TOWN OF OLATHE, COLORADO
FINANCIAL STATEMENTS &
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Board of Trustees
Town of Olathe, Colorado
Olathe, Colorado 81425

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of change in net pension plan assets and schedule of contributions to pension plan on pages 4-10, 43-51 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 or placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Continued)

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Olathe, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules of the proprietary funds and Local Highway Finance Report are presented for purposes of additional analysis or legal and regulatory requirements and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules for the proprietary funds and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected 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 my opinion, the combining and individual nonmajor fund financial statements, budgetary schedules for the proprietary funds and Local Highway Finance Report are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated July 30, 2019, on my consideration of the Town of Olathe, Colorado's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Olathe, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Olathe, Colorado's internal control over financial reporting and compliance.

Kelly Neal Scates, CPA, PC

July 30, 2019
Delta, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF OLATHE

Management's Discussion and Analysis Fiscal Year Ending December 31, 2018

As management of the Town of Olathe (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ending December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's total cash and investments as of December 31, 2018 was $237,929 a decrease of $192,719. This is due to grants received in 2017 but spent in 2018 as well as grant expense in 2018 not reimbursed until 2019.
- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $6,918,816 (i.e. net position) as of December 31, 2018, an increase of $487,978 in comparison to the prior year.
- Governmental funds reported combined ending fund balance of $248,897, a decrease of $13,781 in comparison with the prior year.
- The Town's fund balance for the General Fund was ($36,757) a decrease of $39,882 in comparison to the prior year.
- Long-term liabilities decreased by $76,072 during the 2018 fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) governmental-wide financial statements, 2) fund financial statements and, 3) notes to the financial statements.

Government-wide Financial Statements

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

The statement of net position presents information on all the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences reported as net position. Over time, the increases and decreases in net position may serve as a useful indicator of whether the financial position of the Town in improving or deteriorating.

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

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover or a significant portion of their costs through user fees and charges (Business-type Activities).

The Governmental Activities of the Town include general government administration, police, public works, parks, recreation and the care and maintenance of the Community Center. The business-type Activities of the Town include the following utilities: water, sewer, and trash; in addition to service provided by activities, the care and maintenance of the Community Center.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into categories; Governmental Funds and Proprietary Funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called modified accrual accounting.

Because the focus of governmental funds in narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains two major government funds, the General Fund and the Road Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

The Town adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the General Fund and Road Fund to demonstrate compliance with the budget. Budgetary comparisons for all other funds are provided as schedules elsewhere in the report.

Proprietary Funds – The Town maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town use a separate enterprise fund to account for each of its utility funds: Water, Sewer, and Trash Funds.

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

Other Information
I addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparisons for the General Fund and Road Fund and statistical information for the police pension. The combining statements of nonmajor governmental funds and budgetary comparison schedules for proprietary funds are presented immediately following the required supplementary information on budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted, previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2018, the Town's combined assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by $6,918,816. There are no available unrestricted resources to meet the Town's general future financial obligations and $271,699 is available but restricted for Streets and Alleys in the Governmental Funds. For the business type activities there are no available unrestricted resources.

By far the largest portion of net position is the investment in capital assets (net of related debt) of $6,493,215 (94% of net position). This amount reflects the investment in all capital assets e.g. infrastructure, land, buildings, and equipment, less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2018.

Assets	Governmental Activities 2017	Governmental Activities 2018	Business Type Activities 2017	Business Type Activities 2018	Totals 2017	Totals 2018
Current and other assets	669,510	438,295	53,331	104,322	722,841	542,617
Capital assets	1,987,816	2,398,906	5,706,603	5,662,425	7,694,419	8,061,331
Total assets	2,657,326	2,837,201	5,759,934	5,766,747	8,417,260	8,603,948
Deferred Outflow of resource						
FPPA pension plan	70,413	62,835			70,413	62,835
Other Liabilities	318,687	57,842	41,551	48,734	360,238	106,576
Long-term liabilities	96,196	68,938	1,498,666	1,449,852	1,594,862	1,518,790
Total Liabilities	414,883	126,780	1,540,217	1,498,586	1,955,100	1,625,366
Deferred Inflows of resources						
Deferred property tax & pension	101,769	122,601			101,769	122,601
Net Position						
Investment in capital assets, net or related debt	1,891,620	2,280,642	4,207,937	4,212,573	6,099,557	6,493,215
Restricted	330,447	424,728	85,544	85,544	415,991	510,272
Unrestricted	-10,980	-54,715	-73,764	-29,956	-84,744	-84,671
Total net position	2,211,087	2,650,655	4,219,717	4,268,161	6,430,804	6,918,816

An additional portion of net position, $510,272 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $-84,671 (-1.2% of net position), are not currently available to meet the Town's ongoing obligations to citizens and creditors.

Change in Net Position

Governmental and business-type activities increased the Town's net position by $1,021,214 in 2018.

	Governmental Activities 2017	Governmental Activities 2018	Business Type Activities 2017	Business Type Activities 2018	Total 2017	Total 2018
Revenues						
Program Revenues						
Charges for services	$266,372	$228,930	$756,558	$793,755	$1,022,930	$1,022,685
Operating Grants	$103,545	$167,371			$103,545	$167,371
Capital Grants	$766,912	$490,488	$539,908	$170,887	$1,306,820	$661,375
General Revenues						
Property taxes	$113,040	$115,450			$113,040	$115,450
Sales tax and other	$391,833	$416,257			$391,833	$416,257
Franchise taxes	$58,368	$60,960			$58,368	$60,960
Intergovernmental	$36,534	$42,999			$36,534	$42,999
Miscellaneous	$6,551	$7,651			$6,551	$7,651
Interest Income	$252	$560	$469	$1,039	$721	$1,599
Transfers		$10,000		-$10,000		
Totals	$1,743,407	$1,540,666	$1,296,935	$955,681	$3,040,342	$2,496,347
Expenses						
General government	$152,782	$123,367			$152,782	$123,367
Public safety	$399,223	$418,640			$399,223	$418,640
Judicial	$18,382	$18,436			$18,382	$18,436
Parks	$164,014	$219,156			$164,014	$219,156
Public works	$272,300	$253,819			$272,300	$253,819
Recreation	$26,347	$53,433			$26,347	$53,433
Community Center	$13,879	$14,281			$13,879	$14,281
Water			$323,983	$310,146	$323,983	$310,146
Sewer			$467,310	$416,405	$467,310	$416,405
Trash			$180,908	$180,686	$180,908	$180,686
					$0	$0
Total expenses	$1,046,927	$1,101,132	$972,201	$907,237	$2,019,128	$2,008,369
Increase in net position	$696,480	$439,534	$324,734	$48,444	$1,021,214	$487,978
Beginning	$1,514,607	$2,211,087	$3,894,983	$4,219,717	$5,409,590	$6,430,804
Ending	$2,211,087	$2,650,621	$4,219,717	$4,268,161	$6,430,804	$6,918,782

Governmental Activities

Governmental activities operations for the year resulted in an increase in net position of $439,534. Property taxes and sales taxes accounted for 34% of the total revenues.

Business-type Activities

Business-type activities operations for the year resulted in an increase in net position of $48,444. Charges for services accounted for 82% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental Funds – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances 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 the Town's net resources available for spending at the end of the fiscal year.

As of the end of 2018, the Town's governmental funds reported combined ending fund balances of $248,897, a decrease of $13,781 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 115% of this total amount, $285,654 constitutes restricted fund balance, which is legally restricted for Tabor Emergency reserves, maintenance and repairs of Town roads, parks and recreation and the police pension. The remainder of the fund balance is assigned to subsequent year's expenditures.

The Town has two major governmental funds, the General Fund, which is the primary operating fund for the Town, and the Road Fund. At the end of 2018, unassigned fund balance of the General Fund was $-0-, while the total fund balance was ($36,757). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund decreased by ($39,882) during 2018 due to various anticipated revenues that were not received.

Proprietary Funds – The Town's proprietary funds statement provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has three (3) enterprise funds; Water, Sewer and Trash. At the end of 2018, these funds represented the following net position amounts:

Fund	Water	Sewer	Trash	Total
Invested in capital assets, net of debt	$609,425	$3,337,191	$265,957	$4,212,573
Restricted net position		$85,544		$85,544
Unrestricted net position	-$57,233	$17,070	$10,207	-$29,956
Total net position	$552,192	$3,439,805	$276,164	$4,268,161
Increase (decrease) in net position	$52,374	-$66,748	$62,818	$48,444

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $1,325,735 for 2018 expenditures and transfers. Actual expenditures and transfers were $951,243. There was no amendment to the original budget for the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2018 was $6,493,215. The investment in capital assets includes land, land improvements, buildings, and equipment.

Town of Olathe's Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2017	2018	2017	2018	2017	2018
Land	$175,325	$175,325	$247,603	$247,603	$422,928	$422,928
Land Improvements	$68,199	$161,370			$68,199	$161,370
Infrastructure	$589,721	$1,455,312			$589,721	$1,455,312
Transmission and distribution systems			$4,712,879	$4,537,060	$4,712,879	$4,537,060
Buildings	$209,589	$197,956			$209,589	$197,956
Equipment	$97,382	$77,522	$108,801	$82,996	$206,183	$160,518
Construction in progress	$847,600	$282,095	$637,320	$794,766	$1,484,920	$1,076,861
Total	$1,987,816	$2,349,580	$5,706,603	$5,662,425	$7,694,419	$8,012,005

The Town's long-term liability activity for the year ending December 31, 2018 was as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Capital leases	$96,196		$27,257	$68,939	$23,229
Total Governmental activities	$96,196	$0	$27,257	$68,939	$23,229
Business-type activities					
Water & Sewer Revenue Bonds	$1,318,650		$26,502	$1,292,148	$27,705
Capital leases	$180,016		$22,312	$157,704	$23,118
Total Business-type activities	$1,498,666	$0	$48,814	$1,449,852	$50,823

REQUEST FOR INFORMATION: This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Town of Olathe, Colorado 419 Horton Ave., PO Box 789 Olathe, CO 81425

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF OLATHE, COLORADO
Statement of Net Position
December 31, 2018

		Governmental Activities	Business-Type Activities	Total
Assets				
Cash & cash equivalents	$	120,662	15,095	135,757
Certificates of deposit		13,996	2,633	16,629
Receivables, net				
Accounts		12,412	58,594	71,006
Sales tax		79,268		79,268
Grants		44,208	-	44,208
Property tax		105,306		105,306
Due from other governments		4,899		4,899
Interfund balances		57,544	(57,544)	-
Temporarily Restricted				
Cash & cash equivalents			85,544	85,544
Capital Assets - net of accumulated depreciation				
Land, right of way and easements		175,325	247,603	422,928
Land improvements		161,370		161,370
Infrastructure		1,455,312		1,455,312
Transmission and distribution systems			4,537,060	4,537,060
Buildings and improvements		197,956	-	197,956
Equipment and vehicles		77,522	82,996	160,518
Construction in progress		282,095	794,766	1,076,861
Pension asset		49,326		49,326
Total Assets		2,837,201	5,766,747	8,603,948
Deferred Outflows of Resources				
Pension related amounts		62,835		62,835
Liabilities				
Accounts Payable		11,304	21,621	32,925
Accrued payroll liabilities		28,580	13,763	42,343
Accrued vacation payable		17,958	8,571	26,529
Interest Payable			4,779	4,779
Non Current Liabilities				
Due Within One Year		23,229	50,823	74,052
Due In More Than One Year		45,709	1,399,029	1,444,738
Total Liabilities		126,780	1,498,586	1,625,366
Deferred Inflow of Resources				
Pension related amounts		17,295		17,295
Unavailable revenue - property tax		105,306		105,306
Total Deferred Inflow of Resources		122,601	-	122,601
Net Position				
Net investment in capital assets		2,280,642	4,212,573	6,493,215
Restricted for:				
Emergencies		41,553		41,553
Streets and alley's		271,699		271,699
Pension related amounts		96,207		96,207
Conservation trust		15,269		15,269
Debt service			85,544	85,544
Unrestricted		(54,715)	(29,956)	(84,671)
Total Net Position	$	2,650,655	4,268,161	6,918,816

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

TOWN OF OLATHE, COLORADO
Statement of Activities
For the year ended December 31, 2018

	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General government	$ 123,367	38,692	1,727	-	(82,948)		(82,948)
Public safety	418,640	5,356	-	-	(413,284)		(413,284)
Judicial	18,436	111,504	-	-	93,068		93,068
Parks	219,156	24,959	18,307	166,000	(9,890)		(9,890)
Public works	253,819	29,249	97,337	324,488	197,255		197,255
Recreation	53,433	10,060	50,000	-	6,627		6,627
Community center	14,281	9,110	-	-	(5,171)		(5,171)
Total governmental activities	1,101,132	228,930	167,371	490,488	(214,343)	-	(214,343)
BUSINESS-TYPE ACTIVITIES:							
Water	310,146	293,686		68,275		51,815	51,815
Sewer	416,405	308,111		51,306		(56,988)	(56,988)
Trash	180,686	191,958		51,306		62,578	62,578
Total business-type activities	907,237	793,755	-	170,887		57,405	57,405
Total	$ 2,008,369	1,022,685	167,371	661,375	(214,343)	57,405	(156,938)
General Revenues:							
Taxes							
Property taxes					$ 115,450		115,450
Sales taxes					416,257		416,257
Franchise and occupational taxes					60,960		60,960
Severance taxes					6,884		6,884
Motor vehicle taxes and registrations					36,115		36,115
Donations					4,750		4,750
Miscellaneous					2,901		2,901
Earnings on investments					560	1,039	1,599
Transfers					10,000	(10,000)	-
Total general revenues and transfers					653,877	(8,961)	644,916
Change in net position					439,534	48,444	487,978
NET POSITION - JANUARY 1					2,211,121	4,219,717	6,430,838
NET POSITION - DECEMBER 31					$ 2,650,655	4,268,161	6,918,816

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TOWN OF OLATHE, COLORADO

Balance Sheet

Governmental Funds

December 31, 2018

		General Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$		107,393	13,269	120,662
Certificate of deposit		1,000	9,655	3,341	13,996
Due from other funds			128,292		128,292
Receivables, net					
Accounts		9,104	3,308		12,412
Sales tax		52,510	26,758		79,268
Grants			44,208		44,208
Property tax		105,306			105,306
Due from other governments		1,739	3,160		4,899
Total assets	$	169,659	322,774	16,610	509,043
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$	7,184	4,120		11,304
Accrued payroll liabilities		23,178	5,402		28,580
Due to other funds		70,748			70,748
Total liabilities		101,110	9,522	-	110,632
Deferred inflows of resources					
Unavailable grant revenue			44,208		44,208
Deferred property tax revenue		105,306			105,306
Total deferred inflows of resources		105,306	44,208	-	149,514
Fund Balances:					
Restricted for:					
Emergency and potential refund			41,553		41,553
Streets and alley's			227,491		227,491
Conservation trust				15,269	15,269
Police Officer's retirement				1,341	1,341
Assigned for:					
Subsequent year's expenditures					-
Unassigned:					
General fund		(36,757)			(36,757)
Total fund balances		(36,757)	269,044	16,610	248,897
Total liabilities, deferred inflows and fund balances	$	169,659	322,774	16,610	509,043

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO

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

Total fund balances for governmental funds		$	248,897
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:			
Land	175,325		
Land improvements, net of $370,957 accumulated depreciation	161,370		
Infrastructure, net of $349,595 accumulated depreciation	1,455,312		
Buildings and improvements, net of $154,236 accumulated depreciation	197,956		
Equipment, net of $779,328 accumulated depreciation	77,522		
Construction in progress	282,095		
Total capital assets			2,349,580
Pension assets are applicable to future periods and not reported in the governmental funds			49,326
Deferred outflows of resources related to pensions are applicable to future periods, and, therefore, are not reported in the governmental funds. Deferred outflows of resources are related to the difference between projected and actual earnings on pension investments and the difference between contributions and proportionate share of contributions			62,835
Deferred inflows of resources related to pensions are applicable to future periods, and, therefore are not reported in the governmental funds. Deferred inflows of resources are related to the difference between expected and actual experience			(17,295)
Some of the grants will be received after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resouces in the governmental funds			44,208
Long-term liabilities applicable to the Town's governmental activities are not due are not due and payable in the current period and accordingly, are not reported as governmental fund liabilities. All liabilities, both current and long-term are reported in the statement of net position			
Capital leases payable	68,938		
Accrued vacation payable	17,958		
Total long-term liabilities			(86,896)
Total net position of governmental activities		$	2,650,655

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended December 31, 2018

		General Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$	460,883	138,668		599,551
Licenses and permits		9,259			9,259
Intergovernmental		1,727	413,732	18,307	433,766
Miscellaneous		29,753	32,310	80	62,143
Public safety		5,356			5,356
Judicial		111,504			111,504
Parks		190,959			190,959
Recreation		62,810			62,810
Commuity center		11,110			11,110
Total revenues		883,361	584,710	18,387	1,486,458
EXPENDITURES					
Current:					
General government		112,203			112,203
Public safety		397,349		22,673	420,022
Judicial		18,331			18,331
Parks		206,275			206,275
Public works			198,039		198,039
Recreation		53,431			53,431
Community center		14,279			14,279
Capital outlay:					
Parks		107,594			107,594
Public works			349,863		349,863
Debt service:					
Principal		18,444	8,813		27,257
Interest		664	2,281		2,945
Total expenditures		928,570	558,996	22,673	1,510,239
Excess (deficit) of revenues over expenditures		(45,209)	25,714	(4,286)	(23,781)
OTHER FINANCING SOURCES (USES)					
Operating transfers in		28,000		22,673	50,673
Operating transfers out		(22,673)		(18,000)	(40,673)
Total other financing sources (uses)		5,327	-	4,673	10,000
Net change in fund balances		(39,882)	25,714	387	(13,781)
FUND BALANCES, JANUARY 1		3,125	243,330	16,223	262,678
FUND BLANCES, DECEMBER 31	$	(36,757)	269,044	16,610	248,897

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2018

Net change in fund balances - total governmental funds	$	(13,781)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($457,457) exceed depreciation ($95,271) in the current period.		362,186
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source for financing, but in the statement of net position, the lease obligation is reorted as a liability. Repayment of the principal portion of the lease is an expenditure in the governmental funds but a reduction of a libility in the statement of net position.		
Capital lease payments		27,257
Some expenses reorted in the statement of activities do not require the use of current financial resources and, therefore, are not reorted as expenditures in the governmental funds.		
Net change in pension expense		23,517
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable avaliable financial resources and revenues are not recognized until they become both measurable and available. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.		
Grants receivable		44,208
Net change in accrued vacation payable		(3,853)
Change in net position of governmental activities	$	439,534

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2018

		Business-Type Activities - Enterprise Funds			
		Water Fund	Sewer Fund	Trash Fund	Total Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$	3,746	5,442	5,907	15,095
Certificate of deposit			13	2,620	2,633
Accounts receivable, net of allowance for uncollectibles		11,234	31,194	16,166	58,594
Grants receivable					-
Total current assets		14,980	36,649	24,693	76,322
Temporarily restricted cash and cash equivalents			85,544		85,544
Property, plant and equipment - net of depreciation					
Land, right-of-way and easements		128,900	114,303	4,400	247,603
Transmission and distribution systems		253,114	4,283,946		4,537,060
Buildings and improvements		-	-	-	-
Equipment and vehicles		17,322	21,001	44,673	82,996
Construction in progress		264,922	264,922	264,922	794,766
Total property plant and equipment - net		664,258	4,684,172	313,995	5,662,425
Total assets		679,238	4,806,365	338,688	5,824,291
LIABILITIES					
Current liabilities:					
Accounts payable		5,796	5,929	9,896	21,621
Accrued payroll liabilities		5,403	5,401	2,959	13,763
Accrued vacation payable		3,470	3,470	1,631	8,571
Due to other funds		57,544			57,544
Interest payable			4,779		4,779
Long term debt due in one year:					
Capital lease payable		9,124	9,124	4,870	23,118
Note payable			27,705		27,705
Total current liabilities		81,337	56,408	19,356	157,101
Long Term Debt					
Capital lease payable		54,833	54,833	48,038	157,704
Note payable			1,292,148		1,292,148
Less amounts due in one year		(9,124)	(36,829)	(4,870)	(50,823)
Total net long term debt		45,709	1,310,152	43,168	1,399,029
Total liabilities		127,046	1,366,560	62,524	1,556,130
NET POSITION					
Net investment in capital assets		609,425	3,337,191	265,957	4,212,573
Restricted			85,544		85,544
Unrestricted		(57,233)	17,070	10,207	(29,956)
Total net position	$	552,192	3,439,805	276,164	4,268,161

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the year ended December 31, 2018

		Business-type Activities - Enterprise Funds			
		Water Fund	Sewer Fund	Trash Fund	Total Enterprise Funds
OPERATING REVENUES					
Charges for services	$	285,274	292,758	191,913	769,945
Late charge fees		4,500	4,500		9,000
Tap fees - unpledged		-	3,753		3,753
Pump station surcharge			5,940		5,940
Miscellaneous income		3,912	1,160	45	5,117
Total operating revenues		293,686	308,111	191,958	793,755
OPERATING EXPENSES					
Operations and maintenance		279,456	199,461	157,184	636,101
Depreciation		28,409	155,720	21,496	205,625
Total operating expenses		307,865	355,181	178,680	841,726
Operating income (loss)		(14,179)	(47,070)	13,278	(47,971)
NON-OPERATING REVENUES (EXPENSES)					
Interest income		559	240	240	1,039
Interest expense		(2,281)	(61,224)	(2,006)	(65,511)
Grants		68,275	51,306	51,306	170,887
Net nonoperating revenues (expenses)		66,553	(9,678)	49,540	106,415
Income (loss) before special items		52,374	(56,748)	62,818	58,444
TRANSFERS					
Transfers to other funds			(10,000)		(10,000)
Change in net position		52,374	(66,748)	62,818	48,444
TOTAL NET POSITION, JANUARY 1		499,818	3,506,553	213,346	4,219,717
TOTAL NET POSITION, DECEMBER 31	$	552,192	3,439,805	276,164	4,268,161

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2018

		Business-type Activities - Enterprise Funds			
		Water Fund	Sewer Fund	Trash Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	$	292,677	306,536	191,859	791,072
Net receipts (payments) from interfund borrowing		(20,000)	(9,331)	(45,828)	(75,159)
Payments to suppliers		(192,712)	(106,702)	(98,618)	(398,032)
Payments to employees		(90,163)	(90,164)	(50,461)	(230,788)
Net cash provided by (used in) operating activities		(10,198)	100,339	(3,048)	87,093
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets		(56,482)	(52,482)	(52,482)	(161,446)
Federal and state grants		80,961	63,995	63,993	208,949
Interfund transfers		-	(10,000)	-	(10,000)
Principal paid on long-term debt		(8,813)	(35,315)	(4,686)	(48,814)
Interest paid on long-term debt		(2,281)	(61,322)	(2,006)	(65,609)
Net cash provided by (used in) capital and related financing activities		13,385	(95,124)	4,819	(76,920)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of certificate of deposit			(13)		(13)
Interest on investments		559	240	240	1,039
Net cash provided by (used in) investing activities		559	227	240	1,026
Net increase (decrease) in cash and cash equivalents		3,746	5,442	2,011	11,199
CASH AND CASH EQUIVALENTS, JANUARY 1		-	85,544	3,896	89,440
CASH AND CASH EQUIVALENTS, DECEMBER 31	$	3,746	90,986	5,907	100,639
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	$	(14,179)	(47,070)	13,278	(47,971)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation		28,409	155,720	21,496	205,625
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable		(1,009)	(1,575)	(99)	(2,683)
Increase (decrease) in accounts payable		(2,916)	3,100	8,291	8,475
Increase (decrease) in accrued vacation payable		(704)	(704)	(216)	(1,624)
Increase (decrease) in accrued payroll liabilities		201	199	30	430
Increase (decrease) in due to other funds		(20,000)	(9,331)	(45,828)	(75,159)
Net cash provided by (used in) operating activities	$	(10,198)	100,339	(3,048)	87,093

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

The Town of Olathe, Colorado (referred to hereafter as the Town) is incorporated as a statutory Town under the laws of the State of Colorado with a Mayor- Town Board form of government. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As required by generally accepted accounting principles, these financial statements present the Town of Olathe, Colorado a primary government. Based on criteria set forth by GASB, there are no component units for which the Town is financial accountable.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the Town) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double reporting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) 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, including taxes levied by the Town, are presented as general revenues.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, and Trash are charges to customers for sales and services. The Water and Sewer Funds also recognize as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the system. Operation expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Separate statements for each fund category–*governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The Town does not have *fiduciary* fund types.

The Town reports the following major governmental funds:

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

Road Fund. This fund accounts for the 1.33% sales tax dedicated to the construction and maintenance of the Town's streets and alleys.

The Town reports the following major enterprise funds:

Water Fund. This fund accounts for the operation, maintenance, and development of water services.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

Sewer Fund. This fund accounts for the operation, maintenance, and development of sewer services.

Trash Fund. This fund accounts for the operation and maintenance of trash collection services.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchanges, include sales taxes, grants, entitlements, and donations. On the accrual basis, revenues from sales taxes are recognized in the period for which the taxes are collected by vendors. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liabilities is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues or operating funds transfers. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues or operating fund transfers.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period has been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Deposits and Investments. The cash balances of substantially all funds are pooled for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at December 31, 2018, based on market prices. The individual funds' portions of the pool's fair value are presented as cash and cash equivalents or certificates of deposit. Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average monthly balance of each participating fund.

Cash and Cash Equivalents. The Town considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturing date of three months or less to be cash equivalents.

Property Taxes. Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or in two equal installments due February 28th and June 15th. Property taxes levied in the current year and collected in the following year are reported as deferred inflow of resources at December 31st.

Restricted Assets. Restricted assets in governmental and enterprise funds include assets restricted by various covenants of bonds issues by the Town, including bond and interest funds, reserve funds, and unexpended proceeds of bond issues, if applicable. Restricted assets in the non-major governmental funds generally include assets restricted by grantors.

1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY (continued)

Capital Assets. Capital assets, which include property, plant, and equipment, are defined by the Town as assets with an initial, individual cost of at least $5,000 and an estimated useful life in excess of two years.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Enterprise Fund construction costs are increased by interest incurred on bonds during the construction period and reduced by earnings from investment of any unexpended bond proceeds.

Depreciation is calculated using the straight-line method over the estimated useful lives, and no depreciation is recorded in the year of acquisition or construction of such assets. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense in the appropriate fund. The estimated useful lives are as follows:

Buildings	30 years
Equipment, Furniture and Vehicles	3-30 years
Transmission and Distribution, Lines and Meters	30-40 years
Treatment and Filtration Plants	30 years
Reservoirs and Storage Facilities	100 years
Land Improvements	15 years
Infrastructure	20-25 years

1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY (continued)

Long-Term Debt. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond discounts, issuance costs, and deferred amounts on refunding associated with issuing bonds of proprietary-type funds or bonds issued or refunded after December 31, 2012 for governmental activities are expensed when the bond is issued.

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

Compensated Absences. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid accumulated annual leave balances. The liability has been calculated using the vesting method, in which earned and eligible leave amounts for employees, will be paid as termination payments. The Town's policies do not allow for payment to employees who are expected to become eligible in the future to receive such payments upon termination.

1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES AND EQUITY (continued)

Fund Equity. Beginning with fiscal year 2011, the Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form, (such as inventory), or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers, (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, The Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. BUDGETS AND BUDGETARY ACCOUNTING

The Town follows these procedures in establishing budgets:

a. Budgets are required by state law for all governmental and proprietary funds.
b. During September the proposed budget is submitted to the Town Board for the fiscal year commencing the following January 1.
c. Prior to December 31, the budget is adopted and appropriations are authorized by ordinance at the fund level for all funds. The legal level of budgetary control is at the individual fund level for all funds.
d. Budgets are adopted on a basis consistent with the accounting basis of all funds except for proprietary-type funds. In the proprietary funds, the Town budgets for capital outlays, transfers to and from reserve funds and bond principal and interest payments and does not budget for depreciation.
e. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by ordinance from the Town Board. Within the fund level control basis, management may transfer appropriations without Board approval. Revisions to the budget were made throughout the year. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.
f. Appropriations lapse at the end of each year, and the Town Board may adopt supplemental appropriations during the year. The Town Board may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Town's administrator or the revenue estimates must be changed by the Town Board when adopting supplemental appropriations.

Originally adopted budgeted expenditures, amendments and the final, amended budgeted expenditures for the year ended December 31, 2018 are as follows:

		Original Budget	Amendments	Final Budget
General Fund	$	1,325,735		1,325,735
Road Fund		876,058		876,058
Conservation Trust Fund		18,000		18,000
Police Pension Fund		24,000		24,000
Water Fund		445,750		445,750
Sewer Fund		410,700		410,700
Trash Fund		290,600		290,600
Total	$	3,390,843	-	3,390,843

2–DEPOSITS AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool 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 at least be equal to 102% of the aggregate uninsured deposits.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for deposits allows funds to be placed in any account that is guaranteed by the Federal Deposit Insurance Corporation with remaining amounts collateralized by securities pledged by the financial institution. As of December 31, 2018, none of the Town's bank balances of $230,881 were exposed to custodial credit risk as $230,881 was insured and none needed to be collateralized by securities pledged by financial institutions.

INVESTMENTS

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

Description	Weighted Maturity	Fair Value
Colotrust Prime	N/A	$80,714

Interest rate risk. The Town does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The Town's general investment policy is to apply the prudent-person rule: Prudence and protection of Town funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2018, the Town's investment in Colotrust Prime was rated AAAm by Standard & Poor's. Separate

2 – DEPOSITS & INVESTMENTS (continued)

Concentration of credit risk. Investments must be in accordance with Colorado statutes and the Town does not have an investment policy that limits the amount of investments in any single type of investment.

COLOTRUST issues a publicly available annual financial report that can be obtained on it's website at http://www.colotrust.com.

3–ALLOWANCE FOR UNCOLLECTIBLES

Receivables are stated net of allowances for uncollectibles, however, at December 31, 2018, the Town considered all accounts collectible and accordingly, no provision for an allowance is recorded.

4 – JOINT VENTURE

The Town is a participant with two other municipalities and two water districts in a joint venture to operate the Project 7 Water Authority, a water treatment facility. The Authority is governed by a board consisting of five appointed representatives from each of the participants. The Town is obligated by contract to purchase the treatment of 45 million gallons of water annually from the Authority so long as the Authority has any unpaid debt, other than from operating expenses. The rate is 90 cents per thousand gallons which results in a minimum annual purchase commitment of $40,500, but, the rate charged may be changed by action of the Authority. During 2018, the Town purchased treatment of 74,026,400 gallons for $66,624 and owed the Authority $1,744 at December 31, 2018 . Separate financial statements of Project 7 Water Authority are available from the Town or the Authority.

2 – DEPOSITS & INVESTMENTS (continued)

Concentration of credit risk. Investments must be in accordance with Colorado statutes and the Town does not have an investment policy that limits the amount of investments in any single type of investment.

COLOTRUST issues a publicly available annual financial report that can be obtained on it's website at http://www.colotrust.com.

3–ALLOWANCE FOR UNCOLLECTIBLES

Receivables are stated net of allowances for uncollectibles, however, at December 31, 2018, the Town considered all accounts collectible and accordingly, no provision for an allowance is recorded.

4 – JOINT VENTURE

The Town is a participant with two other municipalities and two water districts in a joint venture to operate the Project 7 Water Authority, a water treatment facility. The Authority is governed by a board consisting of five appointed representatives from each of the participants. The Town is obligated by contract to purchase the treatment of 45 million gallons of water annually from the Authority so long as the Authority has any unpaid debt, other than from operating expenses. The rate is 90 cents per thousand gallons which results in a minimum annual purchase commitment of $40,500, but, the rate charged may be changed by action of the Authority. During 2018, the Town purchased treatment of 74,026,400 gallons for $66,624 and owed the Authority $1,744 at December 31, 2018 . Separate financial statements of Project 7 Water Authority are available from the Town or the Authority.

5 – CAPITAL ASSETS

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

	Governmental		Business
General government	$ 11,131		
Public safety	16,495		
Parks	14,106		
Public works, including		Water	28,409
depreciation on		Sewer	155,720
infrastructure assets	53,539	Trash	21,496
Total	$ 95,271		205,625

5 - CAPITAL ASSETS (continued)

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

		BEGINNING BALANCES	INCREASES	DECREASES	ENDING BALANCES
Governmental Activities					
Capital Assets Not Being Depreciated					
Land	$	175,325	-	-	175,325
Construction in progress		847,600	69,655	635,160	282,095
Total Capital Assets Not Being Depreciated		1,022,925	69,655	635,160	457,420
Capital Assets Being Depreciated					
Land improvements		428,733	103,594		532,327
Infrastructure, Road Network		889,961	914,946		1,804,907
Buildings		352,192			352,192
Equipment and vehicles		852,850	4,000		856,850
Total Capital Assets Being Depreciated		2,523,736	1,022,540	-	3,546,276
Less Accumulated Depreciation for:					
Land improvements		360,535	10,422		370,957
Infrastructure, Road Network		300,240	49,355		349,595
Buildings		142,603	11,633		154,236
Equipment and vehicles		755,467	23,861		779,328
Total Accumulated Depreciation		1,558,845	95,271	-	1,654,116
Total Capital Assets Being Depreciated, Net		964,891	927,269	-	1,892,160
Governmental Activity Capital Assets, Net	$	1,987,816	996,924	635,160	2,349,580
Business Type Activities					
Capital Assets Not Being Depreciated					
Land and Easements	$	247,603	-	-	247,603
Construction in progress		637,320	157,446		794,766
Total Capital Assets Not Being Depreciated		884,923	157,446	-	1,042,369
Capital Assets Being Depreciated					
Transmissions and Distribution Systems		1,139,015			1,139,015
Treatment Facilities		6,153,850			6,153,850
Building and Improvements		22,589			22,589
Equipment and Furniture		898,200	4,000		902,200
Total Capital Assets Being Depreciated		8,213,654	4,000	-	8,217,654
Less Accumulated Depreciation for:					
Transmission and Distribution Systems		860,357	25,544		885,901
Treatment Facilities		1,719,630	150,274		1,869,904
Building and Improvements		22,589			22,589
Equipment and Furniture		789,398	29,805		819,203
Total Accumulated Depreciation		3,391,974	205,623	-	3,597,597
Total Capital Assets Being Depreciated, Net		4,821,680	(201,623)	-	4,620,057
Business Type Activities, Capital Assets, Net	$	5,706,603	(44,177)	-	5,662,426

6 – EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan:

The Town participates with several other counties, municipalities and special districts in Colorado and contributes to the Colorado County Officials and Employees Retirement Association (Association), a defined contribution plan, for all of its full time employees except police officers. Full time employees are eligible to participate after 90 days from the date of employment. The Association requires that both the employee and the Town contribute an amount equal to 3% of the employee's base salary each month. The Town's contributions for each employee, (and interest allocated to each employee's account), are fully vested after five years of continuous service. The Town contributions for and interest forfeited by, employees who leave employment before five years of service are used to reduce the Town's current period contribution requirement. For the year ended December 31, 2018, the Town made contributions and recognized $11,376 as expense and the employee's contributions totaled $11,376.

Statewide Defined Benefit Pension Plan for Police Officers:

The Town's police officers participate in the Statewide Defined Benefit Plan (SWDB), which is a cost sharing multiple employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org

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 1st. The amount of any increase is based on the FPPA Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

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.

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 contributed at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. 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.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 21.5 percent of base salary in 2017. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group increased their required member contribution rate increase to 0.5 percent annually, beginning in 2015, through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

The contribution rate for members and employers of affiliated social security employers is 4.75 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.75 percent in 2017. Per the 2014 member elections, 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.

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

At December 31, 2018, the Town reported a net pension asset of $49,326. The net pension asset 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, 2017.

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resouces	Deferred Inflows of Resources
Difference between actual and expected experience	$	35,571	547
Changes in proportion and differences between contributions and proportionate share of contributions		2,928	
Net difference between projected and actual earnings on pension plan investments			16,748
Changes in assumptions		7,432	
Contributions subsequent to the measurement date		16,904	
Total	$	62,835	17,295

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

For the plan year ended December 31		Amounts recognized in collective pension expense
2018	$	5,845
2019		5,082
2020		(2,036)
2021		(4,676)
2022		5,241
Thereafter		16,253

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

The actuarial valuations for the SWDB were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2017. The valuation used the following actuarial assumptions and other inputs:

Actuarial Valuation Date	January 1, 2017
Actuarial Method	Entry Age: Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return	7.5%
Projected Salary Increases	4.0% - 14.0%
including inflation at	2.5%
Cost of Living Adjustments (COLA)	0.00%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (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 (assumed at 2.5 percent). 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	Real Rate of Return
Global Equity	37.0%	8.33%
Equity Long/Short	9.0%	7.15%
Illiquid Alternatives	24.0%	9.70%
Fixed Income	15.0%	3.00%
Absolute Return	9.0%	6.46%
Managed Futures	4.0%	6.85%
Cash	2.0%	2.26%
Total	100.0%	

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

The discount rate used to measure the total pension liability was 7.50%. 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 FPPA 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.

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 3.31%, (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%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the Town's portion of the plan's net pension (asset) 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%	Single Discount Rate Assumption 7.50%	1% Increase 8.50%
$ 53,701	(49,326)	(134,877)

7 – COMMITMENTS

The Town has entered into a contract with the Tri-County Conservancy District to purchase water from the Dallas Creek Project as follows:

	Annual Purchase and Operations and Maintenance Commitment	Calendar Years	Annual Payment
Blocks One, Two and Three:	300 Acre Feet Annually	2019 through 2049	$ 25,384

The purchase price per acre foot shall not exceed the average cost of all municipal and industrial water for which the Tri-County Water Conservancy District is obligated to pay the United States for such water which is limited to $38,000,000. The purchase price is currently $77.61 per acre foot, with potential cost adjustments at no longer than five year intervals. Such annual payments are subject to adjustment as a result of rate adjustments. In addition, the Town pays the District a proportionate amount of the operations, maintenance and replacement costs of the project attributable to municipal and industrial use which were set at $4.00 per acre foot subject to annual adjustment.

8 – CAPITAL LEASE OBLIGATIONS

The Town leases police cars, a tractor and a shop building under leases classified as capital leases, however, the payments are subject to annual appropriation. The total original cost of all the capitalized assets is $554,705. The leased equipment is amortized on a straight line basis over 7 years, 10 years and 15 years, respectively, which is included in depreciation expense. Total accumulated amortization related to the leased equipment is $212,890 and is included in accumulated depreciation. The following is a schedule showing future minimum lease payments under capital leases by years and the present value of the minimum lease payments as of December 31, 2018.

		Police Cars	Tractor	Shop	Total
Interest rate		2.75%	3.00%	3.89%	
Monthly payments	$	1,592	1,100		
Semi-annual payments	$			13,383	
2019	$	14,267	13,204	26,766	54,237
2020			7,703	26,766	34,469
2021				26,766	26,766
2022				26,766	26,766
2023				26,766	26,766
2024-2027				93,682	93,682
Total minimum lease payments		14,267	20,907	227,512	262,686
Less: amount representing interest		162	521	35,359	36,042
Present value of minimum lease payments		14,105	20,386	192,153	226,644

9 – LONG-TERM LIABILITIES

The Town issued $1,580,000 Water & Sewer Revenue Bonds Series 2004 on December 30, 2004 to facilitate the construction of a waste water treatment plant. The bonds were issued at an interest rate of 4.50% per annum and are payable in installments of $42,772 on June 1st and December 1st of each year including principal and interest. The bonds mature on December 1, 2044. The loan is collateralized by the waste water treatment plant.

Principal and interest payments for the years following December 31, 2018 are as follows:

Year		Principal	Interest	Total
2019	$	27,705	57,839	85,544
2020		28,966	56,578	85,544
2021		30,284	55,260	85,544
2022		31,662	53,882	85,544
2023		33,103	52,441	85,544
2024-2028		189,531	238,188	427,719
2029-2033		236,762	190,958	427,720
2034-2038		295,764	131,956	427,720
2038-2043		369,470	79,263	448,733
2044		48,901	1,263	50,164
	$	1,292,148	917,628	2,209,776

The Town has pledged to establish and collect rates and fees for services to create gross revenue each fiscal year to pay operation and maintenance expenses to create net revenue in an amount: (i) equal to not less than 100% of the amount necessary to pay when due the principal and interest of the bonds coming due during such fiscal year and (ii) sufficient to make up any deficiencies in the required reserved account of $85,544. For the year ended December 31, 2018, the rates charged in the Sewer Fund were in compliance in accordance with the covenant. The required reserve of $85,544 was funded.

For the year ended December 31, 2018, no interest was capitalized to fixed assets and $2,945 in the governmental funds and $65,511 in the proprietary funds totaling $68,456 was charged to expense.

9 – LONG-TERM LIABILITIES (continued)

Long-term liability activity for the year ended December 31, 2018 was as follows:

		Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:						
Capital leases	$	96,196		27,257	68,939	23,229
Total Governmental activities	$	96,196	-	27,257	68,939	23,229
Business-type activities						
Water & Sewer Revenue Bonds	$	1,318,650		26,502	1,292,148	27,705
Capital leases		180,016		22,312	157,704	23,118
	$	1,498,666	-	48,814	1,449,852	50,823

10 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of Interfund balances as of December 31, 2018 is as follows:

A. Due From/To Other Funds

Receivable Fund	Payable Fund		Amount
Road Fund	Water Fund	$	57,544
	General Fund		70,748
		$	128,292

The balance that the Sewer Fund owes is expected to be repaid in 2018, however, the Town intends to form a payment plan for the balances that the Water and Trash Fund's owe to repay the Road Fund as soon as possible but will require a time frame longer than one year.

B. Interfund Transfers

Interfund transfers to supplement the expenditures/expenses of other funds were as follows:

		Transfers in		
		General Fund	Police Pension Fund	Total
Transfers out:				
General Fund	$		22,673	22,673
Conservation Trust	$	18,000		18,000
Sewer Fund	$	10,000		10,000

11 – PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town is a participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program for 274 members participating in the Property and Casualty Pool and 143 members in the Workers' Compensation Pool. The Town pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 for each insured event. The Town continues to carry commercial insurance for employee health and accident benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

12 – TAX, SPENDING AND DEBT LIMITATIONS

The State Constitution, Article X, Section 20, has several limitations regarding revenue raising, spending abilities, and other specific requirements of state and local governments. The Section is complex and subject to judicial interpretation. In November, 2018, the Town obtained voter approval to collect and retain all revenues without limitation under the Section. The Town believes it is in compliance with the requirements of the Section. However, the Town has made certain interpretations of the Section's language in order to determine its compliance. The emergency reserves required under the Section are restricted in the Road Fund.

13 – CONTINGENT LIABILITIES

Under the terms of federal and state grants, costs may be questioned as not being appropriate expenses that could lead to reimbursement to the granter agencies. Town management is not aware of any such expenses that would not be allowed.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OLATHE, COLORADO
Budgetary comparison schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Taxes				
General property taxes	101,180	100,438	(742)	97,666
Specific ownership taxes	14,000	14,772	772	15,147
Penalty and interest on taxes	500	240	(260)	227
General sales and use taxes	283,500	277,589	(5,911)	261,222
Franchise tax equivalents	57,500	60,085	2,585	2,598
Occupation taxes	500	875	375	55,770
Severance tax	8,000	6,884	(1,116)	5,337
Total taxes	465,180	460,883	(4,297)	437,967
Licenses and permits				
General				
Business license	1,500	2,090	590	1,415
Building permits	7,000	762	(6,238)	6,832
Liquor license	350	345	(5)	345
Other permit fees	8,750	1,256	(7,494)	6,105
Annexation filing fees		4,281	4,281	
Planning and zoning fees	1,000	525	(475)	750
Total licenses and permits	18,600	9,259	(9,341)	15,447
Intergovernmental				
State shared revenues				
Cigarette taxes	1,200	1,045	(155)	1,158
Grants			-	13,000
Mineral lease	2,500	682	(1,818)	942
Total Intergovernmental	3,700	1,727	(1,973)	15,100
Miscellaneous				
Earnings on investments	150	320	170	144
Miscellaneous	4,000	2,022	(1,978)	949
Miscellaneous refunds	500	39	(461)	
Late charge fees			-	
Administrative fees	27,372	27,372	-	27,372
Total Miscellaneous	32,022	29,753	(2,269)	28,465

TOWN OF OLATHE, COLORADO
Budgetary comparison schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Public Safety				
Animal licenses	400	255	(145)	340
Vehicle inspection fees	500	355	(145)	544
Miscellaneous	8,500	4,746	(3,754)	5,735
Total Public Safety	9,400	5,356	(4,044)	6,619
Judicial				
Traffic fines	125,000	104,857	(20,143)	134,577
Other code violations	10,000	6,622	(3,378)	6,134
Miscellaneous		25	25	
Total Judicial	135,000	111,504	(23,496)	140,711
Parks				
Grants	496,000	166,000	(330,000)	7,570
Miscellaneous	1,500	9,209	7,709	7,397
Park rental fees	13,900	15,750	1,850	11,910
Total Parks	511,400	190,959	(320,441)	26,877
Recreation				
Contributions	3,000	2,750	(250)	2,601
Grants	50,000	50,000	-	4,071
Sponsors	5,000		(5,000)	1,200
Program fees	11,000	5,190	(5,810)	7,115
Facilities rental	4,800	4,870	70	4,800
Total Recreation	73,800	62,810	(10,990)	19,787
Community center				
Contributions	2,000	2,000	-	2,750
Community center rental	6,000	9,110	3,110	7,655
Total Community center	8,000	11,110	3,110	10,405
Total Revenues before transfers in	1,257,102	883,361	(373,741)	701,378
TRANSFERS IN				
Transfers from Sewer Fund	50,633	10,000	(40,633)	
Transfers from Conservation Trust for parks expenditures	18,000	18,000	-	17,800
Total Transfers In	68,633	28,000	(40,633)	17,800
Total General Fund revenues and transfers in	$ 1,325,735	911,361	(414,374)	719,178

TOWN OF OLATHE, COLORADO
Budgetary comparison schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

		2018			2017
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES					
General government					
Current					
Salaries	$	36,294	35,712	582	45,566
Mayor and trustee wages		4,560	4,510	50	4,560
Employee benefits		9,875	11,039	(1,164)	13,883
Insurance		3,800	3,792	8	4,014
Workers' compensation		1,270	1,333	(63)	1,280
Auditing fees		2,200	2,500	(300)	2,000
Legal fees		10,000	7,390	2,610	5,795
Treasurer's fees		3,000	2,017	983	1,989
Clerk and recorder rees		800	619	181	811
Dues and membership fees		3,500	2,964	536	3,094
Travel and training		4,500	2,908	1,592	4,094
Meals		500	32	468	531
Publishing		1,000	831	169	542
Publications		150	166	(16)	146
Postage		2,500	2,091	409	1,533
Utilities		4,000	3,726	274	3,471
Telephone		5,500	4,000	1,500	5,533
Maintenance contracts		7,548	7,548	-	7,548
Office supplies		4,500	3,553	947	3,029
Supplies		3,000	917	2,083	2,741
Euipment rental		5,000	4,282	718	4,608
Building & facility repairs		500	263	237	1,459
Equipment repairs		1,500	289	1,211	766
Cleaning services		1,200	1,134	66	1,134
Fuel and oil		500	194	306	321
Main street beautification				-	
Miscellaneous expense		2,500	1,742	758	2,429
Bank fees		750	694	56	756
Donations & gifts		500	-	500	260
Economic development		2,500	2,500	-	2,500
CIP grant				-	13,000
Senior citizen assistance		1,000	1,000	-	1,000
Use tax expense		1,000	176	824	1,299
Election judges		100	150	(50)	
Election supplies		1,000	2,131	(1,131)	
Total Current		126,547	112,203	14,344	141,692
Capital Outlay					
Capital equipment				-	
Total general government		126,547	112,203	14,344	141,692

TOWN OF OLATHE, COLORADO
Budgetary comparison schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2016			2015
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES				
Public Safety				
Current				
Salaries	214,718	215,741	(1,023)	203,870
Part time wages	24,875	31,023	(6,148)	21,783
Employee benefits	46,815	46,044	771	42,326
Insurance	5,700	5,688	12	6,021
Workers' compensation	5,240	6,022	(782)	4,899
Legal fees	1,500	840	660	
Contract services	43,190	43,234	(44)	38,173
Animal impound fees	2,000	56	1,944	543
Travel and training	5,000	656	4,344	1,508
Meals	500	65	435	267
Publishing	800		800	
Postage	100	116	(16)	92
Utilities	3,500	3,766	(266)	3,755
Telephone	2,300	2,591	(291)	2,312
Maintenance contracts	4,000	3,999	1	3,845
Office supplies	1,200	685	515	930
Clothing	4,000	2,849	1,151	3,296
Ammunition	2,000	3,499	(1,499)	1,447
Supplies	3,500	4,903	(1,403)	9,582
Equipment rental	1,300	1,560	(260)	1,725
Building and facility repairs	250	605	(355)	996
Equipment repairs	7,000	8,205	(1,205)	6,631
Fuel and oil	9,000	11,505	(2,505)	9,754
Miscellaneous expense	3,000	3,597	(597)	3,154
Donations & gifts	100	100	-	100
Total Current	391,588	397,349	(5,761)	367,009
Capital Outlay				
Capital Equipment			-	
Total Capital Outlay	-	-	-	-
Debt Service				
Principal	18,433	18,444	(11)	16,516
Interest	675	664	11	2,593
Total Debt Service	19,108	19,108	-	19,109
Total Public Safety expenditures	410,696	416,457	(5,761)	386,118
TRANSFERS OUT				
Transfer to Police Pension Fund	24,000	22,673	1,327	21,747
Total Public Safety expenditures and transfers	434,696	439,130	(4,434)	407,865

TOWN OF OLATHE, COLORADO
Budgetary comparison schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES				
Judicial				
Current				
Part time wages	22,000	16,228	5,772	14,982
Employee benefits	1,800	1,308	492	1,210
Workers compensation	362	381	(19)	338
Legal fees				27
Juror fees	250	88	162	
Travel and training	750		750	613
Office supplies	400	199	201	390
Supplies	100	31	69	
Miscellaneous	100	96	4	774
Total Judicial	25,762	18,331	7,431	18,334
Parks				
Current				
Salaries	43,685	43,890	(205)	42,697
Part time wages	40,000	45,334	(5,334)	35,540
Employee benefits	14,690	15,071	(381)	14,006
Insurance	3,040	3,034	6	3,211
Workers' compensation	1,630	1,714	(84)	1,520
Contract services	1,500	3,200	(1,700)	60
Dues and membership fees	130	130	-	130
Travel and training	300	324	(24)	350
Utilities	8,000	10,630	(2,630)	9,839
Telephone	625	175	450	615
Clothing	350	389	(39)	335
Event faciliation expense	3,500	2,380	1,120	2,756
Supplies	7,500	6,143	1,357	9,795
Mosquito control	275	65	210	263
Chemicals	5,400	4,820	580	4,104
Gravel	3,500		3,500	1,718
Equipment rental	5,500	6,360	(860)	6,267
Equipment repairs and maintenanc	6,000	3,454	2,546	6,324
Building facility repairs		177	(177)	5,415
Fuel and oil	2,600	3,821	(1,221)	3,180
Miscellaneous expense	1,200	1,062	138	1,467
Donated playground equipment	55,000	53,642	1,358	
Water assessments	500	460	40	460
Total Current	204,925	206,275	(1,350)	150,052
Capital Outlay				
Capital Equipment	10,000	4,000	6,000	
Capital Improvements	441,000	103,594	337,406	
Total Capital Outlay	451,000	107,594	343,406	-
Total Parks	655,925	313,869	342,056	150,052

TOWN OF OLATHE, COLORADO
Budgetary comparison schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES				
Recreation				
Current				
Wages	1,821	1,824	(3)	1,562
Part time wages	6,000	32,450	(26,450)	8,777
Employee benefits	1,007	3,100	(2,093)	1,311
Insurance	1,138	1,138	-	1,204
Workers' compensation	361	381	(20)	338
Utilities	600	790	(190)	733
Office supplies	100		100	61
Supplies	50		50	59
Miscellaneous expense	200	60	140	610
Program expense	6,000	2,642	3,358	9,198
Special event	1,000		1,000	2,433
Colorado Health Foundation Grant	50,000	11,046	38,954	
Total Recreation	68,277	53,431	14,846	26,286
Community Center				
Current				
Wages	1,821	1,824	(3)	1,562
Part time wages	3,185	3,432	(247)	2,902
Employee benefits	783	793	(10)	827
Insurance	1,138	1,138	-	1,204
Workers' compensation	181	190	(9)	169
Utilities	4,000	2,980	1,020	3,118
Telephone	1,320	1,581	(261)	1,589
Supplies	400	701	(301)	610
Building and facility repairs	1,100	1,090	10	1,229
Cleaning services	600	550	50	600
Total Community Center	14,528	14,279	249	13,810
Total current expenditures	831,627	801,868	29,759	717,183
Total capital outlay expenditures	451,000	107,594	343,406	-
Total debt service expenditures	19,108	19,108	-	19,109
Total transfers out	24,000	22,673	1,327	21,747
Total General Fund expenditures and transfers out	1,325,735	951,243	374,492	758,039
Net change in fund balances	-	(39,882)	(39,882)	(38,861)
FUND BALANCES, JANUARY 1	3,125	3,125	-	41,986
FUND BALANCES, DECEMBER 31	$ 3,125	(36,757)	(39,882)	3,125

TOWN OF OLATHE, COLORADO
Budgetary comparison schedule
Road Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Taxes				
General sales taxes	140,000	138,668	(1,332)	130,611
Intergovernmental				
State shared revenues				
Highway users tax	52,000	64,337	12,337	51,576
Grants	857,900	280,280	(577,620)	754,225
County shared revenues				
Motor vehicle tax	27,000	29,310	2,310	24,343
Auto registrations	7,500	6,805	(695)	6,854
Grants	33,333	33,000	(333)	15,000
Miscellaneous				
Street Assessment Revenue	29,000	29,249	249	28,827
Miscellaneous	1,350	2,901	1,551	8,225
Investment Income	75	160	85	73
Total Revenues	1,148,158	584,710	(563,448)	1,019,734
EXPENDITURES				
Public Works				
Salaries	91,235	90,364	871	89,995
Employee benefits	25,975	24,978	997	25,652
Insurance	6,830	6,825	5	7,324
Workers' compensation	2,530	2,666	(136)	2,462
Auditing Fees	2,200	2,500	(300)	2,000
Legal fees	500	3,109	(2,609)	
Contract services	500	488	12	721
Travel and training	250	112	138	
Meals	50	148	(98)	
Publishing	200	294	(94)	57
Postage	50		50	123
Utilities	12,000	12,408	(408)	13,066
Telephone	1,100	1,252	(152)	1,090
Office supplies	50	43	7	
Clothing	250	25	225	50
Supplies	5,000	6,528	(1,528)	10,112
Chemicals	750	110	640	192
Gravel	10,000	1,453	8,547	4,951
Administrative fee	6,843	6,843	-	6,843
Safety equipment	150	300	(150)	117
Building rent		1,283	(1,283)	12,250
Building and facility repairs		138	(138)	2,339
Equipment repairs and maintenance	7,000	6,740	260	2,589
Fuel and oil	5,500	4,928	572	4,578
Street materials	10,000	3,950	6,050	4,668
Main street beautification	10,000	15,753	(5,753)	15,208
Street signs	1,000	85	915	647
Miscellaneous expense	2,000	4,716	(2,716)	1,973
Bank fees			-	5
Grants - professional services			-	14,147
Total Current	201,963	198,039	3,924	223,159
Capital Outlay				
Capital improvements	663,001	349,863	313,138	847,600
Total Capital Outlay	663,001	349,863	313,138	847,600
Debt Service				
Principal	8,813	8,813	-	10,951
Interest	2,281	2,281	-	1,796
Total Debt Service	11,094	11,094	-	12,747
Total Road Fund expenditures	876,058	558,996	317,062	1,083,506
Other financing sources				
Lease proceeds	7,000		(7,000)	58,750
Net change in fund balances	279,100	25,714	(253,386)	(5,022)
FUND BALANCES, JANUARY 1	243,330	243,330	-	248,352
FUND BALANCES, DECEMBER 31	$ 522,430	269,044	(253,386)	243,330

TOWN OF OLATHE, COLORADO
Schedule of Change in Net Pension (Asset) Liability
For the years ended December 31

Measurement Date (as of the previous fiscal year end)		2018	2017	2016	2015	2014
Employer Portion of Net Pension Asset		0.03428618%	0.03205707%	0.02836640%	0.02301823%	0.02325081%
Employer proportionate share of Net Pension (Asset) Liability	$	(49,326)	11,583	(500)	(25,978)	(20,791)
Employer Covered Payroll	$	211,301	200,548	137,511	103,514	100,987
Employer Proportionate Share of Net Pension (Asset) Liability as a Percentage of Covered Payroll		-23.34%	5.78%	-0.36%	-25.10%	-20.59%

TOWN OF OLATHE, COLORADO
Schedule of Contributions to Pension Plan
For the year ended December 31

As of the previous fiscal year end	2018	2017	2016	2015	2014
Required Employer Contributions	16,904	16,044	11,001	8,281	8,079
Employer Contributions Recognized by Plan	16,904	16,044	11,001	8,281	8,079
Difference	-	-	-	-	-
Employer Covered Payroll	211,301	200,548	137,511	103,514	100,987
Contributions as a Percentage of Employer Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%

SUPPLEMENTARY INFORMATION

TOWN OF OLATHE, COLORADO
Combining Balance Sheet
Non-Major Governmental Funds
For the year ended December 31, 2018

	Special Revenue Fund Conservation Trust	Police Pension Permanent Fund	Total Non-Major Governmental Funds
Assets			
Cash and Cash Equivalents	13,269		13,269
Certificates of Deposit	2,000	1,341	3,341
Total Assets	15,269	1,341	16,610
Liabilities and Fund Balances			
Liabilities			
Accounts Payable			-
Total Liabilities	-	-	-
Fund Balances			
Restricted for:			
Conservation trust	15,269		15,269
Police officer's retirement		1,341	1,341
Total Fund Balance	15,269	1,341	16,610
Total Liabilities and Fund Balance	15,269	1,341	16,610

TOWN OF OLATHE, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget

Non-Major Governmental Funds

For the year ended December 31, 2018

	Special Revenue Fund Conservation Trust		Police Pension Permanent Fund		Total Non-Major Governmental Funds	
	Actual	Budget	Actual	Budget	Actual	Budget
Revenues						
Intergovernmental						
Lottery	18,307	18,000			18,307	18,000
Miscellaneous						
Investment income	80				80	-
Total Revenues	18,387	18,000	-	-	18,387	18,000
Expenditures						
Current						
Public Safety			22,673	24,000	22,673	24,000
Total Expenditures	-	-	22,673	24,000	22,673	24,000
Excess of Revenues Over (Under) Expenditures	18,387	18,000	(22,673)	(24,000)	(4,286)	(6,000)
Other Financing Sources (Uses)						
Operating Transfers In (Out)	(18,000)	(18,000)	22,673	24,000	4,673	6,000
Total Other Financing Sources (Uses)	(18,000)	(18,000)	22,673	24,000	4,673	6,000
Net Change in Fund Balance	387	-	-	-	387	-
Fund Balance, January 1	14,882	14,882	1,341	1,341	16,223	16,223
Fund Balance, December 31	15,269	14,882	1,341	1,341	16,610	16,223

TOWN OF OLATHE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET
WATER FUND - BUDGET BASIS OF ACCOUNTING
For the year ended December 31, 2018 with comparative actual amounts
for the year ended December 31, 2017

	2018			2017
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Charges for Services	282,000	285,274	3,274	258,220
Late charge fees	5,000	4,500	(500)	4,840
Tap Fees	3,000		(3,000)	
Investment Income	250	559	309	253
Grants	149,000	68,275	(80,725)	179,866
Miscellaneous	6,500	3,912	(2,588)	4,300
Lease proceeds			-	53,750
Total Revenues	445,750	362,520	(83,230)	501,229
EXPENDITURES				
Operations and Maintenance				
Salaries	91,235	89,660	1,575	90,594
Employee benefits	25,975	24,979	996	25,653
Insurance	6,830	6,978	(148)	7,324
Workers' compensation	2,530	2,666	(136)	2,462
Auditing fees	2,200	2,500	(300)	2,000
Legal fees	1,000	3,109	(2,109)	2,216
Engineering fees	5,000		5,000	6,962
Contract services	500	185	315	623
Dues and membership fees	150	152	(2)	
Travel and training	1,050	383	667	985
Publishing	100	240	(140)	78
Postage	1,000	767	233	818
Utilities	4,000	3,654	346	3,950
Telephone	1,000	903	97	866
Clothing	250	25	225	50
Supplies	10,050	6,170	3,880	3,353
Chemicals	750	110	640	192
Administrative fee	6,843	6,843	-	6,843
Safety equipment	150	140	10	86
Building rent		1,283	(1,283)	12,250
Building and facility repairs		138	(138)	
Equipment repairs and maintenance	4,000	3,611	389	1,633
Other permits	250	250	-	250
Fuel and oil	5,000	4,928	72	4,578
Miscellaneous expense	750	4,183	(3,433)	405
Grants - professional services	52,712	19,123	33,589	20,000
Reservoir maintenance	2,000	1,569	431	
Water usage	75,000	66,624	8,376	70,387
Water assessments	25,684	25,695	(11)	25,545
Water tank maintenance	3,000	2,588	412	
Total Operations and Maintenance	329,009	279,456	49,553	290,103
Capital outlay				
Capital improvements	105,647	56,482	49,165	212,440
Debt service				
Principal	8,813	8,813	-	4,701
Interest	2,281	2,281	-	3,046
Total debt service	11,094	11,094	-	7,747
TOTAL EXPENDITURES	445,750	347,032	98,718	510,290

TOWN OF OLATHE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET
SEWER FUND - BUDGET BASIS OF ACCOUNTING
For the year ended December 31, 2018 with comparative actual amounts
for the year ended December 31, 2017

	2018			2017
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Charges for services	291,000	292,758	1,758	284,371
Late charge fees	5,000	4,500	(500)	4,840
Tap fees	7,200	3,753	(3,447)	3,754
Pump station surcharge	5,200	5,940	740	5,202
Investment income	100	240	140	108
Miscellaneous revenues	2,200	1,160	(1,040)	1,116
Grants	100,000	51,306	(48,694)	200,176
Lease proceeds			-	53,750
Total Revenues	410,700	359,657	(51,043)	553,317
EXPENDITURES				
Operations and Maintenance				
Salaries	91,235	89,659	1,576	90,594
Employee Benefits	25,975	24,978	997	25,653
Insurance	6,830	6,825	5	7,324
Workers' compensation	2,530	2,666	(136)	2,462
Auditing fees	2,200	2,500	(300)	2,000
Legal fees	1,000	3,109	(2,109)	
Engineering fees	1,000		1,000	
Contract services	5,000	3,560	1,440	4,706
Dues and membership fees	200	237	(37)	170
Travel and training	1,500	468	1,032	1,374
Publishing	125	240	(115)	57
Postage	750	767	(17)	750
Utilities	27,000	30,801	(3,801)	31,336
Telephone	2,700	2,767	(67)	2,635
Clothing	250	25	225	50
Supplies	3,050	6,124	(3,074)	8,734
Chemicals	1,000	110	890	192
Administrative fee	6,843	6,843	-	6,843
Safety equipment	150	50	100	57
Building rent		1,283	(1,283)	12,250
Building repairs and maintenance	250	325	(75)	
Equipment repairs and maintenance	7,000	3,366	3,634	18,548
Other permits	2,300	2,678	(378)	2,195
Fuel and oil	5,000	4,928	72	4,497
Miscellaneous expense	500	4,127	(3,627)	367
Grant - professional services			-	22,310
Water assessments	1,200	1,025	175	1,116
Total Operations and Maintenance	195,588	199,461	(3,873)	246,220
Capital outlay				
Capital improvements	110,474	52,482	57,992	212,440
Total capital outlay	110,474	52,482	57,992	212,440
Debt Service				
Principal	34,833	35,315	(482)	30,050
Interest	61,805	61,224	581	63,148
Total debt service	96,638	96,539	99	93,198
Transfers to other funds	8,000	10,000	(2,000)	
TOTAL EXPENDITURES	410,700	358,482	52,218	551,858

TOWN OF OLATHE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET
TRASH FUND - BUDGET BASIS OF ACCOUNTING
For the year ended December 31, 2018 with comparative actual amounts
for the year ended December 31, 2017

	2018			2017
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Charges for services	190,000	191,913	1,913	189,915
Investment income	100	240	140	108
Miscellaneous revenues	500	45	(455)	
Grants	100,000	51,306	(48,694)	159,866
Lease proceeds			-	53,750
Total Revenues	290,600	243,504	(47,096)	403,639
EXPENDITURES				
Operations and maintenance				
Salaries	50,963	50,275	688	52,216
Employee benefits	14,022	13,131	891	14,351
Insurance	2,660	2,654	6	2,909
Workers' compensation	1,450	1,523	(73)	1,449
Auditing fees	2,200	2,500	(300)	2,000
Legal fees	500	3,109	(2,609)	
Contract services	750	62	688	454
Publishing	100	270	(170)	57
Postage	1,000	676	324	818
Utilities	2,500	1,953	547	2,527
Telephone	1,000	755	245	866
Clothing	250	25	225	50
Supplies	10,000	1,621	8,379	4,435
Adminstrative fee	6,843	6,843	-	6,843
Safety equipment	150	50	100	
Building rent		700	(700)	5,250
Building repairs and maintenance		138	(138)	
Equipment repairs and maintenance	12,000	12,678	(678)	9,340
Fuel and oil	5,000	5,001	(1)	4,419
Miscellaneous expense	250	3,645	(3,395)	317
Dumping fees	46,000	49,575	(3,575)	47,902
Total Operations and maintenance	157,638	157,184	454	156,203
Capital outlay				
Capital improvements	111,532	52,482	59,050	212,440
Total capital outlay	111,532	52,482	59,050	212,440
Debt Service				
Principal	4,686	4,686	-	26,770
Interest	2,006	2,006	-	3,209
Total Debt Service	6,692	6,692	-	29,979
Transfers to other funds	14,738		14,738	
TOTAL EXPENDITURES	290,600	216,358	74,242	398,622

LOCAL HIGHWAY FINANCE REPORT

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ANNUAL HIGHWAY FINANCE REPORT - CY18

Email address: pgabriel@olatheco.us
City/County: Olathe

II - RECEIPTS FOR ROAD AND STREET PURPOSES

A. Receipts from local sources

2. General Fund Appropriations:	$	0.00
3. Other local imposts: *(from A.3. 'Total' below)*	$	196,852.00
4. Miscellaneous local receipts: *(from A.4. 'Total' below)*	$	36,433.00
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:	$	233,285.00

B. Private Contributions	$	0.00

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

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$	297,381.00
2. Maintenance:	$	0.00
3. Road and street services		
a. Traffic control operations:	$	189,220.00
b. Snow and ice removal:	$	24,613.00
c. Other:	$	18,232.00
4. General administration & miscellaneous	$	26,816.00
5. Highway law enforcement and safety	$	2,734.00
Total: *(A.1-5)*	$	558,996.00

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

C. Payments to State for Highways: $ 0.00

D. Payments to Toll Facilities: $ 0.00

Total Disbursements: *(A+B+C+D)* $ 558,996.00

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

	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	$ 0.00	$ 0.00
4. System Enhancement:	$ 0.00	$ 297,381.00	$ 297,381.00
5. Total Construction:			$ 297,381.00
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*			$ 297,381.00

IV. LOCAL HIGHWAY DEBT STATUS

	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

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 243,330.00	$ 584,710.00	$ 558,996.00	$ 269,044.00	$ 0.00

Notes & Comments:
undefined

Please enter your name: undefined

Please provide a telephone number where you may be reached: undefined

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FORM FHWA-536e(Version 5.0) - CY18

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

KELLY NEAL SCATES, CPA, PC
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Town Board of Trustees
Town of Olathe, Colorado
Olathe, Colorado 81425

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Olathe, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town of Olathe, Colorado's basic financial statements, and have issued my report thereon dated July 30, 2019.

Internal Control over Financial Reporting

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

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

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

Honorable Mayor and Town Board of Trustees
Town of Olathe, Colorado
Olathe, Colorado 81425
Page Two

Compliance and Other Matters

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

Town of Olathe, Colorado's Response to Findings

The Town of Olathe, Colorado's response to the findings in my audit is described in the accompanying schedule of findings and questioned costs. The Town of Olathe, Colorado's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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

Kelly Neal Scates, CPA, PC

Delta, Colorado
July 30, 2019

For the year ended December 31, 2018 there were no instances of non-compliance required to be reported in accordance with *Government Auditing Standards*.

Finding 2017-1
Status: Corrected