



City of Fort Morgan, Colorado

**Financial Statements and Supplementary
Information**


For the Year Ended December 31, 2017

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July 12, 2018



City of Fort Morgan, Colorado

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Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Fort Morgan, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, the budgetary comparison information on pages 56 through 58, and pension related information on pages 59 through 65 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Local Highway Finance Report on pages 66 through 82 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Anton Collins Mitchell LLP

Greeley, Colorado
June 19, 2018



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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fort Morgan, Colorado (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$142 million (net position). Of this amount, \$54 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$6.0 million in the current year. The City recognized an approximate \$2.9 million increase in its main operating fund (General Fund) and had a net increase of \$3.0 million in its enterprise funds net position.

As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$26.2 million, an increase of \$3.4 million or 14.9%. Of this amount \$22.1 million is available for spending through the adoption of the 2018 budget.

The General Fund's unassigned fund balance at December 31, 2017 was 22.1 million, or 223.0% of total General Fund expenditures.

For 2017, the City's total debt decreased by \$1.9 million to \$14.1 million due to annual retirement of water bonds and notes.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 to 16) provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund basis financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The statements for fiduciary funds provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 14. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position, the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial



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factors, however, such as changes in the City's property tax base and the condition of the City's roads and infrastructure, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including the police, fire, public works, recreation, golf, cemetery, library, museum, parks, and general administration. Property taxes, sales taxes, franchise fees, and grants finance most of these activities.

Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's electric, gas, water, waste water, sanitation and fiber network operations are reported here.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 17. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two main kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements. The governmental funds of the City are the General Fund, Police Forfeiture Fund, Capital Improvement Fund, and Conservation Trust Fund.

Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are reported as the business-type activities in the government-wide statements. These enterprise fund statements provide more detail and additional information, such as cash flows, for proprietary funds. The enterprise funds of the City are the Electric Fund, Gas Fund, Water Fund, Waste Water Fund, Sanitation Fund and Fiber Network Fund. We use an internal service fund (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the City's Self Insurance Fund.

The City as Trustee

The City is the trustee, or fiduciary, for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and



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Changes in Fiduciary Net Position on pages 25 and 26. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. As of December 31, 2017, the City’s Trust funds are the Cemetery Perpetual Care Fund and Riverview Commons GID Fund.

THE CITY AS A WHOLE

Net Position

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Fort Morgan, assets exceeded liabilities by \$142 million at December 31, 2017.

By far the largest portion of the City of Fort Morgan’s net position (59.1%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position (2.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$54.0 million) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Fort Morgan is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

SUMMARY OF NET POSITION, in thousands						
December 31, 2017 and 2016						
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$33,568	\$29,207	\$45,262	\$42,254	\$78,830	\$71,461
Long term Receivables	-	-	\$462	\$694	\$462	\$694
Capital assets	34,320	34,213	63,659	63,240	97,979	97,453
Total assets	67,888	63,420	109,383	106,188	177,271	169,608
Deferred Outflows of resources	2,572	2,007	1,799	1,401	4,371	\$3,408
Liabilities:						
Long-term liabilities outstanding	10,290	8,489	20,684	21,233	30,974	29,722
Other liabilities	706	779	2,004	2,404	2,710	3,183
Total liabilities	10,996	9,268	22,688	23,637	33,684	32,905
Deferred Inflows of resources	2,335	1,985	3,561	2,094	5,896	4,079
Net position:						
Net investment in capital assets	34,320	34,213	49,723	47,521	84,043	81,734
Restricted	3,993	3,559	-	-	3,993	3,559
Unrestricted	18,816	16,402	35,210	34,337	54,026	50,739
Total net position	\$57,129	\$54,174	\$84,933	\$81,858	\$142,062	\$136,032



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Net position of the City’s governmental activities increased 5.5% (\$57.2 million compared to \$54.2 million). Unrestricted net position increased \$2.4 million.

The net position of the City’s business-type activities increased by approximately \$3.0 million. The City generally can only use this net position to finance the continuing operations of the electric, gas, water, waste water, sanitation and fiber network functions.

SUMMARY OF CHANGES IN NET POSITION, in thousands
For the Years Ended December 31, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues:						
Charges for services	\$ 1,050	\$ 1,020	\$ 37,633	\$ 36,591	\$ 38,683	\$ 37,611
Operating grants and contributions	1,047	1,344	-	-	1,047	1,344
Capital grants and contributions	275	1,293	739	414	1,014	1,707
General Revenues:						
Property taxes	1,610	1,626	-	-	1,610	1,626
Sales & Use Tax	7,496	7,005	-	-	7,496	7,005
Intergovernmental - in Lieu of Tax	4,050	3,971	-	37	4,050	4,008
Franchise taxes	91	94	-	-	91	94
Specific ownership taxes	174	158	-	-	174	158
Earnings on investments	112	(68)	448	112	560	44
Miscellaneous	58	443	260	501	318	944
Gain (loss) on sale of capital assets	2	-	-	-	2	-
Total Revenues	15,965	16,886	39,080	37,655	55,045	54,541
EXPENSES						
General government	2,437	2,446	-	-	2,437	2,446
Public safety	4,745	4,219	-	-	4,745	4,219
Community development and public works	1,570	2,670	-	-	1,570	2,670
Parks and recreation	4,253	4,028	-	-	4,253	4,028
Golf course	-	-	-	-	-	-
Electric	-	-	21,802	21,902	21,802	21,902
Water	-	-	5,970	5,068	5,970	5,068
Gas	-	-	4,621	4,118	4,621	4,118
Waste water	-	-	2,403	2,337	2,403	2,337
Sanitation	-	-	1,199	1,033	1,199	1,033
Interest on long-term debt	6	3	-	-	6	3
Fiber network	-	-	10	10	10	10
Total Expenses	13,011	13,366	36,005	34,468	49,016	47,834
Increase (decrease) in net position	2,954	3,520	3,075	3,187	6,029	6,707
Net position beginning of year	54,175	50,655	81,858	78,671	136,033	129,326
Net position end of year	\$57,129	\$54,175	\$84,933	\$81,858	\$142,062	\$136,033

Governmental activities – Governmental activities increased the City’s net position by \$3.0 million accounting for 49.0% of the total City’s increase in net position. Key elements of this increase are presented in the summary of changes in net position as shown above. Governmental activity revenue decreased by \$0.9 million. The most significant revenue decrease was in capital grants and contributions (\$1.0 million).



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The cost of all governmental activities this year was \$13.0 million, \$.3 million lower than last year. However, as shown in the Statement of Activities on pages 15 and 16, the amount that our taxpayers ultimately financed for these activities through City taxes was \$10.6 million because some of the cost was paid by those who directly benefited from the programs (\$1.0 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1.3 million). Of the \$1.3 million, \$.3 million was for capital purposes.

The following schedule presents the cost of the City’s six largest programs – police, streets, parks, library, fire and recreation – as well as each program’s net operating cost (total operating cost less revenues generated by the activities, excluding capital grants). The net cost shows the financial burden that was placed on the City’s taxpayers for each of these functions.

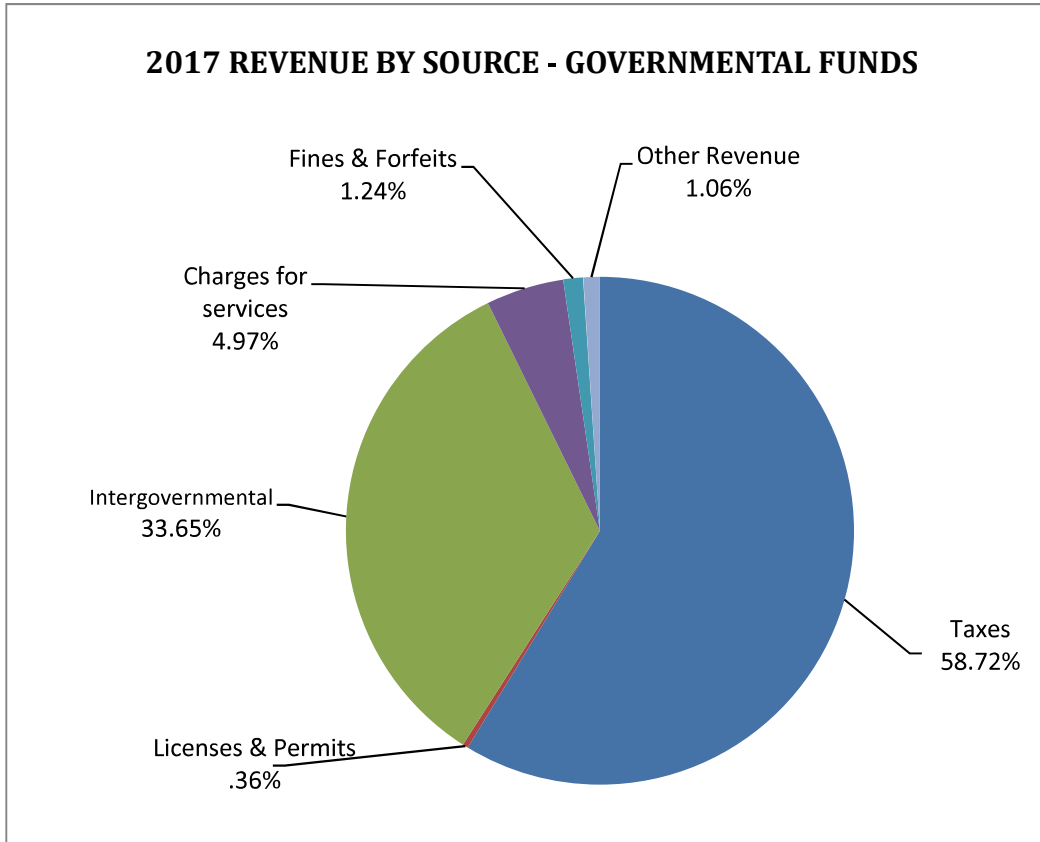
CITY OF FORT MORGAN				
SCHEDULE OF LARGEST GOVERNMENTAL ACTIVITIES in thousands				
For the Years Ended December 31, 2017 and 2016				
	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
General Government	\$2,437	\$2,446	\$311	(\$553)
Public Safety	4,745	4,220	4,745	4,220
Public Works	1,570	2,670	1,570	2,670
Parks and Recreation	4,253	4,028	4,007	3,371
	\$13,005	\$13,364	\$10,633	\$9,708

Business-type activities - Revenues of the City’s business-type activities decreased by 3.7% or \$1.4 million and expenses increased by 4.6% or \$1.6 million (\$36.1 million in 2017 compared to \$34.5 million in 2016). Activity in the business type funds was little changed from 2016.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

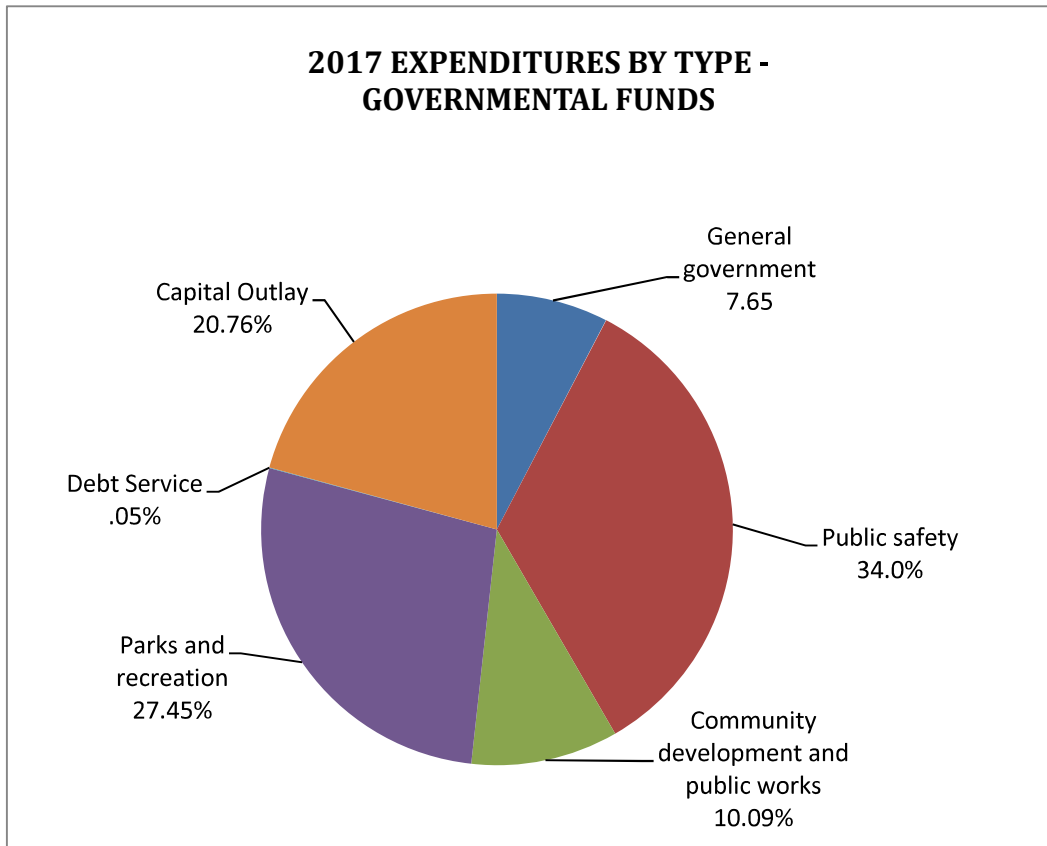
As noted earlier, the City of Fort Morgan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - One of the differences between the governmental activities as reported in the government-wide Statement of Activities on pages 15 and 16 and the individual governmental fund financial statements reported on pages 17 to 20 is the reporting of capital asset acquisitions. For the government-wide financial statements, any new capital assets are capitalized and only depreciation expense for those assets is reported in the Statement of Activities. In the individual governmental fund financial statements, the expenditure for capital asset acquisitions is reported in the Statement of Revenues, Expenditures and Changes in Net Position. Therefore, governmental fund capital asset acquisitions of \$2,430,254 included in capital outlay on page 20 are not reflected as expenses on pages 15 and 16.



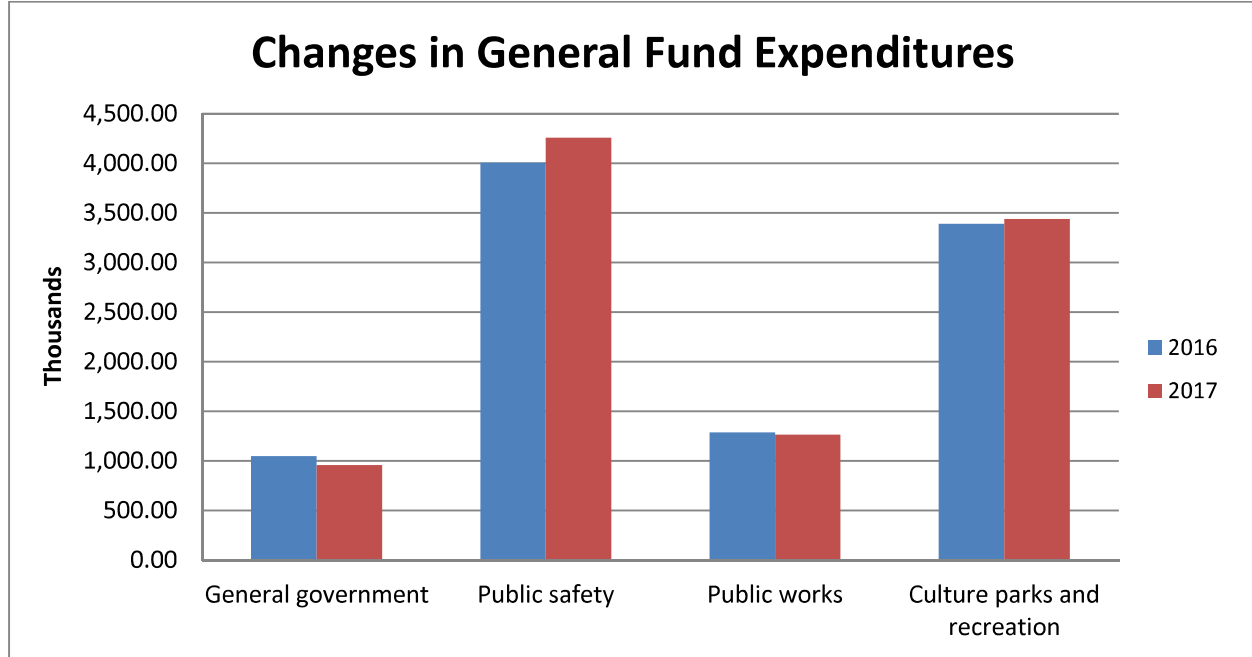
As the City completed the year, its governmental funds (as presented in the Balance Sheet on page 17) reported a combined fund balance of \$26.2 million, which increased \$3.4 million from last year's total of \$22.8 million. Included in this year's total change in fund balance is an increase of \$3.0 million in the General Fund and an increase of \$.5 million in the Capital Improvement Fund.

Governmental fund revenue was down \$.9 million for 2017. Intergovernmental revenues decreased \$1.2 million to \$5.4 million.



Governmental expenditures decreased by \$.9 million in 2017.

General Fund expenditures increased by \$962 thousand while revenues increased \$827 thousand.



The Capital Improvement Fund expenditures vary by project. During 2017, the City’s capital outlay was \$2.6 million and revenues were approximately \$3.0 million.

Proprietary funds – The City’s proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. See the discussion above of the significant changes in the proprietary funds of the City.

BUDGETARY HIGHLIGHTS

The General Fund’s budget to actual report is presented as required supplementary information on pages 56 and 57. In the General Fund, the actual charges to appropriations (expenditures) were \$916 thousand below the budgeted amounts. The Capital Improvement Fund expenditures were \$552 thousand below budget.

Resources available for appropriation (revenues) in the General Fund for 2017 were \$2.0 million above the final budgeted amount. Sales taxes were \$ 1.1 million over budget.



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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the City had \$98.0 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, airport facilities, and electric, gas, water and sewer plants and systems (see below). This amount represents a net decrease (including additions, deductions, and depreciation) of \$.5 million, or .5% percent, from 2016.

Capital Assets		
December 31, 2017 and 2016		
in thousands		
	2017	2016
Governmental Activities:		
Land	\$ 2,032	\$ 1,396
Infrastructure	29,938	29,080
Golf Course	3,284	3,284
Land Improvements	13,126	13,126
Buildings and Improvements	11,843	11,808
Vehicle and or Mowing Equipment	6,361	6,301
General Equipment	3,695	3,202
Construction in Progress	619	359
Total Governmental Capital Assets	<u>70,898</u>	<u>68,556</u>
Accumulated Depreciation	<u>(36,578)</u>	<u>(34,343)</u>
Capital Assets, Net of Depreciation	34,320	34,213
Business-type Activities:		
Electric System	23,516	23,050
Water System	65,351	64,509
Gas System	5,564	5,564
Sewer System	20,490	20,013
Sanitation System	1,566	1,566
Fiber Network System	417	417
Construction in Progress	1,621	134
Total Business-Type Capital Assets	<u>118,525</u>	<u>115,253</u>
Accumulated Depreciation	<u>(54,866)</u>	<u>(52,013)</u>
Business-type Activities Capital Assets, Net of Depreciation	63,659	63,240

Additional information on the City of Fort Morgan's capital assets can be found in Note 6 on pages 39 and 40 of this report.



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Debt Administration

At year-end, the City had \$14.0 million in bonds, notes and lease purchase obligations outstanding versus \$15.9 million last year, a decrease of 11.8%, as shown on pages 39 through 41.

Summary of Debt							
December 31, 2017 and 2016							
in thousands							
	Governmental Activities		Business-type Activities		Totals		
	2017	2016	2017	2016	2017	2016	
Revenue bonds and notes payable	\$ -	\$ -	\$ 14,059	\$ 15,946	\$ 14,059	\$ 15,946	
Totals	\$ -	\$ -	\$ 14,059	\$ 15,946	\$ 14,059	\$ 15,946	

The State limits the amount of general obligation debt that cities can issue to 3 percent of the actual value of the taxable property within the City’s corporate limits. The City currently has no outstanding general obligation debt so the full \$21 million state-imposed limit is available subject to voter approval and authorization.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City’s elected and appointed officials considered many factors when setting the 2017 budget, tax rates, and fees. One of those factors is the economy. The City’s sales and use tax revenues increased by 7.0% in 2017. Sales tax for 2018 is expected to be higher due to the passage of a 33% increase in sales tax for streets improvement.

Sanitation rates were increased 2.5% in Jan. 2018. With regard to sanitation, long term planning will need to be coordinated with the County, as the refuse storage cell operated by the County will need to be replaced. This will greatly impact the Sanitation Fund.

For 2018, revenues will be impacted by a rate increase in Gas effective on Nov. 1, 2017. Water, Sewer, Gas, and Electric rates will be evaluated by our rate analyst in 2018.



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CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the City Treasurer's Office at City of Fort Morgan, 710 E. Railroad Ave. Fort Morgan, CO 80701.

Basic Financial Statements

City of Fort Morgan, Colorado

Statement of Net Position

December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 30,065,144	\$ 40,399,095	\$ 70,464,239
Accounts and taxes receivable	3,380,638	3,511,219	6,891,857
Internal balances	(157,638)	157,638	-
Inventories	53,336	1,171,580	1,224,916
Prepaid items	66,048	21,652	87,700
Restricted cash, cash equivalents and investments	160,817	-	160,817
Long term receivables	-	462,277	462,277
Capital assets, not being depreciated	2,650,909	1,620,594	4,271,503
Capital assets, being depreciated, net	31,669,112	62,038,650	93,707,762
Total assets	67,888,366	109,382,705	177,271,071
Deferred outflows of resources			
Deferred outflows of resources relating to pensions	2,571,933	1,799,015	4,370,948
Liabilities			
Accounts payable	298,867	1,832,745	2,131,612
Customer deposits	25,010	71,446	96,456
Accrued expenses	382,291	62,052	444,343
Accrued interest payable	-	37,511	37,511
Noncurrent liabilities:			
Compensated absences payable	211,610	138,400	350,010
Due within one year	-	1,978,245	1,978,245
Due in more than one year	-	12,080,933	12,080,933
Net pension liability	10,078,639	6,486,866	16,565,505
Total liabilities	10,996,417	22,688,198	33,684,615
Deferred inflows of resources			
Deferred inflow of resources relating to pensions	22,750	18,759	41,509
Unearned revenue	2,311,969	3,542,055	5,854,024
Total deferred inflows of resources	2,334,719	3,560,814	5,895,533
Net position			
Net investment in capital assets	34,320,021	49,722,479	84,042,500
Restricted	3,992,779	-	3,992,779
Unrestricted	18,816,363	35,210,229	54,026,592
Total net position	\$ 57,129,163	\$ 84,932,708	\$ 142,061,871

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

City of Fort Morgan, Colorado

Statement of Activities

Year Ended December 31, 2017

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Grants and
Governmental activities:				
General government	\$ 2,436,785	\$ 1,050,204	\$ 936,236	\$ 139,804
Public safety	4,744,705	-	-	-
Community development and public work	1,570,326	-	-	-
Parks and recreation and golf	4,253,120	-	111,169	134,913
Interest on long-term debt	6,333	-	-	-
Total governmental activities	13,011,269	1,050,204	1,047,405	274,717
Business-type activities:				
Electric	21,802,657	21,301,618	-	-
Water	5,969,680	8,590,849	-	718,821
Gas	4,621,003	4,367,823	-	-
Waste water	2,402,859	2,179,152	-	20,000
Sanitation	1,199,085	1,193,620	-	-
Fiber Network	10,025	-	-	-
Total business-type activities	36,005,309	37,633,062	-	738,821
Total primary government	\$ 49,016,578	\$ 38,683,266	\$ 1,047,405	\$ 1,013,538

General revenues

Property taxes
 Specific ownership taxes
 Sales and use taxes
 Franchise taxes
 Intergovernmental
 Other revenues
 Earnings on investments
 Interest on long-term receivable
 Gain on disposal of capital assets

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (310,541)	\$ -	\$ (310,541)
(4,744,705)	-	(4,744,705)
(1,570,326)	-	(1,570,326)
(4,007,038)	-	(4,007,038)
(6,333)	-	(6,333)
<u>(10,638,943)</u>	<u>-</u>	<u>(10,638,943)</u>
	(501,039)	(501,039)
	3,339,990	3,339,990
	(253,180)	(253,180)
	(203,707)	(203,707)
	(5,465)	(5,465)
	(10,025)	(10,025)
	<u>2,366,574</u>	<u>2,366,574</u>
<u>(10,638,943)</u>	<u>2,366,574</u>	<u>(8,272,369)</u>
1,610,623	-	1,610,623
174,109	-	174,109
7,495,924	-	7,495,924
90,819	-	90,819
4,049,730	-	4,049,730
57,847	447,761	505,608
112,065	211,433	323,498
-	48,783	48,783
2,533	-	2,533
<u>13,593,650</u>	<u>707,977</u>	<u>14,301,627</u>
2,954,707	3,074,551	6,029,258
<u>54,174,456</u>	<u>81,858,157</u>	<u>136,032,613</u>
<u>\$ 57,129,163</u>	<u>\$ 84,932,708</u>	<u>\$ 142,061,871</u>

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

City of Fort Morgan, Colorado
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash, cash equivalents and investments	\$ 22,114,070	\$ 2,854,971	\$ 513,430	\$ 25,482,471
Restricted cash, cash equivalents and investments	73,186	45,051	42,580	160,817
Receivables	2,743,793	635,577	-	3,379,370
Inventories	53,336	-	-	53,336
Prepaid items	49,760	-	-	49,760
Total assets	\$ 25,034,145	\$ 3,535,599	\$ 556,010	\$ 29,125,754
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$ 210,214	\$ 88,653	\$ -	\$ 298,867
Interfund advances payable	-	157,638	-	157,638
Accrued expenses	-	51,129	-	51,129
Accrued payroll expenses	107,118	-	-	107,118
Customer deposits	25,010	-	-	25,010
Other liabilities	16,244	-	-	16,244
Total liabilities	358,586	297,420	-	656,006
Deferred inflows of resources				
Unearned revenue	1,961,969	350,000	-	2,311,969
Total deferred inflows of resources	1,961,969	350,000	-	2,311,969
Fund balances				
Nonspendable	103,096	-	-	103,096
Restricted	548,590	2,888,179	556,010	3,992,779
Unassigned	22,061,904	-	-	22,061,904
Total fund balances	22,713,590	2,888,179	556,010	26,157,779
Total liabilities, deferred inflows of resources and fund balances	\$ 25,034,145	\$ 3,535,599	\$ 556,010	\$ 29,125,754

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

City of Fort Morgan, Colorado
Reconciliation of the Governmental Funds
Balance Sheet with the Government-wide Statement of Net Position

December 31, 2017

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

Fund balances of governmental funds	\$ 26,157,779
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental fund financial statements.

Capital assets	\$ 70,897,629	
Less: accumulated depreciation	<u>(36,577,608)</u>	34,320,021

Pension liabilities and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.

Net pension liability	\$ (10,078,639)	
Deferred outflows of resources relating to pensions	2,571,933	
Deferred inflows of resources relating to pensions	<u>(22,750)</u>	(7,529,456)

Internal service funds are collapsed into governmental activities	4,392,429
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Long-term liabilities are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities consist of compensated absences payable. (211,610)

Total net position of governmental activities	\$ 57,129,163
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The accompanying notes are an integral part of these financial statements.

City of Fort Morgan, Colorado
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2017

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 6,897,119	\$ 2,474,356	\$ -	\$ 9,371,475
Licenses and permits	57,498	-	-	57,498
Intergovernmental	4,739,288	521,395	111,169	5,371,852
Charges for services	794,301	-	-	794,301
Fines and forfeitures	198,405	-	-	198,405
Miscellaneous	52,978	4,869	-	57,847
Earnings on investments	99,219	12,796	50	112,065
Total revenues	12,838,808	3,013,416	111,219	15,963,443
Expenditures				
Current:				
General government	1,011,656	-	-	1,011,656
Public safety	4,256,044	-	-	4,256,044
Community development and public works	1,263,711	-	-	1,263,711
Parks and recreation and golf	3,436,901	-	-	3,436,901
Debt service:				
Interest	-	6,333	-	6,333
Capital outlay	-	2,555,030	44,047	2,599,077
Total expenditures	9,968,312	2,561,363	44,047	12,573,722
Excess (deficiency) of revenues over expenditures	2,870,496	452,053	67,172	3,389,721
Other financing sources				
Proceeds from the sale of capital assets	-	-	3,150	3,150
Total other financing sources	-	-	3,150	3,150
Net change in fund balance	2,870,496	452,053	70,322	3,392,871
Fund balances at beginning of year	19,843,094	2,436,126	485,688	22,764,908
Fund balances at end of year	\$ 22,713,590	\$ 2,888,179	\$ 556,010	\$ 26,157,779

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

City of Fort Morgan, Colorado
Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures and Changes in Fund Balances
with the Government-wide Statement of Activities
Year Ended December 31, 2017

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

Total net change in fund balance - governmental funds. \$ 3,392,871

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlay	\$ 2,430,254	
Net book value of capital assets disposed	(617)	
Depreciation expense	(2,323,102)	106,535

Internal service funds are collapsed into governmental activities. 600,322

Increase in accrued compensated absences liability reflected as an expense on the statement of activities and not reflected as an expense on the governmental fund statement of revenues, expenditures and changes in fund balances. (11,887)

Pension expense relating to changes in the City's defined benefit retirement plan accounts do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund financial statements. (1,133,134)

Change in net position of governmental activities \$ 2,954,707

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

City of Fort Morgan, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2017

	Electric Fund	Water Fund	Gas Fund	Waste Water Fund	Other Enterprise Funds	Total Enterprise Funds	Govt. Activities - Int. Svc. Fund
Assets							
Current assets							
Cash, cash equivalents and investments	\$ 13,763,219	\$ 14,192,759	\$ 4,836,317	\$ 5,628,876	\$ 1,977,924	\$ 40,399,095	\$ 4,582,673
Receivables	1,852,746	752,589	543,475	233,778	128,631	3,511,219	1,268
Current portion of long-term receivable	-	97,193	-	148,661	-	245,854	-
Prepaid items	5,805	9,658	3,389	2,701	99	21,652	16,288
Inventories	570,839	233,061	367,680	-	-	1,171,580	-
Interfund advances receivable	157,638	-	-	-	-	157,638	-
Total current assets	16,350,247	15,285,260	5,750,861	6,014,016	2,106,654	45,507,038	4,600,229
Noncurrent assets							
Long term receivable	-	85,558	-	130,865	-	216,423	-
Capital assets, net of accumulated depreciation	8,675,662	43,061,072	1,553,478	9,770,475	598,557	63,659,244	-
Total noncurrent assets	8,675,662	43,146,630	1,553,478	9,901,340	598,557	63,875,667	-
Total assets	25,025,909	58,431,890	7,304,339	15,915,356	2,705,211	109,382,705	4,600,229
Deferred outflows of resources							
Deferred outflows of resources relating to pensions	891,897	310,286	224,480	271,287	101,065	1,799,015	-
Liabilities and net position							
Current liabilities							
Accounts payable	1,417,640	67,307	278,386	39,446	29,966	1,832,745	-
Accrued expenses	31,249	11,011	7,558	8,943	3,291	62,052	207,800
Customer deposits	71,446	-	-	-	-	71,446	-
Accrued interest payable	-	37,511	-	-	-	37,511	-
Current portion of long-term debt	104,925	1,873,320	-	-	-	1,978,245	-
Total current liabilities	1,625,260	1,989,149	285,944	48,389	33,257	3,981,999	207,800
Noncurrent liabilities							
Compensated absences payable	71,801	19,386	18,086	21,609	7,518	138,400	-
Bonds and notes payable	17,488	12,063,445	-	-	-	12,080,933	-
Net pension liability	3,215,991	1,118,826	809,427	978,204	364,418	6,486,866	-
Total noncurrent liabilities	3,305,280	13,201,657	827,513	999,813	371,936	18,706,199	-
Total liabilities	4,930,540	15,190,806	1,113,457	1,048,202	405,193	22,688,198	207,800
Deferred inflows of resources							
Unearned revenue	3,037,265	-	504,790	-	-	3,542,055	-
Deferred inflows of resources relating to pensions	9,300	3,235	2,341	2,829	1,054	18,759	-
Total deferred inflows of resources	3,046,565	3,235	507,131	2,829	1,054	3,560,814	-
Net position							
Net investment in capital assets	8,675,662	29,124,307	1,553,478	9,770,475	598,557	49,722,479	-
Unrestricted	9,265,039	14,423,828	4,354,753	5,365,137	1,801,472	35,210,229	4,392,429
Total net position	\$ 17,940,701	\$ 43,548,135	\$ 5,908,231	\$ 15,135,612	\$ 2,400,029	\$ 84,932,708	\$ 4,392,429

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

City of Fort Morgan, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2017

	Electric Fund	Water Fund	Gas Fund	Waste Water Fund	Other Enterprise Funds	Total Enterprise Funds	Govt. Activities - Int. Svc. Fund
Operating revenues							
Charges for services	\$ 21,301,618	\$ 8,590,849	\$ 4,367,823	\$ 2,179,152	\$ 1,193,620	\$ 37,633,062	\$ 3,454,835
Total operating revenues	21,301,618	8,590,849	4,367,823	2,179,152	1,193,620	37,633,062	3,454,835
Operating expenses							
Transmission, distribution and collection	1,801,043	1,207,964	820,458	629,204	849,088	5,307,757	-
Commodities	15,159,588	-	2,322,039	-	-	17,481,627	-
Self insurance premiums	-	-	-	-	-	-	1,106,001
Self insurance claims	-	-	-	-	-	-	1,656,211
General administration	1,181,667	454,041	417,484	331,480	179,010	2,563,682	98,829
Treatment	-	2,440,970	-	782,165	-	3,223,135	-
In lieu of fees	2,983,996	-	906,669	99,341	59,724	4,049,730	-
Depreciation expense	676,363	1,349,893	154,353	560,669	121,288	2,862,566	-
Total operating expenses	21,802,657	5,452,868	4,621,003	2,402,859	1,209,110	35,488,497	2,861,041
Operating income (loss)	(501,039)	3,137,981	(253,180)	(223,707)	(15,490)	2,144,565	593,794
Nonoperating revenues (expenses)							
Earnings on investments	81,939	67,539	28,115	23,794	10,046	211,433	6,528
Interest on long-term receivable	-	19,285	-	29,498	-	48,783	-
Rents	28,680	-	-	-	-	28,680	-
Other revenues	269,355	15,442	61,783	71,501	1,000	419,081	-
Interest expense	-	(516,812)	-	-	-	(516,812)	-
Total nonoperating revenues (expenses)	379,974	(414,546)	89,898	124,793	11,046	191,165	6,528
Income (loss) before contributions	(121,065)	2,723,435	(163,282)	(98,914)	(4,444)	2,335,730	600,322
Capital contributions	-	718,821	-	20,000	-	738,821	-
Changes in net position	(121,065)	3,442,256	(163,282)	(78,914)	(4,444)	3,074,551	600,322
Net position at beginning of year	18,061,766	40,105,879	6,071,513	15,214,526	2,404,473	81,858,157	3,792,107
Net position at end of year	\$ 17,940,701	\$ 43,548,135	\$ 5,908,231	\$ 15,135,612	\$ 2,400,029	\$ 84,932,708	\$ 4,392,429

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

City of Fort Morgan, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2017

	Electric Fund	Water Fund
Cash flows from operating activities		
Cash received from customers	\$ 23,008,063	\$ 8,648,871
Cash payments to suppliers	(18,793,013)	(3,399,639)
Cash payments to employees	(2,084,249)	(760,527)
Net cash flows from operating activities	2,130,801	4,488,705
Cash flows from non-capital financing activities		
Rents	28,680	-
Other income	269,355	-
Interfund balances	36,582	-
Net cash flows from non-capital financing activities	334,617	-
Cash flows from capital and related financing activities		
Capital grants and contributions	-	734,263
Acquisition of capital assets	(1,952,155)	(852,193)
Principal received on long-term receivable	-	91,546
Principal paid on long-term debt	(104,925)	(1,782,200)
Interest paid on long-term debt	-	(525,110)
Net cash flows from capital and related financing activities	(2,057,080)	(2,333,694)
Cash flows from investing activities		
Interest received	81,939	86,824
Net cash flows from investing activities	81,939	86,824
Net change in cash and cash equivalents	490,277	2,241,835
Cash, cash equivalents and investments at beginning of year	13,272,942	11,950,924
Cash, cash equivalents and investments at end of year	\$ 13,763,219	\$ 14,192,759
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (501,039)	\$ 3,137,981
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	676,363	1,349,893
(Increase) decrease in operating assets :		
Accounts receivable	234,206	58,022
Prepaid items	(983)	(297)
Inventories	(22,504)	29,861
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(152,835)	(238,834)
Customer deposits	208	-
Compensated absences payable	(8,651)	(33)
Net pension liability and related deferred inflows and outflows of resources	434,005	152,112
Unearned revenues	1,472,031	-
Net cash flows from operating activities	\$ 2,130,801	\$ 4,488,705

Gas Fund	Waste Water Fund	Other Enterprise Funds	Total Enterprise Funds	Govt. Activities - Int. Svc. Fund
\$ 4,720,482	\$ 2,161,040	\$ 1,186,273	\$ 39,724,729	\$ 3,453,897
(3,880,394)	(1,068,591)	(764,024)	(27,905,661)	(2,835,977)
(550,977)	(664,284)	(280,243)	(4,340,280)	-
289,111	428,165	142,006	7,478,788	617,920
-	-	-	28,680	-
61,783	71,501	1,000	403,639	-
-	-	-	36,582	-
61,783	71,501	1,000	468,901	-
-	20,000	-	754,263	-
-	(477,270)	-	(3,281,618)	-
-	140,024	-	231,570	-
-	-	-	(1,887,125)	-
-	-	-	(525,110)	-
-	(317,246)	-	(4,708,020)	-
28,115	53,292	10,046	260,216	6,528
28,115	53,292	10,046	260,216	6,528
379,009	235,712	153,052	3,499,885	624,448
4,457,308	5,393,164	1,824,872	36,899,210	3,958,225
\$ 4,836,317	\$ 5,628,876	\$ 1,977,924	\$ 40,399,095	\$ 4,582,673
\$ (253,180)	\$ (223,707)	\$ (15,490)	\$ 2,144,565	\$ 593,794
154,353	560,669	121,288	2,862,566	-
282,153	(18,112)	(7,347)	548,922	(938)
92	(82)	(8)	(1,278)	35,370
(99,234)	-	-	(91,877)	-
25,087	(17,329)	(8,066)	(391,977)	(10,306)
-	-	-	208	-
492	(3,805)	(1,689)	(13,686)	-
108,842	130,531	53,318	878,808	-
70,506	-	-	1,542,537	-
\$ 289,111	\$ 428,165	\$ 142,006	\$ 7,478,788	\$ 617,920

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

City of Fort Morgan, Colorado
Statement of Fiduciary Net Position (Deficit)

December 31, 2017

	Cemetery Perpetual Care Fund	Riverview Commons GID Fund
Assets		
Restricted cash, cash equivalents and investments	\$ 663,116	\$ -
Accrued interest receivable	2,459	-
Total assets	665,575	-
Liabilities		
Accounts payable	-	93,522
Total liabilities	-	93,522
Fiduciary net position (deficit)	\$ 665,575	\$ (93,522)

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

City of Fort Morgan, Colorado
Statement of Changes in Fiduciary Net Position (Deficit)

Year Ended December 31, 2017

	Cemetery Perpetual Care Fund	Riverview Commons GID Fund
Additions		
Taxes	\$ -	\$ 30,175
Charges for services	14,515	-
Earnings on investments	2,502	-
Total additions	17,017	30,175
Deductions		
Community development and public works	-	30,175
Total deductions	-	30,175
Change in fiduciary net position	17,017	-
Fiduciary net position (deficit) beginning of year	648,558	(93,522)
Fiduciary net position (deficit) end of year	\$ 665,575	\$ (93,522)

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

City of Fort Morgan, Colorado
Notes to Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

The financial statements of the City of Fort Morgan, Colorado (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

Reporting Entity

The City was incorporated in 1887 and adopted its Home Rule Charter during 1914. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety; highways and streets; sanitation; health and social services; culture - recreation; education; public improvements; planning and zoning; and general administrative services. The City’s basic financial statements include the accounts of all City operations. As required by GAAP, these financial statements present the activities of the City, which is legally separate and financially independent of other state and local governments.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, there are no component units included in the City’s reporting entity.

Fund Accounting

The City uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the capital projects fund.

The following are the City’s major governmental funds:

General Fund - The General Fund (a major fund) is the City’s general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, sales tax, franchise tax and other

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intergovernmental revenues. Expenditures include all costs associated with the daily operations of general government, public safety, public works, parks and recreation and community development.

Capital Improvement Fund - This fund accounts for the sales tax revenues used to fund the City's capital improvement projects. It is a major special revenue fund.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds or internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's major enterprise funds include the Electric, Water, Gas, and Waste Water funds. The internal service fund accounts for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has one internal service fund, the Self Insurance Fund.

The City has two fiduciary funds. The Cemetery Perpetual Care Fund accounts for nonexpendable corpus amounts, of which the investment earnings are transferred to the General Fund to assist in covering operating costs. In 2006, the City created a General Improvement District Fund (the "District") to account for ongoing improvements related to the Riverview Commons development project (reflected as the Riverview Commons GID Fund in the accompanying financial statements). The District is a special improvement district which has issued \$2,035,000 of special improvement bonds to defray a portion of the costs of the public improvements needed to serve the residential portion of the project. The developer will complete the various improvements, be reimbursed through the bond proceeds held in trust by the District, and then will convey these improvements to the City. The issued bonds bear interest at 6.5% and mature in 2026. The City is not contingently liable for the debt.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations, with a brief explanation, to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

City of Fort Morgan, Colorado
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Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due.

Cigarette taxes, sales taxes, auto use taxes, taxpayer-assessed taxes, earnings on investments and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of the fund are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, intergovernmental revenues and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, intergovernmental revenues and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: sales taxes and other intergovernmental revenues.

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Unearned Revenue

Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflow of resources for unearned revenue is removed and revenue is recognized.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Accounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

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 proprietary funds principal ongoing operations. The principal operating revenues of the government’s enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets and Budgetary Accounting

An annual budget and appropriation ordinance is adopted by the City Council in accordance with the City Charter. The budget is prepared on a basis consistent with GAAP for all governmental and proprietary funds, except that for proprietary funds, principal payments of long-term liabilities and purchases of capital assets are budgeted as expenditures, and the issuance of long-term liabilities are budgeted as other financing sources.

On, or about October 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Also, public hearings are conducted at a special meeting and at regular City Council meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the City Council.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

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Budgeted expenditures reported in the accompanying financial statements are as originally adopted and as amended by the City Council throughout the year. The following is a summary of the original budget, total revisions and revised budget for those funds with amended budgets for the year ended December 31, 2017:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General Fund	\$ 10,831,477	\$ -	\$ 10,831,477
Capital Improvement Fund	3,113,700	-	3,113,700
Police Forfeiture Fund	6,465	-	6,465
Conservation Trust Fund	100,000	-	100,000
Internal service fund:			
Self Insurance Fund	3,815,190	-	3,815,190
Enterprise funds:			
Electric Fund	25,593,289	-	25,593,289
Water Fund	7,866,693	-	7,866,693
Gas Fund	4,930,997	-	4,930,997
Waste Water Fund	2,385,501	-	2,385,501
Sanitation Fund	1,090,269	-	1,090,269
Fiber Network Fund	-	-	-
Fiduciary Fund:			
Perpetual Care Fund	1,000	-	1,000
Riverview GID Fund	29,200	-	29,200
Total funds	\$ 59,763,781	\$ -	\$ 59,763,781

Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments include cash on hand, demand deposits, certificates of deposit, participation in local government investment pools, government securities, money markets, and corporate securities. All cash equivalents have an original maturity date of less than three months. Cash balances from different funds are combined and invested to the extent possible in local government investment pools.

To improve cash management, cash received by the City is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Cash and Cash Equivalents" in the financial statements. Investments of the City's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Restricted Cash

The amounts restricted are in compliance with various debt requirements associated with the City's long-term debt.

Property Taxes

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred

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inflows of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources are recognized as revenue and the receivable is reduced.

Receivables

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

Short-Term Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net position and classified as due from other funds or due to other funds on the governmental funds balance sheet.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Because these assets do not represent current financial resources, there is a corresponding nonspendable fund balance in the governmental funds.

Inventories

Inventories are valued at cost, using the first-in, first-out method. Because these assets do not represent current financial resources, there is a corresponding nonspendable fund balance in the governmental funds.

Capital Assets

Capital assets, which include land, buildings and other improvements, infrastructure, machinery and equipment, and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, and in the proprietary fund financial statements. Capital assets are defined by the City 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.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Description	Life
Buildings and other improvements	30 Years
Infrastructure	20 Years
Furniture and equipment	5 - 10 Years
Utility systems	10 - 40 Years

Compensated Absences Payable

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

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Accrued Liabilities and Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are recognized as an expenditure/expense during the period of issuance.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. Payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report 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 will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for pension-related amounts. See Note 8 for additional information.

In addition to liabilities, the statement of net position will sometimes report 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 will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resource relating to property taxes. In addition, the City reports deferred inflows of resources for pension-related amounts. See Note 8 for additional information.

Fund Balance and Net Position

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

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

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City, which is not restricted for any project or other purpose. A deficit will require future funding.

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In the governmental fund financial statements, fund balances are classified in five separate categories. The categories, and their general meanings, are as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the City Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts. Only the General Fund reports a positive unassigned fund balance. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to other purposes, the funds would report a negative unassigned fund balance; however, any amount reported as assigned fund balance would have to be eliminated before a negative unassigned fund balance could be reported.

As of December 31, 2017, fund balances were composed of the following:

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total
Nonspendable:				
Inventories	\$ 53,336	\$ -	\$ -	\$ 53,336
Prepaid items	49,760	-	-	49,760
Restricted:				
Emergency reserve	475,404	-	-	475,404
Donations and memorials	73,186	-	-	73,186
Parks and recreation	-	-	513,430	513,430
Public safety	-	-	42,580	42,580
Capital improvements	-	2,888,179	-	2,888,179
Unassigned:	22,061,904	-	-	22,061,904
Total	\$ 22,713,590	\$ 2,888,179	\$ 556,010	\$ 26,157,779

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

Contribution of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources to be used for capital acquisition and construction.

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Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions are reported as transfers.

Contraband Forfeitures

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. These proceeds are not subject to appropriation in the budget process. Cash proceeds are recorded in the Police Forfeiture Fund. Property and equipment seized are recorded as governmental capital assets.

Pensions

The City participates in the Local Government Division Trust Fund (“LGDTF”), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). In addition, the City contributes to a Volunteer Pension Plan and Old Hire Pension Plan; agent multiple-employer plans administered by the Fire and Police Pension Association of Colorado (“FPPA”).

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

Use of Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and could be material.

2. Cash, Cash Equivalents and Investments

The following is a summary of the City’s cash, cash equivalents and investments, including restricted cash, on December 31, 2017:

Cash on hand	\$	3,316
Cash with county treasurer		16,264
Cash in financial institution		14,219,751
Investments		57,048,841
Total	\$	71,288,172

City of Fort Morgan, Colorado
Notes to Financial Statements
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The above amounts are classified in the statement of net position as follows:

Cash, cash equivalents and investments per Statement of Net Position:	
Government-wide financial statements:	
Cash, cash equivalents, and investments	\$ 70,464,239
Restricted cash, cash equivalents, and investments	160,817
Fiduciary fund statements:	
Restricted cash, cash equivalents, and investments	663,116
Total	\$ 71,288,172

Custodial Credit Risk - Deposits

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with Colorado Revised Statutes ("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 limits 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 maintained by another institution, or held in trust for all of 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, the City had deposits with financial institutions with a carrying amount of \$14,219,751. The bank balances with the financial institutions were \$14,615,373 of which \$1,000,000 was covered by federal depository insurance. The remaining balance of \$13,615,373 was collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

At December 31, 2017, the City had the following investments:

	S & P Rating	Fair Value	Weighted Ave. Maturity Date (in days)	Concentration of Credit Risk
Certificates of Deposit	N/R	\$ 1,846,904	N/A	3.2%
Money Market	AAAm/N/R	5,485,766	N/A	9.6%
Commercial Paper	A-1	2,139,646	100	3.8%
U.S. Treasury	AA+	10,439,914	1,177	18.3%
Municipal Bonds	AA/A+/AAA	1,117,965	330	2.0%
FNMA	AA+	7,269,015	688	12.7%
FHLMC	AA+	3,768,651	912	6.6%
FHLB	AA+	3,473,465	670	6.1%
Freddie Mac	AA+	2,351,369	676	4.1%
Other US Instrumentality	AA-	549,152	705	1.0%
Corporate Securities	AA-/AAA/AA+/A+	6,106,994	726	10.7%
Money Market Funds - CSIP	AAAm	12,500,000	173	21.9%
Total		\$ 57,048,841		

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

City of Fort Morgan, Colorado
Notes to Financial Statements
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The City's investment balances at fair value hierarchy are as follows:

Investments	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 1,846,904	\$ -	\$ 1,846,904
Money Market	5,485,766	-	-	5,485,766
Commercial Paper	-	2,139,646	-	2,139,646
U.S. Treasury	-	10,439,914	-	10,439,914
Municipal Bonds	-	1,117,965	-	1,117,965
FNMA	-	7,269,015	-	7,269,015
FHLMC	-	3,768,651	-	3,768,651
FHLB	-	3,473,465	-	3,473,465
Freddie Mac	-	2,351,369	-	2,351,369
U.S. Instrumentality	-	549,152	-	549,152
Corporate Securities	6,106,994	-	-	6,106,994
Money Market Funds - CSIP - measured at net asset value				12,500,000
Total	\$ 11,592,760	\$ 32,956,081	\$ -	\$ 57,048,841

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a specific policy for custodial credit risk. As of December 31, 2017, the City had no investments exposed to custodial credit risk.

Credit Risk - Investments

State statutes and the City's investment policies authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Interest Rate Risk

Colorado Revised Statutes and the City's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value fluctuations arising from changing interest rates.

Money Market Funds - CSIP

As of December 31, 2017, the City invested in PFM Funds Prime Series, Colorado Investors Class, a money market mutual fund (marketed as the Colorado Statewide Investment Program or CSIP). The Prime Series is a separate investment portfolio of PFM Funds (the "Trust"). The Trust is an open-ended, diversified, management investment company registered under the Investment Company Act of 1940. The PFM Funds Prime Series invests in obligations of the United States Government and its agencies, high quality debt obligations of U.S. companies and obligations of financial institutions and is rated AAAM by Standard & Poor's. PFM Asset Management, LLC serves as the investment advisor, administrator and transfer agent. Shares of the Fund are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority ("FINRA"). U.S. Bank N.A serves as the custodian and acts as safekeeping agent. These money market funds seek to earn the highest income consistent with preserving principal and maintaining liquidity, and to maintain a stable \$1.00 net asset value.

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3. Interfund Transactions

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Contributed capital between the governmental funds and proprietary funds is shown within the transfer line for financial statement presentation.

There were no transfers made to other funds during the year.

4. Receivables

Receivables at December 31, 2017, consisted of the following:

	Governmental Funds	Proprietary Funds	Internal Service Fund	Fiduciary Funds	Total
Taxes	\$ 1,719,744	\$ -	\$ -	\$ -	\$ 1,719,744
Trade accounts	210,122	2,457,189	-	-	2,667,311
Unbilled revenues	-	1,054,030	-	-	1,054,030
Intergovernmental	1,449,504	-	-	-	1,449,504
Other	-	-	1,268	2,459	3,727
Total	\$ 3,379,370	\$ 3,511,219	\$ 1,268	\$ 2,459	\$ 6,894,316

5. Long-Term Receivable

In 2009, the City entered into an agreement with an outside entity for the entity to purchase water shares and wastewater system development fees from the City. The total amount of the agreement was approximately \$2 million. The receivable bears interest at 6.0% over 10 years. At December 31, 2017, the current and noncurrent portions of the receivable were \$245,854 and \$216,423, respectively. At December 31, 2017, there were approximately two remaining years of payments due to the City, totaling \$22,242 monthly.

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6. Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,395,676	\$ 636,500	\$ -	\$ 2,032,176
Construction in Progress	359,181	518,733	(259,181)	618,733
Total capital assets not being depreciated	1,754,857	1,155,233	(259,181)	2,650,909
Capital assets being depreciated:				
Golf Course	3,283,636	-	-	3,283,636
Land improvements	13,125,717	-	-	13,125,717
Building and improvements	11,808,428	34,896	-	11,843,324
Infrastructure	29,079,819	858,743	-	29,938,562
Vehicles and equipment	6,300,810	102,427	(42,414)	6,360,823
General equipment	3,202,492	538,136	(45,970)	3,694,658
Total capital assets being depreciated	66,800,902	1,534,202	(88,384)	68,246,720
Accumulated depreciation	(34,342,273)	(2,323,102)	87,767	(36,577,608)
Capital assets being depreciated, net	32,458,629	(788,900)	(617)	31,669,112
Total governmental activities capital assets, net	\$ 34,213,486	\$ 366,333	\$ (259,798)	\$ 34,320,021

Depreciation for governmental activities has been allocated to various activities as follows:

General government	\$ 1,762,398
Public safety	221,192
Community development and public works	7,003
Parks and recreation	332,509
Total	\$ 2,323,102

Business-type capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciated				
Construction in Progress	\$ 134,248	\$ 1,486,346	\$ -	\$ 1,620,594
Total capital assets not being depreciated	134,248	1,486,346	-	1,620,594
Capital assets being depreciated:				
Electric system	23,050,322	472,617	(6,980)	23,515,959
Water system	64,508,988	1,165,068	(323,022)	65,351,034
Gas system	5,563,653	-	-	5,563,653
Sewer system	20,012,808	477,270	-	20,490,078
Sanitation system	1,566,517	-	-	1,566,517
Fiber network system	416,780	-	-	416,780
Total capital assets being depreciated	115,119,068	2,114,955	(330,002)	116,904,021
Accumulated depreciation	(52,013,124)	(2,862,566)	10,319	(54,865,371)
Capital assets being depreciated, net	63,105,944	(747,611)	(319,683)	62,038,650
Total business-type activities capital assets, net	\$ 63,240,192	\$ 738,735	\$ (319,683)	\$ 63,659,244

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Depreciation for business-type activities has been allocated to various activities as follows:

Electric	\$ 676,363
Water	1,349,893
Gas	154,353
Waste water	560,669
Sanitation	111,263
Fiber network	10,025
	\$ 2,862,566

7. Long-Term Debt

The following is a summary of governmental long-term debt activity for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	\$ 199,723	\$ 20,212	\$ (8,325)	\$ 211,610	\$ -
	\$ 199,723	\$ 20,212	\$ (8,325)	\$ 211,610	\$ -

Business-Type Activities

The following is a summary of business-type long-term debt activity for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable:					
2015 Water Revenue Refunding	\$ 13,245,000	\$ -	\$ (840,000)	\$ 12,405,000	\$ 865,000
Notes payable:					
1998 CWRPDA Note - Water	2,473,965	-	(942,200)	1,531,765	1,008,320
MEAN Payable	227,338	-	(104,925)	122,413	104,925
Compensated absences	152,086	7,551	(21,237)	138,400	-
	\$ 16,098,389	\$ 7,551	\$ (1,908,362)	\$ 14,197,578	\$ 1,978,245

Electric Fund

2013 Municipal Energy Agency of Nebraska Regulatory ISO Transmission Adjustment (MEAN Payable)

During 2013, the City was notified of a settlement between the Municipal Energy Agency of Nebraska ("MEAN") and a third party. The City has a Service Schedule Power Contract with MEAN and each service schedule participant is required to pay for its allocation of the settlement. The City's allocation of the settlement was determined to be \$524,626 and amounts will be paid monthly at \$8,744, starting in April 2015 through April 2019. Interest is not accrued on this allocation and imputed interest is not considered material.

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Water Fund

1998 Colorado Water Resources and Power Development Authority Note Payable

During 1998, the City issued a \$15,433,355 note payable to the Colorado Resources and Power Development Authority. The note was utilized to provide additional funding for the construction of the Colorado Big Thompson pipeline. The note requires semi-annual principal and interest payments due on June 1st and December 1st of each year. The payments range from \$232,708 to \$560,557 and are payable through June 2019. The loan bears interest at a rate of 2.465% per annum.

The loan contains prepayment provisions as well as various restrictive requirements including a rate covenant, maintenance of a three month operating reserve and covenants related to the issuance of additional debt. The City is in compliance with these covenants.

2015 Water Revenue Refunding bond

During 2015, the City issued a \$14,635,000 Water Revenue Refunding Bond to NBH Bank, N.A. The bond was issued for the redemption of the remaining portion of the 1995 Colorado Water Conservation Board Note Payable, the 1999 Colorado Water Conservation Board Note Payable, and the 1999A and 1999B USDA Revenue Bonds. The note requires annual principal payments due on December 1st and semi-annual interest payments due on June 1st and December 1st of each year. The payments range from \$801,403 to \$1,262,157 annually and are payable through December 2029. The loan bears interest at a rate of 3.130% per annum.

The annual requirements to amortize all outstanding business-type activities long-term debt, excluding capital lease obligations, are as follows:

Year	Business-type Activities		
	Principal	Interest	Total
2018	\$ 1,978,245	\$ 415,889	\$ 2,394,134
2019	1,435,933	366,219	1,802,152
2020	920,000	338,742	1,258,742
2021	950,000	308,620	1,258,620
2022	980,000	278,472	1,258,472
2023-2027	5,390,000	905,982	6,295,982
2028-2029	2,405,000	115,247	2,520,247
Total	\$ 14,059,178	\$ 2,729,171	\$ 16,788,349

8. Pension Plans

Fort Morgan Volunteer Fire Department Pension Plan

Plan Description. The City has established the Volunteer Firefighters' Pension Plan (the "Plan"), an agent multiple-employer defined benefit pension plan administered by the FPPA. As of December 31, 2017, the Plan has 40 retirees and beneficiaries, 3 inactive, nonretired members, and 30 active current members. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits Provided. The plan provides for a monthly pension of \$425 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. The plan also provides a funeral benefit, lump sum one time only payment of \$850.

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Funding Policy. The Plan receives contributions from the City’s general fund in the amount that agrees to the actuarial study. Contributions are established and may be amended by the City’s Pension Board. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2017, indicated that the current levels of contributions to the fund are not adequate to support on an actuarially sound basis the prospective benefits for the present Plan. Contributions to the Plan from the City were \$91,820 for the year ended December 31, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2017, the City reported a liability of \$1,364,290. The net pension liability was measured as of December 31, 2016, and was determined by an actuarial valuation as of January 1, 2017. This measurement date is within one year of the plan sponsor’s fiscal year end of December 31, 2017 and may be used for December 31, 2017 reporting purposes.

For the year ended December 31, 2017, the City recognized pension expense of \$157,766. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,523	\$ -
Net difference between projected and actual earnings on pension plan investments	64,751	-
Changes of Assumptions or other inputs	49,045	-
City contributions subsequent to the measurement date	91,820	-
	\$ 265,139	\$ -

The \$91,820 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year 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
2018	\$ 51,420
2019	48,557
2020	45,734
2021	27,608
	\$ 173,319

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Actuarial Assumptions: The total pension liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed fair value
Inflation	3%
Salary Increases	N/A
Investment Rate of Return	7.5%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2015 and the associated Actuarially Determined Contribution for the year ending December 31, 2016. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2017 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations.

The primary changes, which can be observed in the January 1, 2017 valuation, as compared to the assumptions shown are as follows:

Inflation	2.50%
Mortality	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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 long-term 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

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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%. Projected cash flows used in determining the Single Discount Rate are available upon request.

Long-term expected return on plan assets. 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 which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund’s target asset allocation as of December 31, 2016 are summarized in the table below:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36%	6.75%
Equity Long/Short	10%	4.85%
Illiquid Alternatives	23%	8.25%
Fixed Income	15%	0.50%
Absolute Return	10%	4.05%
Managed Futures	4%	3.00%
Cash	2%	0.00%*
Total	100%	

*While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.50 percent, as well as what the City’s proportionate share of the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Net pension liability/(asset)	\$1,649,347	\$1,364,290	\$1,127,982

FPPA System Description. The Fire & Police Pension Association administers an agent multiple employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

City of Fort Morgan Police Department Money Purchase Pension Plan

Plan Description. The money purchase pension plan is a defined contribution plan, with benefits dependent on amounts contributed to the plan and investment earnings. Employees are eligible to participate from the date of employment. All changes to the plan must be approved by the City Council.

Funding Policy. The City and employees each contribute 8% of covered salary, with the rate increased to 10% effective October 1, 2007, to 11.9% effective January 1, 2008 and to 12.8% effective January 1, 2009. The City’s contributions vest with the employee at 50% after being with the City 5 years and increase 10%

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annually thereafter until the employee is 100% vested. Forfeited contributions and related earnings on investments are used to offset the City's current contributions.

During 2017, the City's covered payroll under the plan was \$1,843,590. The City made all required contributions for the plan year. The City has contributed \$191,677, \$141,034, and \$92,718, for the years ended December 31, 2017, 2016, and 2015, respectively.

City of Fort Morgan Police Old Hire Pension Fund

Plan Description. City police officers that did not transfer to the Money Purchase Pension Plan participate in the City of Fort Morgan Police Old Hire Pension Fund, an agent multiple-employer public retirement program administered by the FPPA. As of December 31, 2017, the Plan has three retired members. FPPA issues an annual, publicly-available financial report that includes the assets of the Old Hire Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits Provided. The defined benefit plan provides retirement benefits for members and beneficiaries. Members are eligible to retire upon completion of 25 years of service or the completion of 20 years of service and reaching 55 years of age.

Funding Policy. The plan receives contributions from the City in the amount as required by the actuarial valuation for the plan. Contributions are established and may be amended by the City's Pension Board. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2016, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan. Contributions to the Plan from the City were \$99,660 for the year ended December 31, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2017, the City reported a net pension liability of \$847,467. The net pension liability was measured as of December 31, 2016, and was determined by an actuarial valuation as of January 1, 2016. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2017 and may be used for December 31, 2017 reporting purposes.

For the year ended December 31, 2017, the City recognized pension expense of \$99,221. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 25,397	\$ -
City contributions subsequent to the measurement date	99,660	-
	\$ 125,057	\$ -

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The \$99,660 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year 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
2018	\$ 8,046
2019	8,045
2020	7,361
2021	1,945
	\$ 25,397

Actuarial Assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	13 years
Asset Valuation Method	5-year smoothed fair value
Inflation	3%
Salary Increases	N/A
Investment Rate of Return	7.5%
Retirement Age	Any remaining actives are assumed to be retired immediately.
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.

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 long-term 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%. Projected cash flows used in determining the Single Discount Rate are available upon request.

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Long-term expected return on plan assets. 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 which eliminates the 2.5% inflation assumption, 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%	6.75%
Equity Long/Short	10%	4.85%
Illiquid Alternatives	23%	8.25%
Fixed Income	15%	0.50%
Absolute Return	10%	4.05%
Managed Futures	4%	3.00%
Cash	2%	0.00%
Total	100%	

*While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

Sensitivity of the City’s net pension liability to changes in the discount rate. The following presents the net pension asset calculated using the discount rate of 7.50 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Net pension liability/(asset)	\$935,647	\$847,467	\$770,208

FPPA System Description. The Fire & Police Pension Association administers an agent multiple employer PERS. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

The City provides pension benefits to all of its full-time police officers through either its “Money Purchase Pension Plan” or through the “Old Hire Plan”.

General Employee Pension Plan

Plan description. Eligible employees of the City are provided with pensions through the Local Government Division Trust Fund—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes administrative rules set forth at 8 C.C.R. 1502-1, 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. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments ("COLAs"), referred to as annual increases in the CRS Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers ("CPI-W") for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

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Contributions. Eligible employees and the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under CRS § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF¹	12.68%

¹Rates are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$823,495 for the year ended December 31, 2017.

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

At December 31, 2017, the City reported a liability of \$14,353,748 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The City's proportion of the net pension liability was based on City contributions to the LGDTF for the calendar year 2016 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2017, the City's proportion was 1.0630 percent, which was an increase of .0322 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$2,769,929. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 255,432	\$ -
Changes of assumptions or other inputs	1,018,136	41,509
Net difference between projected and actual earnings on pension plan investments	1,723,822	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	159,867	-
District contributions subsequent to the measurement date	823,495	-
Total	\$ 3,980,752	\$ 41,509

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The \$823,495 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year 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
2018	\$ 1,825,237
2019	779,679
2020	481,965
2021	28,867
	\$ 3,115,748

Actuarial assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 - 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 - 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2017. As a result of the October 28, 2017 actuarial assumptions workshop and the November 18, 2017 PERA Board meeting, the economic assumptions changed, effective December 31, 2017, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.

City of Fort Morgan, Colorado
Notes to Financial Statements
December 31, 2017

- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2017.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

City of Fort Morgan, Colorado
Notes to Financial Statements
December 31, 2017

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, LGDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent, 0.25 percent higher compared to the current measurement date.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.250 percent, as well as what the City’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
City’s proportionate share of the net pension liability	\$21,163,943	\$14,353,748	\$8,703,530

Pension plan fiduciary net position. Detailed information about the LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

City of Fort Morgan, Colorado
Notes to Financial Statements
December 31, 2017

9. Post Employment Healthcare Benefits

The City contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCTF provides a healthcare premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. The report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado, 80203.

The City is required to contribute 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City are established by Title 24, Article 51, Part 4 of the CRS, as amended. The City made all required contributions for the year ended December 31, 2017. The City has contributed \$66,243, \$65,929, and \$57,206 for the years ended December 31, 2017, 2016 and 2015, respectively.

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City carries commercial insurance. The City consolidates all of its risk management activities into the Self Insurance Fund. Premiums are paid into the Risk Related Insurance Fund and are available to pay commercial insurance premiums, claims, and administrative costs of insurance related activities. The amounts of settlements have not exceeded insurance coverage the past three years, nor were there any significant changes in insurance coverage.

11. Contingencies

Grants and Contributions

The City participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2017, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

Litigation

At times, the City may be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business. Management believes that any liability that may ultimately results from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the City.

12. Compliance

In November 1992, Colorado voters passed an amendment (the “Amendment” or “TABOR”) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts,

City of Fort Morgan, Colorado
Notes to Financial Statements
December 31, 2017

property sales, fund transfers, damage awards, and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the City under specified voting requirements by the entire electorate.

On November 7, 1995, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1996 and subsequent years, notwithstanding the provisions of the Amendment.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). At December 31, 2017 the City has restricted \$475,404 in the General Fund for emergencies as defined under Article X, Section 20 of the Colorado Constitution.

The City believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

13. Subsequent Events

The City evaluated subsequent events through June 19, 2018, the date these financial statements were available to be issued. Effective January 1, 2018, the City’s sales tax rate was raised from 3.0% to 4.0%. No additional subsequent events were identified that required recognition or additional disclosure in these financial statements.

Required Supplementary Information

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes				
Property taxes	\$ 1,350,000	\$ 1,350,000	\$ 1,610,623	\$ 260,623
Specific ownership taxes	145,000	145,000	174,109	29,109
Sales taxes	3,800,000	3,800,000	4,908,514	1,108,514
Use taxes	60,000	60,000	113,054	53,054
Franchise taxes	81,000	81,000	90,819	9,819
Total taxes	5,436,000	5,436,000	6,897,119	1,461,119
Licenses and permits				
Building permits	30,000	30,000	37,422	7,422
Liquor licenses	5,750	5,750	7,905	2,155
Other licenses and permits	9,450	9,450	12,171	2,721
Total licenses and permits	45,200	45,200	57,498	12,298
Intergovernmental				
Road and bridge	270,000	270,000	455,699	185,699
Motor vehicle fees	37,500	37,500	67,128	29,628
Severance and mineral taxes	60,000	60,000	51,093	(8,907)
Cigarette taxes	30,000	30,000	26,495	(3,505)
In lieu of taxes	3,856,000	3,856,000	4,049,730	193,730
Federal grants	1,200	1,200	2,107	907
State grants	10,300	10,300	4,792	(5,508)
Other intergovernmental revenues	152,260	152,260	82,244	(70,016)
Total intergovernmental	4,417,260	4,417,260	4,739,288	322,028
Charges for services				
Recreation fees	513,750	513,750	589,314	75,564
Cemetery fees	56,000	56,000	83,445	27,445
Other charges for services	106,000	106,000	121,542	15,542
Total charges for services	675,750	675,750	794,301	118,551
Fines and forfeitures				
Traffic fines	60,000	60,000	72,761	12,761
Parking fines	17,500	17,500	13,825	(3,675)
Other fines and forfeitures	140,600	140,600	111,819	(28,781)
Total fines and forfeitures	218,100	218,100	198,405	(19,695)
Miscellaneous revenues				
Rents	-	-	12,734	12,734
Airport fees	5,000	5,000	6,746	1,746
Donations	3,000	3,000	3,363	363
Other revenues	25,000	25,000	30,135	5,135
Total miscellaneous revenues	33,000	33,000	52,978	19,978
Earnings on investments	8,000	8,000	99,219	91,219
Total revenues	10,833,310	10,833,310	12,838,808	2,005,498

Continued.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund (Continued)
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Expenditures				
Current:				
General government				
Mayor and council	56,543	56,543	54,818	1,725
City manager	157,800	157,800	149,456	8,344
Finance	100,078	100,078	81,520	18,558
City clerk	67,146	67,146	60,677	6,469
City attorney	75,267	75,267	66,681	8,586
Human resources	138,785	138,785	115,705	23,080
Other general government	474,146	474,146	482,799	(8,653)
Total general government	1,069,765	1,069,765	1,011,656	58,109
Public safety				
Police	3,447,087	3,447,087	3,259,093	187,994
Fire	616,887	616,887	525,631	91,256
Building inspections	270,445	270,445	253,315	17,130
Municipal court	239,838	239,838	218,005	21,833
Total public safety	4,574,257	4,574,257	4,256,044	318,213
Community development and public works				
Airport	95,021	95,021	68,577	26,444
Street	1,424,073	1,424,073	1,195,134	228,939
Total community development and public works	1,519,094	1,519,094	1,263,711	255,383
Parks and recreation				
Recreation/senior center	634,347	634,347	575,605	58,742
Parks/cemetery	1,407,922	1,407,922	1,378,096	29,826
Library/museum	688,681	688,681	624,297	64,384
Community services	123,011	123,011	111,570	11,441
Golf	814,400	814,400	747,333	67,067
Total parks and recreation	3,668,361	3,668,361	3,436,901	231,460
Total expenditures	10,831,477	10,831,477	9,968,312	863,165
Excess of revenues over expenditures	\$ 1,833	\$ 1,833	2,870,496	\$ 2,868,663
Fund balance at beginning of year			19,843,094	
Fund balance at end of year			\$ 22,713,590	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Capital Improvement Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Sales taxes	\$ 1,852,500	\$ 1,852,500	\$ 2,417,993	\$ 565,493
Use taxes	30,000	30,000	56,363	26,363
Total taxes	1,882,500	1,882,500	2,474,356	591,856
Intergovernmental				
Highway users taxes	300,000	300,000	343,824	43,824
Federal grants	487,000	487,000	139,804	(347,196)
State grants	71,250	71,250	37,767	(33,483)
Total intergovernmental	858,250	858,250	521,395	(336,855)
Miscellaneous revenues				
Other revenues	502,000	502,000	4,869	(497,131)
Total miscellaneous revenues	502,000	502,000	4,869	(497,131)
Earnings on investments	210	210	12,796	12,586
Total revenues	3,242,960	3,242,960	3,013,416	(229,544)
Expenditures				
Debt service	-	-	6,333	(6,333)
Capital outlay	3,113,700	3,113,700	2,555,030	558,670
Total expenditures	3,113,700	3,113,700	2,561,363	552,337
Excess of revenues over expenditures	\$ 129,260	\$ 129,260	452,053	\$ 322,793
Fund balance at beginning of year			2,436,126	
Fund balance at end of year			\$ 2,888,179	

See accompanying Independent Auditor's Report.

City of Fort Morgan
Schedule of the City's Proportionate Share of the Net Pension Liability
PERA - Local Government Division Trust Fund
Last Ten Years

December 31,	2017	2016	2015	2014
PERA - Local Government Division Trust Fund				
City's proportion of the net pension liability	\$ 14,353,748	\$ 11,355,343	\$ 9,185,308	\$ 8,630,139
City's proportionate share of the net pension liability	1.0630%	1.0308%	1.0248%	1.0487%
City's covered payroll	\$ 6,463,667	\$ 5,608,494	\$ 5,614,826	\$ 5,592,808
City's proportionate share of the net pension liability as a percentage of its covered payroll	222.07%	202.47%	163.59%	154.31%
Plan fiduciary net position as a percentage of the total pension	73.60%	76.90%	80.70%	77.66%

* The amounts presented for each fiscal year were determined as of 12/31 of the prior year.

Information for measurement dates of December 31, 2007 through 2013 was not available to report.

See accompanying Independent Auditor's Report.

City of Fort Morgan
Schedule of City Contributions
PERA - Local Government Division Trust Fund
Last Ten Years

Year Ended December 31,	2017	2016	2015	2014
PERA - Local Government Division Trust Fund				
Statutorily Required Contribution	\$ 823,495	\$ 819,593	\$ 711,157	\$ 711,960
Contributions in Relation to the Statutorily Required Contribution	823,495	819,593	711,157	711,960
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,494,440	\$ 6,463,667	\$ 5,608,494	\$ 5,614,826
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%

2013	2012	2011	2010	2009	2008
\$ 709,168	\$ 740,544	\$ 731,229	\$ 798,674	\$ 747,808	\$ 673,448
709,168	740,544	731,229	798,674	747,808	673,448
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,592,808	\$ 5,840,252	\$ 5,766,790	\$ 6,298,691	\$ 6,348,115	\$ 6,189,779
12.68%	12.68%	12.68%	12.68%	11.78%	10.88%

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Changes in Net Pension Liability/(Asset)
and Related Ratios - Volunteer Firefighters' Pension Plan

Last Ten Years

Measurement Period Ending December 31,	2016	2015	2014
Total Pension Liability			
Service cost	\$ 6,762	\$ 6,762	\$ 8,248
Interest on the total pension liability	172,780	173,568	172,901
Benefit changes	-	-	-
Difference between expected and actual experience	74,419	-	15,981
Changes of assumptions	66,544	-	-
Benefit payments	(192,785)	(188,933)	(186,150)
Net Change in Total Pension Liability	127,720	(8,603)	10,980
Total Pension Liability - Beginning	2,395,070	2,403,673	2,392,693
Total Pension Liability - Ending	\$ 2,522,790	\$ 2,395,070	\$ 2,403,673
Plan Fiduciary Net Position			
Employer contribution	\$ 76,585	\$ 150,177	\$ -
Pension plan net investment income	56,550	21,490	74,859
Benefit payments	(192,785)	(188,933)	(186,150)
Pension plan administrative expenses	(1,983)	(4,331)	(2,096)
State of Colorado supplemental discretionary payment	58,447	51,759	52,299
Net Change in Plan Fiduciary Net Position	(3,186)	30,162	(61,088)
Plan Fiduciary Net Position - Beginning	1,161,686	1,131,524	1,192,612
Plan Fiduciary Net Position - Ending	\$ 1,158,500	\$ 1,161,686	\$ 1,131,524
Net Pension Liability/(Asset) - Ending	\$ 1,364,290	\$ 1,233,384	\$ 1,272,149
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	45.92%	48.50%	47.07%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

Information for measurement dates of December 31, 2007 through 2013 was not available to report.

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Changes in Net Pension Liability/(Asset)
and Related Ratios - Old Hire Pension Plan

Last Ten Years

Measurement Period Ending December 31,	2016	2015	2014
Total Pension Liability			
Service cost	\$ -	\$ -	\$ -
Interest on the total pension liability	93,409	85,215	87,774
Benefit changes	25,867	20,635	26,685
Difference between expected and actual experience	-	61,360	-
Changes of assumptions	-	67,767	-
Benefit payments	(150,126)	(153,012)	(144,297)
Net Change in Total Pension Liability	(30,850)	81,965	(29,838)
Total Pension Liability - Beginning	1,293,293	1,211,328	1,241,166
Total Pension Liability - Ending	\$ 1,262,443	\$ 1,293,293	\$ 1,211,328
Plan Fiduciary Net Position			
Employer contributions	\$ 88,699	\$ 88,680	\$ 81,155
Employee contributions	-	-	-
Pension plan net investment income	22,220	9,099	35,113
Benefit payments	(150,126)	(153,012)	(144,297)
Pension plan administrative expenses	(3,848)	(1,054)	(5,135)
Net Change in Plan Fiduciary Net Position	(43,055)	(56,287)	(33,164)
Plan Fiduciary Net Position - Beginning	458,031	514,318	547,482
Plan Fiduciary Net Position - Ending	\$ 414,976	\$ 458,031	\$ 514,318
Net Pension Liability/(Asset) - Ending	\$ 847,467	\$ 835,262	\$ 697,010
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	32.87%	35.42%	42.46%
Covered Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

Information for measurement dates of December 31, 2007 through 2013 was not available to report.

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Contributions
Volunteer Firefighters' Pension Plan

Last Ten Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2008	\$ 73,494	\$ 73,494	\$ -	N/A	N/A
2009	89,541	89,541	-	N/A	N/A
2010	108,574	108,574	-	N/A	N/A
2011	108,574	108,574	-	N/A	N/A
2012	108,574	108,574	-	N/A	N/A
2013	108,574	108,574	-	N/A	N/A
2014	125,891	52,299	73,592	N/A	N/A
2015	125,891	201,936	(76,045)	N/A	N/A
2016	128,344	135,032	(6,688)	N/A	N/A
2017	128,344	91,820	36,524	N/A	N/A

See accompanying Independent Auditor's Report.

Notes to Schedule of Contributions:

Actual Contribution:

Amounts include both employer contributions and the State of Colorado Supplemental Discretionary Payment.

Valuation Date:

Actuarially determined contributions rates are calculated as of January 1 of odd number years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017.

City of Fort Morgan, Colorado
Schedule of Contributions
Old Hire Pension Plan

Last Ten Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2008	\$ 76,515	\$ 76,515	\$ -	N/A	N/A
2009	184,801	184,801	-	N/A	N/A
2010	73,322	73,322	-	N/A	N/A
2011	92,988	73,272	19,716	N/A	N/A
2012	92,988	112,988	(20,000)	N/A	N/A
2013	79,953	81,115	(1,162)	N/A	N/A
2014	81,155	81,155	-	N/A	N/A
2015	88,699	88,680	19	N/A	N/A
2016	88,699	88,699	-	N/A	N/A
2017	96,352	99,660	(3,308)	N/A	N/A

See accompanying Independent Auditor's Report.

Notes to Schedule of Contributions:

Valuation Date:

Actuarially determined contributions rates are calculated as of January 1 of odd number years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2016, determines the contribution amounts for 2017 and 2018.

Other Supplementary Information

City of Fort Morgan, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Conservation Trust Fund	Police Forfeiture Fund	Total Nonmajor Governmental Funds
Assets			
Cash, cash equivalents and investments	\$ 513,430	\$ -	\$ 513,430
Restricted cash, cash equivalents and investments	-	42,580	42,580
Total assets	\$ 513,430	\$ 42,580	\$ 556,010
Fund balances			
Restricted for:			
Parks and recreation	513,430	-	513,430
Public safety	-	42,580	42,580
Total fund balances	513,430	42,580	556,010
Total liabilities, deferred inflows of resources and fund balances	\$ 513,430	\$ 42,580	\$ 556,010

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2017

	Conservation Trust Fund	Police Forfeiture Fund	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$ 111,169	\$ -	\$ 111,169
Earnings on investments	-	50	50
Total revenues	111,169	50	111,219
Expenditures			
Current:			
Capital outlay	44,047	-	44,047
Total expenditures	44,047	-	44,047
Excess (deficiency) of revenues over expenditures	67,122	50	67,172
Other financing sources			
Gain on sale of capital assets	-	3,150	3,150
Net change in fund balance	67,122	3,200	70,322
Fund balance at beginning of year	446,308	39,380	485,688
Fund balance at end of year	\$ 513,430	\$ 42,580	\$ 556,010

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Conservation Trust Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental State grants	\$ 100,000	\$ 100,000	\$ 111,169	\$ 11,169
Total revenues	100,000	100,000	111,169	11,169
Expenditures				
Capital outlay	100,000	100,000	44,047	55,953
Total expenditures	100,000	100,000	44,047	55,953
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	67,122	\$ 67,122
Fund balance at beginning of year			446,308	
Fund balance at end of year			<u>\$ 513,430</u>	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Police Forfeiture Fund
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$ 65	\$ 65	\$ 50	\$ (15)
Total revenues	65	65	50	(15)
Expenditures				
Capital outlay	6,465	6,465	-	6,465
Total expenditures	6,465	6,465	-	6,465
Excess (deficiency) of revenues over expenditures	(6,400)	(6,400)	50	6,450
Other financing sources				
Gain on sale of fixed assets	-	-	3,150	3,150
Transfers in	6,400	6,400	-	(6,400)
Excess of revenues over expenditures and other financing sources	\$ -	\$ -	3,200	\$ 3,200
Fund balance at beginning of year			<u>39,380</u>	
Fund balance at end of year			<u>\$ 42,580</u>	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2017

	Enterprise Funds		Total
	Sanitation Fund	Fiber Network Fund	
Assets			
Current assets			
Cash, cash equivalents and investments	\$ 1,967,791	\$ 10,133	\$ 1,977,924
Accounts receivable	128,631	-	128,631
Prepaid items	99	-	99
Total current assets	2,096,521	10,133	2,106,654
Noncurrent assets			
Property and equipment	1,566,517	416,780	1,983,297
Accumulated depreciation	(1,132,545)	(252,195)	(1,384,740)
Total noncurrent assets	433,972	164,585	598,557
Total assets	2,530,493	174,718	2,705,211
Deferred outflows of resources			
Deferred outflows of resources relating to pensions	101,065	-	101,065
Liabilities			
Accounts payable	29,966	-	29,966
Accrued expenses	3,291	-	3,291
Compensated absences payable	7,518	-	7,518
Net pension liability	364,418	-	364,418
Total liabilities	405,193	-	405,193
Deferred inflows of resources			
Deferred inflows of resources relating to pensions	1,054	-	1,054
Net position			
Net investment in capital assets	433,972	164,585	598,557
Unrestricted	1,791,339	10,133	1,801,472
Total net position	\$ 2,225,311	\$ 174,718	\$ 2,400,029

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
Year Ended December 31, 2017

	Enterprise Funds		Total
	Sanitation Fund	Fiber Network Fund	
Operating revenues			
Charges for services	\$ 1,193,620	\$ -	\$ 1,193,620
Operating expenses			
Transmission, distribution and collection	849,088	-	849,088
In lieu of fees	59,724	-	59,724
Administrative support allocation	179,010	-	179,010
Depreciation	111,263	10,025	121,288
Total operating expenses	1,199,085	10,025	1,209,110
Operating income (loss)	(5,465)	(10,025)	(15,490)
Nonoperating revenues (expenses)			
Earnings on investments	10,046	-	10,046
Other income	1,000	-	1,000
Total other revenues (expenses)	11,046	-	11,046
Change in net position	5,581	(10,025)	(4,444)
Net position at beginning of year	2,219,730	184,743	2,404,473
Net position at end of year	\$ 2,225,311	\$ 174,718	\$ 2,400,029

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Year Ended December 31, 2017

	Enterprise Funds		Total
	Sanitation Fund	Fiber Network Fund	
Cash flows from operating activities			
Cash received from customers	\$ 1,186,273	\$ -	\$ 1,186,273
Cash payments to suppliers	(764,024)	-	(764,024)
Cash payments to employees	(280,243)	-	(280,243)
Net cash flows from operating activities	142,006	-	142,006
Cash flows from non-capital financing activities			
Other income	1,000	-	1,000
Net cash flows from non-capital financing activities	1,000	-	1,000
Cash flows from investing activities			
Earnings on investments	10,046	-	10,046
Net cash flows from investing activities	10,046	-	10,046
Net change in cash and cash equivalents	153,052	-	153,052
Cash and cash equivalents at beginning of year	1,814,739	10,133	1,824,872
Cash and cash equivalents at end of year	1,967,791	\$ 10,133	\$ 1,977,924
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ (5,465)	\$ (10,025)	\$ (15,490)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	111,263	10,025	121,288
(Increase) decrease in operating assets:			
Accounts receivable	(7,347)	-	(7,347)
Prepaid items	(8)	-	(8)
Increase (decrease) in operating liabilities:			
Accounts payable and accrued liabilities	(8,066)	-	(8,066)
Compensated absences	(1,689)	-	(1,689)
Net pension liability and related deferred inflows and outflows of resources	53,318	-	53,318
Net cash flows from operating activities	\$ 142,006	\$ -	\$ 142,006

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Electric Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 23,094,000	\$ 23,094,000	\$ 21,301,618	\$ (1,792,382)
Expenditures				
Transmission, distribution and collection	2,652,902	2,652,902	1,801,043	851,859
Commodities	16,000,000	16,000,000	15,159,588	840,412
General administration	460,387	460,387	1,181,667	(721,280)
In lieu of fees	2,800,000	2,800,000	2,983,996	(183,996)
Capital outlay	3,680,000	3,680,000	1,952,155	1,727,845
Total expenditures	25,593,289	25,593,289	23,078,449	2,514,840
Excess (deficiency) of operating revenues over expenditures	(2,499,289)	(2,499,289)	(1,776,831)	722,458
Other revenues				
Earnings on investments	35,200	35,200	81,939	46,739
Rents	28,600	28,600	28,680	80
Other revenues	53,700	53,700	269,355	215,655
Transfer in	2,381,789	2,381,789	-	(2,381,789)
Total other revenues	2,499,289	2,499,289	379,974	(2,119,315)
Change in net position - budgetary basis	\$ -	\$ -	(1,396,857)	\$ (1,396,857)
Reconciliation to GAAP basis				
Capital outlay			1,952,155	
Depreciation			(676,363)	
Change in net position - GAAP basis			(121,065)	
Net position at beginning of year			18,061,766	
Net position at end of year			\$ 17,940,701	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Water Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Operating revenues				
Charges for services	\$ 7,035,000	\$ 7,035,000	\$ 8,590,849	\$ 1,555,849
Expenditures				
Transmission, distribution and collection	1,173,559	1,173,559	1,207,964	(34,405)
Treatment	2,472,085	2,472,085	2,440,970	31,115
General administration	484,344	484,344	454,041	30,303
Debt service:				
Principal	1,782,200	1,782,200	1,782,200	-
Interest	524,505	524,505	516,812	7,693
Capital outlay	1,430,000	1,430,000	852,193	577,807
Total expenditures	7,866,693	7,866,693	7,254,180	612,513
Excess (deficiency) of operating revenues over expenditures	(831,693)	(831,693)	1,336,669	2,168,362
Other revenues				
Earnings on investments	40,000	40,000	86,824	46,824
Other revenues	10,000	10,000	15,442	5,442
Transfers from other funds	676,693	676,693	-	(676,693)
Total other revenues	726,693	726,693	102,266	(624,427)
Change in net position before contributions	(105,000)	(105,000)	1,438,935	1,543,935
Capital contributions				
Capital contributions	-	-	457,100	457,100
Plant investment fees	105,000	105,000	261,721	156,721
Change in net position - budgetary basis	\$ -	\$ -	2,157,756	\$ 2,157,756
Reconciliation to GAAP basis				
Principal			1,782,200	
Capital outlay			852,193	
Depreciation			(1,349,893)	
Change in net position - GAAP basis			3,442,256	
Net position at beginning of year			40,105,879	
Net position at end of year			\$ 43,548,135	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Gas Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 4,740,000	\$ 4,740,000	\$ 4,367,823	\$ (372,177)
Expenditures				
Transmission, distribution and collection	783,520	783,520	820,458	(36,938)
Commodities	2,800,000	2,800,000	2,322,039	477,961
General administration	447,477	447,477	417,484	29,993
In lieu of fees	900,000	900,000	906,669	(6,669)
Total expenditures	4,930,997	4,930,997	4,466,650	464,347
Deficiency of operating revenues over expenditures	(190,997)	(190,997)	(98,827)	92,170
Other revenues				
Earnings on investments	8,500	8,500	28,115	19,615
Other revenues	25,000	25,000	61,783	36,783
Transfers in	157,497	157,497	-	(157,497)
Total other revenues	190,997	190,997	89,898	(101,099)
Change in net position - budgetary basis	\$ -	\$ -	(8,929)	\$ (8,929)
Reconciliation to GAAP basis				
Depreciation			(154,353)	
Change in net position - GAAP basis			(163,282)	
Net position at beginning of year			6,071,513	
Net position at end of year			\$ 5,908,231	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Waste Water Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating revenues				
Charges for services	\$ 2,020,000	\$ 2,020,000	\$ 2,179,152	\$ 159,152
Expenditures				
Transmission, distribution and collection	516,460	516,460	629,204	(112,744)
Treatment	876,219	876,219	782,165	94,054
Administrative support allocation	351,822	351,822	331,480	20,342
In lieu of fees	96,000	96,000	99,341	(3,341)
Capital outlay	545,000	545,000	477,270	67,730
Total expenditures	2,385,501	2,385,501	2,319,460	66,041
Deficiency of operating revenues over expenditures	(365,501)	(365,501)	(140,308)	225,193
Other revenues				
Earnings on investments	55,000	55,000	53,292	(1,708)
Other revenues	226,000	226,000	71,501	(154,499)
Transfers in	101,000	101,000	-	(101,000)
Total other revenues	382,000	382,000	124,793	(257,207)
Change in net position before contributions	16,499	16,499	(15,515)	(32,014)
Capital contributions				
Plant investment fees	18,000	18,000	20,000	2,000
Change in net position - budgetary basis	\$ 34,499	\$ 34,499	4,485	\$ (30,014)
Reconciliation to GAAP basis				
Capital outlay			477,270	
Depreciation			(560,669)	
Change in net position - GAAP basis			(78,914)	
Net position at beginning of year			15,214,526	
Net position at end of year			\$ 15,135,612	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Sanitation Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 1,168,500	\$ 1,168,500	\$ 1,193,620	\$ 25,120
Expenditures				
Transmission, distribution and collection	833,636	833,636	849,088	(15,452)
In lieu of fees	60,000	60,000	59,724	276
Administrative support allocation	196,633	196,633	179,010	17,623
Total expenditures	1,090,269	1,090,269	1,087,822	2,447
Deficiency of operating revenues over expenditures	78,231	78,231	105,798	27,567
Other revenues				
Earnings on investments	2,500	2,500	10,046	7,546
Other income	-	-	1,000	1,000
Total other revenues	2,500	2,500	11,046	8,546
Change in net position - budgetary basis	\$ 80,731	\$ 80,731	116,844	\$ 36,113
Reconciliation to GAAP basis				
Depreciation			(111,263)	
Change in net position - GAAP basis			5,581	
Net position at beginning of year			2,219,730	
Net position at end of year			\$ 2,225,311	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Self Insurance Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 3,488,147	\$ 3,488,147	\$ 3,454,835	\$ (33,312)
Total operating revenues	3,488,147	3,488,147	3,454,835	(33,312)
Expenditures				
Self insurance premiums	707,040	707,040	1,106,001	(398,961)
Self insurance claims	2,993,150	2,993,150	1,656,211	1,336,939
General administration	115,000	115,000	98,829	16,171
Total expenditures	3,815,190	3,815,190	2,861,041	954,149
Excess (deficiency) of operating revenues over expenditures	(327,043)	(327,043)	593,794	920,837
Other financing sources				
Earnings on investments	4,000	4,000	6,528	2,528
Transfers in	323,043	323,043	-	(323,043)
Total other financing sources	327,043	327,043	6,528	(320,515)
Change in net position - budgetary basis	\$ -	\$ -	600,322	\$ 600,322
Net position at beginning of year			3,792,107	
Net position at end of year			<u>\$ 4,392,429</u>	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Changes in Fiduciary Net Position
Budget and Actual (Non-GAAP Basis)
Cemetery Perpetual Care Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Additions				
Charges for services	\$ 8,500	\$ 8,500	\$ 14,515	\$ 6,015
Earnings on investments	3,400	3,400	2,502	(898)
Total additions	11,900	11,900	17,017	5,117
Deductions				
Transfers out	(1,000)	(1,000)	-	1,000
Total deductions	(1,000)	(1,000)	-	1,000
Change in fiduciary net position - budgetary basis	\$ 10,900	\$ 10,900	17,017	\$ 6,117
Fiduciary net position at beginning of year			648,558	
Fiduciary net position at end of year			\$ 665,575	

See accompanying Independent Auditor's Report.

City of Fort Morgan, Colorado
Schedule of Changes in Fiduciary Net Position
Budget and Actual (Non-GAAP Basis)
Riverview Commons GID Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Additions				
Taxes	\$ 29,200	\$ 29,200	\$ 30,175	\$ 975
Total additions	29,200	29,200	30,175	975
Deductions				
Community development and public works	(29,200)	(29,200)	(30,175)	(975)
Total deductions	(29,200)	(29,200)	(30,175)	(975)
Change in fiduciary net position - budgetary basis	\$ -	\$ -	-	\$ -
Fiduciary net position at beginning of year			(93,522)	
Fiduciary net position at end of year			\$ (93,522)	

See accompanying Independent Auditor's Report.

State Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT		City or County:	
		City of Fort Morgan	Morgan County
This Information From The Records Of the City of Fort Morgan:		YEAR ENDING :	
		December 2017	
Prepared By:		Christina R. Bostron	Gen. Accting Mngr
Phone:		970.542.3964	

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	787,429
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	307,675
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	885,794	b. Snow and ice removal	32,716
3. Other local imposts (from page 2)	629,808	c. Other Street Lighting	2,559
4. Miscellaneous local receipts (from page 2)	84,086	d. Total (a. through c.)	35,275
5. Transfers from toll facilities		4. General administration & miscellaneous	850,754
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	83,534
a. Bonds - Original Issues		6. Total (1 through 5)	2,064,667
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,599,688	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	464,979	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,064,667	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			2,064,667

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,064,667	2,064,667		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	72,761
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	629,808	g. Other Misc. Receipts	
6. Total (1. through 5.)	629,808	h. Other Highway Maintenance	11,325
c. Total (a. + b.)	629,808	i. Total (a. through h.)	84,086
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	343,824	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	43,567	d. Federal Transit Admin	
d. Other (Specify) - Cigarette Tax	26,495	e. U.S. Corps of Engineers	
e. Other (Specify) Severance Tax	51,093	f. Other Federal	
f. Total (a. through e.)	121,155	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	464,979	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		40,819	40,819
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		746,610	746,610
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	746,610	746,610
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	787,429	787,429
			(Carry forward to page 1)

Notes and Comments: