	136,461	4,387
TOTAL REVENUES	<u>4,835,108</u>	<u>4,237,849</u>	<u>(597,259)</u>	<u>2,713,077</u>
EXPENDITURES				
Public Works	2,128,098	1,986,803	141,295	1,504,091
Capital Outlay	2,952,158	2,940,099	12,059	1,734,931
Miscellaneous	3,032	51,631	(48,599)	3,777
Debt Service				
Principal	285,000	285,000	-	280,000
Interest	126,100	126,100	-	131,700
TOTAL EXPENDITURES	<u>5,494,388</u>	<u>5,389,633</u>	<u>104,755</u>	<u>3,654,499</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(659,280)</u>	<u>(1,151,784)</u>	<u>(492,504)</u>	<u>(941,422)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(425,200)	(11,591)	413,609	(13,554)
Proceeds from the Issuance of Debt	-	-	-	222,317
TOTAL OTHER FINANCING SOURCES (USES)	<u>(425,200)</u>	<u>(11,591)</u>	<u>413,609</u>	<u>208,763</u>
NET CHANGE IN FUND BALANCE	(1,084,480)	(1,163,375)	(78,895)	(732,659)
FUND BALANCE, Beginning	<u>1,592,988</u>	<u>2,499,046</u>	<u>906,058</u>	<u>3,231,705</u>
FUND BALANCE, Ending	<u>\$ 508,508</u>	<u>\$ 1,335,671</u>	<u>\$ 827,163</u>	<u>\$ 2,499,046</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

OPEN SPACE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 571,900	\$ 903,202	\$ 331,302	\$ 836,390
Open Space Fees	75,000	121,655	46,655	111,977
Interest Income	1,000	12,367	11,367	5,881
Miscellaneous	139,337	-	(139,337)	9,638
TOTAL REVENUES	<u>787,237</u>	<u>1,037,224</u>	<u>249,987</u>	<u>963,886</u>
EXPENDITURES				
Public Works	372,000	248,591	123,409	297,165
Capital Outlay	1,661,000	311,347	1,349,653	548,615
TOTAL EXPENDITURES	<u>2,033,000</u>	<u>559,938</u>	<u>1,473,062</u>	<u>845,780</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,245,763)</u>	<u>477,286</u>	<u>1,723,049</u>	<u>118,106</u>
OTHER FINANCING USES				
Transfers Out	<u>(6,610)</u>	<u>(3,074)</u>	<u>3,536</u>	<u>(3,543)</u>
TOTAL OTHER FINANCING USES	<u>(6,610)</u>	<u>(3,074)</u>	<u>3,536</u>	<u>(3,543)</u>
NET CHANGE IN FUND BALANCES	<u>(1,252,373)</u>	<u>474,212</u>	<u>1,726,585</u>	<u>114,563</u>
FUND BALANCES, Beginning	<u>2,476,814</u>	<u>3,222,536</u>	<u>745,722</u>	<u>3,107,973</u>
FUND BALANCES, Ending	<u>\$ 1,224,441</u>	<u>\$ 3,696,748</u>	<u>\$ 2,472,307</u>	<u>\$ 3,222,536</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

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

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.108%	0.119%	0.127%	0.116%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (96,865)	\$ (134,339)	\$ (2,238)	\$ 42,056
Town's covered-employee payroll	\$ 941,000	\$ 1,068,711	\$ 1,230,975	\$ 1,191,312
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	-10.3%	-12.6%	-0.2%	3.5%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%	98.2%

Notes:

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

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

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutorily required contributions	\$ 37,640	\$ 42,824	\$ 49,239	\$ 47,653	\$ 48,341
Contributions in relation to the Statutorily required contributions	<u>37,640</u>	<u>42,824</u>	<u>49,239</u>	<u>47,653</u>	<u>48,341</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 941,000	\$ 1,068,711	\$ 1,230,975	\$ 1,191,312	\$ 1,208,518
Contributions as a percentage of covered-employee payroll	4.00%	4.01%	4.00%	4.00%	4.00%

Notes:

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

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF FREDERICK, COLORADO

CAPITAL FACILITIES FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017			VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES					
Capital Improvement Fees	\$ 225,000	\$ 225,000	\$ 364,875	\$ 139,875	\$ 365,500
Interest Income	500	500	19,016	18,516	1,979
Miscellaneous	-	103,000	831,937	728,937	-
TOTAL REVENUES	<u>225,500</u>	<u>328,500</u>	<u>1,215,828</u>	<u>887,328</u>	<u>367,479</u>
EXPENDITURES					
Capital Outlay		-	4,500	(4,500)	-
Debt Service					
Principal	93,722	95,200	94,878	322	93,722
Interest	76,003	76,600	77,494	(894)	75,918
TOTAL EXPENDITURES	<u>169,725</u>	<u>171,800</u>	<u>176,872</u>	<u>(5,072)</u>	<u>169,640</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>55,775</u>	<u>156,700</u>	<u>1,038,956</u>	<u>882,256</u>	<u>197,839</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	(153,337)	(14,000)	139,337	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(153,337)</u>	<u>(14,000)</u>	<u>139,337</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	55,775	3,363	1,024,956	1,021,593	197,839
FUND BALANCES, Beginning	<u>1,834</u>	<u>229,704</u>	<u>252,233</u>	<u>22,529</u>	<u>54,394</u>
FUND BALANCES (DEFICIT), Ending	<u>\$ 57,609</u>	<u>\$ 233,067</u>	<u>\$ 1,277,189</u>	<u>\$ 1,044,122</u>	<u>\$ 252,233</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2017

	SPECIAL REVENUE			TOTALS	
	CONSERVATION	PARK	FREDERICK	2017	2016
	TRUST FUND	IMPROVEMENT FUND	URBAN RENEWAL AUTHORITY		
ASSETS					
Cash and Investments	\$ 162,447	\$ 1,445,648	\$ 81,800	\$ 1,689,895	\$ 1,604,812
Accounts Receivable	-	17,719	31,693	49,412	13,259
Prepaid Items	-	1,092	-	1,092	-
TOTAL ASSETS	<u>\$ 162,447</u>	<u>\$ 1,464,459</u>	<u>\$ 113,493</u>	<u>\$ 1,740,399</u>	<u>\$ 1,618,071</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ 15,205	\$ 1,275	\$ 16,480	\$ 49,741
Accrued Liabilities	-	5,647	-	5,647	6,671
Developer Escrows and Deposits	-	62,025	-	62,025	113,000
Advances from Other Funds	-	-	50,000	50,000	50,000
TOTAL LIABILITIES	<u>-</u>	<u>82,877</u>	<u>51,275</u>	<u>134,152</u>	<u>219,412</u>
FUND EQUITY					
Fund Balance					
Restricted for Parks & Recreation	162,447	-	-	162,447	114,646
Restricted for Urban Renewal	-	-	62,218	62,218	34,711
Committed for Parks, Open Space, and Capital Outlay	-	1,381,582	-	1,381,582	1,249,302
TOTAL FUND EQUITY	<u>162,447</u>	<u>1,381,582</u>	<u>62,218</u>	<u>1,606,247</u>	<u>1,398,659</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 162,447</u>	<u>\$ 1,464,459</u>	<u>\$ 113,493</u>	<u>\$ 1,740,399</u>	<u>\$ 1,618,071</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2017

	SPECIAL REVENUE			TOTALS	
	CONSERVATION	PARK	FREDERICK	2017	2016
	TRUST FUND	IMPROVEMENT FUND	URBAN RENEWAL AUTHORITY		
REVENUES					
Taxes	\$ -	\$ -	\$ 2,109	\$ 2,109	\$ 61,579
Intergovernmental	56,422	-	-	56,422	60,809
Park Impact Fees	-	302,100	-	302,100	222,000
Charges for Services	-	66,115	-	66,115	65,450
Interest Income	52	5,774	-	5,826	3,284
Miscellaneous	-	20,000	42,085	62,085	757
TOTAL REVENUES	56,474	393,989	44,194	494,657	413,879
EXPENDITURES					
Public Works	-	489,509	-	489,509	474,776
Parks and Recreation	8,673	-	-	8,673	28,982
Economic Development	-	-	16,687	16,687	37,735
Capital Outlay	-	3,050	-	3,050	192,824
TOTAL EXPENDITURES	8,673	492,559	16,687	517,919	734,317
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	47,801	(98,570)	27,507	(23,262)	(320,438)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	455,850	-	455,850	422,850
Transfers Out	-	(225,000)	-	(225,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	230,850	-	230,850	422,850
NET CHANGE IN FUND BALANCES	47,801	132,280	27,507	207,588	102,412
FUND BALANCES, Beginning	114,646	1,249,302	34,711	1,398,659	1,296,247
FUND BALANCES, Ending	\$ 162,447	\$ 1,381,582	\$ 62,218	\$ 1,606,247	\$ 1,398,659

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 48,600	\$ 56,422	\$ 7,822	\$ 60,809
Interest Income	50	52	2	36
TOTAL REVENUES	<u>48,650</u>	<u>56,474</u>	<u>7,824</u>	<u>60,845</u>
EXPENDITURES				
Parks and Recreation	<u>15,000</u>	<u>8,673</u>	<u>6,327</u>	<u>28,982</u>
TOTAL EXPENDITURES	<u>15,000</u>	<u>8,673</u>	<u>6,327</u>	<u>28,982</u>
NET CHANGE IN FUND BALANCE	33,650	47,801	14,151	31,863
FUND BALANCE, Beginning	<u>100,838</u>	<u>114,646</u>	<u>13,808</u>	<u>82,783</u>
FUND BALANCE, Ending	<u>\$ 134,488</u>	<u>\$ 162,447</u>	<u>\$ 27,959</u>	<u>\$ 114,646</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

PARK IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017			VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Park Impact Fees	\$ 225,000	\$ 225,000	\$ 302,100	\$ 77,100	\$ 222,000
Charges for Services	-	-	66,115	66,115	65,450
Interest Income	-	-	5,774	5,774	3,248
Miscellaneous	350,000	350,000	20,000	(330,000)	757
TOTAL REVENUES	575,000	575,000	393,989	(181,011)	291,455
EXPENDITURES					
Public Works	781,209	781,209	489,509	291,700	474,776
Capital Outlay	701,991	701,991	3,050	698,941	192,824
TOTAL EXPENDITURES	1,483,200	1,483,200	492,559	990,641	667,600
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(908,200)	(908,200)	(98,570)	809,630	(376,145)
OTHER FINANCING SOURCES (USES)					
Transfers In	455,850	455,850	455,850	-	412,850
Transfers Out	(7,000)	(232,000)	(225,000)	7,000	-
TOTAL OTHER FINANCING SOURCES	448,850	223,850	230,850	7,000	412,850
NET CHANGE IN FUND BALANCES	(459,350)	(684,350)	132,280	816,630	36,705
FUND BALANCES, Beginning	1,165,964	1,165,964	1,249,302	83,338	1,212,597
FUND BALANCES, Ending	\$ 706,614	\$ 481,614	\$ 1,381,582	\$ 899,968	\$ 1,249,302

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

FREDERICK URBAN RENEWAL AUTHORITY
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 40,000	\$ 2,109	\$ (37,891)	\$ 61,579
Miscellaneous	-	42,085	42,085	-
TOTAL REVENUES	40,000	44,194	4,194	61,579
EXPENDITURES				
Economic Development	\$ 45,000	\$ 16,687	\$ 28,313	\$ 37,735
TOTAL EXPENDITURES	45,000	16,687	28,313	37,735
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,000)	27,507	32,507	23,844
OTHER FINANCING SOURCES (USES)				
Transfers In	15,000	-	(15,000)	10,000
TOTAL OTHER FINANCING SOURCES	15,000	-	(15,000)	10,000
NET CHANGE IN FUND BALANCES	10,000	27,507	17,507	33,844
FUND BALANCES, Beginning	158,800	34,711	(124,089)	867
FUND BALANCES, Ending	\$ 168,800	\$ 62,218	\$ (106,582)	\$ 34,711

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 2,030,000	\$ 2,812,086	\$ 782,086	\$ 3,006,810
Contributions	1,473,500	1,226,775	(246,725)	1,630,231
Interest Income	3,000	19,931	16,931	11,033
Miscellaneous	1,504,000	34,602	(1,469,398)	29,979
TOTAL REVENUES	<u>5,010,500</u>	<u>4,093,394</u>	<u>(917,106)</u>	<u>4,678,053</u>
EXPENDITURES				
Administration	296,070	285,156	10,914	275,892
Operations	2,951,209	1,178,676	1,772,533	1,238,067
Capital Outlay	621,691	940,379	(318,688)	3,204,159
Depreciation Expense	323,000	304,165	18,835	279,656
Debt Service	901,000	335	900,665	4,775
Transfers Out	137,590	137,210	380	103,365
TOTAL EXPENDITURES	<u>5,230,560</u>	<u>2,845,921</u>	<u>2,384,639</u>	<u>5,105,914</u>
NET INCOME, Budget Basis	<u>\$ (220,060)</u>	1,247,473	<u>\$ 1,467,533</u>	(427,861)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		<u>940,379</u>		<u>3,204,159</u>
NET INCOME, GAAP Basis		2,187,852		2,776,298
NET POSITION, Beginning		<u>57,508,296</u>		<u>54,731,998</u>
NET POSITION, Ending		<u>\$ 59,696,148</u>		<u>\$ 57,508,296</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

ELECTRIC FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 2,952,310	\$ 3,434,255	\$ 481,945	\$ 3,401,488
Contribution	132,500	159,162	26,662	154,559
Reimbursed Expenses	415,000	489,472	74,472	309,143
Interest Income	6,500	43,761	37,261	26,068
Miscellaneous	63,350	82,238	18,888	65,573
TOTAL REVENUES	<u>3,569,660</u>	<u>4,208,888</u>	<u>639,228</u>	<u>3,956,831</u>
EXPENDITURES				
Administration	243,040	300,393	(57,353)	193,411
Operations	2,985,613	3,051,443	(65,830)	2,818,979
Capital Outlay	1,345,692	909,677	436,015	1,299,760
Depreciation Expense	187,000	196,081	(9,081)	178,458
Transfers Out	307,700	304,921	2,779	304,512
TOTAL EXPENDITURES	<u>5,069,045</u>	<u>4,762,515</u>	<u>306,530</u>	<u>4,795,120</u>
NET INCOME, Budget Basis	<u>\$ (1,499,385)</u>	(553,627)	<u>\$ 945,758</u>	(838,289)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		<u>909,677</u>		<u>1,299,760</u>
NET INCOME, GAAP Basis		356,050		461,471
NET POSITION, Beginning		<u>15,706,747</u>		<u>15,245,276</u>
NET POSITION, Ending		<u>\$ 16,062,797</u>		<u>\$ 15,706,747</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

STORM WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Drainage Fees	\$ 475,000	\$ 510,441	\$ 35,441	\$ 479,924
Contributions	200,000	405,512	205,512	267,883
State and Federal Grants	-	-	-	800,811
Reimbursed Expenses	1,500	-	(1,500)	15,392
Interest Income	500	6,455	5,955	1,628
Miscellaneous	-	525	525	-
TOTAL REVENUES	<u>677,000</u>	<u>922,933</u>	<u>245,933</u>	<u>1,565,638</u>
EXPENDITURES				
Operations	372,120	338,781	33,339	290,979
Capital Outlay	-	2,507	(2,507)	1,132,518
Depreciation Expense	70,200	74,702	(4,502)	22,697
Transfers Out	20,250	20,250	-	20,250
TOTAL EXPENDITURES	<u>462,570</u>	<u>436,240</u>	<u>26,330</u>	<u>1,466,444</u>
NET INCOME, Budget Basis	<u>\$ 214,430</u>	486,693	<u>\$ 272,263</u>	99,194
GAAP BASIS ADJUSTMENTS				
Capital Outlay		<u>2,507</u>		<u>1,132,518</u>
NET INCOME, GAAP Basis		489,200		1,231,712
NET POSITION, Beginning		<u>3,998,418</u>		<u>2,766,706</u>
NET POSITION, Ending		<u>\$ 4,487,618</u>		<u>\$ 3,998,418</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

GOLF COURSE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Golf Fees and Passes	\$ 4,000	\$ 16,400	\$ 12,400
Merchandise Sales	1,500	3,908	2,408
Rental Income	9,750	10,254	504
Interest Income	-	1,441	1,441
Miscellaneous	-	17,476	17,476
Transfers In	450,000	450,000	-
TOTAL REVENUES	<u>465,250</u>	<u>499,479</u>	<u>34,229</u>
EXPENDITURES			
Operations	78,943	63,286	15,657
Capital Outlay	80,000	78,785	1,215
Depreciation Expense	-	7,566	(7,566)
TOTAL EXPENDITURES	<u>158,943</u>	<u>149,637</u>	<u>9,306</u>
NET INCOME, Budget Basis	<u>\$ 306,307</u>	349,842	<u>\$ 43,535</u>
GAAP BASIS ADJUSTMENTS			
Capital Outlay		<u>78,785</u>	
NET INCOME, GAAP Basis		428,627	
NET POSITION, Beginning		<u>-</u>	
NET POSITION, Ending		<u>\$ 428,627</u>	

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

OIL ROYALTY TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Oil Royalties	\$ 10,000	\$ 19,000	\$ 9,000	\$ 24,159
Investment Income	400	2,732	2,332	-
TOTAL REVENUES	<u>10,400</u>	<u>21,732</u>	<u>11,332</u>	<u>24,159</u>
EXPENDITURES				
Purchased Services	15,000	1,123	13,877	3,082
Scholarships	15,500	12,000	3,500	9,000
Donations	15,000	7,990	7,010	5,700
Miscellaneous	15,400	-	15,400	-
TOTAL EXPENDITURES	<u>60,900</u>	<u>21,113</u>	<u>39,787</u>	<u>17,782</u>
CHANGE IN NET POSITION	(50,500)	619	51,119	6,377
NET ASSETS, Beginning	<u>325,162</u>	<u>1,344,319</u>	<u>1,019,157</u>	<u>1,337,942</u>
NET ASSETS Ending	<u>\$ 274,662</u>	<u>\$ 1,344,938</u>	<u>\$ 1,070,276</u>	<u>\$ 1,344,319</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Frederick
		YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of Town of Frederick)	Prepared By: Phone:	Mitzi McCoy 720-382-5500

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,712,267
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	877,590
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	23,693
3. Other local imposts (from page 2)	1,452,275	c. Other	40,304
4. Miscellaneous local receipts (from page 2)	375,827	d. Total (a. through c.)	63,997
5. Transfers from toll facilities		4. General administration & miscellaneous	478,364
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,132,218
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	126,100
7. Total (1 through 6)	1,828,102	b. Redemption	285,000
B. Private Contributions		c. Total (a. + b.)	411,100
C. Receipts from State government (from page 2)	1,749,134	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,577,236	b. Redemption	
		c. Total (a. + b.)	
		3. Total (1.c + 2.c)	411,100
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,543,318

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,254,093	3,577,236	4,543,318	1,288,012	

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	13,774
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	954,260	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	391,920	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	106,096	g. Other Misc. Receipts	362,053
6. Total (1. through 5.)	1,452,275	h. Other	
c. Total (a. + b.)	1,452,275	i. Total (a. through h.)	375,827
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	435,572	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	56,328	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	1,257,234	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,313,562	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,749,134	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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			
(4). System Enhancement & Operation		2,712,267	2,712,267
(5). Total Construction (1) + (2) + (3) + (4)		2,712,267	2,712,267
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		2,712,267	2,712,267
			(Carry forward to page 1)
Notes and Comments:			