



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
December 31, 2018

Prepared by:
Departments of Administration and Finance

Town of Cedaredge

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Our Town Mission is to provide quality services in the most cost effective manner and insure that the infrastructure, social services and public safety are delivered in a professional and courteous manner.

**Town of Cedaredge
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**Mayor – Eugene Welch
Mayor Pro-tem – Raymond Hanson
Treasurer – Patricia Michael
Trustee – Robert Michael
Trustee – Dayton Myers
Trustee – Allan Smith
Trustee – Catherine Brown**

**Town Administrator – Greg Brinck
Financial Director – Tamera Francis
Town Clerk – Kami Collins
Police Chief – Daniel Sanders
Public Works Co-Director – Scott Lock and Jerry Young
Golf Clubhouse Operations Director – Erik Hansen
Golf Course Superintendent – Adam Conway**



May 22, 2019

To the Honorable Mayor, Member of the Board of Trustees and Citizens of the Town of Cedaredge:

State law requires that every general-purpose local government publish within seven months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2018.

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 is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blair and Associates, PC, Certified Public Accountants auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

The Town of Cedaredge was officially incorporated on March 25, 1907. Cedaredge, the location of the Bar-I Cattle ranch and Post Office comprised of 440 acres at the "edge of the cedars" on the date of incorporation. Today, Cedaredge covers 3,200 acres with a population of about 2,200 residents. Cedaredge is located in the Upper Surface Creek Area in a prominent location on the south slope of the Grand Mesa. Cedaredge, also known as the gateway to the Grand Mesa, provides direct access to the Grand Mesa via the National Scenic Byway Colorado Highway 65. The Town of Cedaredge is empowered to levy a

The Town of Cedaredge is empowered to levy a property tax on real property located within its boundaries. It has the authority by state statute to extend its corporate limits by annexation. The most recent annexation took place in 2008.

The Town of Cedaredge operates under a Board of Trustees consisting of six Trustees and one Mayor. The Mayor acts as and is considered a full member of the Board of Trustees. The Board of Trustees is the governing body of the Town and has the policymaking and legislative powers and other powers possessed by the Town not otherwise limited or conferred upon others by the Home Rule Charter approved by electors and recorded with the Secretary of State November 2008. The Board appoints the Administrator who in turn hires the department heads. Each Trustee and the Mayor shall be elected for a term of four years. Three Trustees for four year terms are elected every other year. The 2018 election was cancelled because there were less completed petitions or write in affidavits than available Trustee seats. Three Trustees were determined elected via a resolution of the Board of Trustees and one Trustee was appointed to a two year term to fill a vacancy. The Mayor and one Trustee were elected to four year terms and one Trustee appointed to a two year term to fill a vacancy in April 2016.

The Board of Trustees is required to adopt a final budget no later than December 15, of the fiscal year. This annual budget serves as the foundation for the Town of Cedaredge's financial planning and control. The budget is prepared by fund, function (i.e. elections), and department. Department heads may transfer resources within a department with Administrative approval. The Town Administrator can initiate and approve transfers between funds, unless special approval from the Board of Trustees is required.

The Town of Cedaredge provides a range of services, including police protection; code enforcement; animal control; the construction and maintenance of streets and sidewalks; parks and recreational activities. Water and Wastewater Treatment services are provided through legally separate Water and Wastewater Treatment Enterprise Funds. Golf recreational activities are provided through the legally separate Golf Course Enterprise Fund.

Local Economy

Cedaredge has a post office, two banks, library, volunteer fire department and ambulance service both operated by separate districts, in-town doctors and dentists, a hospital 15 minutes away in Delta, a grocery store, a convenience gas station, almost a dozen eateries, retail, artisan boutiques, and plentiful personal care providers. Numerous selections are available for business and service providers including electrical, plumbing, heating, construction, photographers, guest accommodations and many more. Business support is multifaceted locally and regionally. There are currently over 300 businesses licensed to provide goods and services in the Town of Cedaredge. 2009 and 2011 economic downturns took a toll on local business prosperity and has been a slow recovery. Sales and use tax is a factor in determining economic health. The pre-recession sales and use tax peak, was in 2006. The Town did not eclipse the 2006 figure until 2016 with slow growth in each year since 2016. Total sales and use tax increased 3.14% from 2017 collection.

Long-term Financial Planning

A professional vendor completed water and wastewater rate study in 2017 to provide for the capital needs of both systems. The Board of Trustees approved the recommendations as presented and both the water and wastewater funds have better financial health. Due to the historic drought of 2018, drought rates were imposed from July-October 2018. The Town does not have a full fiscal year of rates without drought penalty to analyze. Water and wastewater rates will be looked at annually to ensure each system can meet their capital needs.

In 2007, voters passed a .5% sales tax increase dedicated to Major Street Improvements. A bond election to incur debt for major street improvement was approved by the electors in 2009. The Town \$945,000 issued in Sales Tax Revenue Bonds in March of 2013. All .5% sales tax revenues dedicated to Major Street Improvement are retained for bond repayment or maintained as cash reserves required in specified fund accounts.

Major Initiatives

In 2004, the Town received voter approval to split their Town sales tax revenue 25% to Capital Improvement and 75% to the General Fund for operating expenses. This was a switch from the prior treatment of 75% to Capital Improvement and 25% to General Fund.

In 2007, the Town received voter approval to increase sales tax by .5% to 2.00%. The additional .5% is dedicated to Major Street Improvement. The Town began collection of the additional .5% in January 2008.

In 2008, the Home Rule Charter was approved by voters November 4th and became effective when recorded with the Secretary of State on November 25, 2008.

A bond election to incur debt for major street improvement was approved by the electors in 2009. Revenue from the .5% sales tax increase approved in 2007 is being used to service the bond debt.

A "Healthy Living" tax ballot initiate failed November 2015.

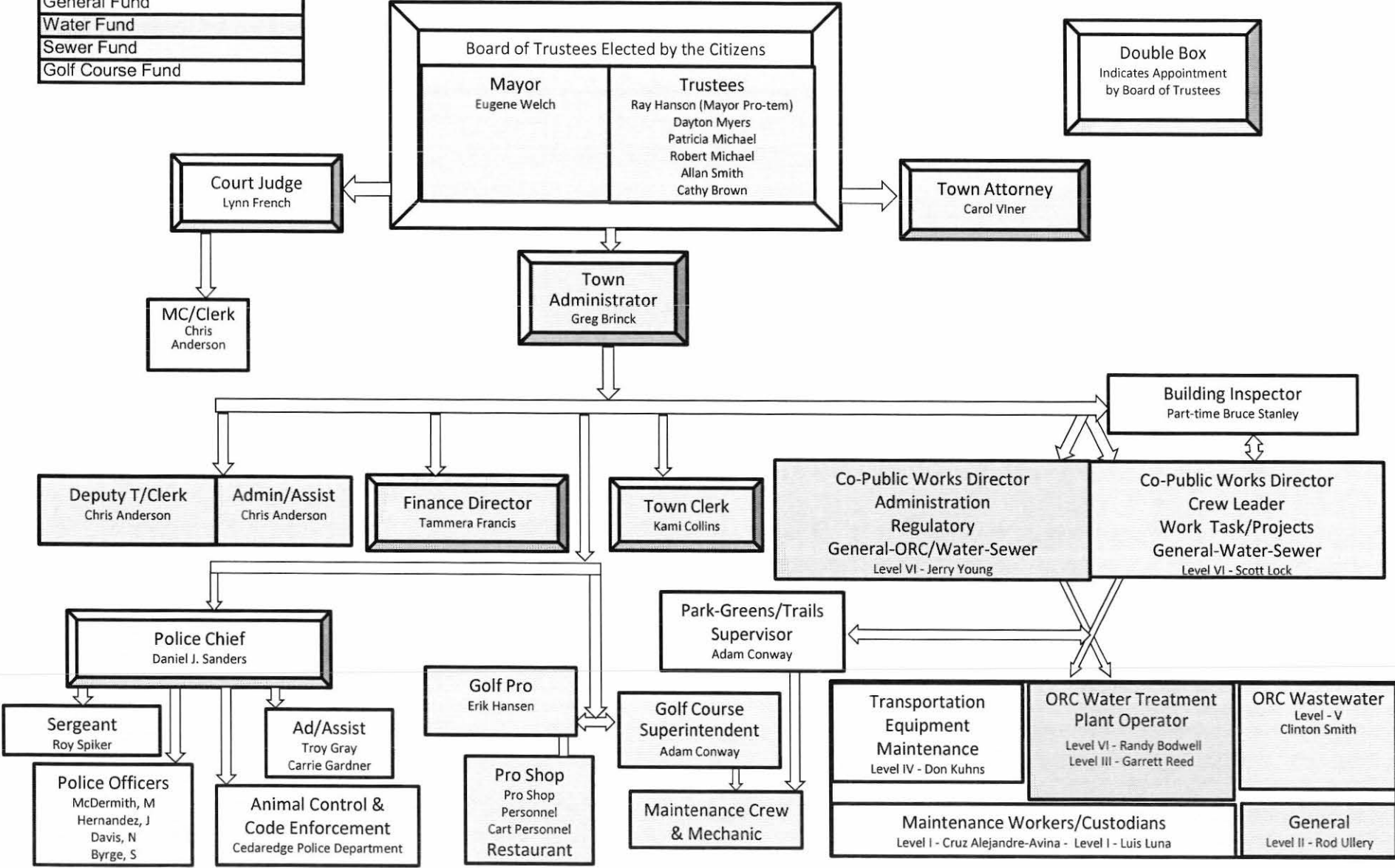
Respectfully submitted,

Greg Brinck
Town Administrator

Town of Cedaredge 12/31/2018

Salary Distribution
All Town Operations
General Fund
Water Fund
Sewer Fund
Golf Course Fund

Double Box
Indicates Appointment by Board of Trustees



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Town Council
Town of Cedaredge, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cedaredge, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town of Cedaredge, Colorado's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cedaredge, Colorado, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Schedule of Town's Changes in Net Pension Asset and Schedule of Town's Contributions to Pension Plan on pages 3 through 11 and 43 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cedaredge, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2019, on our consideration of the Town of Cedaredge, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Cedaredge, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Cedaredge, Colorado's internal control over financial reporting and compliance.

Blair and Associates, P.C.

Cedaredge, Colorado
May 2, 2019

TOWN OF CEDAREdge
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2018

As management of the Town of Cedaredge (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$19,721,803 (i.e. net position) as of December 31, 2018, an increase of \$1,096,503 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$1,015,886, increase of \$83,208 in comparison with the prior year.
- The Town's fund balance for the General Fund was \$327,932, increase of \$50,762 in comparison to the prior year.
- Total long-term liabilities increased by \$350,066 in comparison with the prior year.
- General property tax, sales tax, franchise tax and intergovernmental revenues totaled \$862,349, or 94% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The **statement of activities** presents information showing how the Town'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 periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the Town 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 Town include general government administration, police, public works, and community center. The Business-type Activities of the Town include the following: water, wastewater, and golf course.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

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

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

The Town maintains one major government fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

Proprietary Funds – The Town maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses a separate enterprise fund to account for each of its utility funds: Waterworks and Sewer Fund, and to account for its Golf Course Fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2018, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,721,803. Of this amount, \$1,998,663 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$17,476,545 (89% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2018 and 2017:

	<u>Governmental Activities</u>		<u>Business-Type Activites</u>		<u>Totals</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current and other assets	\$ 1,314,593	\$ 1,255,783	\$ 1,324,288	\$ 685,667	\$ 2,638,881	\$ 1,941,450
Capital assets	8,930,165	8,838,432	12,874,656	12,190,516	21,804,821	21,028,948
Total assets	<u>10,244,758</u>	<u>10,094,215</u>	<u>14,198,944</u>	<u>12,876,183</u>	<u>24,443,702</u>	<u>22,970,398</u>
Deferred Outflows	2,208	5,209	-	-	2,208	5,209
Liabilities						
Current Liabilities	\$ 148,013	\$ 145,111	\$ 234,521	\$ 64,481	\$ 382,534	\$ 209,592
Non-current liabilities						
Compensated absences	68,339	61,244	-	-	68,339	61,244
Loans payable	765,169	792,459	3,337,922	3,098,820	4,103,091	3,891,279
Total Liabilities	<u>981,521</u>	<u>998,814</u>	<u>3,572,443</u>	<u>3,163,301</u>	<u>4,553,964</u>	<u>4,162,115</u>
Deferred inflow of resources	<u>161,034</u>	<u>177,885</u>	<u>9,109</u>	<u>10,307</u>	<u>170,143</u>	<u>188,192</u>
Net Position						
Investment in capital assets, net of related debt	8,116,378	8,008,349	9,360,167	9,035,294	17,476,545	17,043,643
Restricted	92,645	94,067	153,950	153,950	246,595	248,017
Unrestricted	895,388	820,309	1,103,275	513,331	1,998,663	1,333,640
Total net position	<u>\$ 9,104,411</u>	<u>\$ 8,922,725</u>	<u>\$10,617,392</u>	<u>\$ 9,702,575</u>	<u>\$ 19,721,803</u>	<u>\$ 18,625,300</u>

An additional portion of net position, \$246,595, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$1,998,663 (10% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

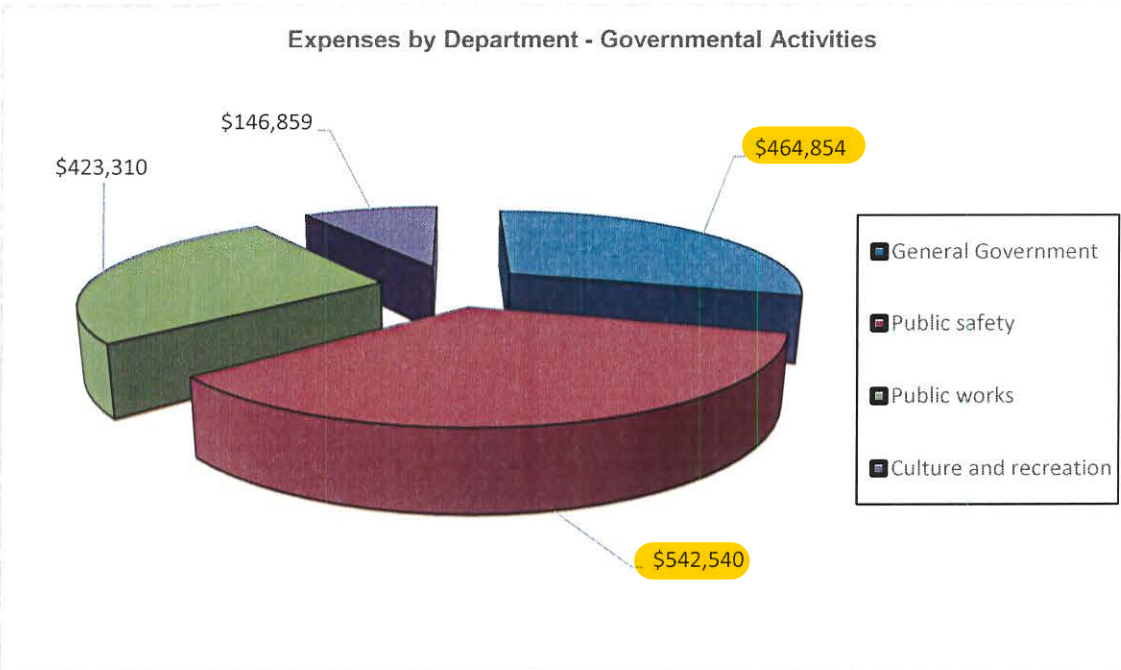
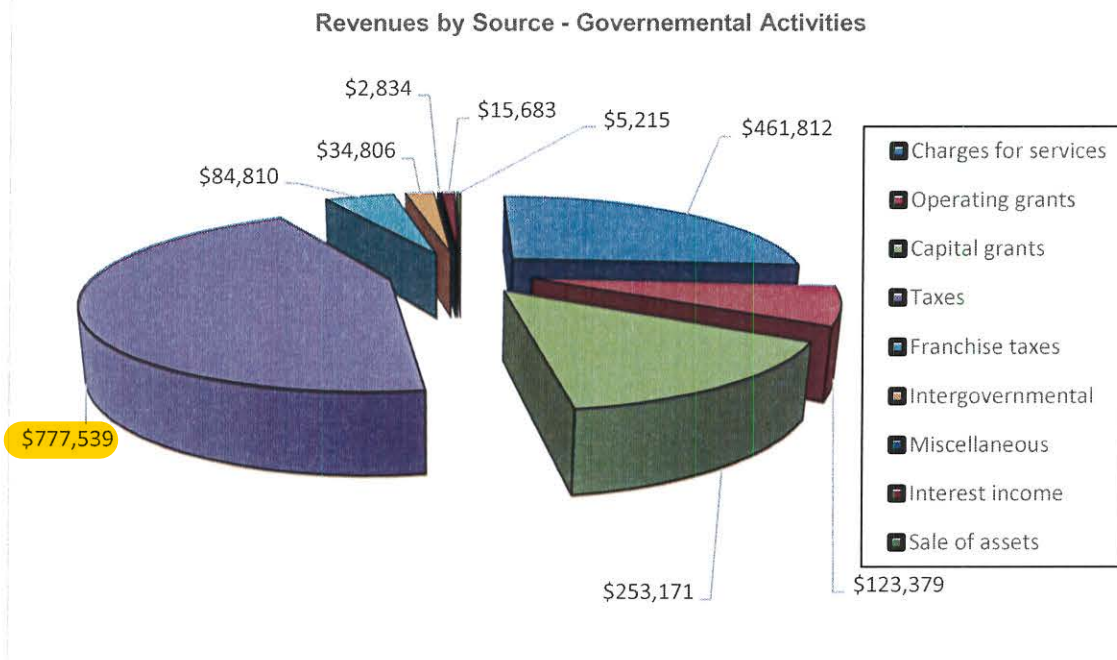
Change in Net Position

Governmental and business-type activities increased the Town's net position by \$1,096,503 in 2018.

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$ 461,812	\$ 469,256	\$ 2,103,539	\$ 1,983,132	\$ 2,565,351	\$ 2,452,388
Operating grants	123,379	104,102		-	123,379	104,102
Capital grants	253,171	329,740		100,000	253,171	429,740
General revenues						
Taxes	777,539	767,545	-	-	777,539	767,545
Franchise Fees	84,810	75,703	-	-	84,810	75,703
Intergovernmental	34,806	82,150	693,479	8,110	728,285	90,260
Miscellaneous	2,834	4,149	50,998	30,928	53,832	35,077
Interest income	15,683	2,175	6,290	1,664	21,973	3,839
Sale of assets	5,215	-	2,559	553	7,774	553
Total revenues	1,759,249	1,834,820	2,856,865	2,124,387	4,616,114	3,959,207
Expenses						
General government	464,854	511,313		0	464,854	511,313
Public safety	542,540	516,064		0	542,540	516,064
Public works	423,310	419,037	1,942,048	2,104,469	2,365,358	2,523,506
Culture and recreation	146,859	81,323		0	146,859	81,323
Total expenses	1,577,563	1,527,737	1,942,048	2,104,469	3,519,611	3,632,206
Increase (decrease) in net position	181,686	307,083	914,817	19,918	1,096,503	327,001
Beginning-net position	8,922,725	8,615,642	9,702,575	9,682,657	18,625,300	18,298,299
Ending-net position	\$ 9,104,411	\$ 8,922,725	\$ 10,617,392	\$ 9,702,575	\$ 19,721,803	\$ 18,625,300

Governmental Activities

Governmental activities increased the Town's net position by \$181,686.



Business-type Activities

Business-type activities for the year resulted in an increase in net position of \$914,817. Charges for services accounted for 74% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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

As of the end of 2018, the Town's governmental funds reported combined ending fund balances of \$1,015,886, increase of \$83,208 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 27% of this total amount, \$275,773, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet a State constitution mandated emergency reserve, \$52,159. Also the town has restricted \$49,881 of lottery funds, and committed the following: committed \$303,629 for street improvements and \$334,444 for capital acquisition.

The Town has one major governmental fund, the General Fund, which is the primary operating fund for the Town. At the end of 2018, unassigned fund balance of the General Fund was \$275,773, while the total fund balance was \$327,932. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund increased by \$50,762 during 2018.

Proprietary funds. The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has three enterprise funds: Waterworks Fund, Wastewater Fund, and Golf Course Fund. At the end of 2018, these funds represented the following net position amounts:

Fund:	Waterworks	Wastewater	Golf Course
Unrestricted net position	\$822,552	\$276,071	\$4,652
Total net position	\$5,429,124	\$4,386,555	\$801,713
Increase or (decrease) in net position	\$926,295	\$66,175	\$(77,653)

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted \$1,573,625 for 2018 expenditures. Actual expenditures were \$1,476,510.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2018, was \$21,804,821. As required for this year by GASB 34, the investment in capital assets includes land, buildings, building improvements, and equipment.

Capital assets activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Dispositions	Balance December 31, 2018
Business-Type Activities				
Capital assets not being depreciated				
Land and source of supply	\$ 1,516,772	\$ 12,000	\$ -	\$ 1,528,772
Construction in progress	27,126	-	(27,126)	-
Total	<u>\$ 1,543,898</u>	<u>\$ 12,000</u>	<u>\$ (27,126)</u>	<u>\$ 1,528,772</u>
Capital assets being depreciated				
Collection system	9,473,413	1,144,356	-	10,617,769
Buildings and equipment	2,337,615	31,141	-	2,368,756
Treatment plant	5,897,954	-	(44,165)	5,853,789
Less accumulated depreciation	(7,062,364)	(475,416)	43,350	(7,494,430)
Capital assets being depreciated, net	<u>10,646,618</u>	<u>700,081</u>	<u>(815)</u>	<u>11,345,884</u>
Total Business-Type Activities Capital Assets	<u>\$ 12,190,516</u>	<u>\$ 712,081</u>	<u>\$ (27,941)</u>	<u>\$ 12,874,656</u>

	Balance January 1, 2018	Additions	Dispositions	Balance December 31, 2018
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 180,745	\$ -	\$ -	\$ 180,745
Construction in Progress	40,903	-	(40,903)	-
	<u>221,648</u>	<u>-</u>	<u>(40,903)</u>	<u>180,745</u>
Capital assets being depreciated				
Buildings	509,824	-	-	509,824
Improvements other than buildings	730,684	-	-	730,684
Infrastructure	9,307,853	370,087	-	9,677,940
Equipment	559,264	50,439	(100,682)	509,021
	<u>11,107,625</u>	<u>420,526</u>	<u>(100,682)</u>	<u>11,427,469</u>
Less accumulated depreciation				
Buildings	(220,653)	(14,466)	-	(235,119)
Improvements	(221,248)	(24,891)	-	(246,139)
Infrastructure	(1,604,052)	(211,767)	98,034	(1,717,785)
Equipment	(444,888)	(34,118)	-	(479,006)
	<u>(2,490,841)</u>	<u>(285,242)</u>	<u>98,034</u>	<u>(2,678,049)</u>
Capital assets depreciated, net	<u>8,616,784</u>	<u>135,284</u>	<u>(2,648)</u>	<u>8,749,420</u>
Total Governmental Activities Capital Assets	<u>\$ 8,838,432</u>	<u>\$ 135,284</u>	<u>\$ (43,551)</u>	<u>\$ 8,930,165</u>

Long-term Debt

As of December 31, 2018, the Town had long-term debt as follows:

	Balance			December 31,	Due within
	January 1, 2018	Additions	Reductions	2018	one year
Governmental Activities					
Leases Payable	\$ 20,083	\$ 33,472	\$ (19,768)	\$ 33,787	\$ 18,618
Bonds payable – UMB	810,000	-	(30,000)	780,000	30,000
Compensated absences	61,244	68,339	(61,244)	68,339	68,339
Total	\$ 891,327	\$ 101,811	\$ (111,012)	\$ 882,126	\$ 116,957
Enterprise Activities					
Leases payable	\$ 15,222	\$ -	\$ (6,402)	\$ 8,820	\$ 6,584
Water Revenue Bonds Series 2017A	927,000	-	(91,000)	836,000	94,000
Water Revenue Bonds Series 2017B	1,338,000	-	-	1,338,000	-
Loan payable - SRF	875,000	-	(50,000)	825,000	50,000
Loan payable - CWRPDA		508,789	(2,120)	506,669	25,983
Total	\$ 3,155,222	\$ 508,789	\$ (149,522)	\$ 3,514,489	\$ 176,567

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The Colorado State Demographer expects the population of Delta County to increase by 33% by 2050. The Town of Cedaredge expects steady population growth throughout that span.
- Overall sales and use tax revenue was up 3.14 percent in 2018. Through first quarter 2019, overall sales and use tax revenue is up 16 percent year to date. The sharp increase is due, in part, to new residential construction. The overall sales and use tax collection is expected to show more moderate growth by the end of the fiscal year.
- New residential construction has continued to increase year over year. New construction directly leads to increases in use tax, building permit fees, water tap fees, and wastewater tap fees. 2019 is expected to see more new residential construction than previous years.
- Conservative merit raises will be considered for all employees. Minimum wage increases due to a State of Colorado amendment will raise the minimum wage 90 cents annually from \$11.10 in 2019 to \$12.00 in 2020.
- The maximum, three employees are participating in the Employee Retirement Transitional Plan. The plan requires reduced working hours and allows the employees to remain on the Town's health insurance plan for a specified period. This plan will allow long-term employees to train their replacement instead of retiring and leaving with valuable years of institutional knowledge. The plan allows a maximum of three employees participating at a time.
- Water and wastewater rates were significantly increased after a rate study in 2017. No rate increase is expected in 2019.
- The Golf Course had extensive losses during the historic 2018 drought. Rates will not be increased in 2019 but a \$1.00 capital improvement fee was
- The Capital Improvement Fund expenditures in 2019 are budgeted for police car payments and asphalt maintenance.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Town Administrator * Town of Cedaredge * PO Box 398 * Cedaredge, CO 81413.

**Town of Cedaredge
Statement of Net Position
December 31, 2018**

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 723,124	\$ 557,685	\$ 1,280,809
Restricted Cash	303,629	153,950	457,579
Property taxes receivable	167,073	-	167,073
Accounts receivable	18,522	124,617	143,139
Due from other governments	42,764	170,209	212,973
Construction deposits-utilities	21,203	-	21,203
Inventories (Note 1-O)	-	57,707	57,707
Net pension assets	38,278	-	38,278
Capital assets: (Note 8)			
Nondepreciable	180,745	1,528,772	1,709,517
Depreciable, net of accumulated depreciation	8,749,420	11,345,884	20,095,304
Total assets	<u>10,244,758</u>	<u>14,198,944</u>	<u>24,443,702</u>
DEFERRED OUTFLOWS			
Pension net difference between projected and actual investment earnings	2,208	-	2,208
Total Deferred outflows	<u>2,208</u>	<u>-</u>	<u>2,208</u>
LIABILITIES			
Accounts payable	66,093	47,481	113,574
Accrued payroll taxes	15,870	-	15,870
Accrued wages	16,457	10,473	26,930
Funds held in trust for others	975	-	975
Current portion of debt			
Loans and leases payable (Note 6)	48,618	176,567	225,185
Compensated absences (Note 1-K)	68,339	-	68,339
Long-term liabilities (Note 6)			
Due more than one year:			
Loans and leases payable	765,169	3,337,922	4,103,091
Total liabilities	<u>981,521</u>	<u>3,572,443</u>	<u>4,553,964</u>
Deferred inflows of resources			
Deferred other revenue (Note 1-D)	24,834	9,109	33,943
Deferred property taxes (Note 1-D)	136,200	-	136,200
Total deferred inflows of resources	<u>161,034</u>	<u>9,109</u>	<u>170,143</u>
NET Position			
Invested in capital assets	8,116,378	9,360,167	17,476,545
Restricted for:			
Emergencies (Note 3)	52,159	-	52,159
Reserve for payment on bonds	-	153,950	153,950
Reserve for retirement payments	40,486	-	40,486
Unrestricted	895,388	1,103,275	1,998,663
Total net position	<u>\$ 9,104,411</u>	<u>\$ 10,617,392</u>	<u>\$ 19,721,803</u>

The accompanying notes are an integral part of this statement.

**Town of Cedaredge
Statement of Activities
For the Year Ended December 31, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 464,854	\$ 223,760	\$ -	\$ -
Public Safety	542,540	42,426	-	-
Public Works	423,310	184,683	100,891	253,171
Culture and Recreation	146,859	10,943	22,488	-
Total governmental activities	<u>1,577,563</u>	<u>461,812</u>	<u>123,379</u>	<u>253,171</u>
Business-type activities:				
Waterworks	909,655	1,132,445	-	-
Wastewater	625,125	687,904	-	-
Golf Course	407,268	283,190	-	-
Total business- type activities	<u>1,942,048</u>	<u>2,103,539</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 3,519,611</u>	<u>\$ 2,565,351</u>	<u>\$ 123,379</u>	<u>\$ 253,171</u>

General Revenues

Taxes
Franchise taxes
Intergovernmental
Miscellaneous
Investment earnings
Gain or (loss) on sale of assets

Total General Revenues

Changes in Net Position

Net Position-January 1

Net Position-December 31

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental	Business-Type	
Activities	Activities	Total
\$ (241,094)	\$ -	\$ (241,094)
(500,114)	-	(500,114)
115,435	-	115,435
(113,428)	-	(113,428)
<u>(739,201)</u>		<u>(739,201)</u>
-	222,790	222,790
-	62,779	62,779
-	(124,078)	(124,078)
<u>-</u>	<u>161,491</u>	<u>161,491</u>
<u>(739,201)</u>	<u>161,491</u>	<u>(577,710)</u>
777,539	-	777,539
84,810	-	84,810
34,806	693,479	728,285
2,834	50,998	53,832
15,683	6,290	21,973
5,215	2,559	7,774
<u>920,887</u>	<u>753,326</u>	<u>1,674,213</u>
181,686	914,817	1,096,503
8,922,725	9,702,575	18,625,300
<u>\$ 9,104,411</u>	<u>\$ 10,617,392</u>	<u>\$ 19,721,803</u>

The accompanying notes are an integral part of this statement.

**Town of Cedaredge
Governmental Funds
Balance Sheet
December 31, 2018**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 351,270	\$ 371,854	\$ 723,124
Restricted cash	-	303,629	303,629
Taxes receivable	167,073	-	167,073
Due from other governments	30,293	12,471	42,764
Accounts receivable	18,522	-	18,522
Construction deposits-utilities	21,203	-	21,203
Total assets	<u>\$ 588,361</u>	<u>\$ 687,954</u>	<u>\$ 1,276,315</u>
Liabilities, Deferred inflows of resources and Fund Balance			
Liabilities:			
Accounts payable	\$ 66,093	\$ -	\$ 66,093
Accrued payroll liabilities	15,870	-	15,870
Accrued wages	16,457	-	16,457
Funds held in trust for others	975	-	975
Total liabilities	<u>99,395</u>	<u>-</u>	<u>99,395</u>
Deferred inflows of resources			
Deferred other revenue	24,834	-	24,834
Deferred property taxes	136,200	-	136,200
Total deferred inflows of resources	<u>161,034</u>	<u>-</u>	<u>161,034</u>
Fund balances:			
Restricted:			
Emergencies	52,159	-	52,159
Parks and recreation	-	49,881	49,881
Committed	-	303,629	303,629
Assigned	-	334,444	334,444
Unassigned	275,773	-	275,773
Total fund balance	<u>327,932</u>	<u>687,954</u>	<u>1,015,886</u>
Total liabilities and fund balance	<u>\$ 588,361</u>	<u>\$ 687,954</u>	<u>\$ 1,276,315</u>

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2018

Total fund balance, governmental funds \$ 1,015,886

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$11,608,214	
Less accumulated depreciation	<u>(2,678,049)</u>	8,930,165

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Compensated absences	(68,339)	
Loan payable	<u>(813,787)</u>	(882,126)

Net pension assets and related deferred inflows and outflows of resources are not recorded in the funds.		<u>40,486</u>
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Net Position of Governmental Activities in the Statement of Net Position \$ 9,104,411

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 665,552	\$ 196,797	\$ 862,349
Licenses and permits	50,913	-	50,913
Intergovernmental revenues	388,869	27,488	416,357
Charges for services	381,804	-	381,804
Fines and forfeitures	24,094	-	24,094
Miscellaneous revenue	8,177	10,340	18,517
Total revenues	<u>1,519,409</u>	<u>234,625</u>	<u>1,754,034</u>
Expenditures			
Current:			
General government	433,281	8,032	441,313
Public safety	585,906	-	585,906
Public works	427,037	69,523	496,560
Culture and recreation	63,758	64,361	128,119
Debt service payments	-	60,263	60,263
Total expenditures	<u>1,509,982</u>	<u>202,179</u>	<u>1,712,161</u>
Other Financing sources (uses)			
Sale of assets	7,863	-	7,863
Loan proceeds	33,472	-	33,472
Total other financing sources and (uses)	<u>41,335</u>	<u>-</u>	<u>41,335</u>
Net change to fund balance	50,762	32,446	83,208
Fund balance, January 1	277,170	655,508	932,678
Fund balance, December 31	<u>\$ 327,932</u>	<u>\$ 687,954</u>	<u>\$ 1,015,886</u>

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds \$ 83,208

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed assets current additions	\$ 379,623	
Depreciation expense	(285,242)	
Excess of capital outlay over depreciation		94,381

Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of the principal portion of the lease is an expenditure in the governmental funds but a reduction of a liability in the statement of net position.

Capital lease principal payments		49,768
Lease proceeds		(33,472)

The net effect of various transactions involving sale of assets sold at a loss or written off.		(2,648)
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Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources and revenues are not recognized until they become both measurable and available. In the statement of activities however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when the financial resources are available.

Change in compensated absences		(7,095)
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Net pension costs that were not recorded in the governmental funds		
Pension expense	\$ (2,456)	(2,456)

Change in net position of governmental funds		\$ 181,686
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The accompanying notes are an integral part of this statement.

**Town of Cedaredge
Statement of Net Position
Enterprise Funds
December 31, 2018**

	Golf Course Fund	Waterworks Fund	Wastewater Fund	Total Enterprise Funds
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 10,612	\$ 319,291	\$ 227,782	\$ 557,685
Restricted Cash	-	153,950	-	153,950
Accounts receivables	-	71,429	53,188	124,617
Loan receivable	-	260,120	-	260,120
Prepaid expenses	-	-	-	-
Due from other governments	-	170,209	-	170,209
Inventories	6,260	51,447	-	57,707
Total current assets	<u>16,872</u>	<u>1,026,446</u>	<u>280,970</u>	<u>1,324,288</u>
Capital assets				
Land and improvements	131,000	20,811	57,151	208,962
Source of supply	-	696,610	623,200	1,319,810
Treatment and generation facilities	-	5,737,158	116,631	5,853,789
Buildings, improvements and equipment	1,899,998	284,318	184,440	2,368,756
Collection, transmission and distribution	-	4,939,968	5,677,801	10,617,769
Less accumulated depreciation	<u>(1,233,937)</u>	<u>(4,536,754)</u>	<u>(1,723,739)</u>	<u>(7,494,430)</u>
Total capital assets	<u>797,061</u>	<u>7,142,111</u>	<u>4,935,484</u>	<u>12,874,656</u>
Total Assets	<u>\$ 813,933</u>	<u>\$ 8,168,557</u>	<u>\$ 5,216,454</u>	<u>\$ 14,198,944</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current liabilities				
Accounts payable	\$ 803	\$ 46,678	\$ -	\$ 47,481
Accrued wages	2,308	3,266	4,899	10,473
Current portion of long term debt	-	126,567	50,000	176,567
Total current liabilities	<u>3,111</u>	<u>176,511</u>	<u>54,899</u>	<u>234,521</u>
Noncurrent liabilities				
Loans and leases payable	-	2,562,922	775,000	3,337,922
Deferred inflows of resources				
Deferred other revenue	9,109	-	-	9,109
NET POSITION				
Invested in capital assets, net of related debt	797,061	4,452,622	4,110,484	9,360,167
Reserve for payment on bonds	-	153,950	-	153,950
Unrestricted	4,652	822,552	276,071	1,103,275
Total net position	<u>\$ 801,713</u>	<u>\$ 5,429,124</u>	<u>\$ 4,386,555</u>	<u>\$ 10,617,392</u>

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2018

	Golf Course Fund	Waterworks Fund	Wastewater Fund	Total Enterprise Funds
Operating Revenues				
Charges for services	\$ 259,445	\$ 1,132,445	\$ 687,904	\$ 2,079,794
Restaurant operations	15,462	-	-	15,462
Merchandise sales (net of cost of sales)	8,283	-	-	8,283
Total operating revenues	<u>283,190</u>	<u>1,132,445</u>	<u>687,904</u>	<u>2,103,539</u>
Operating Expenses				
Personnel services	181,318	449,389	376,269	1,006,976
Contractual services	1,377	13,282	12,409	27,068
Utilities	20,291	30,247	45,783	96,321
Repairs and maintenance	60,100	21,284	28,396	109,780
Other supplies and expenses	44,287	37,891	16,991	99,169
Insurance claims and expenses	5,574	23,646	17,167	46,387
Operating lease	18,600	-	-	18,600
Depreciation	75,721	271,585	128,110	475,416
Total operating expenses	<u>407,268</u>	<u>847,324</u>	<u>625,125</u>	<u>1,879,717</u>
Operating income (loss)	<u>(124,078)</u>	<u>285,121</u>	<u>62,779</u>	<u>223,822</u>
Nonoperating revenues (expenses)				
Interest income	482	3,289	2,519	6,290
Contributions	32,695	-	-	32,695
Sale of assets	2,559	-	-	2,559
Other income	10,689	6,737	877	18,303
Grants	-	693,479	-	693,479
Interest expense	-	(62,331)	-	(62,331)
Total nonoperating revenues (expenses)	<u>46,425</u>	<u>641,174</u>	<u>3,396</u>	<u>690,995</u>
Income (loss) before transfers and and capital contributions	<u>(77,653)</u>	<u>926,295</u>	<u>66,175</u>	<u>914,817</u>
Capital contributions-Water rights	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(77,653)</u>	<u>926,295</u>	<u>66,175</u>	<u>914,817</u>
Total net position, January 1	<u>879,366</u>	<u>4,502,829</u>	<u>4,320,380</u>	<u>9,702,575</u>
Total net position, December 31	<u>\$ 801,713</u>	<u>\$ 5,429,124</u>	<u>\$4,386,555</u>	<u>\$ 10,617,392</u>

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2018

	Golf Course Fund	Waterworks Fund	Wastewater Fund	Total Enterprise Funds
Cash Flows From Operating Activities				
Cash received from charges for services	\$ 297,765	\$ 720,704	\$ 685,680	\$ 1,704,149
Cash payments for goods and services	(163,639)	(95,006)	(120,746)	(379,391)
Cash payments to employees for services	(180,549)	(449,896)	(374,137)	(1,004,582)
Net cash provided (used) by operating activities	<u>(46,423)</u>	<u>175,802</u>	<u>190,797</u>	<u>320,176</u>
Cash Flows from Noncapital Financing Activities				
Contributions	32,695	-	-	32,695
Other income	10,689	6,737	877	18,303
Net cash provided by noncapital financing activities	<u>43,384</u>	<u>6,737</u>	<u>877</u>	<u>50,998</u>
Cash Flows from Capital and Related Financing Activities				
Sale of assets	3,374	-	-	3,374
Grants	-	693,479	-	693,479
Acquisition of capital assets	(2,900)	(1,125,145)	(32,327)	(1,160,372)
Principal paid on loans and leases	-	(99,522)	(50,000)	(149,522)
Proceeds from Bonds	-	508,789	-	508,789
Interest expense	-	(62,331)	-	(62,331)
Net cash provided (used) by capital and related financing activities	<u>474</u>	<u>(84,730)</u>	<u>(82,327)</u>	<u>(166,583)</u>
Cash Flows from Investing Activities				
Interest on investments	482	3,289	2,519	6,290
Net increase (decrease) in cash and equivalents	(2,083)	101,098	111,866	210,881
Cash balances, January 1	12,695	372,143	115,916	500,754
Cash balances, December 31	<u>\$ 10,612</u>	<u>\$ 473,241</u>	<u>\$ 227,782</u>	<u>\$ 711,635</u>
Reconciling of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (124,078)	\$ 285,121	\$ 62,779	\$ 223,822
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	75,721	271,585	128,110	475,416
Assets (increase) decrease:				
Due from other governments	-	(420,329)	-	(420,329)
Accounts receivables	-	8,588	(2,224)	6,364
Inventories	1,560	(15,334)	-	(13,774)
Liabilities increase (decrease):				
Accounts payable	803	46,678	-	47,481
Deferred revenues	(1,198)	-	-	(1,198)
Accrued wages	769	(507)	2,132	2,394
Total adjustments	<u>77,655</u>	<u>(109,319)</u>	<u>128,018</u>	<u>96,354</u>
Net cash provided (used) by operating activities	<u>\$ (46,423)</u>	<u>\$ 175,802</u>	<u>\$ 190,797</u>	<u>\$ 320,176</u>

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Cedaredge, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

The Town is a home rule municipality with a mayor – council form of government with seven elected Council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Cedaredge (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respect governing body.

B. Government-wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those 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.

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies – (continued)

C. Fund Financial Statements – (continued)

Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

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

The Town reports the following major governmental funds:

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

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

The Capital Improvement Fund, which accounts for 25% of the 1.5% sales tax and major street improvements of .5% to be used for capital improvements, streets and acquisition.

The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Enterprise 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 an enterprise fund’s principal ongoing operations. The principal operating revenues of the Town are charges for water, sewer and garbage fees. Operating expenses for the enterprise funds include purchased services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town’s policy to use restricted resources first, then unrestricted resources as needed.

The Town reports the following major enterprise fund business-type activities:

Water, Wastewater and Golf Course Funds, which account for all operations of the Town’s water, wastewater and golf course services. They are primarily financed by user charges.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies – (continued)

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Deferred Outflows / Inflows of Resources-In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources.

This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies – (continued)

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

F. Investments

Investments at December 31, 2018, consisted of C-Safe stated at amortized cost and ColoTrust Plus+ at net asset value.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Property Taxes

Property taxes for the current year are levied and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflows of resources in the governmental and enterprise funds.

I. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds \$ 5,000.

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

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies – (continued)

Capital Assets – (continued)

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

<u>Asset Class</u>	<u>Useful Life</u>
Building and Other Improvements	15-30 years
Utility Plant and System	40-50 years
Furniture and Equipment	3-10 years
Infrastructure	15-50 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

J. Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net position.

The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

K. Compensated Absences

Vacation time accumulates at the rate of 3.08 hours per pay period for an annual total of 80 hours per year in years of service from one (1) through five (5) and 4.62 hours per pay period for an annual total of 120 hours per year in years of service from five (5) and above. The maximum accrual is 180 vacation hours. Upon termination of employment, the employee shall be paid for each hour of earned and unused annual vacation leave.

Regular full time employees shall accrue paid sick leave at the rate of two (2) hours per pay period. There shall be a limit of 240 hours on the total amount of sick leave an employee may accrue. Upon termination of employment, employees are not paid for unused sick leave.

Accrued vacation and sick leave consist of the following at December 31, 2018:

Vacation time	<u>\$ 68,339</u>
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Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies – (continued)

L. Net Position

Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets.

Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

M. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

N. Encumbrances

The Town does not use an encumbrance system for budgetary control.

O. Inventory

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The inventory consists of golf course merchandise and water supplies.

P. Accounts Receivable

The Town considers accounts receivable for water and sewer to be fully collectible because the Town can place liens on the individual properties; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies – (continued)

Q. Fund Balances

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The enterprise fund statement of net position and statement of revenues, expenses and changes in net position also includes reconciliation to the government-wide statement of net position and activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 3 - Tax, Spending and Debt Limitations

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, excluding “enterprises.” The Town’s voters on November 8, 1994, approved a ballot measure to permit the Town to collect, retain and expend the full proceeds of the Town’s sales tax, and state and federal grants.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment. The amount restricted at December 31, 2018 was \$52,159.

Note 4 - Budgets

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

- A. Prior to November 15, or such other time as the Board of Trustees may provide by ordinance, the Town Administrator shall cause to be prepared and submitted to the Board of Trustees a proposed budget and accompanying message. The proposed budget shall provide a financial plan for all Town funds and activities for at least the next fiscal year and, except as required by this Charter, shall be in such form as required by law.
- B. The Board of Trustees shall adopt an annual budget for the fiscal year. Such budget shall present a complete financial plan by fund and by spending agency within each fund and shall set forth the following:
 - 1. All proposed expenditures for administration, operation, maintenance, debt service and capital projects to be undertaken or executed by any spending agency during the fiscal year;
 - 2. Anticipated revenues for the fiscal year;
 - 3. Estimated beginning and ending fund balances;
 - 4. The corresponding actual figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year, including disclosures of all beginning and ending fund balances, consistent with the basis of accounting used to prepare the budget;
 - 5. A written budget message describing the important features of the proposed budget, including a statement of the budgetary basis of accounting used and description of the services to be delivered during the fiscal year;
 - 6. Explanatory schedules or statements classifying the expenditures by object and the revenues by source;
 - 7. An estimate of the amount required to be raised from an ad valorem property tax levy;
 - 8. Such other information as the Board of Trustees may require.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 4 – Budgets – (continued)

- C. The Board of Trustees shall hold a public hearing on the proposed budget and capital program after receipt of the proposed budget. Notice of the time and place of such hearing shall be published at least one time at least 10 days prior to the hearing and shall state that copies of the proposed budget and the proposed capital projects programs are available for public inspection in the office of the Town Clerk.

- D. Unless another date is provided by ordinance, the Board of Trustees shall adopt the budget, by resolution, on or before the date provided by law for certification of the ad valorem property tax levy. If the Board of Trustees fails to adopt the budget by the required date, the amount appropriated for the current fiscal year, together with any additional amounts necessary for payments of principal and interest on securities and other payment obligations, shall be deemed appropriated for the next fiscal year on a month to month basis, with all items in it prorated accordingly, until such time as the Board of Trustees adopts the budget for that fiscal year.

The total of the proposed expenditures in the adopted budget shall not exceed the total of estimated revenues including unappropriated cash reserves.

Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated, and shall constitute a levy of the ad valorem property tax therein provided. The Board of Trustees shall cause the ad valorem property tax levy to be certified as provided by law.

- E. Supplemental Appropriations. If during the fiscal year, the Town Administrator certifies there are available for appropriation revenues in excess of those estimated in the budget or revenues not previously appropriated, the Board of Trustees by resolution may make supplemental appropriations for the year up to the amount of such excess or unappropriated revenues.

Emergency Appropriations. To meet a public emergency affecting life, health, property or the public peace, the Board of Trustees may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with provisions of this charter. To the extent that there are not available unappropriated revenues to meet such appropriations, the Board of Trustees may by emergency ordinance authorize the issuance of emergency securities as provided in this charter.

Reduction of Appropriations. If, at any time during the fiscal year, it appears probable to the Town Administrator that the revenues available will be insufficient to meet the amount appropriated, the Town Administrator shall report to the Board of Trustees without delay, indicating the estimated amount of deficit and the Town Administrator's recommendation as to any remedial steps to be taken.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 4 – Budgets – (continued)

E. – (continued)

The Board of Trustees shall then take such action as it deems necessary to prevent or minimize any deficit and for that purpose it may by resolution reduce one or more appropriations.

Transfer of Appropriations. Anytime during the fiscal year, the Town Administrator may recommend the transfer of part or all of any unencumbered appropriation balance among programs within a fund, department, office or agency and, upon written request of the Town Administrator. The Board of Trustees may by resolution transfer part of all of any unencumbered appropriation balance from one fund, department, office, agency or object to another.

F. Budget appropriations lapse at the end of each year.

G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget.

Revisions made to the original budgeted expenditures for each fund are as follows:

	Original Budget	Total Revisions	Final Budget
General	\$ 1,573,628	\$ -	\$ 1,573,628
Water works	1,889,286	-	1,889,286
Wastewater	703,310	-	703,310
Golf Course	437,763	-	437,763
Capital Improvement	240,872	-	240,872
Conservation Trust	45,000	20,000	65,000
Total	\$ 4,889,859	\$ 20,000	\$ 4,909,859

H. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

Note 5 - Deposits and Investments

Except when required by trust or other agreements, all cash is deposited to or disbursed from bank accounts of the General Fund. Cash in excess of immediate operating requirements is invested in time deposits, government securities and a state investment pool. The accounting records of each applicable fund reflect equity in the pooled cash and investments. Amounts of negative equity in pooled cash and investments are classified as due from other funds for financial reporting purposes.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 5 - Deposits and Investments – (continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local governments, deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Custodial Credit: Risks -Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. As of December 31, 2018 none of the Town's bank balances of \$246,030 were exposed to custodial credit risk as \$250,000 were FDIC insured.

Investments

At December 31, 2018 the Town had the following investments:

	<u>Maturities</u>	<u>Total</u>
CSAFE	Less Than One Year \$678	Amortized Cost \$ 678
ColoTrust Plus +	\$1,494,797	Net Asset Value \$1,494,797

Interest rate risk - The Town's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments may not exceed a maturity date from purchase in excess of five years. The Town has not experienced fair value losses.

Credit risk- Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written pools; written repurchase agreement collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts.

The Town had invested \$ 678 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is a local governmental investment that operates similarly to a money market fund. Investments of the pool consist of securities of the United States Treasury and United States agencies, primary dealer repurchase agreements and Colorado depositories (with short term rating of A1 or better) in which the deposits are collateralized at 102% of market value under the provisions of PDPA. The custodian's internal records identify the investments owned by the pool. Separately issued financial statements may be obtained at the following address: CSAFE, 1600 Broadway, Suite 1100, Denver, Co 80202 www.csafe.org.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 5 - Deposits and Investments – (continued)

The Town invested **\$1,494,797** in the Colorado Government Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission administers and enforces all state statutes governing public investment pools. The investment is an external investment pool that reports at the fair value per share of the pool's underlying portfolio. The unit of account is each share held, and the value of the position is the fair value of the pool's share price multiplied by the number of shares held. For pricing and redeeming share COLOTRUST maintains a stable net asset value (NAV) of \$1 per share, which approximates fair value. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables and payables. All COLOTRUST investments are reported at NAV and do not have any unfunded commitments, redemption restrictions or redemption notice periods. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+, which are both rated AAAM by Standard & Poor's. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Financial statements and information about the pool for COLOTRUST may be obtained through its website at www.colotruster.com. COLOTRUST may, without the necessity of a formal meeting of their Board, temporarily suspend the right of redemption or postpone the date of payment for redeemed shares under certain specific conditions described in their trust indenture and during any financial emergency when it is not reasonably practicable because of substantial losses which might be incurred.

Note 6 - Long-Term Liabilities

	Balance			Balance December 31, 2018	Due Within One Year
	January 1, 2018	Additions	Reductions		
Governmental Activities					
Leases payable	\$ 20,083	\$ 33,472	\$ (19,768)	\$ 33,787	\$ 18,618
Bonds payable-UMB	810,000	-	(30,000)	780,000	30,000
Accrued compensated absences	61,244	68,339	(61,244)	68,339	68,339
Total	<u>\$ 891,327</u>	<u>\$ 101,811</u>	<u>\$ (111,012)</u>	<u>\$ 882,126</u>	<u>\$ 116,957</u>
Enterprise Activities					
Leases payable	\$ 15,222	\$ -	\$ (6,402)	\$ 8,820	\$ 6,584
Water Revenue Bonds Series 2017A	927,000	-	(91,000)	836,000	94,000
Water Revenue Bonds Series 2017B	1,338,000	-	-	1,338,000	-
Loan payable - SRF	875,000	-	(50,000)	825,000	50,000
Loan payable - CWRPD	-	508,789	(2,120)	506,669	25,983
Total	<u>\$ 3,155,222</u>	<u>\$ 508,789</u>	<u>\$ (149,522)</u>	<u>\$ 3,514,489</u>	<u>\$ 176,567</u>

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 6 - Long-Term Liabilities – (continued)

Leases Payables

Kubota

Town of Cedaredge has an obligation to US Bank, bearing interest at 2.80%. The loan is payable in monthly installments of \$562.23, including interest, and is collateralized by Kubota. Principal and interest payments for the years following December 31, 2018, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 6,584	\$ 163
2020	<u>2,236</u>	<u>13</u>
Total	<u>\$ 8,820</u>	<u>\$ 176</u>

2016 Ford Explorer

Town of Cedaredge has an obligation to US Bank, bearing interest at 2.45%. The loan is payable in monthly installments of \$669.24, including interest, and is collateralized by 2016 Ford Explorer. Principal and interest payments for the years following December 31, 2018, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 7,828	\$ 202
2020	<u>3,987</u>	<u>29</u>
Total	<u>\$ 11,815</u>	<u>\$ 231</u>

2019 Ford Explorer

Town of Cedaredge has an obligation to Bank of Colorado, bearing interest at 3.64%. The loan is payable in annual installments of \$11,598.38, including interest, and is collateralized by 2019 Ford Explorer. Principal and interest payments for the years following December 31, 2018, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 10,790	\$ 800
2020	<u>11,182</u>	<u>407</u>
Total	<u>\$ 21,972</u>	<u>\$ 1,207</u>

Water Refund Refunding and Improvement Bonds

Bonds Payable

The Town issued \$976,000 Water Revenue Bonds Series 2017A and \$1,338,000 of Water Revenue Bonds Series 2017B to refinance the RUS loans of \$2,021,639 and invested in a water plant at \$175,000. The bonds were issued at an interest rate of 2.9% per annum for the (Series 2017A) and 2.59% for the (Series 2017B) and are payable in installments on January 1 and July 1 of each year including principal and interest. The bonds mature on December 1, 2037.

Per contract, the Town has reserve cash account of \$153,950 at December 31, 2018 for payment on the bonds.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 6 - Long-Term Liabilities – (continued)

Water Refund Refunding and Improvement Bonds – (continued)

Bonds Payable-Series 2017A and 2017B

	Principal	Interest	Total
2020	94,000	58,245	152,245
2021	97,000	55,390	152,390
2022	100,000	52,445	152,445
2023	103,000	49,410	152,410
2024	106,000	46,285	152,285
2025-2029	577,000	182,317	759,317
2030-2034	659,000	100,298	759,298
2035-2037	438,000	17,224	455,224
	\$ 2,174,000	\$ 561,614	\$ 2,735,614

Bonds Payable-Wastewater Agency Bonds

The Town issued \$1,000,000 Wastewater Enterprise Governmental Agency Bonds to the Colorado Water Resources and Power Development Authority in 2015 to facilitate the construction of wastewater treatment plant. The Colorado Water Resources and Power Development Authority loaned the Town, through Water Pollution Control Revolving Fund Disadvantage Communities Loan Program, an interest free loan and is payable in principal installments of \$ 25,000 on November 1 and May 1 of each year. The loan mature on May 1, 2035.

Principal payments for the years following December 31, 2018, are as follows:

Year	Principal
2019	\$ 50,000
2020	50,000
2021	50,000
2022	50,000
2023	50,000
2024 to 2028	250,000
2029 to 2033	250,000
2034 to 2035	75,000
Total	\$ 825,000

The Town is not in compliance with the covenant of the loan because the Town is failing to meet the operation and maintenance reserve requirements of the loan.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 6 - Long-Term Liabilities – (continued)

Bonds Payable –Sales Tax Revenue Bonds – (continued)

In March of 2013, the Town issued \$945,000 of Sales Tax Revenue Bonds, Series 2013. The interest rate for Series 2013 debt ranges from 2% to 4.25%.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 30,000	\$ 29,363
2020	30,000	28,687
2021	30,000	27,938
2022	30,000	27,112
2023	35,000	26,213
2024 to 2028	185,000	112,062
2029 to 2033	225,000	73,488
2034 to 2037	<u>215,000</u>	<u>23,162</u>
Total	<u>\$ 780,000</u>	<u>\$ 348,025</u>

Loan Payable-Colorado Water Resources and Power Development Authority

The Town borrowed \$508,789 from the Colorado Water Resources and Power Development Authority in 2018 to facilitate the construction of new water lines. The Colorado Water Resources and Power Development Authority loaned the Town, through Drinking Water Revolving Fund Program, **an interest free loan and is payable in** principal installments of \$ 12,991.52 on November 1 and May 1 of each year. The loan mature on May 1, 2038.

Principal payments for the years following December 31, 2018, are as follows:

	<u>Principal</u>
2019	\$ 25,983
2020	25,983
2021	25,983
2022	25,983
2023	25,983
2024-2028	129,915
2029-2033	129,915
2034-2038	116,924
	<u>\$ 506,669</u>

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 7 - Defined Pension Plan (FPPA – Police Old Hire)

The Town participates in a multiple-employer-employee retirement system (PERS). The pension plan, (volunteer and paid), have elected to affiliate with FPPA for plan administration and investments only.

The following is a summary of eligibility factors, contribution methods and benefits provisions:

Compensation Considered for Retirement Benefits

Basic salary for police officers

Contribution Rates

The Town is currently not contributing to this fund.

Eligibility to Participate

A police officer's normal retirement date shall be the date on which he has attained 55 years of age and completed 20 years of service or upon completion of 25 years of service, if earlier.

Retirement Benefits

Any police officer who elects to retire on or after his normal retirement date shall be eligible for a monthly pension equal to one half of his average monthly salary received one year before his retirement.

Severance Benefits

There are no severance benefits under this plan.

Pre-Retirement Death and Disability Benefits

None.

Post-Retirement Death and Disability Benefits

If a retired police officer dies, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one half of the monthly pension the police officer was entitled to receive prior to death.

Escalation Benefits

None at the present time.

Membership as of January 1, 2018	
Number of - Retirees and Beneficiaries	1
- Inactive, Nonretired Members	0
- Active Members	0
- Total	1
Covered Payroll	N/A

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 7 - Defined Pension Plan (FPPA – Police Old Hire) – (continued)

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

At December 31, 2017, the Entity reported a net pension liability/ (asset) of \$(38,278). The net pension liability/ (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of January 1, 2018.

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

For the year ended December 31, 2017, the Entity recognized pension expense of \$2,456. At December 31, 2017, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	2,208	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 2,208</u>	<u>\$ -</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2018	\$ 699
2019	\$ 699
2020	\$ 635
2021	\$ 175
2022	\$ -
Thereafter	\$ -

Actuarial assumptions. The total pension asset in December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 7 - Defined Pension Plan (FPPA – Police Old Hire) – (continued)

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	6 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining activities are assumed to retire immediately
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with
Blue Collar Adjustment.	Disabled: (pre-1980) RP-2000 Disabled Mortality Table
	All tables projected with Scale AA

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

LONG-TERM EXPECTED RETURN ON PLAN ASSETS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	36.00 %	6.75 %
Equity Long/Short	10.00 %	4.85 %
Illiquid Alternatives	23.00 %	8.25 %
Fixed Income	15.00 %	.50 %
Absolute Return	10.00 %	4.05 %
Managed Futures	4.00 %	3.00 %
Cash	<u>2.00 %</u>	0.00 % *
Total	100.00 %	

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

The figures in the above table were supplied by Fire and Police Pension Association Staff. Gabriel, Roeder, Smith & Company does not provide investment advice.

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

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 7 - Defined Pension Plan (FPPA – Police Old Hire) – (continued)

Sensitivity of Net Pension Liability/(Asset)
to the Single Discount Rate Assumption
for the Measurement Period Ending December 31, 2015
Current Single Discount

1% Decrease 6.50%	Rate Assumption 7.50%	1% Increase 8.50%
\$ (33,174)	\$ (38,278)	\$ (43,382)

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

Note 8 - Capital Assets

Capital assets activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Dispositions	Balance December 31, 2018
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 180,745	\$ -	\$ -	\$ 180,745
Construction in Progress	40,903	-	(40,903)	-
	221,648	-	(40,903)	180,745
Capital assets being depreciated				
Buildings	509,824	-	-	509,824
Improvements other than buildings	730,684	-	-	730,684
Infrastructure	9,307,853	370,087	-	9,677,940
Equipment	559,264	50,439	(100,682)	509,021
	11,107,625	420,526	(100,682)	11,427,469
Less accumulated depreciation				
Buildings	(220,653)	(14,466)	-	(235,119)
Improvements	(221,248)	(24,891)	-	(246,139)
Infrastructure	(1,604,052)	(211,767)	98,034	(1,717,785)
Equipment	(444,888)	(34,118)	-	(479,006)
	(2,490,841)	(285,242)	98,034	(2,678,049)
Capital assets depreciated, net	8,616,784	135,284	(2,648)	8,749,420
Total Governmental Activities Capital Assets	\$ 8,838,432	\$ 135,284	\$ (43,551)	\$ 8,930,165

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 8 - Capital Assets – (continued)

	Balance January 1, 2018	Additions	Dispositions	Balance December 31, 2018
Business - Type Activities				
Capital assets not being depreciated				
Land and water rights	\$ 1,516,772	\$ 12,000	\$ -	\$ 1,528,772
Construction in progress	27,126	-	(27,126)	-
Total	<u>1,543,898</u>	<u>12,000</u>	<u>(27,126)</u>	<u>1,528,772</u>
Capital assets being depreciated				
Collection system	9,473,413	1,144,356	-	10,617,769
Buildings and equipment	2,337,615	31,141	-	2,368,756
Treatment plant	5,897,954	-	(44,165)	5,853,789
Less accumulated depreciation	<u>(7,062,364)</u>	<u>(475,416)</u>	<u>43,350</u>	<u>(7,494,430)</u>
Capital assets being depreciated, net	<u>10,646,618</u>	<u>700,081</u>	<u>(815)</u>	<u>11,345,884</u>
Total Business-Type Activities Capital Assets	<u>\$ 12,190,516</u>	<u>\$ 712,081</u>	<u>\$ (27,941)</u>	<u>\$ 12,874,656</u>

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

General government	\$ 16,446	Golf Course	\$ 75,721
Public safety	15,295	Waterworks	271,585
Public works	225,971	Sewer	<u>128,110</u>
Culture and recreation	<u>27,530</u>	Total business activities	<u>\$ 475,416</u>
Total governmental activities	<u>\$ 285,242</u>		

Note 9 - Operating Lease

The Town has an operating lease for the use of 45 golf carts with Bruning State Bank, with an annual rental lease of \$ 22,847 for 2017 thru 2021.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 10 - Risk Management

The Town 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 provision of 24-10-1155, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverage's 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 indemnify, in accordance with the bylaws, and member of CIRSA against liability or loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs.

All income and assets of CIRSA shall at all time be dedicated to the exclusive benefit of its members. All Colorado municipalities who are member of the Colorado Municipal League and own property are eligible to participate. The general objectives of the Agency are to provide member municipalities' defined liability and property coverage through joint self-insurance and to assist members in loss prevention measures. Any member may withdraw from the Agency by giving written notice to the Board of Directors of the prospective effective date of its withdrawal.

The Town recognizes an expense for coverage for the amount paid to CIRSA annually for these coverages. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the Town.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of CIRSA. The Board of Directors of the Agency is composed of seven directors elected by the members at the annual meeting to be scheduled in December of each year.

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Claims have not exceeded coverage in any of the last three fiscal years.

Town of Cedaredge
Notes to the Financial Statements
December 31, 2018

Note 11 - Retirement Plans

Town is a member employer of the Colorado County Officials and Employees Retirement Association (CCOERA). This association was formed by Colorado State Statute to provide retirement benefits to employees of Colorado local governments. CCOERA administers two different retirement plans a 401(a) Defined Contribution Plan and a 457 Deferred Compensation Plan.

Town provides pension benefits for all of its full-time employees and all regular part-time employees who work more than 20 hours per week through a defined contribution plan with the Colorado County Officials and Employees Retirement Association Retirement Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate six months from the date of employment. Both the Town and the employees contribute between 3% and 6% of the employee's monthly base salary to the plan. Employees may also make additional contributions up to a maximum of 10% of compensation.

The Town's contribution for each employee (and interest allocated to the employee's account) is 100% vested after five years. Any non-vested Town contributions forfeited by an employee who leaves the Town's employment are applied to future Town's matching contributions to the Town. For the year ended December 31, 2018 the Town's total payroll was \$1,125,224, the total payroll covered by the retirement plan was \$764,800 and the total contribution paid was \$91,776. The Town's portion of the contribution was \$45,888 and the employee's portion was \$45,888. The Town has no liability for losses under the plan. Complete financial statements for the retirement plans may be obtained from CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Town of Cedaredge
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2018

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Taxes	\$ 623,586	\$ 623,586	\$ 665,552	\$ 41,966
Licenses and permits	45,600	45,600	50,913	5,313
Intergovernmental revenues	402,116	402,116	388,869	(13,247)
Charges for services	42,850	42,850	45,804	2,954
Fines and forfeitures	19,850	19,850	24,094	4,244
Miscellaneous revenue	42,600	42,600	8,177	(34,423)
Sale of assets	-	-	7,863	7,863
Administrative costs	348,000	348,000	336,000	(12,000)
Total revenues	1,524,602	1,524,602	1,527,272	2,670
Expenditures				
Legislative	36,651	36,651	30,637	6,014
Municipal court	13,372	13,372	14,316	(944)
Administrative services	375,619	375,619	355,010	20,609
Economic development	3,600	3,600	2,496	1,104
Abatement mitigation	2,850	2,850	-	2,850
Animal control	2,550	2,550	2,216	334
Police department	539,933	539,933	550,218	(10,285)
Building inspection	17,402	17,402	11,867	5,535
Transportation	472,317	472,317	427,037	45,280
Facilities and Buildings	16,754	16,754	16,044	710
Open space, parks and recreation	88,562	88,562	63,758	24,804
Community development	4,018	4,018	2,911	1,107
Total Expenditures	1,573,628	1,573,628	1,476,510	97,118
Excess of revenues over				
(under) expenditures	(49,026)	(49,026)	50,762	99,788
Fund balance, January 1	239,098	239,098	277,170	38,072
Fund balance, December 31	\$ 190,072	\$ 190,072	\$ 327,932	\$ 137,860

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Schedules of Required Supplementary Information
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Multiyear
Last 10 Fiscal Years (to be built prospectively)

Measurement period ending December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Pension Liability										
Service Cost	\$ -	\$ -	\$ -	\$ 2,791						
Interest on the Total Pension Liability	11,273	2,865	2,419	-						
Benefit Changes	-	-	-	-						
Difference between Expected and Actual Experience	-	-	8,445	-						
Assumption Changes	-	-	3,072	-						
Benefit Payments	(8,347)	(8,104)	(7,868)	(7,638)						
Net Change in Total Pension Liability	<u>2,926</u>	<u>(5,239)</u>	<u>6,068</u>	<u>(4,847)</u>						
Total Pension Liability - Beginning	<u>36,940</u>	<u>42,179</u>	<u>36,111</u>	<u>40,958</u>						
Total Pension Liability - Ending (a)	<u><u>\$39,866</u></u>	<u><u>\$ 36,940</u></u>	<u><u>\$ 42,179</u></u>	<u><u>\$ 36,111</u></u>						
Plan Fiduciary Net Position										
Employer Contributions	\$ -	\$ -	\$ (71,091)	\$ -						
Pension Plan Net Investment Income	10,299	3,986	3,078	10,482						
Benefit Payments	(8,347)	(8,104)	(7,868)	(7,638)						
Pension Plan Administrative Expense	(689)	(1,996)	(575)	(3,127)						
State of Colorado supplemental discretionary payment	-	-	-	-						
Net Change in Plan Fiduciary Net Position	<u>1,263</u>	<u>(6,114)</u>	<u>(76,456)</u>	<u>(283)</u>						
Plan Fiduciary Net Position - Beginning	<u>76,881</u>	<u>82,994</u>	<u>159,450</u>	<u>159,733</u>						
Plan Fiduciary Net Position - Ending (b)	<u><u>\$78,144</u></u>	<u><u>\$ 76,880</u></u>	<u><u>\$ 82,994</u></u>	<u><u>\$ 159,450</u></u>						
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>(38,278)</u>	<u>(37,733)</u>	<u>(38,608)</u>	<u>(121,132)</u>						
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	196.02%	208.12%	196.77%	441.56%						
Covered Employee Payroll	N/A	N/A	N/A	N/A						
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A						

The accompanying notes are an integral part of this statement.

Town of Cedaredge
Schedule of Contributions to Pension Plan- Multiyear
Last 10 Fiscal Years (To be Built Prospectively)

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2014	\$ -	\$ -	\$ -	N/A	N/A
2015	\$ -	\$ -	\$ -	N/A	N/A
2016	\$ -	\$ -	\$ -	N/A	N/A
2017	\$ -	\$ -	\$ -	N/A	N/A
2018	\$ -	\$ -	\$ -	N/A	N/A

** Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.*

The accompanying notes are an integral part of this statement.

**Town of Cedaredge
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018**

	Conservation Trust Fund	Capital Improvement Fund	Total Other Governmental Funds
Assets			
Cash and cash equivalents	\$ 49,881	\$ 321,973	\$ 371,854
Restricted cash	-	303,629	303,629
Due from other governments	-	12,471	12,471
Total assets	<u>\$ 49,881</u>	<u>\$ 638,073</u>	<u>\$ 687,954</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted			
Parks and recreation	49,881	-	49,881
Committed			
Street Improvements	-	303,629	303,629
Town Hall	-	60,000	60,000
Capital Acquisitions	-	274,444	274,444
Total fund balances	<u>49,881</u>	<u>638,073</u>	<u>687,954</u>
Total liabilities and fund balances	<u>\$ 49,881</u>	<u>\$ 638,073</u>	<u>\$ 687,954</u>

Town of Cedaredge
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2018

	Conservation Trust Fund	Capital Improvement Fund	Total Other Governmental Funds
REVENUES			
Taxes	\$ -	\$ 196,797	\$ 196,797
Intergovernmental	27,488	-	27,488
Miscellaneous	1,023	9,317	10,340
Total revenues	<u>28,511</u>	<u>206,114</u>	<u>234,625</u>
EXPENDITURES			
Current:			
General government	-	8,032	8,032
Public works	-	69,523	69,523
Culture and recreation	64,361	-	64,361
Debt service payments	-	60,263	60,263
Total expenditures	<u>64,361</u>	<u>137,818</u>	<u>202,179</u>
Excess revenues over (under) expenditures	(35,850)	68,296	32,446
Fund balance, January 1	<u>85,731</u>	<u>569,777</u>	<u>655,508</u>
Fund balance, December 31	<u>\$ 49,881</u>	<u>\$ 638,073</u>	<u>\$ 687,954</u>

Town of Cedaredge
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
State entitlement	\$ 21,000	\$ 21,000	\$ 22,488	\$ 1,488
Grants and contributions	5,000	5,000	5,000	-
Interest income	200	200	1,023	823
Total revenues	<u>26,200</u>	<u>26,200</u>	<u>28,511</u>	<u>2,311</u>
Expenditures				
Culture and recreation	45,000	65,000	64,361	639
Total expenditures	<u>45,000</u>	<u>65,000</u>	<u>64,361</u>	<u>639</u>
Excess of revenues over				
(under) expenditures	(18,800)	(38,800)	(35,850)	2,950
Fund balance, January 1	<u>87,884</u>	<u>87,884</u>	<u>85,731</u>	<u>(2,153)</u>
Fund balance, December 31	<u>\$ 69,084</u>	<u>\$ 49,084</u>	<u>\$ 49,881</u>	<u>\$ 797</u>

Town of Cedaredge
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
Sales tax	\$ 185,500	\$ 185,500	\$ 196,797	\$ 11,297
Interest earnings	350	350	9,317	8,967
Total revenues	<u>185,850</u>	<u>185,850</u>	<u>206,114</u>	<u>20,264</u>
 Expenditures				
General Government	8,030	8,030	8,032	(2)
Public Works	172,579	172,579	69,523	103,056
Debt Service	60,263	60,263	60,263	-
Total expenditures	<u>240,872</u>	<u>240,872</u>	<u>137,818</u>	<u>103,054</u>
 Excess of revenues over				
(under) expenditures	(55,022)	(55,022)	68,296	123,318
 Fund balance, January 1	<u>337,934</u>	<u>337,934</u>	<u>569,777</u>	<u>231,843</u>
Fund balance, December 31	<u><u>\$ 282,912</u></u>	<u><u>\$ 282,912</u></u>	<u><u>\$ 638,073</u></u>	<u><u>\$ 355,161</u></u>

Town of Cedaredge
Statement of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Waterworks Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Charges for services	\$ 716,389	\$ 716,389	\$ 889,070	\$ 172,681
Capital replacement fee	104,160	104,160	113,575	9,415
Debt service fee	119,040	119,040	129,800	10,760
Grants and loans	873,168	873,168	693,479	(179,689)
Interest revenue	100	100	3,289	3,189
Miscellaneous	2,100	2,100	6,737	4,637
Total revenues	<u>1,814,957</u>	<u>1,814,957</u>	<u>1,835,950</u>	<u>20,993</u>
 Expenditures				
Salaries and wages	266,848	266,848	266,389	459
Accounting and administrative fees	183,000	183,000	183,000	-
Office supplies and postage	3,800	3,800	4,643	(843)
Insurance and bonds	21,679	21,679	23,646	(1,967)
Utilities	29,795	29,795	30,247	(452)
Vehicle	11,500	11,500	14,599	(3,099)
Miscellaneous	6,175	6,175	5,092	1,083
Capital Outlay	1,189,918	1,189,918	1,122,543	67,375
System operations, maintenance and repairs	31,000	31,000	23,540	7,460
Consulting	20,000	20,000	13,282	6,718
Renewal application	12,000	12,000	12,518	(518)
Education and travel	1,500	1,500	1,039	461
Debt service	112,071	112,071	162,198	(50,127)
Total expenditures	<u>1,889,286</u>	<u>1,889,286</u>	<u>1,862,736</u>	<u>26,550</u>
 Excess of revenues over (under) expenditures	 (74,329)	 (74,329)	 (26,786)	 47,543
 Available resources, January 1	 390,224	 390,224	 494,499	 104,275
Add: loan proceeds	<u>-</u>	<u>-</u>	<u>508,789</u>	<u>508,789</u>
 Available resources, December 31	 <u>\$ 315,895</u>	 <u>\$ 315,895</u>	 <u>\$ 976,502</u>	 <u>\$ 660,607</u>

Town of Cedaredge
Statement of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Charges for services	\$ 703,455	\$ 703,455	\$ 687,904	\$ (15,551)
Miscellaneous	250	250	877	627
Interest income	100	100	2,519	2,419
Total revenues	<u>703,805</u>	<u>703,805</u>	<u>691,300</u>	<u>(12,505)</u>
 Expenditures				
Salaries and wages	204,797	204,797	193,269	11,528
Accounting and administrative fees	183,000	183,000	183,000	-
Office supplies and postage	3,750	3,750	3,720	30
Insurance and bonds	15,663	15,663	17,167	(1,504)
Utilities	51,450	51,450	45,783	5,667
Vehicle and equipment	6,000	6,000	6,106	(106)
Miscellaneous	5,150	5,150	4,238	912
System operations, maintenance and repairs	27,500	27,500	28,396	(896)
Renewal application	1,600	1,600	1,996	(396)
Contract services	24,600	24,600	12,409	12,191
Education and travel	1,500	1,500	931	569
Debt service	50,000	50,000	50,000	-
Capital outlay	128,300	128,300	32,327	95,973
Total expenditures	<u>703,310</u>	<u>703,310</u>	<u>579,342</u>	<u>123,968</u>
 Excess of revenues over (under) expenditures	495	495	111,958	111,463
 Available resources, January 1	<u>89,792</u>	<u>89,792</u>	<u>164,113</u>	<u>74,321</u>
 Available resources, December 31	<u>\$ 90,287</u>	<u>\$ 90,287</u>	<u>\$ 276,071</u>	<u>\$ 185,784</u>

Town of Cedaredge
Statement of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Golf Course Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				Favorable
				(Unfavorable)
User fees	\$ 342,400	\$ 342,400	\$ 259,445	\$ (82,955)
Merchandise sales	26,000	26,000	24,753	(1,247)
Restaurant operations	14,700	14,700	15,462	762
Interest income	25	25	482	457
Contributions	30,000	30,000	32,695	2,695
Sale of assets	-	-	3,374	3,374
Miscellaneous	11,000	11,000	10,689	(311)
Total revenues	<u>424,125</u>	<u>424,125</u>	<u>346,900</u>	<u>(77,225)</u>
Expenditures				
Golf course operations	364,267	364,267	301,589	62,678
Merchandise purchases	15,000	15,000	16,470	(1,470)
Restaurant operations	11,125	11,125	11,358	(233)
Capital outlay	28,500	28,500	2,900	25,600
Lease or debt payment	18,871	18,871	18,600	271
Total expenditures	<u>437,763</u>	<u>437,763</u>	<u>350,917</u>	<u>86,846</u>
Excess of revenues over				
(under) expenditures	(13,638)	(13,638)	(4,017)	9,621
Available funds, January 1	<u>22,696</u>	<u>22,696</u>	<u>8,669</u>	<u>(14,027)</u>
Available funds, December 31	<u>\$ 9,058</u>	<u>\$ 9,058</u>	<u>\$ 4,652</u>	<u>\$ (4,406)</u>

Steps for printing your content and returning to 'Edit Mode

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

ANNUAL HIGHWAY FINANCE REPORT - CY18Email address: finmanager@cedaredgecolorado.com

City/County: Cedaredge

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	168,000.00
3. Other local imposts: <i>(from A.3. Total below)</i>	\$	354,804.00
4. Miscellaneous local receipts: <i>(from A.4. Total below)</i>	\$	14,916.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal:	\$	<u>537,720.00</u>
-----------	----	-------------------

B. Private Contributions	\$	0.00
---------------------------------	----	------

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	305,226.00
2. Infrastructure and Impact Fees:	\$	16,200.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	33,378.00
Total: (a + b) carried to 'Other local imposts' above)		\$ 354,804.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	9,317.00
b. Traffic fines & Penalties:	\$	5,091.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	508.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above)		\$ 14,916.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	100,891.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	10,214.00
d. Other (Specify):		
Comments: CDOT	\$	253,171.00
e. Other (Specify):		
Comments:	\$	0.00
Total: (1+3,c,d,e)		\$ 364,276.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

- 2. Other Federal Agencies

a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (20-f)	\$	0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A. f. d. 'Total Capital Outlay' below)</i>	\$	329,184.00
2. Maintenance:	\$	150,696.00
3. Road and street services		
a. Traffic control operations:	\$	579.00
b. Snow and ice removal:	\$	3,316.00
c. Other:	\$	2,421.00
4. General administration & miscellaneous	\$	10,634.00
5. Highway law enforcement and safety	\$	370,787.00
Total: (4, 1-5)	\$	867,617.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	30,263.00
b. Redemption	\$	30,000.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1-2)	\$	60,263.00

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D) \$ 927,880.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 321,014.00	\$ 8,170.00	\$ 329,184.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			<u>\$ 329,184.00</u>
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			<u>\$ 329,184.00</u>

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 810,000.00	\$ 0.00	\$ 30,000.00	\$ 780,000.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 364,430.00	\$ 901,996.00	\$ 927,880.00	\$ 338,546.00	\$ 0.00

Notes & Comments:

Please enter your name: Tammera Francis

Please provide a telephone number where you may be reached: 970-856-3123x115

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Please click on the "Save" button before viewing the data in a print format.

**TOWN OF CEDAREdge
NET POSITION BY COMPONENT
2009-2018**

(Accrual Basis of Accounting)

	2009	2010	2011	2012 ¹	2013	2014	2015	2016	2017	2018
Governmental Activities										
Capital assets net of related debt	\$ 6,949,567	\$ 6,801,783	\$ 6,794,495	\$ 6,767,918	\$ 7,199,583	\$ 7,028,987	\$ 7,367,654	\$ 7,731,392	\$ 8,008,349	\$ 8,116,378
Restricted	40,304	36,763	96,418	98,143	50,636	51,125	51,125	83,085	51,125	52,159
Reserved							121,881	43,800	42,942	40,486
Unrestricted	692,951	885,337	920,419	921,341	654,167	794,816	711,226	757,365	820,309	895,388
Total Governmental activities net of related debt	<u>\$ 7,682,822</u>	<u>\$ 7,723,883</u>	<u>\$ 7,811,332</u>	<u>\$ 7,787,402</u>	<u>\$ 7,904,386</u>	<u>\$ 7,874,928</u>	<u>\$ 8,251,886</u>	<u>\$ 8,615,642</u>	<u>\$ 8,922,725</u>	<u>\$ 9,104,411</u>
Business Type Activities										
Capital assets net of related debt	\$ 6,560,320	\$ 6,479,954	\$ 6,383,136	\$ 6,397,054	\$ 6,407,171	\$ 6,645,775	\$ 7,708,915	\$ 9,274,039	\$ 9,035,294	\$ 9,360,167
Restricted										
Reserved					91,359	104,616	117,693	117,693	153,950	153,950
Unrestricted	959,375	734,241	642,270	492,969	325,710	449,110	1,008,841	290,925	566,369	1,103,275
Total Business-Type Activities net of related debt	<u>\$ 7,519,695</u>	<u>\$ 7,214,195</u>	<u>\$ 7,025,406</u>	<u>\$ 6,890,023</u>	<u>\$ 6,824,240</u>	<u>\$ 7,199,501</u>	<u>\$ 8,835,449</u>	<u>\$ 9,682,657</u>	<u>\$ 9,755,613</u>	<u>\$ 10,617,392</u>
Primary Government										
Capital assets net of related debt	\$ 13,509,887	\$ 13,281,737	\$ 13,177,631	\$ 13,164,972	\$ 13,606,754	\$ 13,674,762	\$ 15,076,569	\$ 17,005,431	\$ 17,043,643	\$ 17,476,545
Restricted	40,304	36,763	96,418	98,143	50,636	51,125	51,125	83,085	51,125	52,159
Reserved					91,359	104,616	239,574	161,493	196,892	194,436
Unrestricted	1,652,326	1,619,618	1,562,689	1,414,310	979,877	1,243,926	1,720,067	1,048,290	1,386,678	1,998,663
Total Primary Government net position	<u>\$ 15,202,517</u>	<u>\$ 14,938,118</u>	<u>\$ 14,836,738</u>	<u>\$ 14,677,425</u>	<u>\$ 14,728,626</u>	<u>\$ 15,074,429</u>	<u>\$ 17,087,335</u>	<u>\$ 18,298,299</u>	<u>\$ 18,678,338</u>	<u>\$ 19,721,803</u>

¹ Beginning in 2012 the Town implemented the new financial reporting model as required by the provisions of GASB Statement 63. Before 2012 this information was reported as net assets.

TOWN OF CEDAREDDGE
Net (Expenses) Revenues and Changes in Net Position
2009-2018

Expenses	2009	2010	2011	2012 ²	2013	2014	2015	2016	2017	2018
Primary Government										
Governmental activities										
General government	\$ 417,080	\$ 416,348	\$ 372,310	\$ 399,258	\$ 405,981	\$ 402,417	\$ 386,722	\$ 450,569	\$ 511,313	\$ 464,854
Public Safety	\$ 557,827	\$ 552,533	\$ 478,740	\$ 540,871	\$ 584,044	\$ 552,741	\$ 559,945	\$ 600,949	\$ 516,064	\$ 542,540
Public Works in Administration	\$ 309,864	\$ 276,189	\$ 302,383	\$ 353,540	\$ 355,010	\$ 420,904	\$ 448,587	\$ 426,349	\$ 419,037	\$ 423,310
Culture & Recreation	\$ 22,613	\$ 40,741	\$ 60,882	\$ 294,489	\$ 49,605	\$ 95,487	\$ 97,658	\$ 82,002	\$ 81,323	\$ 146,859
Total governmental activities	\$ 1,307,384	\$ 1,285,811	\$ 1,214,315	\$ 1,588,158	\$ 1,394,640	\$ 1,471,549	\$ 1,492,912	\$ 1,559,869	\$ 1,527,737	\$ 1,577,563
Business-type activities										
Water	\$ 849,173	\$ 818,979	\$ 783,386	\$ 820,536	\$ 838,870	\$ 841,426	\$ 835,086	\$ 873,287	\$ 890,995	\$ 909,655
Sewer	\$ 354,633	\$ 350,453	\$ 380,388	\$ 403,197	\$ 432,702	\$ 421,010	\$ 430,918	\$ 556,668	\$ 703,013	\$ 625,125
Golf Course	\$ 539,785	\$ 555,747	\$ 541,065	\$ 459,994	\$ 476,125	\$ 459,967	\$ 446,613	\$ 506,138	\$ 457,423	\$ 407,268
Total business-type activities expenses	\$ 1,743,591	\$ 1,725,179	\$ 1,704,839	\$ 1,683,727	\$ 1,747,697	\$ 1,722,403	\$ 1,712,617	\$ 1,936,093	\$ 2,051,431	\$ 1,942,048
Total primary government expenses	\$ 3,050,975	\$ 3,010,990	\$ 2,919,154	\$ 3,271,885	\$ 3,142,337	\$ 3,193,952	\$ 3,205,529	\$ 3,495,962	\$ 3,579,168	\$ 3,519,611
Revenues										
Governmental activities										
Program Revenues										
Charges for services										
General government	\$ 148,649	\$ 130,229	\$ 143,101	\$ 193,011	\$ 163,439	\$ 170,908	\$ 185,403	\$ 181,895	\$ 239,945	\$ 223,760
Public Safety	\$ 15,544	\$ 62,596	\$ 32,401	\$ 14,263	\$ 23,789	\$ 24,162	\$ 21,810	\$ 37,674	\$ 47,574	\$ 42,426
Public Works in Administration	\$ 93,473	\$ 107,703	\$ 116,304	\$ 95,450	\$ 119,436	\$ 139,104	\$ 85,816	\$ 102,292	\$ 174,484	\$ 184,683
Culture & Recreation	\$ 9,723	\$ 11,635	\$ 25,026	\$ -	\$ -	\$ -	\$ 866	\$ 4,051	\$ 7,253	\$ 10,943
Total governmental program revenues	\$ 267,389	\$ 312,163	\$ 316,832	\$ 302,724	\$ 306,664	\$ 334,174	\$ 293,895	\$ 325,912	\$ 469,256	\$ 461,812
Operating grants										
General government				\$ 190,500						
Public Safety				\$ -						
Public Works in Administration	\$ 81,221	\$ 81,359	\$ 81,965	\$ 80,542	\$ 78,460	\$ 79,460	\$ 81,669	\$ 81,347	\$ 82,677	\$ 100,891
Culture & Recreation	\$ 20,201	\$ 19,953	\$ 19,923	\$ 43,001	\$ 28,725	\$ 42,460	\$ 24,187	\$ 53,366	\$ 21,425	\$ 22,488
Total governmental activities operating grants	\$ 101,422	\$ 101,312	\$ 101,888	\$ 314,043	\$ 107,185	\$ 121,920	\$ 105,856	\$ 134,713	\$ 104,102	\$ 123,379
Capital Grants										
General government				\$ -						
Public Safety				\$ -			\$ 419,282	\$ 530,718	\$ -	\$ -
Public Works in Administration				\$ -	\$ 233,475	\$ 16,525	\$ -	\$ -	\$ 329,740	\$ 253,171
Culture & Recreation			\$ 33,500	\$ -			\$ 11,000	\$ 8,468	\$ -	\$ -
Total governmental activities capital grants	\$ -	\$ -	\$ 33,500	\$ -	\$ 233,475	\$ 16,525	\$ 430,282	\$ 539,186	\$ 329,740	\$ 253,171
Total governmental activities program revenues	\$ 368,811	\$ 413,475	\$ 452,220	\$ 616,767	\$ 647,324	\$ 472,619	\$ 830,033	\$ 999,811	\$ 903,098	\$ 838,362
Business-type activities										
Charges for services										
Water	\$ 690,534	\$ 694,182	\$ 746,558	\$ 789,831	\$ 735,605	\$ 762,729	\$ 784,458	\$ 846,047	\$ 987,275	\$ 1,132,445
Sewer	\$ 238,525	\$ 226,657	\$ 277,493	\$ 350,606	\$ 474,610	\$ 844,137	\$ 563,208	\$ 563,281	\$ 627,699	\$ 687,904
Golf Course	\$ 446,895	\$ 409,405	\$ 379,501	\$ 403,433	\$ 375,662	\$ 356,295	\$ 370,856	\$ 402,635	\$ 368,158	\$ 283,190
Total Business-type operating revenue	\$ 1,375,954	\$ 1,330,244	\$ 1,403,552	\$ 1,543,870	\$ 1,585,877	\$ 1,963,161	\$ 1,718,522	\$ 1,811,963	\$ 1,983,132	\$ 2,103,539

TOWN OF CEDAREDDGE
Net (Expenses) Revenues and Changes in Net Position
2009-2018

Continued	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating grants and contributions										
Water										
Sewer										
Golf Course										
Total business-type activities operating grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital grants										
Water	\$ 7,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer					\$ 51,600	\$ 30,000	\$ -	\$ -	\$ 100,000	\$ -
Golf Course										
Total Business-type capital grants	\$ 7,950	\$ -	\$ -	\$ -	\$ 51,600	\$ 30,000	\$ -	\$ -	\$ 100,000	\$ -
Net (expense) revenue										
Governmental activities	\$ (938,573)	\$ (872,336)	\$ (762,095)	\$ (971,391)	\$ (747,316)	\$ (998,930)	\$ (662,879)	\$ (560,058)	\$ (624,639)	\$ (739,201)
Business-type activities	\$ (359,687)	\$ (394,935)	\$ (301,287)	\$ (139,857)	\$ (110,220)	\$ 270,758	\$ 5,905	\$ (124,130)	\$ 31,701	\$ 161,491
Total primary government net (expense) revenue	\$ (1,298,260)	\$ (1,267,271)	\$ (1,063,382)	\$ (1,111,248)	\$ (857,536)	\$ (728,172)	\$ (656,974)	\$ (684,188)	\$ (592,938)	\$ (577,710)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes	\$ 660,765	\$ 674,209	\$ 629,955	\$ 675,850	\$ 672,853	\$ 634,507	\$ 714,766	\$ 731,178	\$ 767,545	\$ 777,539
Property taxes										
Specific ownership										
Sales tax and miscellaneous										
Franchise taxes	\$ 73,153	\$ 68,509	\$ 73,327	\$ 74,759	\$ 79,037	\$ 77,582	\$ 76,509	\$ 78,943	\$ 75,703	\$ 84,810
Intergovernmental	\$ 136,499	\$ 107,693	\$ 100,815	\$ 124,493	\$ 109,281	\$ 222,206	\$ 127,385	\$ 171,525	\$ 82,150	\$ 34,806
Miscellaneous	\$ 36,248	\$ 12,737	\$ 30,890	\$ 51,211	\$ 11,237	\$ 27,893	\$ 17,159	\$ 1,332	\$ 4,149	\$ 2,834
Investment income	\$ 20,822	\$ 14,489	\$ 13,758	\$ 8,548	\$ 6,892	\$ 7,284	\$ 555	\$ 2,074	\$ 2,175	\$ 15,683
Sale of Assets	\$ 60,000	\$ 60,800	\$ 25,759	\$ 41,600	\$ -	\$ -	\$ (6,852)	\$ (44,422)	\$ -	\$ 5,215
Transfers	\$ (40,000)	\$ (25,000)	\$ (25,000)	\$ (29,000)	\$ (15,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental activities	\$ 947,487	\$ 913,437	\$ 849,504	\$ 947,461	\$ 864,300	\$ 969,472	\$ 929,522	\$ 940,630	\$ 931,722	\$ 920,887
Business-type activities										
Intergovernmental				\$ 10,225			\$ 1,572,319	\$ 901,690	\$ 8,110	\$ 693,479
Miscellaneous	\$ 52,249	\$ 62,395	\$ 37,424	\$ 43,638	\$ 25,723	\$ 39,071	\$ 51,149	\$ 54,518	\$ 30,928	\$ 50,998
Investment income	\$ 28,772	\$ 2,040	\$ 5,693	\$ 3,850	\$ 3,714	\$ 5,020	\$ 2,918	\$ 2,129	\$ 1,664	\$ 6,290
Sale of Assets			\$ 57,600	\$ (82,239)		\$ 39,040	\$ 3,657	\$ 698	\$ 553	\$ 2,559
Transfers	\$ 40,000	\$ 25,000	\$ 25,000	\$ 29,000	\$ 15,000	\$ 21,372	\$ -	\$ -	\$ -	\$ -
Total Business-type activities	\$ 121,021	\$ 89,435	\$ 125,717	\$ 4,474	\$ 44,437	\$ 104,503	\$ 1,630,043	\$ 959,035	\$ 41,255	\$ 753,326
Total Primary Government	\$ 1,068,508	\$ 1,002,872	\$ 975,221	\$ 951,935	\$ 908,737	\$ 1,073,975	\$ 2,559,565	\$ 1,899,665	\$ 972,977	\$ 1,674,213
Governmental activities										
Change in Net Position	\$ 8,914	\$ 41,101	\$ 87,409	\$ (23,930)	\$ 116,984	\$ (29,458)	\$ 266,643	\$ 380,572	\$ 307,083	\$ 181,686
Net Position January 1	\$ 7,633,838	\$ 7,682,822	\$ 7,723,923	\$ 7,811,332	\$ 7,787,402	\$ 7,904,386	\$ 7,985,243	\$ 8,251,886	\$ 8,615,642	\$ 8,922,725
Infrastructure Net Position ²										
Prior Period Adjustment							\$ (16,816)	\$ -	\$ -	\$ -
Net Position December 31	\$ 7,642,752	\$ 7,723,923	\$ 7,811,332	\$ 7,787,402	\$ 7,904,386	\$ 7,874,928	\$ 8,251,886	\$ 8,615,642	\$ 8,922,725	\$ 9,104,411
Business-type activities										
Change in Net Position	\$ (238,666)	\$ (305,500)	\$ (175,570)	\$ (135,383)	\$ (65,783)	\$ 375,261	\$ 1,635,948	\$ 834,905	\$ 72,956	\$ 914,817
Net Position January 1	\$ 7,751,562	\$ 7,519,695	\$ 7,200,976	\$ 7,025,406	\$ 6,890,023	\$ 6,824,240	\$ 7,199,501	\$ 8,830,936	\$ 9,682,657	\$ 9,702,575
Prior Period Adjustment	\$ 46,869						\$ 16,816	\$ -	\$ -	\$ -
Net Position December 31	\$ 7,559,765	\$ 7,214,195	\$ 7,025,406	\$ 6,890,023	\$ 6,824,240	\$ 7,199,501	\$ 8,835,449	\$ 9,682,657	\$ 9,755,613	\$ 10,617,392
Total Primary Government	\$ 15,202,517	\$ 14,938,118	\$ 14,836,738	\$ 14,677,425	\$ 14,728,626	\$ 15,074,429	\$ 17,087,335	\$ 18,298,299	\$ 18,678,338	\$ 19,721,803

² Beginning in 2012 the Town implemented the new financial reporting model as required by the provisions of GASB Statement 63. Before 2012 this information was reported as net assets.

TOWN OF CEDAREdge
FUND BALANCE OF GOVERNMENTAL FUNDS
2009-2018
(Modified Accrual Basis of Accounting)

	2009	2010	2011 ¹	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 40,304	\$ 36,763								
Unreserved	430,989	522,571								
Restricted			\$ 96,418	\$ 98,143	\$ 50,636	\$ 51,125	\$ 51,125	\$ 83,085	\$ 51,125	\$ 52,159
Unassigned			459,096	489,187	310,261	358,037	257,856	244,945	226,045	275,773
Total General Fund	<u>\$ 471,293</u>	<u>\$ 559,334</u>	<u>\$ 555,514</u>	<u>\$ 587,330</u>	<u>\$ 360,897</u>	<u>\$ 409,162</u>	<u>\$ 308,981</u>	<u>\$ 328,030</u>	<u>\$ 277,170</u>	<u>\$ 327,932</u>
All other Governmental Funds										
Reserved		\$ 40,000								
Unreserved, reported in:										
Special Revenue Funds	\$ 308,094	\$ 392,169								
Capital Project Funds										
Restricted			\$ 53,081	\$ 51,413	\$ 58,045	\$ 65,987	\$ 71,284	\$ 79,284	\$ 85,731	\$ 49,881
Committed										
Street Improvements			\$ 318,109	\$ 307,392	\$ 83,828	\$ 117,436	\$ 72,497	\$ 72,497	\$ 120,754	\$ 303,629
Assigned										
Town Hall			\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,503	\$ 60,503	\$ 60,000	\$ 60,000
Capital Acquisitions			\$ 91,069	\$ 82,022	\$ 209,786	\$ 267,523	\$ 319,631	\$ 359,284	\$ 389,023	\$ 274,444
Unassigned										
Total All other Governmental Funds	<u>\$ 308,094</u>	<u>\$ 432,169</u>	<u>\$ 522,259</u>	<u>\$ 500,827</u>	<u>\$ 411,659</u>	<u>\$ 510,946</u>	<u>\$ 523,915</u>	<u>\$ 571,568</u>	<u>\$ 655,508</u>	<u>\$ 687,954</u>
Total Governmental Funds										
Reserved	\$ 40,304	\$ 76,763								
Unreserved	430,989	522,571								
Unreserved, reported in:										
Special Revenue Funds	308,094	392,169								
Restricted			\$ 149,499	\$ 149,556	\$ 108,681	\$ 117,112	\$ 122,409	\$ 162,369	\$ 136,856	\$ 102,040
Committed			\$ 318,109	\$ 307,392	\$ 83,828	\$ 117,436	\$ 72,497	\$ 72,497	\$ 120,754	\$ 303,629
Assigned			\$ 151,069	\$ 142,022	\$ 269,786	\$ 327,523	\$ 380,134	\$ 419,787	\$ 449,023	\$ 334,444
Unassigned			\$ 459,096	\$ 489,187	\$ 310,261	\$ 358,037	\$ 257,856	\$ 244,945	\$ 226,045	\$ 275,773
Total Governmental Fund Balance	<u>\$ 779,387</u>	<u>\$ 991,503</u>	<u>\$ 1,077,773</u>	<u>\$ 1,088,157</u>	<u>\$ 772,556</u>	<u>\$ 920,108</u>	<u>\$ 832,896</u>	<u>\$ 899,598</u>	<u>\$ 932,678</u>	<u>\$ 1,015,886</u>

¹ Beginning with fiscal year 2011, the Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions".

TOWN OF CEDAREEDGE
Changes in Fund Balances of Governmental Funds
2009-2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 733,918	\$ 742,718	\$ 703,282	\$ 750,609	\$ 751,890	\$ 712,089	\$ 791,275	\$ 810,121	\$ 843,248	\$ 862,349
Licenses and permits	\$ 32,324	\$ 36,660	\$ 23,715	\$ 19,904	\$ 27,088	\$ 38,020	\$ 25,270	\$ 32,577	\$ 52,200	\$ 50,913
Intergovernmental revenues	\$ 237,921	\$ 208,254	\$ 202,703	\$ 248,036	\$ 445,095	\$ 378,518	\$ 663,523	\$ 845,424	\$ 187,347	\$ 416,357
Charges for Services	\$ 219,521	\$ 232,726	\$ 317,657	\$ 463,899	\$ 276,166	\$ 274,026	\$ 260,658	\$ 289,331	\$ 739,511	\$ 381,804
Fines & forfeitures	\$ 15,544	\$ 10,860	\$ 8,960	\$ 9,421	\$ 7,256	\$ 4,261	\$ 7,967	\$ 4,004	\$ 6,190	\$ 24,094
Miscellaneous revenue	\$ 57,070	\$ 59,894	\$ 44,648	\$ 59,759	\$ 19,129	\$ 35,177	\$ 17,714	\$ 3,406	\$ 6,324	\$ 18,517
Total revenues	\$ 1,296,298	\$ 1,291,112	\$ 1,300,965	\$ 1,551,628	\$ 1,526,624	\$ 1,442,091	\$ 1,766,407	\$ 1,984,863	\$ 1,834,820	\$ 1,754,034
Expenditures										
General government	\$ 401,936	\$ 428,405	\$ 375,955	\$ 409,394	\$ 1,518,664	\$ 408,156	\$ 449,810	\$ 471,743	\$ 500,449	\$ 441,313
Public Safety	\$ 538,012	\$ 586,194	\$ 480,096	\$ 566,346	\$ 563,184	\$ 577,514	\$ 543,607	\$ 528,697	\$ 522,675	\$ 585,906
Public works in Administration	\$ 214,128	\$ 159,155	\$ 296,157	\$ 304,116	\$ 661,273	\$ 244,275	\$ 704,744	\$ 760,210	\$ 663,734	\$ 496,560
Culture and recreation	\$ 30,448	\$ 26,137	\$ 104,763	\$ 273,988	\$ 29,104	\$ 93,594	\$ 76,937	\$ 96,318	\$ 54,020	\$ 128,119
Debt Service payments							\$ 71,062	\$ 75,762	\$ 60,862	\$ 60,263
Total expenditures	\$ 1,184,524	\$ 1,199,891	\$ 1,256,971	\$ 1,553,844	\$ 2,772,225	\$ 1,323,539	\$ 1,846,160	\$ 1,932,730	\$ 1,801,740	\$ 1,712,161
Excess (deficiency) of revenues over expenditures	\$ 111,774	\$ 91,221	\$ 43,994	\$ (2,216)	\$(1,245,601)	\$ 118,552	\$ (79,753)	\$ 52,133	\$ 33,080	\$ 41,873
Other financing sources (uses)										
Lease proceeds										
Sale of Assets	\$ 60,000	\$ 60,800	\$ 67,276	\$ 41,600			\$ 4,107	\$ 815	\$ -	\$ 7,863
Loan proceeds		\$ 45,025	\$ -	\$ -	\$ 945,000	\$ 29,000	\$ -	\$ 30,570	\$ -	\$ 33,472
Operating Transfers in (out)	\$ (40,000)	\$ (25,000)	\$ (25,000)	\$ (29,000)	\$ (15,000)					
Total other financing sources (uses)	\$ 20,000	\$ 80,825	\$ 42,276	\$ 12,600	\$ 930,000	\$ 29,000	\$ 4,107	\$ 31,385	\$ -	\$ 41,335
Net Change to Fund Balance	\$ 131,774	\$ 172,046	\$ 86,270	\$ 10,384	\$ (315,601)	\$ 147,552	\$ (75,646)	\$ 83,518	\$ 33,080	\$ 83,208

TOWN OF CEDAREdge
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
2009-2018
(accrual basis of accounting)

FISCAL YEAR	Sales & Use Tax	Property Tax	Specific Ownership	Cigarette Tax	Franchise Tax	Mineral & Severance	Motor Vehicle	Highway User Tax	County Road & Bridge Tax	Motor Fuel Tax	Total
¹ 2009	\$ 498,858	\$ 138,961	\$ 21,784	\$ 2,426	\$ 71,890	\$ 102,520	\$ 10,266	\$ 71,221	\$ 10,353	\$ 10	\$ 928,288
2010	\$ 510,162	\$ 141,975	\$ 19,539	\$ 2,533	\$ 68,509	\$ 73,983	\$ 9,908	\$ 81,359	\$ 10,597	\$ 21	\$ 918,586
2011	\$ 465,786	\$ 143,467	\$ 18,345	\$ 2,356	\$ 73,327	\$ 80,656	\$ 9,402	\$ 81,965	\$ 10,757	\$ 23	\$ 886,083
2012	\$ 508,473	\$ 145,656	\$ 19,426	\$ 2,268	\$ 74,786	\$ 104,624	\$ 9,368	\$ 80,542	\$ 10,501	\$ 50	\$ 955,695
2013	\$ 507,274	\$ 143,071	\$ 20,235	\$ 2,220	\$ 79,037	\$ 83,402	\$ 9,485	\$ 78,460	\$ 10,394	\$ 52	\$ 933,631
2014	\$ 544,489	\$ 143,764	\$ 21,747	\$ 2,089	\$ 77,582	\$ 53,748	\$ 9,746	\$ 79,460	\$ 9,787	\$ 35	\$ 942,446
2015	\$ 547,532	\$ 143,743	\$ 21,301	\$ 2,191	\$ 76,509	\$ 72,978	\$ 9,903	\$ 81,669	\$ 9,800	\$ -	\$ 965,624
2016	\$ 562,559	\$ 144,780	\$ 21,504	\$ 2,335	\$ 78,943	\$ 31,434	\$ 10,106	\$ 81,347	\$ 9,179	\$ -	\$ 942,187
2017	\$ 594,637	\$ 145,627	\$ 24,966	\$ 2,315	\$ 75,703	\$ 13,133	\$ 10,149	\$ 82,677	\$ 9,135	\$ -	\$ 958,343
2018	\$ 615,808	\$ 135,554	\$ 24,284	\$ 1,895	\$ 84,810	\$ 12,301	\$ 10,214	\$ 100,891	\$ 9,095	\$ -	\$ 994,852

¹ The Town began purchasing bulk fuel tax exempt rather than purchasing at a retail pump and receiving a refund on fuel tax.

**TOWN OF CEDAREDDGE
ASSESSED AND ACTUAL PROPERTY VALUES FOR 2009-2018**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Vacant Assessed	\$ 4,048,085	\$ 4,069,770	\$ 2,752,910	\$ 2,702,306	\$ 1,654,676	\$ 1,629,127	\$ 1,288,330	\$ 1,320,881	\$ 1,125,411	\$ 1,147,221
Vacant Actual	\$ 13,958,971	\$ 14,033,690	\$ 9,492,793	\$ 9,318,117	\$ 5,705,546	\$ 5,617,448	\$ 4,442,661	\$ 4,554,908	\$ 3,880,662	\$ 3,955,911
Residential Assessed	\$ 14,540,312	\$ 14,551,780	\$ 13,285,130	\$ 13,213,455	\$ 11,544,959	\$ 11,551,974	\$ 11,075,220	\$ 11,156,818	\$ 10,048,553	\$ 10,231,462
Residential Actual	\$ 182,667,425	\$ 182,811,307	\$ 166,898,618	\$ 165,996,643	\$ 145,039,027	\$ 145,127,103	\$ 139,135,471	\$ 140,160,530	\$ 139,563,210	\$ 142,103,621
Commercial Assessed	\$ 4,187,749	\$ 4,729,390	\$ 4,141,620	\$ 4,543,937	\$ 4,227,600	\$ 4,274,264	\$ 4,725,829	\$ 4,591,808	\$ 4,648,087	\$ 4,585,847
Commercial Actual	\$ 14,440,522	\$ 16,308,241	\$ 14,281,448	\$ 15,668,785	\$ 14,577,902	\$ 14,738,816	\$ 16,295,951	\$ 15,833,809	\$ 16,027,867	\$ 15,813,245
Industrial Assessed	\$ -	\$ -	\$ -	\$ 10,278	\$ -	\$ -	\$ 34,591	\$ 34,591	\$ 30,657	\$ 30,657
Industrial Actual	\$ -	\$ -	\$ -	\$ 35,441	\$ -	\$ -	\$ 119,279	\$ 119,279	\$ 105,714	\$ 105,714
Agricultural Assessed	\$ 26,984	\$ 27,400	\$ 28,260	\$ 63,055	\$ 43,836	\$ 42,622	\$ 30,408	\$ 36,336	\$ 37,326	\$ 37,610
Agricultural Actual	\$ 93,049	\$ 94,483	\$ 97,448	\$ 590,690	\$ 151,157	\$ 146,971	\$ 104,855	\$ 125,293	\$ 128,708	\$ 129,689
Natural Resources Assessed	\$ 26	\$ 30	\$ 30	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 27	\$ 27
Natural Resources Actual	\$ 91	\$ 103	\$ 103	\$ 91	\$ 91	\$ 91	\$ 91	\$ 87	\$ 90	\$ 90
State Assessed	\$ 63,961	\$ 592,070	\$ 512,600	\$ 571,135	\$ 44,516	\$ 60,818	\$ 81,256	\$ 67,305	\$ 69,100	\$ 32,721
State Actual	\$ 220,555	\$ 2,041,621	\$ 1,767,586	\$ 1,969,433	\$ 153,503	\$ 209,717	\$ 280,193	\$ 232,086	\$ 238,276	\$ 112,831
Total Taxable Assessed	\$ 22,867,117	\$ 23,970,440	\$ 20,720,550	\$ 21,093,914	\$ 17,515,613	\$ 17,558,831	\$ 17,235,660	\$ 17,207,765	\$ 15,959,161	\$ 16,065,545
Total Taxable Actual	\$ 211,380,613	\$ 215,289,444	\$ 192,537,997	\$ 193,579,200	\$ 165,627,226	\$ 165,840,146	\$ 160,378,501	\$ 161,025,992	\$ 159,944,527	\$ 162,221,101
NOTES:										
SOURCE:										
1) All property other than residential improved property assessed at 29% of Actual Value, except oil and gas production which is assessed at 87.5% of Actual Value.										
2) Residential property assessed at varying percentages of Actual Value under Colorado Constitutional Amendment as follows: 1999-2000 - 9.74%, 2001-2002: 9.15%, 2003-2016 - 7.96%, 2017-2018 7.2%										
Source:										
Delta County Assessor										
dgriffith@deltacounty.com										
(970) 874-2127										
501 Palmer St., Ste 210										
Delta, CO 81416										

Top Fifteen Assessed Properties in Cedaredge by Owner

2009			2018		
OWNER NAME	ACTUAL	ASSESSED	OWNER NAME	ACTUAL	ASSESSED
DEERCREEK VILLAGE LLC	2172270	629942	CEDAREEDGE PROPERTIES LLC	1345863	390300
DEERCREEK PROPERTIES LLC	1733440	502688	DELTA COUNTY TELE-COMM INC	901276	261370
AYAAN GROUP LLC	907565	263194	BLACK HILLS GAS DISTRIBUTION	890817	258337
WAMPUS LLC	711933	206461	BLOOMER FAMILY TRUST	878017	254625
CEDAREEDGE PROPERTIES LLC	649597	188383	WAMPUS LLC	819302	237597
MONTROSE BANK	496147	143883	BRAVE CLIFFORD JAMES	765075	221872
SATHER PAMELA SUE TRUST	488349	141621	LUTZKER LAND HOLDINGS LLC	689360	199914
B AND S INVESTMENTS LLC	458017	132825	GRAND MESA MINI STORAGE LLC	612672	177675
HOTZ PERRY	419818	121747	BANK OF COLORADO	494604	143435
LOCKE FAMILY REVOCABLE TRUST	770715	120261	FIRST NATIONAL BANK OF CEDAREEDGE	483297	140156
ROBINSON L A CANNADY	385698	111852	SARVER ANTHONY W REVOCABLE TRUST	383532	111225
HENNESSEY STEVEN M	354756	102879	FOGG CHANNING	368859	106969
LEWIS & CO PROPERTIES LLC	350700	101703	B AND S INVESTMENTS LLC	348508	101067
SARVER ANTHONY W REVOCABLE TRUST	429258	98709	WILLIAMS CONSTANCE L	345972	100332
FIRST NATIONAL BANK OF CEDAREEDGE	338233	98088	HIGH MOUNTAIN ENTERPRISES LLC	454508	84809

Source:

Delta County Assessor

dgriffith@deltacounty.com

(970) 874-2127

501 Palmer St., Ste 210

Delta, CO 81416

**TOWN OF CEDAREGE
PROPERTY TAX LEVIES AND COLLECTIONS
2009-2018**

	Mill Levy	Temporary Reduction	Total Tax Levied	Property Tax Collected	Percent of Levy Collected
	7.980				
2009	6.620	1.360 \$	141,431 \$	138,961	98.25%
2010	5.959	2.021 \$	142,557 \$	141,975	99.59%
2011	5.966	2.014 \$	142,857 \$	143,467	100.43%
2012	6.931	1.049 \$	143,157 \$	145,656	101.75%
2013	6.785	1.195 \$	143,192 \$	143,071	99.92%
2014	7.672	0.308 \$	143,367 \$	143,764	100.28%
2015	7.731	0.249 \$	143,909 \$	143,743	99.88%
2016	7.903	0.077 \$	144,892 \$	144,780	99.92%
2017	7.980	0.000 \$	145,443 \$	145,627	100.13%
2018	7.980	0.000 \$	135,853 \$	135,554	99.78%

Tax lien sale in November for any property taxes not paid in the current year.

TOWN OF CEDAREdge
Outstanding Debt by Type
2009-2018

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>				<u>Total Primary Gov</u>
	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>Capital Leases</u>	<u>Water Loan</u>	<u>Wastewater Loan</u>	<u>Bonds Payable</u>	<u>Capital Leases</u>	
2009			\$ 6,201	\$ 379,383		\$ 2,350,794	\$ 119,388	\$ 2,855,766
2010			\$ 32,173	\$ 296,966		\$ 2,293,226	\$ 83,731	\$ 2,706,096
2011			\$ 18,409	\$ 211,273		\$ 2,236,284	\$ 38,401	\$ 2,504,367
2012			\$ 3,667	\$ 122,194		\$ 2,197,379	\$ 224,387	\$ 2,547,627
2013	\$ 925,000		\$ -	\$ 29,557		\$ 2,156,852	\$ 159,779	\$ 3,271,188
2014	\$ 900,000		\$ 29,000	\$ -		\$ 2,114,990	\$ 92,948	\$ 3,136,938
2015	\$ 870,000		\$ 20,914	\$ -	\$ 975,000	\$ 2,070,661	\$ 27,285	\$ 3,963,860
2016	\$ 840,000		\$ 38,142	\$ -	\$ 925,000	\$ 2,024,853	\$ 21,448	\$ 3,849,443
2017	\$ 810,000		\$ 20,083		\$ 875,000	\$ 2,265,000	\$ 15,222	\$ 3,985,305
2018	\$ 780,000		\$ 33,787	\$ 506,669	\$ 825,000	\$ 2,174,000	\$ 8,820	\$ 4,328,276

<u>Population Year</u>	<u>Area</u>	<u>Sector</u>	<u>Jobs</u>
2018	Delta County	Estimated Total Jobs	unavailable
2017	Delta County	Estimated Total Jobs	12674
2016	Delta County	Estimated Total Jobs	12453
2015	Delta County	Estimated Total Jobs	12375
2014	Delta County	Estimated Total Jobs	12349
2013	Delta County	Estimated Total Jobs	12485
2012	Delta County	Estimated Total Jobs	12378
2011	Delta County	Estimated Total Jobs	12343
2010	Delta County	Estimated Total Jobs	12216
2009	Delta County	Estimated Total Jobs	12681

Source : Colorado Department of Labor State Demographics Website
https://dola.colorado.gov/demog_webapps/jsn_parameters.jsf

Population by Age Group Colorado Municipalities - 2010

<u>Municipality</u>	<u>Median Age</u>	<u>Under 15</u>	<u>Aged 15 to 24</u>	<u>Aged 25 to 44</u>	<u>Aged 45 to 64</u>	<u>Aged 65+</u>	<u>Total Population</u>
Cedaredge	51	366	181	403	643	660	2,253

Source : Colorado Department of Labor State Demographics Website
<http://dola.colorado.gov/dlg/demog/2010censusdata.html#>

School District 51 Statistical Information

	2018	2017	2016	2015	2014	2013
Employment	111	102	101	85.5	89	114
Enrollment						
Cedaredge Elementary School	375.5	411	355	336	367	372
Cedaredge Middle School	231	216	200	202	219	210
Cedaredge High School	269	296	263	262	248	239
Total	876	923	818	800	834	821

Source: Jim Ventrello
Delta County Schools
jim.ventrello@deltaschools.com

Surface Creek Vision Charter Academy Statistical Information

	2018	2017	2016	2015	2014	2013
Enrollment	74	85	117	130	130	140

Source: Caryn Braddy
Vision Charter Schools
(970) 874-8226

TOWN OF CEDAREDDGE
Full-Time Equivalent Town Government Employees by Function
2009-2018

DEPARTMENT	2009		2010		2011		2012		2013		2014		2015		2016		2017		2018	
GENERAL FUND																				
Administration	4.85/1/0	\$ 259,925	4.85/1/0	\$ 267,742	3.85/1/0	\$ 222,577	3.85/1/0	\$ 237,131	3.925/0/0	\$ 232,000	3.925/0/0	\$ 241,795	3.925/0/0	\$ 238,910	4.925/0/0	\$ 270,803	4.94/0/0	\$ 288,754	4.25/0/0	\$ 247,492
Legislation	0/7/0	\$ 12,053	0/7/0	\$ 19,954	0/7/0	\$ 19,627	0/7/0	\$ 19,627	0/7/0	\$ 14,674	0/7/0	\$ 14,675	0/7/0	\$ 16,495	0/7/0	\$ 16,238	0/7/0	\$ 17,796	0/7/0	\$ 17,263
Police Department	7/1/0	\$ 391,605	7/55/0	\$ 399,380	7/6/0	\$ 385,190	7/6/0	\$ 440,691	7/75/0	\$ 436,470	8/0/0	\$ 483,640	8/0/0	\$ 460,290	8/0/0	\$ 450,642	8/0/0	\$ 455,980	7/2/0	\$ 463,484
Animal Control	1/25/0	\$ 44,113	1/25/0	\$ 48,249	0/90/25	\$ 22,910	0/90/0	\$ 22,585	0/9/0	\$ 22,585				\$ -						
Building Dept				\$ -		\$ -		\$ -	0/1/0	\$ 4,936	0/1/0	\$ 5,500	0/1/0	\$ 5,398	0/1/0	\$ 10,904	0/1/0	\$ 12,397	0/1/0	\$ 10,065
Municipal Court	0/2/0	\$ 13,378	0/2/0	\$ 13,703	0/2/0	\$ 13,703	0/2/0	\$ 13,378	0/2/0	\$ 13,468	0/2/0	\$ 13,468	0/2/0	\$ 11,839	0/2/0	\$ 10,580	0/2/0	\$ 10,593	0/2/0	\$ 11,072
Transportation	1/0/1	\$ 76,925	2/0/0	\$ 72,404	2/0/0	\$ 64,723	2/0/0	\$ 89,326	2/0/25	\$ 90,247	3/0/0	\$ 144,668	3/0/0	\$ 135,020	2/0/0	\$ 90,382	2/0/0	\$ 99,377	2/0/0	\$ 102,771
Open Space, Park			0/0/25	\$ 2,611	0/0/0	\$ 2,611			0/0/25	\$ 6,813	0/0/25	\$ 9,995	0/0/25	\$ 10,505	0/0/25	\$ 11,269	0/0/25	\$ 9,912	0/0/25	\$ 7,225
Motor Pool													0/7/0	\$ 1,454	0/7/0	\$ 1,481	0/7/0	\$ 1,938	0/7/0	\$ 1,615
Community Devel																				
Gross Wages		\$ 797,999		\$ 824,043		\$ 731,341		\$ 822,738		\$ 821,193		\$ 913,741		\$ 879,910		\$ 862,300		\$ 896,748		\$ 860,986
WATER FUND	4/0/0	\$ 225,155	4/0/0	\$ 241,009	4/0/0	\$ 230,667	4/0/0	\$ 214,623	4/0/0	\$ 235,471	4/0/0	\$ 230,114	3.5/0/0	\$ 218,557	4/0/0	\$ 245,832	4/0/0	\$ 254,296	4/0/0	\$ 266,389
SEWER FUND	3/0/0	\$ 146,171	3/0/0	\$ 161,013	3/0/0	\$ 154,651	3/0/0	\$ 176,088	3/0/0	\$ 180,368	3/0/0	\$ 183,055	2.5/0/0	\$ 171,550	3/0/25	\$ 203,648	3/0/25	\$ 202,781	2/1/25	\$ 193,268
GOLF COURSE																				
Pro Shop	1/2.07/1	\$ 115,618	1/4/3	\$ 113,467	1/5/3	\$ 106,635	1/5/3	\$ 105,516	1/5/5	\$ 103,498	1/5/5	\$ 113,527	1/5/5	\$ 105,416	1/5/5	\$ 105,339	1/5/5	\$ 113,538	1/5/5	\$ 76,619
GC Maintenance	2/0/2	\$ 154,961	2/0/3	\$ 158,754	2/0/3	\$ 144,215	1/0/4	\$ 127,678	1/0/6	\$ 107,375	1/0/5	\$ 120,445	1/0/5	\$ 118,151	1/0/6	\$ 118,966	1/0/6	\$ 126,428		\$ 103,930
Gross Wages		\$ 270,579		\$ 272,221		\$ 250,850		\$ 233,194		\$ 210,873		\$ 233,972		\$ 223,568		\$ 224,305		\$ 239,966		\$ 180,549
	23.85/13.07/4		22.85/14.8/6.25		21.05/15.6/6.25		21.85/15.6/7		21.93/16.65/11.5		23.93/15/10.25		22.925/22/10.25		23.925/22/11.5		23.94/22/11.5			
Total Gross Wages		\$ 1,439,904		\$ 1,498,286		\$ 1,367,509		\$ 1,446,643		\$ 1,447,905		\$ 1,560,882		\$ 1,493,584		\$ 1,536,084		\$ 1,593,791		\$ 1,501,192

FTE/PTE/TE = Full Time Employee/Part-time Employee/Temporary Employee

TOWN OF CEDAREEDGE
Operational Statistics by Fund
2009 - 2018

General Fund Operation Statistics

TYPES	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business License Issued	289	311	321	309	320	347	372	372	425	403
Cat License Issued	36	30	23	22	22	17	15	13	20	20
Dog License Issued	249	204	187	236	186	189	197	328	397	469
Golf Cart Registrations	0	2	7	6	10	9	8	8	8	6
Cedaredge Facility Applications	101	87	91	89	74	80	59	80	83	81
Land Use Applications	7	3	3	1	14	7	4	3	5	4
Building Permits Issued			47	38	40	47	47	45	51	41
Resolutions	29	41	47	23	28	21	24	26	35	36
Ordinances	13	34	10	11	10	9	10	6	12	13
Police Incidents	1452	1180	1066	1109	1350	1170	615	903	697	869
Dog Owners Cited	9	7	37	10	8	5	8	36	24	32
Road Material used in Tons	18	16	31	347	310	209	126	103	114	154
Work orders issued ¹	410	320	561	576	393	1096	934	762	1380	653

Golf Course Fund Operation Statistics

TYPES	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue from Annual Passes	\$133,627	\$109,200	\$89,710	\$98,886	\$97,030	\$92,840	\$113,611	\$82,866	97136	90997
Revenue from Green Fees	\$145,832	\$139,318	\$130,549	\$142,504	\$129,537	\$118,824	\$127,882	\$124,600	121945	88174
Revenue from Cart Fees	\$130,687	\$122,566	\$122,025	\$117,754	\$115,135	\$110,586	\$102,187	\$101,680	98994	70535
Average Public Fee per Round	\$27.65	\$25.68	\$24.97	\$26.26	\$25.55	\$24.54	\$26.97	\$26.30	\$25.80	\$25.63
18 hole Rounds Played	13868	12240	11960	12424	11729	10628	10392	9900	10798	8760
Days Golf Course Open	298	270	275	309	256	262	263	260	289	295

Water Fund Operation Statistics

TYPES	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
New Connections or Taps	1	0	0	1	0	5	2	4	8	12
Gallons Treated (Millions)	180	199	186	192	160	151	154	174	183	157
Average Daily Gallons Treated (Millions)	0.493	0.558	0.510	0.526	0.438	0.414	0.432	0.470	0.501	0.430
Gallons Metered (Millions)	136	189	153	166	120	115	112	131	141	134

Sewer Fund Operation Statistics

TYPES	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
New Connections or Taps	1	0	0	1	0	4	3	5	8	11
Peak Month	May	May	June	January	December	October	August	June	May	Jan
Gallons Treated (Millions)	64	60.59	60.79	54.77	57.41	51.75	46.08	59.06	62.3	50.95
Average Daily Gallons Treated (Millions)	0.175	0.166	0.179	0.150	0.157	0.142	0.126	0.161	0.171	0.140

¹ Work orders issued changed in 2014 due to new Work Order software which allows for internal work orders and other monthly, quarterly, and annual maintenance.

Supplementary Information

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Town Council
Town of Cedaredge, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Cedaredge, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town of Cedaredge, Colorado's basic financial statements, and have issued our report thereon dated May 2, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Cedaredge, Colorado's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Cedaredge, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Cedaredge, Colorado's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Cedaredge, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blair and Associates, P.C.

Cedaredge, Colorado

May 2, 2019

Independent Auditor's Report on Compliance for The Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Town Council
Cedaredge, Colorado

Report on Compliance for the Major Federal Program

We have audited Town of Cedaredge's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Town of Cedaredge's major federal programs for the year ended December 31, 2018. Town of Cedaredge's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the Town of Cedaredge's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Cedaredge's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Cedaredge's compliance.

Opinion on the Major Federal Program

In our opinion, the Town of Cedaredge, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of the Town of Cedaredge, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Cedaredge, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Cedaredge, Colorado's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Blair and Associates, P.C.

Cedaredge, Colorado
May 2, 2019

TOWN OF CEDAREGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2018

FEDERAL AGENCY NAME	PASS THROUGH AGENCY	FEDERAL PROGRAM TITLE	CFDA NUMBER	OTHER IDENTIFICATION NUMBER	EXPENDITURES
UNITED STATES DEPARTMENT OF INTERIOR	COLORADO DEPARTMENT OF LOCAL AFFAIRS	DISTRIBUTION OF RECEIPTS TO STATE AND LOCAL GOVERNMENTS	15.227	DOLA EIAF 8545	\$300,000
ENVIROMENTAL PROTECTION AGENCY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	CAPITALIZATION GRANT FOR DRINKING WATER STATE REVOLVING FUNDS	66.468	PROJECT # 140391D DWRP	<u>\$879,368</u>
TOTAL FEDERAL AWARDS					<u><u>\$1,179,368</u></u>

TOWN OF CEDAREEDGE
Notes to Schedule of Expenditures of Federal Awards
December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Town of Cedareedge and is presented on the accrual basis of accounting. The information on the SEFA is presented in accordance with the requirements of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements. Expenditures represent only the federally funded portions of the program. Town records should be consulted to determine amounts expended or matched from nonfederal sources.

The Town has elected to not use the 10% de minimus indirect cost rate, as allowed under the Uniform Guidance.

Program Costs

The amounts shown as current-year expenses represent only the federal grant portion of the program costs. Entire program costs, including the Town's local matching share, may be more than shown.

DWSRF Project Requirements

Public Law No. 113-76, Consolidated Appropriations Act, 2014, Section 436, requires that, unless exempted by the EPA Administrator, all iron and steel products used for a DWSRF project for the construction, alteration, maintenance, or repair of treatment work are produced in the United States. This requirement does not apply with respect to a project prior to January 17, 2014 if a State agency approved the engineering plans and specifications for the project, in that agency's capacity to approve such plans and specifications prior to a project requesting bids.

TOWN OF CEDAREdge
Notes to Schedule of Finding and Questioned Costs
December 31, 2018

Section II – Financial Statement Findings

None

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None Reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal Control over major programs:	
Material weakness identified	No
Significant deficiency identified	None Reported

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as low-risk auditee?	No
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June 18, 2019

Town Council and Town administrator

Town of Cedaredge
Cedaredge, Colorado 81413

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Cedaredge for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 7, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Cedaredge are described in Note 1 to the financial statements. We noted no transactions entered into by Town of Cedaredge during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the life of the capital assets and depreciation costs are based on historical data and future life of assets. We evaluated the key factors and assumptions used to develop the historical costs in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension asset is based on actuarial studies done and information provided by FPPA. We evaluated the method of calculating the net pension asset and related amounts using the information provided by FPPA in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Refer to Appendix A for a summary of audit adjustments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 2, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Town of Cedaredge's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Town of Cedaredge's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. The Town was not in compliance with the covenant of the bond for Wastewater Agency Bonds.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, budgetary comparison information, Schedule of Changes in Net Position Asset, and Schedule of Contributions to Pension Plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining statements, individual fund statements and Local Highway Finance Report, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of Town Council and Town administrator and management of Town of Cedaredge and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Blair and Associates, P.C.

Town of Cedaredge
 Adjusting Journal Entries
 GWS Entries
 December 31, 2018

Reference	Description	Debit	Credit	Net Effect Income
GASB 68	Net Pension Assets	\$ 545		
	Deferred Outflows	\$ -	3001	
	Pension expense	\$ 2,456		\$ (2,456)
		<u>\$ 3,001</u>	<u>\$ 3,001</u>	
Payroll Liabilities	Compensated Absences		\$ 7,095	
	Salaries	\$ 7,095		\$ (7,095)
		<u>\$ 7,095</u>	<u>\$ 7,095</u>	
Sale of assets written off	Sale of assets	\$ 2,648		\$ (2,648)
	Investment in GFA		\$ 2,648	
		<u>\$ 2,648</u>	<u>\$ 2,648</u>	
Capital Leases and Payments	Leases payables	\$ 49,768		
	Principal Payments		\$ 49,768	\$ 49,768
	Lease proceeds	\$ 33,472		
	Leases payables		\$ 33,472	\$ (33,472)
		<u>\$ 49,768</u>	<u>\$ 49,768</u>	
GASB 34	Fixed Assets additions	\$ 379,623		
	Capital Outlay		\$ 379,623	\$ 379,623
	Deprecation expense	\$ 285,242		
	Accumulated deprecation costs		\$ 285,242	\$ (285,242)
		<u>\$ 664,865</u>	<u>\$ 664,865</u>	
				<u><u>\$ 98,478</u></u>

Management Report

For

Town of Cedaredge

December 31, 2018

Honorable Mayor and Town Council
Town of Cedaredge
Cedaredge, Colorado

Dear Members of the Board:

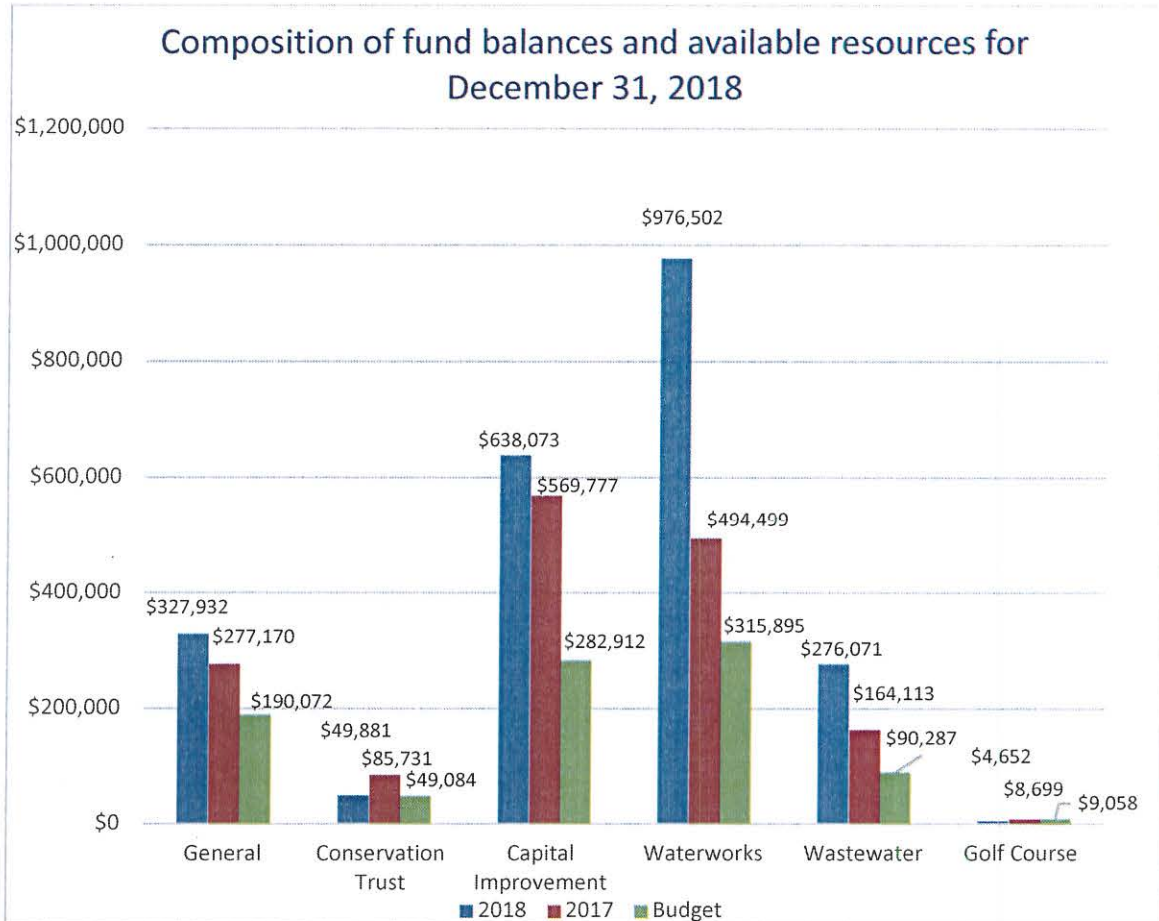
We enjoyed the opportunity of working with the staff at Town of Cedaredge during the performance of your December 31, 2018 audit. This letter is a by-product of the audit process, and accompanies your annual audited financial statements.

We hope this management letter provides you with valuable information that will assist in managing the Town's financial operations. Included in this report are segments on positive observations, and financial analysis.

We did not design our review of the Town's financial polices to detect all control weaknesses or irregularities that may exist within the Town's operations. Consequently, we do not express an opinion on your internal control structure.

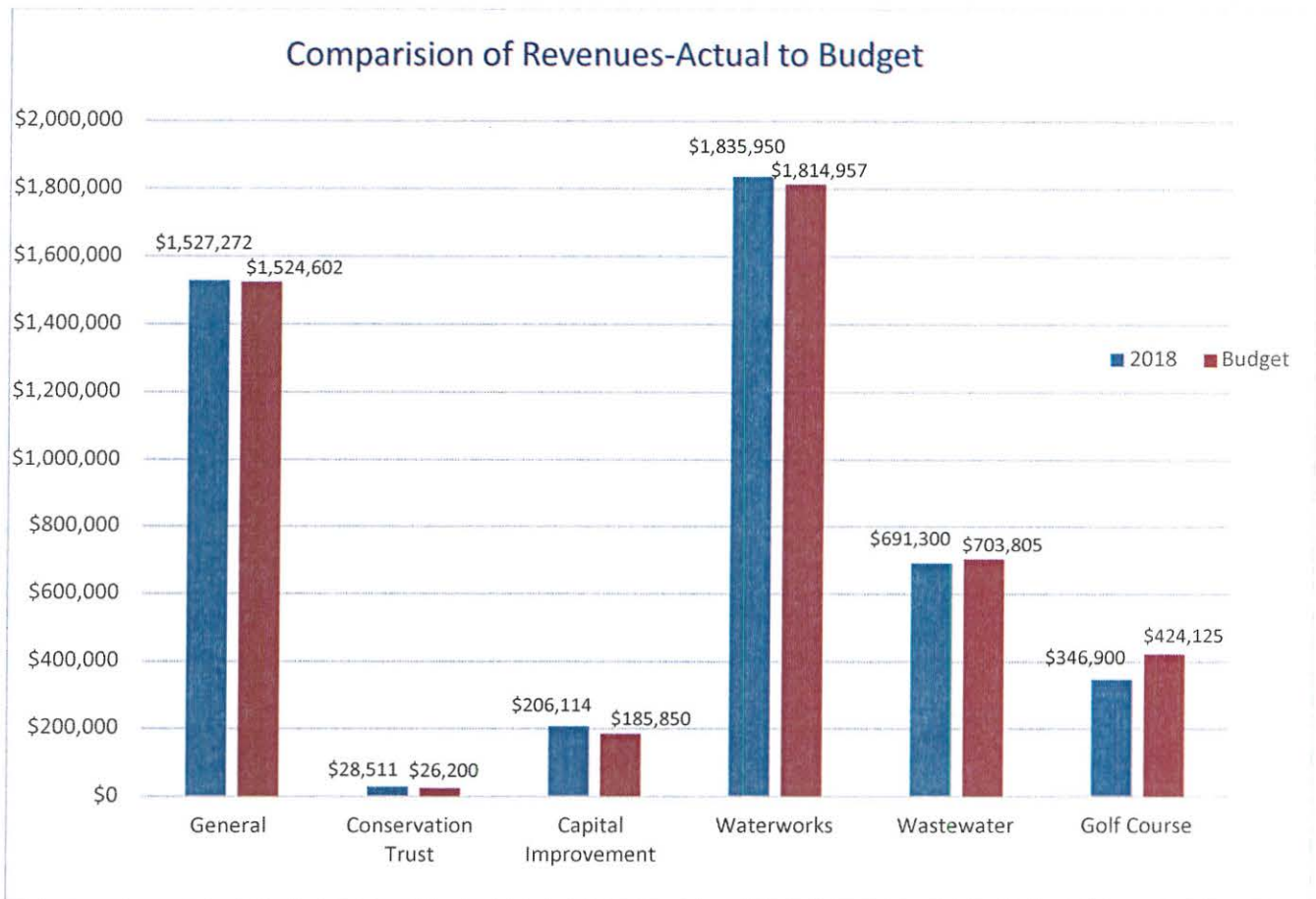
Positive Observations

In this section, we highlighted the positive financial areas that we observed. The first graph illustrates the projected fund balances and available resources compared to actual balances at December 31, 2018 for the governmental and business type funds.



Operating Revenues

The following graph depicts a comparison of actual compared to budgeted amounts for the year 2018 of operating revenues for the governmental and business type funds.

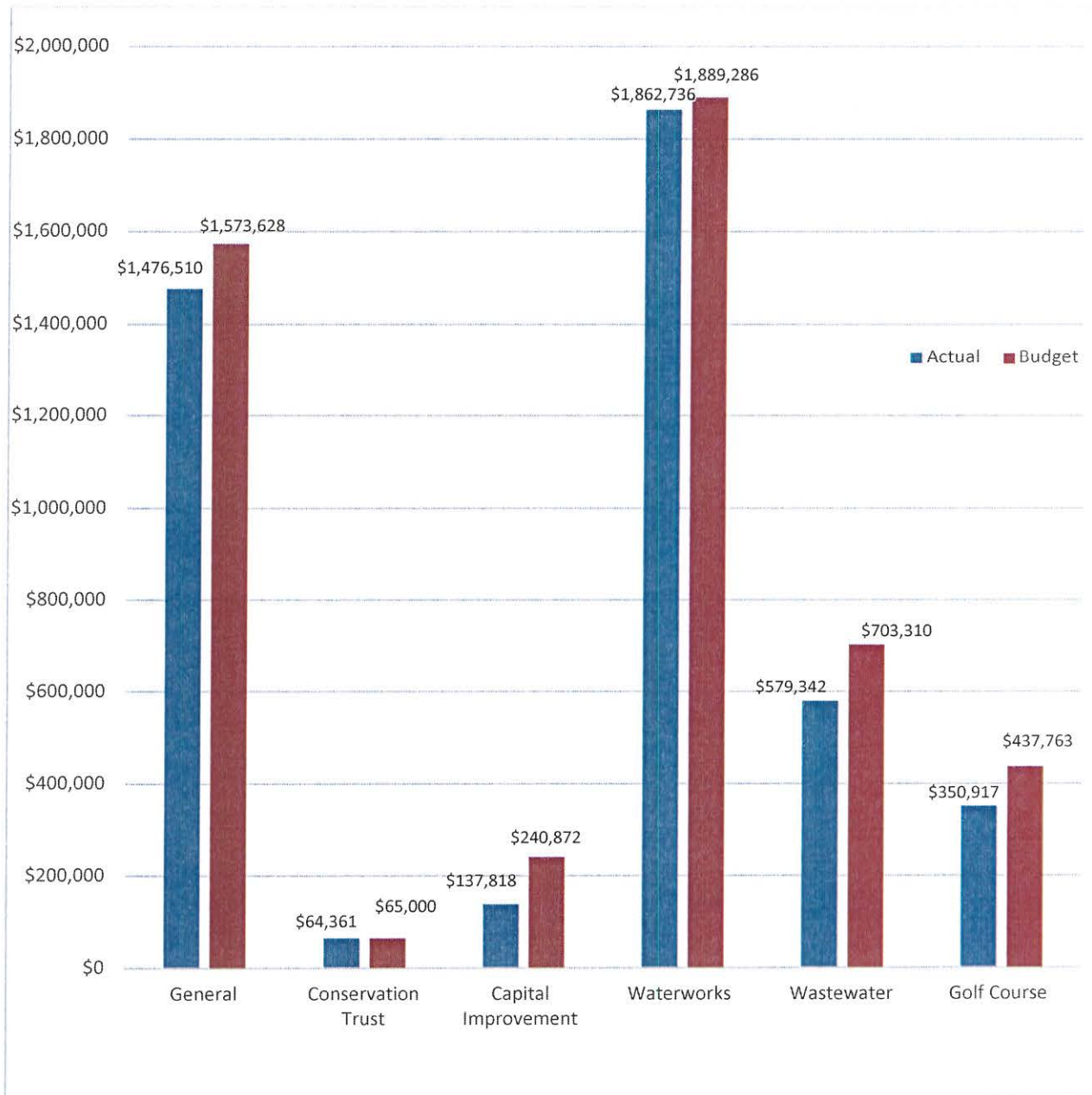


The largest variance in actual revenues compared to the budget for the General Fund was taxes over budget by \$41,966 and miscellaneous revenue under budget by \$(34,423). The Capital Improvement Fund largest variance in actual and budgeted revenues was sales tax and interest earnings over budgeted amounts by \$11,297 and \$8,967. The Waterworks Fund had large variances in actual and budgeted revenues for grants and loans of \$(179,689) and charges for services of \$172,681. The Wastewater Fund had large variances in actual and budgeted revenues for charges for services of \$(15,551). The golf course fund's biggest variance between actual and budgeted revenues was in the user fees of \$(82,955).

Operating Expenses

The major differences in actual compared to budgetary amounts in the General Fund were the following accounts were less than budgeted: Administrative fees \$20,609, Transportation \$45,280 and parks and recreation of \$24,804. Capital Improvement, Waterworks and Wastewater Funds capital outlay was less than budgeted amounts of \$103,056, \$67,375 and \$95,973. Biggest variance in actual to budgeted expenses in the Golf Course Fund was operations and capital outlay at \$62,678 and \$25,600 were less than budgeted amounts.

Comparison of Expenses-Actual to Budget



Final Remarks

We would like to thank the Town for allowing us to assist you with your auditing needs.

We would especially like to thank Tammy Francis for her assistance in helping us complete the audit.

Should you have any questions or require additional assistance, please contact Pete Blair at 1-970-856-7550 or at peteblaircpa@yahoo.com.