

**Town of Fraser  
Fraser, Colorado**

**Financial Statements  
December 31, 2018**



**Town of Fraser, Colorado  
Financial Report  
December 31, 2018**

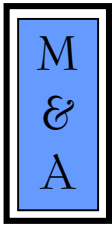
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## INDEPENDENT AUDITOR'S REPORT

### To the Honorable Mayor and Town Board Town of Fraser, Colorado

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

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fraser 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.

*Member: American Institute of Certified Public Accountants*

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**Other Matters**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B 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 Management's Discussion and Analysis in Section B 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The individual fund budgetary comparisons found in Section F and the *Local Highway Finance Report* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund budgetary comparisons found in Section F and the *Local Highway Finance Report* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
July 1, 2019**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# Town of Fraser, Colorado

## Management's Discussion and Analysis

December 31, 2018

As management of the Town of Fraser, Colorado, ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2018.

The Town provides a high level of local government service and availability to the community including operation of the Town's water and wastewater systems, a public works department that provides for street maintenance, snow removal and management, park and open space preservation, public building and facility management and maintenance. Our planning department provides support for both our business/economic sectors in addition to community development support, all while maintaining our small town character in the bigger mountain resort community that we are a part of. The Town currently acts as the manager of the Upper Fraser Valley Wastewater Treatment Facility – providing both the operational expertise and financial management of the facility for the three member organizations who share the plant. In addition, the Town participates in a joint Fraser/Winter Park Police Department and a joint Winter Park/Fraser/Granby Building Services Department.

### Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental 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 water production, water distribution system operation and maintenance, and the operation and maintenance of the Town's wastewater collection system.

The government-wide financial statements can be found on pages C1 and C2 of this report.

**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 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 financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The fund financial statements for the governmental funds are shown on pages C3 and C5.

The Town's Budget includes the following governmental funds:

- General Fund (GF), which provides for the general functions and services such as administration, planning, law enforcement, streets and properties.
- Capital Asset Fund (CAF), which is intended to fund long term maintenance of capital assets (streets, buildings, parks, trails, etc.). The CAF is consolidated with the GF in the financial statements.
- Restricted Revenue Fund (RRF), which is funded by a dedicated sales tax to be used for transportation, trails, and capital project expenditures.
- Debt Service Fund (DSF), which provides for bonded debt service payments.
- Conservation Trust Fund (CTF), which is funded by lottery proceeds and provides for open space and recreational related capital projects.
- Capital Equipment Replacement Fund (CERF), which provides for vehicle and heavy equipment purchases.

The Town adopts an annually appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund, Restricted Revenue Fund, Conservation Trust Fund, Debt Service Fund and Capital Equipment Replacement Fund to demonstrate compliance with the State budget statutes. These are included in Sections E and F.

**Proprietary funds:** The Town maintains two proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water operations and one to account for its wastewater operations, which was established on December 31, 2009 by the dissolution of the Fraser Sanitation District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town.

The Town's Budget includes the following enterprise funds:

- Water Fund (WF), an enterprise fund for the Town's water utility.
- Wastewater Fund (WWF), an enterprise fund for the Town's wastewater utility.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The Town also presents a budgetary comparison for its proprietary funds on pages F3 and F4.

**Fiduciary fund:** As managers of the Upper Fraser Valley Wastewater Treatment Plant ("UFVWWTP"), the Town operates the Joint Facilities Fund ("JFF") as a fiduciary fund to account for the operations and maintenance of the facility along any capital expenditures related to the plant.

- JFF Operations and Maintenance (O&M) and the JFF Capital Replacement Reserve (CRR), both of which provide for operations and capital projects at the Wastewater Treatment Plant. The JFF activity is found on pages C10, C11, and F5.

## Overview of the Financial Statements (continued)

**Notes to the Financial Statements:** The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found at Section D of this report.

The largest portion of the Town's assets are reflected in the investment in capital assets (i.e. land, streets, buildings, improvements, and equipment). Capital assets account for 66% of the total assets of \$41,644,853. The Town uses these assets to provide services to its citizens. The Town has to pay liabilities out of the remaining liquid assets. The Town also has assets that are considered restricted for a variety of purposes. Accordingly, these assets are not an available source for payment of future spending, other than as restricted. The Town is showing the detail of restricted net position below on page B4 and also on page D19 of the footnotes.

### Government-wide Fund Analysis

#### Financial Highlights

- On a short term view, the Town's governmental fund balances increased by \$313,250 in 2018. The Town's General Fund's fund balance increased by \$294,558.
- On a long-term view (including depreciation and excluding capital outlay, etc.) the Town had a 2% \$664,628 increase in net position from \$39,608,221 to \$40,272,849.

"Net Position" for the Town refers to both the governmental and business-type (Water Fund (WF) and Wastewater Fund (WWF)) activities. The business-type activities (WF & WWF) had an increase in net position of \$218,383, while the governmental activities had an increase in net position of \$446,245.

The "long-term" view includes depreciation expense. On page D6 you will see the schedule the Town uses to depreciate its assets. On pages D15 - D16 you will see the corresponding schedules for depreciation and additions to capital assets (capital outlay). It's important to review the depreciation schedule and compare it to the age of the assets being depreciated. Annual depreciation expense for streets exceeds \$500,000 and there is no designated revenue source or reserves associated with this asset. Annual depreciation expense on water and wastewater assets exceeds \$800,000, with almost \$500,000 of that depreciation relating to underground utilities. Over half the Town's underground utilities have exceeded their depreciation life cycle. At December 31, 2018, The Fraser Town Board has many committed reserves in its General Fund and both of its Enterprise Funds, along with a reserve for unforeseen Joint Facility emergencies. These reserves will allow the Town to meet its short term obligations for safe, reliable and sustainable water and wastewater systems. Available resources will be freed up in the 2019 Budget to address annual street maintenance as all long term bonded indebtedness will be paid for from the Debt Service Fund's reserves. The Town continues to allow for additional growth in utilities and streets, while the issue of the cost of maintenance reflected by service fees and GF revenues remains a community concern.

## Government-wide Fund Analysis (continued)

The Town's restricted net position for 2018 is shown in the following schedule:

	<b>Balance 1/1/18</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/18</b>
<b>General Fund:</b>				
Fees in lieu of Park	\$ 6,379	-	-	6,379
Affordable housing impact fee	134,426	-	-	134,426
Emergency reserves	130,000	8,000	-	138,000
Conservation Trust Fund	24,596	-	(18,314)	6,282
Restricted Revenue Fund	54,023	640,433	(694,456)	-
<b>Wastewater Fund</b>				
Operating reserve	49,042	1,042	-	50,084
Capital replacement reserve	638,089	51,737	(178,777)	511,049
	<u>\$ 1,036,555</u>	<u>701,212</u>	<u>(891,547)</u>	<u>846,220</u>

The following shows the Town's net position for 2018:

### Town of Fraser's Net Position

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Assets:</b>						
Current and other assets	\$ 5,737,037	5,653,039	8,498,247	8,192,276	14,235,284	13,845,315
Capital assets	8,502,122	8,217,654	18,907,447	18,950,576	27,409,569	27,168,230
<b>Total Assets</b>	<u>14,239,159</u>	<u>13,870,693</u>	<u>27,405,694</u>	<u>27,142,852</u>	<u>41,644,853</u>	<u>41,013,545</u>
<b>Liabilities:</b>						
Other liabilities	543,968	836,667	422,421	377,962	966,389	1,214,629
Long-term liabilities outstanding	151,458	-	-	-	151,458	-
<b>Total Liabilities</b>	<u>695,426</u>	<u>836,667</u>	<u>422,421</u>	<u>377,962</u>	<u>1,117,847</u>	<u>1,214,629</u>
<b>Deferred Inflows of Resources:</b>						
Property taxes	254,157	190,695	-	-	254,157	190,695
<b>Total Deferred Inflows of Resources</b>	<u>254,157</u>	<u>190,695</u>	<u>-</u>	<u>-</u>	<u>254,157</u>	<u>190,695</u>
<b>Net Position:</b>						
Net investment in capital assets	8,350,664	8,217,654	18,907,447	18,950,576	27,258,111	27,168,230
Restricted	285,087	349,424	561,133	687,131	846,220	1,036,555
Unrestricted	4,653,825	4,276,253	7,514,693	7,127,183	12,168,518	11,403,436
<b>Total Net Position</b>	<u>\$13,289,576</u>	<u>12,843,331</u>	<u>26,983,273</u>	<u>26,764,890</u>	<u>40,272,849</u>	<u>39,608,221</u>

## Government-wide Financial Analysis (continued)

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.

The following chart is a summary of the Town's Change in Net Position:

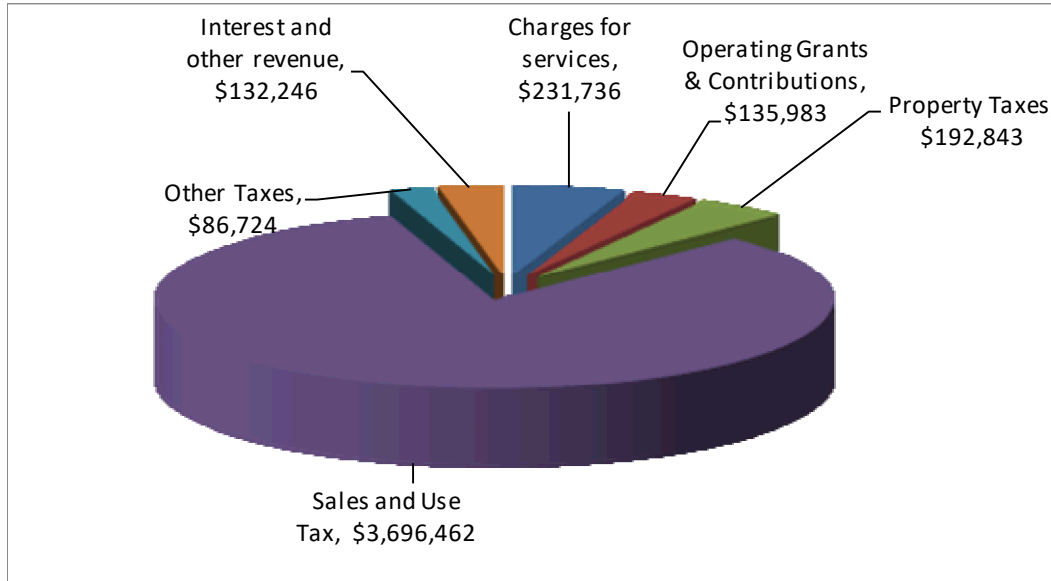
	Town of Fraser's Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 231,736	152,268	1,839,077	1,758,450	2,070,813	1,910,718
Operating grants and contributions	135,983	108,666	4,255	16,564	140,238	125,230
Capital grants and contributions	317,577	-	646,000	829,600	963,577	829,600
General revenues:						
Property taxes	192,843	209,388	-	-	192,843	209,388
Sales and Use taxes	3,696,462	3,583,910	-	-	3,696,462	3,583,910
Other taxes	86,724	85,021	-	-	86,724	85,021
Interest and other revenue	132,246	(177,648)	156,747	69,846	288,993	(107,802)
<b>Total Revenues</b>	<b>4,793,571</b>	<b>3,961,605</b>	<b>2,646,079</b>	<b>2,674,460</b>	<b>7,439,650</b>	<b>6,636,065</b>
<b>EXPENSES:</b>						
General government	2,134,823	1,718,808	-	-	2,134,823	1,718,808
Culture and recreation	33,134	39,655	-	-	33,134	39,655
Public safety	499,287	476,613	-	-	499,287	476,613
Public works	1,698,064	1,545,094	-	-	1,698,064	1,545,094
Interest	2,018	22,480	-	-	2,018	22,480
Water	-	-	1,370,070	979,038	1,370,070	979,038
Wastewater	-	-	1,037,626	994,971	1,037,626	994,971
<b>Total Expenses</b>	<b>4,367,326</b>	<b>3,802,650</b>	<b>2,407,696</b>	<b>1,974,009</b>	<b>6,775,022</b>	<b>5,776,659</b>
<b>Change in Net Position</b>						
<b>Before Transfers</b>	426,245	158,955	238,383	700,451	664,628	859,406
Transfers in (out)	20,000	20,000	(20,000)	(20,000)	-	-
<b>Change in Net Position</b>	<b>446,245</b>	<b>178,955</b>	<b>218,383</b>	<b>680,451</b>	<b>664,628</b>	<b>859,406</b>
<b>Net Position-Jan 1</b>	<b>12,843,331</b>	<b>12,664,376</b>	<b>26,764,890</b>	<b>26,084,439</b>	<b>39,608,221</b>	<b>38,748,815</b>
<b>Net Position - December 31</b>	<b>\$13,289,576</b>	<b>12,843,331</b>	<b>26,983,273</b>	<b>26,764,890</b>	<b>40,272,849</b>	<b>39,608,221</b>

**Governmental activities:** Governmental activities increased the Town's net position by \$446,245 during 2018, as compared to an increase in net position of \$178,955 during 2017. The following are the major elements of the change in net position of governmental activities from December 31, 2017 to December 31, 2018:

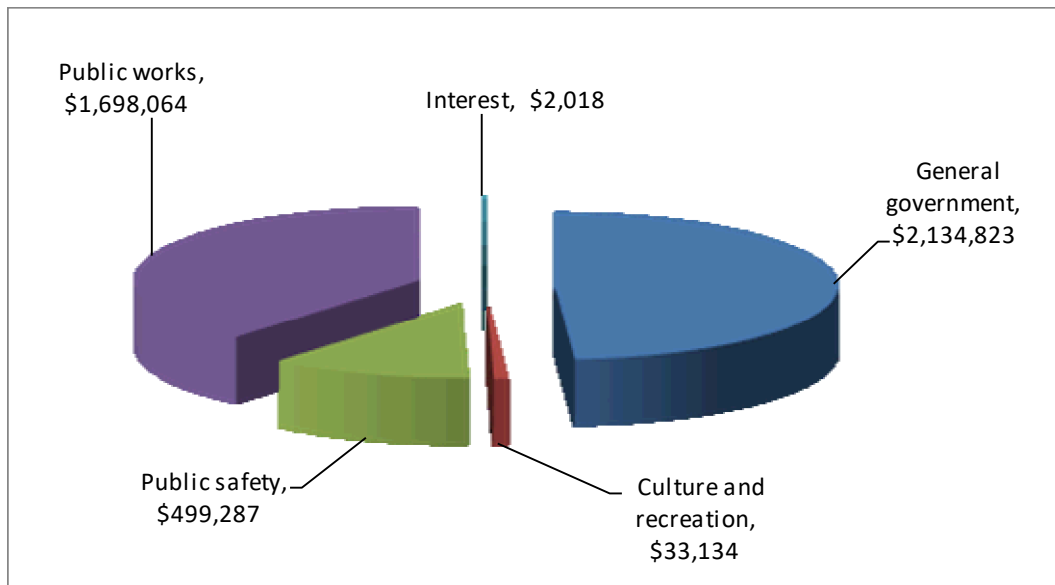
- During 2018, the Town received grant funds related to the recycle facility.
- Interest rates on deposits improved significantly over the prior year, and sales and use taxes increased.

### Government-wide Financial Analysis (continued)

The following is a graph of the Town's governmental activities revenues by source for 2018. The Town continues to be challenged by its dependence on the very volatile resort based sales tax revenues. Fortunately, the Town has the community's grocery, hardware, and department stores within its municipal boundaries. The Town will continue to help the local business community attract and develop a more varied mixture of vendors appealing to both the community's residents and its resort vacationers.



The following is a graph of the Town's governmental activities expenditures by function for 2018.

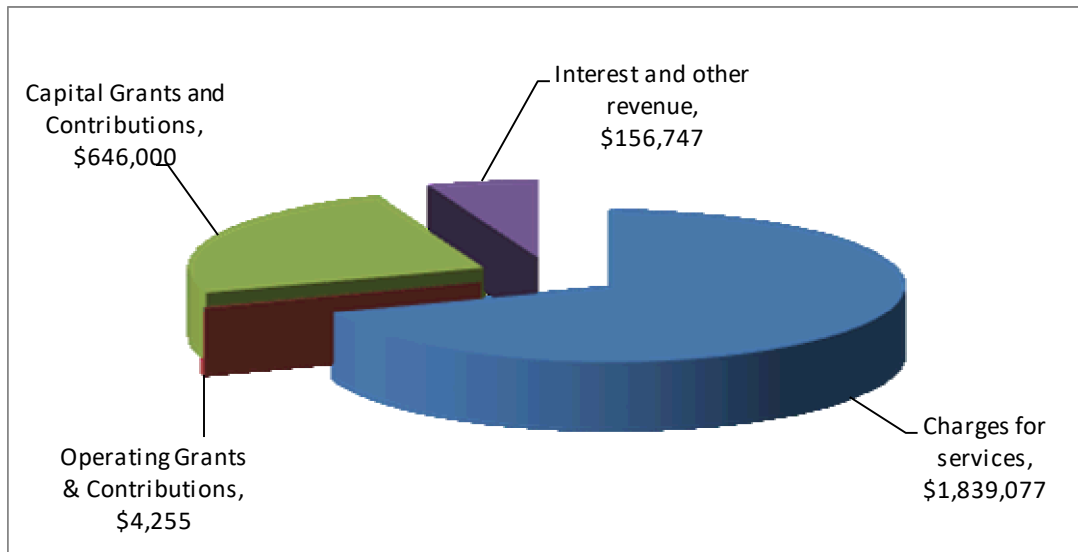


## Government-wide Financial Analysis (continued)

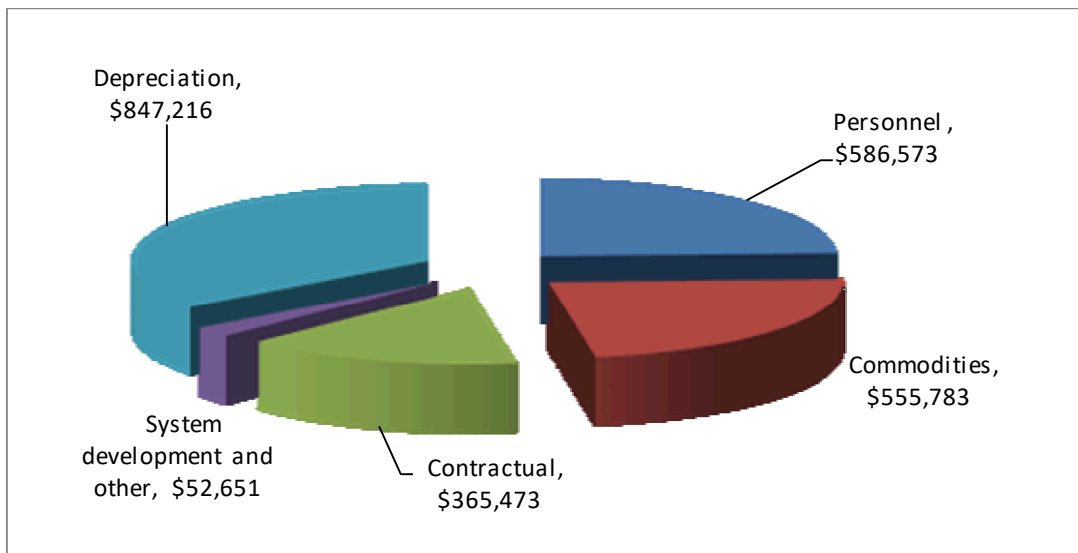
**Business-type activities:** Business-type activities (water and wastewater, collection and treatment) resulted in an increase in the Town's net position of \$218,383. Key elements of this change are as follows:

- Within the Water and Wastewater Funds and in the Town's portion of the JFF assets, depreciation expense on capitalized assets of \$847,216 accounted for 35% of total operating expenses.
- Charges for our customer's water and wastewater services accounted for 96% of total operating revenues.

The following is a graph of the business-type revenues by source for 2018.



The following is a graph of the business-type expenses by function for 2018.



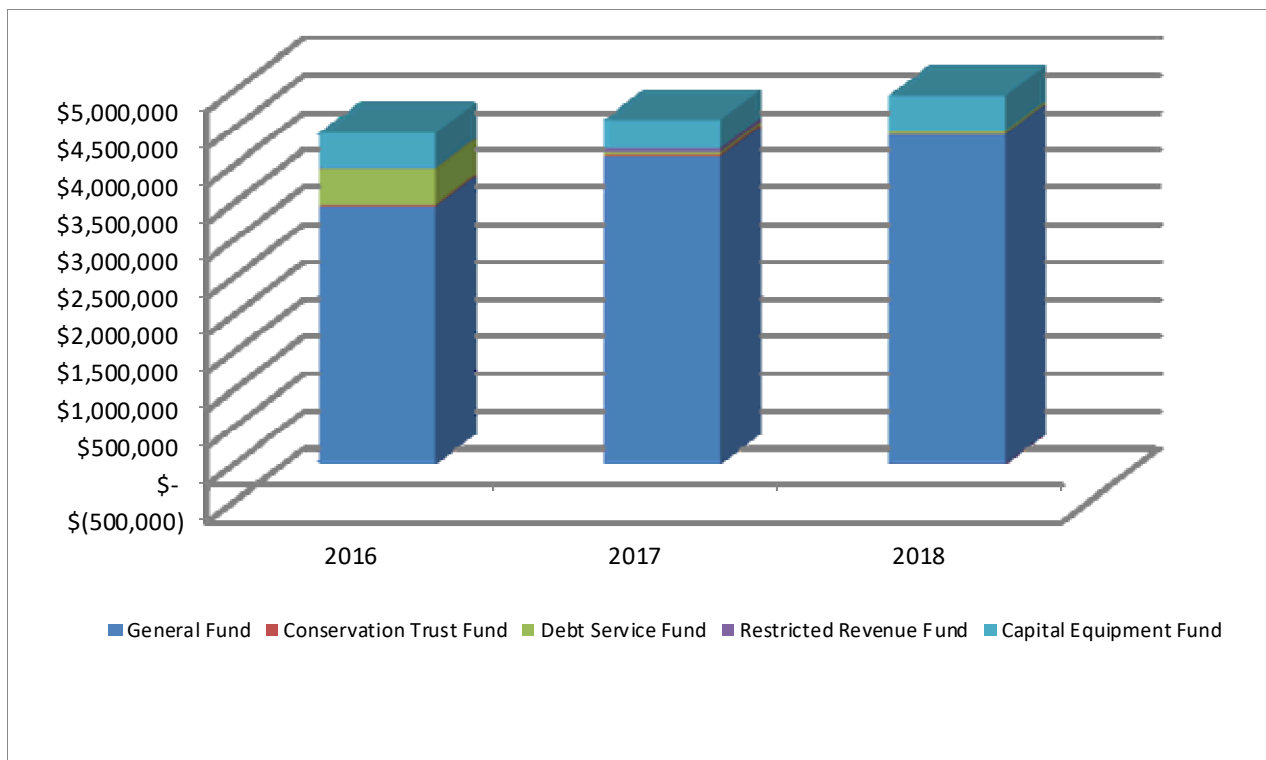
## Financial Analysis of the Town's Funds

As mentioned on page B2 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## Financial Analysis of the Town's Funds (continued)

**Governmental funds:** The focus of the Town's governmental funds is to provide information on near-term inflows (revenues), outflows (expenditures), and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, 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 \$4,912,718; the funds increased \$313,250 from the prior year's ending balances. The Town's governmental fund balances for 2018 and the past two years are graphed as follows:



**Proprietary funds:** The Town's proprietary funds (Water and Wastewater Funds) provide the same type of information found in the government-wide financial statements, but in more detail.

The proprietary funds' total cash is available for spending at the Town's discretion. At the end of 2018 the Town Board reserved multiple amounts and designated them as committed reserves for emergencies in both our operations and maintenance and also for capital emergencies. Reserves are recognized in-house and are outlined earlier in this discussion.

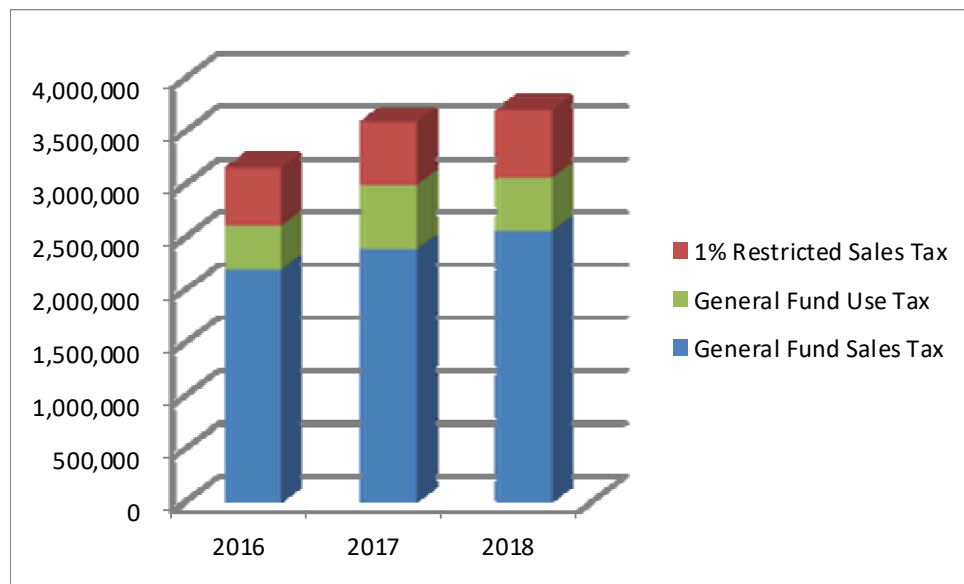
**Budget Variances in the General Fund:** The Town had the following significant budget variances which are detailed as follows:

<u>Pos. (Neg.)</u>	<u>Account</u>	<u>Reason</u>
<b>Revenues:</b>		
\$ 1,042,529	Sales & use taxes	Conservative budgeting due to various economic factors.
89,501	Liquor and other license fee	Marijuana excise and dispensary fees have increased.
(141,655)	Planning and building fees	Lower housing starts.
(1,028,206)	Grant revenue	Extensions in federal projects delayed grant reimb.
70,217	Earnings on deposits	Colotrust interest rates have increased.
(799,228)	Other revenue	Extensions in projects delayed grant matching.
<b>Expenditures:</b>		
<b>General Government:</b>		
655,691	Town board comm enhanc.	Community housing expenditures reserved for future use.
176,321	Other purchased services	Purchased services were less than expected.
<b>Public Works</b>		
2,811,700	Capital outlay	Expended less for street projects than budgeted.

**Capital assets:** The Town's government-wide capital assets, net of accumulated depreciation, decreased due largely to depreciation expense. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements on pages D15 and D16 of this report.

**Long-term obligations:** As of the end of 2018, the Town had \$186,946 in long-term obligations for accrued compensated absences. The Town entered into three new lease agreements for a vehicle and equipment in 2018. Additional information regarding the Town's debt can be found on pages D17 – D18 of this report.

**Sales and Use Taxes:** The Town has sales and use taxes that are used to fund its governmental operations. The Town's sales and use taxes changed from a total of \$3,583,910 in 2017 to \$3,696,462 in 2018. The following chart indicates changes in the taxes collections:



The Town's sales and use tax collections increased over the past years. Sales tax receipts increased 7% from 2017 to 2018 and the new 1% restricted sales tax generated \$638,933.

**Next year's budget and rates:** The Town's General Fund balance at the end of the current fiscal year was \$4,399,628. The Town's 2019 budget anticipates decreasing the General Fund balance by \$2,588,507. It is anticipated that this budgeted reduction in fund balance will decrease by year end due to under spending budgeted amounts as well as surpassing revenue projections.

**Request for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Fraser, Finance Manager, P.O. Box 120, Fraser, Colorado 80442-0120.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**Town of Fraser, Colorado**  
**Statement of Net Position**  
**For the Year Ended December 31, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and investments - Unrestricted	4,808,328	6,738,544	11,546,872
Cash with County Treasurer	2,830	3,456	6,286
Accounts, taxes, and interest receivables	881,629	1,201,581	2,083,210
Due from fiduciary fund	-	554,666	554,666
Non-current notes receivable	44,250	-	44,250
Capital assets, net	8,502,122	18,907,447	27,409,569
<b>Total Assets</b>	<u>14,239,159</u>	<u>27,405,694</u>	<u>41,644,853</u>
<b>Liabilities:</b>			
Accounts payable	267,946	-	267,946
Due to fiduciary fund	71,634	-	71,634
Other liabilities	186,335	19,986	206,321
Due to other governments	-	385,000	385,000
Accrued compensated absences	18,053	17,435	35,488
Non-current liabilities due within one year	37,142	-	37,142
Non-current liabilities due longer than one year	114,316	-	114,316
<b>Total Liabilities</b>	<u>695,426</u>	<u>422,421</u>	<u>1,117,847</u>
<b>Deferred Inflows of Resources:</b>			
Property taxes	254,157	-	254,157
<b>Total Deferred Inflows of Resources</b>	<u>254,157</u>	<u>-</u>	<u>254,157</u>
<b>Net Position:</b>			
Net investment in capital assets	8,350,664	18,907,447	27,258,111
Restricted	285,087	561,133	846,220
Unrestricted	4,653,825	7,514,693	12,168,518
<b>Total Net Position</b>	<u>13,289,576</u>	<u>26,983,273</u>	<u>40,272,849</u>

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

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

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Functions/Programs:</b>							
Governmental activities:							
General government	2,134,823	231,736	75,725	317,577	(1,509,785)	-	(1,509,785)
Culture and recreation	33,134	-	-	-	(33,134)	-	(33,134)
Public safety	499,287	-	-	-	(499,287)	-	(499,287)
Public works	1,698,064	-	60,258	-	(1,637,806)	-	(1,637,806)
Interest	2,018	-	-	-	(2,018)	-	(2,018)
<b>Total governmental activities</b>	<b>4,367,326</b>	<b>231,736</b>	<b>135,983</b>	<b>317,577</b>	<b>(3,682,030)</b>	<b>-</b>	<b>(3,682,030)</b>
Business-type activities:							
Water	1,370,070	1,026,570	4,255	38,500	-	(300,745)	(300,745)
Wastewater	1,037,626	812,507	-	607,500	-	382,381	382,381
<b>Total business-type activities</b>	<b>2,407,696</b>	<b>1,839,077</b>	<b>4,255</b>	<b>646,000</b>	<b>-</b>	<b>81,636</b>	<b>81,636</b>
<b>Total</b>	<b>6,775,022</b>	<b>2,070,813</b>	<b>140,238</b>	<b>963,577</b>	<b>(3,682,030)</b>	<b>81,636</b>	<b>(3,600,394)</b>
<b>General revenues:</b>							
Taxes:							
Property tax					192,843	-	192,843
Specific ownership tax					13,763	-	13,763
General sales and use tax					3,696,462	-	3,696,462
Franchise tax					63,357	-	63,357
Other miscellaneous taxes					9,604	-	9,604
Investment earnings					93,226	148,141	241,367
Miscellaneous					39,020	8,606	47,626
Transfers to (from)					20,000	(20,000)	-
<b>Total general revenues and transfers</b>					<b>4,128,275</b>	<b>136,747</b>	<b>4,265,022</b>
<b>Change in Net Position</b>					<b>446,245</b>	<b>218,383</b>	<b>664,628</b>
<b>Net Position - Beginning of Year</b>					<b>12,843,331</b>	<b>26,764,890</b>	<b>39,608,221</b>
<b>Net Position - End of Year</b>					<b>13,289,576</b>	<b>26,983,273</b>	<b>40,272,849</b>

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

**FUND FINANCIAL STATEMENTS**



**Town of Fraser, Colorado  
Balance Sheet  
Governmental Funds  
December 31, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Conservation Trust</u>	<u>Capital Equipment Replacement</u>	<u>Restricted Revenue</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Cash and investments - Unrestricted	4,295,024	34,467	6,282	472,555	-	4,808,328
Cash with County Treasurer	2,830	-	-	-	-	2,830
Receivables	10,779	-	-	-	-	10,779
Due from other governments	499,035	-	-	3,045	-	502,080
Due from other funds	117,872	-	-	-	-	117,872
Taxes receivable	254,157	-	-	-	114,613	368,770
<b>Total Assets</b>	<u>5,179,697</u>	<u>34,467</u>	<u>6,282</u>	<u>475,600</u>	<u>114,613</u>	<u>5,810,659</u>
<b>Liabilities and Fund Equity:</b>						
<b>Liabilities:</b>						
Accounts/vouchers payable	377,411	-	-	-	-	377,411
Due to other funds	-	-	-	-	117,872	117,872
Due to fiduciary fund	71,634	-	-	-	-	71,634
Other liabilities	76,867	-	-	-	-	76,867
<b>Total Liabilities</b>	<u>525,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,872</u>	<u>643,784</u>
<b>Deferred Inflows of Resources:</b>						
Property taxes	254,157	-	-	-	-	254,157
<b>Total Deferred Inflows of Resources</b>	<u>254,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,157</u>
<b>Fund Balances:</b>						
Nonspendable	10,779	-	-	-	-	10,779
Spendable						
Restricted	278,805	-	6,282	-	-	285,087
Committed	1,000,000	34,467	-	-	-	1,034,467
Assigned	2,691,154	-	-	475,600	-	3,166,754
Unassigned	418,890	-	-	-	(3,259)	415,631
<b>Total Fund Balances</b>	<u>4,399,628</u>	<u>34,467</u>	<u>6,282</u>	<u>475,600</u>	<u>(3,259)</u>	<u>4,912,718</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>5,179,697</u>	<u>34,467</u>	<u>6,282</u>	<u>475,600</u>	<u>114,613</u>	<u>5,810,659</u>

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

**Town of Fraser, Colorado**  
**Reconciliation of Governmental Fund Balance to Governmental**  
**Activities Net Position**  
**December 31, 2018**

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

Governmental Fund Balance	4,912,718
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,502,119
Long-term note receivables are not due and receivable in the current period and, therefore, are not reported in the funds.	44,250
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(169,511)</u>
<b>Net Position of Governmental Activities</b>	<u><u>13,289,576</u></u>

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

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

	<u>General</u>	<u>Debt Service</u>	<u>Conservation Trust</u>	<u>Capital Equipment Replacement</u>	<u>Restricted Revenue</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
Taxes	3,337,096	-	-	-	638,933	3,976,029
Licenses and permits	171,341	-	-	-	-	171,341
Charges for services	63,345	-	-	-	-	63,345
Intergovernmental revenue	300,649	-	6,273	60,258	-	367,180
Investment income	82,217	700	413	8,396	1,500	93,226
Miscellaneous	106,272	-	-	-	-	106,272
<b>Total Revenues</b>	<u>4,060,920</u>	<u>700</u>	<u>6,686</u>	<u>68,654</u>	<u>640,433</u>	<u>4,777,393</u>
<b>Expenditures:</b>						
General government	1,472,631	-	-	-	707,715	2,180,346
Public safety	518,480	-	-	-	-	518,480
Public works	1,186,362	-	-	-	-	1,186,362
Culture and recreation	8,589	-	-	-	-	8,589
Debt service	-	-	-	24,700	-	24,700
Capital outlay	485,300	-	-	80,366	-	565,666
<b>Total Expenditures</b>	<u>3,671,362</u>	<u>-</u>	<u>-</u>	<u>105,066</u>	<u>707,715</u>	<u>4,484,143</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>389,558</u>	<u>700</u>	<u>6,686</u>	<u>(36,412)</u>	<u>(67,282)</u>	<u>293,250</u>
<b>Other Financing Sources (Uses):</b>						
Transfers in (out)	(95,000)	-	(25,000)	130,000	10,000	20,000
<b>Total Other Financing Sources (Uses)</b>	<u>(95,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>130,000</u>	<u>10,000</u>	<u>20,000</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)</b>	294,558	700	(18,314)	93,588	(57,282)	313,250
<b>Fund Balances - Beginning of Year</b>	<u>4,105,070</u>	<u>33,767</u>	<u>24,596</u>	<u>382,012</u>	<u>54,023</u>	<u>4,599,468</u>
<b>Fund Balances - End of Year</b>	<u>4,399,628</u>	<u>34,467</u>	<u>6,282</u>	<u>475,600</u>	<u>(3,259)</u>	<u>4,912,718</u>

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

**Town of Fraser, Colorado**  
**Reconciliation of Net Change in Fund Balances to Change in Net**  
**Position of Governmental Activities**  
**For the Year Ended December 31, 2018**

<b>Net Change in Fund Balances of Governmental Funds</b>	313,250
 <b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay, net of capital disposals during the year.	93,400
Capital contributions are recognized as revenue in the Statement of Activities. This is the total amount contributed during the year.	16,928
Revenues in the Statement of Activities from long-term note receivables that do not provide current resources are not reported in the funds.	(750)
Accrued liabilities for employees' sick and vacation are not an expenditure in the governmental funds, but are increases in long-term liabilities in the Statement of Net Position. This is the amount that accrued vacation not immediately payable decreased.	735
Repayment of capital lease and bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal repayments.	<u>22,682</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>446,245</u></u>

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

**Town of Fraser, Colorado**  
**Statement of Net Position**  
**Enterprise Funds**  
**For the Year Ended December 31, 2018**

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total Enterprise Funds</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	1,222,679	5,515,865	6,738,544
Utility receivables	225,823	188,274	414,097
Plant investment fee receivables	392,700	382,500	775,200
Other receivables	-	12,284	12,284
Due (to) from fiduciary fund	-	554,666	554,666
Due from other governments	2,095	1,361	3,456
<b>Total Current Assets</b>	<u>1,843,297</u>	<u>6,654,950</u>	<u>8,498,247</u>
Non-current assets:			
Land	100,000	144,320	244,320
Water rights	645,086	-	645,086
Equipment	353,994	108,789	462,783
Treatment plant and system	15,051,105	14,795,867	29,846,972
Less: Accumulated depreciation	<u>(5,950,411)</u>	<u>(6,341,303)</u>	<u>(12,291,714)</u>
<b>Total Non-Current Assets</b>	<u>10,199,774</u>	<u>8,707,673</u>	<u>18,907,447</u>
<b>Total Assets</b>	<u>12,043,071</u>	<u>15,362,623</u>	<u>27,405,694</u>
<b>Liabilities and Fund Equity:</b>			
<b>Liabilities:</b>			
Current liabilities:			
Due to other governments	385,000	-	385,000
Deposits payable	19,986	-	19,986
<b>Total Current Liabilities</b>	<u>404,986</u>	<u>-</u>	<u>404,986</u>
Non-current liabilities:			
Accrued compensated absences	6,342	11,093	17,435
<b>Total Liabilities</b>	<u>411,328</u>	<u>11,093</u>	<u>422,421</u>
<b>Net Position:</b>			
Net investment in capital assets	10,199,774	8,707,673	18,907,447
Restricted	-	561,133	561,133
Unrestricted	1,431,969	6,082,724	7,514,693
<b>Total Net Position</b>	<u>11,631,743</u>	<u>15,351,530</u>	<u>26,983,273</u>

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

**Town of Fraser, Colorado**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Enterprise Funds**  
**For the Year Ended December 31, 2018**

	<u>Water</u>	<u>Wastewater</u>	<u>Total Enterprise Funds</u>
<b>Operating Revenues:</b>			
Charges for services	954,697	812,507	1,767,204
Meter sales	71,873	-	71,873
Miscellaneous revenue	8,606	-	8,606
<b>Total Operating Revenues</b>	<u>1,035,176</u>	<u>812,507</u>	<u>1,847,683</u>
<b>Operating Expenses:</b>			
Personnel	292,727	293,845	586,572
Commodities	470,769	85,014	555,783
Contractual	138,600	226,874	365,474
System development	52,651	-	52,651
Other	-	-	-
Depreciation	415,323	431,893	847,216
<b>Total Operating Expenses</b>	<u>1,370,070</u>	<u>1,037,626</u>	<u>2,407,696</u>
<b>Operating Income (Loss)</b>	<u>(334,894)</u>	<u>(225,119)</u>	<u>(560,013)</u>
<b>Non-Operating Revenues:</b>			
Grants	4,255	-	4,255
Interest revenue	32,974	115,167	148,141
<b>Net Non-Operating Revenues</b>	<u>37,229</u>	<u>115,167</u>	<u>152,396</u>
<b>Income (Loss) before Contributions and Transfers</b>	<u>(297,665)</u>	<u>(109,952)</u>	<u>(407,617)</u>
Capital contributions	38,500	607,500	646,000
Transfers (out)	(10,000)	(10,000)	(20,000)
<b>Contributions and Transfers</b>	<u>28,500</u>	<u>597,500</u>	<u>626,000</u>
<b>Change in Net Position</b>	(269,165)	487,548	218,383
<b>Net Position - Beginning of Year</b>	<u>11,900,908</u>	<u>14,863,982</u>	<u>26,764,890</u>
<b>Net Position - End of Year</b>	<u><u>11,631,743</u></u>	<u><u>15,351,530</u></u>	<u><u>26,983,273</u></u>

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

**Town of Fraser, Colorado**  
**Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended December 31, 2018**

	<u>Water</u>	<u>Wastewater</u>	<u>Total Enterprise Funds</u>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	1,025,663	777,669	1,803,332
Other cash received	406	28,999	29,405
Cash received (paid) for deposits	2,091	123,653	125,744
Cash payments for goods and services	(615,818)	(311,887)	(927,705)
Cash payments for salaries and benefits	(291,700)	(292,583)	(584,283)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>120,642</u>	<u>325,851</u>	<u>446,493</u>
<b>Cash Flows From Non-Capital and Related Financing Activities:</b>			
Cash transferred to other funds	(10,000)	(10,000)	(20,000)
Cash received from grants and contributions	4,255	1,937	6,192
<b>Net Cash Provided (Used) by Non-Capital and Related Financing Activities</b>	<u>(5,745)</u>	<u>(8,063)</u>	<u>(13,808)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Plant investment fees (paid) received	(5,775)	564,373	558,598
Cash (paid) for assets	(625,310)	(178,777)	(804,087)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(631,085)</u>	<u>385,596</u>	<u>(245,489)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest	32,974	115,167	148,141
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>32,974</u>	<u>115,167</u>	<u>148,141</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(483,214)	818,551	335,337
<b>Cash and Cash Equivalents - Beginning of Year</b>	1,705,893	4,697,314	6,403,207
<b>Cash and Cash Equivalents - End of Year</b>	<u>1,222,679</u>	<u>5,515,865</u>	<u>6,738,544</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
<b>Operating income (loss)</b>	<u>(334,894)</u>	<u>(225,119)</u>	<u>(560,013)</u>
<b>Adjustments:</b>			
Depreciation	415,323	431,893	847,216
(Increase) decrease in accounts receivable	(9,108)	286	(8,822)
(Increase) decrease in deposits receivable	-	123,653	123,653
Increase (decrease) in accounts payable	46,200	-	46,200
Increase (decrease) in accrued compensated absences	1,030	1,263	2,293
Increase (decrease) in deposits payable	2,091	(6,125)	(4,034)
<b>Total Adjustments</b>	<u>455,536</u>	<u>550,970</u>	<u>1,006,506</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>120,642</u>	<u>325,851</u>	<u>446,493</u>

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

**Town of Fraser, Colorado**  
**Statement of Fiduciary Assets and Liabilities**  
**December 31, 2018**

	<u>JFOC Fund</u>
<b>Assets:</b>	
Cash and cash equivalents	1,530,052
Accounts receivable, net:	<u>246,078</u>
<b>Total Assets</b>	<u>1,776,130</u>
<b>Liabilities:</b>	
Accounts payable	67,869
Deposits	<u>1,708,261</u>
<b>Total Liabilities</b>	<u>1,776,130</u>

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

**Town of Fraser, Colorado**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**For the Year Ended December 31, 2018**

	<b>JFOC Fund</b>
<b>Operating Revenues:</b>	
Charges for operations and maintenance costs	518,974
Transfer in	208,170
<b>Total Operating Revenues</b>	727,144
<b>Operating Expenses:</b>	
Salaries and Wages	195,118
Employee Benefits	67,613
Purchased services	225,970
Supplies	37,429
Utilities	201,014
<b>Total Operating Expenses</b>	727,144
<b>Change in Assets and Liabilities</b>	-
<b>Due to Others - Beginning</b>	-
<b>Due to Others - Ending</b>	-

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

**NOTES TO THE FINANCIAL STATEMENTS**



**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**

**I. Summary of Significant Accounting Policies**

The Town of Fraser, Colorado (the "Town") is incorporated under Colorado statutes to provide public safety, streets and street maintenance, water and wastewater service, recreation including parks and trails, transportation, special events, planning and zoning, and general administrative services. The Town is located in Grand County and operates under a Council-Manager form of government.

An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include road maintenance, water and wastewater service, public safety and culture and recreation.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the Town are discussed below.

**A. Reporting Entity**

The reporting entity consists of (a) the primary government; i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on, the Town. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based upon the above criteria, the Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

**B. Government-wide and Fund Financial Statements**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Government-wide financial statements report on information of all of the activities of the Town. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public safety, public works, culture and recreation, and administration functions are classified as governmental activities. The Water Fund and Wastewater Fund are classified as business-type activities.

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position are reported in three parts – Net investment in capital assets; Restricted net position; and Unrestricted net position.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities. The governmental functions are also supported by general government revenues (sales taxes, property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the governmental function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt and compensated absences are recorded only when payment is due.

Franchise fees, licenses and interest associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Sales and excise taxes collected by vendors at year end on behalf of the Town are also recognized as revenue if collected within 30 days after year end. Expenditure driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**3. Financial Statement Presentation**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent to the value of the interfund services provided and other charges between the functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the water and wastewater functions.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are the operation of the water and wastewater systems within the Town. Operating expenses for the enterprise funds includes operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Fund Financial Statements**

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

**General Fund**

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.

**Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *Restricted Revenue Fund* accounts for a dedicated sales tax to be used for transportation, trails, and capital project expenditures.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Fund Financial Statements (continued)**

**Capital Projects Funds**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The *Capital Equipment Replacement Fund* accounts for funds set aside for the purchase and replacement of capital equipment. A significant portion of revenues consists of highway user tax proceeds.

**Debt Service Funds**

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures of principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

The *Debt Service Fund* accounts for payments made on the Town's bonded debt obligations.

The Town reports the following proprietary or business-type funds:

The *Water Fund* accounts for the purchase and delivery of water to the citizens of the Town. The Water Fund also maintains the infrastructure needed to provide water service.

The *Wastewater Fund* accounts for the treatment of wastewater from the citizens of the Town. The Wastewater Fund also maintains the infrastructure needed to provide wastewater service.

The Town reports the following fiduciary fund:

The *Joint Facilities Oversight Committee ("JFOC") Operations Fund* accounts for the operations of the Upper Fraser Valley Wastewater Treatment Joint Facilities.

**E. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

The Town pools deposits and investments of all funds except JFOC Operations Fund, which are held in separate accounts. Each fund's share of the pool is readily identified by the Town's internal records. Investments are stated at market value.

Cash and cash equivalents include demand deposits, certificates of deposit, local government investment pools (COLOTRUST), and U.S. government-backed securities.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**1. Cash and Cash Equivalents (continued)**

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, have been classified as restricted assets on the balance sheet because their use is limited by the applicable covenants. Restricted assets also include certain deposits that have been limited as to usage pursuant to escrow and similar agreements.

The Town's investment policy permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts.

**3. Long-term Notes Receivable**

In the government-wide financial statements, long-term notes receivables are reported as an asset. In the fund financial statements, the face amount is reported as a general government expense.

**4. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**5. Capital Assets**

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2002), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	15 - 30
Buildings and improvements	15 - 40
Distribution systems	40
Equipment and vehicles	7

**6. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the obligated governmental fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the government-wide financial statements. Vested or accumulated vacation leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**7. Restricted Assets**

Fees collected in lieu of park and open space and affordable housing impact fees are restricted as to their use by Town ordinances.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town does not have any deferred outflows of resources at December 31, 2018.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item that qualifies for reporting in this category. Accordingly, the deferred inflow, property taxes, is deferred and recognized as an inflow of resources in the period that the amounts become available.

**9. Categories and Classification of Fund Balance**

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The Town of Fraser classifies governmental fund balances as follows:

*Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Spendable:*

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Town Board.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town or its management designee.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**9. Categories and Classification of Fund Balance (continued)**

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town may use restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town might first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**10. Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

**11. Deposits**

Deposits on the JFOC Operations Fund represent contributions made to the JFOC operations fund by Winter Park Ranch Water and Sanitation District ("Winter Park Ranch") and Grand County Water and Sanitation District #1 ("Grand County #1") and the Town (previously the Fraser Sanitation District) for operating and replacement costs relating to the combined wastewater treatment plant. These deposits are held for working capital and replacement costs during the time all members remain joint operators of the plant.

**F. Significant Accounting Policies**

**1. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the Town's management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**2. Proprietary Funds**

As required by GASB Statement No. 62, the Town has elected to follow all GASB pronouncements for its proprietary funds.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**F. Significant Accounting Policies (continued)**

**3. Credit Risk**

Receivables in the Town's funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

**4. Restricted and Unrestricted Resources**

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

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position**

The governmental fund Balance Sheet includes reconciliation between *fund balance - total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The \$8,502,119 represents the book value of assets at December 31, 2018.

Another element of that reconciliation states that "Long-term note receivables in governmental activities are not due and receivable in the current period and, therefore, are not reported in the funds" The \$44,250 represents that long-term note receivable.

The third element of that reconciliation states that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The \$169,511 difference represent accrued compensated absences at year end.

**B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures, but in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. The details of this reconciling amount are capital outlay of \$710,950, less depreciation expense of \$617,550, less the disposal of capital assets of \$0 during 2018.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

**1. Budgetary Basis of Accounting**

The preparation Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2018.

- (1) For the 2018 budget year, prior to August 25, 2017, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
- (2) The Town Manager, or other qualified person appointed by the Board, submitted to the Board, on or before October 15, 2017, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
- (3) Prior to December 15, 2017, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- (4) After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2017 were collected in 2018 and taxes certified in 2018 will be collected in 2019. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

**2. Excess of Expenditures over Appropriations**

For the year ended December 31, 2018, expenditures exceeded appropriations in the following funds.

Fund	Expenditures in excess of budget
Restricted Revenue	\$ 207,715

This may be a violation of Colorado budget law.

**B. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$138,000.

On April 4, 2000, the Town's electorate approved the following: *Without any increase in the property tax mill levy or the 4% sales and use tax rate, shall the Town of Fraser, Colorado, be authorized, in the year 2000 and each subsequent year thereafter, to collect, retain, and expend the full proceeds of the Town's fees, taxes, non-federal grants and other revenues and to spend such revenues for debt service, municipal operations, capital projects, and any other lawful municipal purpose, notwithstanding any state of Colorado restrictions on revenues or spending, including the restrictions of Article X, Section 20 of the Colorado Constitution, the revenue limit in Section 29-1-301 of the Colorado Revised Statutes, or any other law.*

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, could require judicial interpretation.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**IV. Detailed Notes on All Funds**

**A. Deposits and Investments**

The Town's checking accounts are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposits were \$798,409 at year end.

*Fair Value of Investments*

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2018, the Town had the following recurring fair value measurements:

<u>Investments at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurement</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash with fiscal agent	\$ 6,286	6,286	-	-

Investments Measured at Net Asset Value

Colotrust	\$ 12,278,515
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Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The Town had the following deposits and investments for all funds, with the following maturities December 31, 2018:

<u>Type:</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Certificates of Deposit	Not Rated	\$ 303,737	303,737	-
Checking Accounts	Not Rated	\$ 459,979	459,979	-
Savings Accounts	Not Rated	\$ 34,693	34,693	-
<i>Investments:</i>				
Cash with fiscal agent		6,286	6,286	
Investment Pools	AAAm	12,278,515	12,278,515	-
		<u>\$ 13,083,210</u>		

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

The investment pools represent investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") a 2a7-like pools. Pools are not covered by FDIC insurance or PDPA but are rated AAAM. The fair value of the pools is determined by the pools' share price. The Town has no regulatory oversight for the pools.

**Interest Rate Risk.** As a means of limiting its exposure to interest rate risk, the Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the Town has limited its interest rate risk.

**Credit Risk.** Colorado statutes specify instruments in which local governments may invest, including:

- Obligations of the U.S. and certain U.S. governmental agency securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The Town's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**B. Receivables**

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	<b>Governmental Funds</b>			
	<b>General</b>	<b>Capital Equipment</b>	<b>Restricted Revenue</b>	<b>Total</b>
<b>Receivables:</b>				
Taxes	\$ 254,157	-	114,613	368,770
Accounts	10,779	-	-	10,779
Intergovernmental	499,035	3,045	-	502,080
Gross receivables	763,971	3,045	114,613	881,629
Less: allowance for uncollectible	-	-	-	-
<b>Net Receivables</b>	<b>\$ 763,971</b>	<b>3,045</b>	<b>114,613</b>	<b>881,629</b>

	<b>Water Operations</b>	<b>Wastewater Operations</b>	<b>Total</b>
	<b>Receivables:</b>		
Accounts	\$ 618,523	\$ 570,774	\$ 1,189,297
Other	-	12,284	\$ 12,284
Gross receivables	618,523	583,058	1,201,581
Less: allowance for uncollectible	-	-	-
<b>Net Receivables</b>	<b>\$ 618,523</b>	<b>\$ 583,058</b>	<b>\$ 1,201,581</b>

Governmental funds report deferred inflow of resources from property taxes in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The receivable is net of \$254,157 of property taxes levied in 2018 but not available until 2019.

**C. Long-Term Note Receivable**

In August 2017, the Town entered into a grant and loan agreement with Crooked Creek Saloon. The total funds disbursed per the agreement totaled \$85,000, of which \$40,000 was given as a grant toward property improvements, and an additional \$45,000 provided to the owner as a no-interest loan. The loan is due in installments of \$750 monthly for five years commencing after the date of completion of the project. As of December 31, 2018, the project was completed and the Town received payments totaling \$750 on the loan. The balance of the receivable at year end was \$44,250.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**D. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and improvements	\$ 730,629	-	-	730,629
Construction in progress	-	135,041	-	135,041
Total capital assets, not being depreciated	<u>730,629</u>	<u>135,041</u>	<u>-</u>	<u>865,670</u>
Capital assets, being depreciated:				
Infrastructure	14,861,396	281,363	-	15,142,759
Buildings	1,183,052	267,910	-	1,450,962
Furniture and equipment	1,784,031	217,704	-	2,001,735
Total capital assets, being depreciated	<u>17,828,479</u>	<u>766,977</u>	<u>-</u>	<u>18,595,456</u>
Less accumulated depreciation for:				
Infrastructure	(7,983,531)	(486,971)	-	(8,470,502)
Buildings	(970,076)	(38,356)	-	(1,008,432)
Furniture and equipment	(1,387,847)	(92,223)	-	(1,480,070)
Total accumulated depreciation	<u>(10,341,454)</u>	<u>(617,550)</u>	<u>-</u>	<u>(10,959,004)</u>
Total capital assets, being depreciated, net	<u>7,487,025</u>	<u>149,427</u>	<u>-</u>	<u>7,636,452</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 8,217,654</u></u>	<u><u>284,468</u></u>	<u><u>-</u></u>	<u><u>8,502,122</u></u>

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**D. Capital Assets (continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 244,320	-	-	244,320
Water rights	19,776	625,310	-	645,086
Total capital assets, not being depreciated	<u>264,096</u>	<u>625,310</u>	<u>-</u>	<u>889,406</u>
Capital assets, being depreciated:				
System and improvements	23,274,317	178,776	-	23,453,093
Buildings and improvements	6,393,880	-	-	6,393,880
Equipment	462,783	-	-	462,783
Total capital assets, being depreciated	<u>30,130,980</u>	<u>178,776</u>	<u>-</u>	<u>30,309,756</u>
Less accumulated depreciation for:				
System and improvements	(8,899,250)	(647,281)	-	(9,546,531)
Buildings and improvements	(2,267,889)	(166,239)	-	(2,434,128)
Equipment	(277,361)	(33,695)	-	(311,056)
Total accumulated depreciation	<u>(11,444,500)</u>	<u>(847,215)</u>	<u>-</u>	<u>(12,291,715)</u>
Total capital assets, being depreciated, net	<u>18,686,480</u>	<u>(668,439)</u>	<u>-</u>	<u>18,018,041</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 18,950,576</u>	<u>(43,129)</u>	<u>-</u>	<u>18,907,447</u>

In accordance with generally accepted accounting principles, the Town has elected to report general government infrastructure assets prospectively. Therefore, only general government infrastructure assets acquired since January 1, 2002 are included in the Town's financial statements.

The Town had the following capital outlay and depreciation expense for the following functions:

	<u>Depreciation Expense</u>	<u>Capital Outlay</u>
Governmental activities:		
General government	\$ 37,311	284,838
Public works, including infrastructure	555,377	617,180
Culture and recreation	24,862	-
<b>Total governmental activities</b>	<u>\$ 617,550</u>	<u>902,018</u>
Business-type activities:		
Water	\$ 415,322	625,309
Wastewater	431,893	178,777
<b>Total business-type activities</b>	<u>\$ 847,215</u>	<u>804,086</u>

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**E. Interfund Receivables, Payables, and Transfers**

Transfers were as follows:

	<u>In</u>	<u>Out</u>
General	\$ 25,000	(120,000)
Conservation Trust	-	(25,000)
Capital Equipment	130,000	-
Restricted Revenue	10,000	-
Wastewater	-	(10,000)
Water	-	(10,000)
	<u>\$ 165,000</u>	<u>(165,000)</u>

Transfers were to provide additional resources to meet the activities provided in each fund.

**F. Other Liabilities**

**1. Capital Leases**

In June 2018, the Town entered into a capital lease agreement for the purchase of a vehicle. The total amount financed was \$66,278, with interest stated at 4.89% per annum. The lease requires annual payments of \$14,551 through 2022.

In August 2018, the Town entered into a capital lease agreement for the purchase of equipment. The total amount financed was \$55,351 with interest stated at 5.36% per annum. The lease requires monthly payments of \$1,284 through 2022.

In October 2018, the Town entered into a capital lease agreement for the purchase of equipment. The total amount financed was \$52,511 with interest stated at 6.43% per annum. The lease requires monthly payments of \$1,244 through 2022.

Minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	37,142	7,737	44,879
2020	39,246	5,632	44,878
2021	41,472	3,407	44,879
2022	33,598	1,131	34,729
Total	<u>\$ 151,458</u>	<u>17,907</u>	<u>169,365</u>

The net book value of the assets acquired through a capital lease as of December 31, 2018 are as follows:

Cost	\$ 174,140
Less: Accumulated Depreciation	(25,664)
<b>Net Book Value</b>	<u>\$ 148,476</u>

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Other Liabilities (continued)**

**4. Accrued Compensated Absences**

Earned but unused vacation benefits amounted to \$18,053 at December 31, 2018. All unused vacation benefits are recorded on the government-wide financial statements.

**5. Schedule of Changes in Long-term Debt**

	<u>Balance 1/1/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/18</u>	<u>Due Within One Year</u>
Capital leases	\$ -	174,140	(22,682)	151,458	37,142
Accrued compensated absences	18,791	-	(738)	18,053	-
<b>Total</b>	<u>\$ 18,791</u>	<u>174,140</u>	<u>(23,420)</u>	<u>169,511</u>	<u>37,142</u>

**G. Restricted Fund Balance**

The Town had the following restrictions on the fund balances at December 31, 2018:

	<u>Balance 1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/18</u>
General Fund:				
Fees in lieu of Park	\$ 6,379	-	-	6,379
Affordable housing impact fee	134,426	-	-	134,426
Emergency reserves	130,000	8,000	-	138,000
Conservation Trust Fund	24,596	-	(18,314)	6,282
Restricted Revenue Fund	54,023	640,433	(694,456)	-
Wastewater Fund				
Operating reserve	49,042	1,042	-	50,084
Capital replacement reserve	638,089	51,737	(178,777)	511,049
	<u>\$ 1,036,555</u>	<u>701,212</u>	<u>(891,547)</u>	<u>846,220</u>

The Town had \$561,133 restricted in the Wastewater Fund for Upper Fraser Valley Wastewater Treatment Joint Facilities operating and capital replacement expenses.

**H. Committed Fund Balance**

The Town has the following commitments of the governmental fund balances at December 31, 2018:

	<u>Balance 1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/18</u>
General Fund:				
Reserve savings	\$ 1,000,000	-	-	1,000,000
Debt Service Fund:				
Capital projects	33,767	700	-	34,467
	<u>\$ 1,033,767</u>	<u>700</u>	<u>-</u>	<u>1,034,467</u>

**Town of Fraser  
Notes to the Financial Statements  
December 31, 2018  
(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**I. Assigned Fund Balance**

The Town had the following assignments of the governmental fund balances at December 31, 2018:

	<u>Balance 1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/18</u>
General Fund:				
Capital projects	\$ 70,422	32,225	-	102,647
Future budget deficit	2,647,294	-	(58,787)	2,588,507
Capital Equipment Replacement:				
Capital projects	382,012	93,588	-	475,600
	<u>\$ 3,099,728</u>	<u>125,813</u>	<u>(58,787)</u>	<u>3,166,754</u>

**V. Other Information**

**A. Joint Facilities Oversight Committee (“JFOC”) Operations Fund**

In 2002, the Fraser Sanitation District (the “District”), Winter Park Ranch, and Grand County #1 entered into an agreement to participate in the joint construction, maintenance, and operation of joint interceptor sewer lines and joint sewage treatment facilities. This new wastewater treatment plant has been constructed on the existing plant site of the District/Winter Park Ranch treatment facility and a new and/or expanded sewer trunk line from Grand County #1 will connect with the existing District/Winter Park Ranch interceptor line. Title of the new joint facilities will be allocated among these three members based on each member’s proportionate share of equivalent residential units to be serviced by the new plant. The District was dissolved into the Town effective December 31, 2009.

Construction costs of these new facilities, excluding expenses relating to segment B of the joint trunk lines (“B-Line”) described below, are based on each member’s future share of equivalent residential units to be serviced by the new plant and are allocated as follows:

Town – 34.07%  
Winter Park Ranch – 28.89%  
Grand County #1 – 37.04%

Under the Upper Fraser Valley Wastewater Agreement, a Joint Facilities Oversight Committee (“JFOC”) was established to represent the three members regarding the construction, expansion, operations, management, and maintenance of the new joint facilities. The JFOC is comprised of a total of nine members, with each member having three members. The Town was appointed as the manager of the joint facilities for 2018. The JFOC may designate a new manager on an annual basis. In 2018, as approved by the JFOC, the Town earned \$29,000 in management fees.

Operations and maintenance costs will be allocated among the three members based on each member’s proportionate share of equivalent residential units currently serviced by the new plant. In addition, upon certification of the new joint facilities, this agreement requires the establishment of an operations and maintenance reserve fund equal to three months operations and maintenance costs and a capital replacement reserve fund, the amount which is determined by the JFOC.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**V. Other Information (continued)**

**A. Joint Facilities Oversight Committee (“JFOC”) Operations Fund (continued)**

**1. Maryvale Village (Rendezvous)**

The District entered an agreement on May 9, 2000, with Maryvale Village, L.L.C., and several individuals (collectively referred to as the “Rendezvous”), Maryvale Commercial Metropolitan District, and Maryvale Residential Metropolitan District (these districts are collectively referred to as the “Maryvale Districts”) that permitted the inclusion of the Maryvale development within the District’s boundaries in order to receive sanitation services, in exchange for inclusion fees.

Pursuant to this agreement, Rendezvous and the Maryvale Districts are responsible for the construction of sewer main extensions and related infrastructure from the existing District sewer main to the Maryvale development. These sewer main extensions and related infrastructure will ultimately be conveyed to the District at the time these projects are completed or begin to be used, whichever comes first, subject to the District’s acceptance of these assets. As of December 31, 2018, Maryvale development sewer mains and infrastructure had been conveyed to the District, and is presented as an asset on the Town’s financial statements.

Per this agreement, in exchange for the District agreeing to oversize the new wastewater treatment plant described earlier, the Developer and Maryvale Districts agreed to cover the amount of any shortfall in the District’s CWRPDA loan payments by pre-purchasing tap fees. In addition, this agreement requires the Developer and Maryvale Districts to establish an escrow account in the amount of \$160,000 to guarantee their compliance in the event of a default regarding their pre-purchase obligations. As of December 31, 2018, no prepaid tap fees have been required or made by the Developer and the Maryvale Districts. This guarantee was released in 2009.

**2. Pre-Inclusion Agreement - Cornerstone**

The District entered an agreement on April 5, 2005, with Cornerstone Winter Park Holdings, L.L.C. (“Cornerstone”) that permits the inclusion of a portion of Cornerstone’s development within the District’s boundaries in order to receive sanitation services for inclusion fees.

Cornerstone shall be responsible for constructing, paying for and installing all sewer lines and any related facilities within the property including all lines, manholes and mains. This infrastructure will ultimately be conveyed to the District at the time these projects are completed or begin to be used, whichever comes first, subject to the District’s acceptance of these assets.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**V. Other Information (continued)**

**B. Retirement Plans – Defined Contribution Pension Plan – Section 401(a)**

The Town is a member of Colorado County Officials & Employees Retirement Association (“CCOERA”). CCOERA was established to provide retirement benefits to employees of Colorado local governments. As a member, the Town participates in the CCOERA retirement plan created in accordance with Internal Revenue Code Section 401(a) (the “401(a) Plan”), which is a defined contribution pension plan. Employees of the Town are required to participate in the 401(a) Plan after one full year of service. Each eligible employee is required to contribute 4% of gross wages to the 401(a) Plan. The Town matches employee contributions at the same rate and these matched dollars have a vesting period of 5 years. The Town is neither the trustee nor the administrator for the 401(a) Plan. The seven-member governing board of CCOERA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee. Upon termination of service with the Town, any unvested amounts will be forfeited and may be used to pay plan expenses or Employer’s contributions to the 401(a) Plan.

During 2018, the Town recognized \$45,179 of expense under this plan. The Town has \$0 of forfeitures included in the 2018 401(a) Plan expense. The Town had a liability of \$3,584 due to the 401(a) Plan at December 31, 2018.

The Town also participates in the CCOERA retirement plan created in accordance with Internal Revenue Code Section 457 (the “457 Plan”), which is a defined contribution plan. The plan permits employees to defer a portion of their salary until future years. All contributions to the 457 Plan and all income attributable to those amounts, property are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan’s investment concentration varies between participants. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town is neither the trustee nor the administrator for the plan. The seven-member governing board of CCOERA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee.

The Town did not recognize any pension expense related to this 457 Plan during 2018 and had no liability to the 457 Plan at December 31, 2018.

**D. Other Employee Benefits - Post Employment Health Care Benefits**

All Town employees covered by State continuation insurance may continue their health insurance due to a reduction in work hours or termination of employment (for reasons other than "gross misconduct") for up to 18 months after the occurrence of one of these events. Eligible dependents may continue coverage for up to 36 months. Employees who elect continued coverage must pay the Town for premiums from the termination date of coverage and monthly thereafter. No cost to the Town is recognized as employees reimburse 100% of their premium cost.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**V. Other Information (continued)**

**E. Intergovernmental Agreements**

**1. Public Safety Services**

In lieu of directly providing public safety services, the Town has entered into an agreement with the Town of Winter Park, Colorado to form a joint public safety force effective May 1, 2005 and amended March 21, 2012. The agreement requires costs to be split 65% to Winter Park and 35% to Fraser, based upon average call volume, but reevaluated annually and may be amended as agreed upon by both parties.

**2. Building Department**

The Town has entered into an agreement January 20, 2010 to form a joint building services department with the Town of Winter Park, Colorado and the Town of Granby, Colorado. According to the agreement, quarterly expenses are to be split based upon the portion of revenue collected for each Town, but may be adjusted annually by mutual agreement based on permits issued, inspections performed, time expended by personnel, vehicle depreciation and mileage and other measures.

**3. Transportation Agreement**

The Town has entered into an agreement June 19, 2018 with the Town of Winter Park to provide transit services. The terms of the agreement automatically renew for 10 one-year periods unless either party provides written notice of nonrenewal on or before June 30<sup>th</sup> of the prior year. Pursuant to the agreement, the Town pays a monthly management fee equal to 10% of Winter Park's management costs of the Transit System, as well as all operating costs incurred for the Town's portion of the route.

**4. Water Storage Agreement**

In 2018, the Town purchased 25 acre-feet of water rights at Grand County Water Storage Reservoir. Pursuant to the terms of the operating agreement, the Town of Fraser and the Town of Winter Park will split costs associated with Maintenance and Capital Reserves as needed by Grand County Water Storage Reservoir.

**F. Risk Management**

The Town is exposed to various risks of loss related to workers' compensation, general liability, and worker unemployment. The Town has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage. The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The Town is a member of the insurance pool described below to cover these risks.

Pursuant to an inter-local agreement authorized by state statute, the Town joined the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") to provide insurance coverage. Members of the board of directors are nominated and elected by members to two-year, staggered terms and meet at least monthly to direct operations. CIRSA budgets are funded by contributions from member governments.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**V. Other Information (continued)**

**F. Risk Management (continued)**

The Town's share of assets, liabilities and fund equity as of December 31, 2018, the latest date for which information is available, is as follows:

<b>Insurance Pools:</b>	<b>Fraser Share</b>
Property and Casualty Pool:	
Loss fund	\$ 33,543
Operating	11,340
Pooled excess fund	(5,677)
Reserve fund	19,896
Workers' Compensation Pool:	
Loss fund	32,991
Operating	1,633
Pooled excess fund	14,137
Reserve fund	15,409

The December 31, 2018 combined financial information is as follows:

Cash and investments	\$ 73,548,517
Other assets	10,110,929
<b>Total</b>	<b>83,659,446</b>
Liabilities	33,114,953
Net assets	50,544,493
<b>Total</b>	<b>83,659,446</b>
Total revenue	27,433,840
Total expense	(29,755,861)
<b>(Deficiency) of Revenue</b>	<b>Over Expense</b>
	<b>(2,322,021)</b>

Coverage provided by CIRSA is as follows: 1) \$250,000 per claim/occurrence property; 2) \$1,000,000 per claim/occurrence liability; and 3) \$150,000 per claim/occurrence crime. CIRSA has also acquired additional excess coverage from outside sources. The Town may be liable for any losses in excess of the above coverage. At December 31, 2018, the Town does not expect to incur losses in excess of the above coverage.

Surpluses or deficits for any year are subject to change for reasons which include: interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

**Town of Fraser**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**V. Other Information (continued)**

**G. Related Party Transactions**

During 2018, a third-party vendor controlled by the son of a board member for the Town of Fraser provided road construction services totaling \$431,294.

**H. Tax Abatements**

**1. Fraser Still Project**

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Fraser Still Project has the following continuing development requirements or abatement agreements requiring disclosure:

<u>Revenues impacted</u>	<u>Amount</u>	<u>Requirements</u>
Permit and review fees	Rebate of \$1.00 per square foot of new usable commercial space constructed	Paid to owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to owner
Use tax	100% of the building and construction use tax	Paid to owner
Ad valorem real and personal property taxes	100% for the tax year preceeding the date of CO issuance and four years thereafter	Paid to owner
Plant investment fees	Due in three annual installments without interest one year after the date of CO issuance	Paid to owner
Service fees	Waived until the earlier of issuance of CO, or November 7, 2020	Paid to owner

In exchange to the above tax abatements, the owner agrees to develop and run a retail business on the property. During the year ended December 31, 2018, the total reduction in tax revenues for the Town totaled \$0.

**2. Prepaid Plant Investment Fees**

The Town also entered into annexation agreements with two developers that provided for the use of Plant Investment Fees to fund water system capital improvements within the developments. The agreements essentially provide that the Town will not retain Plant Investment Fees paid by building permit applicants within these developments until such time as the total Plant Investment Fees paid exceeds the certified costs of regional water capital improvements within the developments. Currently the developers have certified water regional infrastructure improvements totaling \$6,266,976 and a total of \$4,228,593 of Plant Investment Fees have been rebated to the developers.

The above agreements were authorized by the Town Board after analyzing criteria that includes the ability to encourage development within the specific abatement area.

**I. Fund Balance Deficit**

At December 31, 2018, the Town's Restricted Revenue Fund had a deficit ending fund balance of \$3,259.

**REQUIRED SUPPLEMENTARY INFORMATION**



**Town of Fraser, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<u>2018</u>		<u>Variance Positive (Negative)</u>	<u>2017</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Taxes	2,279,250	3,337,096	1,057,846	3,282,213
Licenses and fees	75,720	171,341	95,621	147,883
Charges for services	205,000	63,345	(141,655)	4,385
Intergovernmental	1,328,855	300,649	(1,028,206)	30,065
Interest	12,000	82,217	70,217	40,916
Other revenue	905,500	106,272	(799,228)	78,881
<b>Total Revenues</b>	<u>4,806,325</u>	<u>4,060,920</u>	<u>(745,405)</u>	<u>3,584,343</u>
<b>Expenditures:</b>				
General government	2,343,375	1,472,631	870,744	1,184,472
Public safety	525,000	518,480	6,520	476,613
Public works	4,576,700	1,671,662	2,905,038	1,024,995
Culture and recreation	13,544	8,589	4,955	9,600
Debt service	-	-	-	343,733
<b>Total Expenditures</b>	<u>7,458,619</u>	<u>3,671,362</u>	<u>3,787,257</u>	<u>3,039,413</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(2,652,294)</u>	<u>389,558</u>	<u>3,041,852</u>	<u>544,930</u>
<b>Other Financing Sources (Uses):</b>				
Transfer in	160,426	25,000	(135,426)	-
Transfer (out)	(120,000)	(120,000)	-	(100,000)
Sale of assets	-	-	-	226,700
<b>Total Other Financing (Uses)</b>	<u>40,426</u>	<u>(95,000)</u>	<u>(135,426)</u>	<u>126,700</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<u>(2,611,868)</u>	<u>294,558</u>	<u>2,906,426</u>	<u>671,630</u>
<b>Fund Balances - Beginning of Year</b>	<u>3,060,691</u>	<u>4,105,070</u>	<u>1,044,379</u>	<u>3,433,440</u>
<b>Fund Balances - End of Year</b>	<u>448,823</u>	<u>4,399,628</u>	<u>3,950,805</u>	<u>4,105,070</u>

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

**Town of Fraser, Colorado**  
**General Fund**  
**Schedule of Revenues**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<u>2018</u>		<u>Variance Positive (Negative)</u>	<u>2017</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Taxes:</b>				
Property	190,000	192,843	2,843	209,388
Specific ownership	11,500	13,763	2,263	14,835
Sales & use	2,015,000	3,057,529	1,042,529	2,987,804
Franchise	55,000	63,357	8,357	60,217
Motor vehicle	4,250	4,564	314	5,002
Cigarette	3,500	5,040	1,540	4,967
<b>Total</b>	<u>2,279,250</u>	<u>3,337,096</u>	<u>1,057,846</u>	<u>3,282,213</u>
<b>Licenses and Fees:</b>				
Business license fees	10,720	16,840	6,120	12,980
Regulated Industry fees	65,000	154,501	89,501	134,903
<b>Total</b>	<u>75,720</u>	<u>171,341</u>	<u>95,621</u>	<u>147,883</u>
<b>Charges for services:</b>				
Planning and building fees	205,000	63,345	(141,655)	4,385
<b>Total</b>	<u>205,000</u>	<u>63,345</u>	<u>(141,655)</u>	<u>4,385</u>
<b>Intergovernmental:</b>				
Grant revenue	1,328,855	300,649	(1,028,206)	30,065
<b>Total</b>	<u>1,328,855</u>	<u>300,649</u>	<u>(1,028,206)</u>	<u>30,065</u>
<b>Interest:</b>				
Earnings on deposits	12,000	82,217	70,217	40,916
<b>Total</b>	<u>12,000</u>	<u>82,217</u>	<u>70,217</u>	<u>40,916</u>
<b>Other:</b>				
Other income	890,000	95,602	(794,398)	61,601
Rents	15,500	10,670	(4,830)	17,280
<b>Total</b>	<u>905,500</u>	<u>106,272</u>	<u>(799,228)</u>	<u>78,881</u>
<b>Other Financing Sources:</b>				
Transfer in	160,426	25,000	(135,426)	-
Sale of assets	-	-	-	226,700
<b>Total</b>	<u>160,426</u>	<u>25,000</u>	<u>(135,426)</u>	<u>226,700</u>
<b>Total Revenues</b>	<u>4,966,751</u>	<u>4,085,920</u>	<u>(880,831)</u>	<u>3,811,043</u>

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

**Town of Fraser, Colorado**  
**General Fund**  
**Schedule of Expenditures and Transfers**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<u>2018</u>		<u>Variance Positive (Negative)</u>	<u>2017</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>General Government:</b>				
Town board salaries	74,825	36,952	37,873	44,468
Town board community enhancement	1,140,750	485,059	655,691	229,739
Miscellaneous	10,000	7,494	2,506	735
Administrative salaries	450,500	465,425	(14,925)	396,645
Other purchased services	577,800	401,479	176,321	419,822
Utilities	23,000	21,484	1,516	16,822
Property management	66,500	53,380	13,120	76,028
Fiscal agent salaries	-	1,358	(1,358)	213
<b>Total General Government</b>	<u>2,343,375</u>	<u>1,472,631</u>	<u>870,744</u>	<u>1,184,472</u>
<b>Public Safety</b>	<u>525,000</u>	<u>518,480</u>	<u>6,520</u>	<u>476,613</u>
<b>Total Public Safety</b>	<u>525,000</u>	<u>518,480</u>	<u>6,520</u>	<u>476,613</u>
<b>Public Works</b>				
Salaries and benefits	673,500	628,417	45,083	519,435
Other purchased services	386,700	382,730	3,970	215,786
Utilities	15,000	13,091	1,909	12,373
Property management	204,500	162,124	42,376	99,708
Capital outlay	3,297,000	485,300	2,811,700	177,693
<b>Total Public Works</b>	<u>4,576,700</u>	<u>1,671,662</u>	<u>2,905,038</u>	<u>1,024,995</u>
<b>Culture and Recreation</b>				
Other purchased services	6,120	4,881	1,239	5,379
Utilities	2,424	2,150	274	1,905
Property management	5,000	1,558	3,442	2,316
<b>Total Culture and Recreation</b>	<u>13,544</u>	<u>8,589</u>	<u>4,955</u>	<u>9,600</u>
<b>Debt Services</b>				
Interest	-	-	-	9,406
Principal	-	-	-	334,327
<b>Total Debt Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,733</u>
<b>Other Financing Uses</b>				
Transfer out	120,000	120,000	-	100,000
<b>Total Financing Sources</b>	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>100,000</u>
<b>Total Expenditures</b>	<u>7,578,619</u>	<u>3,791,362</u>	<u>3,787,257</u>	<u>3,139,413</u>

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

**Town of Fraser, Colorado**  
**Special Revenue Fund**  
**Conservation Trust Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<u>2018</u>		<u>Variance Positive (Negative)</u>	<u>2017</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Lottery proceeds	6,600	6,273	(327)	5,792
Interest	75	413	338	232
<b>Total Revenues</b>	<u>6,675</u>	<u>6,686</u>	<u>11</u>	<u>6,024</u>
<b>Other Financing Uses</b>				
Transfer (Out)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
<b>Total Financing Sources</b>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(18,325)</u>	<u>(18,314)</u>	<u>11</u>	<u>6,024</u>
<b>Fund Balances - Beginning of Year</b>	<u>24,722</u>	<u>24,596</u>	<u>(126)</u>	<u>18,572</u>
<b>Fund Balances - End of Year</b>	<u><u>6,397</u></u>	<u><u>6,282</u></u>	<u><u>(115)</u></u>	<u><u>24,596</u></u>

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

**Town of Fraser, Colorado**  
**Special Revenue Fund**  
**Restricted Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	2018		Variance Positive (Negative)	2017
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
Taxes	462,500	638,933	176,433	596,106
Interest	303	1,500	1,197	414
	<b>Total Revenues</b>	<b>640,433</b>	<b>177,630</b>	<b>596,520</b>
<b>Expenditures:</b>				
General government				
Transportation	500,000	706,495	(206,495)	548,486
Trails	-	1,220	(1,220)	-
	<b>Total Expenditures</b>	<b>707,715</b>	<b>(207,715)</b>	<b>548,486</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(37,197)	(67,282)	(30,085)	48,034
<b>Other Financing Sources (Uses):</b>				
Transfer in	10,000	10,000	-	-
<b>Total Other Financing (Uses)</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<b>(27,197)</b>	<b>(57,282)</b>	<b>(30,085)</b>	<b>48,034</b>
<b>Fund Balances - Beginning of Year</b>	28,523	54,023	25,500	5,989
<b>Fund Balances - End of Year</b>	<b>1,326</b>	<b>(3,259)</b>	<b>(4,585)</b>	<b>54,023</b>

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

**SUPPLEMENTARY INFORMATION**



**Town of Fraser, Colorado**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<u>2018</u>		<u>Variance Positive (Negative)</u>	<u>2017</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Interest	-	700	700	2,146
<b>Total Revenues</b>	-	700	700	2,146
<b>Expenditures:</b>				
Principal	-	-	-	440,000
Interest	-	-	-	11,910
<b>Total Expenditures</b>	-	-	-	451,910
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	700	700	(449,764)
<b>Fund Balances - Beginning of Year</b>	-	33,767	33,767	483,531
<b>Fund Balances - End of Year</b>	-	34,467	34,467	33,767

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

**Town of Fraser, Colorado**  
**Capital Equipment Replacement Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<b>2018</b>			<b>2017</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>				
Highway users revenue	46,460	60,258	13,798	47,065
Earnings on investments	2,500	8,396	5,896	5,533
<b>Total Revenues</b>	<b>48,960</b>	<b>68,654</b>	<b>19,694</b>	<b>52,598</b>
<b>Expenditures:</b>				
Capital lease	-	24,700	(24,700)	45,418
Equipment	525,000	80,366	444,634	218,040
<b>Total Expenditures</b>	<b>525,000</b>	<b>105,066</b>	<b>419,934</b>	<b>263,458</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(476,040)</b>	<b>(36,412)</b>	<b>439,628</b>	<b>(210,860)</b>
<b>Other Financing Sources:</b>				
Transfer In	130,000	130,000	-	120,000
<b>Total Other Financing Sources</b>	<b>130,000</b>	<b>130,000</b>	<b>-</b>	<b>120,000</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures</b>	<b>(346,040)</b>	<b>93,588</b>	<b>439,628</b>	<b>(90,860)</b>
<b>Fund Balances - Beginning of Year</b>	<b>356,954</b>	<b>382,012</b>	<b>25,058</b>	<b>472,872</b>
<b>Fund Balances - End of Year</b>	<b>10,914</b>	<b>475,600</b>	<b>464,686</b>	<b>382,012</b>

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

**Town of Fraser, Colorado**  
**Enterprise Fund**  
**Water Fund**  
**Schedule of Revenues, Expenditures and Change in Net Position**  
**Budget (Non-GAAP) Basis and Actual**  
**With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<u>2018</u>			<u>2017</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Tap fees	7,700	38,500	30,800	32,325
User fees	948,575	954,697	6,122	901,513
Water meter fees	10,000	71,873	61,873	85,157
Interest income	6,000	32,974	26,974	20,162
Excavation permits	275	1,925	1,650	3,800
Grants	-	4,255	4,255	-
Other	2,500	6,681	4,181	12,764
<b>Total Revenues</b>	<u>975,050</u>	<u>1,110,905</u>	<u>135,855</u>	<u>1,055,721</u>
<b>Expenditures:</b>				
<b>Personnel:</b>				
Salaries	215,600	234,283	(18,683)	212,408
Retirement	8,000	7,432	568	5,721
Health insurance	48,000	48,897	(897)	34,751
Travel and training	8,000	2,115	5,885	196
<b>Total</b>	<u>279,600</u>	<u>292,727</u>	<u>(13,127)</u>	<u>253,076</u>
<b>Commodities:</b>				
Insurance	22,000	13,328	8,672	13,801
Supplies	92,500	107,856	(15,356)	79,217
System repair and maintenance	136,500	294,528	(158,028)	39,258
Testing	5,000	3,146	1,854	5,915
Telephone	4,500	5,027	(527)	4,321
Utilities	45,000	44,433	567	37,357
Miscellaneous	17,000	2,451	14,549	594
<b>Total</b>	<u>322,500</u>	<u>470,769</u>	<u>(148,269)</u>	<u>180,463</u>
<b>Contractual:</b>				
Legal	65,000	62,091	2,909	56,458
Engineering	30,000	61,744	(31,744)	52,749
Other professional services	25,500	9,448	16,052	4,217
Professional memberships	9,500	5,317	4,183	5,555
<b>Total</b>	<u>130,000</u>	<u>138,600</u>	<u>(8,600)</u>	<u>118,979</u>
<b>Other:</b>				
Transfer to Other Fund	10,000	10,000	-	10,000
Capital projects and purchases	1,200,000	645,491	554,509	276,949
Water rights	35,000	32,470	2,530	14,654
<b>Total</b>	<u>1,245,000</u>	<u>687,961</u>	<u>557,039</u>	<u>301,603</u>
<b>Total Expenditures</b>	<u>1,977,100</u>	<u>1,590,057</u>	<u>387,043</u>	<u>854,121</u>
<b>Excess (Deficiency) of Revenues Over Expenses (Budget Basis)</b>	<u>(1,002,050)</u>	<u>(479,152)</u>	<u>522,898</u>	<u>201,600</u>
<b>Reconciliation from Budget Basis to GAAP Basis:</b>				
Capitalized assets		625,310		276,949
Depreciation		(415,323)		(411,860)
<b>Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)</b>		<u>(269,165)</u>		<u>66,689</u>
<b>Net Position - Beginning of Year</b>		<u>11,900,908</u>		<u>11,834,219</u>
<b>Net Position - End of Year</b>		<u>11,631,743</u>		<u>11,900,908</u>

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

**Town of Fraser, Colorado**  
**Enterprise Fund**  
**Wastewater Fund**  
**Schedule of Revenues, Expenditures and Change in Net Position**  
**Budget (Non-GAAP) Basis and Actual**  
**With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<b>2018</b>			<b>2017</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>				
Tap fees	90,000	607,500	517,500	797,275
User fees	774,806	783,507	8,701	742,774
Management fees	29,000	29,000	-	29,000
Interest income	18,500	115,167	96,667	49,684
<b>Total Revenues</b>	<u>912,306</u>	<u>1,535,174</u>	<u>622,868</u>	<u>1,618,733</u>
<b>Expenditures:</b>				
<b>Personnel:</b>				
Salaries	221,700	236,606	(14,906)	217,058
Retirement	8,100	7,435	665	5,465
Health insurance	50,000	49,239	761	35,547
Travel and training	7,000	565	6,435	6
<b>Total</b>	<u>286,800</u>	<u>293,845</u>	<u>(7,045)</u>	<u>258,076</u>
<b>Commodities:</b>				
Insurance	6,500	8,785	(2,285)	9,245
Supplies	2,500	1,935	565	1,115
System repair and maintenance	410,000	71,518	338,482	59,930
Testing	1,000	-	1,000	-
Telephone	2,000	2,194	(194)	1,690
Miscellaneous	2,000	582	1,418	259
<b>Total</b>	<u>424,000</u>	<u>85,014</u>	<u>338,986</u>	<u>72,239</u>
<b>Contractual:</b>				
Legal	5,000	-	5,000	-
Engineering	10,000	2,561	7,439	438
Other professional services	259,000	219,356	39,644	202,366
Treasurer's and bank fees	100	-	100	-
Professional memberships	5,500	4,957	543	5,011
<b>Total</b>	<u>279,600</u>	<u>226,874</u>	<u>52,726</u>	<u>207,815</u>
<b>Other:</b>				
Transfer to Other Fund	10,000	10,000	-	10,000
Capital Reserve payments	306,630	(44,631)	351,261	-
<b>Total</b>	<u>316,630</u>	<u>(34,631)</u>	<u>351,261</u>	<u>10,000</u>
<b>Total Expenditures</b>	<u>1,307,030</u>	<u>571,102</u>	<u>735,928</u>	<u>548,130</u>
<b>Excess (Deficiency) of Revenues Over Expenses (Budget Basis)</b>	<u>(394,724)</u>	964,072	<u>1,358,796</u>	1,070,603
<b>Reconciliation from Budget Basis to GAAP Basis:</b>				
Depreciation		(431,893)		(441,400)
Capitalized capital reserve payments		(44,631)		(15,441)
<b>Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)</b>		487,548		613,762
<b>Net Position - Beginning of Year</b>		<u>14,863,982</u>		<u>14,250,220</u>
<b>Net Position - End of Year</b>		<u>15,351,530</u>		<u>14,863,982</u>

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

**Town of Fraser, Colorado**  
**JFOC Operations**  
**Schedule of Revenues & Expenses**  
**Budget (Non-GAAP) Basis and Actual**  
**With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

				<b>2017</b>	
	<b>Original Budget</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>					
Other revenue	-	-	3,480	3,480	8,648
JFOC operating charges	874,239	874,239	727,144	(147,095)	698,196
JFOC capital reserve contributions		900,000	130,999	(769,001)	0
Interest revenue	14,350	14,350	21,123	6,773	14,771
<b>Total Revenues</b>	<b>888,589</b>	<b>1,788,589</b>	<b>882,746</b>	<b>(905,843)</b>	<b>721,615</b>
<b>Expenses:</b>					
Training programs	2,000	2,000	560	1,440	450
Travel, meals and lodging	2,500	2,500	1,058	1,442	746
Meals and entertainment	250	250	108	142	90
Professional fees	8,250	8,250	210,494	(202,244)	71,527
Engineering fees	10,000	10,000	-	10,000	2,888
Sludge removal	60,000	60,000	59,725	275	56,475
Other professional services	10,000	10,000	3,656	6,344	4,503
Insurance	36,000	36,000	33,251	2,749	29,922
Advertising	500	500	-	500	-
Plant maintenance & repair	50,000	50,000	15,274	34,726	23,592
Grounds maintenance	1,000	1,000	81	919	555
Equipment rental	500	500	7	493	-
Professional memberships	500	500	-	500	-
Operating supplies	60,000	60,000	37,470	22,530	32,898
Equipment purchase and repair	10,000	10,000	21,790	(11,790)	28,647
Testing	50,000	50,000	59,855	(9,855)	53,377
Permits	10,000	10,000	-	10,000	-
Utilities	232,350	232,350	201,014	31,336	201,218
Vehicles	7,500	7,500	10,439	(2,939)	4,843
Miscellaneous	1,500	1,500	3,588	(2,088)	750
Capital projects	2,425,000	2,425,000	330,775	2,094,225	-
Payroll expenses	321,390	321,390	262,731	58,659	250,509
<b>Total Expenses</b>	<b>3,299,240</b>	<b>3,299,240</b>	<b>1,251,876</b>	<b>2,047,364</b>	<b>762,990</b>
<b>Excess (Deficiency) of Revenues Over Expenses (Budget Basis)</b>	<b>(2,410,651)</b>	<b>(1,510,651)</b>	<b>(369,130)</b>	<b>1,141,521</b>	<b>(41,375)</b>
<b>Reconciliation from Budget Basis to GAAP Basis:</b>					
Capital reserve reduced by capital expenses			524,732		64,794
Capital reserve increased by contributions			(130,999)		-
Capital reserve increased by interest income			(20,854)		(14,474)
Capital reserve increased by other income			(3,480)		(8,648)
Operating reserve increased by interest income			(269)		(297)
<b>Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)</b>			<b>-</b>		<b>-</b>

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

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Town of Fraser, Colorado
		YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of Town of Fraser, Colorado)	Prepared By: Beth Williams	Phone: 970-726-5491 ext 206

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	377,570
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	307,454
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	16,527
2. General fund appropriations	1,579,424	b. Snow and ice removal	483,143
3. Other local imposts (from page 2)	138,854	c. Other	0
4. Miscellaneous local receipts (from page 2)	7,918	d. Total (a. through c.)	499,670
5. Transfers from toll facilities	0	4. General administration & miscellaneous	87,844
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	518,480
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,791,018
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	1,726,196	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	64,822	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	1,791,018	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,791,018

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

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,791,018	1,791,018		0

**Notes and Comments:**

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	700
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	125,091	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	0
5. Specific Ownership &/or Other	13,763	g. Other Misc. Receipts	7,219
6. Total (1. through 5.)	138,854	h. Other	0
c. Total (a. + b.)	138,854	i. Total (a. through h.)	7,919
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	60,258	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	4,564	d. Federal Transit Admin	
d. Other (CDOT RAMP Project)	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	4,564	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	64,822	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	137,041	125,195	262,236
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	86,051	86,051
(4). System Enhancement & Operation	0	29,283	29,283
(5). Total Construction (1) + (2) + (3) + (4)	0	115,334	115,334
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	137,041	240,529	377,570
			(Carry forward to page 1)
<b>Notes and Comments:</b>			