

**TOWN OF GRANADA, COLORADO**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**E**

**RECEIVED**

Office of the State Auditor

June 14, 2018

TOWN OF GRANADA, COLORADO

TABLE OF CONTENTS

Year Ended December 31, 2017

	<u>PAGE</u>
<b>Independent Auditor's Report</b> .....	1 - 2
<b>Basic Financial Statements</b>	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position .....	3
Statement of Activities .....	4
<u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds .....	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	6
Statement of Net Position - Proprietary Funds .....	7
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds .....	8
Statement of Cash Flows - Proprietary Funds .....	9
Statement of Net Position - Fiduciary Fund – Firemen’s Pension .....	10
Statement of Changes in Net Position - Fiduciary Fund – Firemen’s Pension .....	11
Notes to Basic Financial Statements .....	12 - 27
<b>Required Supplementary Information</b>	
Schedule of Revenues and Expenditures and Changes in Net Position - Budget and Actual - Governmental Funds:	
General Fund .....	28
Conservation Trust Fund .....	29
Road & Bridge Fund .....	30
Victims’ Assistance Fund .....	31
Capital Improvements Fund .....	32
Amache Project Fund .....	33
Pension Statements .....	34 - 35
<b>Other Supplementary Information</b>	
Schedule of Revenues and Expenses and Changes in Net Position - Budget and Actual - Proprietary Funds:	
Water Fund .....	36
Electric Fund .....	37
<u>Supplemental Data for Oversight Agencies</u>	
Local Highway Finance Report .....	38 - 39

## **Independent Auditor's Report**

# HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

---

23720 Pondview Place  
Golden, CO 80401  
(303) 694-2727

---

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Board of Trustees  
Town of Granada  
Granada, Colorado

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 Granada, Colorado as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Granada, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other-Matters***

### *Required Supplementary Information*

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information of the general fund and major special revenue funds listed as Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Granada, Colorado's basic financial statements. The proprietary funds budgetary comparison schedules and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

***Hamblin and Associates***

Evergreen, Colorado  
May 9, 2018

## **Basic Financial Statements**

**TOWN OF GRANADA, COLORADO**

**STATEMENT OF NET POSITION**

**December 31, 2017**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 104,525	\$ 475,700	\$ 580,225
Accounts receivable	8,541	15,816	24,357
Property taxes receivable	24,726	-	24,726
<b>TOTAL CURRENT ASSETS</b>	137,792	491,516	629,308
<b>NET CAPITAL ASSETS</b>	110,650	1,280,759	1,391,409
<b>OTHER ASSETS</b>			
Net pension asset	19,141	-	19,141
Restricted cash	56,291	14,781	71,072
<b>TOTAL ASSETS</b>	323,874	1,787,056	2,110,930
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows because of pensions	10,387	-	10,387
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	2,895	22,253	25,148
Customer deposits	-	3,100	3,100
Accrued interest payable	-	9,020	9,020
Current portion of long-term debt	-	10,168	10,168
<b>TOTAL CURRENT LIABILITIES</b>	2,895	44,541	47,436
<b>LONG-TERM LIABILITIES</b>			
Bonds payable	-	368,598	368,598
Landfill costs	560	-	560
<b>TOTAL LONG-TERM LIABILITIES</b>	560	368,598	369,158
<b>TOTAL LIABILITIES</b>	3,455	413,139	416,594
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	24,726	-	24,726
<b>NET POSITION</b>			
Net investment in capital assets	110,650	901,993	1,012,643
Restricted	56,291	-	56,291
Unrestricted	139,139	471,924	611,063
<b>TOTAL NET POSITION</b>	\$ 306,080	\$ 1,373,917	\$ 1,679,997

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

**TOWN OF GRANADA, COLORADO**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2017**

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENT ACTIVITIES</u>	<u>BUSINESS - TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>FUNCTIONS/PROGRAMS</b>							
Governmental Activities							
General government	\$ 62,350	\$ 2,594	\$ -	\$ -	\$ (59,756)	\$ -	\$ (59,756)
Public safety	55,532	240	-	-	(55,292)	-	(55,292)
Public works	58,083	38,821	-	-	(19,262)	-	(19,262)
Culture, parks and recreation	6,862	-	-	-	(6,862)	-	(6,862)
<b>TOTAL GOVERNMENT ACTIVITIES</b>	<u>183,977</u>	<u>41,655</u>	<u>-</u>	<u>17,403</u>	<u>(124,919)</u>	<u>-</u>	<u>(124,919)</u>
Business-type activities	<u>488,703</u>	<u>535,595</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>46,986</u>	<u>46,986</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 672,680</u>	<u>\$ 577,250</u>	<u>\$ 94</u>	<u>\$ 17,403</u>	<u>(124,919)</u>	<u>46,986</u>	<u>(77,933)</u>
<b>GENERAL REVENUES</b>							
Taxes					68,346	-	68,346
Intergovernmental income					38,993	-	38,993
Licenses and permits					1,486	-	1,486
Fines and forfeitures					16,496	-	16,496
Other income					11,149	327	11,476
<b>TOTAL GENERAL REVENUES</b>					<u>136,470</u>	<u>327</u>	<u>136,797</u>
<b>CHANGE IN NET POSITION</b>					11,551	47,313	58,864
<b>NET POSITION - Beginning of Year</b>					294,529	1,326,604	1,621,133
<b>NET POSITION - End of Year</b>					<u>\$ 306,080</u>	<u>\$ 1,373,917</u>	<u>\$ 1,679,997</u>

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

TOWN OF GRANADA, COLORADO

**BALANCE SHEET - GOVERNMENTAL FUNDS**

December 31, 2017

	<u>GENERAL</u>	<u>CONSERVATION TRUST</u>	<u>ROAD &amp; BRIDGE</u>	<u>VICTIMS' ASSISTANCE</u>	<u>CAPITAL IMPROVEMENT</u>	<u>AMACHE PROJECT</u>	<u>TOTALS</u>
<b>ASSETS</b>							
Cash and investments	\$ 101,987	\$ 13,182	\$ 2,660	\$ 26,026	\$ 14,897	\$ 2,064	\$ 160,816
Accounts receivable	8,541	-	-	-	-	-	8,541
Property taxes receivable	12,388	-	-	-	12,338	-	24,726
<b>TOTAL ASSETS</b>	<u>122,916</u>	<u>13,182</u>	<u>2,660</u>	<u>26,026</u>	<u>27,235</u>	<u>2,064</u>	<u>194,083</u>
<b>LIABILITIES</b>							
Accounts payable	2,895	-	-	-	-	-	2,895
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable property taxes	12,388	-	-	-	12,338	-	24,726
<b>FUND BALANCES</b>							
Restricted for:							
TABOR emergencies	4,600	-	100	-	100	-	4,800
Landfill	650	-	-	-	-	-	650
Levee	36,044	-	-	-	-	-	36,044
Capital improvements	-	-	-	-	14,797	-	14,797
Committed	8,924	13,182	2,560	26,026	-	2,064	52,756
Unassigned	57,415	-	-	-	-	-	57,415
<b>TOTAL FUND BALANCES</b>	<u>107,633</u>	<u>13,182</u>	<u>2,660</u>	<u>26,026</u>	<u>14,897</u>	<u>2,064</u>	<u>166,462</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$ 122,916</u>	<u>\$ 13,182</u>	<u>\$ 2,660</u>	<u>\$ 26,026</u>	<u>\$ 27,235</u>	<u>\$ 2,064</u>	<u>\$ 194,083</u>
<b>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</b>							\$ 166,462
Capital assets used in governmental activities are not resources and are not reported in the funds:							
Capital assets							266,733
Accumulated depreciation							(156,083)
Pension assets and deferred outflows are not current, therefore are not reported in the funds:							
Net pension asset							19,141
Deferred outflows of resource because of pensions							10,387
Long-term liabilities are not due and payable in the current period and not reported in governmental funds:							
Due after one year - Landfill							(560)
<b>TOTAL NET POSITION- GOVERNMENTAL ACTIVITIES</b>							<u>\$ 306,080</u>

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

TOWN OF GRANADA, COLORADO

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

For the Year Ended December 31, 2017

	GENERAL	CONSERVATION TRUST	ROAD & BRIDGE	VICTIMS' ASSISTANCE	CAPITAL IMPROVEMENT	AMACHE PROJECT	TOTALS
REVENUES							
Taxes	\$ 64,401	\$ -	\$ 1,566	\$ -	\$ 2,379	\$ -	\$ 68,346
Intergovernmental	25,690	4,836	-	11,301	-	-	41,827
Licenses and permits	1,486	-	-	-	-	-	1,486
Fees for service	38,821	-	-	-	-	-	38,821
Fines and forfeitures	16,496	-	-	-	-	-	16,496
Other revenue	5,248	-	3	5,898	-	-	11,149
<b>TOTAL REVENUES</b>	<b>152,142</b>	<b>4,836</b>	<b>1,569</b>	<b>17,199</b>	<b>2,379</b>	<b>-</b>	<b>178,125</b>
EXPENDITURES							
General government	48,339	-	-	11,678	-	-	60,017
Public safety	61,190	-	-	-	-	-	61,190
Public works	55,883	-	-	-	-	-	55,883
Culture and recreation	23	4,800	-	-	-	-	4,823
<b>TOTAL EXPENDITURES</b>	<b>165,435</b>	<b>4,800</b>	<b>-</b>	<b>11,678</b>	<b>1,150</b>	<b>-</b>	<b>183,063</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,293)	36	1,569	5,521	1,229	-	(4,938)
OTHER FINANCING SOURCES (USES)							
Grant revenues	17,403	-	-	-	-	-	17,403
Transfers In (out)	4,500	-	(4,500)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>21,903</b>	<b>-</b>	<b>(4,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,403</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	8,610	36	(2,931)	5,521	1,229	-	12,465
FUND BALANCES, Beginning	99,023	13,146	5,591	20,505	13,668	2,064	153,997
FUND BALANCES, Ending	107,633	13,182	2,660	26,026	14,897	2,064	166,462
NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS							\$ 12,465
Amounts reported for governmental activities in the statement of activities are different because:							
Changes in proportionate share of pension liability (asset) is not recorded in the funds:							8,444
Capital outlay is reported in governmental funds as expenditures, but in the statement of activities, the cost is allocated over their useful lives through depreciation.							-
Capital asset purchases							-
Depreciation expense							(9,358)
Change in net position of governmental activities							\$ 11,551

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

**TOWN OF GRANADA, COLORADO**

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

**December 31, 2017**

	WATER FUND	ELECTRIC FUND	TOTALS
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and equivalents	\$ 76,860	\$ 398,840	\$ 475,700
Accounts receivable	5,350	10,466	15,816
<b>TOTAL CURRENT ASSETS</b>	82,210	409,306	491,516
<b>CAPITAL ASSETS, NET</b>	902,798	377,961	1,280,759
<b>OTHER ASSETS</b>			
Restricted cash	14,781	-	14,781
<b>TOTAL ASSETS</b>	\$ 999,789	\$ 787,267	\$ 1,787,056
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 114	\$ 22,139	\$ 22,253
Customer deposits	-	3,100	3,100
Accrued interest payable	9,020	-	9,020
Current portion of long-term liabilities	10,168	-	10,168
<b>TOTAL CURRENT LIABILITIES</b>	19,302	25,239	44,541
<b>LONG-TERM LIABILITIES</b>			
Notes payable	368,598	-	368,598
<b>TOTAL LIABILITIES</b>	387,900	25,239	413,139
<b>NET POSITION</b>			
Net investment in capital assets	524,032	377,961	901,993
Unrestricted	87,857	384,067	471,924
<b>TOTAL NET POSITION</b>	\$ 611,889	\$ 762,028	\$ 1,373,917

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

**TOWN OF GRANADA, COLORADO**

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

**For the Year Ended December 31, 2017**

	<u>WATER FUND</u>	<u>ELECTRIC FUND</u>	<u>TOTALS</u>
OPERATING REVENUES			
Charges for services	\$ 107,019	\$ 428,576	\$ 535,595
TOTAL OPERATING REVENUES	<u>107,019</u>	<u>428,655</u>	<u>535,674</u>
OPERATING EXPENSES			
Personnel expenses	34,432	34,432	68,864
Contractual services	13,387	9,802	23,189
Liability insurance	6,819	6,819	13,638
Purchased power	-	295,838	295,838
Materials and supplies	8,140	3,980	12,120
Depreciation	31,420	25,293	56,713
TOTAL OPERATING EXPENSES	<u>94,198</u>	<u>376,164</u>	<u>470,362</u>
OPERATING INCOME (LOSS)	<u>12,821</u>	<u>52,491</u>	<u>65,312</u>
NON-OPERATING REVENUES (EXPENSES)			
Grants	94	-	94
Interest revenue	-	248	248
Interest expense	(18,341)	-	(18,341)
NET NON-OPERATING REVENUES (EXPENSES)	<u>(18,247)</u>	<u>248</u>	<u>(17,999)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	(5,426)	52,739	47,313
NET POSITION - Beginning	<u>617,315</u>	<u>709,289</u>	<u>1,326,604</u>
NET POSITION - Ending	<u>\$ 611,889</u>	<u>\$ 762,028</u>	<u>\$ 1,373,917</u>

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

**TOWN OF GRANADA, COLORADO**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS**

**For the Year Ended December 31, 2017**

	WATER FUND	ELECTRIC FUND	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 105,642	\$ 429,167	\$ 534,809
Cash paid to suppliers and employees	(49,331)	(350,521)	(399,852)
Net cash provided by operating activities	56,311	78,646	134,957
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal retired	(9,699)	-	(9,699)
Interest paid	(18,341)	-	(18,341)
Net cash provided (used) by capital and related financing activities	(28,040)	-	(28,040)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	-	248	248
Net increase (decrease) in cash and cash equivalents	28,271	78,894	107,165
<b>CASH, BEGINNING</b>	48,589	319,946	368,535
<b>CASH, ENDING</b>	\$ 76,860	\$ 398,840	\$ 475,700
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 12,821	\$ 52,491	\$ 65,312
<b>ADJUSTMENTS</b>			
Depreciation expense	31,420	25,293	56,713
Changes in assets and liabilities:			
Accounts receivable	(1,377)	(688)	(2,065)
Accounts payable	29	350	379
Customer deposits	-	1,200	1,200
Accrued interest payable	13,418	-	13,418
Total adjustments	43,490	26,155	69,645
<b>Net Cash Provided by Operating Activities</b>	\$ 56,311	\$ 78,646	\$ 134,957

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

TOWN OF GRANADA, COLORADO

STATEMENT OF NET POSITION  
FIDUCIARY FUND TYPE

December 31, 2017

	<u>Volunteer Firemen's Pension</u>
ASSETS	
Cash and investments	<u>\$          21,226</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Pension benefits payable	21,226
NET POSITION	
Unrestricted	<u>                  -</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$          21,226</u>

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

**TOWN OF GRANADA, COLORADO**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND TYPES**

**For the Year Ended December 31, 2017**

	Volunteer Firemen's Pension
REVENUES	
Investment income	\$ 13
NET POSITION, Beginning	21,211
NET POSITION, Ending	\$ 21,224

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

## TOWN OF GRANADA

### NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2017

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Town of Granada (the Town) conform to generally accepted accounting principles as applied to governmental units. A summary of the more significant policies follows.

##### **A. Reporting Entity**

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based on financial accountability. The Town is financially accountable for organizations that make up its legal entity. The Town is also financially accountable for legally separate organizations if Town officials can appoint a voting majority of the organization's governing body and the Town has the ability to impose its will on that organization such that there is a potential for benefits or financial burdens to accrue to the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on these criteria, no other entities are included in the Town's basic financial statements.

##### **B. Basis of Presentation - Fund Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Governmental Fund Types These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

*General Fund* - This fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

**TOWN OF GRANADA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

*Conservation Trust Fund* receives State Lottery Proceeds. The monies are used for recreation and parks.

*Road & Bridge Fund* receives monies from Prowers County for the Town's portion of these State revenues. The monies are used for road repairs.

*Victims' Assistance Fund* receives revenues from surcharges on fines and forfeitures. The monies are used to assist victims of crimes.

*Capital Improvements Fund* receives 1.634 mills of levied property taxes for the purpose of general capital improvements.

*Amache Project Fund* receives historic landmark funding for the restoration of Camp Amache.

Proprietary Fund Types These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds.

*Enterprise Funds (Water and Electric Funds)* - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

*Fiduciary Fund (Volunteer Firemen's Pension)* - This fund is used to account for assets held in trust by the Town.

**C. Measurement Focus and Basis of Accounting**

Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include donations and grants. Revenue from donations and grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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.

**TOWN OF GRANADA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**D. Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the enterprise fund which budgets on a non-GAAP basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end. Budget amounts presented in the financial statements are as originally adopted by the Town Council.

The Town adheres to the procedures listed below in establishing the budgetary data reflected in the financial statements:

- Abstract of assessments reflecting all assessed values of property in the County is due from the County Assessor.
- Budgets are required by state law for all funds.
- Assessors are to certify to all taxing entities and the Division of Local Governments of the new total assessed valuation by September 15.
- Proposed budget to be submitted to the Town Council by September 15.
- The statutory deadline for certification of mill levies to the Board of County Commissioners is December 10th.
- Board of County Commissioners to levy all taxes and certify the levies by December 31.
- The budget is to be adopted by December 31, with a copy of the adopted budget sent to the Division of Local Governments within thirty days of adoption.
- On or before December 31, the Town Council shall enact an ordinance or resolution making appropriations for the ensuing fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The Town does not utilize encumbrance accounting.

**TOWN OF GRANADA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Fund Equity**

Cash The Town maintains separate bank accounts for some funds, and has adopted pooled cash for most operations. Some cash equivalents are in interest-bearing accounts, comprised of savings accounts and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable in the accounting system. The balance in the cash accounts is available to meet current operating requirements.

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

Capital Assets Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life over one year and an initial cost over \$5,000.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	40 years
Building and Other Improvements	20 years
Vehicles	7 years
Equipment	5 - 50 years

Deferred Inflows of Resources A deferred inflow of resources is defined as an acquisition of net position applicable to a future reporting period. The deferred revenues disclosed on the government-wide statement of net position represent property taxes which have been certified but not yet collected.

Net Position In the government-wide financial statements, a portion of net position is restricted when constraints placed on them are externally imposed. Fund balances of governmental funds classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments.

**TOWN OF GRANADA**  
**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Fund Equity (Continued)**

Fund balances In the governmental fund financial statements, the following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders or other debt holders, contributors, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority through an ordinance or resolution. Committed fund balance can also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority.

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

**F. Revenues and Expenditures/Expenses**

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, fees and non-tax revenues are recognized when received. The Town considers all revenues reported in the governmental funds to be available if they are received within sixty days after year end. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses of proprietary funds are recognized in essentially the same manner as in commercial accounting.

**TOWN OF GRANADA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

Property Tax Revenues are levied on December 15, based upon the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. Under Colorado Law, all property taxes become due and payable on January 1, in the year following in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Property taxes levied in the current year for collection in a subsequent year are identified as property taxes receivable and deferred revenue at December 31, and are presented net of an estimated allowance for uncollectible taxes.

**NOTE 2: CASH**

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. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool 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 percent of the uninsured deposits. All deposits of the Town are insured or collateralized with securities held by the Town or for the Town.

At December 31, 2017 the Town's cash and investments were as follows:

	<u>Carrying Value</u>
<b>Deposits</b>	
Demand deposits	\$ 567,931
<b>Investments</b>	
Certificates of deposit	116,928
<b>Total deposits and investments</b>	<u>\$ 684,859</u>
Reconciliation to Statement of Net Position	
Current:	
Cash and investments	\$ 607,342
Restricted cash	56,291
Cash held as fiduciary	21,226
	<u>\$ 684,859</u>

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

**TOWN OF GRANADA**  
**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 2: CASH (Continued)**

Custodial Risk Deposits in financial institutions, reported as cash, cash equivalents, and investments had a bank balance of \$435,176 at December 31, 2017, which was fully insured by depository insurance or secured with collateral held by the Town's agent in its name. All investments, evidenced by individual securities, are registered in the name of the Town.

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. State statutes limit maturities to a maximum of 5 years from date of acquisition.

Concentration of Credit Risk The Town places no limit on the amount which may be invested in any one issuer.

**NOTE 3: CAPITAL ASSETS**

Changes in capital assets for 2017 are summarized below.

	Balance January 1, 2017	Additions	Adjustments	Balance December 31, 2017
Governmental activities:				
Assets not being depreciated				
Land	\$ 14,800	\$ -	\$ -	\$ 14,800
Assets being depreciated				
Buildings	126,552	-	-	126,552
Vehicles	48,320	-	-	48,320
Equipment	77,061	-	-	77,061
Total assets being depreciated	251,933	-	-	251,933
Less: Accumulated depreciation				
Buildings	(63,969)	(2,783)	-	(66,752)
Vehicles	(46,036)	(2,286)	-	(48,322)
Equipment	(36,720)	(4,289)	-	(41,009)
Total accumulated depreciation	(146,725)	(9,358)	-	(156,083)
Net capital assets - governmental activities	<u>\$ 120,008</u>	<u>\$ (9,358)</u>	<u>\$ -</u>	<u>\$ 110,650</u>

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

Governmental activities:	
General government	\$ 2,333
Public safety	2,786
Public works	2,200
Culture, parks and recreation	2,039
	<u>\$ 9,358</u>

**TOWN OF GRANADA**  
**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 3: CAPITAL ASSETS (Continued)**

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance December 31, 2017</u>
Business-type activities:				
Assets not being depreciated				
Land	\$ 4,624	\$ -	\$ -	\$ 4,624
Assets being depreciated				
Equipment	2,713,250	-	-	2,713,250
Less: Accumulated depreciation				
Equipment	(1,371,504)	(56,713)	-	(1,428,217)
Net capital assets - business-type activities	<u>\$ 1,346,370</u>	<u>\$ (56,713)</u>	<u>\$ -</u>	<u>\$ 1,289,657</u>

**NOTE 4: LONG-TERM DEBT**

Changes in long-term liabilities in 2017, are summarized below.

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2017</u>	<u>Current Portion</u>
Governmental activities:					
Landfill closure costs	\$ 560	\$ -	\$ -	\$ 560	\$ -
Total governmental activities	<u>\$ 560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560</u>	<u>\$ -</u>
Business-type activities:					
Water loan 2001	\$ 388,468	\$ -	\$ 9,699	\$ 378,769	\$ 10,168
Total business-type activities	<u>\$ 388,468</u>	<u>\$ -</u>	<u>\$ 9,699</u>	<u>\$ 378,769</u>	<u>\$ 10,168</u>

**TOWN OF GRANADA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 4: LONG-TERM DEBT (Continued)**

In 2001, the Town issued a loan payable to the United States Department of Agriculture – Rural Development, which was used to fund water system improvements. The loan is due in semiannual installments, including interest at 4.75%, through 2041. Annual maturities are shown below.

<u>For the year ended</u> <u>December 31,</u>	Business-type acti Water loan 200	
	Principal	Interest
2018	\$ 10,168	\$ 17,872
2019	10,657	17,383
2020	11,169	16,871
2021	11,706	16,334
2022	12,268	15,772
2023-2027	70,773	69,427
2028-2032	89,497	50,703
2033-2037	113,174	27,026
2038-2039	49,358	2,829
	\$ 378,769	\$ 234,219

**NOTE 5: PUBLIC ENTITY RISK POOL**

The Town participates with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverage and to assist members in preventing and reducing losses and injuries to property and persons which might result in claims being made against members of CIRSA, their employees and officers.

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

**TOWN OF GRANADA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 5: PUBLIC ENTITY RISK POOL (Continued)**

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

The Town is not exposed to any significant risk of loss.

**NOTE 6: PENSION PLANS**

**A. VOLUNTEER FIREMEN PENSION**

The Town maintains certificates of deposit for a Volunteer Firemen's pension. The amounts are reported in the fiduciary fund financial statements, but are not considered assets of the Town and therefore are excluded from the Government-wide statements. The Town set up the fund and the Certificate of Deposits for a volunteer firemen's pension, but has not yet established the nature of the pension, requirements for further deposits, nor made any payouts. Until the Town establishes the nature of the pension, the funds are held in trust, accumulating interest.

**B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component**

*Plan Description.* The Statewide Hybrid Plan (SWH) is a cost-sharing multiple-employer defined benefit pension plan. The SWH is comprised of two components: Defined Benefit and Money Purchase. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report can be obtained on FPPA's website at <http://www.fppaco.org>.

*Description of Benefits.* The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

**TOWN OF GRANADA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 6: PENSION PLANS (Continued)**

**B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component**  
(Continued)

A member is eligible for early retirement at age 50 or after of 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

*Contributions.* The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2014 through June 30, 2015 is 12.5 percent. The Defined Benefit Component contribution rate from July 1, 2013 through June 30, 2014 was 12.6 percent.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

*Net Pension Asset.* At December 31, 2017 the Town reported an asset of \$18,711 for its proportionate share of the net pension liability. (The Town reported an asset rather than a liability because the Plan's fiduciary net position currently exceeds the total pension liability.) The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The Town's proportion of the net pension liability was based on Town contributions to the plan for the calendar year 2016 relative to the total contributions of participating employers to the Plan.

**TOWN OF GRANADA**  
**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 6: PENSION PLANS (Continued)**

**B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component**  
(Continued)

For the plan year ended December 31, 2016, the Town recognized pension expense of \$(2,896), consisting of the following elements:

**Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended  
December 31, 2016**

Service Cost	\$ 2,280
Interest on the Total Pension Liability	4,724
Current-Period Benefit Changes	630
IRC 414(h)(2) Employer-paid Member Contributions	(7,241)
Projected Earnings on Plan Investments	(6,379)
Pension Plan Administrative Expense	155
Other Changes in Plan Fiduciary Net Position	-
Recognition of Inflow of Resources due to Liabilities	1,607
Recognition of Outflow of Resources due to Assets	1,328
<b>Total Pension Plan Expense</b>	<b>\$ (2,896)</b>

At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,853	\$ -
Changes of assumptions	849	-
Net difference between projected and actual earnings on pension plan investments	4,248	
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	2,373	-
<b>Total</b>	<b>\$ 17,323</b>	<b>\$ -</b>

**TOWN OF GRANADA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 6: PENSION PLANS (Continued)**

**B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component**  
(Continued)

Town contributions subsequent to the measurement date of December 31, 2016 of \$2,274 which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended 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 ending December 31,		
	2017	\$ 2,935
	2018	2,935
	2019	2,854
	2020	1,948
	2021	1,607
Thereafter		2,668
	<u>\$</u>	<u>14,947</u>

*Actuarial Assumptions.* The January 1, 2017 actuarial valuation was used to determine the Actuarially Determined Contribution for the plan year ending December 31, 2016. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

**TOWN OF GRANADA**  
**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 6: PENSION PLANS (Continued)**

**B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component**  
(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 2011 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, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

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 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%	

**TOWN OF GRANADA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 6: PENSION PLANS (Continued)**

**B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component**  
(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 SWH-Defined Benefit Component 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 payments 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 3.65% (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%.

Regarding the sensitivity of the net pension liability 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 would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<b>1% Decrease 6.50%</b>	<b>Single Discount Rate Assumption 7.50%</b>	<b>1% Increase 8.50%</b>
Town's Proportionate Share	\$ (16,055)	\$ (22,735)	\$ (28,673)

*Pension Plan Fiduciary Net Position.* Detailed information about the 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 GRANADA**  
**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2017**

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

**A. Tabor Amendment**

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and local growth. Revenue received in excess of the limitations may be required to be refunded unless the Town's electorate votes to retain the revenue.

During 1998, the Town's citizens passed a ballot issue allowing the Town to collect, retain, and spend all revenue sources received during the year ended December 31, 1997 and all subsequent years. The Tabor Amendment is subject to many interpretations, but the Town believes it is in substantial compliance with the Amendment.

To comply with the Taxpayer Bill of Rights Amendment, the Town has reserved fund balances for the General Fund, Road & Bridge Fund, and Capital Improvement Fund of \$4,600, \$100, and \$100, respectively.

## **Required Supplementary Information**

**TOWN OF GRANADA, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**

**For the Year Ended December 31, 2017**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Taxes	\$ 64,771	\$ 64,401	\$ (370)
Intergovernmental	26,076	25,690	(386)
Licenses and permits	325	1,486	1,161
Fees for service	30,068	38,821	8,753
Fines and forfeiture	11,764	16,496	4,732
Other revenue	<u>2,889</u>	<u>5,248</u>	<u>2,359</u>
 <b>TOTAL REVENUES</b>	 <u>135,893</u>	 <u>152,142</u>	 <u>16,249</u>
 <b>EXPENDITURES</b>			
General government	69,386	48,339	21,047
Public safety	61,574	61,190	384
Public works	55,521	55,883	(362)
Culture and recreation	<u>-</u>	<u>23</u>	<u>(23)</u>
 <b>TOTAL EXPENDITURES</b>	 <u>186,481</u>	 <u>165,435</u>	 <u>21,046</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 <u>(50,588)</u>	 <u>(13,293)</u>	 <u>21,023</u>
 <b>OTHER FINANCIAL SOURCES (USES)</b>			
Grant revenues	-	17,403	17,403
Transfers in	<u>36,000</u>	<u>4,500</u>	<u>31,500</u>
 <b>TOTAL OTHER FINANCIAL SOURCES (USES)</b>	 <u>36,000</u>	 <u>21,903</u>	 <u>(14,097)</u>
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCIAL SOURCES (USES)</b>	 <u>\$ (14,588)</u>	 8,610	 <u>\$ 23,198</u>
 <b>FUND BALANCE - Beginning</b>		 <u>99,023</u>	
 <b>FUND BALANCE - Ending</b>		 <u>\$ 107,633</u>	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

**BUDGETARY COMPARISON SCHEDULE**  
**CONSERVATION TRUST FUND**

For the Year Ended December 31, 2017

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Intergovernmental	<u>\$ 4,840</u>	<u>\$ 4,836</u>	<u>\$ (4)</u>
EXPENDITURES			
Culture and recreation	<u>17,097</u>	<u>4,800</u>	<u>12,297</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (12,257)</u>	36	<u>\$ 12,293</u>
FUND BALANCE - Beginning		<u>13,146</u>	
FUND BALANCE - Ending		<u>\$ 13,182</u>	

See the accompanying Independent Auditor's Report.

**TOWN OF GRANADA, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD & BRIDGE FUND**

**For the Year Ended December 31, 2017**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 1,581	\$ 1,566	\$ (15)
Other revenue	<u>2</u>	<u>3</u>	<u>1</u>
TOTAL REVENUES	<u>1,583</u>	<u>1,569</u>	<u>(14)</u>
EXPENDITURES			
Public works	<u>7,895</u>	<u>4,500</u>	<u>3,395</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (6,312)</u>	(2,931)	<u>\$ 3,381</u>
FUND BALANCE - Beginning		<u>5,591</u>	
FUND BALANCE - Ending		<u>\$ 2,660</u>	

See the accompanying Independent Auditor's Report.

**TOWN OF GRANADA, COLORADO**

**BUDGETARY COMPARISON SCHEDULE**  
**VICTIMS' ASSISTANCE FUND**

**For the Year Ended December 31, 2017**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Grant and donations	\$ 9,301	\$ 11,301	\$ 2,000
Other revenue	<u>3,250</u>	<u>5,898</u>	<u>2,648</u>
TOTAL REVENUES	<u>12,551</u>	<u>17,199</u>	<u>4,648</u>
EXPENDITURES			
Personnel expenses	9,301	9,301	-
Contractual services	<u>2,650</u>	<u>2,377</u>	<u>273</u>
TOTAL EXPENDITURES	<u>11,951</u>	<u>11,678</u>	<u>273</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 600</u>	5,521	<u>\$ 4,921</u>
FUND BALANCE - Beginning		<u>20,505</u>	
FUND BALANCE - Ending		<u>\$ 26,026</u>	

See the accompanying Independent Auditor's Report.

**TOWN OF GRANADA, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL IMPROVEMENTS**

**For the Year Ended December 31, 2017**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 2,431	\$ 2,379	\$ (52)
EXPENDITURES			
Capital outlay	16,126	1,150	14,976
TOTAL EXPENDITURES	<u>16,126</u>	<u>1,150</u>	<u>14,976</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ (13,695)</u>	1,229	<u>\$ 14,924</u>
FUND BALANCE - Beginning		<u>13,668</u>	
FUND BALANCE - Ending		<u>\$ 14,897</u>	

See the accompanying Independent Auditor's Report.

**TOWN OF GRANADA, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**AMACHE PROJECT**

**For the Year Ended December 31, 2017**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Other revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Other professional fees	<u>2,063</u>	<u>-</u>	<u>2,063</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (2,063)</u>	-	<u>\$ 2,063</u>
FUND BALANCE - Beginning		<u>2,064</u>	
FUND BALANCE - Ending		<u>\$ 2,064</u>	

See the accompanying Independent Auditor's Report.

**TOWN OF GRANADA, COLORADO**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY/(ASSET)**  
**FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE HYBRID PLAN**  
**LAST TEN FISCAL YEARS\***

<u>Measurement period ending December 31,</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's portion of the net pension asset	0.175843%	0.180197%	0.191704%	0.183428%
Town's proportionate share of the net pension liability (asset)	(19,141)	(18,980)	(22,735)	(18,710)
Town's covered-employee payroll	29,664	29,664	29,664	29,664
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-65%	-64%	-77%	-63%
Plan fiduciary net position as a percentage of the total pension asset	127.5%	129.4%	140.6%	139.0%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 2013 data).

**Notes to the Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset) for the year ended December 31, 2017:**

**Note 1. Changes of assumptions.**

No changes during the years presented above.

**Note 2. Changes of benefit terms.**

No changes during the years presented above.

See the accompanying Independent Auditor's Report.

**TOWN OF BUENA VISTA, COLORADO**

**SCHEDULE OF TOWN CONTRIBUTIONS**  
**FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE HYBRID PLAN**  
**LAST TEN FISCAL YEARS\***

<u>Measurement period ending December 31,</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	2,274	2,373	2,373	2,373
Contributions in relation to the contractually required contribution	(2,274)	(2,373)	(2,373)	(2,373)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	29,664	29,664	29,664 #	29,664
Contributions as a percentage of covered-employee payroll	7.7%	8.0%	8.0%	8.0%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 (2013 data).

**Notes to the Schedule of Town Contributions for the Year Ended December 31, 2017**

**Note 1. Changes of assumptions.**

No changes during the years presented above.

**Note 2. Changes of benefit terms.**

No changes during the years presented above.

See the accompanying Independent Auditor's Report.

## **Other Supplementary Information**

**TOWN OF GRANADA, COLORADO**

**WATER FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**BUDGET AND ACTUAL**

**For the Year Ended December 31, 2017**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
OPERATING REVENUES			
Charges for services	\$ 100,687	\$ 107,019	\$ 6,332
TOTAL OPERATING REVENUES	<u>100,687</u>	<u>107,019</u>	<u>6,332</u>
OPERATING EXPENSES			
Personnel expenses	33,873	34,432	(559)
Contractual services	23,168	13,387	9,781
Insurance and bonds	6,819	6,819	-
Materials and supplies	10,183	8,140	2,043
Contingencies	66,766	-	66,766
Contingencies - reserves	14,682	-	14,682
Debt service	<u>28,040</u>	<u>28,040</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>183,531</u>	<u>90,818</u>	<u>92,713</u>
NET OPERATING INCOME	<u>(82,844)</u>	<u>16,201</u>	<u>99,045</u>
NON-OPERATING REVENUE (EXPENSE)			
Grants	-	94	94
Transfers in (Out)	<u>(18,000)</u>	<u>-</u>	<u>18,000</u>
NET NON-OPERATING REVENUES (EXPENSES)	<u>(18,000)</u>	<u>94</u>	<u>18,094</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ (100,844)</u>	16,295	<u>\$ 117,139</u>
GAAP BASIS ADJUSTMENTS			
Debt service principal		9,699	
Depreciation		<u>(31,420)</u>	
TOTAL GAAP BASIS ADJUSTMENTS		<u>(21,721)</u>	
NET INCOME (LOSS) - GAAP BASIS		(5,426)	
NET POSITION, Beginning of year		<u>617,315</u>	
NET POSITION, End of year		<u>\$ 611,889</u>	

See the accompanying Independent Auditor's Report.

**TOWN OF GRANADA, COLORADO**

**ELECTRIC FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**BUDGET AND ACTUAL**

**For the Year Ended December 31, 2017**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 408,915	\$ 428,576	\$ 19,661
Other operating revenue	302	79	(223)
<b>TOTAL OPERATING REVENUES</b>	<u>409,217</u>	<u>428,655</u>	<u>19,438</u>
<b>OPERATING EXPENSES</b>			
Personnel expenses	34,392	34,432	(40)
Contractual services	11,243	9,802	1,441
Liability insurance	6,819	6,819	-
Purchased power	240,809	295,838	(55,029)
Materials and supplies	15,022	3,980	11,042
Contingencies	-	-	-
Contingencies - reserves	275,779	-	275,779
<b>TOTAL OPERATING EXPENSES</b>	<u>584,064</u>	<u>350,871</u>	<u>233,193</u>
<b>NET OPERATING INCOME</b>	<u>(174,847)</u>	<u>77,784</u>	<u>252,631</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest revenue	254	248	(6)
Interest revenue - reserves	60	-	(60)
Transfers in (out)	(36,450)	-	36,450
<b>NET NON-OPERATING REVENUES (EXPENSES)</b>	<u>(36,136)</u>	<u>248</u>	<u>36,384</u>
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	<u>\$ (210,983)</u>	<u>78,032</u>	<u>\$ 289,015</u>
<b>GAAP BASIS ADJUSTMENTS</b>			
Depreciation		<u>(25,293)</u>	
<b>NET INCOME - GAAP BASIS</b>		<u>52,739</u>	
<b>NET POSITION, Beginning of year</b>		<u>709,289</u>	
<b>NET POSITION, End of year</b>		<u>\$ 762,028</u>	

See the accompanying Independent Auditor's Report.

*Supplemental Data for Oversight Agencies*

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Granada
	YEAR ENDING : December 2017

This Information From The Records Of (example - City of _ or County of Town of Granada	Prepared By: Jackie Malone Phone: 719-734-5411
---	---

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,724
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	1,569
3. Other local imposts (from page 2)	0	c. Other	17,182
4. Miscellaneous local receipts (from page 2)	16,148	d. Total (a. through c.)	18,751
5. Transfers from toll facilities		4. General administration & miscellaneous	1,845
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	14,832
a. Bonds - Original Issues		6. Total (1 through 5)	40,152
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	16,148	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	24,004	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	40,152	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	40,152

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

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	40,152	40,152	0	0

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	16,148
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	0	i. Total (a. through h.)	16,148
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government:</b>		<b>D. Receipts from Federal Government:</b>	
1. Highway-user taxes	23,376	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	628	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	628	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	24,004	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

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

Notes and Comments: