TOWN OF OAK CREEK
OAK CREEK, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017

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Office of the State Auditor
July 31, 2018

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TOWN OF OAK CREEK, COLORADO
BOARD OF TRUSTEES
December 31, 2017

FINANCIAL SECTION

The discussion and analysis of the Town of Oak Creek's financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

Financial Highlights

The Town of Oak Creek's governmental net position decreased by $86,081 and business-type net position increased by $2,064,998 for the year.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2017 by $11,551,001 *(net position).* Of this amount, $1,981,377 *(unrestricted net position)* may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2017, the Town's General Fund reported an ending fund balance of $194,212 compared to the fiscal year 2016 balance of $275,360.
- At the end of 2017 unrestricted net position for the proprietary funds (business-type activities) was $1,789,480 or 97% of total 2017 operating expenses.
- General Fund 2017 revenues decreased by $84,366 to $769,200.
- General Fund expenditures decreased in 2017 by $48,270 to $850,349.

Using the Basic Financial Statements

The Basic Financial Statements consists of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Oak Creek as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the Town's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town has two governmental funds: the General Fund, and one fiduciary fund, LiveWell.

Fiduciary fund statements provide information about financial relationships where the Town acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. The LiveWell Fund will cease to exist after 2018.

Proprietary fund statements offer short and long-term financial information about the activities that the Town operates as a business. The Town operates four proprietary funds as follows:

- Electric Fund
- Water Fund
- Sewer Fund
- Trash Fund

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total net position was $11,551,001 as of December 31, 2017 and $9,572,084 as of December 31, 2016. This represents an increase of $1,978,917 or 20%.

Government-Wide Financial Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private businesses. The statements include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how it has changed. The change in net position is important because it tells the reader that for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, and state or federal government required programs.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes, intergovernmental revenues and taxes *(Governmental Activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(Business-type Activities).* The Governmental Activities of the Town include: general government, public safety (police), public works, parks and recreation and LiveWell. The Business-type Activities of the Town of Oak Creek consist of electric, water, sewer, and trash services.

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Oak Creek, assets exceeded liabilities by approximately $11.6 million at the close of 2017.

Net position of the Town at December 31, 2017 was as follows:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and Other Assets	$ 370,037	$ 477,147	$ 2,088,239	$ 2,324,315	$ 2,458,276	$ 2,801,462
Capital Assets	1,216,295	1,186,072	10,899,898	7,645,290	12,116,193	8,831,362
Total Assets	1,586,332	1,663,219	12,988,137	9,969,605	14,574,469	11,632,824
DEFERRED OUTFLOWS	47,541	24,979	-	-	47,541	24,979
LIABILITIES						
Current Liabilities	73,323	115,132	158,705	211,198	232,028	326,330
Noncurrent Liabilities	113,435	13,252	2,621,988	1,615,961	2,735,423	1,629,213
Total Liabilities	186,758	128,384	2,780,693	1,827,159	2,967,451	1,955,543
DEFERRED INFOWS	103,558	130,176	-	-	103,558	130,176
NET POSITION						
Net Investment in Capital Assets	1,125,660	1,186,072	8,277,910	6,029,329	9,403,570	7,215,401
Restricted	26,000	26,256	140,054	99,576	166,054	125,832
Unrestricted	191,897	217,310	1,789,480	2,013,541	1,981,377	2,230,851
Total Net Position	**$ 1,343,557**	**$ 1,429,638**	**$ 10,207,444**	**$ 8,142,446**	**$ 11,551,001**	**$ 9,572,084**

The statement of net position reflects a cash position totaling $2,092,533 or 14% of total assets. The bulk of the Town's resources, $12.9 million or 83% of total assets, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining 3% of total assets are receivables or prepaid expenses.

The Town of Oak Creek uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Oak Creek's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources since, in general, the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

Governmental activities decreased the Town of Oak Creek's net position by $86,081.

Business activities increased the Town's net position by $2,064,998. This was due to the water distribution and Main St. improvement project.

Town of Oak Creek
Management Discussion and Analysis
December 31, 2017

A summary of the changes in net position is as follows:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
PROGRAM REVENUES						
Charges for Services	$ 316,846	$ 396,273	$ 2,075,017	$ 1,987,622	$ 2,391,863	$ 2,383,895
Operating Grants	207,741	205,542	-	-	207,741	205,542
Capital Grants	-	-	1,927,220	18,961	1,927,220	18,961
Total Program Revenues	524,587	601,815	4,002,237	2,006,583	4,526,824	2,608,398
GENERAL REVENUES						
Property Taxes	76,727	72,272	-	-	76,727	72,272
Specific Ownership Taxes	6,082	5,170	-	-	6,082	5,170
Sales and Use Taxes	184,458	207,021	-	-	184,458	207,021
Other Taxes	992	6,185	-	-	992	6,185
Interest Income	16,147	9,334	20	24	16,167	9,358
Insurance Proceeds	-	-	-	379	-	379
Other Revenues	14,926	7,506	-	-	14,926	7,506
Total General Revenues	299,332	307,488	20	403	299,352	307,891
Total Revenues & Transfers	823,919	909,303	4,002,257	2,006,986	4,826,176	2,916,289
PROGRAM EXPENSES						
General Government	350,283	427,515	-	-	350,283	427,515
Public Safety	259,431	255,925	-	-	259,431	255,925
Public Works	124,978	193,501	-	-	124,978	193,501
Culture and Recreation	224,771	132,433	-	-	224,771	132,433
Electric Operations	-	-	1,080,759	874,096	1,080,759	874,096
Water Operations	-	-	361,796	325,210	361,796	325,210
Sewer Operations	-	-	388,184	337,609	388,184	337,609
Trash Operations	-	-	106,520	104,296	106,520	104,296
Interest	(1,094)	-	-	-	(1,094)	-
Depreciation - unallocated	-	11,640	-	-	-	11,640
Total Program Expenses	958,369	1,021,014	1,937,259	1,641,211	2,895,628	2,662,225
CHANGE IN NET POSITION	(134,450)	(111,711)	2,064,998	365,775	1,930,548	254,064
Net Position, Beginning	1,429,638	1,541,349	8,142,446	7,776,671	9,572,084	9,318,020
Prior Period Restatement	48,369	-	-	-	48,369	-
Net Position, Beginning (as Restated)	1,478,007	1,541,349	8,142,446	7,776,671	9,620,453	9,318,020
NET POSITION, ENDING	**$ 1,343,557**	**$ 1,429,638**	**$ 10,207,444**	**$ 8,142,446**	**$ 11,551,001**	**$ 9,572,084**

Financial Analysis of the Town's Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

General Fund – The General Fund went from a balance of $226,991 to $194,212. This decrease is principally the result of governmental activity operating costs exceeding revenue sources. Total General Fund revenues decreased by $84,366, while expenditures increased by $48,270.

LiveWell Fund – LiveWell revenues were $54,719 with expenses of $55,416.

Proprietary Funds - Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the Town as a whole. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Electric Fund – Electric Fund net position decreased by $138,183, following an increase of $247,380 in 2016. Expenditures increased by $97,091, including $36,386 in capital outlay. The cost to purchase power was $74,161 more than the 2016 cost.

Water Fund – Water Fund net position increased by $2,318,452 after a 2016 increase of $100,729. This year was the start of a major capital project with the first phase of reconstruction of the water distribution system and other Main Street-related work.

Sewer Fund – Sewer Fund net position decreased by $396,564 compared to an increase of $10,011 in 2016. The Sewer Fund loaned $350,000 to the Water Fund in 2017.

Trash Fund – Trash Fund net position increased by $4,928 for the current year, up from a 2016 increase of $7,655. The Trash Fund is a tightly run enterprise to benefit the citizens of Oak Creek and includes an annual Clean-Up Day.

Capital Assets

Approximately 10% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements.

	Balance 12/31/16	Additions	Deletions & Transfers	Balance 12/31/17
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 216,766	$ -	$ -	$ 216,766
Capital Assets being Depreciated:				
Buildings & Improvements	1,544,090	5,081	-	1,549,171
Vehicles & Equipment	575,106	106,067	129,908	551,265
Total Capital Assets	2,119,196	111,148	129,908	2,100,436
Less Accumulated Depreciation:				
Buildings & Improvements	(734,046)	(54,797)	-	(788,843)
Vehicles & Equipment	(415,844)	(26,128)	(129,908)	(312,064)
Total Accumulated Depreciation	(1,149,890)	(80,925)	(129,908)	(1,100,907)
Net Capital Assets	**$ 1,186,072**	**$ 30,223**	**$ -**	**$ 1,216,295**

The Town's business-type activities capital assets consist of its investments in its utility systems and related equipment.

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
Business-Type Activities:				
Capital Assets:				
Electrical System	$ 2,270,088	$ 38,876	$ -	$ 2,308,964
Water System	4,422,806	3,459,234	-	7,882,040
Sewer System	5,849,741	38,877	-	5,888,618
Total Capital Assets	12,542,635	3,536,987	-	16,079,622
Less Accumulated Depreciation:				
Electrical System	(1,669,816)	(53,151)	-	(1,722,967)
Water System	(1,817,873)	(102,627)	-	(1,920,500)
Sewer System	(1,409,655)	(126,601)	-	(1,536,256)
Total Accumulated Depreciation	(4,897,344)	(282,378)	-	(5,179,722)
Net Capital Assets	**$ 7,645,291**	**$ 3,254,609**	**$ -**	**$ 10,899,900**

Long-Term Debt

The Town's governmental long-term debt consists of capital leases and accrued compensated absences payable. Governmental activities debt transactions for the year were as follows:

	Balance 12/31/16	Advances	Payments	Balance 12/31/17	Current Portion	Interest Paid
2017 Equipment Capital Lease	$ -	$ 123,249	$ 14,130	$ 109,119	$ 18,932	$ 2,677
Accrued Compensated Absences	13,252	2,485	-	15,737	-	-
Totals	**$ 13,252**	**$ 125,734**	**$ 14,130**	**$ 124,856**	**$ 18,932**	**$ 2,677**

The Town's business-type activities long-term debt consists of various bonds and notes payable that were used for system improvements. Business-type activities debt transactions for the year were as follows:

	Balance 12/31/16	Advances	Payments	Balance 12/31/17	Current Portion	Interest Expense
2000 Electric Note Payable	$ 98,276	$ -	$ 28,667	$ 69,609	$ 30,469	$ 4,972
2003 CWRPDA Water Note	395,993	-	50,076	345,917	52,099	15,344
2010 Sewer Revenue Bonds	1,121,692	-	16,099	1,105,593	16,648	44,713
2017 CWRPDA Note Payable	-	1,000,000	2,389	997,611	-	833
2017 Equipment Capital Lease	-	95,751	10,978	84,773	14,708	2,079
Totals	**$ 1,615,961**	**$ 1,095,751**	**$ 108,209**	**$ 2,603,503**	**$ 113,924**	**$ 67,941**

General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Oak Creek including: public safety (police), public works, parks and recreation and general government services. The Town's General Fund revenues were $90,358 less than planned. 48,369 is due to a timing difference on the South Routt Community Center project grant funds. The Town's expenditures were $28,881 less than budgeted.

Economic Factors and Future Budgets and Rates

The Town of Oak Creek's economic drivers continue to be regional recreation and tourism, agriculture and energy. Both Stagecoach State Park/Reservoir and the Steamboat Ski Area provide employment opportunities. Agricultural products such as hay, grain, sheep, horses and cattle from the region are local exports, as well as marijuana products grown and produced at local light industrial facilities. Significant low-sulfur coal reserves adjacent to the Town provide some well-paying jobs and another high-value export, though the recent Peabody Coal Company reorganization through bankruptcy and the regulatory dynamics at the state and federal level continue to provide uncertainty in this sector.

The estimated population for Oak Creek is 927 according the State Demography Office, and this number reflects a steady rate of growth. There are signs, particularly evidenced by a significantly tightening and more costly housing market, that the expected 1% increase/decrease growth forecasts may no longer be reliable and 3% is more relevant.
In 2017, the Town undertook a major capital project with the first phase of reconstruction of the water distribution system and other Main Street-related work. Investments made include replacement of curb/gutter/sidewalks, upgraded street lights, replacement and expansion of the storm drainage system, and updated water/sewer services to all buildable lots along Main Street. This Main Street work set the stage for future Town efforts in revitalizing the downtown commercial area.

The Town completed a feasibility assessment in 2017 for a small home/RV Park development on Town-owned property, in an effort to the address current Town policies with regard to improving affordable housing opportunities and diversification of the local economy. The private sector is also exploring this type of development at the Oak Creek Motel site on the northeast side of Town

In 2017, Oak Creek saw sales tax revenues increase by 10% over 2016, and except for the Main Street project and its dampening effects on the central business district, would have expected additional expect continued growth at that level. Budget projections for 2018 sales tax looked back to 2016 and took into consideration the revitalization of the Main Street area as well.

While 2017 was a property tax reassessment year, the County Assessor was required to look at the period ending June, 2016. While there has been a significant amount of new commercial construction over the last two years that will be included in the assessment, the major rise in housing sales prices has only been seen in the last eighteen (18) months which will not be reflected in the Town's assessed valuation until the next reassessment cycle in 2019.

Marijuana business licensing fees continue to provide a source of funding that provide the support services to this industry. It is noteworthy that this industry has created approximately 40 new full time jobs within the community with payroll employment of approximately $1.7MM, and serves as part of the reason for the current local housing crunch. It is expected that revenues and employment will remain at the 2016 levels through 2018, and the dynamics of the federal and international marijuana legislation may have numerous impacts on the industry, locally and regionally.

The police, public works and parks and recreation departments saw planned capital vehicle and equipment purchases using both earmarked funds and municipal lease financing completed during the first part of 2017. In 2018, the Town will continue its practice of set-asides for planned capital expenditures.

The Public Works Department began the installation of water meters in the last quarter of 2016 and throughout 2017. It is expected that all users will be metered prior to the end of the 2017 construction season, and a hybrid meter rate including metered and flat rates was implemented at the beginning of 2018. Cautions to assure that needed operational revenues are not significantly impacted include analyzing usage during the installation period. This analysis will also inform an expected flow rate for sewer services.

Unknowns that may impact Town operations or revenues that bear watching include the regulatory environment concerning air, water and energy resources and the uncertain politic environments.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Town Clerk, Town of Oak Creek, P O Box 128, Oak Creek, CO 80467.

Holscher, Mayberry & Company, LLC
Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Oak Creek
Oak Creek, 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 Oak Creek, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements which collectively comprise the basic financial statements of the Town, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

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Opinion

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 Oak Creek, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Oak Creek 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 4, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the 2016 financial statements have been restated to reflect an additional receivable that should have been reported as of December 31, 2016 in the General Fund and Governmental Activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M9 and pension schedules on pages 33-34 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.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 35-37 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. In addition, the combining and individual fund schedules on pages 38-47 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The 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.

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 basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2018 on our consideration of the Town of Oak Creek's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Oak Creek's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* is presented on pages 48-51 for purposes of legal compliance and is 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Mayberry & Company, LLC

Englewood, CO
May 23, 2018

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BASIC FINANCIAL STATEMENTS

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TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	$ (944,034)	$ 1,742,963	$ 798,929
Investments	1,174,389	-	1,174,389
Restricted Cash and Investments	199	67,468	67,667
Receivables			
Property Tax Receivable	91,000	-	91,000
Interest Receivable	25	-	25
Utility Receivable	-	277,808	277,808
Cash with Fiscal Agent	1,241	-	1,241
Accounts Receivable	47,159	-	47,159
Other Receivables	58	-	58
Total Current Assets	370,037	2,088,239	2,458,276
Noncurrent Assets			
Capital Assets not being Depreciated	433,532	-	433,532
Capital Assets being Depreciated	2,984,577	16,079,622	19,064,199
Accumulated Depreciation	(2,201,814)	(5,179,724)	(7,381,538)
Total Noncurrent Assets	1,216,295	10,899,898	12,116,193
TOTAL ASSETS	1,586,332	12,988,137	14,574,469
Pension Contribution Timing	14,259	-	14,259
Pension Investment Earnings Timing	19,065	-	19,065
Pension Benefits Timing	6,306	-	6,306
Pension Change in Assumptions	4,824	-	4,824
Pens External Change in %	3,087	-	3,087
TOTAL DEFERRED OUTFLOWS	47,541	-	47,541
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,633,873	$ 12,988,137	$ 14,622,010
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 33,018	$ 91,063	$ 124,081
Accrued Liabilities	11,851	-	11,851
Accrued Salaries and Benefits	20,122	-	20,122
Deposits and Escrow	8,332	49,225	57,557
Accrued Interest Payable	-	18,417	18,417
Total Current Liabilities	73,323	158,705	232,028
Noncurrent Liabilities			
Due within one year	32,184	113,924	146,108
Due in more than one year	81,251	2,508,064	2,589,315
Total Noncurrent Liabilities	113,435	2,621,988	2,735,423
TOTAL LIABILITIES	186,758	2,780,693	2,967,451
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	91,000	-	91,000
Pension Benefits Timing	359	-	359
Deferred Grants	12,199	-	12,199
TOTAL DEFERRED INFLOWS	103,558	-	103,558
NET POSITION			
Net Investment in Capital Assets	1,125,660	8,277,910	9,403,570
Restricted Net Position	26,000	140,054	166,054
Unrestricted Net Position	191,897	1,789,480	1,981,377
TOTAL NET POSITION	1,343,557	10,207,444	11,551,001
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 1,633,873	$ 12,988,137	$ 14,622,010

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

TOWN OF OAK CREEK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	$ 350,283	$ 201,995	$ 166,553	$ -
Public Safety	259,431	3,231	-	-
Public Works	124,978	-	32,319	-
Culture and Recreation	224,771	111,620	8,869	-
Interest on Debt	(1,094)	-	-	-
TOTAL GOVERNMENT ACTIVITIES	958,369	316,846	207,741	-
Business-type Activities				
Current:				
Electric	1,080,759	1,218,942	-	-
Water	361,796	403,027	-	1,927,220
Sewer	388,184	341,600	-	-
Trash	106,520	111,448	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,937,259	2,075,017	-	1,927,220
TOTAL GOVERNMENT	$ 2,895,628	$ 2,391,863	$ 207,741	$ 1,927,220
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Other Taxes				
Interest Income				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
Prior Period Restatement				
NET POSITION - Beginning (as Restated)				
NET POSITION - Ending				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
$ 18,265	$ -	$ 18,265
(256,200)	-	(256,200)
(92,659)	-	(92,659)
(104,282)	-	(104,282)
1,094	-	1,094
(433,782)	-	(433,782)
-	138,183	138,183
-	1,968,451	1,968,451
-	(46,584)	(46,584)
-	4,928	4,928
-	2,064,978	2,064,978
(433,782)	2,064,978	1,631,196
76,727	-	76,727
6,082	-	6,082
184,458	-	184,458
992	-	992
16,147	20	16,167
14,926	-	14,926
299,332	20	299,352
(134,450)	2,064,998	1,930,548
1,429,638	8,142,446	9,572,084
48,369	-	48,369
1,478,007	8,142,446	9,620,453
$ 1,343,557	$ 10,207,444	$ 11,551,001

TOWN OF OAK CREEK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
With Comparative Totals for December 31, 2016

	General Fund	Other Funds	Total 2017	Total 2016
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	$ (948,328)	$ -	$ (948,328)	$ (320,685)
Investments	1,174,389	-	1,174,389	571,760
Restricted Cash and Investments	100	99	199	46,384
Receivables				
Property Tax Receivable	91,000	-	91,000	76,200
Interest Receivable	25	-	25	310
Cash with Fiscal Agent	1,241	-	1,241	745
Accounts Receivable	46,409	750	47,159	98,983
Other Receivables	58	-	58	1,425
Prepaid Expenses	-	-	-	1,770
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 364,894	$ 849	$ 365,743	$ 476,892
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 32,320	$ 697	$ 33,017	$ 77,693
Accrued Liabilities	11,851	-	11,851	8,889
Accrued Salaries and Benefits	20,122	-	20,122	9,450
Deposits and Escrow	8,332	-	8,332	19,100
TOTAL LIABILITIES	72,625	697	73,322	115,132
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Property Taxes	91,000	-	91,000	76,200
Deferred Grants	11,350	849	12,199	58,568
TOTAL DEFERRED INFLOWS	102,350	849	103,199	134,768
FUND BALANCE				
Nonspendable Fund Balance	-	-	-	1,770
Restricted Fund Balance	27,000	(697)	26,303	26,000
Committed Fund Balance	112,501	-	112,501	100,807
Unassigned Fund Balance	50,418	-	50,418	98,415
TOTAL FUND BALANCE	189,919	(697)	189,222	226,992
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 364,894	$ 849	$ 365,743	$ 476,892

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

TOWN OF OAK CREEK, COLORADO

RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2017

Fund Balance - Governmental Funds		$ 189,222
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 216,766	
Capital assets, being depreciated	2,100,436	
Accumulated depreciation	(1,100,907)	1,216,295
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Net pension liability	(7,063)	
Contributions subsequent to measurement date	14,259	
Difference between projected and actual investment returns on the pension plan	29,991	
Amortization of the investment return difference	(10,926)	
Difference between projected and actual pension plan experience	7,348	
Amortization of the experience difference	(1,042)	
Change in Assumptions	6,000	
Amortization of Change in Assumptions	(1,176)	
Difference between projected and actual pension plan experience	(502)	
Amortization of the experience difference	143	
Change in proportionate share of the net pension liability	4,678	
Amortization of the change in proportion	(1,591)	40,119
Internal Service operations primarily benefit Governmental Activities		
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(109,119)	
Accrued compensated absences	(15,737)	(124,856)
Total Net Position - Governmental Activities		$ 1,320,780

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	General Fund	Other Funds	Total 2017	Total 2016
REVENUES				
Taxes	$ 268,259	$ -	$ 268,259	$ 290,649
Intergovernmental Revenues	153,021	-	153,021	149,805
Licenses and Permits	97,768	-	97,768	81,011
Fines and Forfeits	2,762	-	2,762	2,582
Internal Charges	90,200	-	90,200	89,920
Charges for Services	126,116	-	126,116	222,760
Investment Earnings	16,147	-	16,147	9,334
Other Revenues	14,927	54,719	69,646	63,242
TOTAL REVENUES	769,200	54,719	823,919	909,303
EXPENDITURES				
Current:				
General Government	335,774	3,000	338,774	369,349
Public Safety	256,794	-	256,794	246,605
Public Works	107,581	-	107,581	153,196
Parks, Recreation and Other	120,191	-	120,191	112,913
Capital Outlay	142,615	52,416	195,031	72,292
Debt Service	14,935	-	14,935	-
TOTAL EXPENDITURES	977,890	55,416	1,033,306	954,355
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(208,690)	(697)	(209,387)	(45,052)
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	123,249	-	123,249	-
NET CHANGE IN FUND BALANCE - GAAP BASIS	(85,441)	(697)	(86,138)	(45,052)
FUND BALANCE, BEGINNING	226,992	-	226,992	272,044
Prior Period Restatement	48,368	-	48,368	-
FUND BALANCE, BEGINNING (As Restated)	275,360	-	275,360	272,044
FUND BALANCE, ENDING	$ 189,919	$ (697)	$ 189,222	$ 226,992

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

TOWN OF OAK CREEK, COLORADO

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

Change in Fund Balance - Governmental Funds		$ (37,770)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	111,148	
Depreciation Expense	(80,925)	30,223
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in contributions subsequent to the measurement date	8,405	
Current year projected to actual investment return difference	13,297	
Current year amortization of overall investment return differences	(7,264)	
Change in net pension asset/liability	(7,319)	
Current year projected to actual pension plan experience difference	4,923	
Current year amortization of overall experience differences	(745)	
Change in the changes of assumptions	802	
Current year change in proportionate share of cost-sharing plan asset/liability	(1,374)	
Current year amortization of overall proportionate share differences	(433)	10,292
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Proceeds from debt issuances	(123,249)	
Principal payments on capital leases	14,130	
Change in accrued compensated absences	(2,485)	(111,604)
Change in Net Position - Governmental Activities		$ (108,859)

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017
With Comparative Totals for December 31, 2016

	Business-type Activities				
	Electric Fund	**Water Fund**	**Sewer Fund**	**Other Funds**	**Total Enterprise Funds**
ASSETS AND DEFERRED OUTFLOWS					
ASSETS					
Current Assets					
Cash and Investments					
Cash	$ 842,306	$ 640,420	$ 260,562	$ 3,969	$ 1,747,257
Restricted Cash and Investments	-	-	67,468	-	67,468
Receivables					
Utility Receivable	184,997	43,683	37,780	11,348	277,808
Internal Balances	-	(350,000)	350,000	-	-
Prepaid Expenses	-	-	-	-	-
Total Current Assets	1,027,303	334,103	715,810	15,317	2,092,533
Noncurrent Assets					
Capital Assets being depreciated	2,308,964	7,882,040	5,888,618	-	16,079,622
Accumulated Depreciation	(1,722,967)	(1,920,501)	(1,536,256)	-	(5,179,724)
Total Noncurrent Assets	585,997	5,961,539	4,352,362	-	10,899,898
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,613,300	$ 6,295,642	$ 5,068,172	$ 15,317	$ 12,992,431
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 66,318	$ 19,522	$ 5,223	$ -	$ 91,063
Deposits and Escrow	49,225	-	-	-	49,225
Accrued Interest Payable	-	-	18,417	-	18,417
Total Current Liabilities	115,543	19,522	23,640	-	158,705
Noncurrent Liabilities					
Due within one year	35,372	57,002	21,550	-	113,924
Due in more than one year	62,495	1,314,785	1,112,301	-	2,489,581
Total Noncurrent Liabilities	97,867	1,371,787	1,133,851	-	2,603,505
TOTAL LIABILITIES	213,410	1,391,309	1,157,491	-	2,762,210
NET POSITION					
Net Investment in Capital Assets	488,130	4,589,752	3,218,511	-	8,296,393
Restricted Net Position	-	82,421	57,633	-	140,054
Unrestricted Net Position	911,760	232,160	634,537	15,317	1,793,774
TOTAL NET POSITION	1,399,890	4,904,333	3,910,681	15,317	10,230,221
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 1,613,300	$ 6,295,642	$ 5,068,172	$ 15,317	$ 12,992,431

The accompanying notes are an integral part of these financial statements

Total	
2017	**2016**
$ 1,747,257	$ 1,972,177
67,468	116,806
277,808	234,714
-	-
-	618
2,092,533	2,324,315
16,079,622	12,542,635
(5,179,724)	(4,897,345)
10,899,898	7,645,290
$ 12,992,431	$ 9,969,605
$ 91,063	$ 132,038
49,225	60,475
18,417	18,685
158,705	211,198
113,924	94,825
2,489,581	1,521,136
2,603,505	1,615,961
2,762,210	1,827,159
8,296,393	6,029,329
140,054	99,576
1,793,774	2,013,541
10,230,221	8,142,446
$ 12,992,431	$ 9,969,605

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	Business-type Activities			
	Electric Fund	**Water Fund**	**Sewer Fund**	**Other Funds**
Operating Revenues				
Utility Charges	$ 1,195,773	$ 398,635	$ 339,787	$ 111,448
Other Charges for Services	23,169	4,392	1,813	-
Total Revenues	1,218,942	403,027	341,600	111,448
Operating Expenses				
Management Fees	80,025	50,025	47,546	3,546
Personnel Services	188,779	112,837	112,010	4,131
Commodity Charges	628,930	-	-	-
Administrative/Office Expenses	75	275	-	-
Insurance	9,973	7,828	6,280	-
Operating Supplies	8,908	18,734	5,007	-
Professional Fees	13,388	1,456	1,815	98,448
Repairs and Maintenance	5,818	17,357	2,048	-
Travel and Training	250	42	-	-
Treatment	-	9,703	13,002	-
Telephone and Utilities	4,502	23,069	28,547	-
Other Operating Expenses	4,368	(2,600)	(2,718)	395
Depreciation Expense	53,151	102,627	126,601	-
Other Capital Outlay	69,816	(3,538)	(4,202)	-
Total Expenditures	1,067,983	337,815	335,936	106,520
Operating Income (Loss)	150,959	65,212	5,664	4,928
Other Income (Expense)				
Investment Earnings	-	-	20	-
Other Revenue	-	-	-	-
Interest Expense	(5,184)	(16,388)	(44,656)	-
Total Other Income (Expense)	(5,184)	(16,388)	(44,636)	-
Transfers				
Transfers In/(Out)	-	350,000	(350,000)	-
Net Income (Loss)	145,775	398,824	(388,972)	4,928
Contributed Capital				
Intergovernmental Revenue	-	1,927,220	-	-
Change in Net Position	145,775	2,326,044	(388,972)	4,928
Net Position, Beginning	1,254,115	2,578,289	4,299,653	10,389
Net Position, Ending	$ 1,399,890	$ 4,904,333	$ 3,910,681	$ 15,317

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

Total	
2017	**2016**
$ 2,045,643	$ 1,942,507
29,374	45,115
2,075,017	1,987,622
181,142	182,452
417,757	324,353
628,930	554,769
350	441
24,081	22,216
32,649	31,669
115,107	102,022
25,223	9,517
292	4,744
22,705	13,276
56,118	60,107
(555)	(1,948)
282,379	248,451
62,076	20,163
1,848,254	1,572,232
226,763	415,390
20	24
-	379
(66,228)	(68,979)
(66,208)	(68,576)
-	-
160,555	346,814
1,927,220	18,961
2,087,775	365,775
8,142,446	7,776,671
$ 10,230,221	$ 8,142,446

TOWN OF OAK CREEK

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	Business-type Activities			
	Electric Fund	**Water Fund**	**Sewer Fund**	**Other Funds**
Cash Flows From Operating Activities:				
Cash Received from Customers	$ 1,170,974	$ 399,770	$ 338,149	$ 111,780
Cash Paid to Suppliers	(804,740)	(137,815)	(76,405)	(99,596)
Cash Paid for Interfund Services	(80,025)	(50,025)	(47,546)	(3,546)
Cash Paid to Employees	(137,067)	(83,234)	(82,856)	(3,378)
Net Cash Provided by Operating Activities	149,142	128,696	131,342	5,260
Cash Flows From Capital and Related Financing Activities				
Debt Principal Payments	(409)	975,793	12,159	-
Grant Proceeds	-	1,927,220	-	-
Interest Payments	(5,184)	(16,388)	(44,924)	-
Proceeds of Capital Asset Sales	-	18,281	10,392	-
Acquisition of Capital Assets	(38,876)	(3,477,515)	(49,268)	-
Cash Flows Used by Capital and Related Financing Activities	(44,469)	(572,609)	(71,641)	-
Cash Flows (Uses) From Noncapital Financing Activities				
Cash from Other Funds	-	700,000	(700,000)	-
Other Revenues (Expense)	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	700,000	(700,000)	-
Cash Flows (Uses) From Investing Activities:				
Interest Received	-	-	20	-
Net Increase (Decrease) in Cash	104,673	256,087	(640,279)	5,260
Cash - Beginning	737,633	384,332	968,309	(1,291)
Cash - Ending	$ 842,306	$ 640,419	$ 328,030	$ 3,969
Cash	$ 842,306	$ 640,419	$ 260,562	$ 3,969
Restricted Cash and Investments	-	-	67,468	-
Total	$ 842,306	$ 640,419	$ 328,030	$ 3,969
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	$ 150,959	$ 65,212	$ 5,664	$ 4,928
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	53,151	102,627	126,601	-
Changes in Assets and Liabilities Related to Operations				
(Increase) Decrease in:				
Utility Receivable	(36,718)	(3,257)	(3,451)	332
Prepaid Expenses	160	251	205	-
(Increase) Decrease in:				
Accounts Payable	(7,160)	(36,137)	2,323	-
Deposits and Escrow	(11,250)	-	-	-
Total Adjustments	(1,817)	63,484	125,678	332
Net Cash Used for Operating Activities	$ 149,142	$ 128,696	$ 131,342	$ 5,260

The accompanying notes are an integral part of these financial statements

Total	
2017	2016
$ 2,020,673	$ 1,936,247
(1,118,556)	(883,699)
(181,142)	(182,452)
(306,535)	(243,731)
414,440	626,365
987,543	(90,635)
1,927,220	61,666
(66,496)	(69,237)
28,673	(52,154)
(3,565,659)	(162,699)
(688,719)	(313,059)
-	-
-	379
-	379
20	24
(274,259)	313,709
2,088,983	1,775,274
$ 1,814,724	$ 2,088,983
$ 1,747,256	$ 1,972,177
67,468	116,806
$ 1,814,724	$ 2,088,983
$ 226,763	$ 415,390
282,379	248,451
(43,094)	(58,875)
616	(94)
(40,974)	13,993
(11,250)	7,500
187,677	210,975
$ 414,440	$ 626,365

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The Town of Oak Creek, Colorado is a political subdivision of the State of Colorado governed by a seven member board of trustees. The Town was incorporated in 1907 in Routt County, Colorado. The Town is a full service entity providing public safety, public works, and parks and recreation services as well as providing electric, water, sewer and trash services.

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 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. Based on the application of these criteria, the Town has not included any other organizations within its reporting entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the Town as a whole. The reporting information includes all of the non-fiduciary activities of the Town. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. Internal activity has been eliminated within the function for the statement of activities 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.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

<u>Measurement Focus, Basis of Accounting, and Financial Statement Presentation</u>

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, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses 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 non-operating revenues and expenses.

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

General Fund
The general fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and Town administration.

Special Revenue Fund
This fund accounts for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The Town's major special revenue fund is as follows:

LiveWell Grant Fund
This fund accounts for funds received through LiveWell Colorado, for which the Town acts as fiscal agent, and are utilized to fund parks, recreation and other health related projects in Oak Creek and in the surrounding region. The expenses incurred by this fund including project and administrative costs are separate and unique from Town functions, and the Town does not receive any direct benefit from the activities reported in this fund. The Town reports its LiveWell grant projects in its General Fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary Funds
The Town also reports the following major proprietary funds

Electric, Water, Sewer, and Trash Funds
These funds account for the activities related to the offering of the respective services to the Town's residents.

BUDGETS AND BUDGETARY ACCOUNTING
Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.

2) Certification of mill levies to the County Commissioners by December 15 of each year.

3) Final adoption of the budget and appropriations by December 31 of each year.

The Town does not utilize encumbrance accounting and all appropriations lapse at year end. The budgets presented are as originally adopted or supplemented during the year.

CASH AND EQUIVALENTS
Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

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, 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. The deferred revenue is shown as a deferred inflow of financial resources in the financial statements.

ACCOUNTS RECEIVABLE
Based upon a review of the existing accounts receivable and the fact that any uncollectible water and sewer receivables can be certified to the County Treasurer as such and attached to the tax rolls, no allowance for doubtful accounts is provided.

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

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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.

The Town has elected to not retroactively report infrastructure and had no additions to its infrastructure for the year. Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives.

Buildings	20 - 40 years
Vehicles and Equipment	10 - 20 years
Utility Systems	5 - 50 years

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)

The Town permits an employee to carry over up to 80 hours of unused vacation pay to the next calendar year upon approval by the town administrator with amounts above that requiring board approval. The Town assumes that the employee will use all carryover vacation as well as any current vacation earned in the same year. Sick leave accumulates up to 12 days annually with no limitation on the maximum amount that can be accumulated. An employee will not be paid upon termination for sick leave. The Town has accrued $15,737 in the governmental activities presentation for accrued compensated absences at December 31, 2017.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has pension related items as further described in Note 6.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town is reporting two items, the first is at the governmental activity and governmental fund level related to property taxes that were milled in 2017 for collection in 2018. In addition, the governmental activities reports deferred inflows related to pension obligations as further described in Note 6.

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

NET POSITION/FUND BALANCES

In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the Town Board, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the Town’s financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

DEPOSITS

The Town's cash and investment balances as of December 31, 2017 are comprised of and allocated in the financial statements as follows:

Cash	$	866,597
Investments		1,174,389
Total Cash and Investments	**$**	**2,040,986**
Cash and Investments	$	1,913,855
Restricted Cash and Investments		127,131
Total Cash and Investments	**$**	**2,040,986**

Custodial Credit Risk - Deposits
In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. 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 by eligible collateral as determined by the PDPA. The financial institution is allowed 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 institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2017, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Book Balance
FDIC Insured	$ 500,000	$ 500,000
PDPA Secured (Not in Entity's Name)	462,656	366,097
Petty Cash	-	500
Total Cash	**$ 962,656**	**$ 866,597**

INVESTMENTS

Credit Risk
Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The Town does not have an investment policy that would further limit its investment choices.

During the year ended December 31, 2017, the Town invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner.

It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation. The balance of this investment at December 31, 2017 was $1,174,389.

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

Interest Rate Risk
Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. 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, other than those contained in the statutes.

Custodial Credit Risk – Investments
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2017, the Town did not hold any securities that required safekeeping.

NOTE 2: CASH AND INVESTMENTS (Continued)

RESTRICTED CASH

Restricted cash represents those amounts collected for a particular purpose but unspent as of the end of the fiscal year.

The Town's restricted cash balances at December 31, 2017 are comprised of the following:

General Fund	
Conservation Trust Funds	$ 100
Live Well Fund	
Held as Fiscal Agent	99
Water Fund	
Water 3 Month O&M Reserve	59,464
Sewer Fund	
Sewer Debt Service Reserve	45,193
Sewer O&M and Short-Lived Asset Reserve	22,275
Total Sewer Fund	67,468
Total Restricted Cash	**$ 127,131**

NOTE 3: CAPITAL ASSETS

Changes in governmental capital assets for the year were as follows:

	Balance 12/31/16	Additions	Deletions & Transfers	Balance 12/31/17
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 216,766	$ -	$ -	$ 216,766
Capital Assets being Depreciated:				
Buildings & Improvements	1,544,090	5,081	-	1,549,171
Vehicles & Equipment	575,106	106,067	129,908	551,265
Total Capital Assets	2,119,196	111,148	129,908	2,100,436
Less Accumulated Depreciation:				
Buildings & Improvements	(734,046)	(54,797)	-	(788,843)
Vehicles & Equipment	(415,844)	(26,128)	(129,908)	(312,064)
Total Accumulated Depreciation	(1,149,890)	(80,925)	(129,908)	(1,100,907)
Net Capital Assets	**$ 1,186,072**	**$ 30,223**	**$ -**	**$ 1,216,295**

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

Depreciation by Function:

General Government	$ 7,517
Public Safety	7,644
Public Works	15,365
Parks and Recreation	50,398
Total Depreciation	**$ 80,925**

A summary of changes in business-type activity capital assets at December 31, 2017 is as follows:

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
Business-Type Activities:				
Capital Assets:				
Electrical System	$ 2,270,088	$ 38,876	$ -	$ 2,308,964
Water System	4,422,806	3,459,234	-	7,882,040
Sewer System	5,849,741	38,877	-	5,888,618
Total Capital Assets	12,542,635	3,536,987	-	16,079,622
Less Accumulated Depreciation:				
Electrical System	(1,669,816)	(53,151)	-	(1,722,967)
Water System	(1,817,873)	(102,627)	-	(1,920,500)
Sewer System	(1,409,655)	(126,601)	-	(1,536,256)
Total Accumulated Depreciation	(4,897,344)	(282,378)	-	(5,179,722)
Net Capital Assets	**$ 7,645,291**	**$ 3,254,609**	**$ -**	**$ 10,899,900**

NOTE 4: **LONG TERM DEBT – GOVERNMENTAL ACTIVITIES**

At December 31, 2017, the Town had the following governmental long term debt obligations:

	Balance 12/31/16	Advances	Payments	Balance 12/31/17	Current Portion	Interest Paid
2017 Equipment Capital Lease	$ -	$ 123,249	$ 14,130	$ 109,119	$ 18,932	$ 2,677
Accrued Compensated Absences	13,252	2,485	-	15,737	-	-
Totals	**$ 13,252**	**$ 125,734**	**$ 14,130**	**$ 124,856**	**$ 18,932**	**$ 2,677**

NOTE 4: LONG TERM DEBT – GOVERNMENTAL ACTIVITIES

2017 Capital Lease

In 2017, the Town entered into a capital lease agreement for the purchase of a 2015 Ford Van, 2016 Ford Explorer Police Interceptor, Caterpillar Backhoe Loader, and a 2017 Dodge Ram 3500 Pickup. As part of this agreement the Town agreed to trade in the 2002 Cat Loader that the Town owned, which had no remaining basis. The lease requires monthly payments of $3,318. The lease bears interest at 3.46%. Payments related to this lease will be paid by the General, Water, Sewer and Electric Funds. The allocation of the assets and lease liability are 46.75% General, 17.75% Electric, 17.75 % Water and 17.75% Sewer. The Town has capitalized assets with a remaining basis of $213,394 related to this lease.

The following is a schedule of the future minimum lease payments required under the capital lease, to be made proportionally by fund based on the amounts shown above, for the vehicle and equipment purchase, and the present value of the remaining payments as of December 31, 2017:

Year	Minimum Annual Payment
2018	$ 39,819
2019	39,819
2020	33,249
2021	31,059
2022	17,685
2023-2027	56,215
Future Min. Lease Pmt	217,846
Imputed Interest 3.46%	(23,954)
Present Value FMLP	$ 193,892

NOTE 5: LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES

Changes in long-term debt for the year ended December 31, 2017 are as follows:

	Balance 12/31/16	Advances	Payments	Balance 12/31/17	Current Portion	Interest Expense
2000 Electric Note Payable	$ 98,276	$ -	$ 28,667	$ 69,609	$ 30,469	$ 4,972
2003 CWRPDA Water Note	395,993	-	50,076	345,917	52,099	15,344
2010 Sewer Revenue Bonds	1,121,692	-	16,099	1,105,593	16,648	44,713
2017 CWRPDA Note Payable	-	1,000,000	2,389	997,611	-	833
2017 Equipment Capital Lease	-	116,629	13,371	84,773	17,915	2,079
Totals	**$ 1,615,961**	**$ 1,116,629**	**$ 110,602**	**$ 2,603,503**	**$ 117,131**	**$ 67,941**

Details of the Town’s outstanding business-type activity debt are as follows:

NOTE 5: LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES (Continued)

ELECTRIC FUND

The Town issued Electrical Enterprise Revenue Note, Series 2000 (the Electrical Note) on February 29, 2000 in the amount of $400,000 to finance improvements to the Town's existing electrical power system. The Electrical Note is secured by a lien on the revenue of the electric fund and is payable monthly over a 20-year period. The Electrical Note bears interest at 5.75% annually until February 15, 2003 and will be adjusted every 5 years thereafter at a per annum interest rate equal to 96.28% of the then current 5-year U.S. Treasury note. The current interest rate is 5.75%.

WATER FUND

In November 2003, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority ("CWRPDA") for the purpose of constructing water system improvements. CWRPDA has committed funding up to $981,198. The loan has a 20 year term and bears interest at 4% per annum. Payments of $32,710 principal and interest are due semiannually on May 1 and November 1 of each year through November 1, 2023. The first payment was due May 1, 2004. The loan requires a three month operations and maintenance reserve computed to be $59,464 as of December 31, 2017.

In February 2017, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority ("CWRPDA") for the purposes of constructing improvements to the main street water line. CWRPDA has committed funding up to $1,000,000. The loan has a 30 year term and bears interest at % per annum. Payments of 3,222 principal and interest are due semiannually on May 1 and November 1 of each year. Subsequent to the end of the year CWRPDA forgave the principal of the loan in the amount of $997,611.

SEWER FUND

In 2010, the Town issued Sewer Revenue Bonds in the amount of $1,208,000 through the USDA Department of Rural Development. The bonds bear interest at 4% with semi-annual payments of $30,406 due on February 1st and August 1st beginning February 1, 2011. There are debt service and operations and maintenance reserve requirements related to this loan, with $67,468 of restricted cash to meet the requirements as of December 31, 2017.

Future payments on long-term debt are scheduled as follows:

Year	Principal	Interest	Total
2018	$ 99,216	$ 60,716	$ 159,932
2019	103,818	56,114	159,932
2020	80,906	51,868	132,774
2021	77,420	48,812	126,232
2022	80,548	45,684	126,232
2023-2027	173,491	195,988	369,479
2028-2032	134,094	169,966	304,060
2033-2037	163,460	140,600	304,060
2038-2042	199,257	104,803	304,060
2043-2047	242,894	61,166	304,060
2048-2050	166,015	14,160	180,175
Totals	**$ 1,521,119**	**$ 949,877**	**$ 2,470,996**

NOTE 6: **PENSION PLANS**

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or 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 have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2016, that can be obtained at:
http://fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf.

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 Statewide Defined Benefit 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 at least five years of accredited service may leave contributions with the 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.

NOTE 6: PENSION PLANS (Continued)

General Information about the Pension Plan (Continued)

Contributions. The 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.

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. 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.

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Contributions from members and employers of departments re-entering the system are established by resolution and approve by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. 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 percent of base salary for a total contribution rate of 8 percent through 2014. 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.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were $15,133 for the plan year ended December 31, 2016 and $16,448 for the fiscal year ended December 31, 2017. The current year contributions will be expensed in 2018 for FPPA purposes and are a timing difference at year end.

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 of $7,063 for its proportionate share of the SWDB's net pension asset. The net pension asset or 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, 2016. The Town's proportion of the net pension asset was based on Town's contributions to the SWDB for the calendar year 2016 relative to the total contributions of participating employers to the SWDB.

NOTE 6: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

At December 31, 2016, the Town's proportion was .019547%, which was a decrease of .0017766% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017 the Town recognized pension expense of $5,256. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 6,306	$ (358)
Changes of assumptions or other inputs	$ 4,824	$ -
Net difference between projected and actual earnings on pension plan	$ 19,064	$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ -	$ 3,087
Contributions subsequent to the measurement date	$ 14,259	$ -
Total	$ 44,453	$ 2,729

$14,259 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2018.

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:	Amortization Amount
2018	$ (7,711)
2019	$ (7,710)
2020	$ (7,277)
2021	$ (3,218)
2022	$ (1,713)
Thereafter	$ (7,007)
Total	$ (32,923)

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

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Actuarial assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of pension plan investment expenses, including price inflation *	7.50%
Salary increase, including wage inflation	4.00-14.00%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

Mortality rates were based on 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.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study adopted by FPPA's Board in July, 2011. 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.

At least every five years the FPPA'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 FPPA'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, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

NOTE 6: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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	36.00%	9.25%
Equity Long/Short	10.00%	7.35%
Illiquid Alternatives	23.00%	10.75%
Fixed Income	15.00%	4.10%
Absolute Return	10.00%	6.55%
Managed Futures	4.00%	5.50%
Cash	2.00%	0.00%
Total	100.00%	

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 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 3.78% (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%.

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

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the 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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset (liability)	$ (60,095)	$ (7,063)	$ 36,983

DEFINED CONTRIBUTION PLAN

The Town offers its employees a Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The contribution rate for the Town is 3% for covered employees or as contractually agreed to by the board. The Town's contributions to the Benefit Plan for the year ending December 31, 2017, 2016 and 2015 were $27,138, $26,453, and $25,470, respectively, equal to their required contributions.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. The Town has no ownership interest in the Plan nor is the Town liable for any losses under the Plan.

NOTE 7: **INTERFUND ACTIVITY**

The utility funds and grant fund have paid to the General Fund the following management and overhead fees:

NOTE 8: COMMITMENTS AND CONTINGENCIES

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2017.

NOTE 9: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS

Tax Spending and Debt Limitations

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

The Town's financial activity for the year ended December 31, 2017 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth.

Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

In November 1998, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1998, as well as the full amount of all revenues generated by all sources for each subsequent year without limitation under Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The Town's management believes it is in compliance with the TABOR amendment.

The Article requires an emergency reserve be set aside for 2017 in the amount of 3% or more of its fiscal year spending. At December 31, 2017, the Town has reserved the following for emergencies:

General Fund	$ 27,000

NOTE 9: **FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS**

Subsequent Appropriations/Other Restrictions and Commitments

Through adoption of the 2018 budget, the Town has appropriated a decrease of $8,590 in carryover reserves for the General Fund. In addition, the Town has assigned other funds as noted below:

	Committed	Restricted
Governmental Activities		
Conservation Trust Fund	$ -	$ 100
TABOR Emergency Reserve	-	24,150
Total Government Activities	**$ -**	**$ 24,250**
Business-type Activity		
Water CWRPDA O&M Reserve	$ -	$ 59,464
Sewer Bond Debt Service Reserve	-	45,193
Sewer Short Lived Asset Reserve	-	22,275
Total Business-type Activities	**$ -**	**$ 126,932**
General Fund		
Conservation Trust Fund	$ -	$ 100
TABOR Emergency Reserve	-	24,150
Operating Reserve	70,220	-
2018 Budget Usage	(8,590)	-
Capital Reserve - Parks	4,171	-
Capital Reserve - Police	9,400	-
Capital Reserve - Public Works	37,300	-
Total General Fund	**$ 112,501**	**$ 24,250**
Water Fund		
CWRPDA O&M Reserve	**$ -**	**$ 59,464**
Sewer Fund		
Bond Debt Service Reserve	$ -	$ 45,193
Bond Short Lived Asset Reserve	-	22,275
Total Sewer Fund	**$ -**	**$ 67,468**

NOTE 10: RISK MANAGEMENT

The Town of Oak Creek, Colorado carries commercial insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions. The Town's risk of loss transfers to those carriers.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2017.

NOTE 11: PRIOR PERIOD RESTATEMENT

As part of the December 31, 2017 fiscal year audit, it was determined that the General Fund beginning equity required restatement. This adjustment consisted of the understatement of General Fund receivables related to State funding as of December 31, 2016.

This restatement is as follows:

	General Fund	Governmental Activities
Beginning Equity	$ 226,991	$ 1,429,638
Record 2016 Receivable	48,369	48,369
Beginning Equity (As Restated)	$ 275,360	$ 1,478,007

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules Unaudited)

TOWN OF OAK CREEK

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
FPPA Pension Plan
Last 10 Fiscal Years[1]

	12/31/17	12/31/16	12/31/15	12/31/14
District's proportion of the net pension asset (liability)	0.019547%	0.014525%	0.014437%	0.021323%
District's proportionate share of the net pension asset (liability)	$ (7,063)	$ 256	$ 16,294	$ 19,067
District's covered-employee payroll	$ 100,038	$ 70,413	$ 64,926	$ 92,617
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	7.06%	0.36%	25.10%	20.59%
Plan fiduciary net position as a percentage of the total pension liability	98.21%	100.10%	106.83%	105.83%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

SCHEDULE OF DISTRICT CONTRIBUTIONS
FPPA Pension Plan
Last 10 Fiscal Years[1]

	12/31/17	12/31/16	12/31/15	12/31/14
Contractually required contributions	$ 8,003	$ 5,633	$ 5,194	$ 7,409
Actual contributions	(8,003)	(5,633)	(5,194)	(7,409)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 100,038	$ 70,413	$ 64,926	$ 92,617
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2016 Actual
REVENUES					
Taxes					
Property Taxes	$ 76,200	$ 76,200	$ 76,727	$ 527	$ 72,272
Specific Ownership Taxes	6,000	6,000	6,082	82	5,170
Sales and Use Taxes	187,500	187,500	184,458	(3,042)	207,021
Other Taxes	1,400	1,400	992	(408)	6,185
Total Tax Revenue	271,100	271,100	268,259	(2,841)	290,648
Intergovernmental Revenues					
Cigarette Taxes	1,100	1,100	1,158	58	1,168
Cons Trust Fund Revenue	8,500	8,500	8,869	369	9,878
Highway Users	28,000	28,000	29,563	1,563	29,239
Road and Bridge	3,200	2,675	2,756	81	2,451
Clerk/Motor Vehicle Fees	3,500	3,500	4,209	709	4,327
Mineral Lease	10,000	6,250	6,250	-	16,541
Severance Tax	10,000	7,321	7,321	-	11,185
State Grants	89,500	126,150	92,895	(33,255)	75,016
Total Intergovernmental Revenue	153,800	183,496	153,021	(30,475)	149,805
Licenses and Permits					
Liquor Licenses	600	600	693	93	1,244
Marijuana Licenses	92,000	96,507	96,607	100	79,287
Animal Licenses	500	500	469	(31)	481
Total Licenses and Permits	93,100	97,607	97,769	162	81,012
Fines and Forfeits	3,150	4,100	2,762	(1,338)	2,582
Internal Charges					
Administrative/Management Fees	244,500	90,200	90,200	-	89,920
Charges for Services					
Recreation/Comm Ctr Charges	143,200	165,625	111,620	(54,005)	207,713
Other Charges for Services	13,800	14,800	14,496	(304)	15,047
Total Charges for Services	157,000	180,425	126,116	(54,309)	222,760
Investment Earnings	7,500	15,400	16,147	747	9,334
Other Revenues					
Other Miscellaneous Revenue	2,225	17,231	14,927	(2,304)	7,505
TOTAL REVENUES	932,375	859,559	769,201	(90,358)	853,566

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2016 Actual
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	210,704	238,386	246,114	(7,728)	289,553
Contract labor	1,000	1,500	1,495	5	1,750
Equipment Rentals	600	600	716	(116)	674
Insurance	16,830	15,575	15,609	(34)	13,452
Professional Fees	31,550	58,750	55,178	3,572	37,215
Repairs and Maintenance	10,000	18,512	16,910	1,602	23,660
Supplies	13,000	13,000	13,185	(185)	16,948
Telephone and Utilities	11,500	11,500	12,046	(546)	11,991
Travel and Training	5,200	4,200	4,058	142	6,376
Overhead	(34,020)	(38,700)	(42,837)	4,137	(49,104)
Other Expenses	13,000	13,800	13,300	500	13,835
Total General Government	279,364	337,123	335,774	1,349	366,350
Public Safety					
Personnel Services	226,258	235,842	231,878	3,964	220,725
Fuel and Automotive	2,500	3,900	4,516	(616)	3,321
Professional Fees	3,720	4,256	2,574	1,682	2,029
Repairs and Maintenance	8,050	8,050	6,706	1,344	6,298
Supplies	4,550	4,550	2,333	2,217	5,742
Telephone and Utilities	2,000	3,200	2,888	312	2,052
Travel and Training	5,200	5,100	3,446	1,654	3,307
Other Expenses	5,300	5,300	2,452	2,848	3,131
Total Public Safety	257,578	270,198	256,793	13,405	246,605
Public Works					
Personnel Services	52,741	57,082	53,542	3,540	85,659
Contract Labor	-	-	1,676	(1,676)	-
Equipment Rentals	1,000	1,000	-	1,000	-
Fuel and Automotive	12,500	12,500	9,746	2,754	13,061
Insurance	1,700	1,804	1,804	-	1,540
Professional Fees	2,050	2,265	1,954	311	1,430
Repairs and Mainenance	53,300	47,100	51,885	(4,785)	70,518
Supplies	11,500	19,000	18,782	218	9,149
Telephone and Utilities	15,850	17,100	18,668	(1,568)	17,624
Travel and Training	1,000	1,000	633	367	634
Other Expenses	(45,325)	(51,493)	(51,107)	(386)	(46,418)
Total Public Works	106,316	107,358	107,583	(225)	153,197

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2016 Actual
(Continued)					
Parks, Recreation and Other					
Personnel Services	75,673	73,386	76,621	(3,235)	71,370
Contract labor	600	600	1,671	(1,071)	983
Equipment Rentals	4,300	3,865	3,865	-	4,288
Fuel and Automotive	600	900	649	251	380
Professional Fees	5,000	2,500	-	2,500	-
Repairs and Maintenance	6,800	5,400	3,844	1,556	6,994
Supplies	8,300	8,300	11,768	(3,468)	8,799
Telephone and Utilities	11,300	11,300	10,495	805	12,538
Travel and Training	3,500	2,000	2,001	(1)	2,408
Other Expenses	5,500	11,500	9,277	2,223	5,153
Total Parks, Recreation & Other	121,573	119,751	120,191	(440)	112,913
Capital Outlay					
General Government Capital Outlay	14,000	11,000	12,048	(1,048)	13,886
Parks, Recreation and Other Capital Outlay	-	15,000	7,318	7,682	5,668
Total Capital Outlay	14,000	26,000	19,366	6,634	19,554
Debt Service					
Principal	17,500	18,800	10,642	8,158	-
TOTAL EXPENDITURES	796,331	879,230	850,349	28,881	898,619
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ 136,044	$ (19,671)	(81,148)	$ (61,477)	(45,053)
Budget to GAAP Basis Reconciliation					
Debt Proceeds			102,371		-
Capital Outlay			(102,371)		-
NET CHANGE IN FUND BALANCE - GAAP BASIS			(81,148)		(45,053)
FUND BALANCE, BEGINNING			226,991		272,044
Prior Period Restatement			48,369		-
FUND BALANCE, BEGINNING (As Restated)			275,360		272,044
FUND BALANCE, ENDING			$ 194,212		$ 226,991

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017
With Comparative Totals for December 31, 2016

	Live Well Grant	Total	
	Fund	2017	2016
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Restricted Cash and Investments	$ 99	$ 99	$ 46,290
Accounts Receivable	750	750	-
Total Current Assets	849	849	46,290
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 697	$ 697	$ 722
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Grants	849	849	45,568
FUND BALANCE			
Unassigned Fund Balance	(697)	(697)	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 849	$ 849	$ 46,290

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	Live Well Grant	Total	
	Fund	2017	2016
REVENUES			
Other Revenues	$ 54,719	$ 54,719	$ 55,737
EXPENDITURES			
Current:			
General Government	3,000	3,000	3,000
Capital Outlay	52,416	52,416	52,737
TOTAL EXPENDITURES	55,416	55,416	55,737
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(697)	(697)	-
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	$ (697)	$ (697)	$ -

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
Live Well Grant Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2016 Actual
REVENUES					
Donations	$ -	$ -	$ 54,719	$ 54,719	$ 55,737
Other Miscellaneous Revenue	10,000	10,000	-	(10,000)	-
TOTAL REVENUES	10,000	10,000	54,719	44,719	55,737
EXPENDITURES					
General Government					
Overhead	2,500	2,500	3,000	(500)	3,000
Parks, Recreation and Other Capital Outlay	52,055	52,916	52,416	500	52,737
TOTAL EXPENDITURES	54,555	55,416	55,416	-	55,737
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (44,555)	$ (45,416)	(697)	$ 44,719	-
FUND BALANCE, BEGINNING			-		-
FUND BALANCE, ENDING			$ (697)		$ -

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2017
With Comparative Totals for December 31, 2016

	Trash Fund	Total 2017	Total 2016
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	$ 3,969	$ 3,969	$ (1,291)
Utility Receivable	11,348	11,348	11,680
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 15,317	$ 15,317	$ 10,389
NET POSITION			
Unrestricted Net Position	$ 15,317	$ 15,317	$ 10,389

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	Trash	Total	
	Fund	2017	2016
Operating Revenues			
Utility Charges	$ 111,448	$ 111,448	$ 111,951
Operating Expenses			
Management Fees	3,546	3,546	4,105
Personnel Services	4,131	4,131	3,485
Professional Fees	98,448	98,448	96,706
Other Operating Expenses	395	395	-
Total Expenditures	106,520	106,520	104,296
Change in Net Position	4,928	4,928	7,655
Net Position, Beginning	10,389	10,389	2,734
Net Position, Ending	$ 15,317	$ 15,317	$ 10,389

See accompanying Independent Auditors' Report

TOWN OF OAK CREEK

COMBINING SCHEDULE OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	Trash Fund	Total 2017	Total 2016
Cash Flows From Operating Activities:			
Cash Received from Customers	$ 111,780	$ 111,780	$ 110,722
Cash Paid to Suppliers	(99,596)	(99,596)	(97,066)
Cash Paid for Interfund Services	(3,546)	(3,546)	(4,105)
Cash Paid to Employees	(3,378)	(3,378)	(3,125)
Net Cash Provided by Operating Activities	5,260	5,260	6,426
Cash - Beginning	(1,291)	(1,291)	(7,717)
Cash - Ending	$ 3,969	$ 3,969	$ (1,291)
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:			
Operating Income (Loss)	$ 4,928	$ 4,928	$ 7,655
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Utility Receivable	332	332	(1,229)
Net Cash Used for Operating Activities	$ 5,260	$ 5,260	$ 6,426

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Electric Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Final Budget	Actual	Variance with Final Budget	2016 Actual
Operating Revenues				
Utility Charges	$ 999,375	$ 1,195,773	$ 196,398	$ 1,079,225
Other Charges for Services	1,000	23,169	22,169	42,251
Total Revenues	1,000,375	1,218,942	218,567	1,121,476
Operating Expenses				
Management Fees	76,570	80,025	(3,455)	78,270
Personnel Services	206,540	188,779	17,761	137,396
Commodity Charges	484,000	628,930	(144,930)	554,769
Administrative/Office Expenses	400	75	325	166
Insurance	10,000	9,973	27	8,208
Operating Supplies	16,000	8,908	7,092	9,922
Professional Fees	10,000	13,388	(3,388)	5,128
Repairs and Maintenance	25,500	5,818	19,682	7,479
Travel and Training	3,500	250	3,250	3,610
Telephone and Utilities	4,500	4,502	(2)	5,037
Other Operating Expenses	3,000	4,368	(1,368)	1,554
Other Capital Outlay	177,086	76,775	100,311	113,161
Total Expenditures	1,017,096	1,021,791	(4,695)	924,700
Operating Income (Loss)	(16,721)	197,151	213,872	196,776
Other Income (Expense)				
Debt Service	(42,205)	(38,941)	3,264	(33,639)
Change in Net Position (Budget Basis)	$ (58,926)	158,210	$ 217,136	163,137
Budget to GAAP Reconciliation				
Principal Paid		33,124		27,029
Depreciation Expense		(53,151)		(51,462)
Capital Outlay		-		108,676
Change in Net Position - GAAP Basis		138,183		247,380
Net Position, Beginning		1,254,115		1,006,735
Net Position, Ending		$ 1,392,298		$ 1,254,115

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Water Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 401,600	$ 398,635	$ (2,965)	$ 405,599
Other Charges for Services	100	4,392	4,292	1,000
Total Revenues	401,700	403,027	1,327	406,599
Operating Expenses				
Management Fees	46,570	50,025	(3,455)	51,851
Personnel Services	114,413	112,837	1,576	84,603
Administrative/Office Expenses	325	275	50	275
Insurance	8,600	7,828	772	7,773
Operating Supplies	16,200	18,733	(2,533)	15,232
Professional Fees	1,200	1,456	(256)	38
Repairs and Maintenance	14,000	17,357	(3,357)	1,354
Travel and Training	2,000	42	1,958	1,134
Treatment	13,000	9,703	3,297	4,131
Telephone and Utilities	23,000	23,069	(69)	25,686
Other Operating Expenses	-	(2,600)	2,600	(771)
Other Capital Outlay	3,510,000	3,501,531	8,469	116,983
Total Expenditures	3,749,308	3,740,256	9,052	308,289
Operating Income (Loss)	(3,347,608)	(3,337,229)	10,379	98,310
Other Income (Expense)				
Other Revenue	-	-	-	379
Debt Service	(73,930)	(73,943)	(13)	(65,419)
Total Other Income (Expense)	(73,930)	(73,943)	(13)	(65,040)
Net Income (Loss) before Transfers	(3,421,538)	(3,411,172)	10,366	33,270
Transfers				
Transfers In/(Out)	-	350,000	350,000	-
Net Income (Loss), Budget Basis	(3,421,538)	(3,061,172)	360,366	33,270
Contributed Capital				
Intergovernmental Revenue	2,000,000	1,927,220	(72,780)	18,961
Change in Net Position (Budget Basis)	$ (1,421,538)	(1,133,952)	$ 287,586	52,231
Budget to GAAP Reconciliation				
Principal Paid		56,921		48,131
Depreciation Expense		(102,627)		(100,938)
Capital Outlay		3,498,110		101,305
Change in Net Position - GAAP Basis		2,318,452		100,729
Net Position, Beginning		2,578,289		2,477,560
Net Position, Ending		$ 4,896,741		$ 2,578,289

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Sewer Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 343,760	$ 339,787	$ (3,973)	$ 345,732
Other Charges for Services	1,850	1,813	(37)	1,864
Total Revenues	345,610	341,600	(4,010)	347,596
Operating Expenses				
Management Fees	43,770	47,546	(3,776)	48,226
Personnel Services	114,313	112,010	2,303	98,869
Insurance	6,900	6,280	620	6,235
Operating Supplies	5,500	5,007	493	6,515
Professional Fees	500	1,815	(1,315)	150
Repairs and Maintenance	5,500	2,048	3,452	684
Travel and Training	500	-	500	-
Treatment	9,400	13,002	(3,602)	9,145
Telephone and Utilities	26,000	28,547	(2,547)	29,384
Other Operating Expenses	-	(2,718)	2,718	(2,731)
Other Capital Outlay	35,033	2,757	32,276	8,118
Total Expenditures	247,416	216,294	31,122	204,595
Operating Income (Loss)	98,194	125,306	27,112	143,001
Other Income (Expense)				
Investment Earnings	20	20	-	24
Debt Service	(69,312)	(65,845)	3,467	(60,555)
Total Other Income (Expense)	(69,292)	(65,825)	3,467	(60,531)
Transfers				
Transfers In/(Out)	(313,981)	(350,000)	(36,019)	-
Change in Net Position (Budget Basis)	$ (285,079)	(290,519)	$ (5,440)	82,470
Budget to GAAP Reconciliation				
Principal Paid		20,556		15,474
Depreciation Expense		(126,601)		(96,051)
Capital Outlay		-		8,118
Change in Net Position - GAAP Basis		(396,564)		10,011
Net Position, Beginning		4,299,653		4,289,642
Net Position, Ending		$ 3,903,089		$ 4,299,653

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Trash Fund
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 110,000	$ 111,448	$ 1,448	$ 111,951
Operating Expenses				
Management Fees	3,225	3,546	(321)	4,105
Personnel Services	4,204	4,131	73	3,485
Professional Fees	101,500	98,448	3,052	96,706
Other Operating Expenses	-	395	(395)	-
Total Expenditures	108,929	106,520	2,409	104,296
Change in Net Position (Budget Basis)	$ 1,071	4,928	$ 3,857	7,655
Net Position, Beginning		10,389		2,734
Net Position, Ending		$ 15,317		$ 10,389

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

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

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: sandy@townofoakcreek.com
City/County: Oak Creek

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	$	10,958.00
3. Other local imposts: *from A.3. 'Total' below)*	$	67,980.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	0.00
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	78,938.00

B. Private Contributions	$	0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	$	0.00
b. Other Local Imposts		
1. Sales Taxes:	$	61,898.00
2. Infrastructure and Impact Fees:	$	0.00
3. Liens:	$	0.00
4. Licenses:	$	0.00
5. Specific Ownership and/or Other:	$	6,082.00
Total: *(a + b) carried to 'Other local imposts' above)*	$	67,980.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	$	0.00
b. Traffic fines & Penalities:	$	0.00
c. Parking Garage Fees:	$	0.00

d. Parking Meter Fees:	$	0.00
e. Sale of Surplus Property:	$	0.00
f. Charges for Services:	$	0.00
g. Other Misc. Receipts:	$	0.00
h. Other:	$	0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$	0.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	$	29,515.00
3. Other State funds:		
c. Motor Vehicle Registrations:	$	4,209.00
d. Other (Specify): Comments: undefined	$	0.00
e. Other (Specify): Comments: undefined	$	0.00
Total: *(1+3c,d,e)*	$	33,724.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

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

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$	0.00
2. Maintenance:	$	47,810.00
3. Road and street services		
a. Traffic control operations:	$	0.00
b. Snow and ice removal:	$	47,810.00
c. Other:	$	0.00
4. General administration & miscellaneous	$	17,042.00
5. Highway law enforcement and safety	$	0.00
Total: *(A.1-5)*	$	112,662.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

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

Please no commas or dollar signs for the input

C. Payments to State for Highways:	$ 0.00
D. Payments to Toll Facilities:	$ 0.00
Total Disbursements: *(A+B+C+D)*	$ 112,662.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

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

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

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

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 0.00	$ 112,662.00	$ 112,662.00	$ 0.00	$ 0.00

Notes & Comments:

undefined

Please enter your name: Sandra Jacobs

Please provide a telephone number where you may be reached: 970-736-2422

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FORM FHWA-536e(Version 4.5) - CY17