City of Fountain, Colorado

Comprehensive Annual Financial Report

Year ended December 31, 2017

Vision Statement:

"The City of Fountain will honor its small town America heritage, promote a high quality of life for its citizens and provide managed community growth in a safe, secure and stable manner"

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October 10, 2018

City of Fountain, Colorado

Comprehensive Annual Financial Report

Year Ended December 31, 2017

Prepared by:

Finance Department

City of Fountain, Colorado

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City of Fountain
116 South Main Street
Fountain, CO 80817
Voice (719) 322-2020
Fax (719-322-2002

TRANSMITTAL LETTER

August 30, 2018

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Fountain:

The Comprehensive Annual Financial Report (CAFR) of the City of Fountain, Colorado, for the fiscal year ended December 31, 2017, is hereby transmitted. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not outweigh the benefits, the City's internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatements.

The City is required by Colorado law to have an annual audit conducted in accordance with generally accepted auditing standards by an independent certified public accountant licensed to practice in Colorado. The City must then submit the audit report to the Office of the State Auditor.

The City's financial statements have been audited by Hinkle & Company, PC a licensed certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2017 are free from material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2017 are presented fairly and in conformity with Generally Accepted Accounting Principles. The independent auditors' report is presented on the first page of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD &A complements this letter of transmittal and should be read in conjunction with it.

City Profile

The City of Fountain, Colorado, incorporated in 1903, is located on Colorado's Rocky Mountain Front Range, 10 miles south of Colorado Springs. The City occupies 17.9 square miles and serves a population of approximately 29,747.

The City is, by Charter, a Home Rule City with a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the mayor and six other members who are elected by and answer to the citizens of Fountain. A City Manager is appointed by the City Council to run the day-to-day operations of the City.

The City of Fountain provides a full range of services including police, fire, and emergency medical services, street and drainage maintenance, economic development, water and electric utilities, bus transit, parks & recreation, and general administrative services. The Fountain Urban Renewal Authority is a separate legal entity but is reported in the City's financial statement as a component unit.

Local Economy

The largest employer in the Fountain area is Fort Carson with 31,000 military, civilian employees and contractors. The City continues to grow its business commercial base with a diversification among prime employer industries:

- Manufacturing
- Transportation & Logistics
- Motorsports
- Homeland Security
- Renewable Energy

The unemployment rate in the Fountain area has historically been less than the national average due, in part to a growing State economy and its large military presence. The unemployment rate for 2017 was 2.8%, lower than the national average of 4.1% and near full-term employment levels with a Cost-of-Living index 2.3% below the national average.

Construction of new housing and commercial starts in 2017 totaled 174 which is a 53% increase over the 2016 total of 114. For the first six months of 2018, year over year sales tax revenue is 6% higher while use tax from vehicle sales is 8% higher than 2017. Both sales and use tax revenues are in-line with 2018 budgeted projections.

Long-term Financial Planning

In 2008, the City Council embarked on the process of developing the City's first Strategic Plan. The purpose of the endeavor was to help develop a focused vision and mission for the City organization that would be achievable through specific goals and actions of the City Departments. In 2018, the City embarked on a new, updated Strategic Planning process designed to narrow the focus of the City to four (4) Strategic Priorities, and develop appropriate goals and objectives tied directly to those priorities. The developed Strategic Priorities are as follows:

Strategic Priority: Improve the conditions of City-wide transportation infrastructure in order to support enhanced road safety, encourage economic development and improve traffic flow, focused principally on major City transportation corridors, then residential areas.

Strategic Priority: The City will take necessary steps to develop, coordinate and implement initiatives and programs that improve citizen access to telecommunications technology and capabilities.

Strategic Priority: The City will re-assess the distribution of public safety resources and develop, coordinate, and implement necessary plans and initiatives to ensure equal access to such services throughout the City's jurisdiction.

Strategic Priority: Complete necessary coordination and initiate plans to improve the availability of venues which support a variety of community activities, to include athletics, recreation, youth programs, and gatherings. Whenever possible, pursue funding for these activities that leverage a variety of resourcing opportunities, minimizing cost to the Community.

The Strategic Plan serves as a guide for allocating financial resources in the preparation of the biennial budget document. With the biennium beginning January 1, 2011, the City embarked on preparing biennial budgets; however, the City still adopts an annual operating budget of revenues and expenditures for the following year in accordance with State Statute and the City Charter. Included as a part of the City's budget process, the City prepares a five year summary financial plan for the major funds. The plan encompasses both revenue projections and operating and capital expenditures.

Major Initiatives

The City of Fountain is a partner, along with the City of Colorado Springs, Security Water and Sanitation District, and Pueblo West Metropolitan District in the Southern Delivery System (SDS) regional project, which is designed to deliver water through a 53 mile pipeline from Pueblo Reservoir to Upper Williams Creek Reservoir and the SDS Water Treatment plant located east of Colorado Springs. This project is operational and

water is flowing as of May 1, 2016. The City's share of the $753 million project cost is $43 million. The City will capitalize its share of ownership in this project.

During 2017, the City entered into a Energy Performance Contract, through the Colorado Energy Office, to contract with Siemens, Inc. to retrofit and install energy efficiency improvements into City facilities. Specific improvements to various systems impacted include City Hall, Firehouse #2, the Police Department, and the Lorraine Center. The improvements included in this program were designed to be funded through their own energy efficiencies and related cost savings.

Awards and Acknowledgements

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting (CAFR) to the City of Fountain for the fiscal year ended December 31, 2016. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The preparation of this CAFR is made possible by the dedicated service of the entire staff of the Finance Department. Additionally, we thank Hinkle & Company for the assistance and guidance they provided in the preparation of the CAFR and for the professional manner in which they conducted the audit.

We would also like to recognize the Mayor and City Council for their support and continued desire to ensure the highest standards of professionalism in the management of the City's financial affairs.

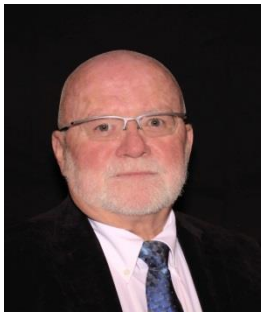
Respectfully submitted,

Scott Trainor
City Manager

Shawna Dail
Deputy Finance Director

CITY COUNCIL

Gabriel Ortega, Mayor
Ward: At Large
Term Expires: 11/2021

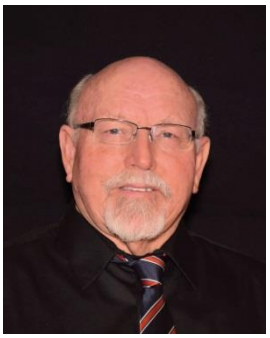


Sam Gieck, Council Member
Ward: #3
Term Expires: 11/2021

Sharon Thompson, Council Member
Ward: #1
Term Expires: 11/2021

Greg Lauer, Council Member
Ward: At Large
Term Expires: 11/2021

Phil Thomas, Council Member
Ward: #2
Term Expires: 11/2019



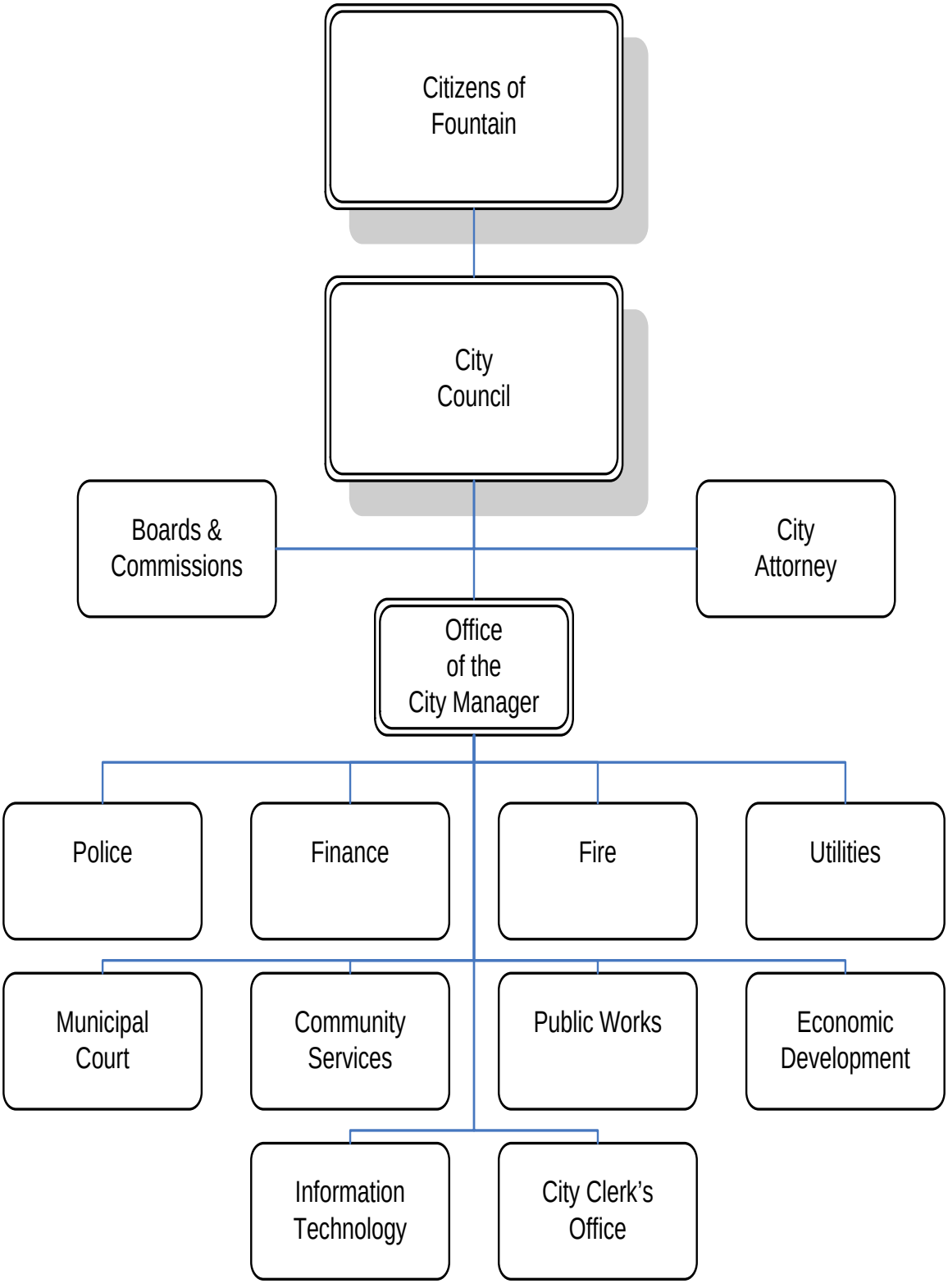
Richard Applegate, Council Member
Ward: At Large Term Expires: 11/2019

Jim Coke, Mayor Pro-Tem
Ward: At Large
Term Expires: 11/2019

CITY STAFF

		City Manager	Scott Trainor
City Clerk	Silvia Huffman	*HR Manager*	Janette Arellano
City Attorney	Troy Johnson	*IT Director*	Paul Lavelle
Court Administrator	Sylvia Simpson	*Planning Director*	Todd Evans
Deputy City Manager	Todd Evans	*Utilities Director*	Curtis Mitchell
Economic Dev. Director	Kimberly Bailey	*Finance Director*	Donald Yucuis
Public Safety Director/ Police Chief	*Chris Heberer*	*Fire Chief*	Darin Anstine

City Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fountain

Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

Financial Section

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Fountain
Fountain, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fountain as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Fountain, 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.

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fountain Urban Renewal Authority, a discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fountain Urban Renewal Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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.

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Opinions
In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fountain as of December 31, 2017, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fountain's basic financial statements. The introductory section, supplementary information, statistical section, and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information and the 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the 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 basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Hinkle & Company, P.C.

Greenwood Village, Colorado
August 30, 2018

MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion and analysis of the City of Fountain's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the City's financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial Highlights

- The assets of the City of Fountain exceeded its liabilities at the close of 2017 by $178 million (net position). Of this amount, $16.3 million (unrestricted net position) may be used to pay the City's obligations to citizens and creditors.
- At December 31, 2017, the City of Fountain's governmental activities reported combined ending net position for restricted and unrestricted of $13.7 million, an increase of $2.3 million in comparison with the prior year. $5.7 million of the unrestricted net position is available for spending at the government's discretion.
- The unrestricted, unassigned fund balance for the General Fund was $4.1 million, or 19.8% of the total General Fund expenditures plus $764,000 restricted for emergencies by the State of Colorado.
- Sales Tax, the City's largest source of General Fund revenue, was $10.3 million for 2017 as compared to $8.9 million for the prior year, an increase of 13.6%.
- New housing construction in Fountain in 2017 included 173 new housing starts and 1 new Commercial start which is 34% higher than the prior year.

Using this Annual Report

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

Government-wide Financial Statements
The government-wide financial statements are designed to provide readers with a broad overview of the City of Fountain's finances, in a manner similar to a private-sector business.

The ***statement of net position*** presents information on all of the City of Fountain's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Fountain is improving or deteriorating.

The ***statement of activities*** presents information showing how the City of Fountain's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Fountain that are principally supported by taxes and intergovernmental revenues (*Governmental Activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities).* The Governmental Activities of the City of

Fountain include General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation and Interest Expense. The Business-type Activities of the City of Fountain include Water, Electric, Ambulance, and Drainage.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Fountain, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

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. The 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 funds statements provide a detailed short-term view of cash, the governmental fund operations and the basic services it provides.

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

Proprietary funds – The *enterprise fund* type of proprietary funds is used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more detail and additional information, such as cash flow. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Fiduciary funds-Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 15 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information.* This supplementary information can be found beginning on page 46 of this report. This includes the City of Fountain's progress in funding its obligation to provide pension benefits to volunteer fire fighters, the Schedule of Funding Progress Postemployment Benefit Plan, the Budgetary Comparison Schedule for the General Fund, and the notes to the required supplementary information.

Supplementary information, including the combining statements, referred to earlier in connection with non-major Governmental Funds and Enterprise Funds, are presented immediately following the required supplementary information on pensions and the General Fund. Combining and individual fund statements and schedules can be found beginning on page 54.

Financial Analysis of the City as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fountain, assets exceeded liabilities by $178 million at the close of 2017, a change of $4.4 million from the end of 2016.

	Governmental Activities		Business-type Activities		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Current and other assets	$20,379	$17,561	$16,581	$21,135	$36,960	$38,696
Capital assets	73,741	72,932	133,184	124,540	206,925	197,472
Total assets	94,120	90,493	149,765	145,675	243,885	236,168
Deferred outflows of resources	541	479	967	1,016	1,508	1495
Long-term liabilities outstanding	7,010	4,510	48,262	49,834	55,272	54,344
Other liabilities	3,651	3,385	6,125	5,632	9,776	9,017
Total liabilities	10,661	7,895	54,387	55,466	65,048	63,361
Deferred inflows of resources	2,347	2,191	0	0	2,347	2,191
Net position:						
Net investment in capital assets	67,964	69,521	85,595	82,159	152,559	151,680
Restricted	7,907	6,698	217	217	8,124	6,915
Unrestricted	5,782	4,667	10,533	10,330	16,315	14,997
Total net position	81,653	80,886	96,345	92,706	177,998	173,592

The largest portion of the City of Fountain's net position (86.3%) is reflected in the net investment in capital assets (e.g. land, buildings, infrastructure, vehicles, equipment, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. 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. Unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

A small portion of the City of Fountain's net position (4.5%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position ($16.4 million) may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in Net Position (in thousands)

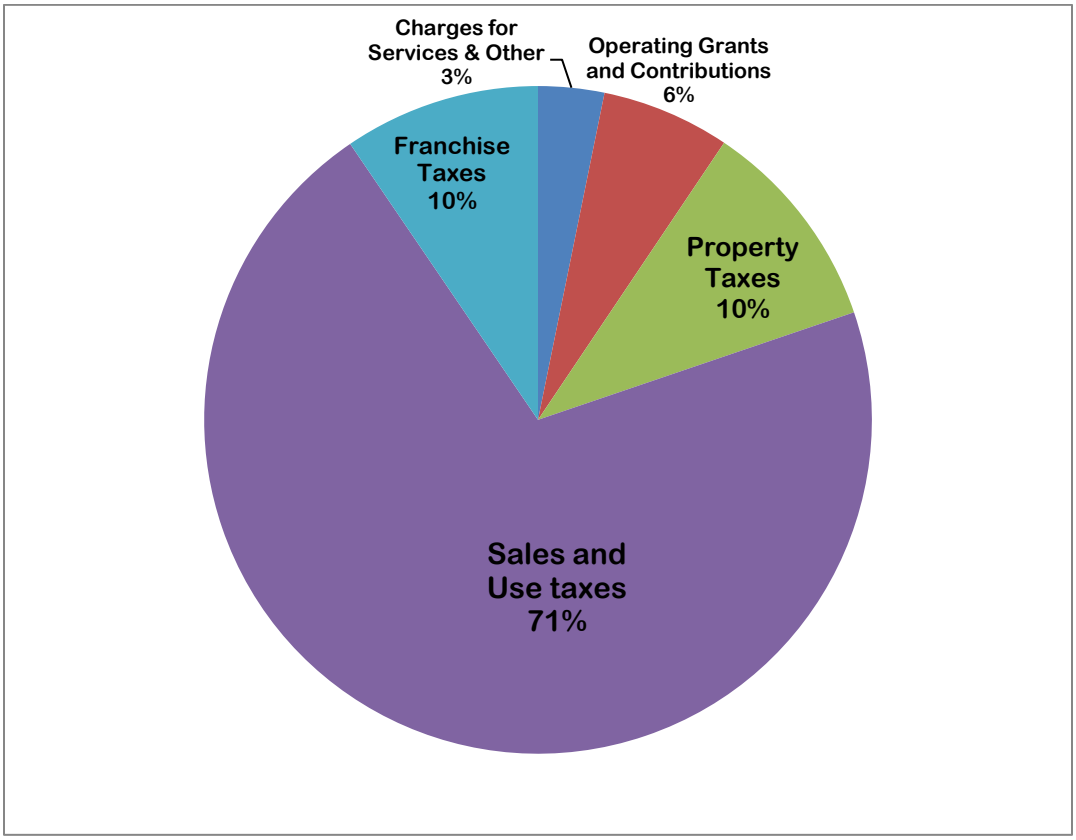
	Governmental Activities		Business-type Activities		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Revenues:						
Program Revenues:						
Charges for services	$1,136	$1,127	$32,277	$31,379	$33,413	$32,506
Operating grants and contributions	1,291	1,376	-	-	1,291	1,376
Capital grants and Contributions	0	0	2,637	1,430	2,637	1,430
General Revenues:						
Property taxes	2,153	2,031	-	-	2,153	2,031
Sales and use taxes	14,686	12,686	-	-	14,686	12,686
Spec. Own. taxes	298	241	-	-	298	241
Intergovernmental	0	0	-	-	0	0
Franchise taxes	1,976	1,932	-	-	1,976	1,932
Other revenues	288	332	-	-	288	332
Investment earnings	78	34	126	129	204	163
Total revenues	21,906	19,759	35,040	32,938	56,946	52,697
Program expenses:						
General government	4,693	4,044	-	-	4,693	4,044
Public Safety	10,949	10,270	-	-	10,949	10,270
Public Works	3,476	5,529	-	-	3,476	5,529
Health and welfare	382	340	-	-	382	340
Culture and recreation	1,273	1,114	-	-	1,273	1,114
Interest expense	130	137			130	137
Water utility	-	-	8,071	7,829	8,071	7,829
Electric utility	-	-	22,448	21,780	22,448	21,780
Ambulance	-	-	1118	962	1118	962
Drainage	-	-	0	35	0	35
Total expenses	20,903	21,434	31,637	30,606	52,540	52,040
Excess/Deficiency Before transfers	415	-1,675	3,403	2,332	4,406	657
Transfers In (Out)	-235	-297	235	297	-	-
Increase/(Decrease in net position	767	-1,972	3,638	2,629	4,406	657
Net position, beginning	80,886	82,858	92,706	90,077	173,592	172,935
Restatement of 12/31/2014 Net Position (See Note 12)			-	-	-	-
Net position, ending	$81,653	$80,886	$96,344	$92,706	$177,999	$173,592

The major changes to the City's Governmental Activities and Business-type funds are described in the next two sections.

Governmental Activities

Governmental activities net position for 2017 increased by $767,000. This is attributed to an increase in combined sales and use tax revenues.

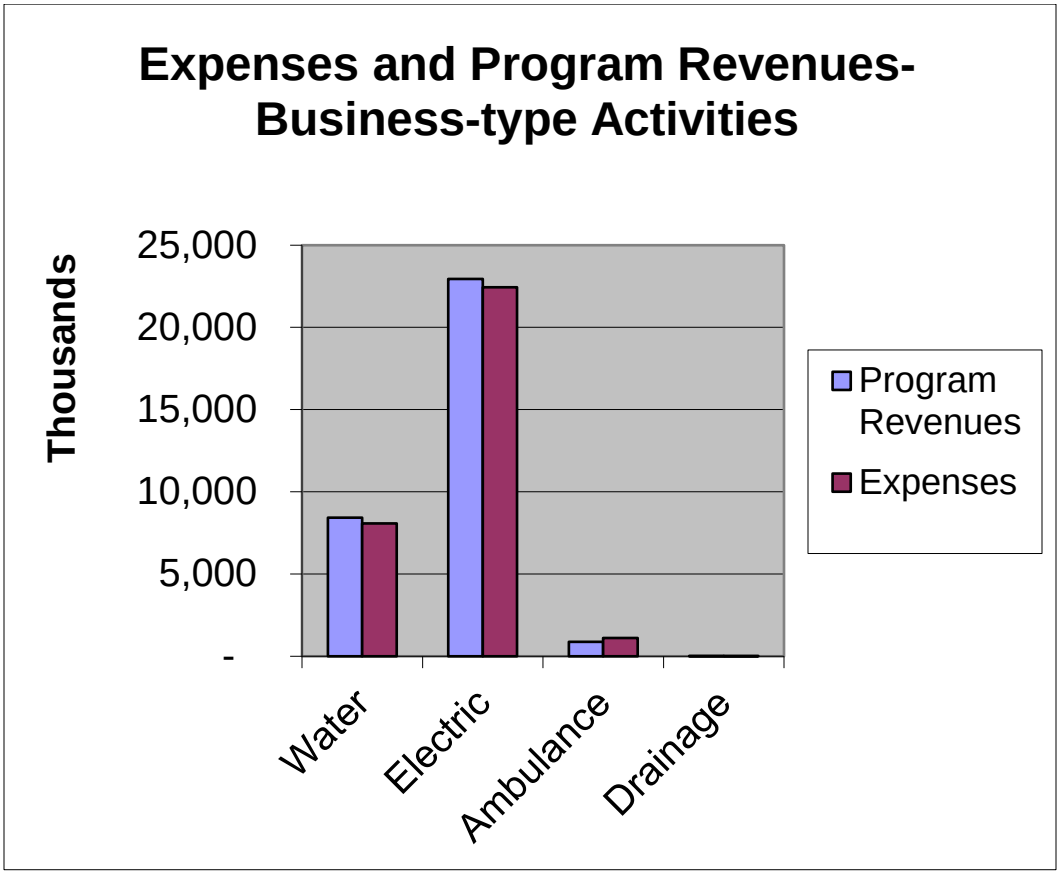
The following pie chart illustrates the Governmental Activities revenues.



- Revenue from general fund sales tax of $10.451 million increased $1.514 million or 16.9% over 2016 due to several new businesses and continued growth in the South Academy Highlands annexation.
- Revenue from the voter approved .75% Public Transportation sales tax, which was effective January 1, 2010, generated $861,000 for public transit; $517,000 for street resurfacing; and $1,206,000 for street improvements or a total of $2.58 million and a 15.6% increase over 2016.
- Revenue from use tax is $1.7 million and approximately $200,000 more than 2016.
- Revenue from Fines and Court Costs decreased by approximately $105,000 due to less tickets issued in 2017 vs. 2016.
- Revenue from franchise fees was $1,976,000 which is an increase of approximately 2.2% over 2016.
- Revenue from Intergovernmental of $1.0 million is $65,000 less than FY 2016 due to the completion of the E911 Personnel Funding agreement.

Business-type Activities

The City of Fountain 2017 business-type activities net position increased by $3.6 million. The following chart illustrates the business-type activities program revenues and expenses.



- Combined 2017 revenue of $33.4 million was approximately even with 2016 total revenue.
  - water charges for services of $8.5 million were approximately the same as 2016
  - electric charges for services increased by approximately $500,00 over 2016
  - capital grants and contributions in water were $1.98 million and $660,000 in electric for 2017.

- Program expense of $31.6 million was approximately $1.0 million more than 2016.
  - Water increased by $242,000 due to increases in operating expenses.
  - Electric increased by $667,000 due to increased capital infrastructure expenses.

Fiduciary Activities

The City of Fountain maintains a fiduciary fund to account for money designated to pay benefits under the City's Volunteer Fire Pension Plan.

Financial Analysis of the City's Funds

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

Governmental Funds

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

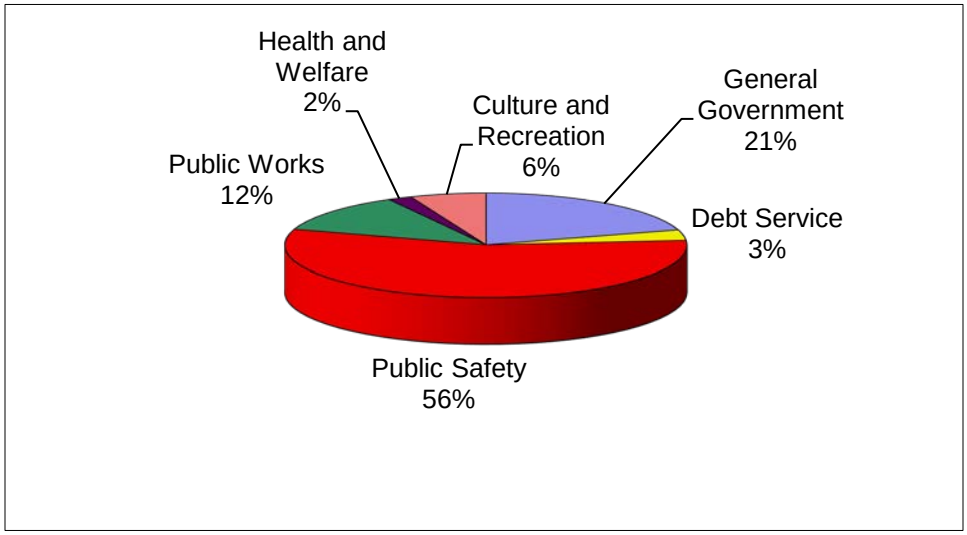
The City's General Fund reported a 2017 ending fund balance of $7 million, an increase of $1.8 million in comparison with the previous year. Unrestricted, unassigned fund balance, which is available for spending at the City's discretion totaled $4.1 million or 58% of the total general fund balance. The remainder of the fund balance is restricted for emergencies ($764,000), commitments for park improvements, school zone improvements, and traffic signals ($1,130,965 combined), and assigned to public safety capital improvements ($1,001,762).

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail. Unrestricted net position of the water and electric utilities were ($3.2) million and $12.7 million, respectively.

General Fund Budgetary Highlights

The General Fund accounts for all of the general government services provided by the City of Fountain including: City Council, Municipal Court, Economic Development, Election, Administration, Planning & Engineering, Recreation, and Information Technology. The following pie chart illustrates the General Fund expenditures by type.



Line item budget transfers are allowed within a fund with the approval of the City Manager. Increases in the expenditure budget for any fund must be approved by the City Council. The General Fund original budgeted expenditures (including transfers out) were $20.55 million. During the year, the City Council approved only one general fund budget amendment totaling approximately $143,875 for a final budget of $20.69 million for 2017.

This budget amendment was for $143,875 in carryovers to the 2017 budget to complete projects that were started in 2016.

Variances from the final budget to actual expenditures worth noting include the following:

- General government variance was $1.1 million under budget due delays in information technology capital purchases and projects.
- Public Safety variance was $354,000 over budget in the Fire Department due to overtime costs for backfilling of crews out on wildland deployments and the timing of payments received for wildland billings from the state.
- Public Works variance was $381,000 over budget due to building maintenance and upgrades as part of the Energy Performance Contract with Siemens Energy. This cost was offset in the general fund revenues as part of loan proceeds.
- Health and Welfare variance was $44,817 under budget due to salary and benefit savings.

Capital Assets and Debt Administration

Capital Assets

The City of Fountain's investment in capital assets for its governmental and business- type activities as of December 31, 2017 totaled $206.9 million (net of accumulated depreciation). This investment in capital assets includes land and easements, water and storage rights, buildings and improvements, infrastructure, machinery and equipment, computers and software, and vehicles. The City's investment in capital assets increased by $4.4 million during 2017; governmental activities increased by $800,000 while business-type activities increased by $3.6 million.

Major capital events for 2017 included the following items:

- The general fund expended $1.3 million on road infrastructure improvements, $1.2 million on buildings and improvements, and $1.4 million on vehicles and equipment.
- The water utility expended $5.4 million during 2017 related to the financing, engineering, design, permitting, and construction of the Southern Delivery System. The City of Fountain is a partner, along with the City of Colorado Springs, Security Water and Sanitation District, and Pueblo West Metropolitan District in this regional project, which is designed to deliver water through a 53 mile pipeline from Pueblo Reservoir to Upper Williams Creek Reservoir and the Universal Water Treatment plant located east of Colorado Springs. Fountain expects this project to be fully completed in 2018. The City will capitalize its share of ownership in this project.
- The utilities expended $2.5 million on system and building improvements and $974,000 on software, vehicles, and equipment.

Note 4 of the financial statements provides a detailed summary of the City's capital assets.

Long-term Debt
The City of Fountain's total long-term debt increased by $2.6 million from $56.0 million to $58.6 million during the year ended 2017.

The City's long-term debt related to governmental activities increased by $3.0 million due to new capital leases in the general fund. Additionally, compensated absences decreased by $14,000, post-employment benefits increased by $65,600, and the early retirement program decreased by $104,000.

The City's long-term debt related to business-type activities decreased by $385,000 to $50.0 million during 2017. In 2017, the Utility Enterprise entered into a capital lease for $1.0 million and existing utilities bond debt decreased by $1.28 million. The Utilities Enterprise remaining debt also decreased as follows: compensated absences decreased by $109,650 and the early retirement program decreased by $28,000.

Note 5 of the financial statements provides a detailed summary on the City's long-term debt.

Economic Factors and Next Year's Budget and Rates

The average unemployment rate for 2017 for the Colorado Springs area was 2.8% versus the national rate of 4.1%.

Sales tax continued to increase in 2017 due to the South Academy Highlands Sam's and Walmart developments, along with several new businesses in other sections of the City. Housing starts in the City include 102 residential and 1 commercial through July 31, 2018. There have also been 120 new apartments added in 2018.

A water rate increase of 4.3% for the average residential customer using 9,000 gallons was effective April 1, 2018 and a rate study will be conducted in early 2019 to determine if there is a need for another water rate increase. There is an average 3% electric rate increase that will be effective January 1, 2019.

Requests for Information
This financial report is designed to provide a general overview of the City of Fountain's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or additional financial information should be addressed to the Finance Director:

City of Fountain
116 South Main Street
Fountain, CO 80817
719-322-2033

Basic Financial Statements

City of Fountain, Colorado

Statement of Net Position

December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Urban Renewal Authority
Assets				
Cash and Investments	$ 14,537,130	$ 6,455,529	$ 20,992,659	$ 304,469
Committed Cash and Investments	-	1,072,906	1,072,906	-
Restricted Cash and Investments	711,678	930,580	1,642,258	13,445,398
Accounts Receivable	2,824,077	4,460,034	7,284,111	564,633
Taxes Receivable	2,336,267	-	2,336,267	124,963
Inventories	-	2,598,820	2,598,820	-
Prepaid Expenses	-	389,256	389,256	-
Internal Balances	(674,118)	674,118	-	-
Capital Assets, Not Being Depreciated	2,247,701	79,957,962	82,205,663	184,248
Capital Assets, Net of Accumulated Depreciation	71,492,883	53,225,994	124,718,877	844,806
Net Pension Asset	644,585	-	644,585	-
Total Assets	94,120,203	149,765,199	243,885,402	15,468,517
Deferred Outflows of Resources				
Loss on Debt Refunding, Net of Accumulated Amortization	-	967,282	967,282	-
Pensions, Net of Accumulated Amortization	541,227	-	541,227	-
Total Deferred Outflows of Resources	541,227	967,282	1,508,509	-
Liabilities				
Accounts Payable	446,602	2,376,739	2,823,341	12,108
Accrued Liabilities	280,955	191,884	472,839	5,140
Deposits	1,023,892	828,190	1,852,082	1,600
Accrued Interest Payable	-	667,121	667,121	994,341
Unearned Revenues	-	266,211	266,211	-
Insurance Claims Payable	253,630	-	253,630	-
Noncurrent Liabilities				
Due Within One Year	1,549,284	1,794,499	3,343,783	-
Due in More Than One Year	7,010,128	48,262,383	55,272,511	49,902,614
Net Pension Liability	96,829	-	96,829	-
Total Liabilities	10,661,320	54,387,027	65,048,347	50,915,803
Deferred Inflows of Resources				
Property Taxes	2,336,267	-	2,336,267	124,963
Pensions, Net of Accumulated Amortization	10,476	-	10,476	-
Total Deferred Inflows of Resources	2,346,743	-	2,346,743	124,963
Net Position				
Net Investment in Capital Assets	67,964,354	85,595,172	153,559,526	141,568
Restricted for:				
Parks	254,830	-	254,830	-
District Repairs and Maintenance	691,029	-	691,029	-
Transportation	1,095,465	-	1,095,465	-
Street Repairs and Maintenance	248,154	-	248,154	-
Street Improvements	4,853,221	-	4,853,221	-
Debt Service	-	217,500	217,500	245,382
Capital Projects	-	-	-	8,550,371
Emergencies	764,000	-	764,000	-
Unrestricted	5,782,314	10,532,782	16,315,096	(44,509,570)
Total Net Position	$ 81,653,367	$ 96,345,454	$ 177,998,821	$ (35,572,249)

See Notes to Financial Statements.

City of Fountain, Colorado

Statement of Activities

Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	$ 4,693,192	$ 213,334	$ -	$ -
Public Safety	10,949,410	676,895	-	-
Public Works	3,476,418	155,208	1,005,683	-
Health and Welfare	382,291	6,965	39,291	-
Culture and Recreation	1,272,541	83,464	239,612	-
Interest Expense	129,487	-	-	-
Total Governmental Activities	20,903,339	1,135,866	1,284,586	-
Business-Type Activities				
Water	8,070,689	8,427,151	-	1,977,436
Electric	22,447,508	23,416,758	-	194,412
Ambulance	1,117,680	875,963	-	-
Drainage	810	22,352	-	-
Total Business-Type Activities	31,636,687	32,742,224	-	2,171,848
Total Primary Government	$ 52,540,026	$ 33,878,090	$ 1,284,586	$ 2,171,848
Component Unit				
Urban Renewal Authority	$ 3,390,953	$ -	$ 85,850	$ -

(Continued)

See Notes to Financial Statements.

City of Fountain, Colorado

Statement of Activities

Year Ended December 31, 2017

(Continued)

Functions/Programs	Net (Expense) Revenue and Change in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Urban Renewal Authority
Primary Government				
Governmental Activities				
General Government	$ (4,479,858)	$ -	$ (4,479,858)	$ -
Public Safety	(10,272,515)	-	(10,272,515)	-
Public Works	(2,315,527)	-	(2,315,527)	-
Health and Welfare	(336,035)	-	(336,035)	-
Culture and Recreation	(949,465)	-	(949,465)	-
Interest Expense	(129,487)	-	(129,487)	-
Total Governmental Activities	(18,482,887)	-	(18,482,887)	-
Business-Type Activities				
Water	-	2,333,898	2,333,898	-
Electric	-	1,163,662	1,163,662	-
Ambulance	-	(241,717)	(241,717)	-
Drainage	-	21,542	21,542	-
Total Business-Type Activities	-	3,277,385	3,277,385	-
Total Primary Government	(18,482,887)	3,277,385	(15,205,502)	-
Component Unit				
Urban Renewal Authority	-	-	-	(3,305,103)
General Revenues				
Property Taxes	2,159,533	-	2,159,533	94,899
Sales and Use Taxes	14,686,272	-	14,686,272	-
Specific Ownership Taxes	298,083	-	298,083	-
Franchise Taxes	1,975,688	-	1,975,688	-
Intergovernmental Revenues not Restricted to Specific Programs	-	-	-	2,965,381
Investment Income	77,724	126,227	203,951	121,284
Miscellaneous	288,308	-	288,308	4,875
Transfers	(235,448)	235,448	-	-
Total General Revenues and Transfers	19,250,160	361,675	19,611,835	3,186,439
Change in Net Position	767,273	3,639,060	4,406,333	(118,664)
Net Position, *Beginning of year*	80,886,094	92,706,394	173,592,488	(35,453,585)
Net Position, *End of year*	$ 81,653,367	$ 96,345,454	$ 177,998,821	$ (35,572,249)

See Notes to Financial Statements.

City of Fountain, Colorado
Balance Sheet
Governmental Funds
December 31, 2017

	General	Nonmajor Governmental Funds	Total
Assets			
Cash and Investments	$ 5,690,087	$ 6,852,892	$ 12,542,979
Restricted Cash and Investments	711,678	-	711,678
Accounts Receivable	2,314,578	491,016	2,805,594
Taxes Receivable	2,095,580	240,687	2,336,267
Total Assets	$ 10,811,923	$ 7,584,595	$ 18,396,518
Liabilities			
Accounts Payable	$ 375,395	$ 40,564	$ 415,959
Accrued Liabilities	273,994	6,961	280,955
Deposits	1,023,892	-	1,023,892
Total Liabilities	1,673,281	47,525	1,720,806
Deferred Inflows of Resources			
Property Taxes	2,095,580	240,687	2,336,267
Fund Balances			
Restricted for:			
Parks	-	254,830	254,830
District Repairs and Maintenance	-	691,029	691,029
Transportation	-	1,095,465	1,095,465
Street Repairs and Maintenance	-	248,154	248,154
Street Improvements	-	4,853,221	4,853,221
Emergencies	764,000	-	764,000
Committed to:			
Park Improvements	848,069	-	848,069
School Zone	74,896	-	74,896
Traffic Signal	208,000	-	208,000
Volunteer Fire Activities	-	153,684	153,684
Assigned to Public Safety Capital Improvements	1,001,762	-	1,001,762
Unrestricted, Unassigned	4,146,335	-	4,146,335
Total Fund Balances	7,043,062	7,296,383	14,339,445
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 10,811,923	$ 7,584,595	$ 18,396,518

See Notes to Financial Statements.

City of Fountain, Colorado

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

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

Total Fund Balances of Governmental Funds	$	14,339,445
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.		73,740,584
Net pension assets and liabilities and the related deferred inflows and outflows are not current financial resources and, therefore, are not reported in governmental funds:		
Net Pension Asset		644,585
Net Pension Liability		(96,829)
Pension-related Deferred Outflows		541,227
Pension-related Deferred Inflows		(10,476)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.		(8,559,412)
An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.		1,054,243
Total Net Position of Governmental Activities	$	81,653,367

See Notes to Financial Statements.

City of Fountain, Colorado

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

	General	Nonmajor Governmental Funds	Total
Revenues			
Taxes	$ 16,303,390	$ 2,816,186	$ 19,119,576
Licenses and Permits	94,105	-	94,105
Charges for Services	648,170	91,500	739,670
Fines and Forfeitures	302,091	-	302,091
Intergovernmental	1,044,974	239,612	1,284,586
Investment Income	28,556	37,287	65,843
Miscellaneous	274,610	13,698	288,308
Total Revenues	18,695,896	3,198,283	21,894,179
Expenditures			
Current			
General Government	4,100,864	780,104	4,880,968
Public Safety	11,338,763	92,695	11,431,458
Public Works	2,444,648	1,049,493	3,494,141
Health and Welfare	381,963	-	381,963
Culture and Recreation	1,234,121	291,261	1,525,382
Debt Service			
Principal	528,426	42,841	571,267
Interest	128,691	796	129,487
Total Expenditures	20,157,476	2,257,190	22,414,666
Excess Revenues Over (Under) Expenditures	(1,461,580)	941,093	(520,487)
Other Financing Sources (Uses)			
Capital Leases	3,508,761	138,900	3,647,661
Transfers Out	(235,448)	-	(235,448)
Total Other Financing Sources (Uses)	3,273,313	138,900	3,412,213
Net Change in Fund Balances	1,811,733	1,079,993	2,891,726
Fund Balances, *Beginning of year*	5,231,329	6,216,390	11,447,719
Fund Balances, *End of year*	$ 7,043,062	$ 7,296,383	$ 14,339,445

See Notes to Financial Statements.

City of Fountain, Colorado

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2017

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

Net Change in Fund Balances of Governmental Funds	$	2,891,726
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Depreciation Expense		(4,048,818)
Capital Outlays		4,857,075
Payments of long-term debt principal are expenditures in governmental funds, but the payments reduce long-term liabilities in the statement of net position and do not affect the statement of activities. This amount represents capital lease payments.		571,267
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount represents capital leases issued in the current year.		(3,647,661)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes changes in the following:		
Accrued Compensated Absences		13,884
Postemployment Benefits		(65,651)
Early Retirement		104,000
Net Pension Asset (Liability)		25,101
Pension-related Deferred Outflows of Resources		62,157
Pension-related Deferred Inflows of Resources		(2,298)
An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the net income of the internal service fund is included in governmental activities in the statement of activities.		6,491
Change in Net Position of Governmental Activities	$	767,273

See Notes to Financial Statements.

City of Fountain, Colorado

Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-Type Activities				Governmental Activities
	Water	Electric	Nonmajor Funds	Total	Internal Service Fund
Assets					
Current Assets					
Cash and Investments	$ -	$ 5,372,817	$ 1,082,712	$ 6,455,529	$ 1,994,151
Committed Cash and Investments	-	1,072,906	-	1,072,906	-
Restricted Cash and Investments	217,500	713,080	-	930,580	-
Accounts Receivable	876,864	3,481,823	101,347	4,460,034	18,483
Inventories	409,736	2,189,084	-	2,598,820	-
Prepaid Expenses	389,256	-	-	389,256	-
Interfund Receivables	-	2,575,514	-	2,575,514	-
Total Current Assets	1,893,356	15,405,224	1,184,059	18,482,639	2,012,634
Noncurrent Assets					
Advances to Other Funds	-	994,446	-	994,446	-
Capital Assets, *Not Being Depreciated*	76,345,436	3,612,526	-	79,957,962	-
Capital Assets, *Net of Accumulated Depreciation*	24,646,365	28,462,853	116,776	53,225,994	-
Total Noncurrent Assets	100,991,801	33,069,825	116,776	134,178,402	-
Total Assets	102,885,157	48,475,049	1,300,835	152,661,041	2,012,634
Deferred Outflows of Resources					
Loss on Debt Refunding, *Net of Accumulated Amortization*	967,282	-	-	967,282	-
Liabilities					
Current Liabilities					
Accounts Payable	314,807	2,030,744	31,188	2,376,739	30,643
Accrued Liabilities	48,333	117,989	25,562	191,884	-
Customer Deposits	121,695	706,495	-	828,190	-
Accrued Interest Payable	667,121	-	-	667,121	-
Unearned Revenues	-	266,211	-	266,211	-
Interfund Payables	2,575,514	-	-	2,575,514	-
Current Portion of Long-Term Debt					
Insurance Claims Payable	-	-	-	-	253,630
Compensated Absences Payable	96,666	210,758	16,511	323,935	-
Early Retirement Payable	11,600	16,400	-	28,000	-
Capital Leases Payable	29,933	188,834	13,797	232,564	-
Bonds and Loans Payable	1,210,000	-	-	1,210,000	-
Total Current Liabilities	5,075,669	3,537,431	87,058	8,700,158	284,273
Long-Term Liabilities					
Advances from Other Funds	994,446	-	-	994,446	-
Compensated Absences Payable	29,571	262,547	34,883	327,001	-
Early Retirement Payable	42,800	66,000	-	108,800	-
Capital Leases Payable	106,625	763,245	37,130	907,000	-
Bonds and Loans Payable	46,919,582	-	-	46,919,582	-
Total Long-Term Liabilities	48,093,024	1,091,792	72,013	49,256,829	-
Total Liabilities	53,168,693	4,629,223	159,071	57,956,987	284,273
Net Position					
Net Investment in Capital Assets	53,692,943	31,836,380	65,849	85,595,172	-
Restricted for Debt Service	217,500	-	-	217,500	-
Unrestricted	(3,226,697)	12,009,446	1,075,915	9,858,664	1,728,361
Total Net Position	$ 50,683,746	$ 43,845,826	$ 1,141,764	$ 95,671,336	$ 1,728,361

See Notes to Financial Statements.

City of Fountain, Colorado

Reconciliation of the Statement of Net Position
of Enterprise Funds to the Business-Type Activities
December 31, 2017

Amounts Reported for Business-Type Activities in the Statement of Net Position are Different Because:

Total Net Position of Enterprise Funds	$	95,671,336
An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the assets and liabilities of the internal service fund is included in business-type activities in the statement of net position.		674,118
Total Net Position of Business-Type Activities	$	96,345,454

See Notes to Financial Statements.

City of Fountain, Colorado

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

	Business-Type Activities				Governmental Activities
	Water	Electric	Nonmajor Funds	Total	Internal Service Fund
Operating Revenues					
Charges for Services	$ 8,173,948	$ 22,033,212	$ 898,315	$ 31,105,475	$ 3,588,776
Miscellaneous	253,203	1,383,546	-	1,636,749	-
Total Operating Revenues	8,427,151	23,416,758	898,315	32,742,224	3,588,776
Operating Expenses					
Source of Supply	2,290,090	13,084,500	-	15,374,590	-
Operations and Maintenance	1,544,556	3,359,995	1,091,674	5,996,225	-
Customer Accounts and Collection	525,850	1,225,215	-	1,751,065	-
Administration and General	2,069,860	3,306,875	-	5,376,735	90,963
Insurance Premiums	-	-	-	-	740,985
Insurance Claims	-	-	-	-	2,758,068
Depreciation	1,299,842	1,473,642	25,571	2,799,055	-
Total Operating Expenses	7,730,198	22,450,227	1,117,245	31,297,670	3,590,016
Operating Income (Loss)	696,953	966,531	(218,930)	1,444,554	(1,240)
Nonoperating Revenues (Expenses)					
Investment Income	4,862	115,371	5,994	126,227	11,881
Interest Expense	(341,041)	(435)	(1,328)	(342,804)	-
Debt Issuance Costs	(363)	-	-	(363)	-
Total Nonoperating Revenues (Expenses)	(336,542)	114,936	4,666	(216,940)	11,881
Net Income (Loss) Before Transfer and Capital Contributions	360,411	1,081,467	(214,264)	1,227,614	10,641
Transfers In	-	-	235,448	235,448	-
System Development Fees	1,977,436	194,412	-	2,171,848	-
Change in Net Position	2,337,847	1,275,879	21,184	3,634,910	10,641
Net Position, *Beginning of year*	48,345,899	42,569,947	1,120,580	92,036,426	1,717,720
Net Position, *End of year*	$ 50,683,746	$ 43,845,826	$ 1,141,764	$ 95,671,336	$ 1,728,361

Amounts Reported for Business-Type Activities in the Statement of Activities are Different Because:

Change in Net Position of Enterprise Funds	$ 3,634,910
An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the net income of the internal service fund is included in business-type activities in the statement of activities.	4,150
Change in Net Position of Business-Type Activities	$ 3,639,060

See Notes to Financial Statements.

City of Fountain, Colorado

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2017

	Business-Type Activities				Governmental Activities
	Water	Electric	Nonmajor Funds	Total	Internal Service Fund
Cash Flows from Operating Activities					
Cash Received from Customers	$ 8,349,540	$ 23,271,696	$ 883,819	$ 32,505,055	$ 3,614,284
Cash Payments to Employees	(1,737,694)	(3,652,342)	(684,077)	(6,074,113)	-
Cash Payments to Suppliers	(4,771,596)	(17,531,304)	(399,936)	(22,702,836)	(3,588,125)
Net Cash Provided (Used) by Operating Activities	1,840,250	2,088,050	(200,194)	3,728,106	26,159
Cash Flows from Nonoperating Capital Financing Activities					
Payments from Other Funds	402,119	-	235,448	637,567	-
Payments to Other Funds	-	(402,119)	-	(402,119)	-
Payment from Component Unit	-	235,000	-	235,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	402,119	(167,119)	235,448	470,448	-
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(1,875,130)	(2,727,294)	-	(4,602,424)	-
Debt Proceeds	127,085	929,187	-	1,056,272	-
System Development Fees Received	1,977,436	194,412	-	2,171,848	-
Payments from Other Funds	-	380,456	-	380,456	-
Payments to Other Funds	(380,456)	-	-	(380,456)	-
Debt Principal Payments	(1,177,485)	(6,005)	(13,486)	(1,196,976)	-
Debt Interest and Fiscal Charges Paid	(415,794)	(435)	(1,328)	(417,557)	-
Debt Interest Paid and Capitalized	(1,573,776)	-	-	(1,573,776)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,318,120)	(1,229,679)	(14,814)	(4,562,613)	-
Cash Flow from Investing Activities					
Interest Received	4,862	115,371	5,994	126,227	11,881
Net Change in Cash and Cash Equivalents	(1,070,889)	806,623	26,434	(237,832)	38,040
Cash and Cash Equivalents, *Beginning of year*	1,288,389	6,352,180	1,056,278	8,696,847	1,956,111
Cash and Cash Equivalents, *End of year*	$ 217,500	$ 7,158,803	$ 1,082,712	$ 8,459,015	$ 1,994,151

(Continued)

City of Fountain, Colorado

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2017
(Continued)

	Business-Type Activities				Governmental Activities
	Water	Electric	Nonmajor Funds	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	$ 696,953	$ 966,531	$ (218,930)	$ 1,444,554	$ (1,240)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,299,842	1,473,642	25,571	2,799,055	-
Changes in Assets and Liabilities				-	
Accounts Receivable	(65,121)	(140,020)	(14,496)	(219,637)	25,508
Inventories	(100,116)	(240,206)	-	(340,322)	-
Prepaid Expenses	26,935	-	-	26,935	-
Accounts Payable	38,639	100,692	26,136	165,467	15,987
Accrued Liabilities	(2,956)	7,061	3,131	7,236	-
Customer Deposits	(12,490)	29,992	-	17,502	-
Unearned Revenues	-	(35,034)	-	(35,034)	-
Insurance Claims Payable	-	-	-	-	(14,096)
Compensated Absences Payable	(29,836)	(58,208)	(21,606)	(109,650)	-
Early Retirement Payable	(11,600)	(16,400)	-	(28,000)	-
Net Cash Provided (Used) by Operating Activities	$ 1,840,250	$ 2,088,050	$ (200,194)	$ 3,728,106	$ 26,159

See Notes to Financial Statements.

City of Fountain, Colorado

Statement of Fiduciary Net Position

Pension Trust Fund

December 31, 2017

	Volunteer Firefighters'
Assets	
Cash	$ 9,370
Investments	
Local Government Investment Pools	461,630
Money Market Funds	236,687
Total Assets	$ 707,687
Net Position	
Restricted for Pension Benefits	$ 707,687

See Notes to Financial Statements.

City of Fountain, Colorado

Statement of Changes in Net Position
Pension Trust Fund
Year Ended December 31, 2017

	Volunteer Firefighters'
Additions	
Investment Income	$ 4,949
Total Additions	4,949
Deductions	
Administration	4,950
Benefit Payments	3,270
Total Deductions	8,220
Change in Net Position	(3,271)
Net Position, *Beginning of year*	710,958
Net Position, *End of year*	$ 707,687

See Notes to Financial Statements.

Note 1: Summary of Significant Accounting Policies

The accounting policies of the City of Fountain (the City) conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the City. Based on the application of these criteria, the City includes the following entities in its reporting entity.

The *Heritage Maintenance District* was established to maintain landscaping, fencing, drainage facilities, and other improvements within its boundaries. The *General Improvement District No. 1* was created to provide for the construction of a fire station, and after funding the fire station, for capital improvements including life safety improvements, park and recreational improvements, regional street improvements, and regional civic and cultural improvements. The *General Improvement District No. 2* was created to provide an alternate method of funding the construction, re-construction, and maintenance of certain public improvements within its boundaries. The City Council serves as the governing board for these districts and City management has operational responsibility for the districts. Therefore, their financial activity is blended into the City's financial statements. Separate financial statements are not issued.

The *Fountain Urban Renewal Authority* (the Authority) was created to redevelop or rehabilitate certain blighted areas within the City. The Authority has a separate governing board with members appointed by the City Council. Although the Authority is legally separate from the City, the Authority's primary revenue source, tax increment financing, can only be established by the City. The Authority is discretely presented in the City's financial statements. Separate financial statements for the Authority are available at City Hall, 116 South Main Street, Fountain, Colorado 80817.

Note 1: Summary of Significant Accounting Policies *(Continued)*

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from the legally separate *component unit* for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Note 1: Summary of Significant Accounting Policies *(Continued)*

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

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

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

In the fund financial statements, the City reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

The City also reports the following major enterprise funds:

Water Utility - This fund accounts for all activities necessary for the provision of water services to the City residents.

Electric Utility - This fund accounts for all activities necessary to provide electric power to the City residents.

Additionally, the City reports the following fund types:

Internal Service Fund - The Insurance Fund accounts for the activities related to employee health benefits, which are partially self-insured by the City.

Pension Trust Fund - The Pension Trust Fund is used to account for assets held by the City in a trustee capacity for the City's volunteer firefighters pension plan.

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

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

Inventories - Inventories of the proprietary funds are valued using the average cost method, and are reported as expenses when consumed. Materials and supplies purchased by the governmental funds are charged to operations when purchased.

Note 1: Summary of Significant Accounting Policies *(Continued)*

Assets, Liabilities and Net Position/Fund Balances *(Continued)*

Prepaid Expenses - Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables* when they are short-term in nature. Noncurrent portions of interfund receivables and payables are reported as *advances from other funds* and *advances to other funds*. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

Capital Assets - Capital assets, which include land, buildings, equipment, and all infrastructure assets owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or more 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 acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	10 - 40 years
Infrastructure	25 - 40 years
Computers and Software	3 - 7 years
Machinery and Equipment	5 - 10 years
Vehicles	5 - 7 years

Unearned Revenues - Unearned revenues in the Electric Fund represent donations from customers that may be used to assist other customers with their utility bills.

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Compensated Absences - Employees of the City are allowed to accumulate unused vacation and sick time. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time up to 320 hours at their current pay rate, and for unused sick time, depending on years of service, up to 720 hours at a percentage of their current rate of pay. Employees hired after March 1, 2006, will be paid for all accrued vacation time up to 240 hours and for unused sick time, depending on years of service, up to 360 hours at a percentage of their current rate of pay.

Note 1: Summary of Significant Accounting Policies *(Continued)*

Assets, Liabilities and Net Position/Fund Balances *(Continued)*

These compensated absences are expensed when earned in the proprietary funds and when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Postemployment Benefits - An employee with at least 20 years of service with the City, and who has reached at least 55 years of age at retirement, is eligible to receive health and life insurance coverage after retirement. This benefit expires when the retiree reaches the age of 65, thereby making the maximum eligibility period 10 years. A long-term liability is reported in the government-wide financial statements as the postemployment benefits are earned.

Early Retirement - During the year ended December 31, 2013, the City offered early retirement benefits to qualified employees. In lieu of receiving postemployment health and life insurance coverage after retirement, the employees will receive annual payments of $12,000 for nine years or until the employee reaches age 65. At December 31, 2014, this offer was closed to further participation. A long-term liability is reported in the government-wide financial statements and the proprietary funds in the fund financial statements when the early retirement benefits are accepted by the employee and approved by the City.

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt premiums, discounts, and refunding losses are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Pensions - The City participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan, a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA). In addition, the City maintains a single-employer defined benefit pension plan for volunteer firefighters.

The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from each plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting used by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employee contributions are recognized in the year the contributions are due.

Note 1: Summary of Significant Accounting Policies *(Continued)*

Assets, Liabilities and Net Position/Fund Balances *(Continued)*

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. As reported in the governmental fund financial statements, the City Council establishes a fund balance commitment through passage of an ordinance, and is authorized to informally assign amounts to a specific purpose.

The City Council has established the ideal target reserves at 40% of the current operating budget of the General Fund. The reserves should not be allowed to fall below 20% of the current operating budget, including the emergency reserve required by the Tabor Amendment (See Note 11).

The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted fund balances first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following December for collection in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

Note 2: Cash and Investments

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

Petty Cash	$ 3,498
Deposits	7,148,896
Investments	17,263,116
Total	$ 24,415,510

Cash and investments are reported in the financial statements as follows:

Cash and Investments	$ 20,992,659
Committed Cash and Investments	1,072,906
Restricted Cash and Investments	1,642,258
Pension Trust Fund Cash and Investments	707,687
Total	$ 24,415,510

Note 2: Cash and Investments *(Continued)*

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2017, the City had bank deposits of $7,591,570 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

The City is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The City's investment policy does not further limit these investment choices.

- Obligations of the United States and certain U.S. Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Certain corporate or bank securities
- Commercial paper
- Local government investment pools
- Repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

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

Investment Type	S&P Rating	Investment Maturities in (Years) Less Than 1	1 – 5 Years	Total
Local Government Investment Pools	AAAm	$ 1,313,817	$ —	$ 1,313,817
Money Market Funds	AAAm	1,162,036	—	1,162,036
Money Market Funds	Not Rated	817,564	—	817,564
U.S. Agency Securities	AA+	698,726	9,734,878	10,433,604
Municipal Securities	A+	—	1,178,110	1,178,110
Corporate Securities	AA-	2,357,985	—	2,357,985
Total		$ 6,350,128	$ 10,912,988	$ 17,263,116

Note 2: Cash and Investments *(Continued)*

Investments *(Continued)*

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. The U.S. Agency, municipal, and corporate securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs). The local government investment pools and money market funds were reported at the net asset value per share.

Interest Rate Risk - State statutes limit investments to an original maturity of five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years. Corporate securities must mature within three years.

Credit Risk - State statutes limit investments in municipal securities to those with at least two credit ratings at or above A or its equivalent by nationally recognized statistical rating organizations (NRSROs). Corporate securities must have at least two credit ratings from any of the NRSROs at or above AA- or its equivalent. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in a single issuer of U.S. Agency or municipal securities. Corporate securities are limited to fifty percent of the total investment portfolio and five percent for a single issuer. At December 31, 2017, the City's investments in the Federal Farm Credit Banks Funding Corporation, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Colorado State Board Governors University Enterprise System, Chevron Corporation, and Toyota Motor Credit Corporation represented 19%, 17%, 16%, 8%, 7%, 8% and 6%, respectively, of the City's total investments.

Custodial Credit Risk - At December 31, 2017, the City's investments in U.S. Agency, municipal, and corporate securities, and certain money market funds were held by the counterparty (broker), but not in the City's name.

Local Government Investment Pools - At December 31, 2017, the City had $5,048 and $1,308,769 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at $1. Both Trusts are rated AAAm by Standard and Poor's. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Note 2: Cash and Investments *(Continued)*

Committed Cash and Investments

Beginning January 1, 2006, the City committed to use system development fees and water acquisition fees received by the Water Fund exclusively for growth-related capital improvements and purchases of water rights. In addition, system development fees collected by the Electric Fund are committed for the construction of a new substation. The remaining cash and investments at December 31, 2017, of $1,072,906 were reported as committed cash and investments in the Electric Fund.

Restricted Cash and Investments

Lease proceeds of $711,678 and $713,080 are restricted in the General and Electric Funds, respectively, for capital projects. Loan proceeds of $217,500 are restricted in the Water Fund for debt reserves

Note 3: Interfund Balances and Transactions

Interfund Balances

At December 31, 2017, the Electric Fund had temporarily subsidized the negative cash balance of the Water Fund in the amount of $2,575,514.

In August, 2010, the Electric Fund advanced $1,500,000 to the Water Fund to purchase water rights. The Water Fund is required to repay the advance through annual payments of $189,568, including interest accruing at 4.5% per annum, through 2020. The outstanding balance of the advance at December 31, 2017, was $521,116.

In October, 2009, the Electric Fund advanced $2,000,000 to the Water Fund to purchase water rights. The Water Fund is required to repay the advance through annual payments of $252,758, including interest accruing at 4.5% per annum, through 2019. The outstanding balance of the advance at December 31, 2017, was $473,330.

Interfund Transfers

During the year ended December 31, 2017, the General Fund transferred $235,448 to the Ambulance Fund. The General Fund routinely subsidizes the operations of the Ambulance Fund.

Component Unit

On September 9, 2016, the Electric Fund loaned the Fountain Urban Renewal Authority $235,000 for improvements in the Olde Town district of the City. The loan was paid in full during the year ended December 31, 2017.

Note 4: Capital Assets

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

Governmental Activities	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Capital Assets, not being depreciated				
Land and Easements	$ 1,639,166	$ 235,000	$ —	$ 1,874,166
Construction in Progress	183,614	234,879	(44,958)	373,535
Total Capital Assets, not being depreciated	1,822,780	469,879	(44,958)	2,247,701
Capital Assets, being depreciated				
Buildings and Improvements	9,232,601	1,217,603	—	10,450,204
Infrastructure	113,124,636	1,360,751	—	114,485,387
Computers and Software	867,629	255,858	—	1,123,487
Machinery and Equipment	4,724,694	184,269	—	4,908,963
Vehicles	6,470,007	1,413,673	(85,683)	7,797,997
Total Capital Assets, being depreciated	134,419,567	4,432,154	(85,683)	138,766,038
Less Accumulated Depreciation				
Buildings and Improvements	(3,108,816)	(363,995)	—	(3,472,811)
Infrastructure	(51,171,817)	(2,863,472)	—	(54,035,289)
Computers and Software	(544,350)	(117,443)	—	(661,793)
Machinery and Equipment	(3,834,512)	(219,833)	—	(4,054,345)
Vehicles	(4,650,525)	(484,075)	85,683	(5,048,917)
Total Accumulated Depreciation	(63,310,020)	(4,048,818)	85,683	(67,273,155)
Capital Assets, being depreciated, Net	71,109,547	383,336	—	71,492,883
Governmental Activities Capital Assets, Net	$ 72,932,327	$ 853,215	$ (44,958)	$ 73,740,584

Business-Type Activities	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Capital Assets, not being depreciated				
Land and Easements	$ 7,058,325	$ —	$ —	$ 7,058,325
Water and Storage Rights	22,437,512	—	—	22,437,512
Construction in Progress	47,588,317	3,600,748	(726,940)	50,462,125
Total Capital Assets, not being depreciated	77,084,154	3,600,748	(726,940)	79,957,962
Capital Assets, being depreciated				
Building Improvements	9,446,991	22,212	—	9,469,203
Infrastructure	67,543,366	2,524,021	—	70,067,387
Computers and Software	1,597,445	479,979	—	2,077,424
Machinery and Equipment	4,160,289	99,347	—	4,259,636
Vehicles	2,844,014	394,684	—	3,238,698
Total Capital Assets, being depreciated	85,592,105	3,520,243	—	89,112,348
Less Accumulated Depreciation				
Building Improvements	(2,436,516)	(362,888)	—	(2,799,404)
Infrastructure	(24,863,677)	(1,798,804)	—	(26,662,481)
Computers and Software	(1,057,199)	(224,474)	—	(1,281,673)
Machinery and Equipment	(2,674,379)	(227,397)	—	(2,901,776)
Vehicles	(2,055,528)	(185,492)	—	(2,241,020)
Total Accumulated Depreciation	(33,087,299)	2,799,055)	—	(35,886,354)
Capital Assets, being depreciated, Net	52,504,806	721,188	—	53,225,994
Business-Type Activities Capital Assets, Net	$ 129,588,960	$ 4,321,936	$ (726,940)	$ 133,183,956

Note 4: Capital Assets *(Continued)*

Depreciation expense was charged to programs of the City as follows:

Governmental Activities	
General Government	$ 47,652
Public Safety	723,372
Public Works	3,124,921
Health and Welfare	328
Culture and Recreation	152,545
Total	$ 4,048,818

Note 5: Long-Term Debt

Governmental Activities

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

	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Due Within One Year
Capital Leases	$ 3,411,514	$ 3,647,661	$ (571,267)	$ 6,487,908	$ 832,808
Compensated Absences	1,112,252	747,563	(761,447)	1,098,368	624,476
Postemployment Benefits	587,485	82,955	(17,304)	653,136	—
Early Retirement	424,000	—	(104,000)	320,000	92,000
Total	$ 5,535,251	$ 4,478,179	$ (1,454,018)	$ 8,559,412	$ 1,549,284

During 2012, the City entered into a lease agreement for $188,485 to purchase police vehicles. Monthly payments of $3,333 were due under the lease agreement through June, 2017. Interest accrued on the outstanding balance at 2.35% per annum. During the year ended December 31, 2017, the lease was paid in full.

During 2012, the City entered into a lease agreement for $108,700 to purchase buses. Monthly payments of $1,922 were due under the lease agreement through March, 2017. Interest accrued on the outstanding balance at 2.35% per annum. During the year ended December 31, 2017, the lease was paid in full.

During 2012, the City entered into a lease purchase agreement for $3,000,000 to build a new fire station and remodel the police building. During 2013, an additional $218,000 was borrowed under the agreement to complete the projects. Interest payments are due semi-annually on March 1 and September 1, with interest accruing at 3.95% per annum. Principal payments are due annually on September 1, through September, 2032. At December 31, 2017, capital assets of $2,363,575, net of accumulated depreciation, were reported under this lease.

Note 5: Long-Term Debt *(Continued)*

Governmental Activities *(Continued)*

During 2013, the City entered into a lease agreement for $256,571 to purchase police vehicles. Monthly payments of $4,452 are due under the lease agreement through July, 2018. Interest accrues on the outstanding balance at 1.6% per annum. Capital assets of $256,571 less accumulated depreciation of $177,352 are reported under this lease.

During 2014, the City entered into a lease agreement for $609,300 to purchase vehicles and information technology equipment for the police department. Monthly payments of $10,562 are due under the lease agreement through September, 2019. Interest accrues on the outstanding balance at 1.61% per annum. Capital assets of $482,882 less accumulated depreciation of $304,305 are reported under this lease.

During 2016, the City entered into a lease agreement for $354,819 to purchase vehicles and related equipment to be used by governmental and enterprise funds. Monthly payments of $6,167 are due under the lease agreement through August, 2021. Interest accrues on the outstanding balance at 1.663% per annum. Capital assets of $354,819 less accumulated depreciation of $73,101 are reported under this lease. Lease payments totaling $307,261 and $3,904 will be made by the General and Public Transportation Funds, respectively. The remaining payments will be made by the Water and Electric Funds, in the amounts of $12,777 and $30,877, respectively.

During 2017, the City entered into a lease agreement for $138,900 to purchase buses. Annual payments of $36,340 are due under the lease agreement through August, 2020. Interest accrues on the outstanding balance at 3.11% per annum. Capital assets of $138,900 less accumulated depreciation of $11,575 are reported under this lease.

During 2017, the City entered into a lease agreement for $104,300 to purchase a police vehicle. Monthly payments of $995 are due under the lease agreement beginning in January, 2018, through December, 2027. Interest accrues on the outstanding balance at 2.74% per annum. No capital assets have been acquired under this lease as of December 31, 2017.

During 2017, the City entered into a lease agreement for $809,770 to purchase vehicles. Monthly payments of $14,218 are due under the lease agreement through August, 2027. Interest accrues on the outstanding balance at 2.07% per annum. Capital assets of $809,770 less accumulated depreciation of $67,296 are reported under this lease.

During 2017, the City entered into a lease agreement for $482,518 to purchase a fire vehicle. Monthly payments of $4,552 are due under the lease agreement through August, 2027. Interest accrues on the outstanding balance at 2.52% per annum. Capital assets of $482,518 less accumulated depreciation of $10,723 are reported under this lease.

Note 5: Long-Term Debt *(Continued)*

Governmental Activities *(Continued)*

During 2017, the City used capital lease proceeds in the amount of $1,000,000 and other City resources to finance improvements to the Lorraine Center. Principal is due annually beginning in September, 2017, through 2032. Interest accrues on the outstanding balance at 3.15% per annum and is payable semi-annually in March and September. Capital assets of $1,147,753 less accumulated depreciation of $11,478 are reported as a result of this transaction.

During 2017, the City entered into a lease agreement for $1,004,165 to improve the City buildings' energy performance. Principal and interest are due quarterly beginning in March, 2018, through December, 2032. Interest accrues on the outstanding balance at 2.72% per annum. No capital assets are reported under this lease.

During 2017, the City entered into a lease agreement for $451,200 to purchase information technology equipment. Annual payments of $97,306 are due under the lease agreement with an initial payment due in January, 2018, and annual payments thereafter beginning in September, 2018, through 2021. Interest accrues on the outstanding balance at 3.92% per annum. Capital assets of $324,024 are reported under this lease. Lease payments totaling $116,465 will be made by the General Fund. The remaining payments will be made by the Water and Electric Funds, in the amounts of $137,036 and $233,029, respectively.

Following is a schedule of the future minimum lease payments required under the governmental activities capital lease obligations.

Year Ended December 31,	
2018	$ 1,060,472
2019	840,563
2020	747,861
2021	695,751
2022	593,071
2023 - 2027	2,213,970
2028 - 2032	1,800,278
Total Minimum Lease Payments	7,951,966
Less: Interest Portion	(1,464,058)
Present Value of Future Minimum Lease Payments	$ 6,487,908

The liabilities for compensated absences, postemployment benefits, and early retirement are expected to be liquidated primarily with General Fund revenues.

Note 5: Long-Term Debt *(Continued)*

Business-Type Activities

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

	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Due Within One Year
2011 CWRPDA Loan	$ 8,620,000	$ —	$ (195,000)	$ 8,425,000	$ 200,000
2013 CWRPDA Loan	10,925,000	—	(240,000)	10,685,000	250,000
Premium	491,061	—	(18,766)	472,295	—
2014 CWRPDA Loan	16,425,000	—	(425,000)	16,000,000	440,000
Premium	1,234,096	—	(44,207)	1,189,889	—
2015 Water Revenue Bonds	3,885,000	—	(85,000)	3,800,000	85,000
Premium	57,705	—	(1,990)	55,715	—
2016 Water Refunding Bonds	6,870,000	—	(230,000)	6,640,000	235,000
Premium	903,376	—	(41,693)	861,683	—
Capital Leases	105,268	1,056,272	(21,976)	1,139,564	232,564
Compensated Absences	760,586	594,283	(703,933)	650,936	323,935
Early Retirement	164,800	—	(28,000)	136,800	28,000
Total	$ 50,441,892	$ 1,650,555	$ (2,035,565)	$ 50,056,882	$ 1,794,499

During 2011, the City entered into a loan agreement for $9,350,000 with the Colorado Water Resources and Power Development Authority (CWRPDA). Loan proceeds were used for construction of the Southern Delivery System (See Note 11) and phase I of the remodel of the future utilities customer service center. Interest payments are due semi-annually on February 1 and August 1. Principal payments are due annually on August 1, through 2041. Interest accrues at rates ranging from 2% to 5.4% per annum.

During 2013, the City entered into a loan agreement for $12,640,000 with the CWRPDA. Loan proceeds were used for construction of the Southern Delivery System (See Note 11) and for additional costs to remodel the utilities customer service center. Interest payments are due semi-annually on March 1 and September 1. Principal payments are due annually on September 1, through 2043. Interest accrues at rates ranging from 2% to 5% per annum.

During 2014, the City entered into a loan agreement for $16,900,000 with the CWRPDA. Loan proceeds were used for construction of the Southern Delivery System (See Note 11), purchase of water rights, replacement of old water mains, installation of a supervisory control and data acquisition system (SCADA), and to refund a portion of the 2005 CWRPDA loan. Interest payments are due semi-annually on March 1 and September 1. Principal payments are due annually on September 1, through 2044. Interest accrues at rates ranging from 2% to 5% per annum.

During 2015, the City issued $3,965,000 Water Revenue Bonds, Series 2015. Bond proceeds were used for construction of the Southern Delivery System (See Note 11). Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2045. Interest accrues at rates ranging from 3% to 3.625% per annum.

Note 5: Long-Term Debt *(Continued)*

Business-Type Activities *(Continued)*

During 2016, the City issued $7,150,000 Water Revenue Refunding Bonds, Series 2016. Bond proceeds were used to repay the balance of the 2009 CWRPDA Loan, originally issued for future water storage sites, and the acquisition of a customer service building. Interest accrues on the bonds at rates ranging from 2% to 4% per annum. Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2038.

The Water Fund loans and bonds are payable solely from revenues of the City's utility system, which includes the Water and Electric Funds, after deduction of operating and maintenance costs, provided that revenues are limited to 50% of tap fee revenues. During the year ended December 31, 2017, net revenues of $5,410,430 were available to pay annual debt service of $3,093,184.

Future debt service requirements for the outstanding bonds and loans at December 31, 2017, were as follows.

Year Ended December 31,	Principal	Interest	Total
2018	$ 1,210,000	$ 1,884,259	$ 3,094,259
2019	1,240,000	1,848,309	3,088,309
2020	1,285,000	1,806,859	3,091,859
2021	1,335,000	1,763,809	3,098,809
2022	1,365,000	1,719,009	3,084,009
2023 - 2027	7,725,000	7,720,609	15,445,609
2028 - 2032	9,425,000	6,032,183	15,457,183
2033 - 2037	10,535,000	3,981,598	14,516,598
2038 - 2042	8,960,000	1,704,562	10,664,562
2043 - 2045	2,470,000	162,112	2,632,112
Total	$ 45,550,000	$ 28,623,309	$ 74,173,309

During 2015, the City entered into a lease agreement for $83,000 to purchase an ambulance. Monthly payments of $1,235 are due under the lease agreement through July, 2021. Interest accrues on the outstanding balance at 2.28% per annum. Capital assets of $83,000 less accumulated depreciation of $58,237 are reported under this lease.

During 2017, the City entered into a lease agreement for $713,080 to purchase computer equipment, software and a vehicle. Monthly payments of $12,594 are due under the lease agreement beginning in January, 2018, through December, 2022. Interest accrues on the outstanding balance at 2.3% per annum. No capital assets have been acquired under this lease at December 31, 2017.

Note 5: Long-Term Debt *(Continued)*

Business-Type Activities *(Continued)*

Following is a schedule of the future minimum lease payments required under the business-type activities capital lease obligations, including the equipment leases to be paid partially by the governmental activities.

Year Ended December 31,	
2018	$ 249,065
2019	249,065
2020	249,065
2021	249,065
2022	215,936
Total Minimum Lease Payments	1,212,196
Less: Interest Portion	(72,632)
Present Value of Future Minimum Lease Payments	$ 1,139,564

Defeased Debt

During 2016, the City deposited bonds proceeds and other available resources in an irrevocable trust with an escrow agent to provide for all future debt service requirements for $7,650,000 of the 2009 CWRPDA loan. As a result, the debt is considered defeased and the liability has been removed from the financial statements. The outstanding balance of the defeased debt at December 31, 2017, was $7,460,000. The debt will be called and paid in full on December 1, 2018.

Note 6: Joint Venture

The City is a participant in the Fountain Valley Authority which was formed to construct and operate a water treatment plant. Participants in the Authority are the Cities of Fountain and Colorado Springs, Security Water District, Stratmoor Hills Water District and Widefield Water and Sanitation District. The City is represented on the Authority's Board of Directors by one member. The Board of Directors has the responsibility for all operations of the Authority.

The City's share of available capacity for the year ended December 31, 2017, was 2,000 acre feet of project water, representing an ownership percentage of participation of 9.95%.

The City's share of the Authority is not included in the financial statements since the Authority is a component unit of the City of Colorado Springs. Financial information about the Fountain Valley Authority can be obtained in a separate report available at City Hall.

Note 7: 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; natural disasters; and health and dental claims of its employees. The City accounts for and finances its risk activities in the General Fund and the Insurance Internal Service Fund.

Public Entity Risk Pool

For property, liability and workers compensation risks of loss, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

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

Insurance Fund

Effective October 1, 2009, the City established a partially self-insured program for employee health, dental and short-term disability benefits. Transactions of the self-insurance program are reported in the Insurance Fund, an internal service fund. The City has purchased excess insurance policies to cover individual claims in excess of $50,000, and aggregate annual claims in excess of approximately $2,984,503, depending on enrollment counts. Premiums are paid by the General, Water, Electric, and Ambulance Funds.

Claims liabilities, including estimated incurred but not reported claims (IBNR), are reported in the government-wide financial statements and the internal service fund if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Other than current amounts, the City believes the estimated claims liability is not fully measurable, and the City could incur additional costs related to IBNR claims.

Note 7: Risk Management *(Continued)*

Insurance Fund *(Continued)*

Changes in claims payable were as follows:

	12/31/17	12/31/16
Claims Payable, Beginning of Year	$ 267,726	$ 352,933
Claims and Changes in Provisions	2,758,068	2,362,657
Claims Payments	(2,772,164)	(2,447,864)
Claims Payable, End of Year	$ 253,630	$ 267,726

Note 8: Defined Benefit Retirement Plans

Volunteer Firefighters' Pension Plan

General Information

Plan Description - The City has established the Volunteer Firefighters' Pension Plan, a single-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado statutes. The plan is administered by a Board of Trustees composed of City Council members and firefighters. The Board of Trustees also establishes and is allowed to amend contribution and benefit requirements. The plan does not publish a separate stand-alone report, but is reported in the financial statements as a Pension Trust Fund.

Plan Membership - At December 31, 2017, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	15
Active plan members	10
Total	28

Benefits Provided - Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension benefit of $200. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year shall be compensated in an amount determined by the Board of Trustees, currently $200 each month. Monthly survivor benefits are $200 unless the firefighter was disabled, in which case the survivor benefit is $100 each month.

Note 8: Defined Benefit Retirement Plans (*Continued)*

***Volunteer Firefighters' Pension Plan** (Continued)*

Contributions - As established by State statutes, the plan may receive contributions from the City in an amount not to exceed one-half mill of property tax revenue. The State of Colorado contributes 90% of the City's contribution. Plan members are not required to contribute to the plan. The contributions are not actuarially determined. The actuarial valuation as of January 1, 2018, indicated that the current level of contributions is adequate to support on an actuarially sound basis the prospective benefits of the present plan. No contributions were made to the plan during the year ended December 31, 2017.

Investments

Investment Policy - The Board of Trustees has the authority to establish an investment policy for the plan, but has not done so. City management currently makes all investment decisions.

Rate of Return - For the year ended December 31, 2017, the annual money-weighted rate of return on plan investments, net of investment expense, was .70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Asset

At December 31, 2017, the City reported a net pension asset of $587,936. The net pension asset was measured at December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Interest Rate - 4.5% per annum, compounded annually, net of operating expenses
Mortality - RP-2000 Healthy Employees Mortality Table projected 15 years from the valuation date for active members and 7 years for retired members using Scale AA
Retirement - Age 50 and 20 years of service
Probability of achieving 20 years total service for inactive members who had served between five and ten years of service starting after June 3, 1977 - 25%

The long-term expected rate of return on 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 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 and by adding expected inflation.

Note 8: Defined Benefit Retirement Plans (*Continued)*

***Volunteer Firefighters' Pension Plan** (Continued)*

Best estimates of rates of return for each major asset class included in the plan's target asset allocation at January 1, 2018, are summarized in the following table (note that the rates shown below include the inflation component):

Asset Class	Long-Term Expected Rate of Return
Domestic Equity	8.74%
International Equity	7.82%
Fixed Income	3.36%
Cash	2.28%

Discount Rate - The discount rate used to measure the total pension liability was 4.5%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 4.5% was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended December 31, 2017, changes in the net pension asset of the City were as follows.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at December 31, 2016	$ 243,498	$ 710,958	$ 467,460
Changes for the year:			
Service Cost	13,751		(13,751)
Interest	11,460	—	(11,460)
Differences Between Expected and Actual Experience	(144,009)	—	144,009
Net Investment Income	—	4,948	4,948
Benefit Payments	(4,800)	(4,800)	—
Administrative Expenses	—	(3,270)	(3,270)
Balances at December 31, 2017	$ 119,900	$ 707,836	$ 587,936

Note 8: Defined Benefit Retirement Plans (*Continued)*

***Volunteer Firefighters' Pension Plan** (Continued)*

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - The following table presents the net pension asset of the City at December 31, 2017, calculated using the discount rate of 4.5%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is one percentage point lower (3.5%) or one percentage point higher (5.5%) than the current rate, as follows:

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
City's Net Pension Asset	$ 563,774	$ 587,936	$ 606,400

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

For the year ended December 31, 2017, the City recognized pension expense of $120,476. The differences in projected and actual earnings on investments, differences between expected and actual experience, and the effect of changes in assumptions were recorded in pension expense. Because the differences were not significant, they will not be recognized as pension expense over multiple years.

Firefighters' Pension Plans

Plan Description

The City contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan (the SWH Plan), a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA). Effective September 1, 2011, paid firefighters had the option to remain in the City's existing pension plan or choose to participate in the SWH plan. Firefighters hired after September 1, 2011, are required to participate in the SWDB on the first day of employment. Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at www.fppaco.org.

Benefits Provided

SWDB Plan - A SWDB Plan member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index.

Note 8: Defined Benefit Retirement Plans (*Continued)*

***Firefighters' Pension Plans** (Continued)*

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

SWH Plan - A SWH Plan member is eligible for a normal retirement pension at any time after age 55, if the member has at least twenty-five years of service. The annual normal retirement benefit of the defined benefit component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retirees of the defined benefit component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to 3%.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, returned as a lump sum distribution from the defined benefit component. Alternatively, a member with at least five years of accredited service may leave contributions with the defined benefit component and remain eligible for a retirement pension at age 55 equal to 1.5% of the member's average highest three years' base salary for each year of credited service. In addition, upon termination the vested account balance in the money purchase component becomes available to the member.

Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plans' net position.

Note 8: Defined Benefit Retirement Plans (*Continued)*

***Firefighters' Pension Plans** (Continued)*

Contributions

SWDB Plan Contributions - The City and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 8% and 9.5% of base salary, respectively, for the year ended December 31, 2017. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary.

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 20% of base salary through December 31, 2014. The split of contributions between employees and the City is determined by the City Council. In accordance with the aforementioned election, the reentry group contributions will increase 0.5% percent annually from 2015 through 2022, to a total of 24% of base salary.

The City's contributions to the SWDB Plan for the year ended December 31, 2017, were $143,538, equal to the required contributions.

SWH Plan Contributions - The City and eligible employees are required to contribute to the SWH Plan at rates established by City Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer. Excess contributions are deposited to the money purchase component of the SWH Plan. The defined benefit component allocation from July 1, 2016, through June 30, 2017, was 13.5%, and thereafter was 14.8%. For the year ended December 31, 2017, City Council established the contribution rate split at 9.5% of base salary for both the City and the employees.

Within the money purchase component, members are always fully vested in their contributions, as well as the earnings on those contributions. Vesting in the City's contributions within the money purchase component and earnings on those contributions is 20% per year after the first year of service, with 100% vesting after five years of service. Unvested City contributions and earnings thereon are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the SWH Plan's administrative expenses. Any administrative expenses not covered by forfeitures are charged directly to member accounts.

An employee may elect to make voluntary after-tax contributions to the money purchase component of the SWH Plan. All contributions to the money purchase component are invested at the discretion of the member.

The City's contributions to the SWH Plan for the year ended December 31, 2017, were $7,247, equal to the required contributions.

Note 8: Defined Benefit Retirement Plans (*Continued)*

***Firefighters' Pension Plans** (Continued)*

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 asset (liability) of ($96,829) and $56,649, representing its proportionate share of the net pension asset (liability) of the SWDB and SWH Plans, respectively. The net pension asset (liability) was measured at December 31, 2016, and the total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation as of January 1, 2017. The City's proportion of the net pension asset (liability) was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2016, relative to the projected contributions of all participating employers.

At December 31, 2016, the City's proportion of the SWDB Plan was 0.28760751%, which was an increase of 0.00364440% from its proportion measured at December 31, 2015. The City's proportion of the SWH Plan was 0.52041609%, which was an increase of 0.04391644% from its proportion measured at December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense for the SWDB Plan and SWH Plan of $192,757 and ($6,587), respectively. 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
Statewide Defined Benefit Plan		
Differences between expected and actual experience	$ 78,106	$ 4,972
Net difference between projected and actual earnings on plan investments	186,748	—
Changes of assumptions and other inputs	61,550	—
Changes in proportion	28,079	—
Contributions subsequent to the measurement date	143,538	—
Subtotal	498,021	4,972
Statewide Hybrid Plan		
Differences between expected and actual experience	23,836	—
Net difference between projected and actual earnings on plan investments	8,173	—
Changes of assumptions and other inputs	1,953	—
Changes in proportion	1,997	5,504
Contributions subsequent to the measurement date	7,247	—
Subtotal	43,206	5,504
Total	$ 541,227	$ 10,476

Note 8: Defined Benefit Retirement Plans (*Continued)*

***Firefighters' Pension Plans** (Continued)*

City contributions to the SWDB and SWH Plans subsequent to the measurement date of $143,538 and $7,247, respectively, will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Year Ended December 31,	SWDB	SWH
2018	$ 108,655	$ 7,637
2019	101,727	7,406
2020	42,771	4,951
2021	22,138	3,940
2022	22,138	3,940
Thereafter	52,082	2,581
Total	$ 349,511	$ 30,455

Actuarial Assumptions - The actuarial valuations as of January 1, 2017, determined the total pension liability using the following actuarial assumptions and other inputs.

Investment rate of return, compounded annually, net of plan investment expenses, including inflation	7.5%
Inflation	2.5%
Projected salary increases	4% - 14%
Cost of living adjustment	0%

Mortality rates for active members were based on the RP-2014 Mortality Tables for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Tables for Blue Collar Employees were used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used. All tables were projected with Scale BB.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's analysis and recommendations from the 2015 Experience Study.

The long-term expected rate of return on 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 8: Defined Benefit Retirement Plans (*Continued)*

***Firefighters' Pension Plans** (Continued)*

Best estimates of arithmetic real rates of return for each major asset class included in the 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%	9.25%
Equity Long/Short	10%	7.35%
Illiquid Alternatives	23%	10.75%
Fixed Income	15%	4.10%
Absolute Return	10%	6.55%
Managed Futures	4%	5.50%
Cash	2%	0.00%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.5%, as well as the City's proportionate share of the net pension asset (liability) if it were calculated using a discount that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the SWDB Net Pension Asset (Liability)	$ (823,857)	$ (96,829)	$ 507,004
City's proportionate share of the SWH Net Pension Asset	$ 30,124	$ 56,649	$ 78,777

Pension Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Note 9: Retirement Commitments

Police and Firefighter Money Purchase Pension Plan

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of police officers and paid firefighters that did not elect to participate in the FPPA Plans. The City is required to contribute 9.5% of each participating employee's compensation, and each employee must contribute a matching amount. The Plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the Plan as of the first day of work as an employee, and become fully vested after five years of service.

For the year ended December 31, 2017, the City contributed $355,611 to the Plan, equal to the required contributions. All of the Plan investments at December 31, 2017, are managed by Empower Retirement Company, an outside administrator.

General Employee Money Purchase Pension Plan

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of non-police and firefighter employees. The City is required to contribute 4.5% of each participating employee's compensation, and each employee must contribute a matching amount. The Plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the Plan after six months of employment. Participants become fully vested after five years of service.

For the year ended December 31, 2017, the City contributed $347,592 to the Plan, equal to the required contributions. All of the Plan investments at December 31, 2017, are managed by the Colorado County Officials and Employees Retirement Association (CCOERA), an outside administrator.

Note 10: Postemployment Benefits Other Than Pensions

Plan Description - The City has established a single-employer defined benefit postemployment healthcare plan. Employees with at least 20 years of service with the City, and who have reached at least 55 years of age, are eligible to receive health insurance benefits after retirement. These benefits expire when the retiree reaches the age of 65. The authority to establish and amend benefit provisions rests with the City Council. The City does not issue a stand-alone financial report for the plan.

Funding Policy - The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. The City pays the entire monthly insurance premium. Plan members are not required to contribute to the plan. For the year ended December 31, 2017, the City paid premiums for retirees totaling $17,304.

Note 10: Postemployment Benefits Other Than Pensions *(Continued)*

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan.

Annual required contribution	$ 93,875
Interest on net OPEB obligation	22,031
Adjustment to annual required contribution	(32,951)
Annual OPEB cost	82,955
Excess premiums paid	(17,304)
Increase in net OPEB obligation	65,651
Net OPEB Obligation, Beginning	587,485
Net OPEB Obligation, Ending	$ 653,136

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2017, and the two preceding years follows.

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/17	$ 82,955	20.9%	$ 653,136
12/31/16	77,266	9.7%	587,485
12/31/15	83,628	0.0%	517,746

Funded Status and Funding Progress - At January 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was $468,530, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $12.1 million, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 3.86%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These assumptions include among others, annual rates of payroll increases, healthcare cost trends, and mortality rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about the actuarial accrued liabilities for benefits.

Note 10: Postemployment Benefits Other Than Pensions *(Continued)*

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the City and plan members, and are based on the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant methods and assumptions included the following:

Actuarial Valuation Date - January 1, 2016
Actuarial Cost Method - Entry Age
Amortization Method - Level Dollar, Open
Remaining Amortization Period - 30 years
Asset Valuation Method - Fair Value
Investment Rate of Return - 3%, including inflation at 2%
Healthcare Cost Trend Rate and Premium Increase - 7.3% for 2016; decreasing .35% each year until 4.5%; in 2020 an average 1% is added for cadillac tax, then continues to decrease .35% each year until 5% in year 2024 and after.

Note 11: Commitments and Contingencies

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the Amendment. However, the City has made certain interpretations of the Amendment's language in order to determine compliance.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2017, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $764,000.

Claims and Judgements

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2017, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

Note 11: Commitments and Contingencies

Southern Delivery System

The City, along with the City of Colorado Springs, Security Water and Sanitation District, and Pueblo West Metropolitan District, are partners in the Southern Delivery System project. This project will convey raw water from Pueblo Reservoir through a 66" diameter, 53-mile pipeline to Upper Williams Creek Reservoir and Universal Water Treatment Plant located east of Colorado Springs. The City's participation in the conveyance capacity is 2,500 acre-feet per year and 5.625 million gallons per day (mgd) in the water treatment plant. The project was online in 2016, however, final completion of all construction is not expected until late 2018 or early 2019.

Under the terms of the project agreement, the City's participation is reported in the financial statements as an undivided interest, whereby the City reports its assets, liabilities, revenues and expenses associated with the joint project. At December 31, 2017, the City reported capital assets, with no depreciation, of $43,009,496 for this project.

Conveyance Service Contract

The City, as a participant in the Fountain Valley Authority, receives raw water through the Fountain Valley Conduit (the Conduit) pursuant to a conveyance service contract with the Southeastern Colorado Water Conservancy District. Under the terms of the contract, the participants are assessed a service charge for the costs of constructing the Conduit. The City's future service charges are as follows:

Year Ended December 31,	
2018	$ 371,198
2019	371,198
2020	371,198
2021	371,198
2022	371,198
2023	278,649
Total	$ 2,134,639

Conduit Debt Obligations

During 2007, the City issued Development Revenue Bonds (Cheyenne Mountain Zoological Society Project) Series 2007 and Series 2007B, to provide financing for the construction, renovation and equipping of improvements to the Cheyenne Mountain Zoo. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statements. Outstanding bonds at December 31, 2017, totaled $135,872.

Note 11: Commitments and Contingencies *(Continued)*

Litigation

The City is involved in various pending or threatened litigation. The outcome of this litigation cannot be determined at this time.

Concentration of Risk

A substantial amount of the City's sales tax revenues are received from four taxpayers. A reduction in this revenue, if it were to occur, may have a significant affect on the City's programs and activities.

Economic Development Tax Incentive Agreements

The City has approved several agreements to rebate certain property, sales and use taxes generated by new businesses. During the year ended December 31, 2017, the City paid $44,303 under these agreements.

Required Supplementary Information

City of Fountain, Colorado

Schedule of Changes in Net Pension Liability and Related Ratios and Investment Returns
Volunteer Firefighters' Pension Plan
December 31, 2017

	2017	2016	2015	2014
Total Pension Liability				
Service Cost	$ 13,751	$ -	$ -	$ -
Interest	11,460	14,655	14,188	13,765
Differences Between Expected and Actual Experience	(144,009)	-	-	-
Changes of Assumptions	-	(94,965)	-	-
Benefit Payments	(4,800)	(4,000)	(3,600)	(4,800)
Net Change in Total Pension Liability	(123,598)	(84,310)	10,588	8,965
Total Pension Liability, *Beginning of year*	243,498	327,808	317,220	308,255
Total Pension Liability, *End of year*	$ 119,900	$ 243,498	$ 327,808	$ 317,220
Plan Fiduciary Net Position				
Net Investment Income	$ 4,948	$ 3,029	$ 2,732	$ 2,191
Benefit Payments	(4,800)	(4,000)	(3,600)	(4,800)
Administrative Expenses	(3,270)	(2,850)	(10,539)	(150)
Net Change in Plan Fiduciary Net Position	(3,122)	(3,821)	(11,407)	(2,759)
Plan Fiduciary Net Position, *Beginning of year*	710,958	714,779	726,186	728,945
Plan Fiduciary Net Position, *End of year*	$ 707,836	$ 710,958	$ 714,779	$ 726,186
City's Net Pension Asset, *End of year*	$ 587,936	$ 467,460	$ 386,971	$ 408,966
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	590%	292%	218%	229%
Investment Returns				
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.70%	0.43%	0.38%	0.28%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

City of Fountain, Colorado

Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
Fire and Police Pension Association of Colorado Statewide Defined Benefit Plan
December 31, 2017

	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Asset (Liability)				
City's Proportion of the Net Pension Asset (Liability)	0.28760751%	0.28396312%	0.31188443%	0.32238512%
City's Proportionate Share of the Net Pension Asset (Liability)	$ (96,829)	$ 5,006	$ 351,985	$ 288,272
City's Covered Payroll	$ 1,331,905	$ 1,224,894	$ 1,227,432	$ 1,202,066
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	-7.3%	0.4%	29%	24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98%	100.1%	107%	106%

	12/31/17	12/31/16	12/31/15	12/31/14
City Contributions				
Statutorily Required Contribution	$ 143,538	$ 117,754	$ 110,127	$ 112,204
Contributions in Relation to the Statutorily Required Contribution	(143,538)	(117,754)	(110,127)	(112,204)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 1,638,955	$ 1,331,905	$ 1,224,894	$ 1,227,432
Contributions as a Percentage of Covered Payroll	8.76%	8.84%	8.99%	9.14%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

City of Fountain, Colorado

Schedule of Proportionate Share of the Net Pension Asset and Contributions
Fire and Police Pension Association of Colorado Statewide Hybrid Plan
December 31, 2017

	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Asset				
City's Proportion of the Net Pension Asset	0.52041609%	0.47649964%	0.50235952%	0.46745219%
City's Proportionate Share of the Net Pension Asset	$ 56,649	$ 50,189	$ 59,578	$ 47,680
City's Covered Payroll	$ 70,847	$ 66,053	$ 65,458	$ 63,658
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	80%	76%	91%	75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126%	129%	141%	139%

	12/31/17	12/31/16	12/31/15	12/31/14
City Contributions				
Statutorily Required Contribution	$ 7,247	$ 6,730	$ 6,275	$ 6,218
Contributions in Relation to the Statutorily Required Contribution	(7,247)	(6,730)	(6,275)	(6,218)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 76,282	$ 70,847	$ 66,053	$ 65,458
Contributions as a Percentage of Covered Payroll	9.50%	9.50%	9.50%	9.50%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

City of Fountain, Colorado

Schedule of Funding Progress
Postemployment Benefit Plan
December 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	$ -	$ 322,073	$ 322,073	-	$ 9,168,765	3.51%
1/1/2011	$ -	$ 367,674	$ 367,674	-	$ 9,890,941	3.72%
1/1/2014	$ -	$ 488,743	$ 488,743	-	$ 10,152,334	4.81%
1/1/2016	$ -	$ 468,530	$ 468,530	-	$ 12,140,898	3.86%

City of Fountain, Colorado
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes				
Property Taxes	$ 1,924,000	$ 1,924,000	$ 1,956,656	$ 32,656
Sales Taxes	9,052,050	9,052,050	10,341,676	1,289,626
Use Taxes	1,550,000	1,550,000	1,759,190	209,190
Specific Ownership Taxes	200,000	200,000	270,180	70,180
Franchise Taxes	2,051,040	2,051,040	1,975,688	(75,352)
Total Taxes	14,777,090	14,777,090	16,303,390	1,526,300
Licenses and Permits				
Business Licenses	47,250	47,250	46,510	(740)
Telecommunications	35,000	35,000	22,316	(12,684)
Liquor Licenses	9,000	9,000	12,475	3,475
Street and Curb Permits	11,000	11,000	12,804	1,804
Total Licenses and Permits	102,250	102,250	94,105	(8,145)
Charges for Services				
Developer Fees	100,000	100,000	73,349	(26,651)
Impact Fees	47,000	47,000	88,877	41,877
Park Fees	150,000	150,000	83,464	(66,536)
School District Juvenile Program	307,000	307,000	294,442	(12,558)
Off Duty Police Program	8,500	8,500	47,106	38,606
Cemetery	-	-	7,050	7,050
Miscellaneous	61,400	61,400	53,882	(7,518)
Total Charges for Services	673,900	673,900	648,170	(25,730)
Fines and Forfeitures	391,800	391,800	302,091	(89,709)
Intergovernmental				
Highway Users Tax	698,900	698,900	733,026	34,126
Road and Bridge Fund	28,800	28,800	31,656	2,856
Motor Vehicle Registration	84,000	84,000	85,888	1,888
Cigarette Taxes	34,400	34,400	39,291	4,891
State and Local Grants	217,600	217,600	150,345	(67,255)
Federal Grants	10,000	10,000	4,768	(5,232)
Total Intergovernmental	1,073,700	1,073,700	1,044,974	(28,726)
Investment Income	25,000	25,000	28,556	3,556
Miscellaneous				
Rents	4,100	4,100	3,383	(717)
Other	99,800	99,800	271,227	171,427
Total Miscellaneous	103,900	103,900	274,610	170,710
Total Revenues	$ 17,147,640	$ 17,147,640	$ 18,695,896	$ 1,548,256

(Continued)

City of Fountain, Colorado

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2017
(Continued)

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Expenditures				
General Government				
Legislative	$ 60,940	$ 60,940	$ 33,939	$ 27,001
Judicial	240,040	240,040	234,677	5,363
Economic Development	2,123,720	2,123,720	2,154,014	(30,294)
Information Technology	1,399,300	1,510,175	367,988	1,142,187
Planning and Engineering	605,595	605,595	527,734	77,861
Administration	663,055	663,055	782,512	(119,457)
Total General Government	5,092,650	5,203,525	4,100,864	1,102,661
Public Safety				
Police	7,061,300	7,061,300	7,135,141	(73,841)
Communications	570,540	570,540	588,491	(17,951)
Fire	3,352,840	3,352,840	3,615,131	(262,291)
Total Public Safety	10,984,680	10,984,680	11,338,763	(354,083)
Public Works				
Highway and Streets	1,719,600	1,719,600	1,732,002	(12,402)
Facilities Maintenance	343,370	343,370	712,646	(369,276)
Total Public Works	2,062,970	2,062,970	2,444,648	(381,678)
Health and Welfare				
Code Enforcement	389,280	389,280	339,190	50,090
Cemetery	37,500	37,500	42,773	(5,273)
Total Health and Welfare	426,780	426,780	381,963	44,817
Culture and Recreation				
Parks	911,450	944,450	1,005,042	(60,592)
Community Building	286,925	286,925	229,079	57,846
Total Culture and Recreation	1,198,375	1,231,375	1,234,121	(2,746)
Debt Service	790,455	790,455	657,117	133,338
Total Expenditures	20,555,910	20,699,785	20,157,476	542,309
Excess of Revenues Over (Under) Expenditures	(3,408,270)	(3,552,145)	(1,461,580)	2,090,565
Other Financing Sources (Uses)				
Capital Leases	1,750,500	1,750,500	3,508,761	1,758,261
Transfers In	912,000	912,000	-	(912,000)
Transfers Out	(515,000)	(515,000)	(235,448)	279,552
Total Other Financing Sources (Uses)	2,147,500	2,147,500	3,273,313	1,125,813
Net Change in Fund Balance	(1,260,770)	(1,404,645)	1,811,733	3,216,378
Fund Balance, *Beginning of year*	5,665,412	5,665,412	5,231,329	(434,083)
Fund Balance, *End of year*	$ 4,404,642	$ 4,260,767	$ 7,043,062	$ 2,782,295

See the accompanying Independent Auditors' Report.

Note 1: Volunteer Firefighters' Pension Plan

Contributions

The City made no contributions to the Volunteer Firefighters' Pension Plan during the year ended December 31, 2017. In addition, the plan members consist only of volunteer firefighters and no employee payroll information is applicable.

Actuarial Assumptions

Significant actuarial methods and assumptions used to determine the contribution rates for the Volunteer Firefighters' Pension Plan are as follows:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry age
Amortization Method	Level amount, open
Remaining Amortization Period	20 years
Asset Valuation Method	Fair value
Interest Rate	4.5% per annum, compounded annually, net of operating expenses
Inflation Rate	2.74%
Retirement Age	Age 50 and 20 years of service
Mortality	Projected 15 years from the valuation date

Note 2: Stewardship, Compliance and Accountability

Budgetary Accounting

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- In September, management 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.

- Public hearings are conducted to obtain taxpayer comments.

- Prior to December 31, the budget is legally adopted through passage of an ordinance.

- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council. State statutes stipulate that expenditures may not exceed budgeted appropriations at the fund level.

Note 2: Stewardship, Compliance and Accountability *(Continued)*

Budgetary Accounting *(Continued)*

- Budgets are legally adopted for all funds of the City. Fiduciary fund budgets have not been presented in the financial statements. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.

- All appropriations lapse at year end.

Legal Compliance

For the year ended December 31, 2017, expenditures of the Heritage Maintenance District, Volunteer Fire, Ambulance, and Insurance Funds exceeded the budgeted amounts by $10,697, $17,995, $378, and $73,391, respectively. These may be violations of State statutes.

Supplementary Information

City of Fountain, Colorado

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Conservation Trust	Heritage Maintenance District	General Improvement Districts	Volunteer Fire
Assets				
Cash and Investments	$ 255,681	$ 388,001	$ 303,668	$ 143,019
Accounts Receivable	359	1,309	1,975	13,005
Taxes Receivable	-	65,012	175,675	-
Total Assets	$ 256,040	$ 454,322	$ 481,318	$ 156,024
Liabilities				
Accounts Payable	$ -	$ 3,924	$ -	$ 2,340
Accrued Liabilities	1,210	-	-	-
Total Liabilities	1,210	3,924	-	2,340
Deferred Inflows of Resources				
Property Taxes	-	65,012	175,675	-
Fund Balances				
Restricted for:				
Parks	254,830	-	-	-
District Repairs and Maintenance	-	385,386	305,643	-
Transportation	-	-	-	-
Street Repairs and Maintenance	-	-	-	-
Street Improvements	-	-	-	-
Committed to Volunteer Fire Activities	-	-	-	153,684
Total Fund Balances	254,830	385,386	305,643	153,684
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 256,040	$ 454,322	$ 481,318	$ 156,024

(Continued)

City of Fountain, Colorado

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017
(Continued)

	Public Transportation	Street Resurfacing	Street Improvement	Total
Assets				
Cash and Investments	$ 953,516	$ 162,322	$ 4,646,685	$ 6,852,892
Accounts Receivable	156,947	93,156	224,265	491,016
Taxes Receivable	-	-	-	240,687
Total Assets	$ 1,110,463	$ 255,478	$ 4,870,950	$ 7,584,595
Liabilities				
Accounts Payable	$ 9,247	$ 7,324	$ 17,729	$ 40,564
Accrued Liabilities	5,751	-	-	6,961
Total Liabilities	14,998	7,324	17,729	47,525
Deferred Inflows of Resources				
Property Taxes	-	-	-	240,687
Fund Balances				
Restricted for:				
Parks	-	-	-	254,830
District Repairs and Maintenance	-	-	-	691,029
Transportation	1,095,465	-	-	1,095,465
Street Repairs and Maintenance	-	248,154	-	248,154
Street Improvements	-	-	4,853,221	4,853,221
Committed to Volunteer Fire Activities	-	-	-	153,684
Total Fund Balances	1,095,465	248,154	4,853,221	7,296,383
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 1,110,463	$ 255,478	$ 4,870,950	$ 7,584,595

City of Fountain, Colorado

Combining Statement of Revenues, Expenditures, and Changes in the Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2017

	Conservation Trust	Heritage Maintenance District	General Improvement Districts	Volunteer Fire
Revenues				
Taxes	$ -	$ 71,529	$ 159,251	$ -
Charges for Services	-	-	-	91,500
Intergovernmental	239,612	-	-	-
Investment Income	1,567	2,474	1,573	699
Miscellaneous	-	-	-	12,099
Total Revenues	241,179	74,003	160,824	104,298
Expenditures				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	92,695
Public Works	-	69,697	-	-
Culture and Recreation	291,261	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	291,261	69,697	-	92,695
Excess Revenues Over (Under) Expenditures	(50,082)	4,306	160,824	11,603
Other Financing Sources				
Capital Leases	-	-	-	-
Net Change in Fund Balances	(50,082)	4,306	160,824	11,603
Fund Balances, *Beginning of year*	304,912	381,080	144,819	142,081
Fund Balances, *End of year*	$ 254,830	$ 385,386	$ 305,643	$ 153,684

(Continued)

City of Fountain, Colorado

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2017
(Continued)

	Public Transportation	Street Resurfacing	Street Improvement	Total
Revenues				
Taxes	$ 861,802	$ 517,081	$ 1,206,523	$ 2,816,186
Charges for Services	-	-	-	91,500
Intergovernmental	-	-	-	239,612
Investment Income	4,843	1,527	24,604	37,287
Miscellaneous	1,599	-	-	13,698
Total Revenues	868,244	518,608	1,231,127	3,198,283
Expenditures				
Current				
General Government	780,104	-	-	780,104
Public Safety	-	-	-	92,695
Public Works	-	474,346	505,450	1,049,493
Culture and Recreation	-	-	-	291,261
Debt Service				
Principal	42,841	-	-	42,841
Interest	796	-	-	796
Total Expenditures	823,741	474,346	505,450	2,257,190
Excess Revenues Over (Under) Expenditures	44,503	44,262	725,677	941,093
Other Financing Sources				
Capital Leases	138,900	-	-	138,900
Net Change in Fund Balances	183,403	44,262	725,677	1,079,993
Fund Balances, *Beginning of year*	912,062	203,892	4,127,544	6,216,390
Fund Balances, *End of year*	$ 1,095,465	$ 248,154	$ 4,853,221	$ 7,296,383

City of Fountain, Colorado

Budgetary Comparison Schedule
Conservation Trust Fund
Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance *Positive (Negative)*
Revenues			
Lottery Proceeds	$ 227,000	$ 239,612	$ 12,612
Investment Income	700	1,567	867
Total Revenues	227,700	241,179	13,479
Expenditures			
Culture and Recreation	415,200	291,261	123,939
Net Change in Fund Balance	$ (187,500)	(50,082)	$ 137,418
Fund Balance, *Beginning of year*		304,912	
Fund Balance, *End of year*		$ 254,830	

City of Fountain, Colorado

Budgetary Comparison Schedule
Heritage Maintenance District Fund
Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance *Positive (Negative)*
Revenues			
Property Taxes	$ 63,000	$ 62,885	$ (115)
Specific Ownership Taxes	2,100	8,644	6,544
Investment Income	800	2,474	1,674
Total Revenues	65,900	74,003	8,103
Expenditures			
Public Works	59,000	69,697	(10,697)
Net Change in Fund Balance	$ 6,900	4,306	$ (2,594)
Fund Balance, *Beginning of year*		381,080	
Fund Balance, *end of year*		$ 385,386	

City of Fountain, Colorado

Budgetary Comparison Schedule
General Improvement Districts Fund
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 55,500	$ 57,000	$ 139,992	$ 82,992
Specific Ownership Taxes	-	5,500	19,259	13,759
Investment Income	-	-	1,573	1,573
Total Revenues	55,500	62,500	160,824	98,324
Net Change in Fund Balance	$ 55,500	$ 62,500	160,824	$ 98,324
Fund Balance, *Beginning of year*			144,819	
Fund Balance, *End of year*			$ 305,643	

City of Fountain, Colorado

Budgetary Comparison Schedule

Volunteer Fire Fund

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges for Services	$ 32,000	$ 3,000	$ 91,500	$ 88,500
Intergovernmental	-	16,600	-	(16,600)
Investment Income	400	400	699	299
Miscellaneous	7,000	4,600	12,099	7,499
Total Revenues	39,400	24,600	104,298	79,698
Expenditures				
Public Safety	26,920	74,700	92,695	(17,995)
Net Change in Fund Balance	$ 12,480	$ (50,100)	11,603	$ 61,703
Fund Balance, *Beginning of year*			142,081	
Fund Balance, *End of year*			$ 153,684	

City of Fountain, Colorado

Budgetary Comparison Schedule

Public Transportation Fund

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Sales Taxes	$ 733,600	$ 733,600	$ 861,802	$ 128,202
Intergovernmental	120,000	120,000	-	(120,000)
Investment Income	2,000	2,000	4,843	2,843
Miscellaneous	-	-	1,599	1,599
Total Revenues	855,600	855,600	868,244	12,644
Expenditures				
Current				
General Government	967,438	942,710	780,104	162,606
Debt Service				
Principal	-	39,328	42,841	(3,513)
Interest	-	-	796	(796)
Total Expenditures	967,438	982,038	823,741	158,297
Excess Revenues Over (Under) Expenditures	(111,838)	(126,438)	44,503	170,941
Other Financing Sources				
Capital Leases	-	-	138,900	138,900
Net Change in Fund Balance	$ (111,838)	$ (126,438)	183,403	$ 309,841
Fund Balance, *Beginning of year*			912,062	
Fund Balance, *Ending of year*			$ 1,095,465	

See the accompanying Independent Auditors' Report.

City of Fountain, Colorado

Budgetary Comparison Schedule
Street Resurfacing Fund
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Sales Taxes	$ 440,200	$ 494,000	$ 517,081	$ 23,081
Investment Income	500	1,000	1,527	527
Total Revenues	440,700	495,000	518,608	23,608
Expenditures				
Public Works	461,700	534,000	474,346	59,654
Excess Revenues Over (Under) Expenditures	(21,000)	(39,000)	44,262	83,262
Other Financing Sources (Uses)				
Transfers Out	(15,000)	(15,000)	-	15,000
Net Change in Fund Balance	$ (36,000)	$ (54,000)	44,262	$ 98,262
Fund Balance, *Beginning of year*			203,892	
Fund Balance, *End of year*			$ 248,154	

City of Fountain, Colorado

Budgetary Comparison Schedule
Street Improvement Fund
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Sales Taxes	$ 1,027,000	$ 1,085,000	$ 1,206,523	$ 121,523
Intergovernmental	400,000	400,000	-	(400,000)
Investment Income	6,000	6,000	24,604	18,604
Total Revenues	1,433,000	1,491,000	1,231,127	(259,873)
Expenditures				
Public Works	4,723,800	2,630,400	505,450	2,124,950
Net Change in Fund Balance	$ (3,290,800)	$ (1,139,400)	725,677	$ 1,865,077
Fund Balance, *Beginning of year*			4,127,544	
Fund Balance, *End of year*			$ 4,853,221	

City of Fountain, Colorado

Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017

	Ambulance	Drainage	Total
Assets			
Current Assets			
Cash and Investments	$ -	$ 1,082,712	$ 1,082,712
Accounts Receivable	99,606	1,741	101,347
Total Current Assets	99,606	1,084,453	1,184,059
Noncurrent Assets			
Capital Assets, *Net of Accumulated Depreciation*	116,776	-	116,776
Total Assets	216,382	1,084,453	1,300,835
Liabilities			
Current Liabilities			
Accounts Payable	31,188	-	31,188
Accrued Liabilities	25,562	-	25,562
Current Portion of Long-Term Debt			
Compensated Absences Payable	16,511	-	16,511
Capital Leases Payable	13,797	-	13,797
Total Current Liabilities	87,058	-	87,058
Long-Term Liabilities			
Compensated Absences Payable	34,883	-	34,883
Capital Leases Payable	37,130	-	37,130
Total Long-Term Liabilities	72,013	-	72,013
Total Liabilities	159,071	-	159,071
Net Position			
Net Investment in Capital Assets	65,849	-	65,849
Unrestricted	(8,538)	1,084,453	1,075,915
Total Net Position	$ 57,311	$ 1,084,453	$ 1,141,764

City of Fountain, Colorado

Combining Statement of Revenues, Expenses, and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended December 31, 2017

	Ambulance	Drainage	Total
Operating Revenues			
Charges for Services	$ 875,963	$ 22,352	$ 898,315
Total Operating Revenues	875,963	22,352	898,315
Operating Expenses			
Operations and Maintenance	1,090,864	810	1,091,674
Depreciation	25,571	-	25,571
Total Operating Expenses	1,116,435	810	1,117,245
Operating Income (Loss)	(240,472)	21,542	(218,930)
Nonoperating Revenues (Expense)			
Investment Income	-	5,994	5,994
Interest Expense	(1,328)	-	(1,328)
Total Nonoperating Revenues (Expenses)	(1,328)	5,994	4,666
Net Income (Loss) Before Transfers	(241,800)	27,536	(214,264)
Transfers In	235,448	-	235,448
Change in Net Position	(6,352)	27,536	21,184
Net Position, *Beginning of year*	63,663	1,056,917	1,120,580
Net Position, *End of year*	$ 57,311	$ 1,084,453	$ 1,141,764

See the accompanying Independent Auditor's Report.

City of Fountain, Colorado

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Increase (Decrease) In Cash and in Cash Equivalents
Year Ended December 31, 2017

	Ambulance	Drainage	Total
Cash Flows From Operating Activities			
Cash Received from Customers	$ 862,569	$ 21,250	$ 883,819
Cash Payments to Employees	(684,077)	-	(684,077)
Cash Payments to Suppliers	(399,126)	(810)	(399,936)
Net Cash Provided (Used) by Operating Activities	(220,634)	20,440	(200,194)
Cash Flows From Noncapital Financing Activities			
Payments from Other Funds	235,448	-	235,448
Cash Flows From Capital And Related Financing Activities			
Debt Principal Payments	(13,486)	-	(13,486)
Debt Interest and Fiscal Charges Paid	(1,328)	-	(1,328)
Net Cash Provided (Used) by Capital and Related Financing Activities	(14,814)	-	(14,814)
Cash Flows From Investing Activities			
Interest Received	-	5,994	5,994
Net Change In Cash And Cash Equivalents	-	26,434	26,434
Cash and Cash Equivalents, *Beginning of year*	-	1,056,278	1,056,278
Cash and Cash Equivalents, *End of year*	$ -	$ 1,082,712	$ 1,082,712
Reconciliation of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities			
Operating Income (Loss)	$ (240,472)	$ 21,542	$ (218,930)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	25,571	-	25,571
Changes in Assets and Liabilities			
Accounts Receivable	(13,394)	(1,102)	(14,496)
Accounts Payable	26,136	-	26,136
Accrued Liabilities	3,131	-	3,131
Compensated Absences Payable	(21,606)	-	(21,606)
Net Cash Provided (Used) by Operating Activities	$ (220,634)	$ 20,440	$ (200,194)

City of Fountain, Colorado
Budgetary Comparison Schedule
Water Fund
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges for Services	$ 8,239,000	$ 8,239,000	$ 8,173,948	$ (65,052)
Miscellaneous	818,780	818,780	253,203	(565,577)
Investment Income	10,000	10,000	4,862	(5,138)
System Development Fees	1,090,000	1,090,000	1,667,233	577,233
Water Acquisition Fees	-	-	310,203	310,203
Debt Proceeds	3,200,000	3,200,000	127,085	(3,072,915)
Total Revenues	13,357,780	13,357,780	10,536,534	(2,821,246)
Expenditures				
Source of Supply	2,418,700	2,418,700	2,290,090	128,610
Operations and Maintenance	1,644,970	1,644,970	1,544,556	100,414
Customer Accounts and Collection	604,830	604,830	525,850	78,980
Administration and General	2,129,020	2,129,020	2,069,860	59,160
Capital Outlay	4,596,900	5,232,975	1,921,142	3,311,833
Debt Principal	1,995,094	1,995,094	1,177,485	817,609
Interest Expense	1,955,850	1,955,850	1,914,817	41,033
Total Expenditures	15,345,364	15,981,439	11,443,800	4,537,639
Change in Net Position, *Budgetary Basis*	$ (1,987,584)	$ (2,623,659)	(907,266)	$ 1,716,393
Adjustments to GAAP Basis				
Debt Proceeds			(127,085)	
Capital Outlay, including Capitalized Interest			3,494,918	
Depreciation Expense			(1,299,842)	
Debt Principal			1,177,485	
Debt Issuance Costs			(363)	
Change in Net Position, *GAAP Basis*			$ 2,337,847	

See the accompanying Independent Auditors' Report.

City of Fountain, Colorado
Budgetary Comparison Schedule
Electric Fund
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges for Services	$ 22,780,943	$ 22,780,943	$ 22,033,212	$ (747,731)
Miscellaneous	575,900	575,900	723,744	147,844
Investment Income	150,000	150,000	115,371	(34,629)
System Development Fees	60,000	60,000	194,412	134,412
New Service Installation	47,860	47,860	659,802	611,942
Debt Proceeds	2,000,000	2,000,000	929,187	(1,070,813)
Transfers In	459,000	459,000	-	(459,000)
Total Revenues	26,073,703	26,073,703	24,655,728	(1,417,975)
Expenditures				
Source of Supply	13,701,595	13,701,595	13,084,500	617,095
Operations and Maintenance	4,915,760	4,915,760	3,359,995	1,555,765
Customer Accounts and Collection	1,545,700	1,545,700	1,225,215	320,485
Administration and General	2,727,460	2,727,460	3,306,875	(579,415)
Capital Outlay	2,977,200	7,160,861	2,899,133	4,261,728
Debt Principal	-	-	6,005	(6,005)
Interest Expense	-	-	435	(435)
Total Expenditures	25,867,715	30,051,376	23,882,158	6,169,218
Change in Net Position, *Budgetary Basis*	$ 205,988	$ (3,977,673)	773,570	$ 4,751,243
Adjustments to GAAP Basis				
Debt Proceeds			(929,187)	
Capital Outlay			2,899,133	
Depreciation Expense			(1,473,642)	
Debt Principal			6,005	
Change in Net Position, *GAAP Basis*			$ 1,275,879	

City of Fountain, Colorado

Budgetary Comparison Schedule

Ambulance Fund

Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance *Positive (Negative)*
Revenues			
Charges for Services	$ 875,000	$ 875,963	$ 963
Transfers In	150,000	235,448	85,448
Total Revenues	1,025,000	1,111,411	86,411
Expenditures			
Operations and Maintenance	1,074,230	1,090,864	(16,634)
Debt Principal	-	13,486	(13,486)
Interest Expense	-	1,328	(1,328)
Transfers Out	31,070	-	31,070
Total Expenditures	1,105,300	1,105,678	(378)
Change in Net Position, *Budgetary Basis*	$ (80,300)	5,733	$ 86,033
Adjustments to GAAP Basis			
Depreciation Expense		(25,571)	
Debt Principal		13,486	
Change in Net Position, *GAAP Basis*		$ (6,352)	

See the accompanying Independent Auditors' Report.

City of Fountain, Colorado

Budgetary Comparison Schedule
Drainage Fund
Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance *Positive (Negative)*
Revenues			
Charges for Services	$ 27,450	$ 22,352	$ (5,098)
Investment Income	3,840	5,994	2,154
Total Revenues	31,290	28,346	(2,944)
Expenditures			
Operations and Maintenance	200,000	810	199,190
Total Expenditures	200,000	810	199,190
Change in Net Position, *Budgetary Basis*	$ (168,710)	27,536	$ 196,246
Net Position, *Beginning of year*		1,056,917	
Net Position, *End of year*		$ 1,084,453	

City of Fountain, Colorado

Budgetary Comparison Schedule
Insurance Fund
Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance *Positive (Negative)*
Revenues			
Charges for Services	$ 3,515,100	$ 3,588,776	$ 73,676
Investment Income	-	11,881	11,881
Total Revenues	3,515,100	3,600,657	85,557
Expenditures			
Administration and General	255,000	90,963	164,037
Insurance Premiums	457,275	740,985	(283,710)
Insurance Claims	2,804,350	2,758,068	46,282
Total Expenditures	3,516,625	3,590,016	(73,391)
Change in Net Position, *Budgetary Basis*	$ (1,525)	10,641	$ 12,166
Net Position, *Beginning of year*		1,717,720	
Net Position, *End of year*		$ 1,728,361	

Statistical Section

CITY OF FOUNTAIN, COLORADO

STATISTICAL SECTION

Contents **Page**

Financial Trends **74-78**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **79-87**

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity **88-90**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **91-92**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **93-94**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF FOUNTAIN, COLORADO

NET POSITION BY COMPONENT **TABLE 1**
LAST TEN FISCAL YEARS
(Unaudited)

(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	$ 81,403,558	$ 79,168,395	$ 76,610,623	$ 76,127,122	$ 76,210,836	$ 74,221,505	$ 71,700,844	$ 71,587,864	$ 69,520,813	$ 67,964,354
Restricted for Parks		251,049	171,785	159,446	150,841	200,199	265,398	230,569	304,912	254,830
Restricted for District Repairs and Maintenance			-	260,397	300,346	335,202	377,522	438,171	525,899	691,029
Restricted for Transportation			77,407	160,658	-	323,923	486,290	717,664	912,062	1,095,465
Restricted for Street Repairs and Maintenance			75,110	46,277	49,317	114,524	81,645	78,649	203,892	248,154
Restricted for Street Improvements			492,788	1,026,814	1,651,516	2,273,777	2,913,693	3,507,196	4,127,544	4,853,221
Restricted for Emergencies	352,000	348,500	351,000	355,000	393,000	378,000	414,000	553,000	624,000	764,000
Unrestricted	2,169,455	1,055,370	952,123	135,074	189,013	(88,331)	3,400,191	5,745,378	4,666,972	5,782,314
Total governmmental activities net position	83,925,013	80,823,314	78,730,836	78,270,788	78,944,869	77,758,799	79,639,583	82,858,491	80,886,094	81,653,367
Business-type activities										
Net Investment in Capital Assets	57,171,450	58,293,086	60,771,506	63,517,686	65,483,598	70,249,254	73,772,083	76,235,438	82,159,345	85,595,172
Restricted for Debt Service			-	576,900	576,900	576,900	576,900	794,400	217,500	217,500
Unrestricted	17,064,618	16,362,533	14,381,159	11,415,974	13,418,176	12,434,106	11,829,636	13,047,583	10,329,549	10,532,782
Total business-type activities net position	74,236,068	74,655,619	75,152,665	75,510,560	79,478,674	83,260,260	86,178,619	90,077,421	92,706,394	96,345,454
Primary government										
Net Investment in Capital Assets	138,575,008	137,461,481	137,382,129	139,644,808	141,694,434	144,470,759	145,472,927	147,823,302	151,680,158	153,559,526
Restricted for Parks		251,049	171,785	159,446	150,841	200,199	265,398	230,569	304,912	254,830
Restricted for District Repairs and Maintenance			-	260,397	300,346	335,202	377,522	438,171	525,899	691,029
Restricted for Transportation			77,407	160,658	-	323,923	486,290	717,664	912,062	1,095,465
Restricted for Street Repairs and Maintenance			75,110	46,277	49,317	114,524	81,645	78,649	203,892	248,154
Restricted for Street Improvements			492,788	1,026,814	1,651,516	2,273,777	2,913,693	3,507,196	4,127,544	4,853,221
Restricted for Debt Service			-	576,900	576,900	576,900	576,900	794,400	217,500	217,500
Restricted for Emergencies	352,000	348,500	351,000	355,000	393,000	378,000	414,000	553,000	624,000	764,000
Unrestricted	19,234,073	17,417,903	15,333,282	11,551,048	13,607,189	12,345,775	15,229,827	18,792,961	14,996,521	16,315,096
Total primary government net position	$ 158,161,081	$ 155,478,933	$ 153,883,501	$ 153,781,348	$ 158,423,543	$ 161,019,059	$ 165,818,202	$ 172,935,912	$ 173,592,488	$ 177,998,821

Source: City of Fountain, Colorado, audited financial statements, 2008-2017

Note: The City of Fountain, Colorado adopted GASB Statement 65 for the year ended December 31, 2013. Amounts for 2012 have been restated.

The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.

CITY OF FOUNTAIN, COLORADO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 2

(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
General Government	$ 2,801,721	$ 2,483,390	$ 3,020,265	$ 2,949,011	$ 2,937,922	$ 3,088,640	$ 2,699,475	$ 2,130,308	$ 4,044,229	$ 4,693,192
Public Safety	6,487,537	6,989,181	7,182,513	7,446,750	7,966,886	8,166,704	8,485,869	9,028,509	10,270,018	10,949,410
Public Works	4,370,731	3,881,335	4,235,181	2,071,681	2,756,803	3,402,850	4,488,188	4,590,601	5,529,468	3,476,418
Health and Welfare	236,958	193,459	166,141	211,294	255,525	276,146	296,720	282,840	339,505	382,291
Culture and Recreation	779,830	966,366	790,333	858,049	772,212	778,062	798,755	1,143,271	1,114,420	1,272,541
Interest Expense	51,071	39,917	27,846	28,812	20,123	133,048	136,046	130,542	136,878	129,487
Total Governmmental Activities Expenses	14,727,848	14,553,648	15,422,279	13,565,597	14,709,471	15,845,450	16,905,053	17,306,071	21,434,518	20,903,339
Business-type Activities										
Water Uiltiy	5,898,155	6,175,434	6,425,441	6,702,091	6,486,441	7,220,673	6,912,357	7,556,775	7,828,769	8,070,689
Electric Utility	18,031,553	18,178,620	19,363,478	20,739,214	21,428,400	23,025,897	24,279,421	22,372,569	21,780,237	22,447,508
Ambulance	722,708	680,909	689,230	782,788	850,134	826,633	858,779	845,194	962,046	1,117,680
Drainage	18,604	332,103	62,103	49,530	129,444	179	-	678,202	34,783	810
Total Business-type Activities Expenses	24,671,020	25,367,066	26,540,252	28,273,623	28,894,419	31,073,382	32,050,557	31,452,740	30,605,835	31,636,687
Total Primary Government Expenses	$ 39,398,868	$ 39,920,714	$ 41,962,531	$ 41,839,220	$ 43,603,890	$ 46,918,832	$ 48,955,610	$ 48,758,811	$ 52,040,353	$ 52,540,026
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 160,968	$ 154,258	$ 117,196	$ 137,678	$ 190,390	$ 337,441	$ 292,864	$ 272,233	$ 250,000	$ 213,334
Public Safety	687,339	466,151	297,793	394,179	510,392	439,352	382,940	487,191	682,158	676,895
Public Works	25,211	25,258	20,350	7,736	16,461	12,437	37,455	127,292	74,205	155,208
Health and Welfare	15,496	16,209	23,122	12,781	20,112	38,000	14,777	21,773	12,000	6,965
Culture and Recreation	143,381	125,772	49,667	39,536	154,698	133,831	238,348	168,346	109,090	83,464
Operating Grants and Contributions	956,900	913,581	1,323,439	1,241,485	1,373,031	1,104,640	1,593,090	1,472,444	1,375,632	1,284,586
Capital Grants and Contributions	6,512,188	57,463	66,000	10,760	449,604	-	-	2,318,192	-	-
Total Governmental Activities Program Revenues	8,501,483	1,758,692	1,897,567	1,844,155	2,714,688	2,065,701	2,559,474	4,867,471	2,503,085	2,420,452
Business-type Activities										
Charges for Services:										
Water Utility	4,544,279	4,574,734	5,420,523	5,975,973	6,988,153	6,596,466	7,499,994	8,641,160	8,538,462	8,427,151
Electric Utility	18,467,209	18,875,288	19,795,797	20,626,280	22,469,395	23,757,241	24,304,148	23,673,596	22,148,619	23,416,758
Ambulance	714,921	656,075	585,801	659,662	681,356	603,636	678,983	725,652	675,385	875,963
Drainage	93,891	19,268	16,866	18,875	123,885	79,928	35,309	93,739	16,822	22,352
Capital Grants and Contributions	1,832,494	1,598,372	1,128,501	1,226,149	2,874,944	3,751,283	2,436,029	1,887,206	1,429,735	2,171,848
Total Business-type Activities Program Revenues	25,652,794	25,723,737	26,947,488	28,506,939	33,137,733	34,788,554	34,954,463	35,021,353	32,809,023	34,914,072
Total Primary Government Revenues	$ 34,154,277	$ 27,482,429	$ 28,845,055	$ 30,351,094	$ 35,852,421	$ 36,854,255	$ 37,513,937	$ 39,888,824	$ 35,312,108	$ 37,334,524
Net (Expense)/Revenue										
Governmental Activities	$ (6,226,365)	$ (12,794,956)	$ (13,524,712)	$ (11,721,442)	$ (11,994,783)	$ (13,779,749)	$ (14,345,579)	$ (12,438,600)	$ (18,931,433)	$ (18,482,887)
Business-type Activities	981,774	356,671	407,236	233,316	4,243,314	3,715,172	2,903,906	3,568,613	2,203,188	3,277,385
Total Primary Government Net Revenue (Expense)	$ (5,244,591)	$ (12,438,285)	$ (13,117,476)	$ (11,488,126)	$ (7,751,469)	$ (10,064,577)	$ (11,441,673)	$ (8,869,987)	$ (16,728,245)	$ (15,205,502)

Source: City of Fountain, Colorado, audited financial statements, 2008-2017

Note: The City of Fountain, Colorado adopted GASB Statement 65 for the year ended December 31, 2013. Amounts for 2012 have been restated.

The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.

TABLE 2
(continued)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	$ 1,674,629	$ 1,742,023	$ 1,814,141	$ 1,808,353	$ 1,662,856	$ 1,691,850	$ 1,715,894	$ 1,816,545	$ 2,031,189	$ 2,159,533
Sales and Use Taxes	5,911,624	5,943,879	7,404,402	7,437,672	8,528,383	8,678,945	9,340,449	10,542,516	12,686,263	14,686,272
Specific Ownership Taxes	184,974	171,897	165,271	159,210	159,616	171,785	187,619	210,581	241,426	298,083
Franchise Taxes	1,065,600	1,448,683	1,566,986	1,645,916	1,780,553	1,861,009	1,993,771	1,996,793	1,932,297	1,975,688
Investment Income	271,405	92,918	31,623	25,234	29,244	(22,321)	55,200	44,801	33,620	77,724
Intergovernemental revenues	-	-	-	-	-	-	2,500,000	200,000	-	-
Other Revenues	175,764	49,020	262,831	59,875	71,914	134,994	285,505	137,918	331,378	288,308
Insurance Proceeds	-	-	-	-	290,000	-	-	-	-	-
Transfers	(95,850)	244,837	186,980	125,134	146,298	77,417	147,925	(154,987)	(297,137)	(235,448)
Total Governmental Activities	9,188,146	9,693,257	11,432,234	11,261,394	12,668,864	12,593,679	16,226,363	14,794,167	16,959,036	19,250,160
Business-type Activities:										
Other Revenues										
Investment Earnings	1,098,290	307,717	276,790	249,713	238,857	143,831	162,378	175,202	128,648	126,227
Transfers	95,850	(244,837)	(186,980)	(125,134)	(146,298)	(77,417)	(147,925)	154,987	297,137	235,448
Total Business-type Activities	1,194,140	62,880	89,810	124,579	92,559	66,414	14,453	330,189	425,785	361,675
Total Primary Government	$ 10,382,286	$ 9,756,137	$ 11,522,044	$ 11,385,973	$ 12,761,423	$ 12,660,093	$ 16,240,816	$ 15,124,356	$ 17,384,821	$ 19,611,835
Change in Net Position										
Government Activities	$ 2,961,781	$ (3,101,699)	$ (2,092,478)	$ (460,048)	$ 674,081	$ (1,186,070)	$ 1,880,784	$ 2,355,567	$ (1,972,397)	$ 767,273
Business-type Activities	2,175,914	419,551	497,046	357,895	4,335,873	3,781,586	2,918,359	3,898,802	2,628,973	3,639,060
Total Primary Government	$ 5,137,695	$ (2,682,148)	$ (1,595,432)	$ (102,153)	$ 5,009,954	$ 2,595,516	$ 4,799,143	$ 6,254,369	$ 656,576	$ 4,406,333

Source: City of Fountain, Colorado, audited financial statements, 2008-2017
Note: The City of Fountain, Colorado adopted GASB Statement 65 for the year ended December 31, 2013. Amounts for 2012 have been restated.
The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.

CITY OF FOUNTAIN, COLORADO

FUND BALANCES-GOVERNMENTAL FUNDS **TABLE 3**
LAST TEN FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	$ 352,000	$ 348,500	$ 351,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	2,589,546	1,800,583	2,051,307	-	-	-	-	-	-	-
Nonspendable Note Receivable				-	100,000	25,663	-	-	-	-
Restricted for Emergencies				355,000	393,000	378,000	414,000	553,000	624,000	764,000
Restricted for Fire Sta./Police Sta. Renovation				-	2,499,423	121,934	-	-		
Committed to Park Improvements				161,212	311,804	283,566	512,486	662,405	742,637	848,069
Committed to School Zone				30,996	50,725	58,066	72,859	88,804	65,516	74,896
Committed to Traffic Signal				-	208,000	208,000	208,000	208,000	208,000	208,000
Assigned to Public Safety Capital Improvements				-	110,169	443,783	259,430	382,505	621,558	1,001,762
Unrestricted, Unassigned				1,607,759	577,192	589,591	3,683,805	4,671,273	2,969,618	4,146,335
Total general fund	$ 2,941,546	$ 2,149,083	$ 2,402,307	$ 2,154,967	$ 4,250,313	$ 2,108,603	$ 5,150,580	$ 6,565,987	$ 5,231,329	$ 7,043,062
All Other Governmental Funds										
Reserved	$ 314,757	$ 251,049	$ 817,090	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	598,821	302,962	281,991	-	-	-	-	-	-	-
Restricted for Parks				159,446	150,841	200,199	265,398	230,569	304,912	254,830
Restricted for District Repairs & Maintenance				260,397	300,346	335,202	377,522	438,171	525,899	691,029
Restricted for Transportation				160,658	-	323,923	486,290	717,664	912,062	1,095,465
Restricted for Street Repairs & Maintenance				46,277	49,317	114,524	81,645	78,649	203,892	248,154
Restricted for Street Improvements				1,026,814	1,651,516	2,273,777	2,913,693	3,507,196	4,127,544	4,853,221
Committed to Volunteer Fire Activities				42,980		104,881	129,951	155,036	142,081	153,684
Assigned to Volunteer Fire Activities				-	92,126	-	-	-	-	-
Unrestricted, Unassigned				-	(95,642)	-	-	-	-	-
Total all other governmental funds	$ 913,578	$ 554,011	$ 1,099,081	$ 1,696,572	$ 2,148,504	$ 3,352,506	$ 4,254,499	$ 5,127,285	$ 6,216,390	$ 7,296,383

Source: City of Fountain Colorado, audited financial statements, 2008-2017
Note: Implemented GASB Statement 54 in 2011

CITY OF FOUNTAIN, COLORADO

CHANGES IN FUND BALANCES **TABLE 4**
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	$ 8,836,827	$ 9,306,482	$ 10,950,800	$ 11,051,151	$ 12,131,408	$ 12,403,589	$ 13,237,733	$ 14,566,435	$ 16,891,175	$ 19,119,576
Licenses and Permits	62,147	66,223	79,151	67,875	87,815	128,163	114,018	110,887	106,779	94,105
Intergovernmental	1,249,650	947,189	1,356,418	1,215,566	1,481,485	1,368,640	4,093,090	1,672,444	1,375,632	1,284,586
Charges for Services	337,265	319,603	174,588	142,104	330,165	489,192	544,141	621,266	613,660	739,670
Fines and Forfeitures	607,886	369,709	231,679	376,861	469,968	343,706	308,225	344,682	407,014	302,091
Investment Income	271,405	49,020	31,623	25,234	29,244	(19,782)	47,729	39,835	29,412	65,843
Other Revenues	200,861	148,886	318,562	101,624	153,169	134,994	285,505	137,918	331,378	288,308
Total Revenues	11,566,041	11,207,112	13,142,821	12,980,415	14,683,254	14,848,502	18,630,441	17,493,467	19,755,050	21,894,179
Expenditures:										
General Government	2,732,994	2,346,209	2,834,491	2,619,801	3,211,865	2,716,674	3,034,927	2,485,007	4,447,557	4,880,968
Public Safety	6,686,289	6,722,349	6,867,610	7,465,807	9,173,376	10,262,612	8,637,059	8,650,779	10,084,025	11,431,458
Public Works	1,738,221	1,192,431	1,615,195	1,780,686	2,066,730	1,677,957	2,077,441	2,110,811	3,396,987	3,494,141
Health and Welfare	196,969	185,429	185,744	203,847	253,336	275,818	296,392	282,512	339,177	381,963
Culture and Recreation	1,101,240	1,514,532	743,197	738,067	921,696	899,644	858,192	1,167,182	1,187,270	1,525,382
Debt Service										
Principal	428,598	288,355	257,424	189,628	222,333	372,445	403,639	423,454	422,737	571,267
Interest	51,071	39,917	27,846	28,812	20,123	133,048	136,046	130,542	136,878	129,487
Total Expenditures	12,935,382	12,289,222	12,531,507	13,026,648	15,869,459	16,338,198	15,443,696	15,250,287	20,014,631	22,414,666
Excess of Revenues over (under) Expenditures	(1,369,341)	(1,082,110)	611,314	(46,233)	(1,186,205)	(1,489,696)	3,186,745	2,243,180	(259,581)	(520,487)
Other Financing Sources (Uses)										
Debt Issued	49,020	-	-	271,250	3,297,185	474,571	609,300	-	311,165	3,647,661
Insurance Proceeds	-	-	-	-	290,000	-	-	-	-	-
Transfers In	738,951	745,579	661,526	591,084	646,299	675,270	675,270	200,000	-	-
Transfers Out	(834,801)	(500,742)	(474,546)	(465,950)	(500,001)	(597,853)	(527,345)	(154,987)	(297,137)	(235,448)
Total Other Financing Sources (Uses)	(46,830)	244,837	186,980	396,384	3,733,483	551,988	757,225	45,013	14,028	3,412,213
Net Change in Fund Balances	$ (1,416,171)	$ (837,273)	$ 798,294	$ 350,151	$ 2,547,278	$ (937,708)	$ 3,943,970	$ 2,288,193	$ (245,553)	$ 2,891,726
Debt Service as a percentage of noncapital Expenditures	3.7%	2.7%	2.3%	2.1%	2.0%	4.1%	3.8%	4.6%	3.1%	4.0%

Source: City of Fountain, Colorado audited financial statements, 2008-2017

CITY OF FOUNTAIN, COLORADO

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS (Unaudited)

TABLE 5

Year	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources	Exempt	State Assessed	Total Assessed Value	Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2008	10,639,200	100,134,510	40,714,210	8,715,920	237,760	1,003,400	11,594,510	2,733,440	175,772,950	10.239	1,527,971,489	11.50%
2009	11,380,190	103,700,670	43,137,630	8,427,690	256,120	1,280,300	12,107,100	2,889,850	183,179,550	10.239	1,585,645,908	11.55%
2010	10,532,270	105,695,460	43,245,410	7,687,430	257,990	760,060	14,410,640	2,848,390	185,437,650	10.239	1,611,593,379	11.51%
2011	8,291,480	96,490,080	42,563,100	7,258,870	286,710	748,740	14,298,740	3,113,590	173,051,310	10.239	1,484,739,631	11.66%
2012	8,633,870	97,558,460	43,705,300	7,158,160	285,860	817,870	14,405,950	3,663,740	176,229,210	10.239	1,505,322,647	11.71%
2013	8,269,790	99,606,600	45,769,110	8,238,250	231,130	778,540	16,800,190	3,830,590	183,524,200	10.239	1,549,862,261	11.84%
2014	8,050,330	105,533,830	47,079,980	7,464,150	231,300	724,310	17,202,920	4,785,520	191,072,340	10.239	1,629,983,349	11.72%
2015	8,086,610	115,369,090	52,517,480	6,953,150	240,700	617,700	19,456,510	9,647,830	212,889,070	10.239	1,795,063,326	11.86%
2016	8,020,780	117,748,510	56,831,240	6,772,650	235,230	596,610	19,454,530	4,560,710	214,220,260	10.239	1,821,386,400	11.76%
2017	8,109,610	121,463,590	64,122,210	7,841,530	235,250	475,200	20,013,310	4,501,710	226,762,410	10.239	1,923,033,314	11.79%

Source - State of Colorado Annual Report and El Paso County Assessor

Note: Property in El Paso County is revalued every odd numbered year. The assessment rate is 29 percent of actual value for all properties except residential and producing natural resource properties. The residential assessment rate is established by the State legislature every odd-numbered year in order to maintain the tax burden balance between residential properties and other properties. The residential assessment rate is 7.96 percent for the 2008-2017 assessment years. Tax rates are per $1,000 of assessed value.

CITY OF FOUNTAIN, COLORADO

DIRECT AND OVERLAPPING **TABLE 6**
PROPERTY TAX RATES - LAST TEN YEARS
(rate per $1,000 of assessed value)
(Unaudited)

Taxing Authority	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Direct										
City of Fountain (a)	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239
Overlapping Governments										
El Paso County	7.583	7.531	7.717	7.597	7.663	7.714	7.791	7.869	7.919	7.965
School Districts										
Widefield #3	47.683	47.692	48.96	49.854	49.307	48.025	47.004	47.527	45.657	61.320
Fountain/Fort Carson #8	24.301	24.716	24.69	24.723	24.703	24.726	24.775	25.195	24.748	24.731
Sanitation Districts										
Fountain Sanitation	4.501	4.5	4.654	5.334	5.534	5.755	6.101	0.604	6.248	6.328
Water Districts										
S.E. Water Conservancy	0.943	0.94	0.94	0.947	0.944	0.940	0.940	0.941	0.940	0.939
Special Districts										
Fountain GID #1	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000
Fountain GID #2	-	-	-	-	-	10.000	10.000	10.000	10.000	10.000
Heritage Improv. Maint.	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940
Metropolitan Districts										
Countryside South	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	33.166
Crescent Canyon	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.197
Cross Creek	10.727	10.727	10.727	10.727	10.727	10.727	10.727	10.727	10.727	11.859
Cumberland Green	40.000	40.000	40.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
Mesa Ridge #2	37.000	37.000	37.000	37.000	37.000	37.000	43.000	50.000	50.000	55.278
Remuda Ridge	40.000	40.000	40.000	40.000	-	-	-	-	-	50.000
Ventana	7.000	7.000	-	-	-	40.000	40.000	40.000	40.000	51.332
Miscellaneous Districts										
Pikes Peak Library	3.540	3.468	3.556	3.999	4.000	4.000	4.000	3.857	3.857	3.812

Source - El Paso County Assessor's Office, Abstract of Assessment 2008-2017.

Notes: (a) Overlapping rates are those of county governments and various types of districts that apply to property owners in the City of Fountain

CITY OF FOUNTAIN, COLORADO

PRINCIPAL PROPERTY TAX PAYERS

current year and ten years ago
(Unaudited)

Table 7

	2017			2008		
Taxpayer	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
WalMart Real Estate	$ 6,691,070	1	22.82%	$ 2,793,330	3	12.75%
Dillon Real Estate Co Inc	$ 5,562,920	2	18.97%	$ 4,938,900	1	22.55%
Sam's Real Est Business Trust	$ 3,513,940	3	11.98%			
Pavestone, LLC	$ 2,530,760	4	8.63%			0.00%
Lowes HIW, Inc	$ 2,318,550	5	7.91%	$ 2,983,830	2	
Raceway 200 LLC	$ 2,013,100	6	6.87%	$ 2,124,850	5	9.70%
Mesa Ridge NO 1, LLP	$ 1,889,290	7	6.44%			0.00%
WalMart Stores Inc.	$ 1,844,110	8	6.29%			
GEP Investments Inc	$ 1,604,940	9	5.47%			
Fountain Business Park LLC	$ 1,355,180	10	4.62%			0.00%
Adesa Colorado				$ 1,310,450	7	5.98%
Safeway Stores 46 Inc				$ 1,192,940	9	5.45%
Markets at Mesa Ridge, LLC				$ 1,447,550	6	6.61%
SCI Plant NO 22, LLC				$ 2,784,160	4	12.71%
Astar FRR FL1, LLC				$ 1,301,210	8	5.94%
GHC Merchandise Distribution				$ 1,024,000	10	4.68%
Total Assessed Valuation City of Fountain			$ 29,323,860			$ 21,901,220

Source: El Paso County Assessor's Office

CITY OF FOUNTAIN, COLORADO

GENERAL FUND REVENUES-TAXES BY CATEGORY **TABLE 8**
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sales Tax	$ 4,907,051	$ 5,051,851	$ 5,167,168	$ 5,239,962	$ 5,633,146	$ 5,848,928	$ 6,260,780	$ 7,152,889	$ 8,937,330	$ 10,341,676
General Property Tax	1,603,196	1,664,587	1,731,928	1,732,669	1,594,662	1,624,450	1,647,136	1,733,965	1,915,374	1,956,656
Use Tax	1,004,573	892,028	945,696	887,719	1,487,007	1,367,789	1,514,474	1,601,405	1,514,601	1,759,190
Specific Ownership Tax	184,974	171,897	165,271	153,425	154,403	165,432	180,249	201,176	227,899	270,180
Franchise Taxes:										
Cablevision/ Telephone	112,153	147,554	163,742	165,479	193,753	218,759	233,678	275,348	318,949	318,177
Electricity (1)	656,015	916,377	961,895	1,012,430	1,094,835	1,156,498	1,190,744	1,165,277	1,064,519	1,093,440
Gas	159,752	200,470	173,462	174,394	148,293	162,078	190,269	183,666	150,570	152,373
Water (2)	137,680	184,282	267,887	293,613	343,672	323,674	379,080	372,503	398,259	411,698
Total	$ 8,765,394	$ 9,229,046	$ 9,577,049	$ 9,659,691	$ 10,649,771	$ 10,867,608	$ 11,596,410	$ 12,686,228	$ 14,527,501	$ 16,303,390

Source: City of Fountain, Colorado, audited financial statements, 2008-2017

Notes: (1) The franchise fee for the City owned electric utility was a flat amount set by the City Council until 2009 when it changed to 5% of gross revenues.
(2) The franchise fee for the City owned water utility was increase from 3% to 4% in 2009 and increased to 5% in 2010.

CITY OF FOUNTAIN, COLORADO

SALES TAX BY CATEGORY **TABLE 9**
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Auto Repair and Parts Supply	$ 187,066	$ 198,555	$ 255,356	$ 320,889	$ 386,846	$ 397,747	$ 458,682	$ 457,840	$ 562,237	$ 514,709
Auto Sales	96,775	76,552	93,026	118,774	125,070	110,604	161,058	164,354	190,353	297,330
Communications/Utilities	466,343	475,441	617,272	609,244	606,479	608,767	692,136	675,480	642,511	776,721
Convenience Stores	89,744	91,809	134,520	161,237	174,003	163,293	216,237	207,209	252,111	240,119
Entertainment	76,102	75,362	84,155	51,962	43,887	42,875	45,421	49,025	50,127	47,042
Hotel/Motel/RV Parks	33,151	34,051	42,610	42,374	42,006	38,018	53,912	58,493	65,368	69,033
Liquor Stores	107,285	118,900	131,939	139,820	146,097	201,905	243,093	284,607	309,087	309,841
Restaurants	705,850	778,998	1,035,896	1,138,697	1,239,641	1,390,407	1,607,930	1,878,716	2,116,482	2,344,155
Retail	2,738,270	2,757,411	3,407,245	3,415,716	3,226,384	3,514,312	3,555,432	4,831,279	6,566,477	7,799,112
Services - Misc	408,465	444,772	656,686	523,445	961,918	838,416	777,470	333,213	415,101	527,897
Total	$ 4,909,051	$ 5,051,851	$ 6,458,705	$ 6,522,158	$ 6,952,331	$ 7,306,344	$ 7,811,371	$ 8,940,216	$ 11,169,854	$ 12,925,958
City Direct Sales Tax Rate	3.00%	3.00%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%

Source: City of Fountain, Colorado audited financial statements, 2008-2017 and Sales Tax Subsidiary Records, 2008-2017

CITY OF FOUNTAIN, COLORADO

DIRECT AND OVERLAPPING SALES TAX RATES **TABLE 10**
DECEMBER 31, 2017
(Unaudited)

Fiscal Year		City of Fountain	El Paso County	State of Colorado	PPRTA
2008		3.00%	1.00%	2.9%	
2009		3.00%	1.00%	2.9%	
2010		3.75%	1.00%	2.9%	
2011		3.75%	1.00%	2.9%	
2012		3.75%	1.00%	2.9%	
2013		3.75%	1.23%	2.9%	
2014		3.75%	1.23%	2.9%	
2015		3.75%	1.23%	2.9%	
2016	All but South Academy Highlands	3.75%	1.23%	2.9%	
2016	South Academy Highlands	3.75%	1.23%	2.9%	1.0%
2017	All but South Academy Highlands	3.75%	1.23%	2.9%	
2017	South Academy Highlands	3.75%	1.23%	2.9%	1.0%

PPRTA-Pikes Peak Rural Transportation Authority

CITY OF FOUNTAIN, COLORADO

GENERAL FUND PROPERTY TAX LEVIES AND COLLECTIONS — TABLE 11
LAST TEN YEARS
(Unaudited)

		Current Collections			Total Collections to Date	
Year Assessed	Gross Tax Levy	Amount	Percentage of Levy	Collections in Subsequent Years (1)	Total Net Taxes Collected	Total Tax Percentage of Levy
2008	1,680,824	1,648,421	98.07%	16,166	1,664,587	99.03%
2009	1,749,000	1,714,999	98.06%	16,929	1,731,928	99.02%
2010	1,748,162	1,717,381	98.24%	15,288	1,732,669	99.11%
2011	1,612,426	1,577,045	97.81%	17,617	1,594,662	98.90%
2012	1,640,950	1,608,162	98.00%	16,288	1,624,450	98.99%
2013	1,690,240	1,604,014	94.90%	43,013	1,647,027	97.44%
2014	1,763,057	1,705,120	96.71%	28,844	1,733,965	98.35%
2015	1,961,172	1,870,952	96.71%	44,422	1,915,374	97.66%
2016	1,976,808	1,937,295	95.40%	19,361	1,956,656	98.98%
2017	2,095,580	N/A			N/A	

Source: El Paso County Treasurer's Office and the City of Fountain, Colorado audited financial statements, 2008-2017

Note: (1) Property taxes are collected in the calendar year following the year levied.

CITY OF FOUNTAIN, COLORADO

WATER REVENUES **TABLE 12**
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Water Revenues:										
Charges for Services:										
Metered Water Sales by Type of Customer:										
Residential	$ 3,258,213	$ 3,427,099	$ 3,921,835	$ 4,237,665	$ 4,856,803	$ 4,612,252	$ 5,269,638	$ 5,370,315	$ 5,869,792	$ 5,966,982
Commercial	1,121,105	990,843	1,307,278	1,442,851	1,862,917	1,705,902	1,973,358	1,894,487	2,002,129	2,206,966
Total Charges for Services	4,379,318	4,417,942	5,229,113	5,680,516	6,719,720	6,318,154	7,242,996	7,264,802	7,871,921	8,173,948
Miscellaneous	164,961	156,792	191,410	295,457	268,443	278,312	256,998	1,376,358	666,541	253,203
Total Operating Revenues	4,544,279	4,574,734	5,420,523	5,975,973	6,988,163	6,596,466	7,499,994	8,641,160	8,538,462	8,427,151
Investment Income	247,872	48,871	25,333	4,704	18,192	30,597	8,454	14,204	24,380	4,862
Total Water Revenues	$ 4,792,151	$ 4,623,605	$ 5,445,856	$ 5,980,677	$ 7,006,355	$ 6,627,063	$ 7,508,448	$ 8,655,364	$ 8,562,842	$ 8,432,013
Water Gallons Sold by Type of Customer										
Residential	656,925,007	587,021,724	664,565,674	661,927,352	694,655,326	580,491,828	581,525,339	542,361,514	579,887,854	555,059,383
Commercial	175,558,186	158,099,835	207,155,885	206,016,010	239,390,805	192,229,910	201,572,170	186,637,670	178,402,965	178,760,968
Total Water Gallons Sold by Type of Customer	832,483,193	745,121,559	871,721,559	867,943,362	934,046,131	772,721,738	783,097,509	728,999,184	758,290,819	733,820,351

Source: City of Fountain, Colorado, audited financial statements, 2008-2017 and Utility Billing Records, 2008-2017

CITY OF FOUNTAIN, COLORADO

ELECTRIC REVENUES **TABLE 13**
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Electric Revenues:										
Charges for Services:										
Metered Electric Sales by Type of Customer:										
Residential-inside city limits	$ 5,989,629	$ 6,466,803	$ 7,304,774	$ 7,723,760	$ 8,340,921	$ 9,064,892	$ 9,522,120	$ 9,124,562	$ 8,785,711	$ 8,592,953
Residential-outside city limits	5,554,095	5,684,460	5,766,927	6,029,776	6,488,210	6,740,561	6,836,575	6,475,483	6,102,628	5,728,635
Commercial-inside city limits	5,201,895	5,026,456	4,998,003	5,243,284	5,894,940	6,043,262	6,071,818	6,196,410	5,426,906	6,609,964
Commercial-outside city limits	1,145,414	1,180,428	1,153,385	1,169,656	1,259,752	1,394,599	1,263,326	1,272,037	1,073,402	1,101,661
Total Charges for Services	17,891,033	18,358,147	19,223,089	20,166,476	21,983,823	23,243,314	23,693,839	23,068,492	21,388,647	22,033,212
Miscellaneous	576,176	517,141	572,708	459,804	485,572	513,927	610,309	958,176	759,972	1,383,546
Total Operating Revenues	18,467,209	18,875,288	19,795,797	20,626,280	22,469,395	23,757,241	24,304,148	24,026,668	22,148,619	23,416,758
Investment Income	731,105	230,850	235,314	232,406	209,225	118,468	143,013	154,942	101,576	115,371
Total Electric Revenues	$ 19,198,314	$ 19,106,138	$ 20,031,111	$ 20,858,686	$ 22,678,620	$ 23,875,709	$ 24,447,161	$ 24,181,610	$ 22,250,195	$ 23,532,129
Electric kWh Sold by Type of Customer										
Residential-inside city limits	64,730,907	66,107,603	71,327,642	73,363,908	74,304,463	76,930,528	75,808,661	80,256,002	84,490,361	84,357,290
Residential-outside city limits	56,191,569	55,293,692	58,505,848	58,749,490	58,870,222	58,012,143	55,831,697	57,063,034	57,998,087	57,132,259
Commercial-inside city limits	61,215,231	56,902,288	56,818,302	58,274,334	60,105,657	61,833,071	62,074,818	63,289,307	63,723,036	64,932,845
Commercial-outside city limits	13,600,473	13,960,723	13,006,567	13,055,589	13,206,462	13,030,685	12,696,182	12,641,542	12,123,616	11,693,218
Total Electric kWh Sold by Type of Customer	195,738,180	192,264,306	199,658,359	203,443,321	206,486,804	209,806,427	206,411,358	213,249,885	218,335,100	218,115,612

Source: City of Fountain, Colorado, audited financial statements, 2008-2017 and Utility Billing Records, 2008-2017.

CITY OF FOUNTAIN, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 14

	Governmental Activities	Business-Type Activities													
Fiscal Year	Capital Leases	Capital Leases	2005 Loan Payable CWRPDA	2003 Water Rights Loan	2005 Water Rights Agreement	2007 Water Rights Loan	2008 Water Rights Loan	2009 Loan Payable CWRPDA	2011 Loan Payable CWRPDA	2013 Loan Payable CWRPDA	2014 Loan Payable CWRPDA	2015 Bond Payable Fountain	2016 Bond Payable Fountain	Total Primary Government	Per Capita (a)	Percentage of Personal Income (b)
2008	1,028,058		7,715,000	581,600		312,400	1,470,669							11,107,727	475	1.24%
2009	739,703		7,555,000	508,900		273,350	1,428,273	8,665,000						19,170,226	821	2.15%
2010	482,279		7,390,000	436,200		234,300	1,382,812	8,510,000						18,435,591	713	1.86%
2011	563,901		7,215,000	363,500		195,250	1,334,065	8,350,000	9,350,000					27,371,716	1,034	2.59%
2012	3,638,753		7,035,000	290,800		156,200	1,281,793	8,185,000	9,350,000					29,937,546	1,114	2.72%
2013	3,740,879		6,850,000	218,100		117,150	1,225,743	8,015,000	9,175,000	12,162,361				41,504,233	1,522	3.72%
2014	3,946,540		200,000	145,400		78,100	1,165,641	7,835,000	8,995,000	11,918,594	18,222,508			52,506,783	1,844	4.40%
2015	3,523,086	77,595	-	72,700		39,050	-	7,650,000	8,810,000	11,669,827	18,113,302	4,024,695		53,980,255	1,884	4.47%
2016	3,411,514	105,268	-	-		-	-	-	8,620,000	11,416,061	17,659,096	3,942,705	7,773,376	52,928,020	1,802	4.15%
2017	6,487,908	1,139,564	-	-		-	-	-	8,425,000	11,157,295	17,189,889	3,855,715	7,501,683	55,757,054	1,871	4.21%

Note: Details regarding the City's outstanding debt including premium by issue can be found in Note 7 to the financial statements.

(a) population Data is from Table 18

(b) personal income data is from Table 18

CITY OF FOUNTAIN, COLORADO

RATIOS OF WATER FUND DEBT OUTSTANDING **TABLE 15**
LAST TEN FISCAL YEARS
(Unaudited)

WATER FUND

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Water Fund Debt Outstanding										
2003 Water Rights Loan	$ 581,600	$ 508,900	$ 436,200	$ 363,500	$ 290,800	$ 218,100	$ 145,400	$ 72,700	$ -	$ -
2005 Loan Payable CWRPDA	7,715,000	7,555,000	7,390,000	7,215,000	7,035,000	6,850,000	200,000	-	-	-
2005 Water Rights Agreement										
2007 Water Rights Loan	312,400	273,350	234,300	195,250	156,200	117,150	78,100	39,050	-	-
2008 Water Rights Loan	1,470,669	1,428,273	1,382,812	1,334,065	1,281,793	1,225,743	1,165,641	-	-	-
2009 Loan Payable CWRPDA		8,665,000	8,510,000	8,350,000	8,185,000	8,015,000	7,835,000	7,650,000	-	-
2011 Loan Payable CWRPDA				9,350,000	9,350,000	9,175,000	8,995,000	8,990,000	8,620,000	8,425,000
2013 Loan Payable CWRPDA						12,162,361	11,918,594	11,669,827	11,416,061	11,157,295
2014 Loan Payable CWRPDA							18,222,508	18,113,302	17,659,096	17,189,889
2015 City of Fountain Revenue Bond								4,024,695	3,942,705	3,855,715
2016 City of Fountain Revenue Bond									7,773,376	7,501,683
2016 Capital Lease										
Capital Leases									11,958	1,139,564
Total Water Fund Debt Outstanding	$ 10,079,669	$ 18,430,523	$ 17,953,312	$ 26,807,815	$ 26,298,793	$ 37,763,354	$ 48,560,243	$ 50,559,574	$ 49,411,238	$ 49,269,146
Number of Active Water Service Connections	6,985	7,092	7,219	7,514	7,695	7,695	7,844	7,988	8,050	8,200
Water Fund Debt per Active Water Service Connection	$ 1,443	$ 2,599	$ 2,487	$ 3,568	$ 3,418	$ 4,908	$ 6,191	$ 6,329	$ 6,138	$ 6,008

Note: Details regarding the City's outstanding debt including premium by issue can be found in Note 7 to the financial statements.

Source: City of Fountain, Colorado, audited financial statements, 2008-2017 and Utility Billing Records, 2008-2017

CITY OF FOUNTAIN, COLORADO

DIRECT AND OVERLAPPING DEBT — TABLE 16
DECEMBER 31, 2017
(Unaudited)

Government Entity	Debt Outstanding	Estimated Percentage Applicable (b)	Estimated Share of Overlapping (a) Debt
Fountain/Fort Carson School District #8	$ 806,384	100.00%	$ 806,384
El Paso County	139,353,842	2.70%	$ 3,762,333
Widefield School District #3	11,970,773	10.77%	$ 1,289,350
Cumberland Green Metro District (c)	5,700,000	100.00%	$ 5,700,000
Total Overlapping Debt	157,830,999		11,558,068
City of Fountain Direct Debt	6,487,908	100.0%	6,487,908
Total Direct and Overlapping Debt	$ 164,318,907		$ 18,045,976

Notes:

(a) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fountain. This process recognizes that, when considering the City of Fountain's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(b) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

(c) Debt for Cumberland Green Metro District is general obligation debt.

CITY OF FOUNTAIN, COLORADO

LARGEST EMPLOYERS — TABLE 17
LAST YEAR
(Unaudited)

Employer	2017 Employees	2017 Percentage of Total County Employment (a)
Fort Carson	31,000	9.81%
Widefield School District #3	1,688	0.53%
Fountain/Fort Carson School District #8	1,075	0.34%
Wal-mart	799	0.25%
Dillon/GHC	535	0.17%
City of Fountain	281	0.09%
Total	35,378	11.20%

Source: Fort Carson and school district websites, Wal-Mart, & Dillon. Total El Paso County employment information used to calculate the percentage of total county employment from the Colorado Department of labor and Employment.
Largest employers from nine years ago is not available.
(a) 2017 El Paso County employment 315,997

CITY OF FOUNTAIN, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS — TABLE 18
LAST TEN YEARS
(Unaudited)

Year	Fountain Population (a)	Personal Income El Paso County (thousands of dollars) (b)	Personal Income Fountain (thousands of dollars) (c)	Per Capita Personal Income (b)	Unemployment Rate (d)
2008	23,409	22,698,715	892,492	38,126	5.7
2009	23,351	23,133,425	893,549	38,266	8.3
2010	25,846	24,035,091	991,530	38,363	9.7
2011	26,475	25,420,872	1,056,591	39,942	9.1
2012	26,885	26,374,299	1,099,408	40,611	8.8
2013	27,265	26,374,299	1,114,948	40,541	7.8
2014	28,470	26,940,874	1,194,174	41,945	6.0
2015	28,650	27,210,283	1,207,733	42,155	4.6
2016	29,375	29,262,206	1,274,434	43,385	3.5
2017	29,804	30,565,961	1,323,566	44,409	3.4

Source: Department of Local Affairs-Demography Section, U.S. Department of Labor-Bureau of Labor Statistics and Bureau of Economic Analysis-an agency of the U.S. Department of Commerce.

(a) 2004-2011 per Colorado State Demographer's Office statistics, 2012 to 2014 is from the US Census Bureau. 2014-2016 population estimate is from US Census Bureau. 2017 per City Planning Department.

(b) The data reported for Personal Income and Per Capita Personal Income is for El Paso County and has been updated per State of Colorado Labor and Employment Data Section.

(c) Personal Income for Fountain is calculated by multiplying Fountain population by Per Capita Personal Income.

(d) Unemployment rate is for Colorado Springs Metro Area not seasonally adjusted per the Bureau of Labor Statistics and State of Colordao, Division of Employment and Training

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

TABLE 19

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Municipal Court	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.75	2.00
City Administration	5.00	5.00	5.00	5.00	5.00	4.00	5.00	5.00	6.00	7.00
Finance	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.45	4.45
Human Resource	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Facilities	3.00	3.00	2.00	2.00	1.00	1.00	2.00	2.00	1.00	2.00
Planning & Zoning	3.10	3.30	3.30	3.40	3.25	2.85	3.00	4.00	4.00	4.00
Engineering	2.20	2.50	2.50	2.50	2.50	2.50	2.00	2.00	4.00	4.00
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Information Technology	3.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.75	5.75
Public Safety										
Police										
Patrol	29.00	25.00	26.00	27.00	29.00	29.00	30.25	33.25	32.00	37.00
K-9 Patrol	1.00	1.00	1.00	1.00	0.25	0.50	2.00	2.00	2.00	1.00
Administration	6.50	3.00	3.00	4.00	4.00	4.00	5.00	5.00	6.75	5.00
Support Services	9.50	18.00	17.00	17.65	18.00	18.00	16.00	16.00	5.00	5.75
Investigations	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
School Resource/DARE Program	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.65	7.05	7.75
Drug Task Force	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Fire										
Administration		2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Emergency Services	21.00	18.00	19.00	19.75	20.35	20.75	20.65	21.35	25.65	29.75
Prevention Services		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ambulance										
Emergency Medical Services	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Public Works										
Street & Drainage Maintenance	9.30	9.30	9.30	8.00	8.50	8.45	7.80	7.35	8.30	9.00
Bus Transportation										
Bus Drivers					6.00	4.50	4.50	4.50	4.75	5.00
Health and Welfare										
Code Enforcement	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.50	3.50
Cultural & Recreation										
Parks Maintenance	6.60	6.60	6.60	4.50	4.65	6.40	5.80	6.20	7.75	7.50
Recreation Programs								1.85	3.00	3.55
Water Utility										
Administration	2.50	2.50	2.50	2.50	2.50	2.50	1.50	1.50	1.50	1.50
Water Resource	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Conservation	1.00	1.00	0.50	0.00	0.00	0.00	0.50	0.50	0.50	0.00
Water Operations	9.75	10.75	10.75	10.90	11.00	11.00	11.00	11.00	11.00	13.00
Electric Utility										
Administration	2.50	3.50	3.50	4.45	4.55	4.50	4.00	4.20	4.25	4.25
Engineering/Planning	8.00	8.00	5.00	5.00	5.00	5.00	5.00	3.45	4.00	2.00
Electric Distribution	20.25	20.25	20.50	19.20	19.20	19.20	19.15	19.90	19.90	19.50
Electric Conservation	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.00
Inventory Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Customer Service - Utilities										
Administration	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00
Conservation Program		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Customer Service	5.50	9.00	10.00	10.00	10.00	10.00	10.00	8.00	6.00	6.00
Customer Billing	3.00	3.00	3.00	3.00	3.00	5.00	5.00	4.00	6.00	8.00
Field Service	0.00	0.00	3.00	3.00	2.00	2.00	2.00	3.00	2.00	4.00
Fleet Services										
Fleet Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	7.00	7.00
Total	**192.20**	**199.70**	**200.45**	**201.85**	**207.75**	**210.15**	**211.65**	**216.20**	**226.35**	**241.25**

Source: City of Fountain Finance Department

CAPITAL AND OPERATING INDICATORS BY FUNCTION/PROGRAM **TABLE 20**
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Fire Department										
Fire career staff	30	30	30	33	33	33	39	39	47	55
Vounteers	60	49	60	65	50	40	30	40	26	26
Fire Insurance Rating	5	5	5	5	5	5	3	3	3	3
Fire emergency responses	3,440	3,513	3,445	3,556	3,736	3,747	3,785	4,314	4,406	5,007
Fire hydrants	1,175	1,175	1,175	1,175	1,205	1,205	1,205	1,210	1,210	1,210
Number of fire stations	3	3	3	3	3	3	3	3	3	3
Number of fire trucks/implements	11	11	11	11	11	11	12	12	12	12
Police Department										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Sworn officers	40	40	40	39	41	41	41	46	50	55
Reserve officers	4	5	4	3	3	3	3	3	3	2
Calls for service	33,096	31,239	30,107	38,987	41,353	40,873	42,862	40,672	46,529	42,110
Homicides	1	1	1	1	0	0	0	1	1	1
Sexual assaults	70	80	44	82	61	59	43	32	18	50
Robbery	9	5	10	13	16	9	15	9	20	9
Assault	124	71	104	92	89	77	53	158	100	126
Larceny-thefts	477	493	516	551	531	580	383	687	899	335
Traffic citations	5,024	2,781	1,877	3,185	3,397	3,333	3,264	3,265	3,894	2,945
Adult arrests	1,404	1,334	974	1,388	922	1,080	500	1,279	2,740	2,257
Juvenile arrests	456	409	243	211	112	251	195	249	406	377
Domestic violence cases	326	369	374	688	198	144	376	625	712	691
Military custodial arrests	57	59	68	67	38	40	26	441	274	23
Public Works										
Miles of paved street	99.1	99.1	99.1	99.0	99.0	100.6	100.6	102.7	102.7	104.4
Miles of gravel road	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.4	3.4	3.4
Traffic signals	2	2	2	2	2	2	2	2	2	3
Pedestrian cross walks	79	75	75	75	75	75	75	85	85	130
Cemetery										
City owned Cemeteries	1	1	1	1	1	1	1	1	1	1
Cultural & Recreation										
Developed parks	7	7	7	8	8	8	9	10	10	12
Open space acres	288.5	288.5	288.5	288.5	288.5	288.5	288.5	326.5	326.5	330
Miles of trails	6	6	6	6	6	6	6	10	10	10
Number of pavillions	5	6	6	6	6	6	6	6	6	13
Number of gazebos	2	2	2	2	2	2	2	2	2	2
Number of splash pads	0	1	1	1	1	1	1	1	1	1
Number of baseball/softball fields	6	6	6	6	6	6	6	5	5	5
Number of dog park areas	1	1	1	1	1	1	1	1	1	1
Number of concession stands	0	0	0	0	1	1	1	2	2	2
Water Utility										
Number of accounts	6,985	7,092	7,218	7,267	7,420	7,453	7,583	7,674	7,779	7,942
Average daily consumption (gallons)	2,280,775	2,041,428	2,388,278	2,377,927	2,546,523	2,117,046	2,145,473	1,997,258	2,070,185	1,086,355
Annual consumption (gallons)	832,483,193	745,121,559	871,721,559	867,943,362	929,481,186	772,721,738	783,097,509	728,999,184	755,617,619	735,663,943
Distribution system (miles) (a)	110	114	122	122	129	123	123	123	123	128
Number of wells	5	5	5	5	5	5	5	5	5	6
Potable Storage Tank Capacity (in gallons)	8,375,000	8,375,000	8,375,000	8,375,000	8,375,000	8,375,000	8,375,000	8,375,000	8,375,000	7,880,000
Electric Utility										
Number of accounts	15,407	15,467	15,687	15,812	16,008	16,585	16,920	17,028	17,144	17,364
Peak demand (megawatts)										
Summer-July	44	42	44	48	52	50	50	51	53	56
Winter-December	39	40	37	38	39	41	40	39	41	42
Average daily consumtion (kwh)	536,268	526,751	547,009	557,379	565,717	574,812	565,510	584,246	598,184	597,577
Annual comsumption	195,738,180	192,264,306	199,658,359	203,443,321	206,486,804	209,806,427	206,411,358	213,249,885	218,337,233	218,115,612
Distribution system (miles)	546	550	550	550	550	565	565	596	596	621
Number of substations	2	2	2	2	2	2	2	2	2	2
Miles of transmission lines	2	2	2	2	2	2	2	2	2	2
Number of street lights (b)	2,508	2,554	2,314	2,946	2,920	2,930	2,930	2,997	2,664	2,911

Source: City of Fountain Fire, Police, Public Works, Parks, Water and Electric departments.

Note: (a) information is not available for 2006-2007.
(b) actual inventory done in 2010, previous numbers likely inaccurate

Compliance Section

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT	City or County: FOUNTAIN
	YEAR ENDING : DECEMBER 2017
This Information From The Records Of City of Fountain	Prepared By: Julie Santiago/Shawna Dail Phone:

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	1,667,303
3. Other local imposts (from page 2)	301,836
4. Miscellaneous local receipts (from page 2)	238,329
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	2,207,469
B. Private Contributions	
C. Receipts from State government (from page 2)	818,914
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	3,026,382

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	527,945
2. Maintenance:	727,418
3. Road and street services:	
a. Traffic control operations	15,080
b. Snow and ice removal	24,587
c. Other	
d. Total (a. through c.)	39,667
4. General administration & miscellaneous	292,640
5. Highway law enforcement and safety	1,438,712
6. Total (1 through 5)	3,026,382
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
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)	3,026,382

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
	3,026,382	3,026,382		(0)

Notes and Comments:

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy):12/17

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 & Penalities	225,525
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	301,836	g. Other Misc. Receipts	12,804
6. Total (1. through 5.)	301,836	h. Other	
c. Total (a. + b.)	301,836	i. Total (a. through h.)	238,329
	(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	733,026	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	85,888	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	85,888	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	818,914	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		22,947	22,947
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		504,998	504,998
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	504,998	504,998
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	527,945	527,945
			(Carry forward to page 1)

Notes and Comments: