TOWN OF OAK CREEK
OAK CREEK, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

TOWN OF OAK CREEK, COLORADO
BOARD OF TRUSTEES
December 31, 2018

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FINANCIAL SECTION

Town of Oak Creek
Management Discussion and Analysis
December 31, 2018

The discussion and analysis of the Town of Oak Creek's financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

Financial Highlights

The Town of Oak Creek's governmental net position decreased by $41,374 and business-type net position increased by $938,802 for the year.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2018 by $12,448,430 *(net position).* Of this amount, $2,018,442 *(unrestricted net position)* may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2018, the Town's General Fund reported an ending fund balance of $177,748 compared to the fiscal year 2017 balance of $194,212.
- At the end of 2018 unrestricted net position for the proprietary funds (business-type activities) was $1,849,878 or 92% of total 2018 operating expenses.
- General Fund 2018 revenues decreased by $37,062 to $732,138.
- General Fund expenditures decreased in 2018 by $211,933 to $765,957.

Using the Basic Financial Statements

The Basic Financial Statements consists of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Oak Creek as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the Town's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town has two governmental funds: the General Fund, and one fiduciary fund, LiveWell.

Fiduciary fund statements provide information about financial relationships where the Town acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. The LiveWell Fund will cease to exist in 2019.

Proprietary fund statements offer short and long-term financial information about the activities that the Town operates as a business. The Town operates four proprietary funds as follows:

- Electric Fund
- Water Fund
- Sewer Fund
- Trash Fund

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total net position was $12,448,430 as of December 31, 2018 and $11,551,001 as of December 31, 2017. This represents an increase of $897,428 or 7.2%.

Government-Wide Financial Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private businesses. The statements include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how it has changed. The change in net position is important because it tells the reader that for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, and state or federal government required programs.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes, intergovernmental revenues and taxes *(Governmental Activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(Business-type Activities).* The Governmental Activities of the Town include: general government, public safety (police), public works, parks and recreation and LiveWell. The Business-type Activities of the Town of Oak Creek consist of electric, water, sewer, and trash services.

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Oak Creek, assets exceeded liabilities by approximately $12.4 million at the close of 2018.

Net position of the Town at December 31, 2018 was as follows:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current Assets	$ 320,581	$ 370,037	$ 2,198,539	$ 2,088,239	$ 2,519,120	$ 2,458,276
Noncurrent Assets	1,202,884	1,216,295	10,663,543	10,899,898	11,866,427	12,116,193
Total Assets	1,523,465	1,586,332	12,862,082	12,988,137	14,385,547	14,574,469
DEFERRED OUTFLOWS	52,892	47,541	-	-	52,892	47,541
LIABILITIES						
Current Liabilities	43,333	73,323	208,607	158,705	251,940	232,028
Noncurrent Liabilities	108,915	113,435	1,507,228	2,621,988	1,616,143	2,735,423
Total Liabilities	152,248	186,758	1,715,835	2,780,693	1,868,083	2,967,451
DEFERRED INFOWS	121,926	103,558	-	-	121,926	103,558
NET POSITION						
Net Investment in Capital Assets	1,085,237	1,125,660	9,156,315	8,277,910	10,241,552	9,403,570
Restricted	48,382	26,000	140,054	140,054	188,436	166,054
Unrestricted	168,564	191,897	1,849,878	1,789,480	2,018,442	1,981,377
Total Net Position	$ 1,302,183	$ 1,343,557	$ 11,146,247	$ 10,207,444	$ 12,448,430	$ 11,551,001

The statement of net position reflects a cash position totaling $2,134,889 or 15% of total assets. The bulk of the Town's resources, $11.8 million or 82% of total assets, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining 3% of total assets are receivables or prepaid expenses.

The Town of Oak Creek uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Oak Creek's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources since, in general, the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

Governmental activities decreased the Town of Oak Creek's net position by $41,374.

Town of Oak Creek
Management Discussion and Analysis
December 31, 2018

Business activities increased the Town's net position by $938,802. This is mostly due to a water distribution project loan of close to 1 million that was forgiven at the start of 2018.

A summary of the changes in net position is as follows:

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
PROGRAM REVENUES						
Charges for Services	$ 245,881	$ 316,846	$ 1,993,901	$ 2,075,017	$ 2,239,782	$ 2,391,863
Operating Grants	137,473	207,741	-	-	137,473	207,741
Capital Grants	-	-	1,020,368	1,927,220	1,020,368	1,927,220
Total Program Revenues	383,354	524,587	3,014,269	4,002,237	3,397,623	4,526,824
GENERAL REVENUES						
Property Taxes	91,028	76,727	-	-	91,028	76,727
Specific Ownership Taxes	7,610	6,082	-	-	7,610	6,082
Sales and Use Taxes	214,248	184,458	-	-	214,248	184,458
Other Taxes	2,583	992	-	-	2,583	992
Interest Income	29,739	16,147	58	20	29,797	16,167
Insurance Proceeds	-	-	-	-	-	-
Other Revenues	4,425	14,926	-	-	4,425	14,926
Total General Revenues	349,633	299,332	58	20	349,691	299,352
Total Revenues & Transfers	732,987	823,919	3,014,327	4,002,257	3,747,314	4,826,176
PROGRAM EXPENSES						
General Government	180,484	350,283	-	-	185,883	350,283
Public Safety	274,802	259,431	-	-	274,802	2,594,631
Public Works	126,169	124,978	-	-	120,770	124,978
Culture and Recreation	190,018	224,771	-	-	190,018	224,771
Electric Operations	-	-	1,070,378	1,080,759	1,070,378	1,080,759
Water Operations	-	-	483,512	361,796	483,512	361,796
Sewer Operations	-	-	391,491	388,184	391,491	388,184
Trash Operations	-	-	130,144	106,520	130,144	106,520
Interest	2,888	(1,094)	-	-	2,888	(1,094)
Total Program Expenses	774,361	958,369	2,075,525	1,937,259	2,849,886	2,895,628
CHANGE IN NET POSITION	(41,374)	(134,450)	938,802	2,064,998	897,428	1,930,548
Net Position, Beginning	1,343,557	1,478,007	10,207,445	8,142,447	11,551,002	9,620,454
NET POSITION, ENDING	$ 1,302,183	$ 1,343,557	$ 11,146,247	$ 10,207,445	$ 12,448,430	$ 11,551,002

Financial Analysis of the Town's Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

General Fund – The General Fund went from a balance of $194,212 to $177,748. This decrease is principally the result of governmental activity operating costs exceeding revenue sources. Total General Fund revenues decreased by $37,062, while expenditures decreased by $211,933.

LiveWell Fund – LiveWell revenues were $849 with expenses of $152.

Proprietary Funds - Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the Town as a whole. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Electric Fund – Electric Fund net position increased by $129,208, following a decrease of $138,183 in 2017. Expenditures decreased by $12,812, including $45,778 in capital outlay. The cost to purchase power was $11,778 more than the 2017 cost.

Water Fund – Water Fund net position increased by $868,581 after a 2017 increase of $2,318,452. This year completed a major capital project with the first phase of reconstruction of the water distribution system and other Main Street-related work.

Sewer Fund – Sewer Fund net position decreased by $50,872 compared to a decrease of $388,972 in 2017.

Trash Fund – Trash Fund net position decreased by $8,115 for the current year,down from a 2017 increase of $4,928. The Trash Fund is a tightly run enterprise to benefit the citizens of Oak Creek and includes an annual Clean-Up Day.

Capital Assets

Approximately 10% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements.

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 216,766	$ -	$ -	$ 216,766
Construction in Progress	-	15,570	-	15,570
Total Capital Assets not being Depreciated	216,766	15,570	-	232,336
Capital Assets being Depreciated:				
Buildings & Improvements	1,549,171	8,432	-	1,557,603
Vehicles & Equipment	551,265	29,008	-	580,273
Total Capital Assets	2,100,436	37,440	-	2,137,876
Less Accumulated Depreciation:				
Buildings & Improvements	(788,843)	(56,024)	-	(844,867)
Vehicles & Equipment	(312,064)	(35,778)	-	(347,842)
Total Accumulated Depreciation	(1,100,907)	(91,802)	-	(1,192,709)
Net Capital Assets	**$ 1,216,295**	**$ (38,792)**	**$ -**	**$ 1,177,503**

The Town's business-type activities capital assets consist of its investments in its utility systems and related equipment.

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Business-Type Activities:				
Capital Assets:				
Electrical System	$ 2,308,964	$ 4,500	$ -	$ 2,313,464
Water System	7,882,040	86,412	-	7,968,453
Sewer System	5,888,618	20,992	-	5,909,610
Total Capital Assets	16,079,622	111,904	-	16,191,527
Less Accumulated Depreciation:				
Electrical System	(1,722,967)	(35,923)	-	(1,758,890)
Water System	(1,920,500)	(184,568)	-	(2,105,069)
Sewer System	(1,536,256)	(127,769)	-	(1,664,025)
Total Accumulated Depreciation	(5,179,723)	(348,260)	-	(5,527,984)
Net Capital Assets	**$ 10,899,899**	**$ (236,356)**	**$ -**	**$ 10,663,543**

Long-Term Debt

The Town's governmental long-term debt consists of capital leases and accrued compensated absences payable. Governmental activities debt transactions for the year were as follows:

	Balance 12/31/17	Advances	Payments	Balance 12/31/18	Current Portion	Interest Paid
2017 Equipment Capital Lease	$ 90,635	$ -	$ 15,725	$ 74,910	$ 16,278	$ 2,888
2018 Equipment Capital Lease	-	17,355	-	17,355	3,169	-
Accrued Compensated Absences	15,737	913	-	16,650	-	-
Totals	**$ 106,372**	**$ 18,268**	**$ 15,725**	**$ 108,915**	**$ 19,447**	**$ 2,888**

The Town's business-type activities long-term debt consists of various bonds and notes payable that were used for system improvements. Business-type activities debt transactions for the year were as follows:

	Balance 12/31/17	Advances	Payments	Balance 12/31/18	Current Portion	Interest Expense
2000 Electric Note Payable	$ 69,609	$ -	$ 30,385	$ 39,224	$ 32,294	$ 4,973
2003 CWRPDA Water Note	345,917	-	52,099	293,818	54,204	15,344
2010 Sewer Revenue Bonds	1,105,593	-	16,749	1,088,844	17,320	44,713
2017 CWRPDA Note Payable	997,611	-	997,611	-	-	-
2017 Equipment Capital Lease	103,257	-	17,915	85,342	18,546	3,290
Totals	**$ 2,621,987**	**$ -**	**$ 1,114,759**	**$ 1,507,228**	**$ 122,364**	**$ 68,320**

General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Oak Creek including: public safety (police), public works, parks and recreation and general government services. The Town's General Fund revenues were $108,163 less than planned, having state grants come in at $120,000 less than budgeted. The Town's expenditures were $140,870 less than budgeted.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

- The Town of Oak Creek's economic drivers continue to be regional recreation and tourism, agriculture and energy. Both Stagecoach State Park/Reservoir and businesses related to the Steamboat Ski Area provide employment opportunities. Agricultural products such as hay, grain, sheep, horses and cattle from the region are local exports, as well as marijuana products grown and produced at local light industrial facilities. Significant low-sulfur coal reserves adjacent to the Town provide some well-paying jobs and another high-value export, though the recent Peabody Coal Company reorganization through bankruptcy, its merger with Arch Coal, and the regulatory dynamics at the state and federal level continue to provide uncertainty in this sector.

- The estimated population for Oak Creek is 944 according the State Demography Office, and this number reflects a steady rate of growth. There are signs, particularly evidenced by a significantly tightening and more costly housing market, that the expected 1% increase/decrease growth forecasts may no longer be reliable and 3% is more relevant.
- In 2017, the Town undertook a major capital project with the first phase of reconstruction of the water distribution system and other Main Street-related work. Investments made include replacement of curb/gutter/sidewalks, upgraded street lights, replacement and expansion of the storm drainage system, and updated water/sewer services to all buildable lots along Main Street. This Main Street work set the stage for future Town efforts in revitalizing the downtown commercial area. Additional phases of the water distribution system reconstruction are currently in planning stages, and the next significant construction can be expected to occur in 2021.
- The Town completed a feasibility assessment in 2017 for a small home/RV Park development on Town-owned property, in an effort to the address current Town policies with regard to improving affordable housing opportunities and diversification of the local economy. Steps to make this development a reality include extending water and sewer services to and through the parcel. The private sector is also exploring this type of development at the Oak Creek Motel site on the northeast side of Town.
- In 2018, Oak Creek saw sales tax revenues increase by 14% over 2017, however the 2017 Main Street project had dampening effects on the central business district. It is more relevant to compare 2018 to 2016 sales tax revenues, and 2018 revenues were 3.5% over 2016 revenues. It is expected that sales tax revenues will continue to increase at this same 3.5% level over the next couple years.
- While 2019 is a property tax reassessment year, the County Assessor is required to look at the period ending June, 2018. There has been limited commercial growth in the last couple years; the major rise in housing sales prices seen in this timeframe will be reflected in the Town's assessed valuation going forward.
- Marijuana business licensing fees continue to provide a source of funding that provide the support services to this industry. It is noteworthy that this industry has created approximately 40 new full time jobs within the community with payroll employment of approximately $1.7MM, and serves as part of the reason for the current local housing crunch. The Town is seeing some contraction and consolidation in the industry, and notably one large producer has merged and moved to southeastern Colorado. Licensing revenues will relatedly decline by 16%. The dynamics of the federal and international marijuana legislation may have numerous impacts on the industry, locally and regionally, as well.
- The Town is continuing its efforts to maintain and grow commercial operations through the Business Improvement Grant program which has resulted in over $250,000 of new investment along Main Street, and through its marketing efforts to repurpose vacant commercial and light industrial buildings.

- The Public Works Department began the installation of water meters in the last quarter of 2016, throughout 2017 and 2018, and will finish those requiring meter pits in summer, 2019. The hybrid meter rate including metered and flat rates will be retained until all connections are metered. A rate increase was implemented in early 2019 to adjust rates to account for unexpectedly high conservation under the metered regime.
- Unknowns that may impact Town operations or revenues that bear watching include the regulatory environment concerning air, water and energy resources and the uncertain politic environments.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Town Clerk, Town of Oak Creek, P O Box 128, Oak Creek, CO 80467.

Mayberry & Company, LLC
Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Oak Creek
Oak Creek, Colorado

Independent Auditors' Report

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

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

Auditors' 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 auditors' 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 controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

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 Oak Creek, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Oak Creek 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 23, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M9 and pension schedules on pages 34-35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 36-38 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. In addition, the combining and individual fund schedules on pages 39-48 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Such 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 basic 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.

Report on Other Legal and Regulatory Requirements
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* is presented on pages 49-53 for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, CO
March 18, 2018

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BASIC FINANCIAL STATEMENTS

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TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	$ (1,203,536)	$ 1,824,427	$ 620,891
Investments	1,381,847	-	1,381,847
Restricted Cash and Investments	100	132,051	132,151
Receivables			
Property Tax Receivable	89,500	-	89,500
Intergovernmental Receivables	2,382	-	2,382
Interest Receivable	26	-	26
Utility Receivable	-	242,061	242,061
Cash with Fiscal Agent	746	-	746
Accounts Receivable	49,366	-	49,366
Prepaid Expenses	150	-	150
Total Current Assets	320,581	2,198,539	2,519,120
Noncurrent Assets			
Capital Assets not being Depreciated	232,336	-	232,336
Capital Assets being Depreciated	2,137,875	16,191,527	18,329,402
Accumulated Depreciation	(1,192,709)	(5,527,984)	(6,720,693)
Net Pension Asset	25,382	-	25,382
Total Noncurrent Assets	1,202,884	10,663,543	11,866,427
TOTAL ASSETS	1,523,465	12,862,082	14,385,547
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Pension Contribution Timing	16,770	-	16,770
Pension Investment Earnings Timing	10,867	-	10,867
Pension Benefits Timing	18,286	-	18,286
Pension Change in Assumptions	3,148	-	3,148
Pens External Change in %	3,821	-	3,821
TOTAL DEFERRED OUTFLOWS	52,892	-	52,892
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,576,357	$ 12,862,082	$ 14,438,439
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 15,079	$ 142,146	$ 157,225
Accrued Liabilities	4,304	-	4,304
Accrued Salaries and Benefits	22,790	-	22,790
Deposits and Escrow	1,160	48,323	49,483
Accrued Interest Payable	-	18,138	18,138
Total Current Liabilities	43,333	208,607	251,940
Noncurrent Liabilities			
Due within one year	19,447	122,364	141,811
Due in more than one year	89,468	1,384,864	1,474,332
Total Noncurrent Liabilities	108,915	1,507,228	1,616,143
TOTAL LIABILITIES	152,248	1,715,835	1,868,083
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	89,500	-	89,500
Pension Investment Earnings Timing	20,412	-	20,412
Pension Benefits Timing	231	-	231
Pens External Change in %	1,783	-	1,783
Deferred Grants	10,000	-	10,000
TOTAL DEFERRED INFLOWS	121,926	-	121,926
NET POSITION			
Net Investment in Capital Assets	1,085,237	9,156,315	10,241,552
Restricted Net Position	48,382	140,054	188,436
Unrestricted Net Position	168,564	1,849,878	2,018,442
TOTAL NET POSITION	1,302,183	11,146,247	12,448,430
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 1,576,357	$ 12,862,082	$ 14,438,439

TOWN OF OAK CREEK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	$ 180,484	$ 207,718	$ 80,691	$ -
Public Safety	274,802	3,067	5,013	-
Public Works	126,169	-	39,514	-
Culture and Recreation	190,018	35,096	12,255	-
Interest on Debt	2,888	-	-	-
TOTAL GOVERNMENT ACTIVITIES	774,361	245,881	137,473	-
Business-type Activities				
Current:				
Electric	1,070,378	1,199,586	-	-
Water	483,512	337,225	-	1,014,868
Sewer	391,491	335,061	-	5,500
Trash	130,144	122,029	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	2,075,525	1,993,901	-	1,020,368
TOTAL GOVERNMENT	$ 2,849,886	$ 2,239,782	$ 137,473	$ 1,020,368

GENERAL REVENUES
Property Taxes
Specific Ownership Taxes
Sales and Use Taxes
Other Taxes
Interest Income
Other Revenues
TOTAL GENERAL REVENUES AND TRANSFERS
CHANGE IN NET POSITION
NET POSITION - Beginning
NET POSITION - Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
$ 107,925	$ -	$ 107,925
(266,722)	-	(266,722)
(86,655)	-	(86,655)
(142,667)	-	(142,667)
(2,888)	-	(2,888)
(391,007)	-	(391,007)
-	129,208	129,208
-	868,581	868,581
-	(50,930)	(50,930)
-	(8,115)	(8,115)
-	938,744	938,744
(391,007)	938,744	547,737
91,028	-	91,028
7,610	-	7,610
214,248	-	214,248
2,583	-	2,583
29,739	58	29,797
4,425	-	4,425
349,633	58	349,691
(41,374)	938,802	897,428
1,343,557	10,207,445	11,551,002
$ 1,302,183	$ 11,146,247	$ 12,448,430

TOWN OF OAK CREEK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018
With Comparative Totals for December 31, 2017

	General Fund	Other Funds	Total 2018	Total 2017
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	$ (1,203,536)	$ -	$ (1,203,536)	$ (944,034)
Investments	1,381,847	-	1,381,847	1,174,389
Restricted Cash and Investments	100	-	100	199
Receivables				
Property Tax Receivable	89,500	-	89,500	91,000
Intergovernmental Receivables	2,382	-	2,382	-
Interest Receivable	26	-	26	25
Cash with Fiscal Agent	746	-	746	1,241
Accounts Receivable	49,366	-	49,366	47,159
Other Receivables	-	-	-	58
Prepaid Expenses	150	-	150	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 320,581	$ -	$ 320,581	$ 370,037
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 15,079	$ -	$ 15,079	$ 33,018
Accrued Liabilities	4,304	-	4,304	11,851
Accrued Salaries and Benefits	22,790	-	22,790	20,122
Deposits and Escrow	1,160	-	1,160	8,332
TOTAL LIABILITIES	43,333	-	43,333	73,323
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Property Taxes	89,500	-	89,500	91,000
Deferred Grants	10,000	-	10,000	12,199
TOTAL DEFERRED INFLOWS	99,500	-	99,500	103,199
FUND BALANCE				
Nonspendable Fund Balance	150	-	150	-
Restricted Fund Balance	23,000	-	23,000	22,303
Committed Fund Balance	108,675	-	108,675	112,501
Unassigned Fund Balance	45,923	-	45,923	58,711
TOTAL FUND BALANCE	177,748	-	177,748	193,515
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 320,581	$ -	$ 320,581	$ 370,037

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

TOWN OF OAK CREEK, COLORADO

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2018

Fund Balance - Governmental Funds		$ 177,748
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 232,336	
Capital assets, being depreciated	2,137,875	
Accumulated depreciation	(1,192,709)	1,177,502
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Net pension asset	25,382	
Contributions subsequent to measurement date	16,770	
Difference between projected and actual investment returns on the pension plan	24,209	
Amortization of the investment return difference	(13,342)	
Difference between projected and actual pension plan experience	21,376	
Amortization of the experience difference	(3,090)	
Change in Assumptions	4,459	
Amortization of Change in Assumptions	(1,311)	
Change in proportionate share of the net pension liability	6,157	
Amortization of the change in proportion	(2,336)	
Difference between projected and actual investment returns on the pension plan	(25,515)	
Amortization of the investment return difference	5,103	
Difference between projected and actual pension plan experience	(371)	
Amortization of the experience difference	140	
Change in proportionate share of the net pension liability	(2,167)	
Amortization of the change in proportion	384	55,848
Internal Service operations primarily benefit Governmental Activities		
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(92,265)	
Accrued compensated absences	(16,650)	(108,915)
Total Net Position - Governmental Activities		$ 1,302,183

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	General Fund	Other Funds	Total 2018	Total 2017
REVENUES				
Taxes	$ 315,469	$ -	$ 315,469	$ 268,259
Intergovernmental Revenues	136,624	-	136,624	153,021
Licenses and Permits	95,057	-	95,057	97,768
Fines and Forfeits	2,663	-	2,663	2,762
Internal Charges	96,900	-	96,900	90,200
Charges for Services	51,261	-	51,261	126,116
Investment Earnings	29,739	-	29,739	16,147
Other Revenues	4,425	849	5,274	69,646
TOTAL REVENUES	732,138	849	732,987	823,919
EXPENDITURES				
Current:				
General Government	170,383	-	170,383	338,774
Public Safety	271,593	-	271,593	256,794
Public Works	102,222	-	102,222	107,581
Parks, Recreation and Other	131,648	-	131,648	120,191
Capital Outlay	71,498	152	71,650	195,031
Debt Service	18,613	-	18,613	10,642
TOTAL EXPENDITURES	765,957	152	766,109	1,029,013
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(33,819)	697	(33,122)	(205,094)
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	17,355	-	17,355	123,249
NET CHANGE IN FUND BALANCE - GAAP BASIS	(16,464)	697	(15,767)	(81,845)
FUND BALANCE, BEGINNING	194,212	(697)	193,515	226,992
Prior Period Restatement	-	-	-	48,368
FUND BALANCE, BEGINNING (As Restated)	194,212	(697)	193,515	275,360
FUND BALANCE, ENDING	$ 177,748	$ -	$ 177,748	$ 193,515

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

TOWN OF OAK CREEK, COLORADO

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

Change in Fund Balance - Governmental Funds		$ (15,767)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	53,009	
Depreciation Expense	(91,802)	(38,793)
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in contributions subsequent to the measurement date	2,511	
Current year projected to actual investment return difference	(31,297)	
Current year amortization of overall investment return differences	2,687	
Change in net pension asset/liability	32,445	
Current year projected to actual pension plan experience difference	14,159	
Current year amortization of overall experience differences	(2,051)	
Change in the changes of assumptions	(1,676)	
Current year change in proportionate share of cost-sharing plan asset/liability	(688)	
Current year amortization of overall proportionate share differences	(361)	15,729
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Proceeds from debt issuances	(17,355)	
Principal payments on capital leases	15,725	
Change in accrued compensated absences	(913)	(2,543)
Change in Net Position - Governmental Activities		$ (41,374)

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018
With Comparative Totals for December 31, 2017

	Business-type Activities			
	Electric Fund	Water Fund	Sewer Fund	Other Funds
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	$ 1,053,434	$ 468,699	$ 306,184	$ (3,890)
Restricted Cash and Investments	-	54,710	77,341	-
Receivables				
Utility Receivable	160,973	33,886	36,110	11,092
Internal Balances	-	(332,500)	332,500	-
Total Current Assets	1,214,407	224,795	752,135	7,202
Noncurrent Assets				
Capital Assets being depreciated	2,313,464	7,968,453	5,909,610	-
Accumulated Depreciation	(1,758,890)	(2,105,069)	(1,664,025)	-
Total Noncurrent Assets	554,574	5,863,384	4,245,585	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,768,981	$ 6,088,179	$ 4,997,720	$ 7,202
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 131,481	$ 591	$ 10,074	$ -
Deposits and Escrow	48,323	-	-	-
Accrued Interest Payable	-	-	18,138	-
Total Current Liabilities	179,804	591	28,212	-
Noncurrent Liabilities				
Due within one year	38,476	60,386	23,502	-
Due in more than one year	29,195	261,880	1,093,789	-
Total Noncurrent Liabilities	67,671	322,266	1,117,291	-
TOTAL LIABILITIES	247,475	322,857	1,145,503	-
NET POSITION				
Net Investment in Capital Assets	486,903	5,541,118	3,128,294	-
Restricted Net Position	-	82,421	57,633	-
Unrestricted Net Position	1,034,603	141,783	666,290	7,202
TOTAL NET POSITION	1,521,506	5,765,322	3,852,217	7,202
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 1,768,981	$ 6,088,179	$ 4,997,720	$ 7,202

The accompanying notes are an integral part of these financial statements

Total	
2018	2017
$ 1,824,427	$ 1,742,964
132,051	67,468
242,061	277,808
-	-
2,198,539	2,088,240
16,191,527	16,079,622
(5,527,984)	(5,179,724)
10,663,543	10,899,898
$ 12,862,082	$ 12,988,138
$ 142,146	$ 91,063
48,323	49,225
18,138	18,417
208,607	158,705
122,364	109,021
1,384,864	2,512,967
1,507,228	2,621,988
1,715,835	2,780,693
9,156,315	8,277,910
140,054	140,054
1,849,878	1,789,481
11,146,247	10,207,445
$ 12,862,082	$ 12,988,138

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	Business-type Activities			
	Electric Fund	**Water Fund**	**Sewer Fund**	**Other Funds**
Operating Revenues				
Utility Charges	$ 1,187,518	$ 337,225	$ 334,520	$ 122,029
Other Charges for Services	12,068	-	541	-
Total Revenues	1,199,586	337,225	335,061	122,029
Operating Expenses				
Management Fees	87,845	52,345	47,744	3,718
Personnel Services	214,087	114,013	113,706	6,030
Commodity Charges	640,708	-	-	-
Administrative/Office Expenses	150	275	-	-
Insurance	10,056	7,874	5,638	-
Operating Supplies	5,762	15,171	4,263	-
Professional Fees	11,451	4,918	-	120,055
Repairs and Maintenance	4,438	10,904	3,867	-
Travel and Training	1,050	401	60	-
Treatment	-	5,148	12,853	-
Telephone and Utilities	3,093	22,334	30,710	-
Other Operating Expenses	10,185	6,142	-	341
Depreciation Expense	35,923	184,568	127,769	-
Other Capital Outlay	41,278	45,001	-	-
Total Expenditures	1,066,026	469,094	346,610	130,144
Operating Income (Loss)	133,560	(131,869)	(11,549)	(8,115)
Other Income (Expense)				
Investment Earnings	-	-	58	-
Interest Expense	(4,352)	(14,418)	(44,881)	-
Total Other Income (Expense)	(4,352)	(14,418)	(44,823)	-
Net Income (Loss)	129,208	(146,287)	(56,372)	(8,115)
Contributed Capital				
Intergovernmental Revenue	-	1,009,368	-	-
Change in Net Position	129,208	868,581	(50,872)	(8,115)
Net Position, Beginning	1,392,298	4,896,741	3,903,089	15,317
Net Position, Ending	$ 1,521,506	$ 5,765,322	$ 3,852,217	$ 7,202

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

Total	
2018	2017
$ 1,981,292	$ 2,043,643
12,609	29,374
1,993,901	2,073,017
191,652	181,142
447,836	417,757
640,708	628,930
425	350
23,568	24,081
25,196	32,648
136,424	115,107
19,209	25,223
1,511	292
18,001	22,705
56,137	56,118
16,668	(555)
348,260	282,379
86,279	82,953
2,011,874	1,869,130
(17,973)	203,887
58	20
(63,651)	(68,128)
(63,593)	(68,108)
(81,566)	135,779
1,009,368	1,927,220
938,802	2,064,999
10,207,445	8,142,446
$ 11,146,247	$ 10,207,445

TOWN OF OAK CREEK

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	Business-type Activities			
	Electric Fund	**Water Fund**	**Sewer Fund**	**Other Funds**
Cash Flows From Operating Activities:				
Cash Received from Customers	$ 1,222,708	$ 347,022	$ 336,732	$ 122,285
Cash Paid to Suppliers	(726,997)	(168,749)	(83,881)	(122,559)
Cash Paid for Interfund Services	(87,845)	(52,345)	(47,744)	(3,718)
Cash Paid to Employees	(150,099)	(82,365)	(82,365)	(3,867)
Net Cash Provided by Operating Activities	257,767	43,563	122,742	(7,859)
Cash Flows From Capital and Related Financing Activities				
Debt Principal Payments	(36,356)	(1,055,682)	(22,721)	-
Grant Proceeds	-	1,009,368	-	-
Interest Payments	(4,352)	(14,418)	(45,160)	-
Proceeds of Capital Asset Sales	-	-	-	-
Acquisition of Capital Assets	(4,500)	(86,412)	(20,993)	-
Cash Flows Used by Capital and Related Financing Activities	(45,208)	(141,644)	(83,374)	-
Cash Flows (Uses) From Noncapital Financing Activities				
Cash from Other Funds	-	(17,500)	17,500	-
Cash Flows (Uses) From Investing Activities:				
Interest Received	-	-	58	-
Net Increase (Decrease) in Cash	212,559	(115,581)	56,926	(7,859)
Cash - Beginning	840,875	638,989	326,599	3,969
Cash - Ending	$ 1,053,434	$ 523,408	$ 383,525	$ (3,890)
Cash	$ 1,053,434	$ 468,698	$ 306,184	$ (3,890)
Restricted Cash and Investments	-	54,710	77,341	-
Total	$ 1,053,434	$ 523,408	$ 383,525	$ (3,890)
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	$ 133,560	$ (131,869)	$ (11,549)	$ (8,115)
Adjustments to Reconcile Operating Income (Loss to Net Cash Provided by Operating Activities:				
Depreciation Expense	35,923	184,568	127,769	-
Changes in Assets and Liabilities Related to Operations				
(Increase) Decrease in:				
Utility Receivable	24,024	9,797	1,671	256
Prepaid Expenses	-	-	-	-
(Increase) Decrease in:				
Accounts Payable	65,162	(18,933)	4,851	-
Deposits and Escrow	(902)	-	-	-
Total Adjustments	124,207	175,432	134,291	256
Net Cash Used for Operating Activities	$ 257,767	$ 43,563	$ 122,742	$ (7,859)

The accompanying notes are an integral part of these financial statements

Total	
2018	2017
$ 2,028,747	$ 2,018,673
(1,102,186)	(1,139,432)
(191,652)	(181,142)
(318,696)	(306,535)
416,213	391,564
(1,114,759)	1,006,027
1,009,368	1,927,220
(63,930)	(68,396)
-	28,673
(111,905)	(3,565,659)
(270,226)	(670,135)
-	-
58	20
146,045	(278,551)
1,810,432	2,088,983
$ 1,956,477	$ 1,810,432
$ 1,824,426	$ 1,742,964
132,051	67,468
$ 1,956,477	$ 1,810,432
$ (17,973)	$ 203,887
348,260	282,379
35,748	(43,094)
-	616
51,080	(40,974)
(902)	(11,250)
434,186	187,677
$ 416,213	$ 391,564

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

HISTORY AND FUNCTION OF ORGANIZATION
The Town of Oak Creek, Colorado is a political subdivision of the State of Colorado governed by a seven member board of trustees. The Town was incorporated in 1907 in Routt County, Colorado. The Town is a full service entity providing public safety, public works, and parks and recreation services as well as providing electric, water, sewer and trash services.

REPORTING ENTITY
In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is 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. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it. Based on the application of these criteria, the Town has not included any other organizations within its reporting entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the Town as a whole. The reporting information includes all of the non-fiduciary activities of the Town. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. Internal activity has been eliminated within the function for the statement of activities presentation.

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

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

General Fund
The general fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and Town administration.

Special Revenue Fund
This fund accounts for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The Town's major special revenue fund is as follows:

LiveWell Grant Fund
This fund accounts for funds received through LiveWell Colorado, for which the Town acts as fiscal agent, and are utilized to fund parks, recreation and other health related projects in Oak Creek and in the surrounding region. The expenses incurred by this fund including project and administrative costs are separate and unique from Town functions, and the Town does not receive any direct benefit from the activities reported in this fund. The Town reports its LiveWell grant projects in its General Fund. The Town no longer will report the LiveWell grant fund after 2018.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary Funds
The Town also reports the following major proprietary funds

Electric, Water, Sewer, and Trash Funds
These funds account for the activities related to the offering of the respective services to the Town's residents.

BUDGETS AND BUDGETARY ACCOUNTING
Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.

2) Certification of mill levies to the County Commissioners by December 15 of each year.

3) Final adoption of the budget and appropriations by December 31 of each year.

The Town does not utilize encumbrance accounting and all appropriations lapse at year end. The budgets presented are as originally adopted or supplemented during the year.

CASH AND EQUIVALENTS
Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

PROPERTY TAXES
Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced. The deferred revenue is shown as a deferred inflow of financial resources in the financial statements.

ACCOUNTS RECEIVABLE
Based upon a review of the existing accounts receivable and the fact that any uncollectible water and sewer receivables can be certified to the County Treasurer as such and attached to the tax rolls, no allowance for doubtful accounts is provided.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

CAPITAL ASSETS
Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

The Town has elected to not retroactively report infrastructure and had no additions to its infrastructure for the year. Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives.

Buildings	20 - 40 years
Vehicles and Equipment	10 - 20 years
Utility Systems	5 - 50 years

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)
The Town permits an employee to carry over up to 80 hours of unused vacation pay to the next calendar year upon approval by the town administrator with amounts above that requiring board approval. The Town assumes that the employee will use all carryover vacation as well as any current vacation earned in the same year. Sick leave accumulates up to 12 days annually with no limitation on the maximum amount that can be accumulated. An employee will not be paid upon termination for sick leave. The Town has accrued $16,650 in the governmental activities presentation for accrued compensated absences at December 31, 2018.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES
Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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 government only has pension related items as further described in Note 6.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element 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 is reporting two items, the first is at the governmental activity and governmental fund level related to property taxes that were milled in 2018 for collection in 2018. In addition, the governmental activities reports deferred inflows related to pension obligations as further described in Note 6.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION/FUND BALANCES

In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the Town Board, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

DEPOSITS

The Town's cash and investment balances as of December 31, 2018 are comprised of and allocated in the financial statements as follows:

Cash	$ 753,042
Investments	1,381,847
Total Cash and Investments	**$ 2,134,889**
Cash and Investments	$ 2,002,738
Restricted Cash and Investments	132,151
Total Cash and Investments	**$ 2,134,889**

Custodial Credit Risk - Deposits
In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2018, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Book Balance
FDIC Insured	$ 500,000	$ 500,000
PDPA Secured (Not in Entity's Name)	259,431	252,339
Petty Cash	-	702
Total Cash	**$ 759,431**	**$ 753,041**

INVESTMENTS

Credit Risk
Colorado statutes specify which instruments units of local government may invest, which include:

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

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

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

The Town does not have an investment policy that would further limit its investment choices.

During the year ended December 31, 2018, the Town invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner.

It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation. The balance of this investment at December 31, 2018 was $1,381,847.

<u>Concentration of Credit Risk</u>
The Town places no limit on the amount that may be invested in any one issuer.

<u>Interest Rate Risk</u>
Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes.

<u>Custodial Credit Risk – Investments</u>
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2018, the Town did not hold any securities that required safekeeping.

NOTE 2: CASH AND INVESTMENTS (Continued)

RESTRICTED CASH

Restricted cash represents those amounts collected for a particular purpose but unspent as of the end of the fiscal year.

The Town's restricted cash balances at December 31, 2018 are comprised of the following:

General Fund	
Conservation Trust Funds	$ 100
Water Fund	
Water 3 Month O&M Reserve	54,710
Sewer Fund	
Sewer Debt Service Reserve	51,325
Sewer O&M and Short-Lived Asset Reserve	26,016
Total Sewer Fund	77,341
Total Restricted Cash	**$132,151**

NOTE 3: CAPITAL ASSETS

Changes in governmental capital assets for the year were as follows:

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 216,766	$ -	$ -	$ 216,766
Construction in Progress	-	15,570	-	15,570
Total Capital Assets not being Depreciated	216,766	15,570	-	232,336
Capital Assets being Depreciated:				
Buildings & Improvements	1,549,171	8,432	-	1,557,603
Vehicles & Equipment	551,265	29,008	-	580,273
Total Capital Assets	2,100,436	37,440	-	2,137,876
Less Accumulated Depreciation:				
Buildings & Improvements	(788,843)	(56,024)	-	(844,867)
Vehicles & Equipment	(312,064)	(35,778)	-	(347,842)
Total Accumulated Depreciation	(1,100,907)	(91,802)	-	(1,192,709)
Net Capital Assets	**$ 1,216,295**	**$ (38,792)**	**$ -**	**$ 1,177,503**

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation by Function:

General Government	$ 8,404
Public Safety	11,003
Public Works	20,174
Parks and Recreation	52,221
Total Depreciation	**$ 91,802**

A summary of changes in business-type activity capital assets at December 31, 2018 is as follows:

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Business-Type Activities:				
Capital Assets:				
Electrical System	$ 2,308,964	$ 4,500	$ -	$ 2,313,464
Water System	7,882,040	86,412	-	7,968,453
Sewer System	5,888,618	20,992	-	5,909,610
Total Capital Assets	16,079,622	111,904	-	16,191,527
Less Accumulated Depreciation:				
Electrical System	(1,722,967)	(35,923)	-	(1,758,890)
Water System	(1,920,500)	(184,568)	-	(2,105,069)
Sewer System	(1,536,256)	(127,769)	-	(1,664,025)
Total Accumulated Depreciation	(5,179,723)	(348,260)	-	(5,527,984)
Net Capital Assets	**$ 10,899,899**	**$ (236,356)**	**$ -**	**$10,663,543**

NOTE 4: LONG TERM DEBT – GOVERNMENTAL ACTIVITIES

At December 31, 2018, the Town had the following governmental long term debt obligations:

	Balance 12/31/17	Advances	Payments	Balance 12/31/18	Current Portion	Interest Paid
2017 Equipment Capital Lease	$ 90,635	$ -	$ 15,725	$ 74,910	$ 16,278	$ 2,888
2018 Equipment Capital Lease	-	17,355	-	17,355	3,169	-
Accrued Compensated Absences	15,737	913	-	16,650	-	-
Totals	**$ 106,372**	**$ 18,268**	**$ 15,725**	**$ 108,915**	**$ 19,447**	**$ 2,888**

NOTE 4: **LONG TERM DEBT – GOVERNMENTAL ACTIVITIES**

2017 Capital Lease

In 2017, the Town entered into a capital lease agreement for the purchase of a 2015 Ford Van, 2016 Ford Explorer Police Interceptor, Caterpillar Backhoe Loader, and a 2017 Dodge Ram 3500 Pickup. As part of this agreement the Town agreed to trade in the 2002 Cat Loader that the Town owned, which had no remaining basis. The lease requires monthly payments of $3,318. The lease bears interest at 3.46%. Payments related to this lease will be paid by the General, Water, Sewer and Electric Funds. The allocation of the assets and lease liability are 46.75% General, 17.75% Electric, 17.75 % Water and 17.75% Sewer. The Town has capitalized assets with a remaining basis of $213,394 related to this lease.

The following is a schedule of the future minimum lease payments required under the capital lease, to be made proportionally by fund based on the amounts shown above, for the vehicle and equipment purchase, and the present value of the remaining payments as of December 31, 2018:

Year		Minimum Annual Payment
2019	$	39,819
2020		33,249
2021		31,059
2022		17,685
2023		13,227
2024-2027		42,988
Future Min. Lease Pmt		178,027
Imputed Interest 3.46%		15,865
Present Value FMLP	$	193,892

In 2018, the Town entered into a capital lease agreement for the purchase of four portable police radios. The lease requires annual payments of $4,241. The lease bears interest at 7.08%. Payments related to this lease will be paid by the General Fund. The Town has capitalized assets with a remaining basis of $15,620 related to this lease.

The following is a schedule of the future minimum lease payments required under the capital lease:

Year		Minimum Annual Payment
2019	$	3,169
2020		3,169
2021		3,408
2022		3,666
2023		3,943
Future Min. Lease Pmt		17,355
Imputed Interest 7.08%		3,852
Present Value FMLP	$	21,207

NOTE 5: LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES (Continued)

Changes in long-term debt for the year ended December 31, 2018 are as follows:

	Balance 12/31/17	Advances	Payments	Balance 12/31/18	Current Portion	Interest Expense
2000 Electric Note Payable	$ 69,609	$ -	$ 30,385	$ 39,224	$ 32,294	$ 4,973
2003 CWRPDA Water Note	345,917	-	52,099	293,818	54,204	15,344
2010 Sewer Revenue Bonds	1,105,593	-	16,749	1,088,844	17,320	44,713
2017 CWRPDA Note Payable	997,611	-	997,611	-	-	-
2017 Equipment Capital Lease	103,257	-	17,915	85,342	18,546	3,290
Totals	**$ 2,621,987**	**$ -**	**$ 1,114,759**	**$ 1,507,228**	**$ 122,364**	**$ 68,320**

Details of the Town's outstanding business-type activity debt are as follows:

ELECTRIC FUND
The Town issued Electrical Enterprise Revenue Note, Series 2000 (the Electrical Note) on February 29, 2000 in the amount of $400,000 to finance improvements to the Town's existing electrical power system. The Electrical Note is secured by a lien on the revenue of the electric fund and is payable monthly over a 20-year period. The Electrical Note bears interest at 5.75% annually until February 15, 2003 and will be adjusted every 5 years thereafter at a per annum interest rate equal to 96.28% of the then current 5-year U.S. Treasury note. The current interest rate is 5.75%.

WATER FUND

In November 2003, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority ("CWRPDA") for the purpose of constructing water system improvements. CWRPDA has committed funding up to $981,198. The loan has a 20 year term and bears interest at 4% per annum. Payments of $32,710 principal and interest are due semiannually on May 1 and November 1 of each year through November 1, 2023. The first payment was due May 1, 2004. The loan requires a three month operations and maintenance reserve computed to be $59,464 as of December 31, 2018.

In February 2017, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority ("CWRPDA") for the purposes of constructing improvements to the main street water line. CWRPDA had committed funding up to $1,000,000. The loan had a 30 year term and bears interest at 1% per annum. Payments of 3,222 principal and interest were due semiannually on May 1 and November 1 of each year. In January 2018 CWRPDA forgave the remaining principal due on the loan in the amount of $997,611.

SEWER FUND

In 2010, the Town issued Sewer Revenue Bonds in the amount of $1,208,000 through the USDA Department of Rural Development. The bonds bear interest at 4% with semi-annual payments of $30,406 due on February 1st and August 1st beginning February 1, 2011. There are debt service and operations and maintenance reserve requirements related to this loan, with $67,468 of restricted cash to meet the requirements as of December 31, 2018.

NOTE 5: **LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES** (Continued)

Future payments on long-term debt are scheduled as follows:

Year	Principal	Interest	Total
2019	$ 103,818	$ 56,114	$ 159,932
2020	80,906	51,868	132,774
2021	77,420	48,812	126,232
2022	80,548	45,684	126,232
2023	83,781	42,451	126,232
2024-2028	114,448	189,612	304,060
2029-2033	139,512	164,548	304,060
2033-2037	170,064	133,996	304,060
2038-2042	207,307	96,753	304,060
2043-2047	252,706	51,354	304,060
2048-2050	111,376	7,970	119,346
Totals	**$ 1,421,886**	**$ 889,162**	**$ 2,311,048**

In addition, the Enterprise Funds will be responsible for their proportionate share of the 2017 equipment lease with a remaining balance of $85,342 as described in the Governmental Activities Long-Term Debt shown above (Note 4).

NOTE 6: **PENSION PLANS**

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies
Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan
Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2017, that can be obtained at:
http://fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf.

NOTE 6: PENSION PLANS (Continued)

General Information about the Pension Plan (Continued)

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Contributions from members and employers of departments re-entering the system are established by resolution and approve by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

NOTE 6: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were $16,448 for the plan year ended December 31, 2017 and $16,770 for the fiscal year ended December 31, 2018. The current year contributions will be expensed in 2018 for FPPA purposes and are a timing difference at year end.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Town reported an asset of $25,382 for its proportionate share of the SWDB's net pension asset. The net pension asset or liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Town's proportion of the net pension asset was based on Town's contributions to the SWDB for the calendar year 2017 relative to the total contributions of participating employers to the SWDB.

At December 31, 2017, the Town's proportion was .017643%, which was a decrease of .001904% from its proportion measured as of December 31, 2016.

NOTE 6: PENSION PLANS (Continued)

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

For the year ended December 31, 2018 the Town recognized pension expense of $(3,595). At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 18,286	$ (231)
Changes of assumptions or other inputs	$ 3,148	$ -
Net difference between projected and actual earnings on pension plan	$ 10,867	$ (20,412)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ 3,821	$ (756)
Contributions subsequent to the measurement date	$ 16,770	$ -
Total	$ 52,892	$ (21,399)

$16,770 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2019.

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

Year Ended December 31:	Fiscal year Total
2019	$ 2,838
2020	2,515
2021	(499)
2022	(2,004)
2023	3,099
2024-2028	8,774
Total	$ 14,723

NOTE 6: PENSION PLANS (Continued)

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

Actuarial assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net	7.50%
Salary increase, including wage inflation	4.00-14.00%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study adopted by FPPA's Board in July, 2011. The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

NOTE 6: **PENSION PLANS (Continued)**

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.33%
Equity Long/Short	9.00%	7.15%
Illiquid Alternatives	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	6.85%
Cash	2.00%	2.26%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension asset (liability)	$ (27,634)	$ 25,382	$ 69,406

DEFINED CONTRIBUTION PLAN

The Town offers its employees a Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The contribution rate for the Town is 3% for covered employees or as contractually agreed to by the board. The Town's contributions to the Benefit Plan for the year ending December 31, 2018, 2017 and 2016 were $28,668, $27,138, and $26,453, respectively, equal to their required contributions.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. The Town has no ownership interest in the Plan nor is the Town liable for any losses under the Plan.

NOTE 7: INTERFUND ACTIVITY

The utility funds and grant fund have paid to the General Fund the following management and overhead fees:

	Overhead Allocations	Management Fees
General Fund	$ 94,753	$ 96,900
Electric Fund	(30,345)	(57,500)
Water Fund	(30,345)	(22,000)
Sewer Fund	(30,345)	(17,400)
Trash Fund	(3,718)	-
	$ -	$ -

NOTE 8: COMMITMENTS AND CONTINGENCIES

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2018.

NOTE 9: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS

Tax Spending and Debt Limitations

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

The Town's financial activity for the year ended December 31, 2018 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth.

Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

In November 1998, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1998, as well as the full amount of all revenues generated by all sources for each subsequent year without limitation under Article X, Section 20 of the Colorado Constitution.

NOTE 9: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The Town's management believes it is in compliance with the TABOR amendment.

The Article requires an emergency reserve be set aside for 2018 in the amount of 3% or more of its fiscal year spending. At December 31, 2018, the Town has reserved the following for emergencies:

General Fund	$ 23,000

Subsequent Appropriations/Other Restrictions and Commitments

Through adoption of the 2019 budget, the Town has appropriated a decrease of $21,173 in carryover reserves for the General Fund. In addition, the Town has restricted of committed other funds as noted below:

	Restricted Equity
Governmental Activities	
Conservation Trust Fund	$ 100
TABOR Emergency Reserve	23,000
Total Government Activities	**$ 23,100**
Business-type Activity	
Water CWRPDA O&M Reserve	$ 54,710
Sewer Bond Debt Service Reserve	51,325
Sewer Short Lived Asset Reserve	26,016
Total Business-type Activities	**$ 132,051**

NOTE 9: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS

Subsequent Appropriations/Other Restrictions and Commitments

	Fund Equity	
General Fund	**Committed**	**Restricted**
Conservation Trust Fund	$ -	$ 100
TABOR Emergency Reserve	-	23,000
Coal Queen Scholarship	-	3,750
Parking Fee in Lieu	-	20,534
Parks Grants	-	10,000
Operating Reserve	73,060	-
2019 Budget Usage	21,173	-
Capital Reserve - Parks	21	-
Capital Reserve - Police	9,555	-
Capital Reserve - Public Works	4,866	-
Total General Fund	**$ 108,675**	**$ 57,384**
Water Fund		
CWRPDA O&M Reserve		**$ 54,710**
Sewer Fund		
Bond Debt Service Reserve		$ 51,325
Bond Short Lived Asset Reserve		26,016
Total Sewer Fund		**$ 77,341**

NOTE 10: RISK MANAGEMENT

The Town of Oak Creek, Colorado carries commercial insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions. The Town's risk of loss transfers to those carriers.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules – Unaudited)

TOWN OF OAK CREEK

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years[1]

	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Town's proportion of the net pension asset (liability)	0.017643%	0.019547%	0.014525%	0.014437%	0.021323%
Town's proportionate share of the net pension asset (liability)	$ 25,382	$ (7,063)	$ 256	$ 16,294	$ 19,067
Town's covered payroll	$ 103,200	$ 100,038	$ 70,413	$ 64,926	$ 92,617
Town's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	24.60%	7.06%	0.36%	25.10%	20.59%
Plan fiduciary net position as a percentage of the total pension liability	106.34%	98.21%	100.10%	106.83%	105.83%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years[1]

	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Contractually required contributions	$ 8,256	$ 8,003	$ 5,633	$ 5,194	$ 7,409
Actual contributions	(8,256)	(8,003)	(5,633)	(5,194)	(7,409)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 103,200	$ 100,038	$ 70,413	$ 64,926	$ 92,617
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%	8.00%	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2017 Actual
REVENUES					
Taxes					
Property Taxes	$ 91,000	$ 91,000	$ 91,028	$ 28	$ 76,727
Specific Ownership Taxes	6,000	6,000	7,610	1,610	6,082
Sales and Use Taxes	213,250	213,250	214,248	998	184,458
Other Taxes	1,400	1,400	2,583	1,183	992
Total Tax Revenue	311,650	311,650	315,469	3,819	268,259
Intergovernmental Revenues					
Cigarette Taxes	1,100	1,100	771	(329)	1,158
Cons Trust Fund Revenue	8,500	8,500	9,255	755	8,869
Highway Users	28,000	35,000	36,419	1,419	29,563
Road and Bridge	2,300	2,300	3,094	794	2,756
Clerk/Motor Vehicle Fees	3,700	4,800	5,172	372	4,209
Mineral Lease	6,250	6,250	1,426	(4,824)	6,250
Severance Tax	7,321	7,321	12,420	5,099	7,321
State Grants	102,000	188,500	68,067	(120,433)	92,895
Total Intergovernmental Revenue	159,171	253,771	136,624	(117,147)	153,021
Licenses and Permits					
Liquor Licenses	600	600	2,823	2,223	693
Marijuana Licenses	96,500	96,500	91,830	(4,670)	96,607
Animal Licenses	500	500	404	(96)	469
Total Licenses and Permits	97,600	97,600	95,057	(2,543)	97,769
Fines and Forfeits	3,250	4,250	2,663	(1,587)	2,762
Internal Charges					
Administrative/Management Fees	96,900	96,900	96,900	-	90,200
Charges for Services					
Recreation/Comm Ctr Charges	35,100	37,100	35,096	(2,004)	111,620
Other Charges for Services	14,800	15,800	16,165	365	14,496
Total Charges for Services	49,900	52,900	51,261	(1,639)	126,116
Investment Earnings	15,500	20,000	29,739	9,739	16,147
Other Revenues					
Other Miscellaneous Revenue	3,230	3,230	4,425	1,195	14,927
TOTAL REVENUES	737,201	840,301	732,138	(108,163)	769,201

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2017 Actual
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	94,530	94,530	92,380	2,150	246,114
Contract labor	2,000	2,000	-	2,000	1,495
Equipment Rentals	600	600	566	34	716
Insurance	14,200	40,233	13,804	26,429	15,609
Professional Fees	41,300	41,300	29,123	12,177	55,178
Repairs and Maintenance	13,000	19,000	20,390	(1,390)	16,910
Supplies	13,000	13,000	13,436	(436)	13,185
Telephone and Utilities	11,500	11,500	11,330	170	12,046
Travel and Training	5,200	5,200	5,683	(483)	4,058
Overhead	(34,920)	(38,520)	(44,195)	5,675	(42,837)
Other Expenses	13,800	70,000	27,866	42,134	13,300
Total General Government	174,210	258,843	170,383	88,460	335,774
Public Safety					
Personnel Services	238,926	239,973	237,916	2,057	231,878
Fuel and Automotive	3,900	3,900	5,346	(1,446)	4,516
Professional Fees	3,470	3,470	1,018	2,452	2,574
Repairs and Maintenance	8,250	8,250	5,034	3,216	6,706
Supplies	6,000	6,000	4,147	1,853	2,333
Telephone and Utilities	3,200	3,200	2,206	994	2,888
Travel and Training	5,200	13,200	7,841	5,359	3,446
Other Expenses	6,700	7,400	8,085	(685)	2,452
Total Public Safety	275,646	285,393	271,593	13,800	256,793
Public Works					
Personnel Services	58,709	58,709	57,154	1,555	53,542
Contract Labor	-	-	-	-	1,676
Equipment Rentals	1,000	1,000	-	1,000	-
Fuel and Automotive	12,500	12,500	11,685	815	9,746
Insurance	1,450	1,450	1,409	41	1,804
Professional Fees	2,050	2,350	1,025	1,325	1,954
Repairs and Mainenance	37,300	42,300	48,213	(5,913)	51,885
Supplies	11,500	12,700	11,581	1,119	18,782
Telephone and Utilities	17,100	17,100	20,756	(3,656)	18,668
Travel and Training	1,000	1,000	687	313	633
Other Expenses	(45,887)	(49,512)	(50,288)	776	(51,107)
Total Public Works	96,722	99,597	102,222	(2,625)	107,583

See accompanying Independent Auditors' Report.

(Continued)

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2017 Actual
(Continued)					
Parks, Recreation and Other					
Personnel Services	87,448	90,424	87,598	2,826	76,621
Contract labor	2,000	2,000	1,320	680	1,671
Equipment Rentals	3,865	3,865	3,865	-	3,865
Fuel and Automotive	700	700	844	(144)	649
Professional Fees	5,000	-	134	(134)	-
Repairs and Maintenance	6,600	6,600	3,917	2,683	3,844
Supplies	10,300	10,300	12,224	(1,924)	11,768
Telephone and Utilities	11,300	11,300	12,247	(947)	10,495
Travel and Training	3,000	3,000	1,648	1,352	2,001
Other Expenses	11,500	11,500	7,851	3,649	9,277
Total Parks, Recreation & Other	141,713	139,689	131,648	8,041	120,191
Capital Outlay					
General Government Capital Outlay	5,000	5,000	5,816	(816)	(98,395)
Public Works Capital Outlay	5,000	5,000	5,399	(399)	110,443
Parks, Recreation and Other Capital Outlay	25,000	66,000	42,928	23,072	7,318
Total Capital Outlay	35,000	76,000	54,143	21,857	19,366
Debt Service					
Principal	22,500	29,950	18,613	11,337	10,642
TOTAL EXPENDITURES	745,791	889,472	748,602	140,870	850,349
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (8,590)	$ (49,171)	(16,464)	$ 32,707	(81,148)
Budget to GAAP Basis Reconciliation					
Debt Proceeds			17,355		102,371
Capital Outlay			(17,355)		(102,371)
NET CHANGE IN FUND BALANCE - GAAP BASIS			(16,464)		(81,148)
FUND BALANCE, BEGINNING			194,212		275,360
FUND BALANCE, ENDING			$ 177,748		$ 194,212

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018
With Comparative Totals for December 31, 2017

	Live Well Grant Fund	Total 2018	Total 2017
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Restricted Cash and Investments	$ -	$ -	$ 99
Accounts Receivable	-	-	750
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ -	$ -	$ 849
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ -	$ -	$ 697
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Grants	-	-	849
FUND BALANCE			
Restricted Fund Balance	-	-	(697)
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ -	$ -	$ 849

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	Live Well Grant	Total	
	Fund	2018	2017
REVENUES			
Other Revenues	$ 849	$ 849	$ 54,719
EXPENDITURES			
Current:			
General Government	-	-	3,000
Capital Outlay	152	152	52,416
TOTAL EXPENDITURES	152	152	55,416
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	697	697	(697)
FUND BALANCE, BEGINNING	(697)	(697)	-
FUND BALANCE, ENDING	$ -	$ -	$ (697)

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
Live Well Grant Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			2017
	Final Budget	Actual	Variance With Final Budget	Actual
REVENUES				
Donations	$ -	$ 849	$ 849	$ 54,719
EXPENDITURES				
General Government				
Overhead	-	-	-	3,000
Parks, Recreation and Other Capital Outlay	153	152	1	52,416
TOTAL EXPENDITURES	153	152	1	55,416
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (153)	697	$ 850	(697)
FUND BALANCE, BEGINNING		(697)		-
FUND BALANCE, ENDING		$ -		$ (697)

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018
With Comparative Totals for December 31, 2017

	Trash Fund	Total 2018	Total 2017
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	$ (3,890)	$ (3,890)	$ 3,969
Utility Receivable	11,092	11,092	11,348
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 7,202	$ 7,202	$ 15,317
NET POSITION			
Unrestricted Net Position	$ 7,202	$ 7,202	$ 15,317

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	Trash	Total	
	Fund	2018	2017
Operating Revenues			
Utility Charges	$ 122,029	$ 122,029	$ 111,448
Operating Expenses			
Management Fees	3,718	3,718	3,546
Personnel Services	6,030	6,030	4,131
Professional Fees	120,055	120,055	98,448
Other Operating Expenses	341	341	395
Total Expenditures	130,144	130,144	106,520
Change in Net Position	(8,115)	(8,115)	4,928
Net Position, Beginning	15,317	15,317	10,389
Net Position, Ending	$ 7,202	$ 7,202	$ 15,317

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

COMBINING SCHEDULE OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	Trash	Total	
	Fund	2018	2017
Cash Flows From Operating Activities:			
Cash Received from Customers	$ 122,285	$ 122,285	$ 111,780
Cash Paid to Suppliers	(122,559)	(122,559)	(99,596)
Cash Paid for Interfund Services	(3,718)	(3,718)	(3,546)
Cash Paid to Employees	(3,867)	(3,867)	(3,378)
Net Cash Provided by Operating Activities	(7,859)	(7,859)	5,260
Cash - Beginning	3,969	3,969	(1,291)
Cash - Ending	$ (3,890)	$ (3,890)	$ 3,969
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:			
Operating Income (Loss)	$ (8,115)	$ (8,115)	$ 4,928
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Utility Receivable	256	256	332
Net Cash Used for Operating Activities	$ (7,859)	$ (7,859)	$ 5,260

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Electric Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 1,202,780	$ 1,187,518	$ (15,262)	$ 1,195,773
Other Charges for Services	16,000	12,068	(3,932)	23,169
Total Revenues	1,218,780	1,199,586	(19,194)	1,218,942
Operating Expenses				
Management Fees	86,508	87,845	(1,337)	80,025
Personnel Services	218,812	214,087	4,725	188,779
Commodity Charges	625,000	640,708	(15,708)	628,930
Administrative/Office Expenses	1,000	150	850	75
Insurance	10,100	10,056	44	9,973
Operating Supplies	21,000	5,762	15,238	8,908
Professional Fees	10,000	11,451	(1,451)	13,388
Repairs and Maintenance	25,500	4,438	21,062	5,818
Travel and Training	3,500	1,050	2,450	250
Telephone and Utilities	4,500	3,093	1,407	4,502
Other Operating Expenses	3,000	10,185	(7,185)	4,368
Other Capital Outlay	406,400	45,778	360,622	76,775
Total Expenditures	1,415,320	1,034,603	380,717	1,021,791
Operating Income (Loss)	(196,540)	164,983	361,523	197,151
Other Income (Expense)				
Debt Service	(41,455)	(40,708)	747	(38,941)
Change in Net Position (Budget Basis)	$ (237,995)	124,275	$ 362,270	158,210
Budget to GAAP Reconciliation				
Principal Paid		36,356		33,124
Depreciation Expense		(35,923)		(53,151)
Capital Outlay		4,500		-
Change in Net Position - GAAP Basis		129,208		138,183
Net Position, Beginning		1,392,298		1,254,115
Net Position, Ending		$ 1,521,506		$ 1,392,298

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Water Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 440,100	$ 337,225	$ (102,875)	$ 397,135
Other Charges for Services	100	-	(100)	4,392
Total Revenues	440,200	337,225	(102,975)	401,527
Operating Expenses				
Management Fees	51,008	52,345	(1,337)	50,025
Personnel Services	114,026	114,013	13	112,837
Administrative/Office Expenses	325	275	50	275
Insurance	7,225	7,874	(649)	7,828
Operating Supplies	18,200	15,171	3,029	18,733
Professional Fees	6,000	4,918	1,082	1,456
Repairs and Maintenance	15,800	10,904	4,896	17,357
Travel and Training	2,000	401	1,599	42
Treatment	13,702	5,148	8,554	9,703
Telephone and Utilities	23,000	22,334	666	23,069
Other Operating Expenses	-	6,142	(6,142)	(2,600)
Other Capital Outlay	105,000	131,414	(26,414)	3,501,531
Total Expenditures	356,286	370,939	(14,653)	3,740,256
Operating Income (Loss)	83,914	(33,714)	(117,628)	(3,338,729)
Other Income (Expense)				
Other Revenue	250	-	(250)	-
Debt Service	(150,045)	(72,489)	77,556	(73,943)
Total Other Income (Expense)	(149,795)	(72,489)	77,306	(73,943)
Net Income (Loss) before Transfers	(65,881)	(106,203)	(40,322)	(3,412,672)
Transfers				
Transfers In/(Out)	-	-	-	350,000
Net Income (Loss), Budget Basis	(65,881)	(106,203)	(40,322)	(3,062,672)
Contributed Capital				
Plant Investment Fees	5,500	5,500	-	1,500
Intergovernmental Revenue	1,040,000	11,757	(1,028,243)	1,927,220
Total Contributed Capital	1,045,500	17,257	(1,028,243)	1,928,720
Change in Net Position (Budget Basis)	$ 979,619	(88,946)	$ (1,068,565)	(1,133,952)
Budget to GAAP Reconciliation				
Principal Paid		1,055,682		56,921
Depreciation Expense		(184,568)		(102,627)
Capital Outlay		86,413		3,498,110
Change in Net Position - GAAP Basis		868,581		2,318,452
Net Position, Beginning		4,896,741		2,578,289
Net Position, Ending		$ 5,765,322		$ 4,896,741

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Sewer Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 340,100	$ 334,520	$ (5,580)	$ 339,287
Other Charges for Services	1,850	541	(1,309)	1,813
Total Revenues	341,950	335,061	(6,889)	341,100
Operating Expenses				
Management Fees	46,408	47,744	(1,336)	47,546
Personnel Services	115,426	113,706	1,720	112,010
Insurance	5,800	5,638	162	6,280
Operating Supplies	5,500	4,263	1,237	5,007
Professional Fees	5,000	-	5,000	1,815
Repairs and Maintenance	5,500	3,867	1,633	2,048
Travel and Training	500	60	440	-
Treatment	9,500	12,853	(3,353)	13,002
Telephone and Utilities	26,000	30,710	(4,710)	28,547
Other Operating Expenses	7,075	-	7,075	(2,718)
Other Capital Outlay	25,000	20,992	4,008	2,757
Total Expenditures	251,709	239,833	11,876	216,294
Operating Income (Loss)	90,241	95,228	4,987	124,806
Other Income (Expense)				
Investment Earnings	50	58	8	20
Other Revenue	8,750	-	(8,750)	-
Debt Service	(68,562)	(67,602)	960	(65,845)
Total Other Income (Expense)	(59,762)	(67,544)	(7,782)	(65,825)
Net Income (Loss) before Transfers	30,479	27,684	(2,795)	58,981
Transfers				
Transfers In/(Out)	-	-	-	(350,000)
Net Income (Loss), Budget Basis	30,479	27,684	(2,795)	(291,019)
Contributed Capital				
Plant Investment Fees	5,500	5,500	-	500
Change in Net Position (Budget Basis)	$ 35,979	33,184	$ (2,795)	(290,519)
Budget to GAAP Reconciliation				
Principal Paid		22,721		20,556
Depreciation Expense		(127,769)		(126,601)
Capital Outlay		20,992		-
Change in Net Position - GAAP Basis		(50,872)		(396,564)
Net Position, Beginning		3,903,089		4,299,653
Net Position, Ending		$ 3,852,217		$ 3,903,089

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Trash Fund
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 121,000	$ 122,029	$ 1,029	$ 111,448
Operating Expenses				
Management Fees	3,210	3,718	(508)	3,546
Personnel Services	6,430	6,030	400	4,131
Professional Fees	122,000	120,055	1,945	98,448
Other Operating Expenses	-	341	(341)	395
Total Expenditures	131,640	130,144	1,496	106,520
Change in Net Position (Budget Basis)	$ (10,640)	(8,115)	$ 2,525	4,928
Net Position, Beginning		15,317		10,389
Net Position, Ending		$ 7,202		$ 15,317

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

Steps for printing your content and returning to 'Edit Mode

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

ANNUAL HIGHWAY FINANCE REPORT - CY18

Email address: sandy@townofoakcreek.com

City/County: Oak Creek

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	$	32,524.00
3. Other local imposts: *from A.3. 'Total' below)*	$	79,045.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	0.00
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	111,569.00

B. Private Contributions	$	0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	$ 0.00
b. Other Local Imposts	
1. Sales Taxes:	$ 71,435.00
2. Infrastructure and Impact Fees:	$ 0.00
3. Liens:	$ 0.00
4. Licenses:	$ 0.00
5. Specific Ownership and/or Other:	$ 7,610.00
Total: *(a + b) carried to 'Other local imposts' above)*	$ 79,045.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	$ 0.00
b. Traffic fines & Penalities:	$ 0.00
c. Parking Garage Fees:	$ 0.00
d. Parking Meter Fees:	$ 0.00
e. Sale of Surplus Property:	$ 0.00
f. Charges for Services:	$ 0.00
g. Other Misc. Receipts:	$ 0.00
h. Other:	$ 0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$ 0.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	$ 36,419.00
3. Other State funds:	
c. Motor Vehicle Registrations:	$ 5,173.00
d. Other (Specify): Comments: undefined	$ 0.00
e. Other (Specify): Comments: undefined	$ 0.00
Total: *(1+3c,d,e)*	$ 41,592.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies

a. Forest Service:	$ 0.00
b. FEMA:	$ 0.00
c. HUD:	$ 0.00
d. Federal Transit Administration:	$ 0.00
e. U.S. Corp of Engineers	$ 0.00
f. Other Federal:	$ 0.00
Total: *(2a-f)*	$ 0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$ 910.00
2. Maintenance:	$ 44,929.00
3. Road and street services	
a. Traffic control operations:	$ 0.00
b. Snow and ice removal:	$ 44,929.00
c. Other:	$ 0.00
4. General administration & miscellaneous	$ 16,852.00
5. Highway law enforcement and safety	$ 45,541.00
Total: *(A.1-5)*	$ 153,161.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds	
a. Interest	$ 0.00
b. Redemption	$ 0.00
2. Notes	
a. Interest	$ 0.00
b. Redemption	$ 0.00
SubTotal: *(1+2)*	$ 0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways:	$ 0.00

D. Payments to Toll Facilities: $ 0.00

Total Disbursements: *(A+B+C+D)* $ 153,161.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$ 0.00
b. Engineering Costs:	$ 0.00	$ 0.00	$ 0.00
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$ 0.00
2. Capacity Improvements:	$ 0.00	$ 0.00	$ 0.00
3. System Preservation:	$ 0.00	$ 910.00	$ 910.00
4. System Enhancement:	$ 0.00	$ 0.00	$ 0.00
5. Total Construction:			$ 910.00
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*			$ 910.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 0.00	$ 153,161.00	$ 153,161.00	$ 0.00	$ 0.00

Notes & Comments:

undefined

Please enter your name: Sandy Jacobs

Please provide a telephone number where you may be reached: 970-736-2422

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FORM FHWA-536e(Version 5.0) - CY18