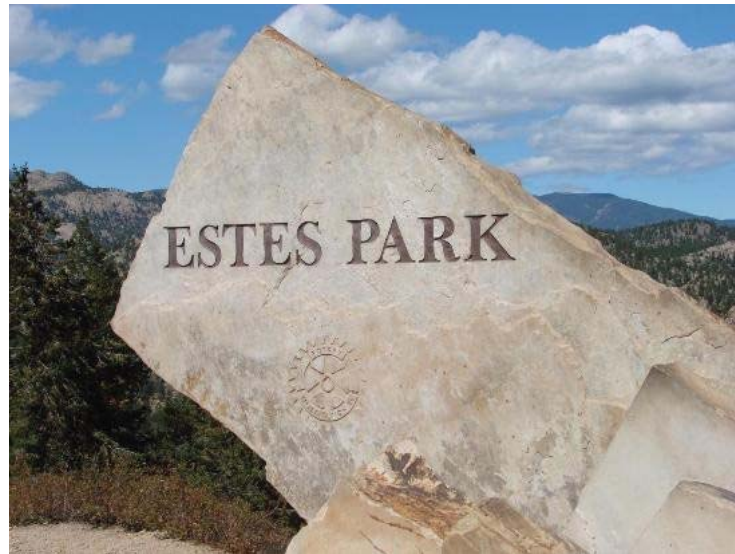
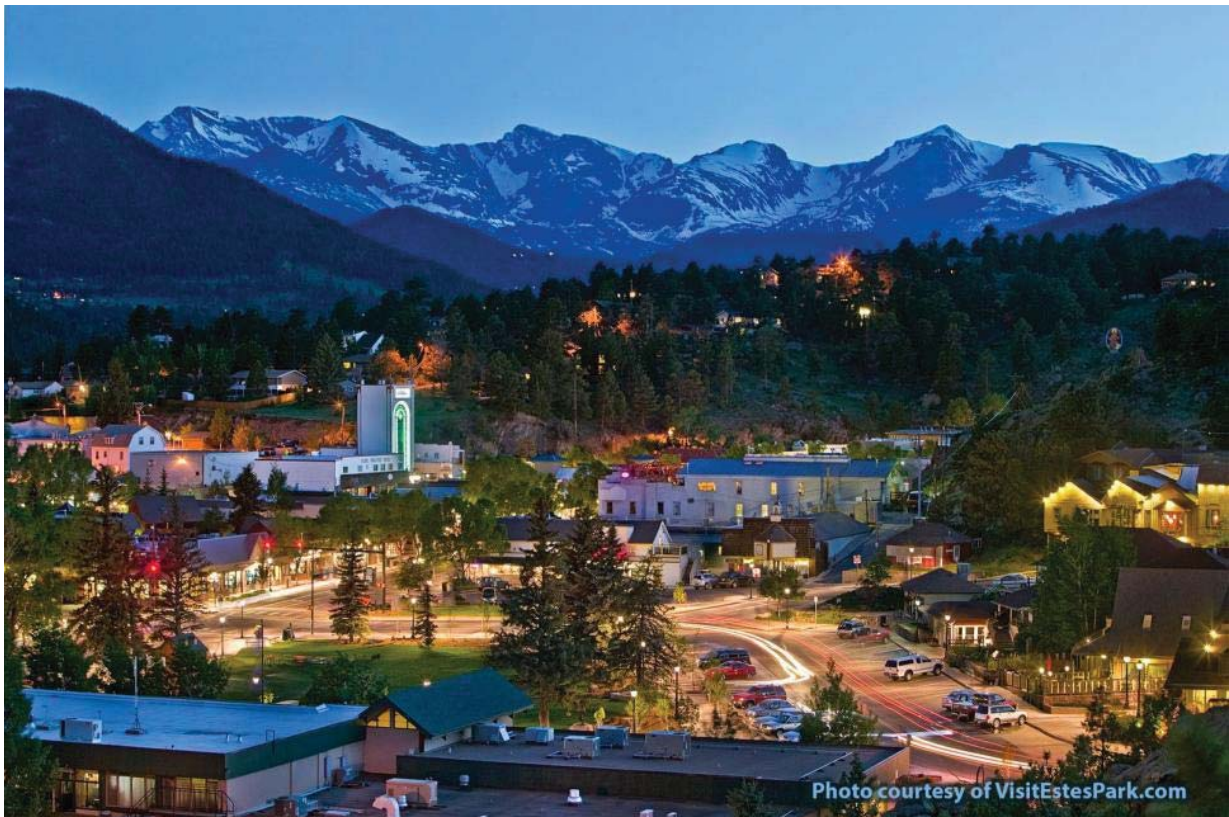




TOWN OF
ESTES PARK, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
December 31, 2018



TOWN OF ESTES PARK, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2018

Prepared by the Finance Department:

Duane Hudson – Finance Director

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**TOWN OF ESTES PARK
LIST OF PRINCIPAL OFFICIALS**

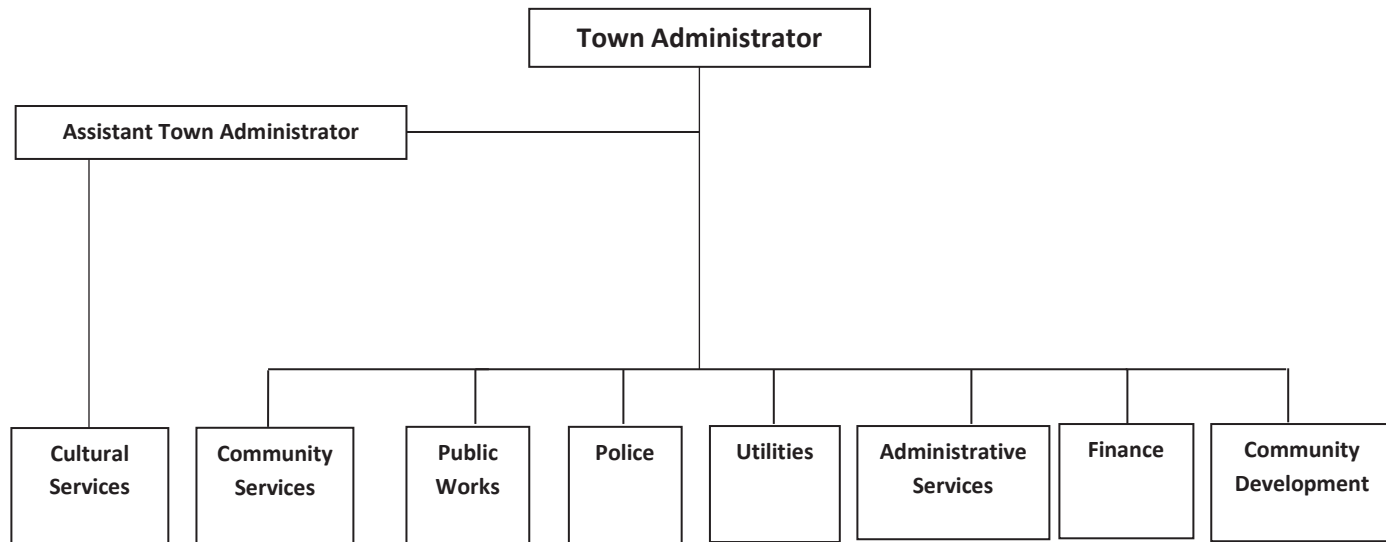
TOWN GOVERNMENT

The Town of Estes Park is governed by a Mayor and a six-member Board of Trustees. The Mayor and Trustees are elected for four year terms. The Trustees and the Mayor each have one vote in town board meetings. Listed below are the Town officials and principal staff members as of the report date.

Mayor	Elected 2016	Todd Jirsa
Mayor Pro Tem	Elected 2016	Cody Walker
Trustees	Elected 2012, Re-elected 2016 Elected 2016 Elected 2018 Elected 2018 Elected 2018	Ron Norris Patrick Martchink Carlie Bangs Marie Cenac Ken Zornes
Staff	Town Administrator Assistant Town Administrator Town Clerk, Dir. of Admin Services Finance Director Chief of Police Director of Community Development Director of Community Services Director of Public Works Director of Utilities Public Information Officer Town Attorney Municipal Judge	Frank Lancaster Travis Machalek Jackie Williamson Duane Hudson Wes Kufeld Randy Hunt Rob Hinkle Greg Muhonen Reuben Bergsten Kate Rusch Greg White David J. Thrower

Town of Estes Park

Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Estes Park
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell

Executive Director/CEO



June 28, 2019

To: The Honorable Mayor, Board of Trustees, and Citizens of the Town of Estes Park, Colorado:

Formal transmittal

The Comprehensive Annual Financial Report (“CAFR”) of the Town of Estes Park, Colorado (the “Town”) for the year ended December, 31, 2018, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town’s financial activities have been included. The information provided in this section is introductory in nature. Specific financial details are reviewed in the Management’s Discussion and Analysis section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Anton Collins Mitchell LLP has issued an unmodified (“clean”) opinion on the Town of Estes Park’s financial statements for the year ended December 31, 2018. The independent auditor’s report is located at the front of the financial section of this report.

Profile of the Government

The Town of Estes Park, incorporated in 1917, is a destination resort community nestled in the Rocky Mountain foothills 65 miles northwest of Denver, Colorado. The Town is at the eastern entrance to Rocky Mountain National Park and is visited by over four million people each year. Rocky Mountain National Park has been the number one tourist attraction in northern Colorado for as long as records have been compiled. The Town of Estes Park currently occupies a land

area of nearly seven square miles and serves an official population of 6,352 (2018 estimate). The Town is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Town Board. There were no significant annexations in 2018.

Estes Park is a statutory town. Policy-making and legislative authority are vested in the governing board consisting of the Mayor and six Trustees. The governing board is responsible, among other duties, for passing ordinances, adopting the budget, appointing committees, and hiring the Town Administrator. The Town Administrator is responsible for carrying out the policies and ordinances of the governing body, and for overseeing the day-to-day operations of the government. The Board is elected on an at-large basis. Board members serve four-year staggered terms, with three trustees elected every two years. The Mayor is elected to serve a four-year term. Elected officials are limited to two consecutive elected terms of office.

The CAFR includes all Town funds. The Town provides a broad range of services, including police protection, electric and water utility services, construction and maintenance of streets and infrastructure, municipal parks, museum, visitors' center, community planning, building inspections, business and liquor licensing, and an extensive cultural events calendar. In addition to general government activities, the Town has significant operational and/or financial relationships with the Estes Park Building Authority ("EPBA"), the Estes Valley Fire Protection District ("EVFPD"), the Estes Valley Recreation and Park District ("EVRPD"), and the Estes Park Local Marketing District (Visit Estes Park – "VEP").

The EVFPD began operating as an independent taxing district in 2010, ending its long-standing status as a department of the Town. The Town continues to contribute to the EVFPD, with the amount (currently 7% of General Fund sales tax collected) being appropriated annually. The Town is also financially accountable for the EPBA, which provided financing for golf course improvements in 1990. The EPBA completed its most recent agreement with EVRPD in 2009, did not operate in 2010-18, and currently does not have plans or agreements in place for 2019. The EVRPD is a separately elected special purpose district formed in 1955 and was created for the purpose of supplying recreational facilities within its boundaries. VEP began operating as an independent taxing district in 2009 and collects a 2% lodging tax that is used to promote and advertise Estes Park as a vacation destination, a task previously borne by the Town. VEP is listed in the CAFR as a component unit as the Local Marketing District. Additional information on these entities can be found in Note 1 in the Notes to the Financial Statements.

The annual budget serves as the foundation for the Town's financial planning and controls. All departments of the Town are required to submit annual requests for appropriation to the Town's Finance Director by the third week of July. The Finance Director uses these requests as the starting point for developing a proposed budget. The proposed budget is then reviewed in a meeting with the Directors and a final balanced budget is then presented to the Town Administrator for his review and revisions. Next, the proposed budget is presented to the Town Board for deliberation in October. The board is required to hold public hearings on the proposed budget and to formally adopt the budget before December 15th. This date also serves as the deadline to certify the property tax mill levy to the Larimer County Commissioners. The appropriated budget is prepared by fund and department (e.g., General Fund and Public Works department). Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, the Community Reinvestment Fund, and the Street Improvement Fund, this comparison is presented as part of the required supplemental information of the basic financial statements for the governmental funds. For the other governmental funds with appropriated annual budgets, the budget-to-actual comparison is presented in the Other Supplementary Information section of this report.

The Town maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Board. Budgetary controls (the level at which expenditures cannot legally exceed the appropriated amount) are established at the fund level. The Town also maintains an encumbrance accounting system as a budgetary control to prevent expenditures from exceeding legal appropriations. Encumbered amounts lapse at fiscal year-end, and qualifying encumbrances are formally re-appropriated in the following year as necessary.

Assessment of Town's economic condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

Local economy

Estes Park was one of many Colorado communities affected by dramatic flooding in September 2013. Of the four major roads into Estes Park, three were heavily damaged, and the fourth, Trail Ridge Road (through Rocky Mountain National Park) was closed for the year shortly thereafter due to snowfall. Only one road was open for the next two months. Estes Park's main source of income, sales tax, was heavily impacted during the period: September 2013 sales tax was down 34% from September 2012, while October was down 18%. Fortunately, the rest of the year

experienced record levels of sales tax collection, and the year as a whole was down only 0.36%. The local economy has largely recovered with sales tax collections continuing their record pace in 2018. The General Fund set a new record with \$12,067,441 in sales taxes collected in 2018 (a 8.8% increase from 2017).

Tourism continued to increase in 2018 with Rocky Mountain National Park having another strong year with over 4.5 million visitations, up slightly from 2017's 4.4 million visitations.

In April 2014, citizens approved a Ballot issue (1A) that implemented a 1% sales tax increase, sun-setting in 2024. The 10-year increase will dedicate an estimated \$2,000,000 annually to Street Improvements/Repairs (60% of the 1%), expansion of public trails (12.5%), construction of a community recreation center including facilities for the Senior Center (25%), and for acquisitions associated with emergency response capabilities of the Town (2.5%). For 2018, \$3,008,618 in sales tax was collected in these new funds.

Economic statistics are also trending higher. The national unemployment rate decreased from 4.1% in 2017 to 3.9% in 2018, while the Fort Collins/Loveland, Colorado unemployment rate, although still lower than the national average, increased from 2.5% to 3.2% (source: [U.S. Bureau of Labor Statistics](#)) through December 2018. Family Median Income in Estes Park (source: [U.S. Census Bureau Quick Facts](#)) was \$53,025 in 2018. Meanwhile, the Denver-Aurora-Lakewood Colorado CPI (consumer price index) dropped from 3.4% in 2017 to 2.7% in 2018.

Long-term financial planning

The Town is wrapping up many of the remaining flood repair projects with the Fish Creek Road project the last major flood repair project still under construction in 2018. Many of these projects were grant funded. Despite the focus on flood repair, the Town still managed to place over \$12.0 million in assets into service in what was a very productive year for infrastructure and improvement projects. Some of the more significant projects for 2018 are highlighted in the Management Discussion and Analysis section of this Comprehensive Annual Financial Report.

The Town is currently in the process of building a municipally owned and operated high speed broadband service for the Estes Valley. The Town is currently in the process of issuing revenue bonds to buildout the system and connect end user customers.

The Town is also investing in a smart meter project that will provide detailed information on the status of the electric distribution system. During power outage events such as snowstorms, the information the smart meter system provides is very valuable in managing responses throughout the service territory. This effort is financed through user charges in the Light and Power Fund.

Relevant financial policies

The Town has adopted Fund Balance Policy 660 that establishes a minimum annual fund balance reserve that should be maintained in the various funds. For the General Fund, unassigned fund balance at the end of the year must meet a minimum of 20% of total expenditures. In addition, Cash and Investment Reserve and Contingency Policy # 670 establishes guidelines for a monthly minimum cash and investment balance of 2 months average expenditures in order to weather an unexpected significant downturn in the economy. In case the targeted cash and investment balance is not met in any particular month, the policy establishes a foundation of principles and goals to guide budgetary and fiscal management decisions as management takes appropriate action. Both reserve requirements were fully met during 2018.

Major initiatives

The Town continually strives to provide superior services to its citizens and visitors in a cost-effective manner. The Town continues to aggressively seek Federal and State grants, thus leveraging available local funds. Examples include grants and other state funding for replacement of the Moraine Ave Bridge and repaving the first few blocks of Elkhorn Ave completed in 2019. In 2018, the Town began wrapping up many of its flood grants, the most significant of which was the Fish Creek Road project.

Award and acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, the Town must publish an easily readable and efficiently organized CAFR. This report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town believes that its current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The successful preparation of this report could not have been accomplished without the dedication and efforts of the entire staff of the Finance Department: Sharla Beesley, Laura Garcia, Jane Goreski, Deb Holgorsen, Karen Johnson, Kim McEachern, Melissa Roper, and Kathryn Sanchez. Valuable input was also received from Public Works, Community Development, the L&P/Water utilities, Human Resources and the Public Information Officer. Special thanks are extended to the accounting firm of Anton Collins Mitchell LLP for their professionalism in the performance of the independent audit for the Town. We also wish to extend appreciation to the Mayor and the Trustees for their efforts and support in setting and administering policies for the prudent financial management of the Town of Estes Park.

Sincerely,

A handwritten signature in dark ink, reading "Duane Hudson". The signature is fluid and cursive, with the first name "Duane" being more prominent than the last name "Hudson".

Duane Hudson
Finance Director



Independent Auditor's Report

Board of Trustees
Town of Estes Park
Estes Park, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Estes Park, Colorado (the "Town"), 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



Opinions

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

Emphasis of Matter

As discussed in Note 13 to the basic financial statements, the Town has changed its method for accounting and reporting for post-employment benefits other than pensions during 2018 due to the adoption of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The adoption of the standard required retrospective application resulting in a \$481,537 and \$707,195 reduction of previously reported net position for governmental activities and business-type activities, respectively. Additionally, the Town had a prior period adjustment for the correction of an error in which capital assets had been expensed in the prior year which is disclosed in Note 13. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through XV, schedule of funding progress, the budgetary comparison information on pages 48 through 50, and required pension related information on pages 51 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Local Highway Finance Report, and the schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other information, such as the introductory and statistical sections, are



presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 28, 2019 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Estes Park, Colorado's internal control over financial reporting and compliance.

ACM LLP

Greeley, Colorado
June 28, 2019

Town of Estes Park, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

This section of the Town of Estes Park's (the "Town") financial statements provides a narrative overview and analysis of its financial activities for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the Town's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of 2018 by \$118,354,688 (\$67,728,992 in governmental activities net position and \$50,625,696 in business-type activities net position). Of the governmental activities net position total, \$3,587,854, or 5%, is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. Similarly, \$12,019,357, or 24%, of business-type activities net positions is unrestricted.

It is important to note that "Unrestricted Net Position" is an accounting term referring to lack of formal commitments (loans, etc.) of assets. It does not reflect the amount of assets that are informally committed to targeted fund balances, unobligated monies for future projects, etc. For example, the Town targets a fund balance (reserve) in the General Fund of 20% of expenditures. This is not considered a "restricted" fund balance, but the Town has earmarked the amount as a reserve for budgetary purposes.

- Total net position of the Town increased by \$7,916,940, or 7%, from 2017 to 2018, slightly less than the \$8,695,833 increase from 2016 to 2017. Net position of the governmental activities increased \$3,543,341 compared to the \$6,292,332 increase in 2017. Net position of the Town's business-type activities increased \$4,373,599 compared to the \$2,403,501 increase in 2017. These changes are explored in further detail in the Government-wide Financial Analysis section of this Management's Discussion and Analysis.
- Total revenues, excluding transfers, decreased \$1,253,165, or 2%, to \$49,092,410 compared to 2017. Governmental activities revenues decreased \$2,122,874, or 8%, to \$24,968,727, while revenues of business-type activities increased \$869,709, or 4%, to \$24,123,683 compared to 2017.
- The total expenses of all the town's programs, excluding transfers, decreased \$474,272, or 1%, to \$41,175,470 compared to 2017. The expenses of governmental activities programs decreased \$1,592,267, or 7%, to \$20,610,048, while the expenses of business-type activities increased \$1,117,995, or 6%, from 2017 to \$20,565,422.

- As of December 31, 2018, the Town's governmental funds reported a combined ending fund balance of \$14,886,177. Approximately 54%, or \$8,049,025, is unrestricted, unassigned fund balance and, therefore, available for spending at the town's discretion within the purposes specified for the town's funds.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader of the Town's basic financial statements 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both the statement of net position and statement of activities distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, and culture and recreation. The business-type activities of the Town include an electric distribution operation (Light and Power Fund) and a water utility that treats and distributes water (Water Fund).

The government-wide financial statements include not only the Town itself (known as the primary government), but also the legally separate entities, the Estes Park Building Authority and Local Marketing District (established by election in 2009). For informational purposes, the Building Authority did not have any activity during the year. The Local Marketing District issued a separate financial statement starting December 31, 2017. Statements are available upon request by contacting Visit Estes Park at (970) 586-0500. This component unit is discretely presented in the Town's financial statements as the Local Marketing District.

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 state and 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 two categories: governmental funds and proprietary 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 statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances or spendable resources available at year end. 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 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 eight 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, Community Reinvestment Fund, and the Street Improvement Fund, all of which are considered to be major funds. Data from the other five governmental funds, (Conservation Trust Fund, Larimer County Open Space Fund, Emergency Response System Fund, Community Recreation Center Fund, and the Trails Expansion Fund) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

Proprietary Funds

Proprietary funds are generally used to account for services for which the Town charges customers – either outside customers or internal units or departments of the town. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains the following two types of proprietary funds:

- **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 the operations of the Light and Power Fund and the Water Fund. These are considered to be major funds of the Town.
- **Internal Service funds** are used by the Town to account for the costs of acquiring, operating and maintaining certain types of equipment and funding for Town-wide medical insurance programs. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated memo presentation in the proprietary fund financial statements. The internal service funds consist of

Fleet Maintenance, Vehicle Replacement, Information Technology, Medical Insurance, and Risk Management Funds. Individual fund data for the internal service funds is provided in the form of combining statements in the “Combining and Individual Fund Financial Statements and Schedules” section.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town’s progress in funding its obligation to provide pension benefits to its employees, and budgetary comparison schedules for the general and major special revenue funds.

The combining and individual fund statements and schedules referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. Our analysis below focuses on the net position and changes in net position of the Town’s governmental and business-type activities.

Table 1 - Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017 As Restated	2018	2017 As Restated	2018	2017 As Restated
Current and other assets	\$ 19,175,785	\$ 16,982,308	\$ 23,300,166	\$ 21,413,588	\$ 42,475,951	\$ 38,395,896
Capital assets	67,801,181	67,186,114	43,924,653	39,753,833	111,725,834	106,939,947
Total assets	86,976,966	84,168,422	67,224,819	61,167,421	154,201,785	145,335,843
Deferred outflows of resources	1,149,057	2,455,874	961,359	2,096,138	2,110,416	4,552,012
Noncurrent liabilities	15,803,085	17,808,646	12,617,502	14,137,581	28,420,587	31,946,227
Other liabilities	2,860,601	4,226,518	3,813,050	2,854,349	6,673,651	7,080,867
Total liabilities	18,663,686	22,035,164	16,430,552	16,991,930	35,094,238	39,027,094
Deferred inflows of resources	1,733,345	403,481	1,129,930	19,532	2,863,275	423,013
Net position:						
Invested in capital assets	59,401,579	57,511,568	37,356,339	32,596,716	96,757,918	90,108,284
Restricted	4,739,559	5,348,119	1,250,000	1,250,000	5,989,559	6,598,119
Unrestricted	3,587,854	1,325,964	12,019,357	12,405,381	15,607,211	13,731,345
Total net position	\$ 67,728,992	\$ 64,185,651	\$ 50,625,696	\$ 46,252,097	\$ 118,354,688	\$ 110,437,748

Analysis of Net Position

Table 1 presents an analysis of the Town's net position as of December 31, 2018. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$118,354,688 at the close of December 31, 2018. By far the largest portion of the Town's net position (82%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related still-outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net investment in capital assets increased \$6,649,634, or 7%, compared to 2017. This increase is largely due to \$4.3 million for roads and bridges, \$1.5 million for equipment acquisition, \$1.0 million for land acquisition, and \$2.3 million for water and electric power line improvements in 2018. Depreciation expense increased by \$0.58 million to \$5.1 million for 2018 as well.

An additional 5% of the Town's net position (\$5,989,559) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$15,607,211) may be used to meet the government's ongoing obligations to citizens and creditors.

Restricted net position was relatively unchanged from 2017. The \$1,875,866 increase in unrestricted net position was due in large part to collection of FEMA grant reimbursements for costs associated with the 2013 flood.

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

It is important to note that \$2,293,607 in governmental unrestricted net position arises from the net position of the town's internal service funds, discussed above in "Overview of the Financial Statements – Proprietary Funds." Although it is highly unlikely that these funds will be liquidated, in the event that they are, the distribution of the net position of these funds would result in a portion of these unrestricted net positions being liquidated to governmental activities and a portion to business-type activities.

Analysis of Changes in Net Position

As can be seen from Table 2, the Town's total net position increased by \$7,916,940 during 2018. This increase is explained in the governmental and business-type activities discussions below.

Governmental Activities

Net position of governmental activities increased by \$3,543,341 during 2018, accounting for 45% of the total increase in the Town's net position. This increase was \$2,748,991 less than the \$6,292,332 increase in net position for 2017.

During 2018, governmental revenues decreased by \$2,122,874 compared to 2017. Much of this decrease can be attributed to a \$2.2 million reduction in grants due to completion of grant funded projects in 2017

and early 2018, many of which were associated with the 2013 flood repair projects. Sales taxes increased by \$1.23 million due to an increase in general economic activity.

Total governmental expenses for 2018 decreased by \$1,592,267 compared to 2017. Public works expenses decreased \$1,399,537, primarily due to decreased work on Fish Creek Road as the project was brought to completion in 2018.

Table 2 - Changes in Net Position

	Governmental		Business-type		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Program revenue:						
Charges for services	\$ 2,036,853	\$ 2,063,267	\$ 21,922,698	\$ 20,251,865	\$ 23,959,551	\$ 22,315,132
Operating grants and contributions	38,090	1,776,442	-	-	38,090	1,776,442
Capital grants and contributions	5,213,494	7,426,948	983,621	1,448,452	6,197,115	8,875,400
General revenue:						
Sales taxes	15,076,059	13,859,472	-	-	15,076,059	13,859,472
Property taxes	388,128	21,676	-	-	388,128	21,676
Franchise taxes	542,058	512,132	-	-	542,058	512,132
Use taxes	331,579	335,175	-	-	331,579	335,175
Other taxes	513,425	442,651	-	-	513,425	442,651
Investment income	203,886	180,336	307,128	147,234	511,014	327,570
Gain on disposal of capital assets	54,068	-	93,769	208,874	147,837	208,874
Miscellaneous	571,087	473,502	816,467	1,197,549	1,387,554	1,671,051
Total revenues	24,968,727	27,091,601	24,123,683	23,253,974	49,092,410	50,345,575
Program expenses (includes indirect expense allocation):						
Governmental activities:						
General government	5,099,370	5,847,655	-	-	5,099,370	5,847,655
Public safety	5,339,084	5,276,247	-	-	5,339,084	5,276,247
Public works	2,884,865	4,284,402	-	-	2,884,865	4,284,402
Culture and recreation	6,969,523	6,495,360	-	-	6,969,523	6,495,360
Interest on long-term debt	317,206	298,651	-	-	317,206	298,651
Business-type activities:						
Light and power	-	-	15,628,176	14,727,651	15,628,176	14,727,651
Water	-	-	4,937,246	4,719,776	4,937,246	4,719,776
Total expenses	20,610,048	22,202,315	20,565,422	19,447,427	41,175,470	41,649,742
Excess before transfers	4,358,679	4,889,286	3,558,261	3,806,547	7,916,940	8,695,833
Transfers In (Out)	(815,338)	1,403,046	815,338	(1,403,046)	-	-
Increase in net position	3,543,341	6,292,332	4,373,599	2,403,501	7,916,940	8,695,833
Prior period adj	-	(481,537)	-	(707,195)	-	(1,188,732)
Net position, beginning of year	64,185,651	58,374,856	46,252,097	44,555,791	110,437,748	102,930,647
Net position, end of year	\$ 67,728,992	\$ 64,185,651	\$ 50,625,696	\$ 46,252,097	\$ 118,354,688	\$ 110,437,748

Charts 1 and 2 illustrate the Town's governmental activities expenses and revenues by function and its revenues by source. General revenues such as sales taxes, property and other taxes are not shown in Chart 1 by program, but are used to support program activities town wide and included in Chart 2. For governmental activities overall, without regard to program, sales taxes are the largest single source (61%), followed by capital grants and contributions.

Net Position increased \$3,543,341 during the current fiscal year. Contributing factors have been discussed earlier in this section.

Chart 1: 2018 Expenses and Program Revenues - Governmental Activities

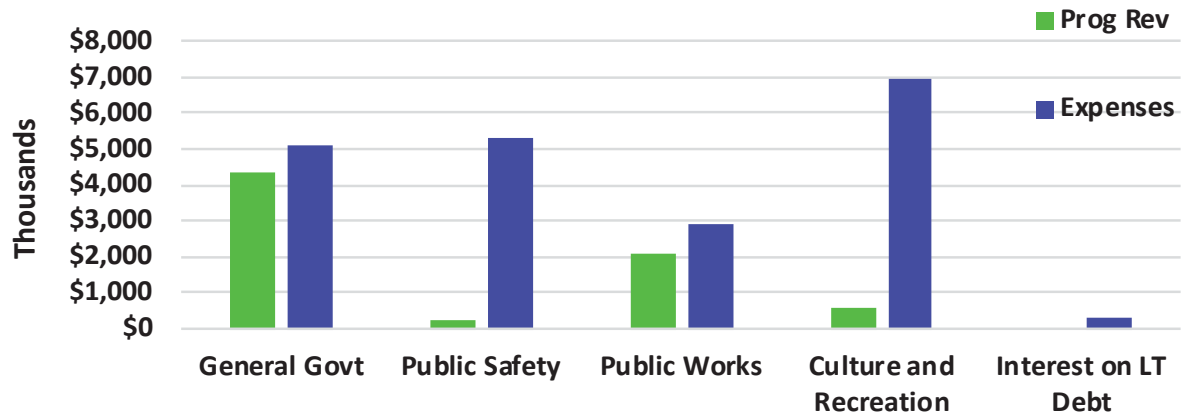
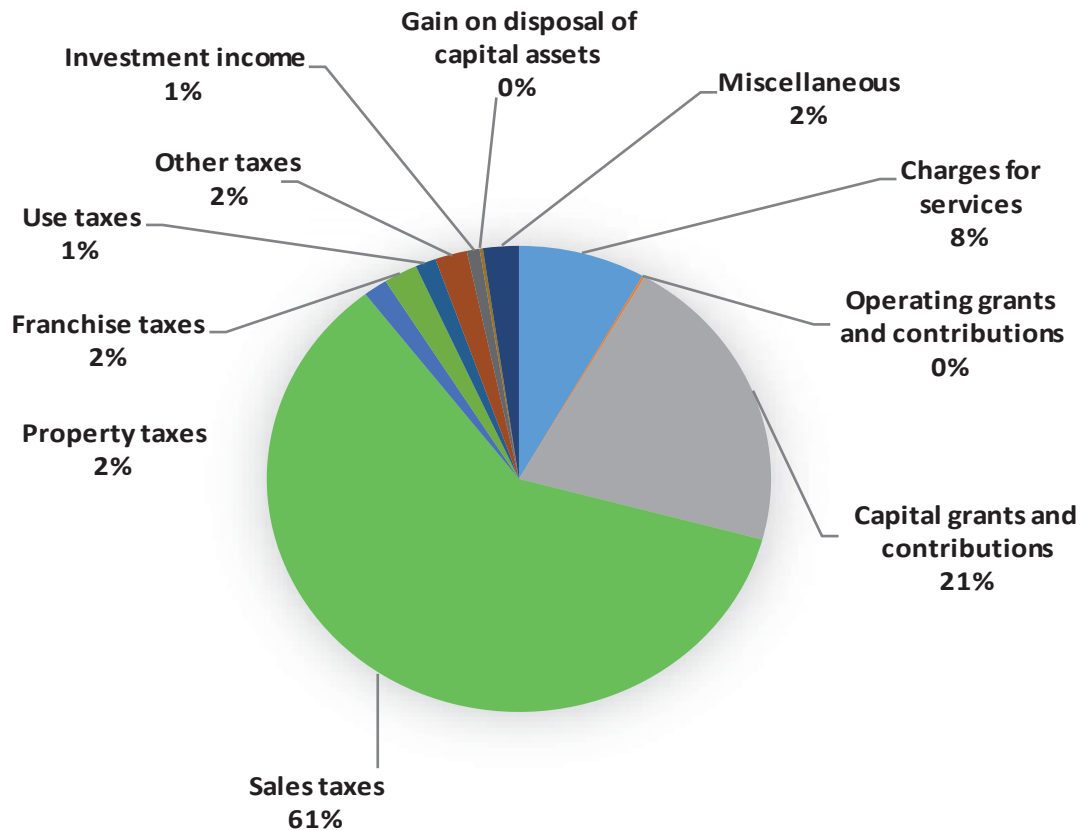


Chart 2: 2018 Revenues by Source - Governmental Activities

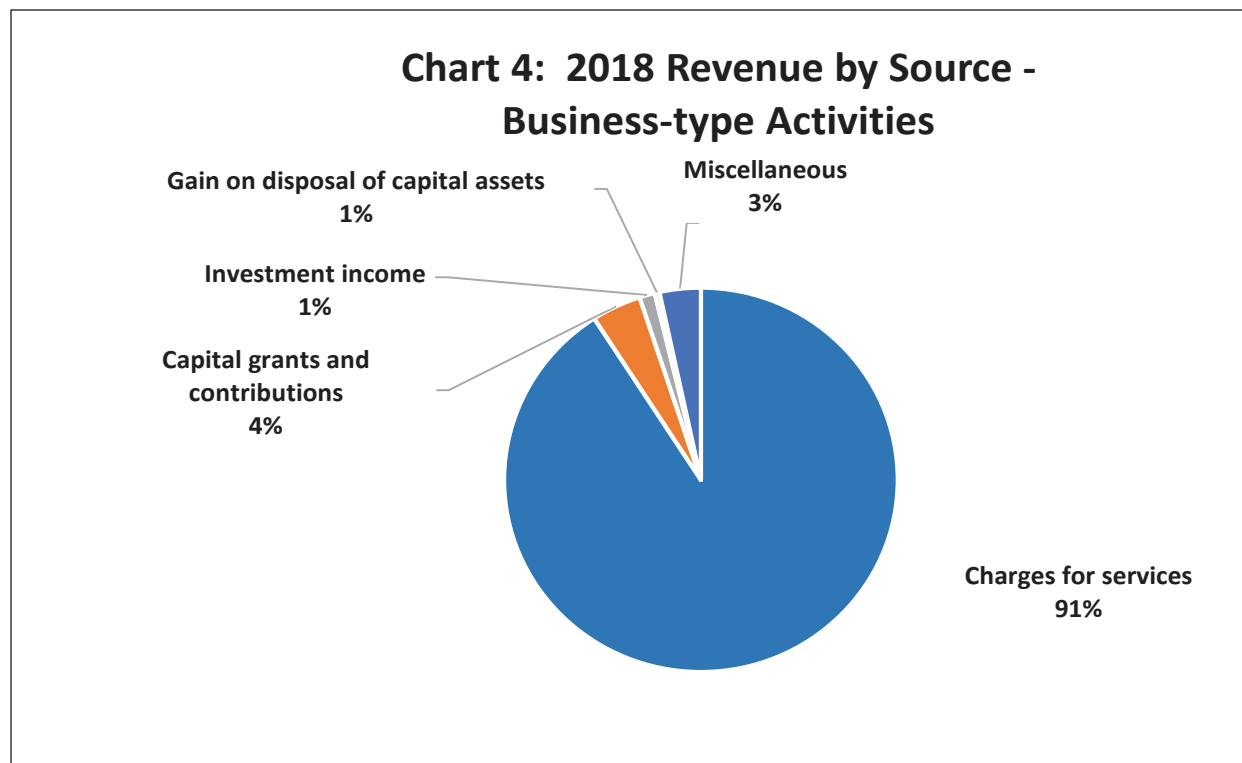
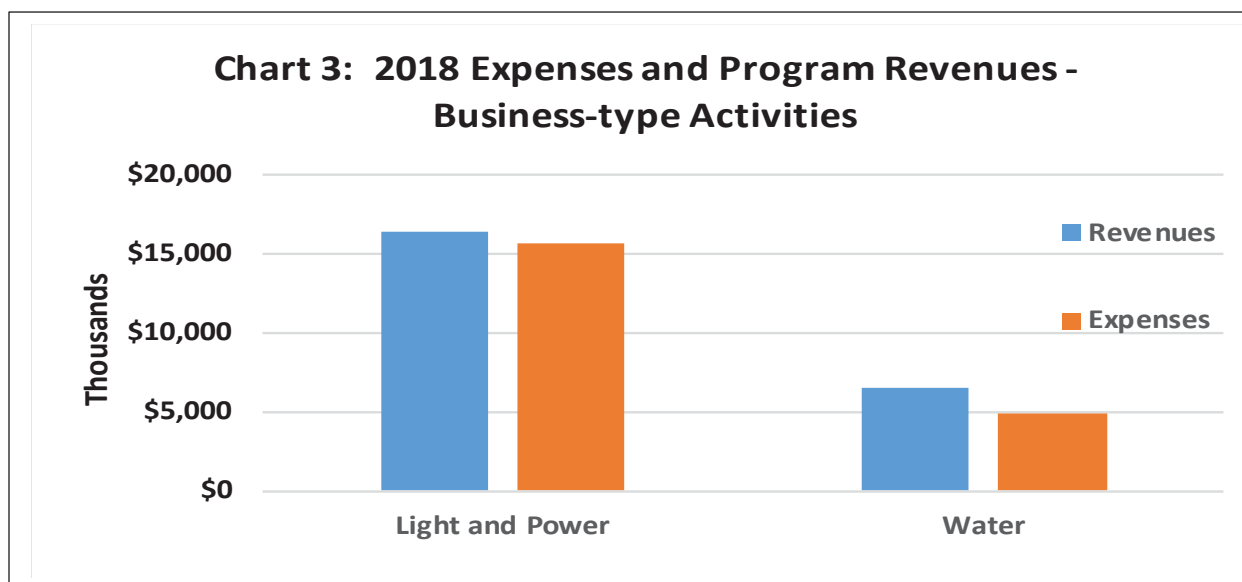


Business-type Activities

Net position in business-type activities increased \$4,373,599 in 2018. This increase was \$1,970,098 more than the \$2,403,501 increase in net position in 2017.

Total business-type revenues increased \$869,709, or 4%, compared to 2017. Charges for services increased \$1,670,833 due to rate changes and sales volume changes. Capital grants and contributions decreased by \$464,831 mainly due to completion of the smart meter fiber installation project. There was a decrease of \$381,082 in miscellaneous income for new installations, line relocations, and other changes.

Expenses of business-type activities also realized an increase of \$1,117,995, or 5% compared to 2017, mainly due to a \$320,126 increase in purchased power cost, a \$338,822 increase in depreciation expense, and other smaller changes in costs.



As can be seen from Charts 3 and 4, the Town's Light and Power utility and Water utility account for the Town's business-type activities, representing 100% of total business-type activities expenses. Charges for services provide the largest share of revenues (91%).

The Light & Power and Water Funds transferred \$1,875,924 out to Governmental Activities in 2018, primarily the General Fund.

There was no material change in the scope or magnitude of projects in business-type activities from 2017 to 2018, except for the smart electric meter project as noted elsewhere in this document. Costs for operations continue to be covered by revenues in accordance with policy. The utility funds are also subject to debt coverage requirements for their Light & Power revenue bond and Water loan.

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.

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,886,177, an increase of \$7,794,010 from 2017. Approximately 54% of this ending fund balance constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending because it has already been committed to inventories, other prepaid items, specific governmental funds, capital improvements, future appropriations, and emergencies.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,541,385 (\$472,716 in 2017). As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund operating expenditures, including transfers out. The ratio for 2018 is 43%, an increase from 2017's 2%. As discussed elsewhere in this document, the Governmental Funds, and particularly the General Fund, were dramatically affected by costs resulting from the 2013 Flood. Specifically, in 2017 and prior years, the General Fund used much of its fund balance reserves to pay for flood damage repair costs which were eventually reimbursed by grants late in 2018. After collection of these deferred grant revenues, the General Fund unassigned fund balance has recovered to a healthy level.

The Community Reinvestment Fund completed construction of the Moraine Ave Bridge in 2018, partially funded by a federal grant. In 2018, the fund spent \$1.8 million to complete this project.

The Street Improvement Fund was created by the 1% sales tax initiative approved in April 2014 which went into effect on July 1, 2014. In 2018, the Fund continued the ongoing design work on a new downtown traffic flow project, and completed a significant chip seal and overlay project throughout various sections of Town.

The Community Recreation Center Fund, one of the “Other Governmental Funds”, was created by the 1% sales tax initiative approved in April 2014. During 2016, the Town entered into an agreement with Estes Valley Recreation and Park District (EVRPD) to help pay for the costs of the new Estes Valley Community Center which began construction in 2016 and was completed early in 2018. During 2018, the Community Recreation Center Fund remitted \$752,155 in the accumulated sales tax monies to EVRPD for that purpose.

The other governmental funds were comparable to the prior year.

Proprietary funds

As already discussed, the Town’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As of December 31, 2018, the unrestricted net position of the Light and Power Fund was \$6,467,821 and the Water Fund was \$4,758,994. The Light and Power Fund had a net decrease of \$24,910 and the Water Fund had a net decrease of \$392,891 for 2018. Despite the demands for repairs resulting from Flood-related damages over the last few years, particularly to Glen Haven and the Fish Creek corridor, Light & Power and Water both easily maintained their required bonded debt ratios (see statistical tables, Schedule 11). Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town’s business-type activities.

General Fund Budgetary Highlights

The Town’s final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and other supplemental appropriations approved during the fiscal year. The final budgeted 2018 appropriations for the General Fund, including transfers out, was \$3,172,565 greater than the original budget. The primary reasons for this difference are related to the following changes:

- \$1,910,051 increase in Public Works – the Moraine Ave Bridge replacement project.
- \$703,905 increase in Visitor, Museum, Senior Services – implementation of parking program and acquisition of a new electric trolley
- Much of these increases were offset by increases in budgeted grant revenues as well.

Actual revenue and transfers in were \$480,699 greater than final budgeted revenues and transfers in. Much of this increase was due to the record year in sales tax (\$12,067,441) with \$916,941 received in excess of the revised budget. This was partially offset by a \$510,529 reduction in grant revenues. The Town typically budgets for the full capital project in the year of authorization, including all grant revenues, even if it is anticipated to extend beyond the budget year. The acquisition of a new electric trolley, partially funded by a \$360,000 grant, is expected to be completed in 2019, at which time the grant revenues will be recognized for this transaction.

Actual expenditures and transfers out were \$3,661,600 (17%) less than the final budgeted appropriations. Just like the revenues, much of this was due to budgeting for the entire grant projects at once, even those expected to overlap years in the Streets operations as noted above. The primary factors contributing to this favorable variance include:

- Public Works expenditures were \$1,626,790 less than budgeted, primarily due to variances between estimated expenditures and actual for Fish Creek Road flood damage repairs.
- Facilities expenditures were \$351,977 less than budgeted, primarily due to rolling two projects forward, the Fleet Shop Roof Replacement and Town Hall Window Replacement.
- Visitor, Museum and Senior Services expenditures were \$708,097 less than budgeted, partially due to rolling the new electric trolley acquisition into 2019 and not using all the parking services startup funding for this new division.

The resulting actual ending fund balance for the General Fund of \$8,652,961 was \$4,142,299 more than the Final Budget's projected ending fund balance.

Capital Asset and Debt Administration

Capital Assets

Governmental activities capital asset additions for 2018 were \$11,858,251, with a net increase (after disposal/retirement/transfers of capital assets) was \$2,638,428. Some of the more significant capital acquisitions included:

- Various machinery and equipment, including the dynamic messaging signs and a new mobile stage - \$836,763.
- Moraine Ave Bridge replacement - \$2,025,217.
- Downtown traffic rerouting project - \$1,544,479.
- Fish Creek Road including prior year CIP put into service - \$6,997,633

Business-type capital asset additions for 2018 were \$5,351,282, with a net increase (after disposal/retirement/transfers of capital assets) of \$6,543,095. Some of the more significant capital purchases in this area, including capital acquisitions in progress, were:

- Electric infrastructure (street lights, overhead and underground distribution lines) - \$1,548,626
- Electric infrastructure (transformers and meters) – \$541,163
- Water infrastructure (distribution lines) - \$395,124
- Park Entrance Estates Mutual Pipeline Improvements - \$688,265
- SCADA upgrades at Glacier Water Treatment Plant - \$184,093
- Water land acquisition - \$981,704
- Vehicle acquisition / replacements - \$484,491

Additional information can be found in notes to financial statements Note 4 – Capital Assets.

Debt Administration

The governmental activities are currently obligated on the 2013 Certificates of Participation to finance the Multipurpose Event Center Complex. Total payments are approximately \$515,000 per year and are paid out of the Community Reinvestment Fund. The remaining balance as of December 31, 2018 is \$4,135,000.

The governmental activities are also obligated on the 2017 Lease Purchase Agreement to finance the Estes Park Visitor Center Parking Garage. Total payments are approximately \$400,000 per year and are also paid out of the Community Reinvestment Fund. The remaining balance as of December 31, 2018 is \$4,013,616.

The business-type activities (utility funds) are currently obligated to one Light & Power revenue bond and one Water loan. The Light & Power bond, obtained in 2007 to finance construction and equipping of a new substation, matures in 2027 and has a remaining balance of \$3,350,000 as of December 31, 2018. The 2008 water loan was obtained to finance a membrane filter and to increase capacity at the Mary's Lake Treatment Plant. Maturing in 2028, there is a remaining balance of \$3,218,316 at the end of 2018.

The Town's Light & Power fund maintains a rating from Standard & Poor's and Fitch of "AA-" on its outstanding revenue bonds.

State statutes limit the amount of general obligation debt a government entity may issue to 3% of its total assessed valuation. The debt limitation for the Town as of December 31, 2018, is \$6,284,768 (see statistical section under Schedule 9).

Additional information on these loans can be found in Note 5 – Long-Term Debt of the notes to financial statements, and in the statistical section under Schedule 8.

Other Significant Matters

- The Town continues to aggressively seek grants to assist in creating and putting into service assets that enhance the lives of its citizens and the enjoyment of its visitor base. This includes trail expansion and other enhancements as well as system repairs and maintenance type projects.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, P.O. Box 1200, Estes Park, Colorado 80517.

Town of Estes Park
Statement of Net Position

December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marketing District
Assets				
Cash and investments	\$ 16,549,054	\$ 15,744,134	\$ 32,293,188	\$ 1,935,258
Restricted cash and investments	-	1,250,000	1,250,000	-
Accounts receivable, net	97,290	3,858,726	3,956,016	67,396
Taxes receivable	2,112,305	-	2,112,305	226,037
Intergovernmental receivable	1,034,383	490	1,034,873	-
Inventories	24,783	1,650,872	1,675,655	-
Prepaid items	150,511	3,402	153,913	5,361
Internal balances	(792,542)	792,542	-	-
Capital assets, not being depreciated	11,295,427	8,552,542	19,847,969	-
Capital assets, being depreciated, net	56,505,755	35,372,111	91,877,866	29,783
Total assets	86,976,966	67,224,819	154,201,785	2,263,835
Deferred outflows of resources				
Related to OPEB	92,324	77,180	169,504	4,037
Related to pension	1,056,733	884,179	1,940,912	91,923
Total deferred outflows of resources	1,149,057	961,359	2,110,416	95,960
Liabilities				
Accounts payable	837,549	1,992,057	2,829,606	146,029
Accrued liabilities	615,594	198,939	814,533	10,301
Accrued interest payable	100,801	72,450	173,251	-
Claims payable	136,839	-	136,839	-
Unearned revenue	85,190	297,335	382,525	-
Deposits	-	454,701	454,701	-
Noncurrent liabilities:				
Due within one year	1,084,628	797,568	1,882,196	-
Due in more than one year	7,986,081	6,082,834	14,068,915	3,870
Net OPEB liability	916,520	766,170	1,682,690	55,845
Net pension liability	6,900,484	5,768,498	12,668,982	615,725
Total liabilities	18,663,686	16,430,552	35,094,238	831,770
Deferred inflows of resources				
Related to OPEB	10,375	8,673	19,048	
Related to pension	1,341,288	1,121,257	2,462,545	189,305
Property taxes	381,682	-	381,682	12,023
Total deferred inflows of resources	1,733,345	1,129,930	2,863,275	201,328
Net position				
Net investment in capital assets	59,401,579	37,356,339	96,757,918	29,783
Restricted				
Parks and open space	144,422	-	144,422	-
Capital improvements	3,961,159	-	3,961,159	-
Operations and maintenance reserves	-	1,250,000	1,250,000	-
Emergencies	633,978	-	633,978	93,568
Unrestricted	3,587,854	12,019,357	15,607,211	1,203,346
Total net position	\$ 67,728,992	\$ 50,625,696	\$ 118,354,688	\$ 1,326,697

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

Town of Estes Park
Statement of Activities
Year Ended December 31, 2018

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,099,370	\$ 779,069	\$ -	\$ 3,580,791
Public safety	5,339,084	190,659	38,090	-
Public works	2,884,865	470,681	-	1,630,422
Culture and recreation	6,969,523	596,444	-	2,281
Interest on long-term debt	317,206	-	-	-
Total governmental activities	20,610,048	2,036,853	38,090	5,213,494
Business-type activities:				
Light and Power	15,628,176	16,381,233	-	3,344
Water	4,937,246	5,541,465	-	980,277
Total business-type activities	20,565,422	21,922,698	-	983,621
Total primary government	\$ 41,175,470	\$ 23,959,551	\$ 38,090	\$ 6,197,115
Component Unit				
Local Marking District	\$ 3,054,470	\$ 569,934	\$ 111,331	\$ -

Net (Expense) Revenue and Change in Net Position			Component Unit	
Primary Government				
Governmental Activities	Business-Type Activities	Total	Local Marketing District	
\$ (739,510)	\$ -	\$ (739,510)	\$ -	
(5,110,335)	-	(5,110,335)	-	
(783,762)	-	(783,762)	-	
(6,370,798)	-	(6,370,798)	-	
(317,206)	-	(317,206)	-	
(13,321,611)	-	(13,321,611)	-	
-	756,401	756,401	-	
-	1,584,496	1,584,496	-	
-	2,340,897	2,340,897	-	
(13,321,611)	2,340,897	(10,980,714)	-	
-	-	-	(2,373,205)	
General revenues				
Sales taxes	15,076,059	-	15,076,059	-
Property taxes	388,128	-	388,128	-
Franchise taxes	542,058	-	542,058	-
Use taxes	331,579	-	331,579	-
Lodging taxes	-	-	-	2,428,517
Other taxes	513,425	-	513,425	6,550
Investment income	203,886	307,128	511,014	953
Miscellaneous	571,087	816,467	1,387,554	1,657
Gain on disposal of capital assets	54,068	93,769	147,837	-
Total general revenues	17,680,290	1,217,364	18,897,654	2,437,677
Transfers in (out)	(815,338)	815,338	-	-
Total general revenues and transfers	16,864,952	2,032,702	18,897,654	2,437,677
Changes in net position	3,543,341	4,373,599	7,916,940	64,472
Net position at beginning of year	64,667,188	46,959,292	111,626,480	1,330,019
Adjustment to beginning net position resulting from the adoption of GASB 75 and the correction of an error	(481,537)	(707,195)	(1,188,732)	(67,794)
Net position at end of year	\$ 67,728,992	\$ 50,625,696	\$ 118,354,688	\$ 1,326,697

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

Town of Estes Park
Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Community Reinvestment Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 7,990,943	\$ 1,396,583	\$ 3,429,965	\$ 1,276,238	\$ 14,093,729
Accounts receivable	81,139	2,679	6,168	444	90,430
Intergovernmental receivable	387,110	157,152	-	489,499	1,033,761
Taxes receivable	1,766,180	-	207,675	138,450	2,112,305
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid items	103,694	-	-	-	103,694
Total assets	\$ 10,329,066	\$ 1,556,414	\$ 3,643,808	\$ 1,904,631	\$ 17,433,919
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 475,445	\$ 82,046	\$ 81,165	\$ 174,477	\$ 813,133
Accrued liabilities	575,643	-	4,691	1,283	581,617
Due to other funds	-	-	-	-	-
Total liabilities	1,051,088	82,046	85,856	175,760	1,394,750
Deferred inflows of resources					
Property taxes	381,682	-	-	-	381,682
Unavailable revenue	243,335	115,269	-	412,706	771,310
Total deferred inflows of resources	625,017	115,269	-	412,706	1,152,992
Fund balances					
Nonspendable					
Inventories	-	-	-	-	-
Prepaid items	103,694	-	-	-	103,694
Restricted					
Parks and open space	73,817	-	-	70,605	144,422
Capital improvements	-	-	3,557,952	403,207	3,961,159
Emergencies	633,978	-	-	-	633,978
Assigned					
Capital improvements	-	1,359,099	-	-	1,359,099
Subsequent year's budget - appropriation of fund balance	300,087	-	-	334,713	634,800
Unassigned	7,541,385	-	-	507,640	8,049,025
Total fund balances	8,652,961	1,359,099	3,557,952	1,316,165	14,886,177
Total liabilities, deferred inflows of resources and fund balances	\$ 10,329,066	\$ 1,556,414	\$ 3,643,808	\$ 1,904,631	\$ 17,433,919

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

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

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

Fund balances of governmental funds	\$	14,886,177
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental fund financial statements.		66,511,654
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Deferred outflows of resources used in governmental activities are not current financial resources, and therefore, are not reported in the governmental fund financial statements.

Pensions	\$	1,056,733	
OPEB		92,324	1,149,057

Deferred inflows of resources used in governmental activities are not current financial resource, and therefore, are not reported in the governmental fund financial statements.

Pensions	\$	(1,341,288)	
OPEB		(10,375)	(1,351,663)

Long-term liabilities are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements.

Net pension liability	\$	(6,900,484)	
Net OPEB liability		(916,520)	
Certificates of participation		(4,135,000)	
Capital lease		(61,541)	
Lease purchase agreement		(4,013,616)	
Premium on lease purchase agreement		(189,446)	
Compensated absences		(550,538)	
Environmental remediation		(75,000)	
Accrued interest payable		(100,801)	(16,942,946)

Other long-term assets are not available to pay current expenditures, and therefore, are deferred inflows of resources in the fund financial statements.		686,120
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Internal service funds are used by management to charge the costs of fleet maintenance, vehicle replacement and information technology to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position.		2,790,593
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Total net position of governmental activities	\$	67,728,992
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The accompanying notes are an integral part of these financial statements.

Town of Estes Park
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year Ended December 31, 2018

	General Fund	Community Reinvestment Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 13,842,631	\$ -	\$ 1,805,171	\$ 1,203,447	\$ 16,851,249
Licenses and permits	912,204	-	-	-	912,204
Intergovernmental	5,461,658	2,284,194	-	1,153,776	8,899,628
Charges for services	741,016	-	-	-	741,016
Fines and forfeitures	76,366	-	-	-	76,366
Rental Income	307,267	-	-	-	307,267
Investment income	53,071	20,732	78,967	4,358	157,128
Miscellaneous	505,372	38,240	-	276	543,888
Total revenues	21,899,585	2,343,166	1,884,138	2,361,857	28,488,746
Expenditures					
Current:					
General government	4,468,864	-	-	-	4,468,864
Public safety	4,535,463	-	-	-	4,535,463
Public works	1,806,219	2,600	601,201	28,264	2,438,284
Culture and recreation	4,541,352	-	-	839,249	5,380,601
Capital outlay	535,826	2,029,886	2,059,154	126,427	4,751,293
Debt service:					
Principal	59,608	632,541	-	-	692,149
Interest	3,926	300,080	-	-	304,006
Total expenditures	15,951,258	2,965,107	2,660,355	993,940	22,570,660
Excess (deficiency) of revenues over expenditures	5,948,327	(621,941)	(776,217)	1,367,917	5,918,086
Other financing sources (uses)					
Transfers in	1,875,924	1,350,322	-	-	3,226,246
Transfers out	(1,350,322)	-	-	-	(1,350,322)
Total other financing sources (uses)	525,602	1,350,322	-	-	1,875,924
Net change in fund balance	6,473,929	728,381	(776,217)	1,367,917	7,794,010
Fund balances at beginning of year	2,179,032	630,718	4,334,169	(51,752)	7,092,167
Fund balances at end of year	\$ 8,652,961	\$ 1,359,099	\$ 3,557,952	\$ 1,316,165	\$ 14,886,177

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

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

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

Total net change in fund balance - governmental funds.	\$	7,794,010
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Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay exceeds depreciation expense and net book value of disposal of capital assets.

Capital outlay	\$	5,026,079	
Net book value of capital assets disposed		(5,902)	
Depreciation expense		(2,929,652)	2,090,525

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund statement of revenues, expenditures and changes in fund balances.

Principal reduction of environmental radiation liability	\$	15,408	
Amortization of environmental remediation costs		(32,783)	
Change in accrued interest		7,397	
Principal payments		676,741	
Amortization of lease purchase agreement premium		12,186	
Change in accrued compensated absences		(120,159)	558,790

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund statement of revenues, expenditures and changes in fund balances.	(4,253,590)
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Pension expense relating to changes in the Town's defined benefit retirement plan accounts do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund financial statements.	(1,326,435)
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OPEB expense relating to changes in the Town's defined benefit retirement plan accounts do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund financial statements.	60,028
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Internal service funds are used by management to charge the costs of fleet maintenance, vehicle replacement and information technology to individual funds. A portion of the net revenues of the internal service funds is reported with governmental activities in the statement of activities.	(1,379,987)
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Change in net position of governmental activities	\$	3,543,341
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The accompanying notes are an integral part of these financial statements.

Town of Estes Park
Statement of Net Position
Proprietary Funds
December 31, 2018

	Light and Power Fund	Water Fund	Total Enterprise Funds	Govt. Activities - Int. Svc. Fund
Assets				
Current assets				
Cash and investments	\$ 8,480,106	\$ 7,264,028	\$ 15,744,134	\$ 2,455,325
Restricted cash and investments	-	1,250,000	1,250,000	-
Accounts receivable, net	3,042,515	816,211	3,858,726	6,860
Intergovernmental receivable	167	323	490	622
Inventories	1,347,894	302,978	1,650,872	24,783
Prepaid items	3,016	386	3,402	46,817
Total current assets	12,873,698	9,633,926	22,507,624	2,534,407
Noncurrent assets				
Capital assets, not being depreciated	3,084,993	5,467,549	8,552,542	-
Capital assets, net of accumulated depreciation	17,607,298	17,764,813	35,372,111	1,289,528
Total noncurrent assets	20,692,291	23,232,362	43,924,653	1,289,528
Total assets	33,565,989	32,866,288	66,432,277	3,823,935
Deferred outflows of resources				
Related to OPEB	47,303	29,877	77,180	-
Related to pension	541,911	342,268	884,179	-
Total deferred outflows of resources	589,214	372,145	961,359	-
Liabilities and net position				
Current liabilities				
Accounts payable	1,773,182	218,875	1,992,057	24,416
Accrued liabilities	135,855	63,084	198,939	33,977
Accrued interest payable	24,204	48,246	72,450	-
Claims payable	-	-	-	136,839
Unearned revenue	-	297,335	297,335	-
Deposits	177,273	277,428	454,701	-
Compensated absences payable, current portion	122,593	65,497	188,090	27,997
Loans payable, current portion	-	289,478	289,478	-
Revenue bonds payable, current portion	320,000	-	320,000	-
Total current liabilities	2,553,107	1,259,943	3,813,050	223,229
Noncurrent liabilities				
Compensated absences payable	64,370	59,628	123,998	17,571
OPEB liability	469,584	296,586	766,170	-
Net pension liability	3,535,498	2,233,000	5,768,498	-
Loans payable	-	2,928,836	2,928,836	-
Revenue bonds payable	3,030,000	-	3,030,000	-
Total noncurrent liabilities	7,099,452	5,518,050	12,617,502	17,571
Total liabilities	9,652,559	6,777,993	16,430,552	240,800
Deferred inflows of resources				
Related to OPEB	5,316	3,357	8,673	-
Related to pension	687,216	434,041	1,121,257	-
Total deferred inflows of resources	692,532	437,398	1,129,930	-
Net position				
Net investment in capital assets	17,342,291	20,014,048	37,356,339	1,289,528
Restricted for operations and maintenance	-	1,250,000	1,250,000	-
Unrestricted	6,467,821	4,758,994	11,226,815	2,293,607
Total net position	\$ 23,810,112	\$ 26,023,042	\$ 49,833,154	\$ 3,583,135

Amounts reported in business-type activities in the Statement of Net Position are different because:

Internal service funds are used by management to charge the costs of fleet maintenance, vehicle replacement and information technology to individual funds. A portion of the assets and liabilities of the internal service funds is included in business-type activities in the statement of net position.

	792,542
Total net position of business-type activities	\$ 50,625,696

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

Town of Estes Park
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2018

	Light and Power Fund	Water Fund	Total Enterprise Funds	Govt. Activities - Int. Svc. Fund
Operating revenues				
Charges for services	\$ 16,381,233	\$ 5,541,465	\$ 21,922,698	\$ 4,026,672
Miscellaneous	649,555	166,912	816,467	27,199
Total operating revenues	17,030,788	5,708,377	22,739,165	4,053,871
Operating expenses				
Source of supply	7,670,249	106,625	7,776,874	-
Purification	-	895,445	895,445	-
Distribution	3,509,234	1,634,084	5,143,318	-
Customer accounts	534,698	349,916	884,614	-
Administrative and general	2,276,088	862,783	3,138,871	1,014,734
Depreciation expense	984,979	807,788	1,792,767	377,617
Medical expenses	-	-	-	2,132,405
Total operating expenses	14,975,248	4,656,641	19,631,889	3,524,756
Operating income	2,055,540	1,051,736	3,107,276	529,115
Nonoperating revenues (expenses)				
Investment income	165,002	142,126	307,128	46,758
Gain (loss) on sale of assets	78,367	15,402	93,769	59,970
Interest expense	(139,661)	(118,454)	(258,115)	-
Total nonoperating revenues (expenses)	103,708	39,074	142,782	106,728
Income (loss) before contributions and transfers	2,159,248	1,090,810	3,250,058	635,843
Tap fees	-	980,277	980,277	-
Capital Contributions	3,344	-	3,344	14
Transfers in	2,139,306	551,956	2,691,262	-
Transfers out	(1,731,228)	(144,696)	(1,875,924)	(2,691,262)
Changes in net position	2,570,670	2,478,347	5,049,017	(2,055,405)
Net position as previously stated	21,672,880	23,818,452	45,491,332	5,274,105
Adjustment to beginning net position resulting from the adoption of GASB 75 and the correction of an error	(433,438)	(273,757)	(707,195)	364,435
Net position at end of year	\$ 23,810,112	\$ 26,023,042	\$ 49,833,154	\$ 3,583,135

Amounts reported in business-type activities in the Statement of Activities are different because:

Change in net position of proprietary funds \$ 5,049,017

Internal service funds are used by management to charge the costs of fleet maintenance, vehicle replacement and information technology to individual funds.

A portion of the net revenues of the internal services funds is included in business-type activities in the statement of activities

(675,418)

Change in net position of business-type activities

\$ 4,373,599

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

Town of Estes Park
Statement of Cash Flows
Proprietary Funds

Year Ended December 31, 2018

	Light and Power Fund	Water Fund	Total Enterprise Funds	Govt. Activities - Int. Svc. Fund
Cash flows from operating activities				
Cash received from customers	\$ 17,053,513	\$ 5,926,786	\$ 22,980,299	\$ 4,035,473
Cash received from other sources	649,555	166,912	816,467	27,202
Cash payments to suppliers	(10,328,718)	(1,438,669)	(11,767,387)	(200,048)
Cash payments to employees	(2,727,533)	(1,868,392)	(4,595,925)	(3,003,931)
Net cash flows from operating activities	4,646,817	2,786,637	7,433,454	858,696
Cash flows from non-capital financing activities				
Transfers from other funds	2,139,306	551,956	2,691,262	-
Transfers to other funds	(1,731,228)	(144,696)	(1,875,924)	(2,691,262)
Grants received	3,344	-	3,344	14
Net cash flows from non-capital financing activities	411,422	407,260	818,682	(2,691,248)
Cash flows from capital and related financing activities				
Acquisition of capital assets	(1,977,185)	(2,881,641)	(4,858,826)	(371,358)
Addition of capital assets due to prior period restatement	-	-	-	364,435
Proceeds from sale of capital assets	78,367	15,402	93,769	59,970
Transfer of capital assets (to) from other funds	(864,936)	(239,826)	(1,104,762)	1,104,762
Principal paid on long-term debt	(305,000)	(283,803)	(588,803)	-
Interest paid on long-term debt	(140,815)	(120,358)	(261,173)	-
Grants received	(411,869)	-	(411,869)	-
Tap fees received	-	980,277	980,277	-
Net cash flows from capital and related financing activities	(3,621,438)	(2,529,949)	(6,151,387)	1,157,809
Cash flows from investing activities				
Interest received	165,002	142,127	307,129	46,758
Net cash flows from investing activities	165,002	142,127	307,129	46,758
Net change in cash and cash equivalents	1,601,803	806,075	2,407,878	(627,985)
Cash, cash equivalents and investments at beginning of year	6,878,303	7,707,953	14,586,256	3,083,310
Cash, cash equivalents and investments at end of year	\$ 8,480,106	\$ 8,514,028	\$ 16,994,134	\$ 2,455,325

Continued.

Town of Estes Park
Statement of Cash Flows (Continued)
Proprietary Funds

Year Ended December 31, 2018

Reconciliation of operating income (loss) to net cash flows from operating activities

Operating income	\$	2,055,540	\$	1,051,736	\$	3,107,276	\$	529,115
Adjustments to reconcile operating income to net cash flows from operating activities:								
Depreciation		984,979		807,788		1,792,767		377,617
(Increase) decrease in operating assets :								
Accounts receivable		725,804		141,251		867,055		8,801
Inventories		(498,982)		(109,381)		(608,363)		2,550
Prepaid items		(855)		(86)		(941)		16,704
Increase (decrease) in operating liabilities:								
Accounts payable		654,566		24,054		678,620		(7,570)
Accrued liabilities		11,741		13,614		25,355		3,383
Unearned revenues		-		12,300		12,300		-
Claims payable		-		-		-		(72,709)
OPEB payable		18,647		13,357		32,004		-
Deposits		(53,524)		244,070		190,546		-
Compensated absences payable		44,766		32,291		77,057		805
Net pension liability and related deferred		(676,936)		(308,463)		(985,399)		-
inflows and outflows of resources		1,381,071		864,106		2,245,177		-
Net cash flows from operating activities	\$	4,646,817	\$	2,786,637	\$	7,433,454	\$	858,696

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

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Estes Park, Colorado (the Town) is a statutory municipality governed by a town administrator form of government through a Mayor and six-member Board of Trustees elected by the residents at large.

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

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens, on the Town.

Based on the application of these criteria, the Town includes the following component units in its financial statements.

The Estes Park Local Marketing District (Visit Estes Park) was established by election in November 2008, to assist with the marketing of businesses and activities in the Marketing District's boundaries, which include the Town and the surrounding area. The election allowed Visit Estes Park to assess a 2% marketing and promotion tax on all lodging establishments in the District. Visit Estes Park has a separate Board of Directors with seven members appointed by the Town and Larimer County. Although Visit Estes Park is legally separate from the Town, the financial statements are reported in the Town's reporting entity because Visit Estes Park provides services almost exclusively to the Town, the Town's Board of Trustees approves the Visit Estes Park's budget, and the Town appoints five members of the Board of Directors. Separately-issued financial statements of Visit Estes Park can be obtained from Visit Estes Park at 1200 Graves Ave., P.O. Box 4426, Estes Park, Colorado 80517.

Certain disclosures required by GAAP have been omitted from the Town's notes, as they may be viewed by obtaining Visit Estes Park's financial statements as described above.

The Estes Park Building Authority (the Building Authority) was formed to provide financing for improvements to the Town-owned golf course. The Estes Valley Recreation and Park District operates the course under a management agreement. The Town Board of Trustees appoints the Directors of the Building Authority. The Building Authority had no financial activity for the year ended December 31, 2018.

Joint Venture – In 1975, the Town joined with the cities of Fort Collins, Longmont, and Loveland to establish the Platte River Power Authority (the Authority), to provide electrical power and energy to the Town and Cities. The Authority is governed by an eight-member Board of Directors. Each participant's governing board appoints two members to the

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Authority's Board of Directors.

The Town has a residual interest in the assets of the Authority that may revert to the Town upon dissolution of the Authority. The Town has no equity interest in the Authority. Complete financial statements of the Authority may be obtained by contacting the Platte River Power Authority at 2000 East Horsetooth Road, Fort Collins, Colorado 80525-2942.

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 and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the Town is financially accountable.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current year. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current year.

TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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 principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the Town reports the following major governmental funds:

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

The *Community Reinvestment Fund* was reclassified as a capital projects fund in 2018 from a special revenue fund. The fund accounts for general capital improvements of the Town, including the acquisition, construction, improvement, and maintenance of capital assets. These expenditures are financed by General Fund transfers, intergovernmental grants and debt issuances.

The *Street Improvement Fund* is a special revenue fund created April 2015 by vote of the Board of Trustees. The fund accounts for the restricted 0.60% sales tax approved by voters in 2014. The fund is used for selected street department personnel costs, operations, street repairs; such as chip sealing and crack sealing efforts, street replacement, rehabilitation and construction within the Town of Estes Park.

The Town reports the following major proprietary funds:

The *Light and Power Fund* accounts for the financial activities associated with the provision of electric services.

The *Water Fund* accounts for the financial activities associated with the provision of water services.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Additionally, the Town reports the following fund types:

The *Internal Service Funds* account for fleet maintenance, vehicle replacement, information technology, and medical insurance services and risk management services provided to other departments of the Town on a cost reimbursement basis.

Assets, Liabilities and Net Position/Fund Balances

Cash and Investments – Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents. Investments are reported at fair value. Whenever possible, the Town pools cash to enhance investment opportunities and to facilitate management of cash resources.

Restricted Cash and Investments – The amounts restricted are in compliance with the debt requirements associated with the Town's long-term debt.

Interfund Receivables/Payables – During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statement as interfund receivables and interfund payables. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Inventories – Inventories are valued at cost, using the weighted average unit method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items – Certain payments to vendors reflect costs applicable to future years and are reported as prepaid items using the consumption method.

Capital Assets – Capital assets, which include land, buildings, equipment, and all infrastructure owned by the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more (\$50,000 or more for street, bridge and trail infrastructure) 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, donated works of arts or similar items, and capital assets received in a service concession arrangement are reported at their acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized.

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

Buildings	30 – 40 years
Infrastructure – Collection and Distribution Systems	25 – 50 years
Infrastructure – Streets, Bridges and Trails	30 – 40 years
Machinery and equipment	20 – 25 years
Vehicles	5 – 10 years

TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period. The Town has one item that qualifies as a deferred outflow of resources related to pension liabilities per GASB Statement No. 68. See Note 8 for additional information.

Unearned Revenues – Unearned revenues arise when resources are received by the Town before it has a legal claim to them or when assets are not available as current financial resources in the governmental funds. In addition, the Town recognizes unearned revenue related to water rates established to support estimated incremental expenses of future scheduled maintenance costs of the Water Fund, consistent with the regulatory provisions of GASB Statement No. 62. At December 31, 2018 the Town reported unearned revenue of \$85,189 in governmental funds and \$297,335 in the enterprise funds.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position will sometimes report separate sections for deferred inflows of resources. A deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. The Town has two items that qualify for reporting as deferred inflows of resources. The first type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the Town's year) under the modified accrual basis of accounting. In the governmental funds, the Town recorded \$771,309 of deferred inflows of resources related to unavailable revenue and \$381,683 related to property taxes as of December 31, 2018. Finally, a deferred inflow of resources related to the pension liabilities per GASB Statement No. 68 has been recorded as of December 31, 2018. See Note 8 for additional information.

Deposits – Deposits reported in the General Fund represent customer payments for specific public improvements. The Light and Power Fund reports deposits received from customers for the construction of electric service facilities at their locations. These deposits are recognized as revenue when the underlying construction is completed. The Light and Power Fund also includes utility service deposits held as collateral for utility bills. These utility service deposits may be refunded, including accrued interest, at the end of the deposit term if the customer has demonstrated a good payment history.

Compensated Absences – Employees of the Town are allowed to accumulate unused vacation and sick time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time and, if the employee has completed 20 years of continuous service, will be compensated for 50% of accrued sick time at their current pay rate.

These compensated absences are recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability has been reported in the proprietary funds and government-wide financial statements for the accrued compensated absences.

Long-term Obligations – In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Long-term debt is reported net of the applicable premium or discount. Long-term debt issuance costs are expensed when incurred.

Net Position/Fund Balances – In the government-wide and fund financial statements, net

**TOWN OF ESTES PARK
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position and fund balances are restricted when constraints placed on the use of resources are externally imposed. Committed fund balance represents amounts constrained by the Board of Trustees, which is the highest level of decision making authority, by formal action (resolution). While there is no formal policy, the Board of Trustees has authorized the Town Administrator or his designee to assign fund balances for specific purposes consistent with the adopted budget. If both restricted and unrestricted fund balances are available, the Town uses restricted fund balance first, followed by committed, assigned and unassigned.

As of December 31, 2018, the Town reported the following restrictions in the statement of net position: 1) \$144,422 restricted for parks and open space, \$3,961,159 restricted for future capital improvements and \$633,978 restricted for emergencies (see Note 11) reported under governmental activities; and 2) \$1,250,000 restricted for operations and maintenance reserves reported under business-type activities. Restricted net position is a result of externally imposed restrictions.

Property Taxes

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

Contraband Forfeitures

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

Pensions

The Town and the discretely presented component unit participate in the Local Government Division Trust Fund ("LGDTF"), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill ("SB") 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. Governmental accounting standards require the net pension liability and related amounts of the LGDTF for financial reporting purposes be measured using the plan provisions in effect as of the LGDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the

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exception of the section titled Changes between the measurement date of the net pension liability and December 31, 2018.

Other Post-Employment Benefits (“OPEB”)

The Town and the discretely presented component unit participate in the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

The Town also provides post-employment medical insurance premium assistance to all active and retired employees under the Retiree Medical Insurance Plan (the “Plan”). The Plan is a single-employer defined benefit OPEB plan administered by the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise and internal service funds are presented on a non-GAAP budgetary basis. Capital outlay and debt service principal are budgeted as expenditures and depreciation is not budgeted. The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them;
- Public hearings are conducted to obtain taxpayer comments;
- Prior to December 15, the budget is legally enacted through passage of a resolution;
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees;
- All budget appropriations lapse at year-end.

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NOTE 3 CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2018 follows:

	Town	Visit Estes Park
Petty cash	\$ 3,200	\$ 1,200
Bank deposits	2,611,126	1,205,949
Investments	30,928,862	728,109
Total	\$ 33,543,188	\$ 1,935,258

Cash and investments are presented in the government-wide financial statements as follows:

	Town	Visit Estes Park
Cash, cash equivalents and investments per Statement of Net Position:		
Government-wide financial statements:		
Cash and investments	\$ 32,293,188	\$ 1,935,258
Restricted cash and investments	1,250,000	-
Total	\$ 33,543,188	\$ 1,935,258

Bank 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 determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds.

The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The fair value of the collateral must be at least equal to the aggregate uninsured deposits. At December 31, 2018, the Town and Visit Estes Park reported bank deposits with carrying values of \$2,611,126 and \$1,205,949, respectively.

Deposits collateralized under the PDPA are considered collateralized with securities held by the pledging financial institution's trust department or agent in the Town's or Visit Estes Park's name, because the collateral pool meets the "held in name of the government" criterion.

Investments

The Town is required to comply with State statutes, which specify investment instruments meeting defined rating, maturity, and concentration risk criteria. State statutes do not address custodial risk. The Town's investment policy follows State statutes. State statutes do not apply to public funds held or invested as part of any pension plan. Eligible investments include the following:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks

TOWN OF ESTES PARK
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- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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

	S & P Rating	Less Than 1 Year	1- 5 Years	Fair Value
Local Government Investment Pools	AAAm	\$ 17,300,990	\$ -	\$ 17,300,990
Corporate Bonds	AA-	1,916,069	848,270	2,764,339
U.S. Treasury Securities	AA+	3,053,704	1,784,324	4,838,028
Federal National Mortgage Association	AA+	1,585,604	1,698,602	3,284,206
Federal Farm Credit Bank	AA+	-	528,234	528,234
Federal Home Loan Mortgage Corp.	AA+	472,435	-	472,435
Federal Home Loan Bank	AA+	1,095,115	645,515	1,740,630
Total		\$25,423,917	\$ 5,504,945	\$ 30,928,862

All of Visit Estes Park's investments were in mutual funds measured at net asset value.

Interest Rate Risk – State statutes limit investments in U.S. Treasury and Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

Concentration of Credit Risk – State statutes do not limit the amount the Town may invest in one issuer. The Town's concentration of credit risk that exceed 5% is shown below as of December 31, 2018. Percentages are based on the Town's total investments.

Investment Type	Concentration of Credit Risk
Local Government Investment Pools	55.94%
Corporate Bonds	8.94%
U.S. Treasury Securities	15.64%
Federal National Mortgage Association	10.62%
Federal Farm Credit Bank	1.71%
Federal Home Loan Mortgage Corp.	1.53%
Federal Home Loan Bank	5.63%

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Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investment balances at December 31, 2018 were as follows:

Investments	Level 1	Level 2	Level 3	Total
U.S. Treasury Securities	\$4,838,028	\$ -	\$ -	\$ 4,838,028
Corporate Bonds	-	2,764,339	-	2,764,339
Federal National Mortgage Association	-	3,284,206	-	3,284,206
Federal Farm Credit Bank	-	528,234	-	528,234
Federal Home Loan Mortgage Corp.	-	472,435	-	472,435
Federal Home Loan Bank	-	1,740,630	-	1,740,630
Total	\$4,838,028	\$8,789,844	\$ -	13,627,872
Local government investment pool measured at NAV				11,991,598
Local government investment pool measured at amortized cost				5,309,392
Total				<u>\$30,928,862</u>

As of December 31, 2018, the Town had invested \$11,991,598 in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share has a constant net asset value. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. Government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

As of December 31, 2018, the Town had invested \$5,309,392 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operated similarly to a money market fund and each share has a constant net asset value. The Trust is rated AAAM by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 is summarized below:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land held for preservation	\$ 5,780,077	\$ -	\$ -	\$ -	\$ 5,780,077
Construction in Progress	8,541,984	3,800,324	(6,826,958)	-	5,515,350
Total capital assets not being depreciated	14,322,061	3,800,324	(6,826,958)	-	11,295,427
Capital assets being depreciated:					
Buildings	23,525,776	133,007	-	-	23,658,783
Infrastructure	121,983,862	7,452,591	-	-	129,436,453
Machinery and equipment	9,024,531	472,329	(373,333)	(2,019,532)	7,103,995
Total capital assets being depreciated	154,534,169	8,057,927	(373,333)	(2,019,532)	160,199,231
Less accumulated depreciation					
Buildings	(10,143,336)	(658,469)	-	-	(10,801,805)
Infrastructure	(86,396,448)	(2,119,249)	-	-	(88,515,697)
Machinery and equipment	(5,130,333)	(529,551)	368,285	915,625	(4,375,974)
Accumulated depreciation	(101,670,117)	(3,307,269)	368,285	915,625	(103,693,476)
Capital assets being depreciated, net	52,864,052	4,750,658	(5,048)	(1,103,907)	56,505,755
Total governmental activities capital assets, net	\$ 67,186,113	\$ 8,550,982	\$ (6,832,006)	\$ (1,103,907)	\$ 67,801,182
Business-Type Activities					
Capital assets not being depreciated					
Land and easements	\$ 2,984,072	\$ 981,704	\$ -	\$ -	\$ 3,965,776
Construction in Progress	3,248,682	1,676,187	(338,102)	-	4,586,767
Total capital assets not being depreciated	6,232,754	2,657,891	(338,102)	-	8,552,542
Capital assets being depreciated:					
Buildings	10,266,186	10,750	-	-	10,276,936
Infrastructure	34,938,064	1,204,538	-	-	36,142,602
Machinery and equipment	15,155,586	1,478,103	(489,617)	2,019,532	18,163,604
Total capital assets being depreciated	60,359,836	2,693,391	(489,617)	2,019,532	64,583,142
Less accumulated depreciation					
Buildings	(3,685,924)	(285,004)	-	-	(3,970,928)
Infrastructure	(14,575,326)	(779,900)	-	-	(15,355,226)
Machinery and equipment	(8,577,506)	(727,863)	336,116	(915,625)	(9,884,878)
Total accumulated depreciation	(26,838,756)	(1,792,767)	336,116	(915,625)	(29,211,032)
Capital assets being depreciated, net	33,521,080	900,624	(153,501)	1,103,907	35,372,111
Total business-type activities capital assets, net	\$ 39,753,834	\$ 3,558,515	\$ (491,603)	\$ 1,103,907	\$ 43,924,653

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

General government	\$ 834,779
Public safety	84,990
Public works	841,107
Culture and recreation	1,546,393
Total	\$ 3,307,269

Light and power	\$ 984,979
Water	807,788
	\$ 1,792,767

NOTE 5 LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Certificates of participation	\$ 4,540,000	\$ -	\$ 405,000	\$ 4,135,000	\$ 415,000
Environmental remediation	57,625	32,783	15,408	75,000	15,000
Capital lease	121,149	-	59,608	61,541	61,541
Lease purchase agreement	4,225,749	-	212,133	4,013,616	221,786
Premium lease purchase	201,632	-	12,186	189,446	11,883
Compensated absences	475,142	549,279	428,315	596,106	359,418
	\$ 9,621,297	\$ 582,062	\$ 1,132,650	\$ 9,070,709	\$ 1,084,628

Compensated absences and postemployment benefits are expected to be liquidated primarily with revenues of the General Fund.

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
2007 Light and Power Bonds	\$ 3,655,000	\$ -	\$ 305,000	\$ 3,350,000	\$ 320,000
2008A Water Loan	3,502,117	-	283,801	3,218,316	289,478
Compensated absences	235,030	328,182	251,125	312,087	188,090
	\$ 7,392,147	\$ 328,182	\$ 839,926	\$ 6,880,403	\$ 797,568

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The 2007 Light and Power Revenue Bonds were issued to finance the construction and equipping of a new substation and to rebuild certain distribution lines and make other improvements to the Town's light and power facilities. Principal payments are due annually on November 1 through 2027. Interest payments are due semi-annually on May 1 and November 1. Interest accrues at 3.875% per annum.

All income derived from the operations of the light and power facilities after deduction of operating and maintenance costs must be sufficient to pay 125% of combined annual debt service requirements. During the year ended December 31, 2018, net revenues of \$3,287,232 were available to pay 125% of annual debt service of \$562,266.

Annual debt service requirements for the outstanding bonds at December 31, 2018, are as follows:

Year	Principal	Interest	Total
2019	\$ 320,000	\$ 129,813	\$ 449,813
2020	330,000	117,413	447,413
2021	345,000	104,625	449,625
2022	355,000	91,256	446,256
2023	370,000	77,500	447,500
2024-2027	1,630,000	160,813	1,790,813
Total	\$ 3,350,000	\$ 681,420	\$ 4,031,420

The 2008A Water Loan from the Colorado Water Resources and Power Development Authority was obtained to finance a membrane filter and increase capacity at the Mary's Lake Water Treatment Plant. Principal and interest payments are due semi-annually on February 1 and August 1 through 2028. Interest accrues at 3.26% per annum.

All income derived from the operations of the water facilities must be sufficient to pay; a) all Operating Expenses during the fiscal year; and b) 110% of the debt service due during the fiscal year. During the year ended December 31, 2018, revenues of \$6,846,182 were available to pay 110% of annual debt service of \$445,795 and operating expenses of \$4,776,746.

Annual debt service requirements for the outstanding Water Loan at December 31, 2018, are as follows:

Year	Principal	Interest	Total
2019	\$ 289,478	\$ 115,790	\$ 405,268
2020	295,154	111,352	406,506
2021	295,154	107,033	402,187
2022	300,830	102,258	403,088
2023	306,506	98,234	404,740
2024-2028	1,731,194	272,244	2,003,438
Total	\$ 3,218,316	\$ 806,911	\$ 4,025,227

On May 30, 2013, the Town issued Certificates of Participation, Series 2013, in the amount of \$6,075,000, for the purpose of financing the construction of a multi-purpose events center and new stall barns at the Stanley Park Fairgrounds complex. The certificates are subject to

TOWN OF ESTES PARK
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mandatory sinking fund redemption prior to maturity of December 1, 2027. Payments of principal are due annually on December 1, through 2027. Interest accrues at a rate of 2.430% and is payable semiannually on June 1 and December 1.

Annual debt service requirements for the outstanding Certificates of Participation at December 31, 2018 are as follows:

Year	Principal	Interest	Total
2019	\$ 415,000	\$ 100,481	\$ 515,481
2020	425,000	90,396	515,396
2021	435,000	80,069	515,069
2022	450,000	69,498	519,498
2023	460,000	58,563	518,563
2024-2028	1,950,000	47,385	1,997,385
Total	\$ 4,135,000	\$ 446,392	\$ 4,581,392

On December 2, 2013, the Town entered into a capital lease obligation in the amount of \$288,984 for the lease of radio equipment. The lease requires annual principal and interest payments of \$63,534, with interest at 3.24%. The final payment is due in 2019. The gross carrying amount of the assets was \$236,967 with a current year depreciation amount and accumulated depreciation amount of \$52,017 as of December 31, 2018. Principal and interest payments of \$61,541 and \$1,993, respectively, are due during 2019.

On January 1, 2017, the Town entered into a Lease Purchase Agreement commencing on January 23, 2017 and terminating on January 1, 2032 with Saulsbury Hill Financial, LLC. Under the agreement, Saulsbury Hill Financial, LLC will lease real property, including improvements, fixtures and equipment from the Town and provide funds in the aggregate amount of the principal rental payments. Saulsbury Hill Financial, LLC will also lease its interest in the property to the Town for rental payments until termination of the agreement. Upon execution of the Lease Purchase Agreement, \$4,497,092.80 was deposited into a project fund and was fully disbursed at December 31, 2018. The total principal balance on the lease is \$4,013,616 at an annual interest rate of 4.5%. A balance of \$189,446 remains on the premium. Rental payments are to be made by the Town, semi-annually, in the amount of \$199,966. The Town has the option to purchase on any rental payment date beginning January 1, 2022 with payment in full of the rental payments plus the applicable purchase price. The Town may exercise its option to purchase at any time in the event of substantial damage or destruction to the leased property, upon payment in full of rental payments, plus the purchase price.

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Annual debt service requirements for the outstanding Lease Purchase Agreement at December 31, 2018 are as follows:

Year	Principal	Interest	Total
2019	\$ 221,786	\$ 178,145	\$ 399,931
2020	231,879	168,053	399,932
2021	242,431	157,501	399,932
2022	253,463	146,469	399,932
2023	264,997	134,934	399,931
2024-2028	1,517,229	482,430	1,999,659
2029-2033	1,281,831	117,931	1,399,762
Total	\$ 4,013,616	\$ 1,385,463	\$ 5,399,079

In prior years, the Town was identified as a responsible party in the mitigation of ground water and drainage issues at the Elm Road Landfill. The Town has received a mandated request from the State of Colorado to submit a drainage plan to address the issues. During 2014, the Town contracted with Steward Environmental Consultants, LLC regarding the identified drainage issues and the Town's estimated liability. The Town's estimate was based on a drainage plan of the area and cost estimates for completing the site specific controls necessary. During 2018, the Town made payments in the amount of \$15,408 for monitoring costs. As of December 31, 2018, the Town's estimated liability is \$75,000 which represents estimated monitoring costs for two fiscal years. This amount has been reported as a long-term liability in the government-wide financial statements.

NOTE 6 INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2018, were comprised of the following:

Transfers In	Transfers Out	Amount
General Fund	Light and Power Fund	\$ 1,731,228
General Fund	Water Fund	144,696
Community Reinvestment Fund	General Fund	1,350,322
Light and Power Fund	Vehicle Replacement Fund	2,139,306
Water Fund	Vehicle Replacement Fund	551,956
		\$ 5,917,508

Annually, the Light and Power and Water Funds subsidizes the General Fund out of surplus revenues.

NOTE 7 RISK MANAGEMENT

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to State statute.

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

It is the intent of the members of CIRSA to create an entity in perpetuity, which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve its budgets nor does it have the ability to significantly affect the operations of CIRSA. Claims have not exceeded insurance coverage for the previous three years.

NOTE 8 DEFINED BENEFIT PENSION PLAN

Plan description – Eligible employees of the Town are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on

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eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

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

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

Contributions – Eligible employees of the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401; *et seq.* Eligible employees are required to contribute 8 percent of their PERA includable salary. The employer contribution requirements are summarized in the table below:

January 1st through December 31st	2017*
Employer Contribution Rate	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount Apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Total Employer Contribution Rate to the LGDTF	12.68%

*Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town for the year ended December 31, 2018 were as follows:

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	Contributions
Primary Government	
Governmental Activities	\$ 517,416
Light and Power Fund	265,101
Water Fund	167,436
Total primary government	\$ 949,953

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, the Town reported a net pension liability as follows:

	Net Pension Liability
Primary Government	
Governmental Activities	\$ 6,900,484
Light and Power Fund	3,535,498
Water Fund	2,233,000
Total primary government	\$ 12,668,982

The net pension liability for the LGDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. The Town proportion of the net pension liability was based on Town contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

For the plan year end, the proportionate share of the net pension liability is as follows:

	December 31, 2017	December 31, 2016	Change
Primary Government			
Governmental Activities	0.0062%	0.6140%	-0.6078%
Light and Power Fund	0.0032%	0.3120%	-0.3088%
Water Fund	0.0020%	0.1882%	-0.1862%
Total primary government	0.0114%	1.1142%	-1.1028%

For the year ended December 31, 2018, the Town reported pension expense as follows:

	Pension Expense
Primary Government	
Governmental Activities	\$ 1,222,645
Light and Power Fund	692,962
Water Fund	550,618
Total primary government	\$ 2,466,225

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At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Primary Government	Governmental Activities	Light and Power Fund	Water Fund	Total
Deferred outflows of resources				
Changes in proportion and differences between Town contributions and proportionate share of contributions	\$ 36,134	\$ 18,513	\$ 11,693	\$ 66,340
Differences between expected and actual experience	431,687	221,177	139,694	792,558
Changes in assumptions and other inputs	72,895	37,348	23,589	133,832
Town contributions subsequent to measurement date	516,017	264,873	167,292	948,182
Total deferred outflows of resources	\$ 1,056,733	\$ 541,911	\$ 342,268	\$ 1,940,912
Deferred inflows of resources				
Net difference between projected and actual earnings on pension plan investments	\$ 1,341,288	\$ 687,216	\$ 434,041	\$ 2,462,545
Total deferred inflows of resources	\$ 1,341,288	\$ 687,216	\$ 434,041	\$ 2,462,545

The \$516,017, \$264,873 and \$167,292 reported in governmental activities, light and power fund and the water fund as deferred outflow of resources related to pensions, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019.

Other amounts related to pensions will be recognized in pension expense as follows:

Primary Government	Governmental Activities	Light and Power Fund	Water Fund	Total
Year Ended June 30,				
2019	\$ (510,235)	\$ (261,420)	\$ (165,110)	\$ (936,765)
2020	1,908	977	617	3,502
2021	(130,783)	(67,008)	(42,322)	(240,113)
2022	(161,462)	(82,727)	(52,250)	(296,439)
Total	\$ (800,572)	\$ (410,178)	\$ (259,065)	\$ (1,469,815)

Actuarial Assumptions – The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 - 10.45 percent

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Long-term Investment rate of return, net of pension plan investment expenses, including inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPE benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2012 through December 31, 2015, adopted by PERA's Board on November 18, 2016.

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

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

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

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

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of

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return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and

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estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current	1% Increase (8.25%)
Primary government proportionate share of the net pension liability	\$ 20,177,582	\$ 12,668,982	\$ 6,409,486

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

Changes between the measurement date of the net pension liability and December 31, 2018

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, in the Local Government Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

At December 31, 2018 the Town reported a liability of \$12,668,982 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule presents an estimate of what the Town's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

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	Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
The Town	7.25%	\$ 8,960,987

Management Employees and Police Money Purchase Pension Plans

The Town contributes to a single-employer defined contribution money purchase pension plan on behalf of management employees and to a similar plan for police officers. The contribution requirements of Plan participants and the Town are established and may be amended by the Town's Board of Trustees.

Management Employees Plan – Management employees are eligible to participate in the Plan. The Plan is administered by the International Town/County Management Association (ICMA). The Town is required to contribute 13.7% of each participant's covered salary to the Plan, and employees must contribute 8% of covered salary. During the year ended December 31, 2018, the Town and employee contributions were \$72,784 and \$42,502, respectively, equal to the required contributions.

Police Plan – All sworn police employees shall be eligible to participate in the Plan administered by ICMA. The Town is required to contribute 13.7% of each participating employee's covered salary, and each employee must contribute 8% of covered salary. During the year ended December 31, 2018, the Town and employee contributions were \$254,532 and \$148,632, respectively, equal to the required contributions.

NOTE 9 POSTEMPLOYMENT HEALTHCARE BENEFITS

Multiple-Employer Defined Benefit Plan

Plan Description – Eligible employees of the Town are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four

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Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure. The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Town were \$41,267 for the year ended December 31, 2018.

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2018, the Town reported a liability of \$1,138,541 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Town's proportion of the net OPEB liability was based on the Town's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the Town's proportion was 0.0876 percent, which was an increase of 0.0026 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Town recognized OPEB expense of \$21,805. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government	Governmental Activities	Light and Power Fund	Water Fund	Total
Deferred outflows of resources				
Changes in proportion and differences between Town contributions and proportionate share of contributions	\$ 15,123	\$ 7,749	\$ 4,894	\$ 27,766
Differences between expected and actual experience	2,987	1,530	967	5,484
Town contributions subsequent to measurement date	41,267	21,144	13,354	75,765
Total deferred outflows of resources	\$ 59,377	\$ 30,423	\$ 19,215	\$ 109,015
Deferred inflows of resources				
Net difference between projected and actual earnings on pension plan investments	\$ 10,375	\$ 5,316	\$ 3,357	\$ 19,048
Total deferred inflows of resources	\$ 10,375	\$ 5,316	\$ 3,357	\$ 19,048

The \$41,267, \$21,144 and \$13,354 reported in governmental activities, light and power fund and the water fund as deferred outflow of resources related to OPEB, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019.

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

Primary Government	Governmental Activities	Light and Power Fund	Water Fund	Total
Year Ended June 30,				
2019	\$ 954	\$ 489	\$ 308	\$ 1,751
2020	954	489	308	1,751
2021	954	489	308	1,751
2022	954	489	308	1,751
2023	3,547	1,818	1,148	6,513
Thereafter	372	189	124	685
Total	\$ 7,735	\$ 3,963	\$ 2,504	\$ 14,202

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB	
plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

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Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
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by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

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

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

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

TOWN OF ESTES PARK
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Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease in Current Trend</u> <u>Trend Rates</u>	<u>1% Increase in</u> <u>Rates</u>	<u>1% Increase in</u> <u>Trend Rates</u>
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$ 1,107,215	\$ 1,138,541	\$ 1,176,271

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Towns proportionate share of the net OPEB liability	\$ 1,280,078	\$ 1,138,541	\$ 1,017,735

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

Single-Employer Defined Benefit Plan

Plan Description – The Town has established the Retiree Medical Insurance Plan (the "RMIP"), single-employer defined benefit OPEB plan which provides benefits to employees with at least 15 years of service with the Town, and who have reached at least 60 years of age. These benefits expire when the retiree reaches the age of 65. The authority to establish and amend benefit provisions rests with the Town's Board of Trustees. The Town does not issue a stand-alone financial report for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. The Town of Estes Park, through the RMIP, pays 90% of the premium for single coverage only. Spouses are not eligible for coverage under the plan.

Employees covered by benefit terms. At December 31, 2018 the following employees were covered by the benefit terms:

Active employees	94
Inactive employees	-
Retirees	4
	<u>98</u>

Total OPEB Liability

The Town's total OPEB liability of \$544,150 was measured as of January 1, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Price inflation	2.50 percent
Salary increases, including wage inflation	3.00 percent
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	3.44 percent

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
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The discount rate was based on the Bond Buyers General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on the following:

- Pre-retirement: RP-2014 Employee Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2018 from the 2006 base year, and projected forward using MP-2018 on a generational basis.
- Post-retirement: RP-2014 Healthy Annuitant Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2018 from the 2006 base year, and projected forward using MP-2018 on a generational basis.

The actuarial assumptions used in the January 1, 2018 valuation were based on a prior study on retirement used by a pension plan covering a population similar to that of the Town's current active employees. Actual experience is annually compared to that expected to ensure the assumed retirement rates continue to be reasonable.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2017	\$ 530,753
Changes for the year:	
Service cost	27,609
Interest on total OPEB liability	20,240
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	11,799
Benefit payments	(46,251)
Net Changes	13,397
Balance at December 31, 2018	\$ 544,150

Changes of assumptions and other inputs reflect the following changes:

- The actuarial cost method has been changed from the projected unit credit to the individual entry age normal level percentage of pay cost method, as prescribed by GASB 75.
- The discount rate has been changed to a 20-year tax-exempt municipal bond yield as of the measurement date, as prescribed by GASB 75.
- The mortality projection scale was updated from MP-2016 to MP-2018.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

- Updated claims costs and contribution assumptions to reflect 2018 premiums.
- The trend assumption was updated based on the current Milliman Adjusted Getzen Trend Model.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Town, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44 percent) or 1-percentage-point higher (4.44 percent) than the current discount rate:

	1% Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
Towns proportionate share of the net OPEB liability	\$ 581,229	\$ 544,150	\$ 510,551

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Towns proportionate share of the net OPEB liability	\$ 581,229	\$ 544,150	\$ 510,551

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Town recognized OPEB expense of \$49,160. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government	Governmental Activities	Light and Power Fund	Water Fund	Total
Deferred outflows of resources				
Changes in assumptions and other inputs	\$ 5,713	\$ 2,927	\$ 1,849	\$ 10,489
Town contributions subsequent to measurement date	27,234	13,953	8,813	50,000
Total deferred outflows of resources	\$ 32,947	\$ 16,880	\$ 10,662	\$ 60,489

The \$27,234, \$13,953 and \$8,813 reported in governmental activities, light and power fund and the water fund for the primary government as deferred outflow of resources related to OPEB, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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

Year Ended December 31,	Amortization
2019	\$ 1,311
2020	1,311
2021	1,311
2022	1,311
2023	1,311
Thereafter	3,934
	\$ 10,489

NOTE 10 SELF FUNDED HEALTH INSURANCE

Effective January 1, 2012, the Town established a self-insurance plan related to medical insurance for Town employees. The Town administers the plan; however, the Town utilizes a third-party service provider in the administration of the plan. Excess insurance coverage is maintained for claims greater than \$40,000 to limit the loss of any individual claim. The plan assesses other funds for estimates of current claims based on historical claims. The estimated claim liability of \$209,547 as of December 31, 2018, represents an estimate of incurred but not reported claims. This plan is an internal service fund.

	Medical Insurance
Claims payable, December 31, 2016	\$ 168,103
2017 Claims and change in estimate	1,135,570
Claim payments	(1,094,126)
Claims payable, December 31, 2017	209,547
2018 Claims and change in estimate	1,077,502
Claim payments	(1,150,210)
Claims payable, December 31, 2018	\$ 136,839

NOTE 11 COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending limitations, and other specific requirements of state and local government. In November 2000, voters within the Town authorized the Town to collect and retain all revenue in excess of the revenue limitations of the Amendment, and to spend all such revenues by transferring said revenues into the Community Reinvestment Fund for the purpose of acquisition, maintenance, repair and replacement of capital assets.

In November 2008, voters within Visit Estes Park authorized Visit Estes Park to levy a 2% marketing and promotion tax, and to collect, keep and spend all revenues received in 2009 and each year thereafter without limitation.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
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The Town and Visit Estes Park have established emergency reserves, representing 3% of qualifying revenues, as required by the Amendment. At December 31, 2018, the emergency reserves of \$633,978 and \$93,568, respectively, were reported as restricted net position. In addition, the Town's emergency reserve was reported as restricted fund balance in the General Fund.

Claims and Judgments

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government.

At December 31, 2018, significant amounts of grant expenditures have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the Town.

NOTE 13 CHANGE IN ACCOUNTING PRINCIPAL AND CORRECTION OF AN ERROR

During 2018, the Town implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about support for OPEB that is provided by other entities. The result of the implementation of this standard was to decrease the net position at the beginning of the fiscal year by \$481,537 in the governmental activities and \$707,195 in the business-type activities. Additionally, there has been an adjustment to the opening net position of the Vehicle Replacement Fund resulting from the correction of an error. During 2017, the Town expensed \$364,435 that should have been capitalized.

NOTE 14 SUBSEQUENT EVENTS

The Town has evaluated subsequent events through June 28, 2019, the date these financial statements were available to be issued. No additional transactions or events that would require adjustment to the financial statements or note disclosures were identified.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Estes Park
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues				
Taxes				
Sales	\$ 11,150,500	\$ 11,150,500	\$ 12,067,441	\$ 916,941
Property	406,460	406,460	388,128	(18,332)
Franchise	535,840	535,840	542,058	6,218
Use	295,000	295,000	331,579	36,579
Other	436,567	436,567	513,425	76,858
Total taxes	12,824,367	12,824,367	13,842,631	1,018,264
Licenses and permits	732,295	732,295	912,204	179,909
Intergovernmental	90,257	6,049,045	5,461,658	(587,387)
Charges for services	668,560	668,560	741,016	72,456
Fines and forfeitures	39,800	39,800	76,366	36,566
Rental income	348,041	348,041	307,267	(40,774)
Investment income	26,000	26,000	53,071	27,071
Miscellaneous	240,065	390,768	505,372	114,604
Total revenues	14,969,385	21,078,876	21,899,585	820,709
Expenditures				
Current:				
General government				
Legislative	208,364	213,362	208,684	4,678
Judicial	80,131	86,131	76,471	9,660
Executive	355,110	412,781	329,092	83,689
Administrative	609,803	639,869	478,534	161,335
Financial administration	548,652	549,452	519,073	30,379
Planning Division	805,068	815,068	727,119	87,949
Facilities	1,031,110	1,261,797	909,820	351,977
Community services	1,059,065	1,070,241	1,125,668	(55,427)
Employee benefits/Insurance	150,751	159,651	94,403	65,248
Total general government	4,848,054	5,208,352	4,468,864	739,488
Public safety				
Police	4,089,606	4,165,900	4,006,196	159,704
Protective inspection	559,092	589,092	529,267	59,825
Total public safety	4,648,698	4,754,992	4,535,463	219,529
Public works				
Engineering	378,796	559,245	588,661	(29,416)
Streets	1,144,162	2,873,764	1,217,558	1,656,206
Total public works	1,522,958	3,433,009	1,806,219	1,626,790
Culture and recreation				
Parks and recreation	1,164,200	1,188,217	1,131,559	56,658
Visitor, museum and senior services	1,307,309	2,011,214	1,303,117	708,097
Special events	2,333,439	2,401,439	2,106,676	294,763
Total culture and recreation	4,804,948	5,600,870	4,541,352	1,059,518

Continued.

Town of Estes Park
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund (Continued)
Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay	552,100	552,100	535,826	16,274
Debt Service				
Principal	57,738	57,738	59,608	(1,870)
Interest	5,797	5,797	3,926	1,871
Total expenditures	16,440,293	19,612,858	15,951,258	3,661,600
Excess (deficiency) of revenues over expenditures	(1,470,908)	1,466,018	5,948,327	4,482,309
Other financing sources (uses)				
Transfers in	1,875,934	2,215,934	1,875,924	(340,010)
Transfers out	(1,350,322)	(1,350,322)	(1,350,322)	-
Total other financing sources (uses)	525,612	865,612	525,602	(340,010)
Net change in fund balance	\$ (945,296)	\$ 2,331,630	6,473,929	\$ 4,142,299
Fund balance at beginning of year			<u>2,179,032</u>	
Fund balance at end of year			<u>\$ 8,652,961</u>	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule
Street Improvement Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,670,900	\$ 1,670,900	\$ 1,805,171	\$ 134,271
Investment income	15,000	15,000	78,967	63,967
Miscellaneous	-	-	-	-
Total revenues	1,685,900	1,685,900	1,884,138	198,238
Expenditures				
Current:				
Public works	1,079,631	879,631	601,201	278,430
Capital outlay	600,000	4,756,202	2,059,154	2,697,048
Total expenditures	1,679,631	5,635,833	2,660,355	2,975,478
Excess (deficiency) of revenues over expenditures	6,269	(3,949,933)	(776,217)	3,173,716
Other financing sources				
Transfers in	-	336,000	-	(336,000)
Total other financing sources	-	336,000	-	(336,000)
Net change in fund balance	\$ 6,269	\$ (3,613,933)	(776,217)	\$ 2,837,716
Fund balance at beginning of year			<u>4,334,169</u>	
Fund balance at end of year			<u>\$ 3,557,952</u>	

See accompanying Independent Auditor's Report.

Town of Estes Park
Schedule of the Town's Proportionate Share of the Net Pension Liability
PERA - Local Government Division Trust Fund
Last Ten Years

December 31,	2018	2017	2016	2015	2014
PERA - Local Government Division Trust Fund					
Town's proportion of the net pension liability	\$ 12,668,982	\$ 15,044,400	\$ 11,344,006	\$ 8,303,953	\$ 6,497,912
Town's proportionate share of the net pension liability	1.1378%	1.1142%	1.0298%	0.9265%	0.8443%
Town's covered payroll	\$ 7,189,091	\$ 6,541,376	\$ 5,842,524	\$ 5,078,452	\$ 4,502,074
Town's proportionate share of the net pension liability as a percentage of its covered payroll	176.23%	229.99%	194.16%	163.51%	144.33%
Plan fiduciary net position as a percentage of the total pension	79.37%	73.60%	76.90%	80.70%	77.66%

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

Information for measurement dates of December 31, 2009 through 2013 was not available to report

See accompanying Independent Auditor's Report.

Town of Estes Park
Schedule of Town Contributions - Pension
PERA - Local Government Division Trust Fund
Last Ten Years

Year Ended December 31,	2018	2017	2016	2015	2014	2013
PERA - Local Government Division Trust Fund						
Contractually Required Contribution	\$ 949,136	\$ 911,577	\$ 829,447	\$ 740,832	\$ 643,712	\$ 570,863
Contributions in Relation to the Contractually Required Contribution	<u>949,136</u>	<u>911,577</u>	<u>829,447</u>	<u>740,832</u>	<u>643,712</u>	<u>570,863</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,485,300	\$ 7,189,091	\$ 6,541,376	\$ 5,842,524	\$ 5,078,452	\$ 4,502,074
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%
The Town implemented GASB Statement No. 68 in 2015; therefore 10 years of data is not available.						

See accompanying Independent Auditor's Report.

Town of Estes Park
Schedule of the Town's Proportionate Share of the Net OPEB Liability
PERA - Local Government Division Trust Fund
Last Ten Years

December 31,	2018	2017
PERA - Local Government Division Trust Fund		
Town's proportion of the net pension liability	\$ 1,138,541	\$ 1,102,634
Town's proportionate share of the net pension liability	0.0876%	0.0850%
Town's covered payroll	\$ 7,189,091	\$ 6,541,376
Town's proportionate share of the net pension liability as a percentage of its covered payroll	15.84%	16.86%
Plan fiduciary net position as a percentage of the total pension	17.53%	16.72%

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

Information for measurement dates of December 31, 2009 through 2016 was not available to report

See accompanying Independent Auditor's Report.

Town of Estes Park
Schedule of Town Contributions - OPEB
PERA - Local Government Division Trust Fund
Last Ten Years

Year Ended December 31,	2018	2017	2016
PERA - Local Government Division Trust Fund			
Contractually Required Contribution	\$ 75,765	\$ 73,329	\$ 66,722
Contributions in Relation to the Contractually Required Contribution	75,765	73,329	66,722
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 7,485,300	\$ 7,189,091	\$ 6,541,376
Contributions as a Percentage of Covered Payroll	1.01%	1.02%	1.02%
The Town implemented GASB Statement No. 75 in 2018; therefore 10 years of data is not available.			

See accompanying Independent Auditor's Report.

Town of Estes Park
Schedule of Changes in the Town's Total OPEB
Liability and Related Ratios - Retiree Medical Insurance Plan
Last Ten Years

Year Ended December 31,	2018
Total OPEB Liability	
Service Cost	\$ 27,609
Interest on total OPEB liability	20,240
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	11,799
Benefit payments	(46,251)
Net change in total OPEB liability	13,397
Total OPEB liability - beginning	530,753
Total OPEB liability - ending	\$ 544,150
Covered-employee payroll	\$ 10,015,583
Total OPEB liability as a percentage of covered-employee payroll	5.43%

The Town implemented GASB Statement No. 75 in 2018; therefore 10 years of data is not available.

See accompanying Independent Auditor's Report.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Town of Estes Park
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Special Revenue Funds					Total Nonmajor
	Open Space	Conservation	Emergency	Community	Trails	Governmental
	Fund	Trust Fund	Response	Center	Expansion	Funds
			System Fund	Fund	Fund	
Assets						
Cash and investments	\$ 565,912	\$ 70,533	\$ 70,680	\$ -	\$ 569,113	\$ 1,276,238
Taxes receivable	-	-	8,653	86,531	43,266	138,450
Accounts receivable	-	72	30	-	342	444
Intergovernmental receivable	489,499	-	-	-	-	489,499
Total assets	\$ 1,055,411	\$ 70,605	\$ 79,363	\$ 86,531	\$ 612,721	\$ 1,904,631
Liabilities						
Accounts payable	\$ 87,946	\$ -	\$ -	\$ 86,531	\$ -	\$ 174,477
Accrued liabilities	1,283	-	-	-	-	1,283
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	89,229	-	-	86,531	-	175,760
Deferred inflows of resources						
Unavailable revenue	412,706	-	-	-	-	412,706
Total deferred inflows of resources	412,706	-	-	-	-	412,706
Fund balances						
Restricted for:						
Parks and open space	-	70,605	-	-	-	70,605
Capital improvements	-	-	79,363	-	323,844	403,207
Future year expenditures	45,836	-	-	-	288,877	334,713
Unassigned	507,640	-	-	-	-	507,640
Total fund balances	553,476	70,605	79,363	-	612,721	1,316,165
Total liabilities, deferred inflows of resources and fund balances	\$ 1,055,411	\$ 70,605	\$ 79,363	\$ 86,531	\$ 612,721	\$ 1,904,631

See accompanying Independent Auditor's Report.

Town of Estes Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2018

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Open Space Fund	Conservation Trust Fund	Emergency Response System Fund	Community Center Fund	Trails Expansion Fund	
Revenues						
Intergovernmental	\$ 1,122,089	\$ 31,687	\$ -	\$ -	\$ -	\$ 1,153,776
Taxes	-	-	75,215	752,155	376,077	1,203,447
Investment income	4	670	334	-	3,350	4,358
Miscellaneous	-	-	276	-	-	276
Total revenues	1,122,093	32,357	75,825	752,155	379,427	2,361,857
Expenditures						
Current:						
Culture and recreation	70,385	16,709	-	752,155	-	839,249
Public works	-	-	28,264	-	-	28,264
Capital outlay	126,427	-	-	-	-	126,427
Total expenditures	196,812	16,709	28,264	752,155	-	993,940
Excess (deficiency) of revenues over expenditures	925,281	15,648	47,561	-	379,427	1,367,917
Other financing uses						
Transfers out	-	-	-	-	-	-
Total other financing uses	-	-	-	-	-	-
Net change in fund balance	925,281	15,648	47,561	-	379,427	1,367,917
Fund balance at beginning of year	(371,805)	54,957	31,802	-	233,294	(51,752)
Fund balance at end of year	\$ 553,476	\$ 70,605	\$ 79,363	\$ -	\$ 612,721	\$ 1,316,165

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule
Community Reinvestment Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 2,755,131	\$ 2,284,194	\$ (470,937)
Investment income	18,000	18,000	20,732	2,732
Miscellaneous	-	-	38,240	38,240
Total revenues	18,000	2,773,131	2,343,166	(429,965)
Expenditures				
Current:				
Public works	22,256	22,256	2,600	19,656
Capital outlay	-	3,368,831	2,029,886	1,338,945
Debt service				
Principal	617,133	617,133	632,541	(15,408)
Interest	298,121	298,121	300,080	(1,959)
Total expenditures	937,510	4,306,341	2,965,107	1,341,234
Excess (deficiency) of revenues over expenditures	(919,510)	(1,533,210)	(621,941)	911,269
Other financing sources				
Transfers in	1,350,322	1,350,322	1,350,322	-
	-	(340,000)	-	340,000
Total other financing sources	1,350,322	1,010,322	1,350,322	340,000
Net change in fund balance	\$ 430,812	\$ (522,888)	728,381	\$ 1,251,269
Fund balance at beginning of year			630,718	
Fund balance at end of year			<u>\$ 1,359,099</u>	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule
Open Space Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 365,000	\$ 1,445,597	\$ 1,122,089	\$ (323,508)
Investment income	3,250	3,250	4	(3,246)
Miscellaneous	-	-	-	-
Total revenues	368,250	1,448,847	1,122,093	(326,754)
Expenditures				
Current:				
Culture and recreation	42,300	289,345	70,385	218,960
Capital outlay	225,000	1,006,385	126,427	879,958
Total expenditures	267,300	1,295,730	196,812	1,098,918
Excess (deficiency) of revenues over expenditures	100,950	153,117	925,281	772,164
Other financing uses				
Transfers in	-	300,000	-	(300,000)
Total other financing uses	-	300,000	-	(300,000)
Net change in fund balance	\$ 100,950	\$ 453,117	925,281	\$ 472,164
Fund balance at beginning of year			(371,805)	
Fund balance at end of year			\$ 553,476	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule
Conservation Trust Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 32,250	\$ 32,250	\$ 31,687	\$ (563)
Investment income	300	300	670	370
Total revenues	32,550	32,550	32,357	(193)
Expenditures				
Current:				
Culture and recreation	32,541	32,541	16,709	15,832
Total expenditures	32,541	32,541	16,709	15,832
Net change in fund balance	\$ 9	\$ 9	15,648	\$ 15,639
Fund balance at beginning of year			<u>54,957</u>	
Fund balance at end of year			<u>\$ 70,605</u>	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule
Emergency Response Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes	\$ 69,600	\$ 69,600	\$ 75,215	\$ 5,615
Miscellaneous	-	-	276	276
Investment income	200	200	334	134
Total revenues	69,800	69,800	75,825	6,025
Expenditures				
Current:				
Public works	45,685	45,685	28,264	17,421
Capital outlay	-	-	-	-
Total expenditures	45,685	45,685	28,264	17,421
Net change in fund balance	\$ 24,115	\$ 24,115	47,561	\$ 23,446
Fund balance at beginning of year			<u>31,802</u>	
Fund balance at end of year			<u>\$ 79,363</u>	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule
Community Center Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes	\$ 696,200	\$ 762,830	\$ 752,155	\$ (10,675)
Investment income	500	500	-	(500)
Total revenues	696,700	763,330	752,155	(11,175)
Expenditures				
Current:				
Culture and recreation	696,700	763,330	752,155	11,175
Total expenditures	696,700	763,330	752,155	11,175
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			<u>0</u>	
Fund balance at end of year			<u>\$ -</u>	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule
Trails Expansion Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 4,830	\$ -	\$ (4,830)
Taxes	348,100	348,100	376,077	27,977
Investment income	4,000	4,000	3,350	(650)
Total revenues	352,100	356,930	379,427	22,497
Expenditures				
Capital outlay	400,000	-	-	-
Total expenditures	400,000	-	-	-
Other financing uses				
Transfers out	-	(300,000)	-	300,000
Total other financing uses	-	(300,000)	-	300,000
Net change in fund balance	\$ (47,900)	\$ 56,930	379,427	\$ 322,497
Fund balance at beginning of year			<u>233,294</u>	
Fund balance at end of year			<u>\$ 612,721</u>	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule (Non-GAAP Basis)
Light and Power Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues				
Utility sales	\$ 15,882,870	\$ 15,882,870	\$ 16,381,233	\$ 498,363
Intergovernmental	-	24,252	3,344	(20,908)
Investment income	68,000	68,000	165,002	97,002
Miscellaneous	328,836	977,836	649,555	(328,281)
Total revenues	16,279,706	16,952,958	17,199,134	246,176
Expenditures				
Current				
Source of supply	7,544,166	7,544,166	7,670,249	(126,083)
Distribution	3,583,968	5,241,112	3,509,234	1,731,878
Customer accounts	555,346	554,346	534,698	19,648
Administration and general	2,662,817	2,366,359	2,276,088	90,271
Capital outlay	1,895,000	1,785,975	1,785,975	-
Debt service				
Principal	305,000	305,000	305,000	-
Interest	141,632	141,632	139,661	1,971
Total expenditures	16,687,929	17,938,590	16,220,905	1,717,685
Other financing sources (uses)				
Transfers in	-	2,139,307	2,139,306	(1)
Transfers out	(1,731,233)	(1,511,233)	(1,731,228)	(219,995)
Gain on sale of capital assets	-	-	78,367	78,367
Total other financing sources (uses)	(1,731,233)	628,074	486,445	(141,629)
Change in net position - budgetary basis	\$ (2,139,456)	\$ (357,558)	1,464,674	\$ 1,822,232
Adjustments to GAAP basis				
Capital outlay			1,785,975	
Depreciation			(984,979)	
Debt principal payments			305,000	
Change in net position - GAAP basis			2,570,670	
Net position at beginning of year (as previously stated)			21,672,880	
Cumulative effect of the adoption of GASB 75			(433,438)	
Net position at end of year			<u>\$ 23,810,112</u>	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule (Non-GAAP Basis)
Water Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Utility sales	\$ 5,095,110	\$ 5,095,110	\$ 5,541,465	\$ 446,355
Tap fees	428,578	690,613	980,277	289,664
Intergovernmental	-	-	-	-
Investment income	32,852	32,852	142,126	109,274
Miscellaneous	40,208	40,208	166,912	126,704
Total revenues	5,596,748	5,858,783	6,830,780	971,997
Expenditures				
Current				
Source of supply	202,274	182,274	106,625	75,649
Purification	1,054,416	1,038,916	895,445	143,471
Distribution	1,635,806	4,375,622	1,634,084	2,741,538
Customer accounts	459,073	459,073	349,916	109,157
Administration and general	839,668	843,391	862,783	(19,392)
Capital outlay	2,889,663	2,791,271	2,791,271	-
Debt service				
Principal	283,802	283,802	283,802	-
Interest	51,677	51,677	118,454	(66,777)
Total expenditures	7,416,379	10,026,026	7,042,380	2,983,646
Other financing sources (uses)				
Transfers out	(144,701)	(364,701)	(144,696)	220,005
Transfers in	-	551,957	551,956	
Gain on sale of capital assets	-	-	15,402	15,402
Total other financing sources (uses)	(144,701)	187,256	422,662	235,407
Change in net position - budgetary basis	\$ (1,964,332)	\$ (3,979,987)	211,062	\$ 4,191,050
Adjustments to GAAP basis				
Capital outlay			2,791,271	
Depreciation			(807,788)	
Debt principal payments			283,802	
Change in net position - GAAP basis			2,478,347	
Net position at beginning of year (as previously stated)			23,818,452	
Cumulative effect of the adoption of GASB 75			(273,757)	
Net position at end of year			\$ 26,023,042	

See accompanying Independent Auditor's Report.

Town of Estes Park
Combining Statement of Net Position
Internal Service Funds
December 31, 2018

	Fleet Maintenance Fund	Vehicle Replacement Fund	Information Technology Fund	Medical Insurance Fund	Total
Assets					
Current assets					
Cash and investments	\$ 498,968	\$ 311,312	\$ 316,687	\$ 1,328,358	\$ 2,455,325
Accounts receivable	3,500	60	1,016	2,284	6,860
Intergovernmental receivable	586	-	36	-	622
Inventories	24,783	-	-	-	24,783
Prepaid items	83	-	11,734	35,000	46,817
Total current assets	527,920	311,372	329,473	1,365,642	2,534,407
Noncurrent assets					
Capital assets, net of accumulated depreciation	40,895	1,010,933	237,700	-	1,289,528
Total noncurrent assets	40,895	1,010,933	237,700	-	1,289,528
Total assets	568,815	1,322,305	567,173	1,365,642	3,823,935
Liabilities					
Current liabilities					
Accounts payable	18,150	-	6,266	-	24,416
Accrued liabilities	14,722	-	19,255	-	33,977
Claims payable	-	-	-	136,839	136,839
Compensated absences payable	10,817	-	17,180	-	27,997
Total current liabilities	43,689	-	42,701	136,839	223,229
Noncurrent liabilities					
Compensated absences payable	7,096	-	10,475	-	17,571
Total noncurrent liabilities	7,096	-	10,475	-	17,571
Total liabilities	50,785	-	53,176	136,839	240,800
Net position					
Net investment in capital assets	40,895	1,010,933	237,700	-	1,289,528
Unrestricted	477,135	(53,063)	276,297	1,228,803	1,929,172
Net position as previously stated	518,030	957,870	513,997	1,228,803	3,218,700
Prior period restatement		364,435			364,435
Total net position	\$ 518,030	\$ 1,322,305	\$ 513,997	\$ 1,228,803	\$ 3,583,135

See accompanying Independent Auditor's Report.

Town of Estes Park
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2018

	Fleet Maintenance Fund	Vehicle Replacement Fund	Information Technology Fund	Medical Insurance Fund	Total
Operating revenues					
Charges for services	\$ 490,130	\$ 270,793	\$ 719,628	\$ 2,546,121	\$ 4,026,672
Miscellaneous	-	-	3,219	23,980	27,199
Total operating revenues	490,130	270,793	722,847	2,570,101	4,053,871
Operating expenses					
Salaries and benefits	346,180	-	459,188	-	805,368
Supplies	11,665	-	17,305	-	28,970
Utilities	2,097	-	19,542	-	21,639
Training	6,890	-	627	-	7,517
Insurance	-	-	-	-	-
Maintenance and repairs	23,462	125	107,246	-	130,833
Professional fees	8,320	-	12,087	-	20,407
Depreciation	3,808	321,074	52,735	-	377,617
Medical benefits	-	-	-	2,132,405	2,132,405
Total operating expenses	402,422	321,199	668,730	2,132,405	3,524,756
Operating income (loss)	87,708	(50,406)	54,117	437,696	529,115
Nonoperating revenues					
Investment income	4,852	13,291	5,457	23,158	46,758
Grants	-	-	14	-	14
Gain on sale of asset	-	59,970	-	-	59,970
Total nonoperating revenue	4,852	73,261	5,471	23,158	106,742
Net income (loss) before transfers	92,560	22,855	59,588	460,854	635,857
Transfers					
Transfers out	-	(2,691,262)	-	-	(2,691,262)
Total transfers	-	(2,691,262)	-	-	(2,691,262)
Change in net position	92,560	(2,668,407)	59,588	460,854	(2,055,405)
Net position at beginning of year	425,470	3,626,277	454,409	767,949	5,274,105
Prior period restatement		364,435			364,435
Net position at end of year	\$ 518,030	\$ 1,322,305	\$ 513,997	\$ 1,228,803	\$ 3,583,135

See accompanying Independent Auditor's Report.

Town of Estes Park
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2018

	Fleet Maintenance Fund	Vehicle Replacement Fund	Information Technology Fund	Medical Insurance Fund	Total
Cash flows from operating activities					
Cash received from customers	\$ 495,555	\$ 273,358	\$ 721,302	\$ 2,545,258	\$ 4,035,473
Cash received from other sources	-	-	3,222	23,980	27,202
Cash paid to suppliers and beneficiaries	(47,966)	(11,343)	(134,962)	(5,777)	(200,048)
Cash paid to employees	(347,861)	-	(456,706)	(2,199,364)	(3,003,931)
Net cash flows from operating activities	99,728	262,015	132,856	364,097	858,696
Cash flows from noncapital financing activities					
Grants received	-	-	14	-	14
Transfers to other funds	-	(2,691,262)	-	-	(2,691,262)
Net cash flows from noncapital financing activities	-	(2,691,262)	14	-	(2,691,248)
Cash flows from capital and related financing activities					
Proceeds from sale of capital assets	-	59,970	-	-	59,970
Transfer of capital assets to other funds	-	1,104,762	-	-	1,104,762
Addition of capital assets due to prior period restatement	-	364,435	-	-	364,435
Acquisitions of capital assets	-	(294,971)	(76,387)	-	(371,358)
Net cash flows from capital and related financing activities	-	1,234,196	(76,387)	-	1,157,809
Cash flows from investing activities					
Investment income	4,852	13,291	5,457	23,158	46,758
Net cash flows from investing activities	4,852	13,291	5,457	23,158	46,758
Net change in cash and cash equivalents	104,580	(1,181,760)	61,940	387,255	(627,985)
Cash and cash equivalents at beginning of year	394,388	1,493,072	254,747	941,103	3,083,310
Cash and cash equivalents at end of year	\$ 498,968	\$ 311,312	\$ 316,687	\$ 1,328,358	\$ 2,455,325
Reconciliation of operating income (loss) to net cash flows from operating activities					
Operating income (loss)	\$ 87,708	\$ (50,406)	\$ 54,117	\$ 437,696	\$ 529,115
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	3,808	321,074	52,735	-	377,617
(Increase) decrease in operating assets:					
Accounts receivable	5,425	2,565	1,673	(862)	8,801
Inventories	2,550	-	-	-	2,550
Prepaid items	(83)	-	16,787	-	16,704
Increase (decrease) in operating liabilities:					
Accounts payable	762	(11,218)	2,914	(28)	(7,570)
Accrued liabilities	1,239	-	2,144	-	3,383
Claims payable	-	-	-	(72,709)	(72,709)
Compensated absences payable	(1,681)	-	2,486	-	805
Net cash flows from operating activities	\$ 99,728	\$ 262,015	\$ 132,856	\$ 364,097	\$ 858,696

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule (Non-GAAP Basis)
Fleet Maintenance Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 427,725	\$ 427,725	\$ 490,130	\$ 62,405
Investment income	1,100	1,100	4,852	3,752
Total revenues	428,825	428,825	494,982	66,157
Expenditures				
Current				
Salaries and benefits	363,331	363,331	346,180	17,151
Supplies	12,994	12,994	11,665	1,329
Utilities	7,265	7,265	2,097	5,168
Training	10,920	10,920	6,890	4,030
Insurance	-	-	-	-
Maintenance and repairs	23,529	23,529	23,462	67
Professional fees	8,532	8,532	8,320	212
Total expenditures	426,571	426,571	398,614	27,957
Change in net position - budgetary basis	\$ 2,254	\$ 2,254	96,368	\$ 94,114
Adjustments to GAAP basis				
Depreciation			(3,808)	
Change in net position - GAAP basis			92,560	
Net position at beginning of year			425,470	
Net position at end of year			\$ 518,030	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule (Non-GAAP Basis)
Vehicle Replacement Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 880,419	\$ 477,115	\$ 270,793	\$ (206,322)
Investment income	12,000	12,000	13,291	1,291
Total revenues	892,419	489,115	284,084	(205,031)
Expenditures				
Current				
Maintenance and repairs	-	-	125	(125)
Capital outlay	208,001	366,916	164,332	202,584
Total expenditures	208,001	366,916	164,457	202,459
Other financing sources (uses)				
Transfers out	-	(2,691,264)	(2,691,262)	2
Gain on sale of capital assets	-	-	59,970	59,970
Total other financing sources (uses)	-	(2,691,264)	(2,631,292)	59,972
Change in net position - budgetary basis	\$ 684,418	\$ (2,569,065)	(2,511,665)	\$ (347,518)
Adjustments to GAAP basis				
Capital outlay			164,332	
Depreciation			(321,074)	
Change in net position - GAAP basis			(2,668,407)	
Net position at beginning of year			3,626,277	
Adjustment resulting from the correction of an error			364,435	
Net position at end of year			\$ 1,322,305	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule (Non-GAAP Basis)
Information Technology Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 719,776	\$ 719,776	\$ 719,628	\$ (148)
Intergovernmental	-	-	14	14
Investment income	4,500	4,500	5,457	957
Miscellaneous	2,000	2,000	3,219	1,219
Total revenues	726,276	726,276	728,318	2,042
Expenditures				
Current				
Salaries and benefits	432,345	453,847	459,188	(5,341)
Supplies	41,014	41,014	17,305	23,709
Utilities	27,000	27,000	19,542	7,458
Training	7,500	7,500	627	6,873
Insurance	-	-	-	-
Maintenance and repairs	112,712	112,712	107,246	5,466
Professional fees	18,200	18,200	12,087	6,113
Capital outlay	77,000	77,000	-	77,000
Transfers out	-	-	-	-
Total expenditures	715,771	737,273	615,995	121,278
Change in net position - budgetary basis	\$ 10,505	\$ (10,997)	112,323	\$ 123,320
Adjustments to GAAP basis				
Capital outlay			-	
Depreciation			(52,735)	
Change in net position - GAAP basis			59,588	
Net position at beginning of year			454,409	
Net position at end of year			\$ 513,997	

See accompanying Independent Auditor's Report.

Town of Estes Park
Budgetary Comparison Schedule (Non-GAAP Basis)
Medical Insurance Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 2,586,625	\$ 2,414,625	\$ 2,546,121	\$ 131,496
Investment income	4,000	4,000	23,158	19,158
Miscellaneous	-	-	23,980	23,980
Total revenues	2,590,625	2,418,625	2,593,259	174,634
Expenditures				
Current				
Medical expenditures	2,002,909	2,199,651	2,132,405	67,246
Total expenditures	2,002,909	2,199,651	2,132,405	67,246
Change in net position - budgetary basis	\$ 587,716	\$ 218,974	460,854	\$ 241,880
Net position at beginning of year			<u>767,949</u>	
Net position at end of year			<u>\$ 1,228,803</u>	

See accompanying Independent Auditor's Report.

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Statistical Section

This section of the Town of Estes Park Comprehensive Annual Financial Report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents	Schedules	Pages
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial condition has changed over time.	1-4	74-78
Revenue Capacity These schedules contain information to help the reader assess the Town's largest revenue source, sales and use taxes.	5-7	79-81
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue debt in the future.	8-11	82-85
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	12-13	86-87
Operating Information These schedules contain service data to help the reader understand how information in the financial report relates to the services the Town provides and the activities it performs.	14-16	88-91

Schedule 1
Town of Estes Park, Colorado
Net Position
(accrual basis of accounting)
As of December 31,

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 41,563,901	\$ 42,203,530	\$ 42,113,390	\$ 41,859,310	\$ 42,700,081	\$ 43,113,642	\$ 42,539,162	\$ 49,411,763	\$ 57,733,149	\$ 59,401,579
Restricted	410,000	377,000	709,864	501,501	560,342	912,392	9,406,344	4,797,549	5,348,119	4,739,559
Unrestricted	<u>11,716,321</u>	<u>10,611,069</u>	<u>9,600,463</u>	<u>9,567,385</u>	<u>8,225,881</u>	<u>9,808,049</u>	<u>5,434,320</u>	<u>4,165,544</u>	<u>1,585,920</u>	<u>3,587,854</u>
Total governmental activities net position	<u>\$ 53,690,222</u>	<u>\$ 53,191,599</u>	<u>\$ 52,423,717</u>	<u>\$ 51,928,196</u>	<u>\$ 51,486,304</u>	<u>\$ 53,834,083</u>	<u>\$ 57,379,826</u>	<u>\$ 58,374,856</u>	<u>\$ 64,667,188</u>	<u>\$ 67,728,992</u>
Business-type Activities										
Invested in capital assets, net of related debt	\$ 26,206,042	\$ 27,001,157	\$ 27,212,425	\$ 27,343,710	\$ 26,673,350	\$ 26,771,542	\$ 29,175,592	\$ 30,145,069	\$ 32,596,716	\$ 37,356,339
Restricted	-	-	-	1,245,740	1,429,588	1,503,341	1,671,908	1,693,717	1,250,000	1,250,000
Unrestricted	<u>12,318,115</u>	<u>11,849,349</u>	<u>12,725,711</u>	<u>13,294,644</u>	<u>14,852,929</u>	<u>16,679,006</u>	<u>12,728,316</u>	<u>12,717,005</u>	<u>13,112,576</u>	<u>12,019,357</u>
Total business-type activities net position	<u>\$ 38,524,157</u>	<u>\$ 38,850,506</u>	<u>\$ 39,938,136</u>	<u>\$ 41,884,094</u>	<u>\$ 42,955,867</u>	<u>\$ 44,953,889</u>	<u>\$ 43,575,816</u>	<u>\$ 44,555,791</u>	<u>\$ 46,959,292</u>	<u>\$ 50,625,696</u>
Primary Government										
Invested in capital assets, net of related debt	\$ 67,769,943	\$ 69,204,687	\$ 69,325,815	\$ 69,203,020	\$ 69,373,431	\$ 69,885,184	\$ 71,714,754	\$ 79,556,832	\$ 90,329,865	\$ 96,757,918
Restricted	410,000	377,000	709,864	1,747,241	1,989,930	2,415,733	11,078,252	6,491,266	6,598,119	5,989,559
Unrestricted	<u>24,034,436</u>	<u>22,460,418</u>	<u>22,326,174</u>	<u>22,862,029</u>	<u>23,078,810</u>	<u>26,487,055</u>	<u>18,162,636</u>	<u>16,882,549</u>	<u>14,698,496</u>	<u>15,607,211</u>
Total primary governmental net position	<u>\$ 92,214,379</u>	<u>\$ 92,042,105</u>	<u>\$ 92,361,853</u>	<u>\$ 93,812,290</u>	<u>\$ 94,442,171</u>	<u>\$ 98,787,972</u>	<u>\$ 100,955,642</u>	<u>\$ 102,930,647</u>	<u>\$ 111,626,480</u>	<u>\$ 118,354,688</u>

Source: Current and prior years' financial statements

Schedule 2
Town of Estes Park, Colorado
Changes in Net Position
(accrual basis of accounting)
For Years Ended December 31,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$ 2,868,438	\$ 2,971,322	\$ 4,040,703	\$ 3,468,703	\$ 3,769,227	\$ 4,660,385	\$ 5,280,912	\$ 6,229,691	\$ 5,847,655	\$ 5,099,370
Public Safety	4,564,497	3,205,060	3,392,067	3,166,031	3,754,648	5,281,116	4,063,117	4,915,545	5,276,247	5,339,084
Public Works	2,132,518	2,087,784	2,302,730	2,251,653	2,794,976	2,192,522	2,736,985	2,549,174	4,284,402	2,884,865
Culture and Recreation	5,034,757	4,172,407	3,815,959	3,892,393	4,441,986	4,669,256	5,342,804	6,471,134	6,495,360	6,969,523
Interest on Long-Term Debt	4,789	-	-	-	86,521	146,875	147,226	136,216	298,651	317,206
Total governmental activities expenses	14,604,999	12,436,573	13,551,459	12,778,780	14,847,358	16,950,154	17,571,044	20,301,760	22,202,315	20,610,048
Business-type Activities:										
Light & Power	10,031,659	10,626,958	10,775,511	11,397,397	12,031,616	12,272,416	12,813,281	14,122,680	14,727,651	15,628,176
Water	3,182,704	3,324,281	3,187,508	3,300,558	3,900,610	3,614,506	3,776,050	4,083,190	4,719,776	4,937,246
Total business-type activities expenses	13,214,363	13,951,239	13,963,019	14,697,955	15,932,226	15,886,922	16,589,331	18,205,870	19,447,427	20,565,422
Total primary governmental expenses	\$ 27,819,362	\$ 26,387,812	\$ 27,514,478	\$ 27,476,735	\$ 30,779,584	\$ 32,837,076	\$ 34,160,375	\$ 38,507,630	\$ 41,649,742	\$ 41,175,470
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 533,074	\$ 562,915	\$ 565,548	\$ 818,757	\$ 858,746	\$ 1,151,278	\$ 1,013,428	\$ 1,243,244	\$ 799,158	\$ 779,069
Public Safety	423,562	205,021	284,914	46,759	54,823	60,462	57,676	45,045	140,346	190,659
Public Works	3,032	4,400	3,987	-	-	-	-	-	476,240	470,681
Culture and Recreation	1,041,066	897,999	617,776	554,770	498,317	581,743	518,606	517,037	647,523	596,444
Operating grants and contributions	660,737	686,298	840,324	779,545	812,750	977,593	1,500,181	1,041,897	1,776,442	38,090
Capital grants and contributions	160,546	486,085	1,148,194	269,832	850,689	2,142,712	5,275,791	1,616,090	7,426,948	5,213,494
Total governmental activities program revenues	2,822,017	2,842,718	3,460,743	2,469,663	3,075,325	4,913,788	8,365,682	4,463,313	11,266,657	7,288,437
Business-type Activities:										
Light & Power	11,366,577	11,834,082	12,264,063	12,587,633	13,425,840	13,238,766	13,639,816	13,907,893	15,287,109	16,381,233
Water	2,889,515	2,938,182	3,142,564	3,586,899	3,568,840	3,508,109	3,822,059	4,458,412	4,964,756	5,541,465
Operating grants and contributions	28,870	7,500	22,628	3,067	-	-	-	-	-	-
Capital grants and contributions	330,113	196,004	305,871	359,973	942,121	774,133	2,049,792	789,735	1,448,452	983,621
Total business-type activities program revenues	14,615,075	14,975,768	15,735,126	16,537,572	17,936,801	17,521,008	19,511,667	19,156,040	21,700,317	22,906,319
Total primary government program revenues	\$ 17,437,092	\$ 17,818,486	\$ 19,195,869	\$ 19,007,235	\$ 21,012,126	\$ 22,434,796	\$ 27,877,349	\$ 23,619,353	\$ 32,966,974	\$ 30,194,756
Net (Expense)/Revenue										
Governmental activities	\$ (11,782,982)	\$ (9,593,855)	\$ (10,090,716)	\$ (10,309,117)	\$ (11,772,033)	\$ (12,036,366)	\$ (9,205,362)	\$ (15,838,447)	\$ (10,935,658)	\$ (13,321,611)
Business-type activities	1,400,712	1,024,529	1,772,107	1,839,617	2,004,575	1,634,086	2,922,336	950,170	2,252,890	2,340,897
Total primary government net expenses	\$ (10,382,270)	\$ (8,569,326)	\$ (8,318,609)	\$ (8,469,500)	\$ (9,767,458)	\$ (10,402,280)	\$ (6,283,026)	\$ (14,888,277)	\$ (8,682,768)	\$ (10,980,714)

Schedule 2 (continued)
Town of Estes Park, Colorado
Changes in Net Position
(accrual basis of accounting)
For Years Ended December 31,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Taxes										
Sales taxes	\$ 6,854,197	\$ 7,009,252	\$ 7,424,828	\$ 7,891,798	\$ 7,863,605	\$ 10,405,574	\$ 12,227,589	\$ 13,027,892	\$ 13,859,472	\$ 15,076,059
Property taxes	351,446	468,736	372,171	370,682	366,548	353,864	343,135	361,750	21,676	388,128
Franchise taxes	438,247	432,884	437,786	458,823	468,706	480,676	470,612	488,325	512,132	542,058
Use taxes	173,166	199,092	180,936	210,782	-	-	280,612	304,540	335,175	331,579
Other taxes & contributions	40,278	34,151	37,587	40,415	85,217	132,712	458,250	528,506	442,651	513,425
Investment income	80,201	75,623	46,383	38,914	1,336	47,534	41,358	106,420	221,620	203,886
Miscellaneous	767,602	736,350	660,277	366,860	1,056,596	614,451	424,843	1,279,985	432,218	571,087
Gain (Loss) on sale of capital assets	-	-	-	-	-	835,373	-	-	-	54,068
Extraordinary item: Environmental Remediation	-	-	(998,000)	-	-	-	-	-	-	-
Special item: Elim. Of net pension obligation	-	(983,913)	-	-	-	-	-	-	-	-
Transfers In (Out)	896,122	1,123,057	1,160,866	435,322	1,488,135	1,513,961	1,555,141	736,059	1,403,046	(815,338)
Total governmental activities	<u>\$ 9,601,259</u>	<u>\$ 9,095,232</u>	<u>\$ 9,322,834</u>	<u>\$ 9,813,596</u>	<u>\$ 11,330,143</u>	<u>\$ 14,384,145</u>	<u>\$ 15,801,540</u>	<u>\$ 16,833,477</u>	<u>\$ 17,227,990</u>	<u>\$ 16,864,952</u>
Business-type activities:										
Investment income	\$ 92,569	\$ 81,513	\$ 63,128	\$ 66,217	\$ 12,790	\$ 67,013	\$ 53,616	\$ 113,292	\$ 147,234	\$ 307,128
Miscellaneous	414,066	343,364	413,261	475,446	687,391	1,810,884	367,588	457,589	1,197,549	816,467
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	-	208,874	93,769
Transfers In (Out)	(896,122)	(1,123,057)	(1,160,866)	(435,322)	(1,488,135)	(1,513,961)	(1,555,141)	(736,059)	(1,403,046)	815,338
Total business-type activities	<u>(389,487)</u>	<u>(698,180)</u>	<u>(684,477)</u>	<u>106,341</u>	<u>(787,954)</u>	<u>363,936</u>	<u>(1,133,937)</u>	<u>(165,178)</u>	<u>150,611</u>	<u>2,032,702</u>
Total primary government	<u>\$ 9,211,772</u>	<u>\$ 8,397,052</u>	<u>\$ 8,638,357</u>	<u>\$ 9,919,937</u>	<u>\$ 10,542,189</u>	<u>\$ 14,748,081</u>	<u>\$ 14,667,603</u>	<u>\$ 16,668,299</u>	<u>\$ 17,378,601</u>	<u>\$ 18,897,654</u>
Changes in Net Assets										
Governmental activities	\$ (2,181,723)	\$ (498,623)	\$ (767,882)	\$ (495,521)	\$ (441,890)	\$ 2,347,779	\$ 6,596,178	\$ 995,030	\$ 6,292,332	\$ 3,543,341
Business-type activities	1,011,225	326,349	1,087,630	1,945,958	1,216,621	1,998,022	1,788,399	784,992	2,403,501	4,373,599
Total primary government	<u>\$ (1,170,498)</u>	<u>\$ (172,274)</u>	<u>\$ 319,748</u>	<u>\$ 1,450,437</u>	<u>\$ 774,731</u>	<u>\$ 4,345,801</u>	<u>\$ 8,384,577</u>	<u>\$ 1,780,022</u>	<u>\$ 8,695,833</u>	<u>\$ 7,916,940</u>

Source: Current and prior year's financial statements

Schedule 3
Town of Estes Park, Colorado
Fund Balances, Governmental Funds
(modified accrual basis of accounting)
As of December 31,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	15,904	388,970	-	-	-	-	-	-	-	-
Unreserved	4,506,282	5,526,180	-	-	-	-	-	-	-	-
Total general fund	\$ 4,522,186	\$ 5,915,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All other Governmental Funds										
Reserved	10,073	22,958	-	-	-	-	-	-	-	-
Unreserved, reports in:										
Special revenue funds	3,981,171	3,405,964	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 3,991,244	\$ 3,428,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total general fund + all other govt funds	\$ 8,513,430	\$ 9,344,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund										
Nonspendable	\$ -	\$ -	\$ 72,050	\$ 21,121	\$ 14,099	\$ 103,454	\$ 41,672	\$ 48,693	\$ 105,093	\$ 103,694
Restricted	-	-	411,000	348,000	361,000	443,437	545,557	576,778	599,398	707,795
Assigned	-	-	-	1,351,691	569,653	715,775	678,791	373,866	945,296	300,087
Unassigned	-	-	6,084,967	4,176,411	3,750,551	3,036,517	2,932,790	4,422,749	529,245	7,541,385
Total general fund	\$ -	\$ -	\$ 6,568,017	\$ 5,897,223	\$ 4,695,303	\$ 4,299,183	\$ 4,198,810	\$ 5,422,086	\$ 2,179,032	\$ 8,652,961
All other Governmental Funds										
Nonspendable	-	-	18,314	15,156	30,807	-	-	-	199,966	-
Restricted	-	-	298,864	153,501	199,342	468,955	8,860,787	4,220,771	4,654,222	4,031,764
Assigned	-	-	2,830,465	3,012,679	5,403,719	5,545,301	2,516,777	1,206,842	430,752	1,693,812
Unassigned	-	-	-	-	-	-	-	(247,404)	(371,805)	507,640
Total all other governmental funds	\$ -	\$ -	\$ 3,147,643	\$ 3,181,336	\$ 5,633,868	\$ 6,014,256	\$ 11,377,564	\$ 5,180,209	\$ 4,913,135	\$ 6,233,216
Total general fund + all other govt funds	\$ -	\$ -	\$ 9,715,660	\$ 9,078,559	\$ 10,329,171	\$ 10,313,439	\$ 15,576,374	\$ 10,602,295	\$ 7,092,167	\$ 14,886,177

Source: Current and prior year's financial statements

The Town adopted GASB 54 for 2011.

Schedule 4
Town of Estes Park, Colorado
Changes in Fund Balances, Governmental Funds
(modified accrual basis of accounting)
For Years Ended December 31,

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues										
Taxes	\$ 7,817,056	\$ 8,109,964	\$ 8,415,721	\$ 8,932,085	\$ 8,698,859	\$ 11,240,114	\$ 13,321,948	\$ 14,182,507	\$ 14,728,455	\$ 16,851,249
Licenses, fees and permits	471,844	476,831	485,447	504,579	511,477	525,376	581,401	730,684	962,487	912,204
Intergovernmental	861,561	845,534	1,961,081	961,212	1,116,976	3,024,306	6,665,193	3,167,621	6,798,487	8,899,628
Charges for services	1,203,729	965,073	746,710	686,701	641,241	1,004,843	665,719	702,261	685,200	741,016
Fines and forfeitures	49,759	44,463	58,812	46,759	54,823	60,462	57,676	45,045	38,831	76,366
Rental Income	275,402	183,968	181,256	182,247	204,345	202,802	284,914	327,336	376,749	307,267
Investment Income	51,648	48,030	34,375	38,914	2,810	32,759	31,571	86,049	153,494	157,128
Miscellaneous	708,473	723,172	616,493	457,786	1,081,675	607,341	307,110	544,691	470,923	543,888
Total revenues	<u>11,439,472</u>	<u>11,397,035</u>	<u>12,499,895</u>	<u>11,810,283</u>	<u>12,312,206</u>	<u>16,698,003</u>	<u>21,915,532</u>	<u>19,786,194</u>	<u>24,214,626</u>	<u>28,488,746</u>
Expenditures										
General Government	2,570,590	2,770,200	3,197,041	3,091,136	3,336,471	3,877,566	4,452,444	4,698,211	4,531,015	4,468,864
Public Safety	4,189,934	3,125,535	3,321,220	3,108,298	3,708,234	5,081,198	3,991,990	4,758,036	5,037,114	4,535,463
Public Works	1,124,064	2,000,968	1,430,119	1,273,172	2,539,203	1,268,615	2,907,909	2,274,000	3,300,722	2,438,284
Culture and Recreation	4,234,702	3,436,563	3,145,713	3,223,997	3,554,387	3,962,643	4,402,049	5,545,079	4,996,013	5,380,601
Community Reinvestment	-	-	-	-	219,832	160,649	329,556	169,735	23,151	-
Capital outlay	1,449,927	1,884,092	2,195,080	2,064,186	5,121,863	4,359,403	1,541,624	8,118,339	15,324,161	4,751,293
Debt Service										
Principal	88,000	-	-	-	-	370,000	434,171	445,926	566,989	692,149
Interest, Fiscal Charges, bond issuance costs	4,789	-	-	-	144,739	147,622	147,995	137,006	266,955	304,006
Total expenditures	<u>13,662,006</u>	<u>13,217,358</u>	<u>13,289,173</u>	<u>12,760,789</u>	<u>18,624,729</u>	<u>19,227,696</u>	<u>18,207,738</u>	<u>26,146,332</u>	<u>34,046,120</u>	<u>22,570,660</u>
Excess of revenues over (under) expenditures	(2,222,534)	(1,820,323)	(789,278)	(950,506)	(6,312,523)	(2,529,693)	3,707,794	(6,360,138)	(9,831,494)	5,918,086
Other Financing Sources (Uses)										
Transfers in	5,373,150	5,875,187	3,405,866	2,850,195	4,668,135	5,008,419	2,850,141	2,760,009	3,849,670	3,226,246
Transfers out	(3,305,501)	(3,224,222)	(2,245,000)	(2,536,788)	(3,180,000)	(3,494,458)	(1,295,000)	(2,023,950)	(2,080,921)	(1,350,322)
Proceeds on sale of assets	-	-	-	-	-	1,000,000	-	650,000	-	-
Bond Proceeds/premiums/Escrow activity	-	-	-	-	6,075,000	-	-	-	4,552,617	-
Total other financing sources (uses)	<u>2,067,649</u>	<u>2,650,965</u>	<u>1,160,866</u>	<u>313,407</u>	<u>7,563,135</u>	<u>2,513,961</u>	<u>1,555,141</u>	<u>1,386,059</u>	<u>6,321,366</u>	<u>1,875,924</u>
Net change in fund balances	<u>\$ (154,885)</u>	<u>\$ 830,642</u>	<u>\$ 371,588</u>	<u>\$ (637,099)</u>	<u>\$ 1,250,612</u>	<u>\$ (15,732)</u>	<u>\$ 5,262,935</u>	<u>\$ (4,974,079)</u>	<u>\$ (3,510,128)</u>	<u>\$ 7,794,010</u>
Debt service as a percentage of noncapital expenditures	<u>0.7%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>1.1%</u>	<u>3.5%</u>	<u>3.7%</u>	<u>3.2%</u>	<u>4.4%</u>	<u>5.7%</u>

Source: Current and prior year's financial statements

GASB 34 implemented in 2003

Schedule 5
Town of Estes Park, Colorado
Sales Tax Revenue by Type of Industry
For Years Ended December 31,

Fiscal Year	Amusement/ Recreation	Apparel	Arts & Crafts	Automotive	Food	Furniture	General Merchandise (Retail)	Lodging	Lumber & Building	Personal/ Professional Services	Utilities	Total Sales Tax
2009	56,256	incl w/ retail	incl w/ retail	141,995	2,573,160	incl w/ retail	1,410,790	1,675,092	338,364	102,582	555,958	6,854,197
2010	45,003	incl w/ retail	incl w/ retail	150,698	2,643,978	incl w/ retail	1,405,752	1,768,187	339,944	105,719	549,970	7,009,252
2011	54,966	incl w/ retail	incl w/ retail	140,997	2,812,412	incl w/ retail	1,456,846	1,931,215	356,826	111,205	560,361	7,424,828
2012	55,460	incl w/ retail	incl w/ retail	147,339	2,945,021	incl w/ retail	1,492,710	2,162,856	409,641	135,494	543,276	7,891,798
2013*	65,553	incl w/ retail	incl w/ retail	155,617	2,784,728	incl w/ retail	1,582,516	2,083,848	452,674	134,371	604,298	7,863,605
2014	77,638	incl w/ retail	incl w/ retail	180,808	3,640,784	incl w/ retail	2,233,404	2,896,359	521,716	174,221	680,645	10,405,574
2015	75,434	incl w/ retail	incl w/ retail	207,133	4,407,514	incl w/ retail	2,302,864	3,695,728	602,859	204,986	731,071	12,227,589
2016	85,086	incl w/ retail	incl w/ retail	244,733	4,852,342	incl w/ retail	2,372,937	3,903,203	595,912	211,821	746,250	13,012,284
2017	113,131	incl w/ retail	incl w/ retail	275,744	5,038,864	incl w/ retail	2,363,339	4,402,806	681,341	212,289	771,958	13,859,472
2018	97,563	incl w/ retail	incl w/ retail	283,633	5,506,167	incl w/ retail	2,692,364	4,764,050	702,690	244,331	785,261	15,076,059

Sales tax rate: increased from 4.00% to 5.00%, July 1, 2014

Source: Town of Estes Park Sales and Use Tax Reports

*sales tax adversely affected by September 2013 flood

Schedule 6
Town of Estes Park, Colorado
Direct and Overlapping Sales Tax Rates
As of December 31,

Fiscal Year	City Direct Rate		Overlapping Rates		Total Overlapping Sales Tax Rate
	Town of Estes Park	Total Direct Sales Tax Rate	State of Colorado	Larimer County	
2009	4.00%	4.00%	2.90%	0.80%	7.70%
2010	4.00%	4.00%	2.90%	0.80%	7.70%
2011	4.00%	4.00%	2.90%	0.80%	7.70%
2012	4.00%	4.00%	2.90%	0.60%	7.50%
2013	4.00%	4.00%	2.90%	0.60%	7.50%
2014*	5.00%	5.00%	2.90%	0.65%	8.55%
2015*	5.00%	5.00%	2.90%	0.65%	8.55%
2016	5.00%	5.00%	2.90%	0.65%	8.55%
2017	5.00%	5.00%	2.90%	0.65%	8.55%
2018	5.00%	5.00%	2.90%	0.80%	8.70%

Source: Colorado Department of Revenue Taxation Division

* City sales tax increased from 4.00% to 5.00% on July 1, 2014, as a result of April 2014 ballot issue

Schedule 7
Town of Estes Park, Colorado
Principal Sales Tax Categories
Current and nine years ago
For Years Ended December 31,

	<u>2009</u>	<u>2018</u>
Top three categories (alphabetical)		
Food	\$ 2,573,160	\$ 5,506,167
Lodging	1,675,092	4,764,050
Retail	<u>1,410,790</u>	<u>2,692,364</u>
Total:	5,659,041	12,962,581
Aggregate all other categories	<u>1,195,156</u>	<u>2,113,478</u>
Total sales and use tax	<u>\$ 6,854,197</u>	<u>\$ 15,076,059</u>
Top three categories as a percentage of total sales tax	82.56%	85.98%

Schedule 8
Town of Estes Park, Colorado
Ratio of Outstanding Debt, by Type
As of December 31,

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income ⁷	Per Capita ⁷
	Certificates of Participation ⁸	Lease Purchase Agreement ⁹	Capital Leases	Light and Power Revenue Bonds ³	Water Loan ⁴	Water Loans ⁵	Water Loans ⁶			
2009	0	0	0	7,035,000	200,000	190,000	5,392,240	12,817,240	23.02%	2,368
2010	0	0	0	5,505,000	105,000	0	5,312,774	10,922,774	19.62%	2,018
2011	0	0	0	5,270,000	0	0	5,125,467	10,395,467	19.70%	1,775
2012	0	0	0	5,025,000	0	0	4,864,366	9,889,366	17.64%	1,672
2013	6,075,000	0	0	4,770,000	0	0	4,597,593	15,442,593	26.72%	2,587
2014	5,705,000	0	0	4,510,000	0	0	4,330,819	14,545,819	24.31%	2,390
2015	5,325,000	0	234,813	4,235,000	0	0	4,058,369	13,853,182	24.63%	2,214
2016	4,935,000	0	178,887	3,950,000	0	0	3,780,243	12,844,130	23.55%	2,019
2017	4,540,000	4,427,381	121,149	3,655,000	0	0	3,502,117	16,245,647	33.47%	2,563
2018	4,135,000	4,203,062	61,541	3,350,000	0	0	3,218,316	14,967,919	28.23%	2,356

³ 2007 Light and Power Revenue Bonds issued to finance construction and equipping of a new substation, and to rebuild certain distribution lines and make other improvements to Town's L&P facilities. 1999 Revenue Bonds (\$1,305,000 remaining in 2010) were paid in full during the year ending December 31, 2010. Interest accrues at 3.88%.

⁴ 1997B Water Loan from the Colorado Water Resources and Power Development Authority (CWRPDA) obtained to finance improvements to water system. Interest accrues at rates between 3.80-5.00%.

⁵ 1993A and 1990A Water Loans were obtained from the CWRPDA to finance improvements to water system. Interest accrues at rates between 2.70-5.00%.

⁶ 2008A Water Loan was obtained from the CWRPDA to finance improvements to water system. Interest accrues at 3.26%.

⁷ See schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

⁸ Certificates of Participation Series 2013 (\$6,075,000) obtained to finance Multipurpose Event Center/Pavillion complex. Duration: 14 years, Interest rate: 2.43%.

⁹ Lease Purchase Financing Agreement dated 1-1-17 obtained to finance the Visitor Center Parking Garage. Duration: 15 years, Interest rate: 4.5%.

Source: Current and prior year's financial statements

Schedule 9
Town of Estes Park, Colorado
Ratio of General Bonded Debt Outstanding and Legal Debt Margin
As of December 31,

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General bonded debt outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Participation	-	-	-	-	6,075,000	5,705,000	5,325,000	4,935,000	4,540,000	4,135,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,075,000</u>	<u>\$ 5,705,000</u>	<u>\$ 5,325,000</u>	<u>\$ 4,935,000</u>	<u>\$ 4,540,000</u>	<u>\$ 4,135,000</u>
Per capita ¹	\$ -	\$ -	\$ -	\$ -	\$ 1,018	\$ 937	\$ 851	\$ 776	\$ 716	\$ 651
Less: Amounts not subject to the statutory debt limit	-	-	-	-	6,075,000	5,705,000	5,325,000	4,935,000	4,540,000	4,135,000
Less: Amounts set aside to repay general debt	-	-	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,075,000</u>	<u>\$ 5,705,000</u>	<u>\$ 5,325,000</u>	<u>\$ 4,935,000</u>	<u>\$ 4,540,000</u>	<u>\$ 4,135,000</u>
Total net debt applicable to debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin ²	<u>\$ 5,650,623</u>	<u>\$ 5,726,337</u>	<u>\$ 5,591,616</u>	<u>\$ 5,577,154</u>	<u>\$ 5,357,761</u>	<u>\$ 5,194,916</u>	<u>\$ 5,838,622</u>	<u>\$ 5,877,432</u>	<u>\$ 6,248,723</u>	<u>\$ 6,284,768</u>

¹ See Schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

² The legal debt margin is the city's available borrowing authority. It is calculated from estimated actual property value as provided by Larimer County. For 2018, the computation is: \$209,492,271 x 3% = \$6,284,768.

GASB 34 implemented in 2003

Schedule 10
Town of Estes Park, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2018

Jurisdiction	Debt Outstanding	Percentage Applicable To Government	Estimated Share of Overlapping Debt
Direct:			
Town of Estes Park	\$ 8,399,603	100.00%	\$ 8,399,603
Overlapping:			
Northern Colorado Water Conservancy District	3,511,645	1.06%	37,155
Park Hospital District	15,585,000	57.25%	8,921,815
Park R-3 School District	<u>17,610,000</u>	52.00%	<u>9,157,200</u>
Total	<u><u>\$ 45,106,248</u></u>	58.79%	<u><u>\$ 26,515,772</u></u>

Sources: documentation from entities listed above

Notes:

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

Schedule 11
Town of Estes Park, Colorado
Pledged-Revenue Coverage
For Years Ended December 31,

Water Revenue Bonds

Fiscal Year	Water Revenues ¹	Less: Operating Expenses ²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	3,308,276	2,408,255	900,021	372,170	156,218	1.70
2010	3,168,248	2,521,875	646,373	364,466	146,321	1.27
2011	3,528,571	2,383,332	1,145,239	292,310	136,971	2.67
2012	4,034,656	2,517,063	1,517,593	261,098	144,688	3.74
2013	4,263,303	3,290,474	972,829	266,774	140,430	2.39
2014	4,087,720	3,165,030	922,690	266,774	136,335	2.29
2015	5,211,779	2,985,121	2,226,658	272,450	132,440	5.50
2016	5,219,482	3,255,765	1,963,717	278,126	128,668	4.83
2017	5,747,358	3,906,535	1,840,823	278,126	125,027	4.57
2018	6,846,182	3,848,853	2,997,329	283,802	120,357	7.42

Light & Power Revenue Bonds

	Light & Power Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	11,813,434	8,832,666	2,980,768	435,000	307,769	4.01
2010	12,232,397	9,305,461	2,926,936	1,530,000	236,330	1.66
2011	12,682,944	9,836,421	2,846,523	235,000	213,319	6.35
2012	13,044,579	10,395,785	2,648,794	245,000	204,213	5.90
2013	14,373,679	11,746,547	2,627,132	255,000	194,719	5.84
2014	15,311,185	11,818,066	3,493,119	260,000	184,838	7.85
2015	14,721,092	11,963,511	2,757,581	275,000	174,763	6.13
2016	14,507,439	13,201,872	1,305,567	285,000	164,106	2.91
2017	16,475,414	13,858,488	2,616,926	295,000	153,063	5.84
2018	17,277,501	13,990,269	3,287,232	305,000	141,631	7.36

¹ Revenues include all charges for services, tap fees, interest and other income. Revenues do not include capital related grants.

² Operating expenses are net of depreciation expense and do not include transfers.

Source: Current and prior year's financial statements

Schedule 12
Town of Estes Park, Colorado
Demographic and Economic Statistics
As of December 31,

Fiscal Year	Population ^{1,3,5}	Total Personal Income ⁴	Median Family Income ^{1,3}	Per Capita Personal Income ^{1,3}	Median Age ¹	School Enrollment ²	Fort Collins/ Loveland, CO Unemployment Rate ³
2009	5,413	165,091,087	55,667	30,499	45	1,210	6.8%
2010	5,413	165,091,087	55,667	30,499	45	1,120	7.7%
2011	5,858	204,807,396	52,778	34,962	52	1,126	6.7%
2012	5,913	206,730,306	56,053	34,962	52	1,095	6.1%
2013	5,969	221,539,435	57,789	37,115	52	1,126	5.0%
2014	6,086	243,202,646	59,826	39,961	51	1,125	4.2%
2015	6,257	231,327,547	56,236	36,971	51	1,143	3.5%
2016	6,362	243,410,120	54,530	38,260	51	1,117	2.8%
2017	6,339	221,370,558	48,533	34,922	58	1,162	2.5%
2018	6,352	234,960,480	53,025	36,990	59	1,160	3.2%

¹ 2010 Census, 2013 www.census.gov factfinder.

² Park R-3 School district

³ Data obtained from www.Larimer.org/compass or U.S. Bureau of Labor Statistics for Eastern & Southern Colorado Nonmetro area

⁴ Total Personal Income derived from Per Capita Personal Income x Population

⁵ Population numbers for 2012-13 are estimates as posted on www.census.gov

Schedule 13
Town of Estes Park, Colorado
Principal Employers
As of December 31,

	# of		# of
	full-time		full-time
	equivalent		equivalent
2009	employees	2018	employees
1 Estes Park Medical Center	N/A	Stanley Hotel	278
2 Estes Valley Recreation District	N/A	Estes Park Medical Center	271
3 Harmony Foundation	N/A	Rocky Mountain National Park	189
4 Holiday Inn	N/A	Park School District R-3	164
5 Park School District R-3	N/A	Town of Estes Park	162
6 Rocky Mountain National Park	N/A	Estes Valley Recreation District	130
7 Safeway	N/A	YMCA of the Rockies	125
8 Town of Estes Park	120	Harmony Foundation	96
9 YMCA of the Rockies	N/A	Rocky Mountain Park Inn	94
10 Stanley Hotel	N/A	Safeway	90

Source: Town of Estes Park's Community Profile and local informal surveys.

Schedule 14
Town of Estes Park, Colorado
Full-time Equivalent Employees by Function/Program
As of December 31,

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Function/Program</u>										
General Government										
Judicial	1	1	1	1	1	1	1	1	1	1
Town Administration ¹	5.5	5.5	5.5							
Town Administrator				4.00	5.00	5.00	5.00	5.00	5.00	4.00
Town Clerk				4.00	4.00	4.00	4.00	4.00	4.00	4.50
Finance	9.00	9.00	9.00	7.00	7.00	8.00	9.00	10.00	10.00	9.00
Community Development	7.00	7.00	7.00	6.00	7.00	8.00	9.00	12.00	12.00	10.00
Police	30.00	30.00	30.00	29.56	30.00	32.00	33.00	34.00	36.00	37.00
Public Works	17.09	17.09	17.09	18.09	20.04	18.00	21.00	22.17	22.53	23.94
Community / Cultural Services										
Community Services	0.00	13.60	12.60	14.30	0.00	0.00	0.00	0.00	0.00	0.00
Visitor Services Center	7.43	6.10	5.10	5.10	6.10	5.10	5.35	6.32	6.64	6.64
Senior Services ²	1.60	0.00	0.00	0.00	2.00	2.00	2.40	2.40	2.55	0.11
Special Events	0.00	0.00	0.00	0.00	4.00	5.00	8.66	12.00	12.00	11.50
Transportation	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.25
Museum	3.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00
Enterprise										
Light & Power ⁴	21.00	21.00	21.00	18.80	21.00	21.68	21.68	25.00	25.33	26.00
Water	10.00	11.00	11.00	11.00	12.00	12.00	12.00	13.75	15.00	17.31
Internal Services										
Information Systems (IT)	3.00	3.00	3.00	3.00	3.00	2.00	4.00	4.00	4.00	4.00
Fleet Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Districts										
EPURA ⁴	1.00									
Fire ³	3.00									
Local Marketing District ⁵	0.00	4.00	4.00							
TOTALS	122.62	131.29	129.29	124.85	128.14	130.78	143.09	158.64	163.05	162.25
	2.66%	7.07%	-1.52%	-3.43%	2.64%	2.06%	9.41%	10.87%	2.78%	-0.49%

¹Town Administration was separated between the Town Administrator's Office and the Town Clerk's Office in 2012.

²Senior Center meals contracted to a catering company in 2004.

³Fire District formed in 2010, ending status as Town department.

⁴EPURA dissolved by vote in 2009.

⁵Local Marketing District formed in 2009, becomes part of Town's CAFR. Separates from Town's payroll in 2012.

⁶Human resources moved from Finance to Administration in 2012.

⁷Multipurpose event center operations combined with Events Staff in 2016.

source: Town of Estes Park Human Resources Department, Annual Town Budget

Schedule 15
Town of Estes Park, Colorado
Operating Indicators by Function/Program
As of December 31,

	2009	2010	2011	2012*	2013	2014	2015	2016	2017	2018
Police										
PD Incidents	13,421	12,357	11,822	13,262	16,260	17,880	14,591	13,446	16,736	14,048
PD Report Numbers	1,652	1,507	1,532	1,613	1,690	1,728	1,903	1,886	1,743	1,748
Total Arrests	233	203	236	264	262	315	297	174	155	195
Number of allotted PD Employees	28	28	29	28	29	32	32	32	32	33
Number of allotted Sworn Employees	17	18	19	18	19	20	20	20	20	21
Number of allotted Civilian Employees	11	10	10	10	10	12	12	12	12	12
Total Phone Calls	66,872	64,003	59,009	0	53,514	46,309	47,407	48,215	50,309	50,833
911 Calls	4,020	4,313	4,051	0	4,488	4,813	5,250	5,071	5,088	5,180
Total Incidents Police/Fire/Ambulance	15,736	14,750	14,169	15,520	15,656	20,235	17,154	20,295	19,587	16,435
*data lost during phone conversion										
Fire										
Number of volunteers	36	35	34	31	33	38	32	43	43	45
Emergency Responses	500	516	451	648	650	596	618	685	742	621
Fire insurance rating	ISO Class 4	ISO Class 4	ISO Class 4	ISO Class 4	ISO PPC 4	ISO PPC 4	ISO PPC 4	ISO PPC 4	ISO PPC 3	ISO PPC 3
Utilities-Electric										
No. of accounts	10,381	10,449	10,464	10,500	10,473	10,540	10,623	10,674	10,418	10,813
Wind Power customers	176	185	171	164	157	145	135	128	133	140
Substation Capacity (MW)	100	100	100	100	100	100	100	100	100	100
Average daily consumption	345,833	346,935	347,827	337,063	345,348	348,423	342,382	346,496	341,479	344,698
Annual consumption	126,228,952	126,631,105	126,956,835	123,028,066	126,052,183	127,174,378	124,969,364	126,470,866	124,639,921	125,814,757
Distribution system (in miles)	325	400	400	400	300	300	300	300	300	300
Number of Street Lights	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Utilities-Water										
No. of accounts	4,974	5,016	5,044	5,053	5,087	5,154	5,197	5,228	5,027	5,368
Plant Capacity (gallons)	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Average daily consumption (gallons)	1,121,428	1,099,339	1,111,124	1,179,679	1,078,848	1,082,184	1,098,997	1,172,322	1,128,180	1,192,523
Annual consumption (gallons)	409,321,201	401,258,780	405,560,310	430,582,865	393,779,690	394,997,119	401,133,914	427,897,375	411,785,866	435,270,803

Schedule 15
Town of Estes Park, Colorado
Operating Indicators by Function/Program
As of December 31,

	2009	2010	2011	2012*	2013	2014	2015	2016	2017	2018
Town Government										
Elected officials	7	7	7	7	7	7	7	7	7	7
Appointed officials	8	7	7	7	7	7	7	7	7	7
Full-time employees	123	131	129	114	128	121	131	133	136	157
Part-time employees	8	9	8	7	7	7	7	12	13	10
Seasonal employees	57	44	45	49	49	49	49	36	43	36
Building Permits	368	419	499	485	496	616	716	559	814	829
Culture and Recreation										
Museum	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	0
Event Center	0	0	0	0	0	0	1	1	1	1
Convention Center	1	1	1	1	1	1	1	1	1	1
Local Marketing District	1	1	1	1	1	1	1	1	1	1
Other Miscellaneous Data										
Hotels, Motels, B&Bs **	150	124	124	124	124	124	124	146	137	132
Financial Institutions	5	5	5	5	5	5	5	5	5	4
Newspapers	2	2	2	2	2	2	2	2	2	2
Theaters	2	2	2	2	2	2	2	2	2	2
Bus/Taxi Companies	2	2	2	2	2	2	2	2	2	2
Radio Stations	2	2	2	2	1	1	1	1	0	0
Hospitals	1	1	1	1	1	1	1	1	1	1
Churches	19	18	18	18	18	18	18	21	19	19
State highways (Highways 7, 34 and 36)	3	3	3	3	3	3	3	3	3	3
Other Miscellaneous Data										
No. of Registered Voters	4,452	4,470	4,495	4,474	4,517	4537	4040	4040	4813	4810
Facilities and services not included in the reporting entity:										
Education-Park School District R-3 (enrolled)										
Estes Park High School (9-12)	386	353	349	325	332	322	331	325	334	333
Estes Park Middle School (6-8)	275	239	241	250	240	249	259	274	281	274
Estes Park Elementary School (K-5)	521	504	506	490	524	521	553	518	488	475
Estes Park Options & Home Schooled	28	24	30	30	30	33	24	36	53	47
Parks and Recreation										
Estes Valley Recreation and Park District	1	1	1	1	1	1	1	1	1	1

Source: Local authorities including: Local Marketing District, EVRPD, Park School District R-3, Dex Onlince Listings

Schedule 16
Town of Estes Park, Colorado
Capital Asset Statistics by Function/Program
As of December 31,

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	13	13	13	11	12	15	15	15	16	17
Fire Protection										
Stations	2	2	2	2	2	2	2	2	2	2
Fire Rating	ISO 4	ISO 4	ISO 4	ISO 4	ISO PPC 4	ISO PPC 4	ISO PPC 4	ISO PPC 4	ISO PPC 3	ISO PPC 3
Public Works										
Area in Square Miles	6.78	6.78	6.78	6.78	6.88	6.88	6.88	6.88	6.88	6.88
Utilities										
Water mains (miles)	100	100	100	100	100	100	100	100	100	100
Fire Hydrants	663	663	663	672	681	683	684	714	717	740
Water Treatment Plants	2	2	2	2	2	2	2	2	2	2
Number of Street Lights	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Electric Substations	2	2	2	2	2	2	2	2	2	2

Source: Town of Estes Park departmental data,
[Community Profile](#)

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Estes Park, Larimer County			
		YEAR ENDING : December 2018			
This Information From The Records Of: Town of Estes Park		Prepared By: Duane Hudson, Finance Director Phone: (970) 577-3560			
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)	8,816,989		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,014,232		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	24,098		
2. General fund appropriations	2,551,657	b. Snow and ice removal	150,327		
3. Other local imposts (from page 2)	1,901,327	c. Other	87,366		
4. Miscellaneous local receipts (from page 2)	108,692	d. Total (a. through c.)	261,791		
5. Transfers from toll facilities	0	4. General administration & miscellaneous	609,213		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,352,112		
a. Bonds - Original Issues		6. Total (1 through 5)	12,054,337		
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)	4,561,676	b. Redemption			
B. Private Contributions	0	c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	815,725	2. Notes:			
D. Receipts from Federal Government (from page 2)	6,676,936	a. Interest			
E. Total receipts (A.7 + B + C + D)	12,054,337	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)	12,054,337		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)				0	
1. Bonds (Refunding Portion)					
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	4,334,169	12,054,337	12,054,337	3,557,951	776,218
Notes and Comments:					
The \$776,218 reconciliation amount is for 2018 transactions in other funds than the Street Improvement Fund but are subject to reporting on Form FHWA-536.					

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	0	a. Interest on investments	78,967
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	1,805,171	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	6,000
5. Specific Ownership &/or Other	96,156	g. Other Misc. Receipts	0
6. Total (1. through 5.)	1,901,327	h. Other	23,725
c. Total (a. + b.)	1,901,327	i. Total (a. through h.)	108,692
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	348,030	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	562,530
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	29,153	d. Federal Transit Admin	3,966,211
d. Other (Operating Grant)	438,542	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	2,148,195
f. Total (a. through e.)	467,695	g. Total (a. through f.)	6,676,936
4. Total (1. + 2. + 3.f)	815,725	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	0
b. Engineering Costs		409,939	409,939
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		3,950,626	3,950,626
(3). System Preservation		4,456,424	4,456,424
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	8,407,050	8,407,050
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	8,816,989	8,816,989
			(Carry forward to page 1)
Notes and Comments:			



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board of Trustees
Town of Estes Park
Estes Park, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Estes Park, Colorado (the "Town"), 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, and have issued our report thereon dated June 28, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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



Purpose of this Report

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

ACM LLP

Greeley, Colorado
June 28, 2019



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

Board of Trustees
Town of Estes Park
Estes Park, Colorado

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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



Report on Internal Control over Compliance

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

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

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

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

ACM LLP

Greeley, Colorado
June 28, 2019

**TOWN OF ESTES PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

CFDA/Contract Number

14.269
97.036

Name of Federal Program or Cluster

CDBG- Disaster Recovery Grants
Division of Homeland Security and Emergency
Management Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

**TOWN OF ESTES PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2018**

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

**TOWN OF ESTES PARK
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2018**

Section IV - Prior Year Findings

2017-001 - Duplicate recording of accruals

Material Weakness in Internal Control over Financial Reporting

Condition: During our testing, we noted that the Town had recorded \$724,945 as both a reconciling item on its cash account and as an accounts payable. As a result, cash was understated and the related expense was overstated in the Town's accounting records.

Status Implemented: The purchased power accrual entry was made independently of the review of the bank reconciliation, resulting in the payment made by wire transfer being recorded as part of the bank reconciliation review and then again by another staff member as part of the search for unrecorded liabilities. A final review procedure was implemented to review any overlap between the two processes. No duplication of accrual entries was noted for the year ended December 31, 2018.

Town of Estes Park
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2018 Federal Expenditures
Department of Housing and Urban Development			
Passed through Colorado Department of Housing and Urban Development			
Hurricane Sandy Community Development Block Grant Disaster			
Recovery Grants	14.269	See Note 3	\$ 2,317,990
Total Department of Housing and Urban Development			2,317,990
Department of Justice			
Direct Programs			
Missing Children's Assistance	16.543	N/A	8,165
Total Department of Justice			8,165
Department of Transportation			
Passed through Colorado Department of Transportation			
Highway Planning and Construction	20.205	See Note 3	97,580
Total Department of Transportation			97,580
Department of Homeland Security			
Passed through Colorado Department of Public Safety:			
Disaster Grants - Public Assistance (Presidentially Declared			
Disasters)	97.036	See Note 3	813,385
Total Department of Homeland Security			813,385
Total Expenditures of Federal Awards			\$ 3,237,120

See accompanying Independent Auditor's Report.

TOWN OF ESTES PARK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2018

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town for the year ended December 31, 2018. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Expenditures of federal awards are recognized in the accounting period when the liability is incurred using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: PASS THROUGH ENTITY IDENTIFYING NUMBERS

The pass through award numbers for the Community Development Block Grants – Disaster Recovery Grants were CDBGDR2-EST-01, CDBGDR2-EST-02, CDBGDR2-EST-03, CDBGDR2-EST-04, D5DR1-40-EP2, D5DR1-40-EP5, D5DR1-60-09, R1-60-EP1.2, R1-60-EP1.4, F5DR1P14013, F5DR2P15068, and F7DR2P16026.

The pass through award numbers for the Highway Planning and Construction Grant were AQC M405-020 and AQC M405-018.

The pass through award numbers for the Disaster Grants – Public Assistance program were PW 5, PW 6, PW 33, PW 43, PW 50, PW 69, PW 159, PW 195, PW 197, PW 213, PW 240, PW 255, PW 258, PW 276 and PW 958.

NOTE 4: SUBRECIPIENTS

There were no subrecipients of federal awards during the year ended December 31, 2018.