



# FINANCIAL REPORT

Year Ended December 31, 2018



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## Independent Auditors' Report

The Mayor and Members  
of the Board of Trustees  
Town of Eaton  
Eaton, Colorado

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Eaton, Colorado as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town'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; 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 evaluation of 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 opinion.

## **Opinion**

In our opinion, the basic 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 Eaton as of December 31, 2018, and the respective changes in financial position and cash flows where applicable for the year then ended, in conformity with accounting principles generally accepted in the United States.

## **Other Matters**

Accounting principles generally accepted in the United States require that management discussion and analysis and major governmental funds budget comparisons be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statement, 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining statements, individual fund statements and schedules on pages 39-49 and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Anderson & Whitney, P.C.*

May 6, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of The Town of Eaton (the Town) for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Town's financial performance.

### FINANCIAL HIGHLIGHTS

- The Town's assets exceeded liabilities and deferred inflows by \$41 million at December 31, 2018.
- The General Fund balance was \$1,922,284 as of December 31, 2018. Of this amount, \$72,849 is reserved for emergencies.
- The December 31, 2018 General Fund balance is \$407,036 more than the previous year-end. The total fund balance is 79% of 2018 General Fund operating expenditures.
- The Water Fund has net position of \$18.1 million at December 31, 2018.
- The Sewer Fund has net position of \$3.5 million at December 31, 2018.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information.

**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 of the Town's assets, liabilities and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the Town's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the 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 are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected fees).

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 *near-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 near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 five individual governmental funds. 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, Street Fund, and Library Fund, each of which is considered to be a major fund.

The basic governmental fund financial statements can be found on pages 12 and 13 of this report.

**Proprietary Funds.** The Town maintains one type of a 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 enterprise funds to account for its utility services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and sewer funds which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 14 to 16 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 30 of this report.

**Budgetary Comparisons.** The Town adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund on pages 32 to 35 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2018, assets exceeded liabilities by \$41,363,011.

The following table provides a summary of the Town's net position:

December 31	2018		2017	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
<b>Assets</b>				
Current and other assets	\$ 7,494,226	\$ 5,722,051	\$ 6,530,842	\$ 4,621,580
Capital assets	13,193,286	20,458,236	13,570,497	19,161,673
<b>Total Assets</b>	<b>20,687,512</b>	<b>26,180,287</b>	<b>20,101,339</b>	<b>23,783,253</b>
<b>Liabilities</b>				
Current and other liabilities	249,725	493,875	317,232	479,497
Long-term liabilities	474,690	2,980,639	637,877	3,400,070
<b>Total Liabilities</b>	<b>724,415</b>	<b>3,474,514</b>	<b>955,109</b>	<b>3,879,567</b>
<b>Deferred Inflows</b>				
Deferred property taxes	1,305,859	-	1,179,017	-
<b>Net Position</b>				
Net investment in capital assets	12,544,160	17,066,145	12,756,892	15,358,441
Restricted	4,329,709	--	3,821,708	--
Unrestricted	1,783,369	5,639,628	1,388,613	4,545,245
<b>Total Net Position</b>	<b>\$ 18,657,238</b>	<b>\$ 22,705,773</b>	<b>\$ 17,967,213</b>	<b>\$ 19,903,686</b>

A portion of The Town's net position represents unrestricted net position of \$7,422,997 which may be used to meet the Town's ongoing obligations to citizens and creditors.

Another significant portion of the Town's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The only long-term debt is the bonds and leases issued for construction of Town utility systems and property acquisition.

An additional \$4,329,709 of the Town's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR emergency reserve, Shelton trust account, and the Streets, Library, Impact Fee and Cemetery Perpetual Care funds.

The following table indicates the changes in net position:

Years Ended December 31	2018		2017	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 909,914	\$ 3,183,850	\$ 777,337	\$ 2,896,961
Operating contributions	1,134,310	--	1,156,103	--
Capital contributions	--	2,518,842	2,056,535	2,749,022
General revenues:				
Property taxes	335,114	--	312,558	--
Sales taxes	1,646,767	--	1,502,434	--
Other	1,113,886	--	935,462	--
Investment earnings	31,625	434	1,353	366
Transfers	61,800	(61,800)	60,000	(60,000)
<b>Total revenues</b>	<b>5,233,416</b>	<b>5,641,326</b>	<b>6,801,782</b>	<b>5,586,349</b>
<b>Expenses:</b>				
General government	490,485	--	593,274	--
Public safety	947,727	--	881,389	--
Cemetery	145,640	--	128,907	--
Parks and recreation	341,452	--	267,128	--
Public buildings	132,644	--	83,627	--
Building inspection	244,986	--	207,887	--
Library	469,599	--	445,103	--
Streets	1,000,585	--	460,318	--
Depreciation	743,522	--	717,616	--
Interest on long-term debt	26,751	--	27,729	--
Water	--	1,629,100	--	1,457,102
Sewer	--	883,936	--	807,193
Sanitation	--	224,300	--	210,577
Irrigation	--	101,903	--	105,965
<b>Total expenses</b>	<b>4,543,391</b>	<b>2,839,239</b>	<b>3,812,978</b>	<b>2,580,837</b>
<b>Increase in net position</b>	<b>\$ 690,025</b>	<b>\$ 2,802,087</b>	<b>\$ 2,988,804</b>	<b>\$ 3,005,512</b>

**Governmental Activities.** Governmental activities increased the Town's net position by \$690,025 in 2018. Key elements of this increase are as follows:

- Total revenues decreased approximately 23% due to capital contributions received from the Aspen Meadows development in 2017.
- Expenses increased approximately 19% from the previous year, from increasing street maintenance costs.

**Business-Type Activities.** Business-type activities (i.e. utility services) increased the Town's net position by \$2,802,087 in 2018. This was primarily due to capital contributions from tap fees and water contributions.



## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

As of December 31, 2018, the total fund balances of the Town's governmental funds were \$6,113,078. Approximately 29% of this consists of unrestricted fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance is restricted to indicate that it is not available for new spending because it is committed for the following purposes: a state-constitution mandated emergency reserve (\$72,851); cemetery perpetual care (\$127,832); Shelton Trust purposes (\$66,066), streets (\$253,048), library (\$2,652,366) and impact fee purposes (\$1,157,548).

The Town has three major governmental funds:

1. **General Fund.** This is the primary operating fund of the Town. It accounts for the Town's core governmental services. The General Fund balance was \$1,922,284 as of December 31, 2018. The 2018 fund balance is \$407,036 more than the previous year.
2. **Library Fund.** The Library Fund accounts for the operation of the Town's library. The fund balance at December 31, 2018 was \$2,652,366.
3. **Impact Fee Fund.** The Impact Fee Fund accounts for monies received for impact fees. The fund balance at December 31, 2018 was \$1,157,548.

The Town has two major enterprise funds, the Water and Sewer Funds:

1. **Water Fund.** The Water Fund accounts for service charges and expenses of operating the Town's water system. The Water Fund net position at December 31, 2018 is \$18.1 million. Net position increased by \$2,654,934 during the year due to increased water use fees, tap fees and contributed water rights.
2. **Sewer Fund.** The Sewer Fund accounts for service charges and expenses of operating the Town's sanitary sewer system. The Sewer Fund net position at December 31, 2018 is \$3.5 million. Net position increased by \$129,400.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

	Final Budget	Actual
Beginning Fund Balance	\$ 1,512,803	\$ 1,512,803
Revenue and transfers in	2,406,896	2,835,350
Expenditures	(2,484,264)	(2,428,314)
Ending Fund Balance	\$ 1,435,435	\$ 1,919,839

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2018 totals approximately \$33.7 million (net of accumulated depreciation). This investment includes all land, water rights, buildings, and equipment and infrastructure. The total net increase in investment in capital assets for the current year was \$919,352 or 3%, due to capital additions including contributed infrastructure and water rights.

Major capital asset events during 2018 included capital contributions of nearly \$2 million in water rights.

The Town implemented the straight-line depreciation method for its capital assets, except for land and water rights which are not depreciated.

Additional information on the Town's capital assets can be found in Note 6 of this report.

**Long-term Debt.** At December 31, 2018, the Town had approximately \$3.4 million of water and sewer loans and bonds payable, funded by service charges. The Town also has capital leases payable of \$649,126 from property acquisition, funded from Impact Fees and use taxes on building materials.

Additional information on the Town's debt can be found in Notes 3 and 4.

## **OTHER MATTERS**

The following factors are expected to have a significant effect on the Town's financial position and results of operations and were taken into account in developing the 2019 budget:

- \* The Town had a water utility rate study in 2014. Rate increases of \$2.46 per month for residential customers were recommended and adopted. Similar increases were recommended for upcoming years.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Eaton finances for all those with an interest in the Town's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Town, 223 First Street, Eaton, Colorado 80615.

# TOWN OF EATON, COLORADO

## STATEMENT OF NET POSITION

December 31, 2018	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Total Cash and Investments	\$ 6,116,077	\$ 5,450,242	\$ 11,566,319
Shelton Trust Account	66,066	-	66,066
Receivables:			
Property taxes	1,305,859	-	1,305,859
Utility accounts	-	233,960	233,960
Inventory of Supplies	6,224	37,849	44,073
Capital Assets:			
Land and water rights	2,972,003	10,694,652	13,666,655
Depreciable	10,221,283	9,763,584	19,984,867
<b>Total Assets</b>	<b>20,687,512</b>	<b>26,180,287</b>	<b>46,867,799</b>
<u>LIABILITIES</u>			
Accounts Payable	75,289	82,423	157,712
Long-Term Debt:			
Due within one year	174,436	411,452	585,888
Due in more than one year	474,690	2,980,639	3,455,329
<b>Total Liabilities</b>	<b>724,415</b>	<b>3,474,514</b>	<b>4,198,929</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Property Taxes	1,305,859	-	1,305,859
<u>NET POSITION</u>			
Net Investment in Capital Assets	12,544,160	17,066,145	29,610,305
Restricted for:			
TABOR emergencies	72,849	-	72,849
Shelton Trust	66,066	-	66,066
Library	2,652,366	-	2,652,366
Streets/impact fees	1,410,596	-	1,410,596
Cemetery perpetual care	127,832	-	127,832
Unrestricted	1,783,369	5,639,628	7,422,997
<b>TOTAL NET POSITION</b>	<b>\$ 18,657,238</b>	<b>\$ 22,705,773</b>	<b>\$ 41,363,011</b>

See Accompanying Notes to Financial Statements.

# TOWN OF EATON, COLORADO

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2018	Expenses	Charges for Services
Functions/Programs:		
Governmental Activities:		
General government	\$ 490,485	\$ 2,617
Public safety	947,727	496,992
Cemetery	145,640	82,766
Parks and recreation	341,452	-
Public buildings	132,644	-
Building inspection	244,986	323,636
Library	469,599	3,903
Streets	1,000,585	-
Unallocated depreciation	743,522	-
Interest on long-term debt	26,751	-
Total Governmental Activities	4,543,391	909,914
Business-Type Activities:		
Water	1,629,100	2,053,590
Sewer	883,936	765,704
Sanitation	224,300	256,078
Irrigation	101,903	108,478
Total Business-Type Activities	2,839,239	3,183,850
TOTAL	\$ 7,382,630	\$4,093,764

### General Revenue:

Property taxes  
 Sales taxes  
 Franchise and other taxes  
 Use taxes - building materials  
 Impact fees  
 Road and bridge taxes  
 Investment earnings  
 Transfers

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Total General Revenue

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Change in Net Position

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Net Position - Beginning

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NET POSITION - Ending

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See Accompanying Notes to Financial Statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Contributions	Governmental Activities	Business- Type Activities	Total
\$ 53,286	\$ -	\$ (434,582)	\$ -	\$ (434,582)
-	-	(450,735)	-	(450,735)
-	-	(62,874)	-	(62,874)
25,840	-	(315,612)	-	(315,612)
-	-	(132,644)	-	(132,644)
-	-	78,650	-	78,650
843,716	-	378,020	-	378,020
211,468	-	(789,117)	-	(789,117)
-	-	(743,522)	-	(743,522)
-	-	(26,751)	-	(26,751)
1,134,310	-	(2,499,167)	-	(2,499,167)
-	2,250,950	-	2,675,440	2,675,440
-	267,892	-	149,660	149,660
-	-	-	31,778	31,778
-	-	-	6,575	6,575
-	2,518,842	-	2,863,453	2,863,453
\$1,134,310	\$ 2,518,842	(2,499,167)	2,863,453	364,286
		335,114	-	335,114
		1,646,767	-	1,646,767
		430,325	-	430,325
		416,994	-	416,994
		149,445	-	149,445
		117,122	-	117,122
		31,625	434	32,059
		61,800	(61,800)	-
		3,189,192	(61,366)	3,127,826
		690,025	2,802,087	3,492,112
		17,967,213	19,903,686	37,870,899
		\$ 18,657,238	\$ 22,705,773	\$ 41,363,011

**TOWN OF EATON, COLORADO  
GOVERNMENTAL FUNDS**

**BALANCE SHEET**

December 31, 2018	General Fund	Library Fund	Impact Fee Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 1,907,738	\$ 2,660,443	\$ 1,157,548	\$ 387,683	\$ 6,113,412
Cash	2,515	150	-	-	2,665
Shelton Trust account	66,066	-	-	-	66,066
Taxes Receivable	356,593	949,266	-	-	1,305,859
Inventory of Supplies	-	-	-	6,224	6,224
<b>Total Assets</b>	<b>\$ 2,332,912</b>	<b>\$ 3,609,859</b>	<b>\$ 1,157,548</b>	<b>\$ 393,907</b>	<b>\$ 7,494,226</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 54,035	\$ 8,227	-	\$ 13,027	\$ 75,289
<b>Total Liabilities</b>	<b>54,035</b>	<b>8,227</b>	<b>-</b>	<b>13,027</b>	<b>75,289</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Property Taxes	356,593	949,266	-	-	1,305,859
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	127,832	127,832
Restricted for:					
TABOR emergencies	72,849	-	-	-	72,849
Shelton Trust	66,066	-	-	-	66,066
Library/Streets/Impact	-	2,652,366	1,157,548	253,048	4,062,962
Unassigned	1,783,369	-	-	-	1,783,369
<b>Total Fund Balances</b>	<b>1,922,284</b>	<b>2,652,366</b>	<b>1,157,548</b>	<b>380,880</b>	<b>6,113,078</b>
<b>TOTAL LIABILITIES, DEFERRALS AND FUND BALANCES</b>	<b>\$ 2,332,912</b>	<b>\$ 3,609,859</b>	<b>\$ 1,157,548</b>	<b>\$ 393,907</b>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and are not reported in the funds					13,193,286
Long-term leases are not due and payable in the current period and therefore are not reported in the funds					(649,126)
<b>Net Position of Governmental Activities</b>					<b>\$ 18,657,238</b>

See Accompanying Notes to Financial Statements.

**TOWN OF EATON, COLORADO  
GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

Year Ended December 31, 2018	General Fund	Library Fund	Impact Fee Fund	Other Governmental Funds	Total Governmental Funds
Revenue:					
Taxes	\$ 1,715,603	\$ 843,716	\$ 416,994	\$ 459,552	\$ 3,435,865
Intergovernmental	71,110	-	-	520,722	591,832
Fines and forfeitures	496,992	3,903	-	-	500,895
Impact fees	-	-	149,445	-	149,445
Service charges	405,285	-	-	3,734	409,019
Miscellaneous	84,426	-	-	134	84,560
<b>Total Revenue</b>	<b>2,773,416</b>	<b>847,619</b>	<b>566,439</b>	<b>984,142</b>	<b>5,171,616</b>
Expenditures:					
General government	2,257,747	-	251,306	-	2,509,053
Debt service	10,375	-	121,971	-	132,346
Library	-	469,599	-	-	469,599
Streets	-	-	-	350,404	350,404
Capital outlay	160,192	-	-	711,510	871,702
<b>Total Expenditures</b>	<b>2,428,314</b>	<b>469,599</b>	<b>373,277</b>	<b>1,061,914</b>	<b>4,333,104</b>
Revenue Over (Under) Expenditures	345,102	378,020	193,162	(77,772)	838,512
Other Financing Sources (Uses):					
Operating transfers in (out)	61,934	-	-	(134)	61,800
<b>Net Change in Fund Balances</b>	<b>407,036</b>	<b>378,020</b>	<b>193,162</b>	<b>(77,906)</b>	<b>900,312</b>
Fund Balance, January 1	1,515,248	2,274,346	964,386	458,786	5,212,766
<b>Fund Balance, December 31</b>	<b>\$ 1,922,284</b>	<b>\$ 2,652,366</b>	<b>\$ 1,157,548</b>	<b>\$ 380,880</b>	<b>\$ 6,113,078</b>

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

Net change in fund balances - total governmental funds \$ 900,312

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 depreciation exceeded capital additions in the year. (377,211)

The issuance of long-term debt and obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences. 166,924

**Change in Net Position of Governmental Activities \$ 690,025**

**TOWN OF EATON, COLORADO**  
**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

**STATEMENT OF NET POSITION**

December 31, 2018	Water Fund	Sewer Fund	Other Enterprise Funds	Total
<b>ASSETS</b>				
Current Assets:				
Pooled Cash and Investments	\$ 3,756,743	\$ 1,385,695	\$ 307,804	\$ 5,450,242
Accounts receivable	150,151	65,504	18,305	233,960
Inventory of supplies	37,849	-	-	37,849
<b>Total Current Assets</b>	<b>3,944,743</b>	<b>1,451,199</b>	<b>326,109</b>	<b>5,722,051</b>
Capital Assets:				
Land	80,329	44,211	-	124,540
Water rights	10,570,112	-	-	10,570,112
Buildings and plant	101,043	5,479,485	-	5,580,528
Distribution/collection system	7,770,325	3,902,640	1,141,029	12,813,994
Equipment	249,389	148,204	25,731	423,324
Vehicles	-	260,445	16,378	276,823
	18,771,198	9,834,985	1,183,138	29,789,321
Accumulated depreciation	(3,722,523)	(5,269,156)	(339,406)	(9,331,085)
<b>Total Capital Assets</b>	<b>15,048,675</b>	<b>4,565,829</b>	<b>843,732</b>	<b>20,458,236</b>
<b>Total Assets</b>	<b>18,993,418</b>	<b>6,017,028</b>	<b>1,169,841</b>	<b>26,180,287</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	53,408	11,648	17,367	82,423
Current portion of long-term liabilities	165,864	245,588	-	411,452
<b>Total Current Liabilities</b>	<b>219,272</b>	<b>257,236</b>	<b>17,367</b>	<b>493,875</b>
Long-Term Liabilities:				
Long-term loans	676,692	2,232,118	-	2,908,810
Loan premium	-	71,829	-	71,829
<b>Total Long-Term Liabilities</b>	<b>676,692</b>	<b>2,303,947</b>	<b>-</b>	<b>2,980,639</b>
<b>Total Liabilities</b>	<b>895,964</b>	<b>2,561,183</b>	<b>17,367</b>	<b>3,474,514</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	14,206,119	2,016,294	843,732	17,066,145
Unrestricted	3,891,335	1,439,551	308,742	5,639,628
<b>TOTAL NET POSITION</b>	<b>\$ 18,097,454</b>	<b>\$ 3,455,845</b>	<b>\$ 1,152,474</b>	<b>\$ 22,705,773</b>

See Accompanying Notes to Financial Statements.



**TOWN OF EATON, COLORADO**  
**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

**STATEMENT OF REVENUE, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**

Year Ended December 31, 2018	Water Fund	Sewer Fund	Other Enterprise Funds	Total
Operating Revenue - charges for services	\$ 2,052,296	\$ 765,704	\$ 364,556	\$ 3,182,556
Operating Expenses:				
Personnel	74,125	123,022	-	197,147
Supplies	6,407	34,861	2,068	43,336
Contractual services	71,894	37,978	232,507	342,379
Utilities	15,090	80,151	24,098	119,339
Repairs and maintenance	176,159	106,236	27,096	309,491
Insurance	17,092	35,490	1,458	54,040
Water purchases and assessments	788,588	-	-	788,588
NISP expenses	260,000	-	-	260,000
Other	6,107	4,630	2,658	13,395
Depreciation	190,453	393,816	36,318	620,587
Total Operating Expenses	1,605,915	816,184	326,203	2,748,302
Operating Income (Loss)	446,381	(50,480)	38,353	434,254
Nonoperating Revenue (Expenses):				
Investment earnings	94	340	-	434
Interest expense	(23,185)	(75,732)	-	(98,917)
Loan premium costs	-	7,980	-	7,980
Miscellaneous	1,294	-	-	1,294
Net Nonoperating Expense	(21,797)	(67,412)	-	(89,209)
Income (Loss) Before Contributions and Operating Transfers	424,584	(117,892)	38,353	345,045
Capital Contributions and Tap Fees	2,250,950	267,892	-	2,518,842
Operating Transfers Out - General Fund	(20,600)	(20,600)	(20,600)	(61,800)
Change in Net Position	2,654,934	129,400	17,753	2,802,087
Fund Net Position, January 1	15,442,520	3,326,445	1,134,721	19,903,686
Fund Net Position, December 31	\$ 18,097,454	\$ 3,455,845	\$ 1,152,474	\$ 22,705,773

See Accompanying Notes to Financial Statements.

**TOWN OF EATON, COLORADO**  
**ENTERPRISE FUNDS**

**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2018	Water Fund	Sewer Fund	Other Enterprise Funds	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 2,003,232	\$ 793,270	\$ 387,877	\$ 3,184,379
Cash payments:				
To suppliers for goods and services	(1,331,599)	(302,344)	(288,369)	(1,922,312)
To employees for services	(74,125)	(123,022)	-	(197,147)
Net Cash Provided by Operating Activities	597,508	367,904	99,508	1,064,920
Cash Flows from Noncapital Financing Activities:				
Operating Transfer Out - General Fund	(20,600)	(20,600)	(20,600)	(61,800)
Cash Flows from Capital and Related Financing Activities:				
Acquisition of equipment and plant	(171,993)	(78,156)	(5,000)	(255,149)
Debt principal reduction	(163,032)	(240,130)	-	(403,162)
Interest paid on debt	(23,185)	(75,732)	-	(98,917)
Service tap fees	588,950	267,892	-	856,842
Other	1,294	-	-	1,294
Net Cash Provided (Used) by Capital and Related Financing Activities	232,034	(126,126)	(5,000)	100,908
Cash Flows from Investing Activities:				
Interest	94	340	-	434
Net Cash Provided by Investing Activities	94	340	-	434
Net Increase (Decrease) in Cash	809,036	221,518	73,908	1,104,462
Cash and Cash Equivalents, January 1	2,947,707	1,164,177	233,896	4,345,780
Cash and Cash Equivalents, December 31	\$ 3,756,743	\$ 1,385,695	\$ 307,804	\$ 5,450,242
Reconciliation of Operating Income to Net Cash From Operating Activities:				
Operating income (loss)	\$ 446,381	\$ (50,480)	\$ 38,353	\$ 434,254
Depreciation	190,453	393,816	36,318	620,587
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(49,064)	27,566	23,321	1,823
Inventories	2,168	-	-	2,168
Increase (decrease) in:				
Accounts payable	7,570	(2,998)	1,516	6,088
Net Cash Provided by Operating Activities	\$ 597,508	\$ 367,904	\$ 99,508	\$ 1,064,920
Disclosure of Noncash Investing Activities:				
Contributed infrastructure and water rights	\$ 1,662,000	\$ -	\$ -	\$ 1,662,000

See Accompanying Notes to Financial Statements.

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Town of Eaton, Colorado conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Town's financial statements.

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#### Reporting Entity:

The financial report of the Town includes all of the integral parts of the Town's operations. The Town has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

The Mayor appoints members of the Eaton Housing Authority. Otherwise, the Town has no role in the designation of management and no ability to influence operations. The Town does not have financial accountability for the Eaton Housing Authority, as the Authority is fiscally independent.

Proceeds from the seizure of contraband, if any, are included in the reporting entity.

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#### Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the town. 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 revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

Government-wide and Fund Financial Statements – Continued:

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 general government, except those required to be accounted for in another fund.

The *Library Fund* accounts for taxes received from the High Plains Library District and other revenue restricted for library services.

The *Impact Fee Fund* accounts for impact fees and other revenues restricted for various facilities and expenses.

The Town reports the following major proprietary funds:

The *Sewer Fund* accounts for user charges and expenses for operating, financing, and maintaining the Town's sanitary sewer system.

The *Water Fund* accounts for user charges and the expenses for operating, financing, and maintaining the Town's water system.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

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

Proprietary funds distinguish *operating* revenues from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer fund, water fund, and the other enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as 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.

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### 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 funds. 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.

Government 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 available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Cigarette taxes, sales taxes, use taxes, taxpayer-assessed taxes, interest revenue, and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, stormwater drainage, traffic signals, 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 Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

Buildings and Improvements	10 – 50 years
Equipment and Vehicles	3 – 10 years
Infrastructure	10 – 30 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 governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restrictions for the Town are recorded up to the maximum equity available in the fund balance and consist of:

#### Restricted for Shelton Trust Fund:

These restrictions are established for amounts set aside for the purposes established by the Shelton Trust fund. Recorded restrictions at December 31, 2018 are \$66,066.

#### Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR restrictions at December 31, 2018 are \$72,851.

Assigned fund balances, if any, are amounts the Town intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

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#### Property Taxes:

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The Town uses the Weld County Treasurer to bill and collect its property taxes. Taxes levied in December 2018 are recorded as taxes receivable and deferred revenue as of December 31, 2018. The original January 1, 2018 levy for the General Fund of the Town was 5.44 mills or approximately \$335,000.

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#### Budget:

An annual budget and appropriation ordinance is adopted by the Town Board in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States for all funds, except for modifications in the enterprise funds which are discussed below. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Town Administrator is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Town Board through a supplemental appropriation ordinance.

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Budget - Continued:

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (GAAP), except for the enterprise funds:

- a. Depreciation and amortization expense is not budgeted in the enterprise funds.
- b. Principal reduction of bonds is budgeted as expenses.
- c. Property and equipment purchases are budgeted as expenses.

Budgetary comparisons presented in the enterprise funds are on this non-GAAP budget basis.

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#### Inventories:

Inventories of governmental funds, which consist of expendable materials held for consumption, are stated at cost, determined by the first-in, first-out (FIFO) method. These funds follow the consumption method of accounting whereby expenditures are recorded at the time the inventory items are used.

Inventories of proprietary funds are recorded at the lower of cost or market. Cost is determined by the FIFO method.

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#### Transfers In/Out:

Transfers to the General Fund were made from the Water, Sewer, and Sanitation Funds to reimburse the General Fund for various office expenses. The interest earned in the Cemetery Perpetual Care Fund is transferred to the General Fund to offset cemetery expenses.

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#### Pooled Cash:

Most cash resources of the Town are combined and deposited in an interest bearing bank account. Interest income earned on the pooled account is allocated to the General Fund. If a fund's share of the pooled cash is a deficit, a Due to Other Funds account is established.

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# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1 - Summary of Significant Accounting Policies - Continued:**

#### Employee Vacation and Sick Leave:

All full-time Town employees accumulate sick leave for subsequent use. These accumulations do not vest and therefore are not recognized as expenditures by the Town until used.

Employees also receive noncumulative vacation leave. No accrual of liability is made as vacation leave is generally taken and the amount outstanding at year end is immaterial.

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#### Statement of Cash Flows:

For purposes of the statement of cash flows, the Town considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

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#### Shelton Trust Account:

The Town is the beneficiary of 35% of the Juanita Shelton Trust. The Town received 35% of 1/2 of the trust principal in 2018, as well as 35% of accumulated income, totaling \$15,685. In 2019, the Town will receive 35% of 1/2 of the remaining principal. The proceeds are limited to the Town's library, museum, and senior citizens programs.

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### **NOTE 2 – Cash and Investments:**

The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

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

At December 31, 2018, the Town had \$2,089,810 invested in the Colorado Liquid Asset Trust (COLOTRUST), an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00 per share. 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. The Town's investment is measured at NAV.

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 – Cash and Investments – Continued:

Investments held as of December 31, 2018 are as follows:

	Cost	Fair Value
U.S. Government Sponsored Agency Bonds, primarily FFCB and FHLB, maturing in 2019 through 2020, rated AA+ by Standard & Poor's	\$ 744,651	\$ 749,819
<b>Total</b>	<b>\$ 744,651</b>	<b>\$ 749,819</b>

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

Description	Fair Value Measurements at Reporting Date Using		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)
<u>December 31, 2018</u>			
U.S. Government Sponsored Agency Bonds	--	\$ 749,819	--

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - Water and Sewer Debt:

December 31	2018
\$5,000,000, Series 2005, loan from Colorado Water Resource and Power Development Authority, due in varying monthly installments through 2027, average interest rate at 3.38%. (This debt will be serviced by the Sewer Fund, an Enterprise Fund.)	\$ 2,477,706
Series 2005, CWRPDA loan premium	71,829
\$1,578,625, Series 2014, Water Revenue Refunding bonds, due in varying monthly installments through 2023, average interest at 2.49%. (This debt will be serviced by the Water Fund, an Enterprise Fund.)	842,556
<b>Total Water and Sewer Debt</b>	<b>\$3,392,091</b>

The annual requirements to amortize these loans as of December 31, 2018 are as follows:

Year Ending December 31	Principal	Interest	Total
2019	\$ 245,588	\$ 98,226	\$ 343,814
2020	251,045	93,385	344,430
2021	256,503	86,711	343,214
2022	261,960	79,892	341,852
2023	267,419	74,128	341,547
2024-2027	1,195,191	184,812	1,380,003
	<b>\$ 2,477,706</b>	<b>\$ 617,154</b>	<b>\$ 3,094,860</b>

Year Ending December 31	Principal	Interest	Total
2019	\$ 165,864	\$ 20,418	\$ 186,282
2020	169,236	17,045	186,281
2021	175,670	10,612	186,282
2022	178,308	7,973	186,281
2023	153,478	1,757	155,235
	<b>\$ 842,556</b>	<b>\$ 57,805</b>	<b>\$ 900,361</b>

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 - Water and Sewer Debt – Continued:

Changes in Enterprise Fund long-term debt during the year were as follows:

	Balance, 1/1/18	Additions	Retirements	Balance, 12/31/18	Due Within One Year
Water Refunding Bonds	\$ 1,005,587	--	\$ 163,031	\$ 842,556	\$ 165,864
CWRPDA Loan – Sewer	2,717,836	--	240,130	2,477,706	245,588
Series 2005 Loan Premium	79,809	--	7,980	71,829	--
	<u>\$ 3,803,232</u>	<u>\$ --</u>	<u>\$ 411,141</u>	<u>\$ 3,392,091</u>	<u>\$ 411,452</u>

The Town has pledged future customer revenues, net of operating expenses, to repay the water and sewer loans above. Proceeds from the loans provided financing for various improvements. The loans are payable solely from water and sewer net revenues and are payable through 2023 and 2027. Annual principal and interest payments on the bonds are expected to require approximately 10% of water revenues and 50% of sewer revenues. The total principal and interest remaining to be paid on the bonds is on page 25. Principal and interest paid for the current year and total customer revenues were \$186,222 and \$2,052,296, respectively for water, and \$315,862 and \$765,704, respectively for sewer.

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### NOTE 4 – Governmental Long-Term Debt:

The Town has entered into five capital leases for several lots to be developed as a town square. Annual payments of \$106,397 are required until 2025 including interest at 3.25%. The land secures the capital lease and is carried at \$1,847,560 at December 31, 2018. Lease payments will be made by the Impact Fee Fund.

The Town has also entered into an installment purchase agreement for financing the purchase of a building to be used as a museum. This agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. Lease payments are made by the General Fund.

The agreement, dated September 17, 2003, requires annual payments of \$10,375, including 2% interest, until 2032. The lessor has a first lien security interest in the building until the payments are completed. The carrying value of improvements under lease is \$125,328 at December 31, 2018.

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 – Governmental Long-Term Debt – Continued:

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2018.

Year Ending December 31	Amount
2019	\$ 174,436
2020	101,340
2021	101,340
2022	101,340
2023	101,340
2024-2028	96,123
2029-2033	32,952
Total minimum lease payments	708,871
Less: Amount representing interest	(59,745)
Present value of future minimum lease payments	\$ 649,126

Changes in long-term debt during the year were as follows:

	Balance, 1/1/18	Additions	Retirements	Balance, 12/31/18	Due Within One Year
Land Leases	\$ 576,988	\$ --	\$ 104,486	\$ 472,502	\$ 105,176
Museum Lease	126,962	--	7,836	119,126	10,375
Sweeper Lease	109,655	--	52,157	57,498	58,885
	\$ 813,605	\$ --	\$ 164,479	\$ 649,126	\$ 174,436

### NOTE 5 - Defined Contribution Plan:

The Town provides pension benefits through a defined contribution plan for all of its employees who have elected to participate. The plan is administered by Northwestern Mutual Life and can be amended only by the governing body. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate in the plan after 1,000 hours of service.

In order to participate in the plan, employees must contribute a minimum of five percent of compensation with the Town making an equal five percent contribution on their behalf. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested after seven years continuous service. Town contributions (including interest) forfeited by employees who leave employment before seven years of service are used to reduce the Town's current-period contribution requirement.

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 - Defined Contribution Plan – Continued:

Employees contributed \$56,370 and the Town and made the required 5% contribution for participating employees, amounting to \$54,491, or \$110,861 in total. Forfeitures were not material to the financial statements.

### NOTE 6 – Capital Assets:

Business-Type Activities	Balance, 1/1/18	Additions	Deletions	Balance, 12/31/18
Not Depreciable:				
Land and improvements	\$ 86,384	\$ 38,156	\$ --	\$ 124,540
Water rights	8,908,112	1,662,000	--	10,570,112
Construction-in-progress	422,344	--	422,344	--
Depreciable:				
Buildings and plant	5,487,298	85,000	--	5,572,298
Distribution/collection system	12,320,250	506,973	--	12,827,223
Equipment	370,960	47,365	--	418,325
Vehicles	276,823	--	--	276,823
<b>Total Cost</b>	<b>277,872,171</b>	<b>2,339,494</b>	<b>422,344</b>	<b>29,789,321</b>
Less Accumulated Depreciation:				
Buildings and plant	2,737,724	294,630	--	3,032,354
Distribution/collection system	5,378,452	307,945	--	5,686,397
Equipment	375,885	6,270	--	382,155
Vehicles	218,437	11,742	--	230,179
<b>Total Accumulated Depreciation</b>	<b>8,710,498</b>	<b>620,587</b>	<b>--</b>	<b>9,331,085</b>
<b>Capital Assets, Net</b>	<b>\$ 19,161,673</b>	<b>\$ 1,718,907</b>	<b>\$ 422,344</b>	<b>\$ 20,458,236</b>
<hr/>				
Governmental Activities	Balance, 1/1/18	Additions	Deletions	Balance, 12/31/18
Not Depreciable:				
Land	\$ 2,972,003	\$ --	\$ --	\$ 2,972,003
Construction in-progress	520,543	--	520,543	--
Depreciable:				
Buildings and improvements	1,562,916	272,603	--	1,835,519
Library	2,796,747	--	--	2,796,747
Streets and improvements	9,705,189	520,543	--	10,225,732
Park and cemetery improvements	2,202,338	81,949	--	2,284,287
Museum	288,246	--	--	288,246
Equipment	773,253	11,759	5,200	779,812
Vehicles	738,057	--	--	738,057
<b>Total Cost</b>	<b>\$ 21,559,292</b>	<b>\$ 886,854</b>	<b>\$525,743</b>	<b>\$ 21,920,403</b>

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6 – Capital Assets – Continued:

Governmental Activities – Continued	Balance, 1/1/18	Additions	Deletions	Balance, 12/31/18
Less Accumulated Depreciation:				
Buildings and improvements	\$ 942,276	\$ 132,239	\$ --	\$ 1,074,515
Library	675,997	16,338	--	692,335
Streets and improvements	4,479,202	366,468	--	4,845,670
Park and cemetery improvements	854,609	67,534	--	922,143
Museum	65,533	31,909	--	97,442
Equipment	593,899	66,871	5,200	655,570
Vehicles	377,279	62,163	--	439,442
Total Accumulated Depreciation	7,988,795	743,522	5,200	8,727,117
Capital Assets, Net	\$13,570,497	\$ 143,332	\$520,543	\$13,193,286

Depreciation expense is allocated as follows:

Governmental activities	\$ 360,716
Streets	366,468
Library	16,338
	\$ 743,522

### NOTE 7 - Colorado Intergovernmental Risk Sharing Agency (CIRSA):

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution. In February, 1986, the Town Board authorized participation in the agency. The Town has participated each year since then.

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

The Town recognizes an expenditure for the amount paid to CIRSA annually for these coverages. The Town paid \$118,142 to CIRSA in 2018, including \$49,682 for workers compensation coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

# TOWN OF EATON, COLORADO

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 8 - Weld 911 Emergency Telephone Service Authority:**

The Town is a member of the Weld 911 Emergency Telephone Service Authority, a separate legal entity established by Weld County, member municipalities, and special districts for the purpose of providing 911 emergency telephone service.

Authority Board members are selected by the Weld county commissioners and by the larger municipalities in Weld County. The Town does not have the ability to significantly affect the operations of the Authority.

The Town has no obligation to the Authority beyond the service charges paid by Town residents to their telephone service supplier. In the event of the Authority disbanding without a successor, the net position, if any, shall be returned to the participants. The Town of Eaton's share of the net position is estimated to be less than 5%.

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### **NOTE 9 - Contingencies:**

In 1992, Colorado voters approved "Amendment One", or the Taxpayer's Bill of Rights (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, gifts, federal funds, reserve expenditures, damage awards, or property sales.

In November 1994, the electors of the Town of Eaton voted to supersede TABOR and to collect, retain, and expend the full proceeds of all taxes, fees, and other revenue without increasing or adding taxes of any kind.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the applicable requirements of the Amendment. Included in the accompanying financial statements are emergency reserves required by TABOR, of at least 3% of fiscal year spending, recorded in the General Fund.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF EATON, COLORADO  
GENERAL FUND**

**Schedule of Revenue Compared with Estimate**

Year Ended December 31, 2018	Actual	Estimate	Variance
Taxes:			
General property	\$ 335,114	\$ 335,301	\$ (187)
Franchise - utility companies	192,923	180,000	12,923
Sales	1,187,215	1,100,000	87,215
Penalties and interest	351	400	(49)
<b>Total Taxes</b>	<b>1,715,603</b>	<b>1,615,701</b>	<b>99,902</b>
Licenses and Permits:			
Building permits	323,636	212,000	111,636
Liquor licenses	742	875	(133)
Dog licenses	575	420	155
Business licenses	1,300	1,250	50
<b>Total Licenses and Permits</b>	<b>326,253</b>	<b>214,545</b>	<b>111,708</b>
Intergovernmental:			
Cigarette tax	5,270	5,600	(330)
Lottery proceeds	25,840	46,350	(20,510)
Mineral and severance taxes	40,000	40,000	-
<b>Total Intergovernmental</b>	<b>71,110</b>	<b>91,950</b>	<b>(20,840)</b>
Charges for Services:			
Grave openings	28,950	21,000	7,950
Sale of cemetery plots	50,082	25,000	25,082
<b>Total Charges for Services</b>	<b>79,032</b>	<b>46,000</b>	<b>33,032</b>
Fines and Forfeitures:			
Fines - traffic	496,992	330,000	166,992
<b>Total Fines and Forfeitures</b>	<b>496,992</b>	<b>330,000</b>	<b>166,992</b>
Miscellaneous:			
Interest	31,140	900	30,240
Contributions and grants	26,005	22,000	4,005
Other, primarily oil and gas lease	27,281	24,000	3,281
<b>Total Miscellaneous</b>	<b>84,426</b>	<b>46,900</b>	<b>37,526</b>
<b>Total Revenue</b>	<b>\$ 2,773,416</b>	<b>\$ 2,345,096</b>	<b>\$ 428,320</b>

**TOWN OF EATON, COLORADO  
GENERAL FUND**

**Schedule of Expenditures Compared with Budget**

Year Ended December 31, 2018	Actual	Original Budget	Final Budget	Variance From Final Budget
Administration:				
Current operating:				
Mayor and Board of Trustees	\$ 13,800	\$ 13,800	\$ 13,800	\$ -
Administrator	100,800	100,800	100,800	-
Assistant administrator	55,008	60,000	60,000	4,992
Town clerk	69,842	71,000	71,000	1,158
Administrative assistant	53,703	55,000	55,000	1,297
Municipal judge	11,290	15,000	15,000	3,710
Court clerk	6,551	6,660	6,660	109
Employee benefits	64,270	87,000	87,000	22,730
Elections	-	5,000	5,000	5,000
Office supplies	12,842	14,000	14,000	1,158
Telephone	6,428	6,200	6,200	(228)
Office expenses	5,925	3,250	3,250	(2,675)
Staff training and education	6,308	4,300	4,300	(2,008)
Dues	1,973	2,055	2,055	82
Publications	3,276	5,250	5,250	1,974
Insurance	60,326	56,860	56,860	(3,466)
Professional services	38,098	37,500	37,500	(598)
Legal fees	52,178	46,000	46,000	(6,178)
Building inspections	244,986	165,000	245,000	14
Office equipment	1,410	2,500	2,500	1,090
Capital outlay	-	-	-	-
Total Administration	809,014	757,175	837,175	28,161
Public Safety:				
Current operating:				
Police chief and officers	585,564	583,329	583,329	(2,235)
Administrative assistant	70,986	69,528	69,528	(1,458)
Employee benefits	157,632	169,750	169,750	12,118
Office supplies	6,723	8,500	8,500	1,777
Operating supplies	55,277	59,462	59,462	4,185
Communications	50,470	48,500	48,500	(1,970)
Automotive services	16,348	14,000	14,000	(2,348)
Jail services	429	1,500	1,500	1,071
Training and education	3,093	6,600	6,600	3,507
Animal shelter	1,206	2,500	2,500	1,294
Office equipment	5,417	2,000	2,000	(3,417)
Capital outlay	4,931	10,000	10,000	5,069
Total Public Safety	958,076	975,669	975,669	17,593

Continued on next page.

**TOWN OF EATON, COLORADO  
GENERAL FUND**

**Schedule of Expenditures Compared with Budget - Continued**

Year Ended December 31, 2018	Actual	Original Budget	Final Budget	Variance From Final Budget
Cemetery:				
Current operating:				
Maintenance labor	84,159	74,200	\$ 74,200	\$ (9,959)
Employee benefits	19,846	19,000	19,000	(846)
Operating supplies	20,610	18,500	18,500	(2,110)
Utilities	8,275	7,900	7,900	(375)
Repairs and maintenance	4,440	7,000	7,000	2,560
Forestry and nursery	8,310	3,500	3,500	(4,810)
Capital outlay	-	32,500	32,500	32,500
Total Cemetery	145,640	162,600	162,600	16,960
Parks and Recreation:				
Current operating:				
Maintenance labor	124,294	126,900	126,900	2,606
Employee benefits	29,877	32,200	32,200	2,323
Operating supplies	107,270	92,250	92,250	(15,020)
Utilities	14,587	16,000	16,000	1,413
Forestry and nursery	15,424	4,000	4,000	(11,424)
Capital outlay	131,949	150,500	150,500	18,551
Total Parks and Recreation	423,401	421,850	421,850	(1,551)
Public Buildings:				
Current operating:				
Custodial salary	9,195	6,000	6,000	(3,195)
Operating supplies	9,630	9,250	9,250	(380)
Utilities	16,933	22,000	22,000	5,067
Repairs and maintenance	12,381	12,000	12,000	(381)
Building improvements	23,312	2,000	2,000	(21,312)
Debt service - lease	10,375	10,375	10,375	-
Total Public Buildings	81,826	61,625	61,625	(20,201)
Miscellaneous:				
Treasurer's fees	3,355	3,345	3,345	(10)
Other	1,208	6,000	6,000	4,792
Economic development	5,794	11,000	11,000	5,206
Shelton Trust Fund grants	-	5,000	5,000	5,000
Total Miscellaneous	10,357	25,345	25,345	14,988
Total Expenditures	\$ 2,428,314	\$2,404,264	\$2,484,264	\$ 55,950

**TOWN OF EATON, COLORADO  
GENERAL FUND**

**Schedule of Other Financing Sources Compared with Estimate**

<u>Year Ended December 31, 2018</u>	<u>Actual</u>	<u>Estimate</u>	<u>Variance</u>
Operating Transfers In:			
Water Fund	\$20,600	\$ 20,600	\$ -
Sewer Fund	20,600	20,600	-
Sanitation Fund	20,600	20,600	-
Cemetery Perpetual Care Fund	134	-	134
<u>Total Other Financing Sources</u>	<u>\$61,934</u>	<u>\$ 61,800</u>	<u>\$ 134</u>

**TOWN OF EATON, COLORADO**  
**SPECIAL REVENUE FUNDS**  
**LIBRARY FUND**

**Schedule of Revenue Compared with Estimate**

Year Ended December 31, 2018	Actual	Estimate	Variance
Property Taxes (High Plains Library District)	\$ 843,716	\$ 843,716	\$ -
Library Fines	3,903	4,000	(97)
<b>Total Revenue</b>	<b>\$ 847,619</b>	<b>\$ 847,716</b>	<b>\$ (97)</b>

**Schedule of Expenditures Compared with Budget**

Year Ended December 31, 2018	Actual	Original Budget	Final Budget	Variance from Final Budget
Library:				
Current operating:				
Librarians	\$ 276,948	\$ 290,993	\$ 290,993	\$ 14,045
Employee benefits	54,739	38,015	38,015	(16,724)
Operating supplies	7,488	17,000	17,000	9,512
Mileage reimbursements	907	2,500	2,500	1,593
Workshops and dues	7,550	9,000	9,000	1,450
Insurance	17,705	17,600	17,600	(105)
Contract services	21,174	35,000	35,000	13,826
Utilities	16,613	24,000	24,000	7,387
Repairs and maintenance	9,302	20,000	20,000	10,698
Circulation	32,355	56,000	56,000	23,645
Periodicals	3,133	3,300	3,300	167
Programs	17,739	30,000	30,000	12,261
Reference	-	-	-	-
Miscellaneous	3,946	10,500	10,500	6,554
Capital outlay	-	63,000	63,000	63,000
<b>Total Expenditures - Library</b>	<b>\$ 469,599</b>	<b>\$ 616,908</b>	<b>\$ 616,908</b>	<b>\$ 147,309</b>

**TOWN OF EATON, COLORADO  
SPECIAL REVENUE FUNDS  
IMPACT FEE FUND**

**Schedule of Revenue Compared with Estimate**

Year Ended December 31, 2018	Actual	Estimate	Variance
Use Tax - building materials	\$ 416,994	\$ 220,000	\$ 196,994
Impact Fees:			
Police facilities	17,649	5,895	11,754
Municipal facilities and equipment	62,160	33,300	28,860
Community park and equipment	21,336	11,430	9,906
Neighborhood park facilities and equipment	48,300	25,875	22,425
<b>Total Revenue and Transfers In</b>	<b>\$ 566,439</b>	<b>\$ 296,500</b>	<b>\$ 269,939</b>

**Schedule of Expenditures Compared with Budget**

Year Ended December 31, 2018	Actual	Original and Final Budget	Variance From Final Budget
Expenditures:			
Police facilities and equipment expenses	\$ 89,706	\$ 100,000	\$ 10,294
Municipal and equipment	65,659	75,000	9,341
Neighborhood park expenses	33,205	30,000	(3,205)
Community park expenses	62,736	60,000	(2,736)
Debt Service:			
Lease interest	17,484	17,484	-
Lease principal	104,487	104,487	-
<b>Total Expenditures</b>	<b>\$ 373,277</b>	<b>\$ 386,971</b>	<b>\$ 13,694</b>

**ADDITIONAL INFORMATION**



**TOWN OF EATON, COLORADO  
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET**

December 31, 2018	<u>Special Revenue</u>	<u>Permanent Fund</u>	Total
	Street Fund	Cemetery Perpetual Care Fund	
<u>ASSETS</u>			
Cash	\$ 259,851	\$ 127,832	\$ 387,683
Inventory of Supplies	6,224		\$ 6,224
<b>TOTAL ASSETS</b>	<b>266,075</b>	<b>127,832</b>	<b>393,907</b>
<u>LIABILITIES</u>			
Accounts Payable	13,027	-	13,027
<b>Total Liabilities</b>	<b>13,027</b>	<b>-</b>	<b>13,027</b>
<u>FUND BALANCES</u>			
Nonspendable	-	127,832	127,832
Restricted for Street fee purposes	253,048	-	253,048
<b>Total Fund Balances</b>	<b>253,048</b>	<b>127,832</b>	<b>380,880</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 266,075</b>	<b>\$ 127,832</b>	<b>\$ 393,907</b>

**TOWN OF EATON, COLORADO**  
**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2018	Street Fund	Cemetery Perpetual Care Fund	Total
Operating Revenue:			
Taxes	\$ 459,552	\$ -	\$ 459,552
Intergovernmental	520,722	-	520,722
Lot sales	-	3,734	3,734
Interest		134	134
Total Operating Revenue	980,274	3,868	984,142
Expenditures:			
Streets	350,404	-	350,404
Capital Outlay	711,510	-	711,510
Community park expenses	-	-	-
Debt service	-	-	-
Total Expenditures	1,061,914	-	1,061,914
Revenue Over (Under) Expenditures	(81,640)	3,868	(77,772)
Operating Transfer Out - General Fund	-	(134)	(134)
Net Change in Fund Balances	(81,640)	3,734	(77,906)
Fund Balance, January 1	334,688	124,098	458,786
Fund Balance, December 31	\$ 253,048	\$ 127,832	\$ 380,880

**TOWN OF EATON, COLORADO  
SPECIAL REVENUE FUNDS  
STREET FUND**

**Schedule of Revenue Compared with Estimate**

Year Ended December 31, 2018	Actual	Estimate	Variance
Sales Taxes	\$ 459,552	\$ 425,000	\$ 34,552
B and D Taxes	25,671	28,000	(2,329)
Highway Users Tax	211,468	50,000	161,468
Motor Vehicle Fees	23,014	23,000	14
County Road and Bridge	68,437	80,000	(11,563)
Severance tax and other	192,132	156,000	36,132
<b>Total Revenue</b>	<b>\$ 980,274</b>	<b>\$ 762,000</b>	<b>\$ 218,274</b>

**Schedule of Expenditures Compared with Budget**

Year Ended December 31, 2018	Actual	Original Budget	Final Budget	Variance from Final Budget
Streets:				
Current operating:				
Salaries	\$ 58,399	\$ 57,165	\$ 57,165	\$ (1,234)
Employee benefits	14,650	13,800	13,800	(850)
Operating supplies	17,766	25,000	25,000	7,234
Insurance	5,234	5,200	5,200	(34)
Professional services	29,315	34,600	34,600	5,285
Construction engineering	27,034	10,000	10,000	(17,034)
Snow removal	-	2,500	2,500	2,500
Street lighting	101,884	102,000	102,000	116
Equipment maintenance	16,357	16,000	16,000	(357)
Street signs	13,036	12,000	12,000	(1,036)
Equipment acquisition	66,729	58,885	58,885	(7,844)
Capital outlay, patching, seal coating	711,510	827,500	827,500	115,990
<b>Total Expenditures - Streets</b>	<b>\$1,061,914</b>	<b>\$1,164,650</b>	<b>\$1,164,650</b>	<b>\$ 102,736</b>

**TOWN OF EATON, COLORADO**  
**PERMANENT FUNDS**  
**CEMETARY PERPETUAL CARE FUND**

**Schedule of Revenue Compared with Estimate**

Year Ended December 31, 2018	Actual	Estimate	Variance
Lot Sales	\$ 3,734	\$ -	\$ 3,734
Interest	134	-	134
<b>Total Revenue</b>	<b>\$ 3,868</b>	<b>\$ -</b>	<b>\$ 3,868</b>

**Schedule of Expenditures Compared with Budget**

Year Ended December 31, 2018	Actual	Original and Final Budget	Variance From Final Budget
Expenditures:			
Cemetery	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TOWN OF EATON, COLORADO**  
**NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF NET POSITION**

December 31, 2018	Sanitation Fund	Irrigation Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Equity in pooled cash and investments	\$ 165,363	\$ 142,441	\$ 307,804
Accounts receivable	17,871	434	18,305
<b>Total Current Assets</b>	<b>183,234</b>	<b>142,875</b>	<b>326,109</b>
Property, Plant, and Equipment:			
Distribution/collection system	-	1,141,029	1,141,029
Vehicles	-	16,378	16,378
Equipment	25,731	-	25,731
	25,731	1,157,407	1,183,138
Accumulated depreciation	(20,578)	(318,828)	(339,406)
<b>Total Property, Plant, and Equipment</b>	<b>5,153</b>	<b>838,579</b>	<b>843,732</b>
<b>Total Assets</b>	<b>188,387</b>	<b>981,454</b>	<b>1,169,841</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	16,071	1,296	17,367
<b>Total Current Liabilities</b>	<b>16,071</b>	<b>1,296</b>	<b>17,367</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,153	838,579	843,732
Unrestricted	167,164	141,578	308,742
<b>TOTAL NET POSITION</b>	<b>\$ 172,317</b>	<b>\$ 980,157</b>	<b>\$ 1,152,474</b>

**TOWN OF EATON, COLORADO  
NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION**

Year Ended December 31, 2018	Sanitation Fund	Irrigation Fund	Total Nonmajor Enterprise Funds
Operating Revenue - charges for services	\$ 256,078	\$ 108,478	\$ 364,556
Operating Expenses:			
Supplies	1,252	816	2,068
Contractual services	218,830	13,677	232,507
Utilities	-	24,098	24,098
Repairs and maintenance	-	27,096	27,096
Insurance	405	1,053	1,458
Other	2,658	-	2,658
Depreciation	1,155	35,163	36,318
Total Operating Expenses	224,300	101,903	326,203
Income (Loss) Before Operating Transfers and Contributions	31,778	6,575	38,353
Capital contributions	-	-	-
Operating Transfers Out - General Fund	(20,600)	-	(20,600)
Net Income (Loss)	11,178	6,575	17,753
Net Position, January 1	161,139	973,582	1,134,721
Net Position, December 31	\$ 172,317	\$ 980,157	\$1,152,474

**TOWN OF EATON, COLORADO**  
**NONMAJOR ENTERPRISE FUNDS**

**COMBINED STATEMENT OF CASH FLOWS**

Year Ended December 31, 2018	Sanitation Fund	Irrigation Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 283,458	\$ 104,419	\$ 387,877
Cash payments:			
To suppliers for goods and services	(222,137)	(66,232)	(288,369)
Net Cash Provided by Operating Activities	61,321	38,187	99,508
Cash Flows from Noncapital Financing Activities:			
Operating transfers out - General Fund	(20,600)	-	(20,600)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of equipment	(5,000)	-	(5,000)
Net Increase (Decrease) in Cash	35,721	38,187	73,908
Cash and Cash Equivalents, January 1	129,642	104,254	233,896
Cash and Cash Equivalents, December 31	\$ 165,363	\$ 142,441	\$ 307,804
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 31,778	\$ 6,575	\$ 38,353
Depreciation	1,155	35,163	36,318
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	27,380	(4,059)	23,321
Increase (decrease) in:			
Accounts payable	1,008	508	1,516
Net Cash Provided by Operating Activities	\$ 61,321	\$ 38,187	\$ 99,508
Disclosure of Noncash Investing Activities:			
Contributed Infrastructure	\$ -	\$ -	\$ -

**TOWN OF EATON, COLORADO**  
**ENTERPRISE FUNDS - WATER FUND**

**Schedule of Revenue Compared with Estimate**

Year Ended December 31, 2018	Actual	Estimate	Variance
Operating Revenue:			
Water service fees	\$2,052,296	\$1,920,000	\$ 132,296
Miscellaneous	1,294	200	1,094
Nonoperating Revenue:			
Interest	94	100	(6)
Tap fees	588,950	292,500	296,450
<b>Total Revenue</b>	<b>\$2,642,634</b>	<b>\$2,212,800</b>	<b>\$ 429,834</b>

**Schedule of Expenses and Transfers Compared with Budget**  
**(Non-GAAP Budget Basis)**

Year Ended December 31, 2018	Actual	Budget	Variance
Operating Expenses:			
Personnel:			
Salaries	\$ 57,084	\$ 57,680	\$ 596
Employee benefits	17,041	17,300	259
Supplies	6,407	5,250	(1,157)
Contractual services	71,894	40,000	(31,894)
Utilities	15,090	14,250	(840)
Repairs and maintenance	176,159	180,500	4,341
Insurance	17,092	17,094	2
Water assessments	85,972	89,000	3,028
NISP expenses	260,000	260,000	-
NWCWD purchases	702,616	700,000	(2,616)
Miscellaneous	6,107	3,200	(2,907)
<b>Total Operating Expenses</b>	<b>1,415,462</b>	<b>1,384,274</b>	<b>(31,188)</b>
Nonoperating Expenses:			
Capital outlay	171,993	270,000	98,007
Loan payments	186,217	186,217	-
<b>Total Nonoperating Expenses</b>	<b>358,210</b>	<b>456,217</b>	<b>98,007</b>
Operating Transfers Out - General Fund	20,600	20,600	-
<b>Total Expenses and Transfers</b>	<b>\$1,794,272</b>	<b>\$1,861,091</b>	<b>\$ 66,819</b>



**TOWN OF EATON, COLORADO**  
**ENTERPRISE FUNDS - SEWER FUND**

**Schedule of Revenue Compared with Estimate**

Year Ended December 31, 2018	Actual	Estimate	Variance
Operating Revenue:			
Sewer service charges	\$ 765,704	\$ 735,000	\$ 30,704
Miscellaneous	-	-	-
Nonoperating Revenue:			
Sewer tap fees	267,892	135,000	132,892
Interest revenue	340	275	65
<b>Total Revenue</b>	<b>\$1,033,936</b>	<b>\$870,275</b>	<b>\$ 163,661</b>

**Schedule of Expenses and Transfers Compared with Budget**  
**(Non-GAAP Budget Basis)**

Year Ended December 31, 2018	Actual	Budget	Variance
Operating Expenses:			
Personnel:			
Salaries	\$ 99,975	\$ 83,225	\$ (16,750)
Employee benefits	23,047	25,000	1,953
Supplies	34,861	26,500	(8,361)
Contractual services	37,978	26,500	(11,478)
Utilities	80,151	78,500	(1,651)
Repairs and maintenance	106,236	171,522	65,286
Insurance	35,490	35,440	(50)
Miscellaneous	4,630	4,250	(380)
<b>Total Operating Expenses</b>	<b>422,368</b>	<b>450,937</b>	<b>28,569</b>
Nonoperating Expenses:			
Loan payments	315,863	315,863	-
Capital outlay	-	29,500	29,500
<b>Total Nonoperating Expenses</b>	<b>315,863</b>	<b>345,363</b>	<b>29,500</b>
Operating Transfers Out - General Fund	20,600	20,600	-
<b>Total Expenses and Transfers</b>	<b>\$ 758,831</b>	<b>\$816,900</b>	<b>\$ 58,069</b>

**TOWN OF EATON, COLORADO**  
**ENTERPRISE FUNDS - SANITATION FUND**

**Schedule of Revenue Compared with Estimate**

Year Ended December 31, 2018	Actual	Estimate	Variance
Operating Revenue - Trash collection fees	\$ 256,078	\$ 247,750	\$ 8,328
<b>Total Revenue</b>	<b>\$ 256,078</b>	<b>\$ 247,750</b>	<b>\$ 8,328</b>

**Schedule of Expenses and Transfers Compared with Budget**  
**(Non-GAAP Budget Basis)**

Year Ended December 31, 2018	Actual	Budget	Variance
Operating Expenses:			
Supplies	\$ 1,252	\$ 1,600	\$ 348
Miscellaneous	2,658	3,500	842
Contractual services	218,830	228,000	9,170
Insurance	405	405	-
<b>Total Operating Expenses</b>	<b>223,145</b>	<b>233,505</b>	<b>10,360</b>
Nonoperating Expenses:			
Capital outlay	5,000	15,000	10,000
Operating Transfers Out - General Fund	20,600	20,600	-
<b>Total Expenses and Transfers</b>	<b>\$ 248,745</b>	<b>\$ 269,105</b>	<b>\$ 20,360</b>

**TOWN OF EATON, COLORADO**  
**ENTERPRISE FUNDS - IRRIGATION FUND**

**Schedule of Revenue Compared with Estimate**

Year Ended December 31, 2018	Actual	Estimate	Variance
Operating Revenue - Irrigation	\$ 108,478	\$ 102,000	\$ 6,478
Total Revenue	\$ 108,478	\$ 102,000	\$ 6,478

**Schedule of Expenses Compared with Budget**  
**(Non-GAAP Budget Basis)**

Year Ended December 31, 2018	Actual	Budget	Variance
Operating Expenses:			
Supplies	\$ 816	\$ 800	\$ (16)
Insurance	1,053	1,053	-
Professional services	13,677	15,500	1,823
Utilities	24,098	26,000	1,902
Miscellaneous	-	-	-
Repair and maintenance	27,096	13,250	(13,846)
Total Operating Expenses	66,740	56,603	(10,137)
Nonoperating Expenses:			
Capital outlay	-	110,000	110,000
Total Expenses	\$ 66,740	\$ 166,603	\$ 99,863

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Weld
	YEAR ENDING : December 2018

This Information From The Records Of (example - City of _ or County of Town of Eaton)	Prepared By: Gary Carsten Phone: (970) 454-3338
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**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
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ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	907,637
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	13,036
2. General fund appropriations		b. Snow and ice removal	0
3. Other local imposts (from page 2)	553,660	c. Other	118,241
4. Miscellaneous local receipts (from page 2)	88,132	d. Total (a. through c.)	131,277
5. Transfers from toll facilities		4. General administration & miscellaneous	23,000
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,061,914
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	641,792	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	234,482	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	104,000	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	980,274	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,061,914

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	334,688	980,274	1,061,914	253,048	0

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Other	88,132
1. Sales Taxes	459,552	c. Transfers	
2. Traffic Fines		d. Capital Credits	
3. Specific Ownership Tax	25,671	e. Sale of Assets	
4. Motor Vehicle Registration		f. Fees/Licenses/Permits	
5. From Cities/Counties	68,437	g. Service Performed	
6. Total (1. through 5.)	553,660	h. Refunds of Expenditures	
c. Total (a. + b.)	553,660	i. Total (a. through h.)	88,132
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	211,468	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 Registration	23,014	d. Mineral Leasing	
d. (Specify)		e. Pay Lieu of Tax	
e. (Specify)		f. Other Federal	104,000
f. Total (a. through e.)	23,014	g. Total (a. through f.)	104,000
4. Total (1. + 2. + 3.f)	234,482	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). Capacity Improvements			0
(2). System Preservation			0
(3). Safety And Other			0
(4). Total Construction (1)+(2)+(3)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0	0	0
			(Carry forward to page 1)

Notes and Comments: