

Town of Deer Trail, Colorado

Financial Statements and Independent Auditor's Report

December 31, 2018

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Independent Auditor's Report

Honorable Mayor and the Board of Trustees
Town of Deer Trail, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Deer Trail, 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 Deer Trail, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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



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Opinions

In our opinion, the 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 Deer Trail, Colorado, as of December 31, 2018 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 budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Deer Trail, Colorado's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis is not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, 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. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado

July 10, 2019

Basic Financial Statements

Town of Deer Trail, Colorado
Statement of Net Position
December 31, 2018

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 481,593	\$ 387,279	\$ 868,872
Restricted Cash	-	53,936	53,936
Accounts Receivable	39,360	-	39,360
Property Taxes Receivable	82,112	-	82,112
Utility Accounts Receivable	-	48,465	48,465
Total Current Assets	<u>603,065</u>	<u>489,680</u>	<u>1,092,745</u>
Non-Current Assets:			
Capital Assets, Net			
Land	-	3,000	3,000
Infrastructure and Equipment	241,326	1,735,984	1,977,310
Total Non-Current Assets	<u>241,326</u>	<u>1,738,984</u>	<u>1,980,310</u>
TOTAL ASSETS	<u>844,391</u>	<u>2,228,664</u>	<u>3,073,055</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,331	113,243	115,574
Accrued Liabilities	15,729	22,191	37,920
Current Portion of Long-Term Debt	-	18,632	18,632
Total Current Liabilities	<u>18,060</u>	<u>154,066</u>	<u>172,126</u>
Non-Current Liabilities:			
Long Term Debt, Net of Current Portion	-	780,308	780,308
Total Non-Current Liabilities	<u>-</u>	<u>780,308</u>	<u>780,308</u>
TOTAL LIABILITIES	<u>18,060</u>	<u>934,374</u>	<u>952,434</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Revenue - Property Taxes	82,112	-	82,112
TOTAL DEFERRED INFLOW OF RESOURCES	<u>82,112</u>	<u>-</u>	<u>82,112</u>
NET POSITION			
Net Investment in Capital Assets	241,326	940,044	1,181,370
Restricted for:			
Open Space	127,168	-	127,168
Conservation Trust	59,659	-	59,659
Emergencies	8,833	-	8,833
Debt Service	-	53,936	53,936
Unrestricted	307,233	300,310	607,543
TOTAL NET POSITION	<u>\$ 744,219</u>	<u>\$ 1,294,290</u>	<u>\$ 2,038,509</u>

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

Town of Deer Trail, Colorado
Statement of Activities
For the Year Ended December 31, 2018

<u>FUNCTIONS / PROGRAMS</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>PROGRAM REVENUES</u>	
			<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT:				
Governmental activities:				
General Government	\$ 261,496	\$ 106,514	\$ -	\$ -
Public Safety	25,234	-	-	-
Culture and Recreation	7,886	-	29,488	-
Public Works	39,278	-	-	-
Total Governmental Activities	<u>333,894</u>	<u>106,514</u>	<u>29,488</u>	<u>-</u>
Business-Type Activities:				
Water	232,306	160,313	-	85,692
Sewer	259,688	114,080	-	95,000
Total Business-Type Activities	<u>491,994</u>	<u>274,393</u>	<u>-</u>	<u>180,692</u>
Total Primary Government	<u>\$ 825,888</u>	<u>\$ 380,907</u>	<u>\$ 29,488</u>	<u>\$ 180,692</u>

Property Taxes
Taxes and Other
Investment Earnings
Miscellaneous
Transfers In (Out)
Total General Revenues
Change in Net Position
Net Position Beginning
Net Position Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT

<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
\$ (154,982)	\$ -	\$ (154,982)
(25,234)	-	(25,234)
21,602	-	21,602
<u>(39,278)</u>	<u>-</u>	<u>(39,278)</u>
<u>(197,892)</u>	<u>-</u>	<u>(197,892)</u>
-	13,699	13,699
<u>-</u>	<u>(50,608)</u>	<u>(50,608)</u>
<u>-</u>	<u>(36,909)</u>	<u>(36,909)</u>
<u>\$ (197,892)</u>	<u>\$ (36,909)</u>	<u>\$ (234,801)</u>
\$ 118,329	\$ -	\$ 118,329
90,830	-	90,830
91	10	101
-	8,627	8,627
<u>68,866</u>	<u>(68,866)</u>	<u>-</u>
<u>278,116</u>	<u>(60,229)</u>	<u>217,887</u>
<u>80,224</u>	<u>(97,138)</u>	<u>(16,914)</u>
<u>663,995</u>	<u>1,391,428</u>	<u>2,055,423</u>
<u>\$ 744,219</u>	<u>\$ 1,294,290</u>	<u>\$ 2,038,509</u>

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

Town of Deer Trail, Colorado
Balance Sheet - Governmental Funds and Reconciliation of the Balance
Sheet - Governmental Funds to the Statement of Net Position
December 31, 2018

ASSETS	<u>GENERAL</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
Cash	\$ 294,766	\$ 186,827	\$ 481,593
Accounts Receivable	39,360	-	39,360
Property Taxes Receivable	<u>82,112</u>	<u>-</u>	<u>82,112</u>
Total Assets	<u>\$ 416,238</u>	<u>\$ 186,827</u>	<u>\$ 603,065</u>
 LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	15,729	-	15,729
Accrued Liabilities	<u>2,331</u>	<u>-</u>	<u>2,331</u>
Total Liabilities	<u>18,060</u>	<u>-</u>	<u>18,060</u>
 DEFERED INFLOW OF RESOURCES			
Deferred Property Taxes	<u>82,112</u>	<u>-</u>	<u>82,112</u>
Total Deferred Inflow of Resources	<u>82,112</u>	<u>-</u>	<u>82,112</u>
 FUND BALANCES			
Restricted:			
Emergency Reserve	8,833	-	8,833
Conservation Trust Funds	-	59,659	59,659
Assigned:			
Open Space	-	127,168	127,168
Unassigned	<u>307,233</u>	<u>-</u>	<u>307,233</u>
Total Fund Balances	<u>316,066</u>	<u>186,827</u>	<u>502,893</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 416,238</u>	<u>\$ 186,827</u>	
Amounts reported for governmental activities in the Statement of Net Position because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.			<u>241,326</u>
Net Position of Governmental Activities			<u>\$ 744,219</u>

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

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

	GENERAL	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
REVENUES:			
Taxes	\$ 118,329	\$ -	\$ 118,329
Charges for Services	104,755	1,384	106,139
Intergovernmental	-	29,488	29,488
Licenses and Permits	375	-	375
Miscellaneous	90,921	-	90,921
TOTAL REVENUES	314,380	30,872	345,252
EXPENDITURES:			
Current:			
General Government	246,872	-	246,872
Public Safety	25,234	-	25,234
Public Works	14,433	24,845	39,278
Miscellaneous	7,886	-	7,886
TOTAL EXPENDITURES	294,425	24,845	319,270
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	19,955	6,027	25,982
OTHER FINANCING SOURCES (USES)			
Operating Transfer In (Out)	52,257	16,609	68,866
NET CHANGE IN FUND BALANCE	72,212	22,636	94,848
FUND BALANCES, BEGINNING	243,854	164,191	
FUND BALANCES, ENDING	\$ 316,066	\$ 186,827	

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(14,624)
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Change in Net Position of Governmental Activities	\$ 80,224
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The accompanying notes are an integral part of these financial statements.

Town of Deer Trail, Colorado
Proprietary Funds
Statement of Net Position
December 31, 2018

ASSETS	WATER	SEWER	
Current Assets:	FUND	FUND	TOTALS
Cash	\$ 238,765	\$ 148,514	\$ 387,279
Accounts Receivable	26,386	22,079	48,465
Total Current Assets	<u>265,151</u>	<u>170,593</u>	<u>435,744</u>
Restricted Assets:			
Debt Service Reserve	20,691	33,245	53,936
Total Restricted Assets	<u>20,691</u>	<u>33,245</u>	<u>53,936</u>
Non-Current Assets:			
Capital Assets:			
Land	1,500	1,500	3,000
Distribution/Collection System	1,396,421	1,590,262	2,986,683
Equipment	-	595,966	595,966
Accumulated Depreciation	<u>(871,022)</u>	<u>(975,643)</u>	<u>(1,846,665)</u>
Total Non-Current Assets	<u>526,899</u>	<u>1,212,085</u>	<u>1,738,984</u>
TOTAL ASSETS	<u>812,741</u>	<u>1,415,923</u>	<u>2,228,664</u>
LIABILITIES			
Current Liabilities:			
Current Portion of Long-Term Debt	5,900	12,732	18,632
Accounts Payable	56,205	57,038	113,243
Accrued Liabilities	7,525	14,666	22,191
Total Current Liabilities	<u>69,630</u>	<u>84,436</u>	<u>154,066</u>
Non-Current Liabilities:			
Long-Term Debt - Net of Current Portion	207,200	573,108	780,308
Total Non-Current Liabilities	<u>207,200</u>	<u>573,108</u>	<u>780,308</u>
TOTAL LIABILITIES	<u>276,830</u>	<u>657,544</u>	<u>934,374</u>
NET POSITION			
Net Investment in Capital Assets	313,799	626,245	940,044
Reserved for Debt Service	20,691	33,245	53,936
Unrestricted	<u>201,421</u>	<u>98,889</u>	<u>300,310</u>
TOTAL NET POSITION	<u>\$ 535,911</u>	<u>\$ 758,379</u>	<u>\$ 1,294,290</u>

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

Town of Deer Trail, Colorado

Proprietary Funds

Statement of Revenues, Expenditures and Changes in Fund Net Position

For the Year Ended December 31, 2018

	WATER FUND	SEWER FUND	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 160,313	\$ 114,080	\$ 274,393
Total Operating Revenues	160,313	114,080	274,393
OPERATING EXPENSES			
Salaries and Benefits	17,170	17,170	34,340
Supplies and Office Expenses	7,660	-	7,660
Utilities	14,519	14,519	29,038
Repairs and Maintenance	40,169	57,069	97,238
Professional Fees	105,340	71,003	176,343
Other	3,863	20,331	24,194
Depreciation	33,263	55,048	88,311
Total Operating Expenses	221,984	235,140	457,124
Income (Loss) From Operations	(61,671)	(121,060)	(182,731)
NON-OPERATING REVENUES (EXPENSES)			
Activation and Tap Fees	85,692	95,000	180,692
Miscellaneous	4,305	4,322	8,627
Investment Earnings	-	10	10
Interest Expense	(10,322)	(24,548)	(34,870)
Total Non-Operating Revenues (Expenses)	79,675	74,784	154,459
Net Income Before Contributions and Transfers	18,004	(46,276)	(28,272)
Transfers In (Out)	(56,216)	(12,650)	(68,866)
CHANGE IN NET POSITION	\$ (38,212)	\$ (58,926)	\$ (97,138)
NET POSITION, BEGINNING OF YEAR	574,123	817,305	1,391,428
NET POSITION, END OF YEAR	\$ 535,911	\$ 758,379	\$ 1,294,290

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

Town of Deer Trail, Colorado

Proprietary Funds Statement of Cash Flows

For the Year Ended December 31, 2018

	WATER FUND	SEWER FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts From Customers	\$ 144,933	\$ 109,274	\$ 254,207
Payments to Suppliers for Goods and Services	(120,968)	(109,395)	(230,363)
Payments to Employees	(17,170)	(17,170)	(34,340)
Net Cash From Operating Activities	6,795	(17,291)	(10,496)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers (To) From Other Fund	(56,216)	(12,650)	(68,866)
Net Cash From Non-Capital Financing Activities	(56,216)	(12,650)	(68,866)
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:			
Tap Fees	85,692	95,000	180,692
Other	4,305	4,322	8,627
Transfers (to) Restricted Assets	(10)	(17)	(27)
Interest Paid	(10,322)	(24,548)	(34,870)
Debt Principal Payments	(5,600)	(12,220)	(17,820)
Net Cash From Capital and Financing Activities	74,065	62,537	136,602
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	-	10	10
Net Cash From Investing Activities	-	10	10
Net Increase (Decrease) in Cash and Cash Equivalents	24,644	32,606	57,250
CASH AND CASH EQUIVALENTS			
Beginning of Year	214,121	115,908	330,029
End of Year	\$ 238,765	\$ 148,514	\$ 387,279
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities			
Net Operating Income (Loss)	\$ (61,671)	\$ (121,060)	\$ (182,731)
Depreciation	33,263	55,048	88,311
(Increase) Decrease in Accounts Receivable, Net	(14,871)	(4,806)	(19,677)
Increase (Decrease) in Accounts Payable	50,583	54,036	104,619
Increase (Decrease) in Accrued Liabilities	(509)	(509)	(1,018)
Net Cash From Operating Activities	\$ 6,795	\$ (17,291)	\$ (10,496)

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

Town of Deer Trail, Colorado

Notes to Financial Statements

December 31, 2018

1. Summary of Significant Accounting Policies

The Town of Deer Trail (the Town) operates under a council-mayor form of government and maintains accounting policies to conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The financial reports of the Town include all of the integral parts of the Town's operations. The Town has no component units using the criteria as set forth in generally accepted accounting principles.

Fund Accounting

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. The Town reports the following major governmental funds:

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

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

The Town of Deer Trail operates the Water and Sewer Utilities on this basis.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

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

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be recognizable when received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. Sales tax collected and held by vendors at year end on behalf of the Town is also recognized as revenue if collected within 30 days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue 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 they are needed.

Fund Equity

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Board of Trustees.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the criteria described above. If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Town's policy to use the most restrictive classification first.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed fixed assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation of buildings, plants, and machinery and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 40 years
Utility Systems	25 to 50 years
Equipment and Vehicles	5 to 15 years
Infrastructure	25 to 50 years

Long-term Obligations

In the government-wide financial statements, and proprietary 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 proprietary fund type statement of net position.

Budget and Budgetary Accounting

On or prior to October 15, the Town Clerk submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

Public hearings are conducted to obtain taxpayer comments.

Prior to January 1, the budget is legally enacted through the passage of an ordinance. Amendments can be made until year end.

Budgets for governmental and pension funds are adopted on a basis consistent with generally accepted accounting principles. Budgets for the Proprietary funds are adopted to fulfill statutory requirements and are prepared on an appropriation basis. Principally, the appropriation basis of budgeting provides for a full accrual basis of accounting, loans and reimbursements received, note receivable principal, capital expenditures and bond principal payments, but does not provide for depreciation and amortization. For 2018 the Town Board budgeted all funds and appropriated spending limits by fund. Therefore, the comparisons of actual and budget amounts relating to legal requirements shown in the financial statements is based on “total expenditures” plus “operating transfers to other funds” in the various fund types. All appropriations lapse at year end.

In 2018, the Town’s expenditures exceeded budgeted appropriations, which may be a violation of State statutes.

Cash and Investments

Cash includes interest-bearing demand deposits (checking and money-market accounts), as well as short-term investments with a maturity date within three months of the date acquired.

Investments are stated at cost, except for marketable debt and equity security investments of the pension trust, which are valued at market. State statutes authorize the allowable type of investments, which are detailed in Note 2.

Property Taxes

Annual property taxes are levied and assessed on January 1 and are certified to the County by December 15 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the Town.

The Town recognizes a receivable for property tax levies upon certification by the County Treasurer. A deferred revenue liability is recorded in the same amount since the taxes are not available at year end to fund expenditures of the current year. They are recognized as revenue when collected in the following year.

Property taxes are computed using mills, where one mill is equal to \$1 on \$1,000 of assessed value. The mill levy for 2018 was 14.585.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

All full-time Town employees accumulate sick leave for subsequent use. These accumulations are paid out at half the employees rate.

Employees also receive noncumulative vacation leave that is paid out in full. The Town has an accrued sick and vacation balance of \$1,629 as of December 31, 2018.

2. Cash and Investments

For the purpose of the statement of cash flows, the Town considers all highly liquid investments (excluding restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Cash Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town has a policy of limiting custodial credit risks by assuring that deposits are only made in eligible public depositories. As of December 31, 2018, none of the Town's deposits are deemed to be exposed to custodial credit risk.

The Town's cash deposits at December 31, 2018 was \$922,808 which include cash and cash equivalents, and restricted assets in the primary government Statement of Net Position.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

2. Cash and Investments (continued)

Cash balances are as follows:

	Bank Balance	Carrying Balance
Insured (FDIC)	\$ 310,103	\$ 310,103
Collateralized by securities held by the pledging financial institution's trust department or agent in the Town's name	606,344	612,705
Total cash and certificates of deposit	\$ 916,447	\$ 922,808

The difference between the bank balance and carrying balance is \$6,361, which were outstanding deposits that had not cleared the banks as of December 31, 2018.

Investments - Colorado statutes specify in which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, US territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market funds, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with other certain limitations;
9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. These trusts are "Colotrust" and "CSAFE".

The Town's only investments are in bank savings and local governments pooled investment funds, which are included in cash and cash equivalents.

Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

2. Cash and Investments (continued)

Credit Risk – The Town does not have a formal investment policy that would further limit its investment choices beyond those listed above which are approved by Colorado Statutes.

As of December 31, 2018, the Town had \$60,103 invested in the Colorado Liquid Asset Trust (COLOTRUST), and SEC Rule 2a-7-like investment pool. Investments are valued at amortized cost with each share valued at \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. COLOTRUST is rated AAAM by Standard & Poor’s. COLOTRUST records its investments at fair value and the Town records its investments in COLOTRUST using the net asset value method.

3. Restricted Assets

Restricted assets are for the following purposes:

Water Fund – reserve of \$20,691, as required by the Series 2000 loan from Rural Utilities Service. This balance is held in a bank savings account at December 31, 2018.

Sewer Fund – reserve of \$33,245, as required by the Series 2005 Sewer Revenue Bonds. This balance is held in a bank savings account at December 31, 2018.

4. Capital Assets

Capital asset activity for the year was as follows:

	Balance December 31, 2017	Additions	Conveyances or Retirements	Balance December 31, 2018
Governmental activities:				
Depreciable assets:				
Buildings and improvements	653,200	-	-	653,200
Infrastructure	207,218	-	-	207,218
Equipment and vehicles	<u>194,697</u>	<u>-</u>	<u>-</u>	<u>194,697</u>
Total depreciable assets	<u>1,055,115</u>	<u>-</u>	<u>-</u>	<u>1,055,115</u>
Less accumulated depreciation for:				
Buildings and improvements	(569,160)	(5,820)	-	(574,980)
Infrastructure	(54,092)	(5,168)	-	(59,260)
Equipment and vehicles	<u>(175,913)</u>	<u>(3,636)</u>	<u>-</u>	<u>(179,549)</u>
Total accumulated depreciation	<u>(799,165)</u>	<u>(14,624)</u>	<u>-</u>	<u>(813,789)</u>
Governmental activities assets, net	<u>\$ 255,950</u>	<u>\$ (14,624)</u>	<u>\$ -</u>	<u>\$ 241,326</u>

In 2018, depreciation expense of \$14,624 was charged to Public Works.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

4. Capital Assets (continued)

	Balance December 31, 2017	Additions	Conveyances or Retirements	Balance December 31, 2018
Business-type activities:				
Non-depreciable assets:				
Land	\$ 3,000	\$ -	\$ -	\$ 3,000
Depreciable assets:				
Distribution/collection system	2,986,683	-	-	2,986,683
Equipment	<u>595,966</u>	<u>-</u>	<u>-</u>	<u>595,966</u>
Total capital assets	<u>3,585,649</u>	<u>-</u>	<u>-</u>	<u>3,585,649</u>
Less Accumulated depreciation for:				
Distribution/collection system	(1,354,594)	(73,020)	-	(1,427,614)
Equipment	<u>(403,760)</u>	<u>(15,291)</u>	<u>-</u>	<u>(419,051)</u>
Total accumulated depreciation	<u>(1,758,354)</u>	<u>(88,311)</u>	<u>-</u>	<u>(1,846,665)</u>
Business-type activities assets, net	<u>\$ 1,827,295</u>	<u>\$ (88,311)</u>	<u>\$ -</u>	<u>\$ 1,738,984</u>

In 2018, depreciation expense of \$33,263 was charged to the Water Fund and \$55,048 was charged to the Sewer Fund.

5. Contingency—Constitutional Amendment

In November 1992, the Colorado voters passed a constitutional amendment (TABOR Amendment) to the State Constitution (Article X, Section 20) which requires voter approval for any increases in mill levies, revenue limits, spending limits and creation of multi-year debt. In addition, the amendment requires that a reserve be established for emergencies of 3% in 1995 and thereafter.

The Town has reserved \$8,833 within the General Fund for the emergency reserve under the TABOR amendment.

In 1998, the voters of the Town approved a referendum allowing the Town to collect, retain and expend the full proceeds of the Town's taxes, fees and other revenues received without increasing or adding taxes of any kind.

The Town believes that it is in compliance with the provisions of the TABOR Amendment. However, many provisions of the TABOR Amendment are complex and subject to further interpretation and will require judicial interpretation.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

6. Long-Term Debt

Series 2005 Sewer Revenue Bonds – The Town issued bonds where the government pledges income derived from customer revenues, net of operating expenses, to repay the debt. Proceeds from the debt provided financing for various improvements. Annual principal and interest payments on the bonds are expected to require approximately 36% of sewer revenues. The bonds have an interest rate of 4.125% and are payable through 2045.

Series 2000 Rural Utilities Service Loan – The Town issued bonds where the government pledges income derived from customer revenues, net of operating expenses, to repay the debt. Proceeds from the debt provided financing for various improvements. Annual principal and interest payments on the bonds are expected to require approximately 19% of water revenues. The bonds have an interest rate of 4.75% and are payable through 2040.

During 2018 principal payments of \$17,820 were made. Additionally, interest payments totaling \$34,870 were made, which are included as a direct expense under Water in the Statement of Activities.

Annual debt service requirements are as follows:

	Principal	Interest	Total
2019	\$ 18,632	\$ 34,089	\$ 52,721
2020	19,363	33,276	52,639
2021	20,316	32,428	52,744
2022	21,092	31,542	52,633
2023	22,091	30,619	52,710
2024-2027	125,566	137,744	263,310
2029-2033	155,686	107,750	263,437
2034-2038	192,860	70,525	263,385
2039-2043	179,873	28,395	208,268
2044-2045	43,461	1,600	45,061
	\$ 798,940	\$ 507,968	\$ 1,306,898

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2018

6. Long-Term Debt (continued)

Total changes in Long-Term Liabilities during 2018 are as follows:

	Balance December 31, 2017	Additions	Payments	Balance December 31, 2018	Due Within One Year
Business-type activities:					
Bonds payable:					
2000 RUS Loan - Water	\$ 218,700	\$ -	\$ (5,600)	\$ 213,100	\$ 5,900
Series 2005 Sewer Bonds	<u>598,060</u>	<u>-</u>	<u>(12,220)</u>	<u>585,840</u>	<u>12,732</u>
Total long-term liabilities	<u>\$ 816,760</u>	<u>\$ -</u>	<u>\$ (17,820)</u>	<u>\$ 798,940</u>	<u>\$ 18,632</u>

7. Risk Management

The Town is exposed to various risks of loss to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

Property, Casualty, Errors and Omissions and Liability Insurance

The Town is exposed to various risks of loss related to property, casualty, errors and omissions and liability losses. In 1986 due to the excessive cost of this insurance, the Town joined together with other cities and towns in the State of Colorado to form the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual contribution to CIRSA for its insurance coverage. The member agreement provides that the pool will be self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for member's claims in excess of a specified self insurance retention, which is determined each policy year.

During 2018 the Town paid approximately \$14,214 for insurance coverage to the pool which is included in the operating expense of the general and enterprise funds.

Town of Deer Trail, Colorado

Required Supplementary Information

Town of Deer Trail, Colorado
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 94,500	\$ 94,500	\$ 118,329	\$ 23,829
Charges for Services	3,000	3,000	104,755	101,755
Licenses and Permits	30,000	30,000	375	(29,625)
Miscellaneous	<u>46,450</u>	<u>46,450</u>	<u>90,921</u>	<u>44,471</u>
TOTAL REVENUES	<u>173,950</u>	<u>173,950</u>	<u>314,380</u>	<u>140,430</u>
EXPENDITURES				
Current:				
General Government	85,300	85,300	246,872	(161,572)
Public Safety	40,600	40,600	25,234	15,366
Public Works	19,000	19,000	14,433	4,567
Miscellaneous	<u>8,000</u>	<u>8,000</u>	<u>7,886</u>	<u>114</u>
TOTAL EXPENDITURES	<u>152,900</u>	<u>152,900</u>	<u>294,425</u>	<u>(141,525)</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	21,050	21,050	19,955	(1,095)
OTHER FINANCIAL SOURCES (USES)				
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>52,257</u>	<u>52,257</u>
NET CHANGE IN FUND BALANCE	21,050	21,050	72,212	51,162
FUND BALANCES, BEGINNING OF YEAR	<u>184,986</u>	<u>184,986</u>	<u>243,854</u>	<u>58,868</u>
FUND BALANCES, END OF YEAR	<u>\$ 206,036</u>	<u>\$ 206,036</u>	<u>\$ 316,066</u>	<u>\$ 110,030</u>

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

Town of Deer Trail, Colorado

Other Supplementary Information

Town of Deer Trail, Colorado

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2018

	CONSERVATION TRUST FUND	OPEN SPACE FUND	TOTALS
ASSETS:			
Cash	\$ 59,659	\$ 127,168	\$ 186,827
TOTAL ASSETS	<u>\$ 59,659</u>	<u>\$ 127,168</u>	<u>\$ 186,827</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted - Conservation Trust Funds	59,659	-	59,659
Assigned - Open Space	-	127,168	127,168
TOTAL FUND BALANCES	<u>59,659</u>	<u>127,168</u>	<u>186,827</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 59,659</u>	<u>\$ 127,168</u>	<u>\$ 186,827</u>

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

Town of Deer Trail, Colorado
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2018

	CONSERVATION TRUST FUND	OPEN SPACE FUND	TOTALS
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Intergovernmental	\$ 11,958	\$ 17,530	\$ 29,488
Charges for Service	<u>1,264</u>	<u>120</u>	<u>1,384</u>
TOTAL REVENUES	<u>13,222</u>	<u>17,650</u>	<u>30,872</u>
EXPENDITURES:			
Culture and Recreation	<u>7,403</u>	<u>17,442</u>	<u>24,845</u>
TOTAL EXPENDITURES	<u>7,403</u>	<u>17,442</u>	<u>24,845</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,819	208	6,027
OTHER FINANCING SOURCES (USES):			
Operating Transfers In (Out)	<u>(832)</u>	<u>17,441</u>	<u>16,609</u>
NET CHANGE IN FUND BALANCE	4,987	17,649	22,636
FUND BALANCE, BEGINNING OF YEAR	<u>54,672</u>	<u>109,519</u>	<u>164,191</u>
FUND BALANCE, END OF YEAR	<u>\$ 59,659</u>	<u>\$ 127,168</u>	<u>\$ 186,827</u>

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

Town of Deer Trail, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental - State	\$ -	\$ -	\$ 11,958	\$ 11,958
Charges for Service	-	-	1,264	1,264
Total Revenues	<u>-</u>	<u>-</u>	<u>13,222</u>	<u>13,222</u>
EXPENDITURES:				
Operating				
Recreation	-	-	7,403	(7,403)
Total Expenditures	<u>-</u>	<u>-</u>	<u>7,403</u>	<u>(7,403)</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	-	-	5,819	5,819
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	-	-	(832)	(832)
NET CHANGE IN FUND BALANCE	-	-	4,987	4,987
FUND BALANCE, BEGINNING OF YEAR	<u>32,498</u>	<u>32,498</u>	<u>54,672</u>	<u>22,174</u>
FUND BALANCE, END OF YEAR	<u>\$ 32,498</u>	<u>\$ 32,498</u>	<u>\$ 59,659</u>	<u>\$ 27,161</u>

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

Town of Deer Trail, Colorado
Open Space Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 17,530	\$ 17,530
Charges for Service	<u>-</u>	<u>-</u>	<u>120</u>	<u>120</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>17,650</u>	<u>17,650</u>
EXPENDITURES:				
Culture and Recreation	<u>-</u>	<u>-</u>	<u>17,442</u>	<u>(17,442)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>17,442</u>	<u>(17,442)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	208	208
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>17,441</u>	<u>17,441</u>
NET CHANGE IN FUND BALANCE	-	-	17,649	17,649
FUND BALANCE, BEGINNING OF YEAR	<u>73,375</u>	<u>73,375</u>	<u>109,519</u>	<u>36,144</u>
FUND BALANCE, END OF YEAR	<u>\$ 73,375</u>	<u>\$ 73,375</u>	<u>\$ 127,168</u>	<u>\$ 53,793</u>

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

Town of Deer Trail, Colorado
Water Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2018

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
OPERATING REVENUES				
Charges for Services	\$ 160,000	\$ 160,000	\$ 160,313	\$ 313
Total Operating Revenues	<u>160,000</u>	<u>160,000</u>	<u>160,313</u>	<u>313</u>
OPERATING EXPENSES				
Salaries and Benefits	50,800	50,800	17,170	33,630
Supplies and Office Expenses	5,100	5,100	7,660	(2,560)
Utilities	30,600	30,600	14,519	16,081
Repairs and Maintenance	60,875	60,875	40,169	20,706
Professional Fees	4,800	4,800	105,340	(100,540)
Insurance	4,000	4,000	-	4,000
Other	-	-	3,863	(3,863)
Total Operating Expenses	<u>156,175</u>	<u>156,175</u>	<u>188,721</u>	<u>(32,546)</u>
Income (Loss) From Operations	<u>3,825</u>	<u>3,825</u>	<u>(28,408)</u>	<u>(32,233)</u>
NON-OPERATING REVENUES (EXPENSES)				
Activation and Tap Fees	115,500	115,500	85,692	(29,808)
Miscellaneous	5,000	5,000	4,305	(695)
Principal Payments	-	-	(5,600)	(5,600)
Interest Expense	-	-	(10,322)	(10,322)
Total Non-Operating Revenues (Expenses)	<u>120,500</u>	<u>120,500</u>	<u>74,075</u>	<u>(46,425)</u>
Net Income Before Contributions and Transfers	<u>124,325</u>	<u>124,325</u>	<u>45,667</u>	<u>(78,658)</u>
Transfers In (Out)	-	-	(56,216)	(56,216)
CHANGE IN NET POSITION	<u>\$ 124,325</u>	<u>\$ 124,325</u>	(10,549)	<u>\$ (134,874)</u>
RECONCILIATION TO GAAP BASIS:				
Principal Payments			5,600	
Depreciation and Amortization			<u>(33,263)</u>	
Change in Net Position GAAP			<u>\$ (38,212)</u>	

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

Town of Deer Trail, Colorado
Sewer Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
OPERATING REVENUES				
Charges for Services	\$ 125,000	\$ 125,000	\$ 114,080	\$ (10,920)
Total Operating Revenues	<u>125,000</u>	<u>125,000</u>	<u>114,080</u>	<u>(10,920)</u>
OPERATING EXPENSES				
Salaries and Benefits	50,800	50,800	17,170	33,630
Utilities	16,200	16,200	14,519	1,681
Repairs and Maintenance	61,375	61,375	57,069	4,306
Professional Fees	4,800	4,800	71,003	(66,203)
Insurance	4,000	4,000	-	4,000
Other	5,100	5,100	20,331	(15,231)
Total Operating Expenses	<u>142,275</u>	<u>142,275</u>	<u>180,092</u>	<u>(37,817)</u>
Income (Loss) From Operations	(17,275)	(17,275)	(66,012)	(48,737)
NON-OPERATING REVENUES (EXPENSES)				
Activation and Tap Fees	115,000	115,000	95,000	(20,000)
Investment Earnings	500	500	10	(490)
Miscellaneous	-	-	4,322	4,322
Principal Payments	-	-	(12,220)	(12,220)
Interest Expense	-	-	(24,548)	(24,548)
Total Non-Operating Revenues (Expenses)	<u>115,500</u>	<u>115,500</u>	<u>62,564</u>	<u>(52,936)</u>
Net Income Before Contributions and Transfers	<u>98,225</u>	<u>98,225</u>	<u>(3,448)</u>	<u>(101,673)</u>
Transfers In (Out)	-	-	(12,650)	(12,650)
CHANGE IN NET POSITION	<u>\$ 98,225</u>	<u>\$ 98,225</u>	(16,098)	<u>\$ (114,323)</u>
RECONCILIATION TO GAAP BASIS:				
Principal Payments			12,220	
Depreciation and Amortization			<u>(55,048)</u>	
Change in Net Position GAAP			<u>\$ (58,926)</u>	

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Deer Trail
		YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of _): Town of Deer Trail	Prepared By: Phone:	Candice Reed 303-769-4464

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	10,354
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	395
2. General fund appropriations		b. Snow and ice removal	9,368
3. Other local imposts (from page 2)	72,179	c. Other	12,528
4. Miscellaneous local receipts (from page 2)	19,932	d. Total (a. through c.)	22,291
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	18,900
a. Bonds - Original Issues		6. Total (1 through 5)	51,545
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	92,111	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	44,051	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	136,162	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	51,545

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)	816,760		17,820	798,940

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	15,716	136,162	51,545	100,333	0

Notes and Comments:

Other Road and Street Services is Street Lighting of \$12,528.

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2018

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	67,096	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	5,083	g. Other Misc. Receipts	
6. Total (1. through 5.)	5,083	h. Other Franchise fees	19,932
c. Total (a. + b.)	72,179	i. Total (a. through h.)	19,932
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	44,051	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	44,051	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: