

**Town of Wiggins, Colorado**  
**Financial Statements**  
**with Independent Auditors' Report**  
**December 31, 2018**



# Town of Wiggins, Colorado

Table of Contents  
December 31, 2018

## **Financial Section**

<b>Independent Auditors' Report</b> .....	1
---	---

<b>Management's Discussion and Analysis</b> .....	i
---	---

## **Basic Financial Statements**

### *Government-wide Financial Statements*

Statement of Net Position .....	3
Statement of Activities .....	4

### *Governmental Funds*

Balance Sheet .....	5
Reconciliation of the Balance Sheet of Government Funds to the Statement of Net Position .....	6
Statement of Revenues, Expenditures and Changes in Fund Balance .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	8

### *Proprietary Funds*

Statement of Net Position .....	9
Statement of Revenues, Expenses and Changes in Net Position .....	10
Statement of Cash Flows.....	11

<i>Notes to Financial Statements</i> .....	12
--	----

## **Required Supplementary Information**

Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions .....	36
Budgetary Comparison Schedule—General Fund .....	37

## **Supplementary Information**

### *Budgetary Comparison Schedules*

Sales Tax Capital Improvement Fund .....	40
Conservation Trust Fund .....	41
Water Fund .....	42
Sewer Fund .....	43

## **Compliance Section**

### **State Compliance**

Local Highway Finance Report.....	44
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## **Financial Section**



**HINKLE &  
COMPANY**  
*Strategic* PC  
*Business Advisors*

## Independent Auditors' Report

Honorable Mayor and Members of the Board of Trustees  
Town of Wiggins  
Wiggins, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Wiggins, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the entity'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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of governmental activities, the business-type activities, and each major fund of the Town of Wiggins 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 required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wiggins's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Hick & Company, PC*

Greenwood Village, Colorado  
September 6, 2019





Town of Wiggins Colorado  
2018 Management Discussion and Analysis  
Prepared by: Paul Larino, Town Manager

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

### **Financial Highlights**

- The Town of Wiggins, Colorado' total governmental net position increased by \$1,180,075 at the end of the 2018 fiscal year.
- The assets of the Town exceeded its liabilities at the close of fiscal year 2018 by \$10,030,225 (*net position*). Of this amount, \$2,587,857 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or expenses.
- At the end of 2018, the Town had a Bank Balance of \$2,147,471 and a Book Balance of \$ 2,120,190.
- At the end of 2018 unrestricted net position for the proprietary funds (business-type activities) was \$2,478,093.
- At the end of the 2018 fiscal year, the Town 's General Fund reported an ending fund balance of \$106,900.
- General Fund 2018 revenues and other financing sources increased by \$422,631 to \$1,008,764. The revenues for 2017 were \$586,133.
- General Fund expenditures increased in 2018 by \$160,672 to \$873,925. The expenditures for 2017 were \$713,253.
- Water Fund 2018 revenues and capital contributions increased in by \$430,764 to \$1,471,256. The revenues and capital contributions for 2017 were \$1,040,492.



- Sewer Fund 2018 revenues and capital contributions decreased by \$256,464 to \$516,268. The revenues and capital contributions for 2017 were \$772,732 (note: The Town received \$102,000 in grant money in 2017).

### **Using the Basic Financial Statements**

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

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

The remaining statements are fund financial statements that focus on individual parts of the Town’s operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town has three governmental funds:

- General Fund
- Sales Tax Capital Improvement Fund (Capital Projects Fund)
- Conservation Trust Fund (nonmajor Special Revenue Fund)

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

- Water Fund
- Sewer Fund

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

### **Financial Analysis of the Town as a Whole**

The Town’s total net position was \$10,030,225 as of December 31, 2018. In 2017 the Town’s net position was \$8,850,150. This represents an increase of \$1,180,075 in the Town’s net position.



## Government-Wide Financial Statements

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

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

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

## Net Position

Net position might serve over time as a useful indicator of a government's financial position.

These statements of financial position report the following *elements*:

- **Assets** – Resources with present service capacity that the government presently controls
- **Deferred outflows of resources** – The consumption of net assets by the government that is applicable to a future reporting period
- **Liabilities** – Present obligations to sacrifice resources that the government has little or no discretion to avoid
- **Deferred inflows of resources** – An acquisition of net assets by the government that is applicable to a future reporting period
- **Net position** – The residual of all other elements presented in a statement of financial position for proprietary funds, fiduciary funds and the government-wide statements
- **Fund balance** – The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources



In the case of the Town of Wiggins, Colorado, assets exceeded liabilities by approximately \$10,030,225 by the end of 2018.

Net position of the Town's Governmental and Business-type Activities at December 31, 2018 and December 31, 2017 were as follows:

	Net Positions					
	Government Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and Other assets	\$ 787,664	\$ 530,436	\$ 2,822,319	\$ 1,890,770	\$ 3,609,983	\$ 2,421,206
Capital Assets, net	\$ 2,276,863	\$ 2,179,970	\$ 13,981,990	\$ 14,094,883	\$ 16,258,853	\$ 16,274,853
<b>Total Assets</b>	<b>\$ 3,064,527</b>	<b>\$ 2,710,406</b>	<b>\$ 16,804,309</b>	<b>\$ 15,985,653</b>	<b>\$ 19,868,836</b>	<b>\$ 18,696,059</b>
Deferred outflows of resources	\$ 22,984	\$ 26,556	\$ -	\$ -	\$ 22,984	\$ 26,556
Current Liabilities	\$ 225,985	\$ 232,201	\$ 225,894	\$ 135,958	\$ 451,879	\$ 368,159
Non Current Liabilities	\$ 79,892	\$ 108,440	\$ 9,075,233	\$ 9,167,718	\$ 9,155,125	\$ 9,276,158
<b>Total Liabilities</b>	<b>\$ 305,877</b>	<b>\$ 340,641</b>	<b>\$ 9,301,127</b>	<b>\$ 9,303,676</b>	<b>\$ 9,607,004</b>	<b>\$ 9,644,317</b>
Deffered Inflows of resources	\$ 254,591	\$ 228,148	\$ -	\$ -	\$ 254,591	\$ 228,148
<i>Net Position:</i>						
Net Investment of Capital assets	\$ 2,186,827	\$ 2,080,668	\$ 4,912,566	\$ 6,162,268	\$ 7,099,393	\$ 8,242,936
Restricted	\$ 230,452	\$ 112,928	\$ 112,523	\$ 117,464	\$ 342,975	\$ 230,392
Unrestricted	\$ 109,764	\$ (25,423)	\$ 2,478,093	\$ 402,245	\$ 2,587,857	\$ 376,822
<b>Total Net Position</b>	<b>\$ 2,527,043</b>	<b>\$ 2,168,173</b>	<b>\$ 7,503,182</b>	<b>\$ 6,681,977</b>	<b>\$ 10,030,225</b>	<b>\$ 8,850,150</b>

The bulk of the Town's net position, \$7,099,393, is invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets.

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



## Changes in Net Position

Governmental activities increased the Town of Wiggins, Colorado's net position by \$358,870 to \$2,527,043. The Town's Business type activities increased the Town's net position by \$821,205 to \$7,503,182. The overall net position of the town increased by \$1,180,075 to \$10,030,225 for end of year 2018, compared to \$8,850,150 at end of the 2017 year.

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

	Changes in Net Positions					
	Government Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
<i>Program Revenues</i>						
Charges for services	\$ 184,568	\$ 123,405	\$ 719,614	\$ 686,911	\$ 904,182	\$ 810,316
Operating Grants and Contributions	\$ 258,038	\$ 89,495	\$ 60,000	\$ 112,065	\$ 318,038	\$ 201,560
Capital Grants and Contributions	\$ -	\$ -	\$ 1,062,500	\$ 1,014,002	\$ 1,062,500	\$ 1,014,002
					\$ -	\$ -
<i>General Revenues</i>						
Property Taxes	\$ 220,577	\$ 192,057	\$ -	\$ -	\$ 220,577	\$ 192,057
Sales and Uses Taxes	\$ 356,395	\$ 226,317	\$ -	\$ -	\$ 356,395	\$ 226,317
Specific Ownership Taxes	\$ 22,600	\$ 20,289	\$ -	\$ -	\$ 22,600	\$ 20,289
Other Taxes	\$ 962	\$ 799	\$ -	\$ -	\$ 962	\$ 799
Franchise Tax	\$ 15,135	\$ 13,462	\$ -	\$ -	\$ 15,135	\$ 13,462
Investment Income	\$ 1,077	\$ 322	\$ 629	\$ 246	\$ 1,706	\$ 568
Gain on Sale of Capital Assets	\$ 49,527	\$ -	\$ 144,781	\$ -	\$ 194,308	\$ -
Other General Revenues	\$ 34,785	\$ 42,014	\$ -	\$ -	\$ 34,785	\$ 42,014
<b>Total Revenues</b>	<b>\$ 1,143,664</b>	<b>\$ 708,160</b>	<b>\$ 1,987,524</b>	<b>\$ 1,813,224</b>	<b>\$ 3,131,188</b>	<b>\$ 2,521,384</b>
<i>Program Expenditures</i>						
General Government	\$ 249,487	\$ 503,699	\$ -	\$ -	\$ 249,487	\$ 503,699
Public Safety	\$ 236,311	\$ 295,646	\$ -	\$ -	\$ 236,311	\$ 295,646
Public Works	\$ 235,957	\$ 296,311	\$ -	\$ -	\$ 235,957	\$ 296,311
Cultural and Recreation	\$ 58,286	\$ 119,754	\$ -	\$ -	\$ 58,286	\$ 119,754
Interest on Debt	\$ 4,753	\$ 2,633	\$ -	\$ -	\$ 4,753	\$ 2,633
Water Enterprise Utility	\$ -	\$ -	\$ 782,191	\$ 1,113,782	\$ 782,191	\$ 1,113,782
Sewer Enterprise Utility	\$ -	\$ -	\$ 384,128	\$ 267,026	\$ 384,128	\$ 267,026
<b>Total Expenses</b>	<b>\$ 784,794</b>	<b>\$ 1,218,043</b>	<b>\$ 1,166,319</b>	<b>\$ 1,380,808</b>	<b>\$ 1,951,113</b>	<b>\$ 2,598,851</b>
<i>Increase/decrease in net position</i>	\$ 358,870	\$ (509,883)	\$ 821,205	\$ 432,416	\$ 1,180,075	\$ (77,467)
Net Position, Beginning	\$ 2,168,173	\$ 2,678,056	\$ 6,681,977	\$ 6,249,561	\$ 8,850,150	\$ 8,927,617
Net Position, Ending	\$ 2,527,043	\$ 2,168,173	\$ 7,503,182	\$ 6,681,977	\$ 10,030,225	\$ 8,850,150

## Financial Analysis of the Town's Funds

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



## **Governmental Funds**

The focus of the Town's governmental 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 a government's net resources available for spending at the end of the year.

*General Fund* – The General Fund had a beginning balance of (\$27,939) and an ending balance of \$106,900, this is a \$134,839 increase from the prior year. The most significant changes from the prior year were increases in property taxes, building permits, and use tax. The Town expects to continue to see a rise in general fund balance in the subsequent year.

*Sales Tax Capital Improvement Fund* – This fund had a beginning balance of \$54,655 and ended 2018 with a balance of \$163,484. This is a \$108,829 increase from the previous year.

## **Proprietary Funds**

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

*Water Fund* – The Water Fund had a beginning net position of \$4,794,602 and ended the 2018 year with a net position of \$5,483,667. This is an increase of \$689,065 from the previous year. The Town's water fund is largely affected by the Wiggins Water Project, which became operational in September 2013. The improvements to the system include a new water source, a new water treatment facility, augmentation facilities, and new pipeline infrastructure to provide water to citizens. The project was partially funded through grant proceeds, which are presented as fund level revenues, without corresponding expenses as the underlying assets have been capitalized. The Town is still funding the cost to secure its water rights through the court system, which accounted for some of the additional cost. Increases in revenues and capital contributions can be attributed to Water Investment tap fees being paid to the Town from contractors building new homes within the corporate limits.

*Sewer Fund* – The Sewer Fund had a beginning net position of \$1,887,375 and ended the 2018 year with a net position of \$2,019,515. This is a \$132,140 increase over the previous year. The increase can be contributed to sewer investment fees paid to the town by contractors building homes and lower operational cost.



## Capital Assets

Approximately 25% of the Town’s capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements. The majority of the Town’s governmental capital asset additions are related to improvements on the Delbert Teets Baseball Field, Kiowa Park, and Public Works Improvements.

The Town’s business-type activities capital assets consist of its investments in its utility systems and related equipment. The majority of the improvements for the year represent water system improvements that were completed in September 2013 and new investments in capital projects. These improvements are primarily related to upgrades to the water transmission system and additional water rights used to supplement the Town’s existing wells.

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

Business-Type Activities	Balance 12/31/17	Additions	Deletions	Balance 12/31/18	Due Within One Year	Interest Expense
Capital Lease Payable - Water	\$ 340,945	\$ -	\$ (21,146)	\$ 319,799	\$ 22,287	\$ 16,327
2017 BOTW Loan - Water & Sewer	2,850,000	-	-	2,850,000	2,850,000	151,003
2017 CWCB Note Payable - Water	2,408,850	-	-	2,408,850	-	-
2016 Note Payable - HPNB - Water	81,332	-	-	81,332	81,332	1,220
2013 USDA Water Loan	510,876	-	(9,638)	501,238	-	-
2011 USDA Water Loan	2,969,906	-	(61,701)	2,908,205	-	-
<b>Total Long-Term Debt</b>	<b>\$ 9,161,909</b>	<b>\$ -</b>	<b>\$ (92,485)</b>	<b>\$ 9,069,424</b>	<b>\$ 2,953,619</b>	<b>\$ 168,550</b>

## General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Wiggins, Colorado including: public safety (police), public works, parks and recreation, and general government services. For the budget year of 2018, the town budgeted a total of \$838,668 as expected revenues. Actual revenues for 2018 were \$1,008,764, which represents \$170,096 over

the budgeted revenues. The Town’s General Fund expenditures were \$873,925 which represents \$1,352 more than what was budgeted.

## Economic Factors, Future Budgets and Rates

The Town of Wiggins has seen three full years of new housing growth. The expansion has been driven primarily from the Kiowa Park Housing Development. In addition, a new school was built and a new commercial development is in the planning stages. Town staff expects to see an



approximate 10% increase in residential growth for next year. Starting in 2020, the Town will likely see decreases in residential housing unit starts, and thus the Town's revenues. Due to the lack of consistent policy related to residential growth from the Board of Trustees, management and elected officials must be extremely cautious in future budget years as housing will undoubtedly slow. A large amount of the Town's revenues and budget expenditures have been funded with development fees from new housing starts. As an example, more than 50% of the Town's water revenue in 2018 was generated from water investment fees. With no future housing developments on the horizon, the Board of Trustees will have to seek out additional revenue sources and/or consider large cuts in the budget to remain fiscally sound in future years.

For the fiscal year 2018, the Board of Trustees and staff examined policy that would lead to a balanced budget, while still providing opportunities for growth and much needed infrastructure. Several factors were considered by the Board of Trustees in an attempt to create a budget that would continue to allow for the development of the water project and capital improvement projects. The Town must continue to actively face the challenges related to funding future water and sewer projects.

### **Rate Maintenance**

As noted in Note 9 of the Notes to Financial Statements, both the 2011, and 2013, USDA water loan agreements, as well as the 2017 Bank of the West, and the Colorado Water Conservation Board loans require that Net Revenues shall represent a sum equal to either 100% or 120% of the amount necessary to pay the principal and interest on the loans coming due during the fiscal year. The Town would need to make up any deficiencies in Reserve Accounts and may be required to raise utility charges to comply with loan agreements. In 2014, the Town was facing such a scenario. The 2014 Financial Statements showed the Town only met this threshold by \$4,312.00. The 2018 shows the Town met its obligation to the USDA requirement by an excess of \$833,629, the CWCB requirement by \$863,043, and the Bank of West requirement by \$890,724. The improvement in the debt ratio reserve is the direct result of the new housing that has been built in the Town of Wiggins. The housing growth in 2018 accounted for \$1,062,500 of the water and sewer capital contributions that are calculated into the debt ratio. In addition, operating revenues and other revenues have increased from \$396,343 in 2014 to \$925,024 in 2018. The Board of Trustees must take into consideration the requirement of the Town's debt instruments as a part of future planning and policy making. If these considerations are not properly planned for, the Town will likely be forced to consider large increases to its citizens water and sewer rates in future years.



A summary of the 2018 Rate Maintenance as calculated by the Town's independent auditors is as follows:

	Water Enterprise		Water and Sewer Enterprise		
	2011 & 2013 USDA Loans	2017 CWCB Loan	2017 Bank of the West Loan		
			Water Ent.	Sewer Ent.	Total
<b>Revenues</b>					
Operating Revenues	\$ 557,569	\$ 557,569	\$ 557,569	\$ 162,045	\$ 719,614
Other revenue	205,187	205,187	205,187	223	205,410
Capital Contributions	708,500	708,500	708,500	354,000	1,062,500
Less: Capital Related Grants	(60,000)	(60,000)	(60,000)	-	(60,000)
Total Revenue	<u>1,411,256</u>	<u>1,411,256</u>	<u>1,411,256</u>	<u>516,268</u>	<u>1,927,524</u>
<b>Expenses</b>					
Operations and maintenance expense	552,424	552,424	552,424	325,935	878,359
Less: Depreciation	(151,283)	(151,283)	(151,283)	(47,966)	(199,249)
Net Expenses	<u>401,141</u>	<u>401,141</u>	<u>401,141</u>	<u>277,969</u>	<u>679,110</u>
Net Revenues	<u>\$ 1,010,115</u>	<u>\$ 1,010,115</u>	<u>\$ 1,010,115</u>	<u>\$ 238,299</u>	<u>\$ 1,248,414</u>
<b>Debt Services Requirements (Parity and Senior Debt Service)</b>					
2011 USDA Water Loan	\$ 126,626	\$ 126,626	\$ 126,626	\$ -	\$ 126,626
2013 USDA Water Loan	20,446	20,446	20,446	-	20,446
2017 Bank of the West Loan	-	-	95,479	55,524	151,003
2017 CWCB Loan	-	-	-	-	-
	<u>147,072</u>	<u>147,072</u>	<u>242,551</u>	<u>55,524</u>	<u>298,075</u>
Required Coverage	120%	100%	120%	120%	120%
Debt Service Coverage Amount	<u>176,486</u>	<u>147,072</u>	<u>291,061</u>	<u>66,629</u>	<u>357,690</u>
Net Revenue Excess (Shortfall)	<u>\$ 833,629</u>	<u>\$ 863,043</u>	<u>\$ 719,054</u>	<u>\$ 171,670</u>	<u>\$ 890,724</u>

### Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Town Manager, Town of Wiggins, Colorado, 304 Central Ave Wiggins, CO 80654.

Respectively Submitted,

Paul Larino, MPA  
Town Manager  
Town of Wiggins, Colorado

## **Basic Financial Statements**

**Town of Wiggins, Colorado**  
**Statement of Net Position**  
**December 31, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Investments			
Cash	\$ 274,996	\$ 1,457,407	\$ 1,732,403
Investments	309	641	950
Restricted Cash and Investments	219,970	169,349	389,319
Receivables			
Property Tax Receivables	247,362	-	247,362
Intergovernmental Receivables	40,275	-	40,275
Utility Receivables	-	61,146	61,146
Cash with Fiscal Agent	4,752	1,133,776	1,138,528
Capital Assets			
<i>Not being depreciated</i>	1,444,095	6,295,225	7,739,320
Capital Assets			
<i>Net of accumulated depreciation</i>	815,951	7,686,765	8,502,716
Net Pension Asset	16,817	-	16,817
Total Assets	<u>3,064,527</u>	<u>16,804,309</u>	<u>19,868,836</u>
<b>Deferred Outflows of Resources</b>			
Pension Related Deferred Outflows	22,984	-	22,984
Total Asset & Deferred Outflows of Resources	<u>3,087,511</u>	<u>16,804,309</u>	<u>19,891,820</u>
<b>Liabilities</b>			
Accounts Payable	33,229	72,827	106,056
Accrued Liabilities	(9,388)	(1,943)	(11,331)
Accrued Interest Payable	2,144	82,815	84,959
Deposits and Escrow	200,000	72,195	272,195
Non-Current Liabilities			
Due Within One year	36,170	3,085,101	3,121,271
Due In More Than One year	43,722	5,990,132	6,033,854
Total Liabilities	<u>305,877</u>	<u>9,301,127</u>	<u>9,607,004</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	247,362	-	247,362
Pension Related Deferred Inflows	7,229	-	7,229
Total Deferred Inflows of Resources	<u>254,591</u>	<u>-</u>	<u>254,591</u>
<b>Net Position</b>			
Net Investment in Capital Assets	2,186,827	4,912,566	7,099,393
Restricted	230,452	112,523	342,975
Unrestricted	109,764	2,478,093	2,587,857
Total Net Position	<u>2,527,043</u>	<u>7,503,182</u>	<u>10,030,225</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 3,087,511</u>	<u>\$ 16,804,309</u>	<u>\$ 19,891,820</u>

See Notes to Financial Statements.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Government	\$ 249,487	\$ 1,152	\$ 25,005	\$ -	\$ (223,330)	\$ -	\$ (223,330)
Public Safety	236,311	15,622	-	-	(220,689)	-	(220,689)
Public Works	235,957	153,991	213,180	-	131,214	-	131,214
Culture and Recreation	58,286	13,803	19,853	-	(24,630)	-	(24,630)
Interest on Debt	4,753	-	-	-	(4,753)	-	(4,753)
Total Governmental Activities	<u>784,794</u>	<u>184,568</u>	<u>258,038</u>	<u>-</u>	<u>(342,188)</u>	<u>-</u>	<u>(342,188)</u>
<b>Business-Type Activities</b>							
Water	782,191	557,569	60,000	708,500	-	543,878	543,878
Sewer	<u>384,128</u>	<u>162,045</u>	<u>-</u>	<u>354,000</u>	<u>-</u>	<u>131,917</u>	<u>131,917</u>
Total Business-Type Activities	<u>1,166,319</u>	<u>719,614</u>	<u>60,000</u>	<u>1,062,500</u>	<u>-</u>	<u>675,795</u>	<u>675,795</u>
Total Primary Government	<u>\$ 1,951,113</u>	<u>\$ 904,182</u>	<u>\$ 318,038</u>	<u>\$ 1,062,500</u>	<u>(342,188)</u>	<u>675,795</u>	<u>333,607</u>
<b>General Revenues</b>							
Property Taxes					220,577	-	220,577
Specific Ownership Taxes					22,600	-	22,600
Sales and Use Taxes					356,395	-	356,395
Franchise Taxes					15,135	-	15,135
Other Taxes					962	-	962
Investment Income					1,077	629	1,706
Gain on Sale of Assets					49,527	144,781	194,308
Miscellaneous Income					<u>34,785</u>	<u>-</u>	<u>34,785</u>
Total General Revenues					<u>701,058</u>	<u>145,410</u>	<u>846,468</u>
<b>Change in Net Position</b>					<u>358,870</u>	<u>821,205</u>	<u>1,180,075</u>
<b>Net Position, Beginning of year</b>					<u>2,168,173</u>	<u>6,681,977</u>	<u>8,850,150</u>
<b>Net Position, End of year</b>					<u>\$ 2,527,043</u>	<u>\$ 7,503,182</u>	<u>\$ 10,030,225</u>

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

	General Fund	Sales Tax Capital Improvement Fund	Non-Major Conservation Trust Fund	Total Governmental Funds
<b>Assets</b>				
Cash and Investments				
Cash	\$ 88,817	\$ 149,314	\$ 36,865	\$ 274,996
Investments	103	103	103	309
Restricted Cash and Investments	219,970	-	-	219,970
Receivables				
Property Tax Receivable	247,362	-	-	247,362
Intergovernmental Receivable	22,538	15,301	2,436	40,275
Account Receivable	4,752	-	-	4,752
<b>Total Assets</b>	<b>\$ 583,542</b>	<b>\$ 164,718</b>	<b>\$ 39,404</b>	<b>\$ 787,664</b>
<b>Liabilities</b>				
Accounts Payable	\$ 31,995	\$ 1,234	\$ -	\$ 33,229
Accrued Liabilities	(9,388)	-	-	(9,388)
Deposits on Development	200,000	-	-	200,000
Accrued Compensated Absences	6,673	-	-	6,673
<b>Total Liabilities</b>	<b>229,280</b>	<b>1,234</b>	<b>-</b>	<b>230,514</b>
<b>Deferred Inflows of Resources</b>				
Property Taxes	247,362	-	-	247,362
Grant Revenues	-	-	2,436	2,436
<b>Total Deferred Inflows of Resources</b>	<b>247,362</b>	<b>-</b>	<b>2,436</b>	<b>249,798</b>
<b>Fund Balance</b>				
Restricted fund balance	30,000	163,484	36,968	230,452
Unrestricted, Unassigned	76,900	-	-	76,900
<b>Total Fund Balance</b>	<b>106,900</b>	<b>163,484</b>	<b>36,968</b>	<b>307,352</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 583,542</b>	<b>\$ 164,718</b>	<b>\$ 39,404</b>	<b>\$ 787,664</b>

**Town of Wiggins, Colorado**  
 Reconciliation of Balance Sheet of the Governmental Funds  
 to the Statement of Net Position  
 For the Year Ended December 31, 2018

**Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:**

Total Fund Balances of Governmental Funds	\$	307,352
Deferred inflow of resources for amounts not received within the availability period are not reported as revenue in the governmental funds.		2,436
Capital assets used in governmental activities are not financial resources and, therefore are not reported in governmental funds.		
Non Depreciable Cost		1,444,095
Depreciable Cost		1,430,867
Less Accumulated Depreciation		(614,916)
Liabilities not due and payable in the current period are not reported in the fund balance sheets, but are reported on the government-wide statement of net position.		
Capital Lease Payable		(73,219)
Accrued Interest Payable		(2,144)
Net Pension Liability (Asset)		16,817
Pension Related Deferred Outflows		22,984
Pension Related Deferred Inflows		(7,229)
		(7,229)
Net Position of Governmental Activities	\$	2,527,043

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

	General Fund	Sales Tax Capital Improvement Fund	Non-Major Conservation Trust Fund	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 489,800	\$ 125,869	\$ -	\$ 615,669
Intergovernmental Revenues	94,470	-	6,555	101,025
Licenses and Permits	155,243	-	-	155,243
Fines and Forfeitures	7,897	-	-	7,897
Charges for Services	21,428	-	-	21,428
Grant Income	10,862	-	-	10,862
Investment Income	1,036	13	28	1,077
Miscellaneous	178,501	-	-	178,501
<b>Total Revenues</b>	<u>959,237</u>	<u>125,882</u>	<u>6,583</u>	<u>1,091,702</u>
<b>Expenditures</b>				
Current				
General Government	217,571	-	-	217,571
Public Safety	236,392	-	-	236,392
Public Works	193,140	-	-	193,140
Park and Recreation	35,093	-	9,348	44,441
Capital Outlay	158,576	17,053	-	175,629
Debt Service	33,153	-	-	33,153
<b>Total Expenditures</b>	<u>873,925</u>	<u>17,053</u>	<u>9,348</u>	<u>900,326</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>85,312</u>	<u>108,829</u>	<u>(2,765)</u>	<u>191,376</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Assets	49,527	-	-	49,527
<b>Total Other Financing Sources</b>	<u>49,527</u>	<u>-</u>	<u>-</u>	<u>49,527</u>
<b>Net Change in Fund Balance</b>	134,839	108,829	(2,765)	240,903
<b>Fund Balance, Beginning of year</b>	<u>(27,939)</u>	<u>54,655</u>	<u>39,733</u>	<u>66,449</u>
<b>Fund Balance, End of year</b>	<u>\$ 106,900</u>	<u>\$ 163,484</u>	<u>\$ 36,968</u>	<u>\$ 307,352</u>

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

**Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:**

Net Change in Fund Balance of Governmental Funds	\$	240,903
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and depreciation expense.</p>		
Capital Outlay		158,576
Depreciation Expense		(82,960)
<p>Pension expense at the fund level represents cash contribution to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for fiscal year.</p>		
Net change in deferred pension outflows		(3,572)
Change in net pension asset/liability		21,277
Net change in deferred pension inflows		(6,190)
<p>Deferred inflow of resources for amounts not received within the availability period are not reported as revenue in the governmental funds.</p>		
Inflow Governmental Fund		2,436
<p>Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-terms debt issuances are reported as, revenues in the funds and increase liabilities at the activity level.</p>		
Principal paid on capital leases		28,549
Change in accrued interest payable		(149)
		358,870
Change in Net Position of Governmental Activities	\$	358,870

**Town of Wiggins, Colorado**  
Statement of Net Position  
Proprietary Funds  
December 31, 2018

	Water	Sewer	Total
<b>Assets</b>			
Current Assets			
Cash	\$ 831,244	\$ 626,163	\$ 1,457,407
Investments	435	206	641
Restricted Cash and Investments	103,307	66,042	169,349
Receivables			
Utility Receivables	45,356	15,790	61,146
Cash with Fiscal Agent	1,133,776	-	1,133,776
 Total Current Assets	 2,114,118	 708,201	 2,822,319
Non-Current Assets			
Capital Assets,			
<i>Not being depreciated</i>	5,473,566	821,659	6,295,225
Capital Assets,			
<i>Net of accumulated depreciation</i>	6,034,939	1,651,826	7,686,765
 Total Non-Current Assets	 11,508,505	 2,473,485	 13,981,990
 Total Assets	 \$ 13,622,623	 \$ 3,181,686	 \$ 16,804,309
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	\$ 28,789	\$ 44,038	\$ 72,827
Accrued Expenses	(936)	(1,007)	(1,943)
Deposits and Escrow	14,093	58,102	72,195
Accrued Interest Payable	72,301	10,514	82,815
 Total Current Liabilities	 114,247	 111,647	 225,894
Non-Current Liabilities			
Due within One Year	2,034,577	1,050,524	3,085,101
Due in more the One Year	5,990,132	-	5,990,132
 Total Liabilities	 8,138,956	 1,162,171	 9,301,127
<b>Net Position</b>			
Investment in Capital Assets	3,487,026	1,425,540	4,912,566
Restricted	112,523	-	112,523
Unrestricted	1,884,118	593,975	2,478,093
 Total Net Position	 5,483,667	 2,019,515	 7,503,182
 Total Liabilities, deferred inflows and net position	 \$ 13,622,623	 \$ 3,181,686	 \$ 16,804,309

See Notes to Financial Statements.

**Town of Wiggins, Colorado**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
December 31, 2018

	Water	Sewer	Total
<b>Operating Revenues</b>			
Utility Charges	\$ 529,515	\$ 155,682	\$ 685,197
Other Charges for Services	28,054	6,363	34,417
 Total Operating Revenues	 557,569	 162,045	 719,614
<b>Operating Expenses</b>			
Personnel Services	153,075	140,175	293,250
Commodity Charges	60,000	-	60,000
Administrative/Office Expenses	5,572	5,936	11,508
Insurance	10,144	10,044	20,188
Operating Supplies	21,550	5,608	27,158
Professional Fees	23,183	62,424	85,607
Repairs and Maintenance	14,529	9,483	24,012
Travel and Training	1,577	999	2,576
Treatment	33,384	16,874	50,258
Telephone and Utilities	71,714	24,050	95,764
Other Operating Expenses	2,152	-	2,152
Depreciation Expense	151,283	47,966	199,249
Enterprise Capital Outlay	4,261	2,376	6,637
 Total Operating Expenses	 552,424	 325,935	 878,359
<b>Net Operating Income (Loss)</b>	5,145	(163,890)	(158,745)
<b>Non-Operating Revenues (Expenses)</b>			
Gain on Sale of Assets	144,781	-	144,781
Intergovernmental Revenue	60,000	-	60,000
Investment Income	406	223	629
Interest Expense	(229,767)	(58,193)	(287,960)
 Total Nonoperating Revenues (Expenses)	 (24,580)	 (57,970)	 (82,550)
<b>Net Income (Loss) Before Capital Contributions</b>	(19,435)	(221,860)	(241,295)
<b>Capital Contributions</b>			
Tap Fees	708,500	354,000	1,062,500
 Total Capital Contributions	 708,500	 354,000	 1,062,500
<b>Change in Net Position</b>	689,065	132,140	821,205
<b>Net Position, Beginning of year</b>	4,794,602	1,887,375	6,681,977
<b>Net Position, End of year</b>	\$ 5,483,667	\$ 2,019,515	\$ 7,503,182

See Notes to Financial Statements.

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

<b>Business-type Activities</b>	Water	Sewer	Totals
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 553,078	\$ 152,932	\$ 706,010
Cash Paid to Employees	(153,075)	(140,175)	(293,250)
Cash Paid to Suppliers	(231,947)	(93,408)	(325,355)
Net Cash Provided (Used) by Operating Activities	168,056	(80,651)	87,405
<b>Cash Flows from Capital and Related Financing Activities</b>			
Tap Fees Received	708,500	354,000	1,062,500
Debt Principal Payments	(92,485)	-	(92,485)
Interest Payments	(202,837)	(55,692)	(258,529)
Grant Proceeds	60,000	-	60,000
Proceeds of Capital Asset Sales	304,781	-	304,781
Acquisition of Capital Assets	(215,890)	(30,466)	(246,356)
Net Cash Provided by Capital and Related Financing Activities	562,069	267,842	829,911
<b>Cash Flows from Investing Activities</b>			
Interest Received	406	223	629
<b>Net Change in Cash and Cash Equivalents</b>	730,531	187,414	917,945
<b>Cash and Cash Equivalents, <i>Beginning of year</i></b>	204,455	504,997	709,452
<b>Cash and Cash Equivalents, <i>End of year</i></b>	\$ 934,986	\$ 692,411	\$ 1,627,397
<b>Reconciliation of Net Operating Income to:</b>			
Net Cash Provided (Used) by Operating Activities			
Net Operating Income	\$ 5,145	\$ (163,890)	\$ (158,745)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation	151,283	47,966	199,249
Changes in Assets and Liabilities Related to Operations:			
Accounts Receivable	(4,491)	(9,113)	(13,604)
Deposits	5,434	1,546	6,980
Accounts Payable	10,685	42,840	53,525
Net Cash Provided (Used) by Operating Activities	\$ 168,056	\$ (80,651)	\$ 87,405

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### **Note 1: Summary of Significant Accounting Policies**

The Town of Wiggins, Colorado (the Town) is a political subdivision of the State of Colorado governed by a seven-member Board of Trustees. The Town was incorporated in October 1974. The Town is a full-service entity providing police, streets and drainage, and parks and recreation services as well as providing water and sewer services.

#### **Reporting Entity**

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

Based on the application of these criteria, the Town does not include additional organizations within its reporting entity.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

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

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

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

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

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

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

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

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### Note 1: Summary of Significant Accounting Policies (Continued)

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

*Sales Tax Capital Improvement Fund* - This fund accounts for funds received from a voter approved 1% sales tax generated to fund the acquisition and construction of capital facilities and equipment. These funds are required to be spent on capital improvements pursuant to the ballot issue.

*Special Revenue Fund* - This fund accounts for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes.

The Town's special revenue funds are as follows:

*Conservation Trust Fund (Nonmajor Fund)* - This fund accounts for funds received through the State of Colorado Lottery/Conservation Trust Fund program. These funds are required through state statute to be spent on parks and recreation. This is a nonmajor fund.

*Proprietary Funds* - The Town also reports the following major proprietary funds:

*Water and Sewer Funds* - These funds account for the activities related to offering the respective services to the Town's residents.

*Budgets and Budgetary Accounting* - Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

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

- Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- Certification of mill levies to the County Commissioners by December 15 of each year.
- Final adoption of the budget and appropriations by December 31 of each year.

The Town does not utilize encumbrance accounting and all appropriations lapse at year end. For fiscal year 2018, the Town did not budget for debt financed or contributed capital assets in the enterprise funds.

#### **Assets, Liabilities and Net Position/Fund Balance**

*Cash and Cash Equivalents* - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less.

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Assets, Liabilities and Net Position/Fund Balance** (Continued)

*Accounts Receivable* - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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

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

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

Buildings	15 - 35 years
Vehicles	5 - 15 years
Machinery and Equipment	5 - 30 years
Wastewater System	10 - 50 years
Water System	7 - 50 years

*Deferred Outflows and Inflows of Resources* - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows related to pension liabilities as further described in Note 5 as well as for property taxes levied in 2018 to be collected in 2019.

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

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities and Net Position/Fund Balance** (Continued)

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

Fund balances are reported as *restricted* when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees, are reported as *committed* fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The Town currently has no committed funds.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as *assigned* fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Town currently has no assigned fund balances.

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

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

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Assets, Liabilities and Net Position/Fund Balance (Continued)

*Accumulated Unpaid Leave (Compensated Absences)* - The Town permits an employee to carry over unused vacation pay to the next calendar year. The Town assumes that the employee will use all carryover vacation as well as any current vacation earned in the same year. The Town has accrued \$6,673 in the General Fund, \$3,230 in the Water Fund and \$2,579 in the Sewer Fund for unused vacation time at December 31, 2018, Sick leave can be carried over up to 192 hours but will not be paid upon termination; therefore no liability has been shown for any unused sick leave.

*Long-Term Debt* - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and refunding losses are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, 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 are reported as other financial uses.

Issuance Costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

#### Property taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding unavailable revenue are recorded at December 31. As the tax is collected in the succeeding year, the unavailable revenue is recognized as revenue and the receivable is reduced.

### Note 2: Cash and Investments

#### Deposits

The Town's cash and investment balances are allocated as follows:

Cash and Investments	\$ 1,733,353
Restricted Cash and Investments	<u>389,319</u>
Total Cash and Investments	<u>\$ 2,122,672</u>

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 2: Cash and Investments (Continued)**

**Deposits** (Continued)

The balances are comprised of the following:

Cash	\$	2,121,722
Investments		950
 Total Cash and Investments	 \$	 2,122,672

*Custodial Credit Risk/Deposits* - In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations.

Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2018, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Deposits at December 31, 2018, were as follows:

	Bank Balance	Book Balance
FDIC Insured	\$ 310,539	\$ 310,539
PDPA Secured (not in entity's name)	1,836,932	1,766,974
Cash on Hand	-	42,677
 Total Cash	 \$ 2,147,471	 \$ 2,120,190

**Investments**

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the Town may invest, which include the following. State statutes do not address custodial risk.

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 2: Cash and Investments** *(Continued)*

**Investments** *(Continued)*

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

- Obligations of the United States and certain U.S. 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
- Guaranteed investment contracts

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

During the year ended December 31, 2018, the Town invested funds in the Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a 7-like money market fund with a share value equal to \$1 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation. The balance in this investment at December 31, 2018, was \$950.

*Concentration of Credit Risk* - The Town places no limit on the amount that may be invested in any one issuer. State statutes do not limit the amount the Towns may invest in any one user.

*Interest Rate Risk* - Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes. The Town's investment portfolio contains no investments that exceed that limitation.

*Custodial Credit Risk-Investments* - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2018, the Town's investments consisted of the investment pool.

**Restricted Cash**

The Town has restricted cash in the General Fund related to a developer performance deposit of \$200,000 and cash held for future community hall replacement of \$18,714.

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 2: Cash and Investments (Continued)**

**Restricted Cash** (Continued)

The Town has restricted cash to satisfy bond requirements totaling \$112,523 in the Water Fund as further discussed in Note 4. In addition, the Town is holding unspent loan proceeds from Bank of the West in the Water and Sewer Funds totaling \$1,393 and \$12,186, respectively.

The Town has recorded restricted cash in the Sewer Fund in the amount of \$53,750 related to developer performance deposits.

The Town also has undrawn Colorado Water Conservation Board loan proceeds of \$1,133,776, shown as Cash with Fiscal Agent in the Water Fund as of December 31, 2018.

**Note 3: Capital Assets**

**Capital Assets**

A summary of the Town's governmental capital asset transactions for the year are as follows:

<b>Governmental Activities</b>	<b>Balance 12/31/17</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/18</b>
Capital Assets, Not Being Depreciated				
Land	\$ 456,539	\$ -	\$ -	\$ 456,539
Improvements (Flood Control)	845,899	-	-	845,899
Construction in Progress	-	141,657	-	141,657
	<u>1,302,438</u>	<u>141,657</u>	<u>-</u>	<u>1,444,095</u>
Total not being depreciated				
Capital Assets, <i>Being Depreciated</i>				
Buildings	361,056	-	-	361,056
Equipment	245,332	1,000	-	246,332
Improvements	687,559	-	-	687,559
Vehicles	120,001	15,919	-	135,920
	<u>1,413,948</u>	<u>16,919</u>	<u>-</u>	<u>1,430,867</u>
Total Capital Assets, <i>Being Depreciated</i>				
Less Accumulated Depreciation				
Buildings	(194,554)	(12,843)	-	(207,397)
Equipment	(126,524)	(19,945)	-	(146,469)
Improvements	(127,983)	(37,971)	-	(165,954)
Vehicles	(82,895)	(12,201)	-	(95,096)
	<u>(531,956)</u>	<u>(82,960)</u>	<u>-</u>	<u>(614,916)</u>
Total Accumulated Depreciation				
Total Capital Assets, Being Depreciated	<u>881,992</u>	<u>(66,041)</u>	<u>-</u>	<u>815,951</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 2,184,430</u>	<u>\$ 75,616</u>	<u>\$ -</u>	<u>\$ 2,260,046</u>

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 3: Capital Assets** (Continued)

**Capital Assets** (Continued)

Depreciation has been allocated to the various Governmental functions as follows:

General Government	\$ 14,863
Public Safety	11,435
Public Works	33,470
Culture and Recreation	<u>23,192</u>
Total Depreciation	<u>\$ 82,960</u>

A summary of the Town's business-type capital asset transactions for the year are as follows:

<b>Business-type Activities</b>	<b>Balance 12/31/17</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/18</b>
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 1,643,209	\$ -	\$ (160,000)	\$ 1,483,209
Water Rights	4,628,828	145,163	-	4,773,991
Construction in Progress	<u>-</u>	<u>38,025</u>	<u>-</u>	<u>38,025</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>6,272,037</u>	<u>183,188</u>	<u>(160,000)</u>	<u>6,295,225</u>
<i>Capital Assets, Being Depreciated</i>				
Building	130,310	-	-	130,310
Equipments	9,433,153	32,115	-	9,465,268
Other Equipments	<u>11,746</u>	<u>31,053</u>	<u>-</u>	<u>42,799</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>9,575,209</u>	<u>63,168</u>	<u>-</u>	<u>9,638,377</u>
Less Accumulated Depreciation				
Building	(1,520)	(2,606)	-	(4,126)
Equipments	(1,739,097)	(193,538)	-	(1,932,635)
Other Equipments	<u>(11,746)</u>	<u>(3,105)</u>	<u>-</u>	<u>(14,851)</u>
Total Accumulated Depreciation	<u>(1,752,363)</u>	<u>(199,249)</u>	<u>-</u>	<u>(1,951,612)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>7,822,846</u>	<u>(136,081)</u>	<u>-</u>	<u>7,686,765</u>
Business-Type Activities Capital Assets, <i>net</i>	<u>\$ 14,094,883</u>	<u>\$ 47,107</u>	<u>\$ (160,000)</u>	<u>\$ 13,981,990</u>

Depreciation has been allocated to the various business-type activities as follows:

Depreciation - Water	\$ 151,283
Depreciation - Sewer	<u>47,966</u>
Total Depreciation	<u>\$ 199,249</u>

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 4: Long Term Debt**

**Governmental Activities**

Changes in governmental activity long-term debt are as follows:

<b>Governmental Activities</b>	<b>Balance 12/31/17</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance 12/31/18</b>	<b>Current Portion</b>	<b>Interest Expense</b>
2015 Copier Lease	\$ 11,409	\$ -	\$ (4,360)	\$ 7,049	\$ 4,629	\$ 297
2015 Vehicle Lease	29,899	-	(9,682)	20,217	9,963	586
2016 Equipment Lease	<u>60,460</u>	<u>-</u>	<u>(14,507)</u>	<u>45,953</u>	<u>14,905</u>	<u>1,261</u>
Total Long-Term Debt	<u>\$ 101,768</u>	<u>\$ -</u>	<u>\$ (28,549)</u>	<u>\$ 73,219</u>	<u>\$ 29,497</u>	<u>\$ 2,144</u>

In 2015, the Town entered into a lease/purchase agreement for a copier. The copier lease requires 60 monthly payments of \$410 consisting of both principal and interest at an effective rate of 6%. Payments are due through June 2020. The copier value of \$21,338 was capitalized and debt is serviced through the General Fund. The copier has a remaining value of \$4,268.

Scheduled future payments on the capital lease are as follows:

<b><u>Year Ended December 31,</u></b>	<b><u>Payment</u></b>
2019	\$ 4,926
2020	<u>2,463</u>
Total	7,389
Less: Interest 6%	<u>(340)</u>
PV of Future Lease Payments	<u>\$ 7,049</u>

In 2015, the Town entered into a lease/purchase agreement for a vehicle. The lease requires 5 annual payments of \$10,550 consisting of both principal and interest at an effective rate of 2.9%. Equipment with a value of \$48,596 was capitalized and debt is serviced through the General Fund. The vehicle has a remaining value of \$20,827.

Scheduled future payments on the capital lease are as follows:

<b><u>Year Ended December 31,</u></b>	<b><u>Payment</u></b>
2019	\$ 10,550
2020	<u>10,550</u>
Total	21,100
Less: Interest 2.8%	<u>(883)</u>
PV of Future Lease Payments	<u>\$ 20,217</u>

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 4: Long Term Debt (Continued)**

**Governmental Activities** (Continued)

In 2016, the Town entered into a lease/purchase agreement for various public works equipment. The lease requires 5 annual payments of \$16,166 consisting of both principal and interest at an effective rate of 2.74%. Equipment with a cost of \$54,921 was capitalized as part of this lease. The remaining equipment acquired did not meet the Town's capitalization threshold. Debt is serviced through the General Fund. The vehicle has a remaining useful value of \$39,782.

Scheduled future payments on the capital lease are as follows:

<u>Year Ended December 31,</u>	<u>Payment</u>
2019	\$ 16,166
2020	16,166
2021	<u>16,166</u>
Total	48,498
Less: Interest 2.74%	<u>(2,545)</u>
PV of Future Lease Payments	<u>\$ 45,953</u>

**Business Type Activities**

Changes in business-type activity long-term debt are as follows:

<b>Business-Type Activities</b>	<b>Balance 12/31/17</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/18</b>	<b>Due Within One Year</b>	<b>Interest Expense</b>
Capital Lease Payable - Water	\$ 340,945	\$ -	\$ (21,146)	\$ 319,799	\$ 22,287	\$ 16,327
2017 BOTW Loan - Water & Sewer	2,850,000	-	-	2,850,000	2,850,000	151,003
2017 CWCB Note Payable - Water	2,408,850	-	-	2,408,850	-	-
2016 Note Payable - HPNB - Water	81,332	-	-	81,332	81,332	1,220
2013 USDA Water Loan	510,876	-	(9,638)	501,238	-	-
2011 USDA Water Loan	<u>2,969,906</u>	-	<u>(61,701)</u>	<u>2,908,205</u>	-	-
Total Long-Term Debt	<u>\$ 9,161,909</u>	<u>\$ -</u>	<u>\$ (92,485)</u>	<u>\$ 9,069,424</u>	<u>\$ 2,953,619</u>	<u>\$ 168,550</u>

*Water Fund* - In 2009, the Town entered into a \$500,000 water rights lease/purchase agreement with a private party. The agreement requires annual payments of \$42,125 for a period of twenty years. The Town is making these payments monthly, creating slight timing differences for the amortization. As of December 31, 2018, the Town has made payments covering the January 2019, lease payments.

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 4: Long-Term Debt** (Continued)

**Business Type Activities** (Continued)

The lease bears interest at 5.75% per annum. Scheduled lease payments are as follows:

<u>Year Ended December 31,</u>	<u>Payment</u>
2019	\$ 38,615
2020	42,125
2021	42,125
2022	42,125
2023	42,125
2024-2029	<u>214,134</u>
Total	421,249
Less Interest at 5.75%	<u>(101,450)</u>
Present Value of Future Lease Payments	<u>\$ 319,799</u>

In 2011, the Town received a \$3,327,000 USDA Rural Utilities loan and a \$2,252,000 USDA Rural Utilities Grant to help fund a \$5,700,000 project to improve the Town's water system, with the remaining \$121,000 to be provided by the Town. The loan requires semi-annual payments of \$63,313 beginning in May of 2012, through November of 2051, with interest at an effective rate of approximately 2.25%. The loan contains a net revenue pledge of all Water Fund revenues towards repayment.

The Town must maintain an operations and maintenance reserve of \$12,662 annually beginning in 2012, with a maximum of \$126,626. The Town has funded these reserves through restrictions of its cash balances in the Water Fund (Note 2), in the amount of \$88,634 as of December 31, 2018. An additional reserve is required for short lived assets in the amount of \$1,952 annually, this reserve has also been funded as described above in the amount of \$13,664. The 2011, USDA Rural Utilities loan matures as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 60,010	\$ 66,616	\$ 126,626
2020	61,398	65,228	126,626
2021	62,819	63,807	126,626
2022	64,272	62,354	126,626
2023	65,759	60,867	126,626
2024	67,280	59,346	126,626
2025-2029	360,477	272,653	633,130
2030-2034	319,576	186,928	506,504
2035-2039	537,668	222,088	759,756
2040-2044	507,988	125,142	633,130
2045-2049	569,525	63,605	633,130
2050-2051	<u>231,433</u>	<u>6,572</u>	<u>238,005</u>
Total	<u>\$ 2,908,205</u>	<u>\$ 1,255,206</u>	<u>\$ 4,163,411</u>

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 4: Long-Term Debt** (Continued)

**Business Type Activities** (Continued)

In 2013, the Town received an additional \$549,000 USDA Rural Utilities loan and an additional \$153,853 USDA Rural Utilities Grant to help fund cost overruns on the water project. The loan requires semi-annual payments of \$10,223 beginning in February 2014, through August 2053, with interest at an effective rate of approximately 2.13%. This debt is considered parity debt with the 2011 USDA loan. The loan contains a net revenue pledge of all Water Fund revenues towards repayment.

The Town must maintain an operations and maintenance reserve of \$2,045 annually beginning in 2014, with a maximum of \$20,446. The Town has funded this reserve through restrictions of its cash balances in the Water Fund (Note 2), in the amount of \$10,225 as of December 31, 2018.

The 2013, USDA Rural Utilities loan matures as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 9,915	\$ 10,531	\$ 20,446
2020	10,126	10,320	20,446
2021	10,343	10,103	20,446
2022	10,564	9,882	20,446
2023	10,789	9,657	20,446
2024	11,020	9,426	20,446
2025-2029	58,732	43,498	102,230
2030-2034	65,280	36,950	102,230
2035-2039	72,557	29,673	102,230
2040-2044	80,645	21,585	102,230
2045-2049	89,635	12,595	102,230
2050-2053	71,632	2,934	74,566
Total	\$ <u>501,238</u>	\$ <u>207,154</u>	\$ <u>708,392</u>

In 2016, the Town entered into a bank promissory note for the purchase of land in the amount of \$81,332. The loan terms were modified in 2018, to require one payment upon maturity on September 30, 2018. The loan bears interest at 4.5%.

In 2017, the Town entered into a \$2,408,850 Colorado Water Conservation Board loan to purchase the property and create the Wiggins Recharge Facility at Glassey Farms. The agreement requires annual payments of \$113,560 for a period of thirty years. The loan bears interest at 2.40% per annum. The loan contains a net revenue pledge of all Water Fund revenues towards repayment.

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 4: Long-Term Debt** (Continued)

**Business Type Activities** (Continued)

The Scheduled loan payments are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 55,748	\$ 57,812	\$ 113,560
2020	57,086	56,474	113,560
2021	58,456	55,104	113,560
2022	59,859	53,701	113,560
2023	61,295	52,265	113,560
2024	62,766	50,794	113,560
2025-2029	337,164	230,637	567,801
2030-2034	379,613	188,188	567,801
2035-2039	427,406	140,395	567,801
2040-2044	481,216	86,584	567,800
2045-2048	428,241	26,000	454,241
Total	\$ <u>2,408,850</u>	\$ <u>997,954</u>	\$ <u>3,406,804</u>

*Water and Sewer Funds* - In 2017, the Town entered into a \$2,850,000 variable rate bank loan to purchase land and certain water rights related to the property. This loan is split between the Water Fund (63.23%) and Sewer Fund (36.77%) based on the estimated value of the underlying assets acquired. The agreement requires quarterly interest payments on the first day of January, April, August and December. The interest payments will vary based on the LIBOR rate plus 3.50% on the first Business Day of each calendar month. The interest rate was 4.50% at the closing of the loan. Under no circumstances will the interest rate on the loan be less than 4% or more than 8%. The loan requires one principal payment upon maturity on December 31, 2019. Pursuant to the loan agreement, this debt is considered subordinate debt to the 2011 USDA, 2013 USDA, and 2017 Colorado Water Conservation Board loans. Net Water Fund revenues are pledged, on a subordinate basis, to the repayment of the loan, while the loan is considered a first lien on the net Sewer Fund revenue.

Loan proceeds activity during 2018, consisted of the following:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Remaining proceeds	\$ 22,846	\$ 72,672	\$ 95,518
Internal Transfer	75,566	(4,066)	71,500
Loan Interest Payment	<u>(97,019)</u>	<u>(56,420)</u>	<u>(153,439)</u>
Remaining proceeds (Restricted)	\$ <u>1,393</u>	\$ <u>12,186</u>	\$ <u>13,579</u>

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### Note 4: Long-Term Debt (Continued)

#### Business Type Activities (Continued)

Scheduled loan payments are as follows:

<u>Year Ended December 31,</u>	<u>Water Principal</u>	<u>Water Interest</u>	<u>Sewer Principal</u>	<u>Sewer Interest</u>	<u>Total</u>
2019	\$ 1,802,055	\$ 95,479	\$ 1,047,945	\$ 55,524	\$ 3,001,003

### Note 5: Defined Benefit Pension Plan

#### General Information

*Plan Description* - The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan covers all full-time police officers. Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at [www.fppaco.org](http://www.fppaco.org).

*Benefits Provided* - A plan 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% 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% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% 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% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement, and age 55. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plan's net position.

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### **Note 5: Defined Benefit Pension Plan (Continued)**

#### **General Information** (Continued)

*Contributions* - The Town and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership.

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

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014, member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015, through 2022, for a total combined member and employer contribution rate of 24 percent in 2022. The Town is not a re-entering employer.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014, member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015, through 2022, to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022. The Town is not a social security employer.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$9,695 for the plan year ended December 31, 2018. The current year contributions will be expensed in 2018, for FPPA purposes and are a timing difference at year end.

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

At December 31, 2018, the Town reported a net pension asset of \$16,817 representing its proportionate share of the net pension asset of the plan. The net pension asset was measured at December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The Town's proportion of the net pension asset was based on the Town's contributions to the plan for the calendar year ended December 31, 2017, relative to the projected contributions of all participating employers. At December 31, 2017, the Town's proportion was 0.01168944%.

## Town of Wiggins, Colorado

Notes to Financial Statements

December 31, 2018

### Note 5: Defined Benefit Pension Plan (Continued)

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

For the year ended December 31, 2018, the Town recognized pension income of \$11,516. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 10,664	\$ 158
Changes of assumptions and other inputs	2,182	-
Net difference between projected and actual		
Earnings on plan investments	-	5,916
Changes in proportion	443	1,155
Contributions subsequent to the measurement date	9,695	-
 Total	 \$ 22,984	 \$ 7,229

The amount of \$9,695 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2018.

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

<b><u>Year Ended December 31,</u></b>	
2019	\$ 1,599
2020	(828)
2021	(1,728)
2022	1,653
2023	1,653
Thereafter	3,710
 Total	 \$ 6,059

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### Note 5: Defined Benefit Pension Plan (Continued)

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

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

Investment rate of return, compounded annually, net of plan	
Investment expenses, including inflation	7.50%
Inflation	2.50%
Projected salary increases	4.0% - 14.0%
Cost of living adjustment (COLA)	0.00%

Mortality rates were based on the RP-2014 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB is used in the projection of post-retirement benefits.

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study adopted by FPPA's Board in July 2011. The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

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

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

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### Note 5: Defined Benefit Pension Plan (Continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	2%	2.26%
Total	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*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).

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### Note 5: Defined Benefit Pension Plan (Continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.5%; 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 7.5%.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.5%, 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:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
Town's Proportionate share of the Net pension asset (Liability)	\$ (18,309)	\$ 16,817	\$ 45,985

#### **Internal Revenue Code Section 457 Plan**

The Town has established the Internal Revenue Code Section 457 Plan for the benefit of employees. A 457 plan allows an employee to contribute pretax dollars towards retirement. Amounts contributed are fully vested. The Town has contributed, \$6,229, or 4% of employee payroll, in form of an employee match for the current fiscal year.

### Note 6: Fund Balance/Net Position Reserves/Restrictions

#### **TABOR Amendment**

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

#### **Tax Spending and Debt Limitations**

The Town's financial activity for the year ended December 31, 2018, will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 1992, revenue in excess of the Town's spending limit must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### **Note 6: Fund Balance/Net Position Reserves/Restrictions (Continued)**

#### **Tax Spending and Debt Limitations** (Continued)

At a November 2, 1999, election, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1998, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

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

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

General Fund	\$30,000
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#### **Other Restrictions**

The entire balance in the Sales Tax Capital Improvement and Conservation Trust Fund is restricted by voter approval and Colorado statutes, respectively. The Town has restricted \$112,523 in the Water Fund as required by outstanding USDA debt agreements further described in Note 4.

### **Note 7: Commitments and Contingencies**

#### **Commitments**

As of December 31, 2018, the Town's General Fund is holding a developer performance deposit of \$200,000. The Town's Sewer Fund is holding developer deposits totaling \$53,750.

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

# Town of Wiggins, Colorado

## Notes to Financial Statements

December 31, 2018

### **Note 8: Risk Management**

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

The Town of Wiggins, Colorado carries worker's compensation coverage through Colorado Intergovernmental Risk Sharing Agency (CIRSA). Premiums are based on prior claims, as adjusted through various worker classifications. Risk of loss is transferred to CIRSA.

The Town carries property, liability and bond coverage through commercial insurance carriers. The Town's risk of loss transfers to those carriers.

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

### **Note 9: Rate Maintenance**

Both the 2011, and 2013, USDA water loan agreements, as well as the 2018, Bank of the West and Colorado Water Conservation Board loans require that Net Revenues shall represent a sum equal to either 100% or 120% of the amount necessary to pay when due the principal and interest on the loans coming due during the fiscal year, and to make up any deficiencies in the Reserve Account.

**Town of Wiggins, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 9: Rate Maintenance (Continued)**

The Town believes that it is in compliance with the requirements as of December 31, 2018.

	Water Enterprise		Water and Sewer Enterprise		
	2011 & 2013 USDA Loans	2017 CWCB Loan	2017 Bank of the West Loan		
			Water Ent.	Sewer Ent.	Total
<b>Revenues</b>					
Operating Revenues	\$ 557,569	\$ 557,569	\$ 557,569	\$ 162,045	\$ 719,614
Other revenue	205,187	205,187	205,187	223	205,410
Capital Contributions	708,500	708,500	708,500	354,000	1,062,500
Less: Capital Related Grants	(60,000)	(60,000)	(60,000)	-	(60,000)
Total Revenue	<u>1,411,256</u>	<u>1,411,256</u>	<u>1,411,256</u>	<u>516,268</u>	<u>1,927,524</u>
<b>Expenses</b>					
Operations and maintenance expense	552,424	552,424	552,424	325,935	878,359
Less: Depreciation	(151,283)	(151,283)	(151,283)	(47,966)	(199,249)
Net Expenses	<u>401,141</u>	<u>401,141</u>	<u>401,141</u>	<u>277,969</u>	<u>679,110</u>
Net Revenues	<u>\$ 1,010,115</u>	<u>\$ 1,010,115</u>	<u>\$ 1,010,115</u>	<u>\$ 238,299</u>	<u>\$ 1,248,414</u>
<b>Debt Services Requirements (Parity and Senior Debt Service)</b>					
2011 USDA Water Loan	\$ 126,626	\$ 126,626	\$ 126,626	\$ -	\$ 126,626
2013 USDA Water Loan	20,446	20,446	20,446	-	20,446
2017 Bank of the West Loan	-	-	95,479	55,524	151,003
2017 CWCB Loan	-	-	-	-	-
	<u>147,072</u>	<u>147,072</u>	<u>242,551</u>	<u>55,524</u>	<u>298,075</u>
Required Coverage	120%	100%	120%	120%	120%
Debt Service Coverage Amount	<u>176,486</u>	<u>147,072</u>	<u>291,061</u>	<u>66,629</u>	<u>357,690</u>
Net Revenue Excess (Shortfall)	<u>\$ 833,629</u>	<u>\$ 863,043</u>	<u>\$ 719,054</u>	<u>\$ 171,670</u>	<u>\$ 890,724</u>

**Note 10: Budget Violation**

The Town's expenditure in its General Fund exceeded appropriations by \$1,352 for the year ended December 31, 2018. The excess of expenditures over appropriations in these funds may be a violation of Colorado statutes.

## **Required Supplementary Information**

**Town of Wiggins, Colorado**  
 Required Supplementary Information  
 Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions  
 FPPA Statewide Defined Benefit Plan  
 For the Year Ended December 31, 2018

	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
<b>Proportionate Share of the Net Pension Asset (Liability)</b>					
Town's Proportion of the Net Pension Asset (Liability)	0.011689000%	0.012342000%	0.015007000%	0.013478000%	0.015751000%
Town's Proportionate Share of the Net Pension Asset (Liability)	\$ 16,817	\$ (4,460)	\$ 265	\$ 15,211	\$ 14,084
Town's Covered Payroll	\$ 121,188	\$ 63,163	\$ 72,750	\$ 60,613	\$ 68,413
Town's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	13.9%	7.1%	0.4%	25.1%	20.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.3%	98.2%	100.1%	106.8%	105.8%
	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
<b>Town Contributions</b>					
Statutorily Required Contribution	\$ 5,470	\$ 5,053	\$ 5,820	\$ 4,849	\$ 5,473
Contributions in Relation to the Statutorily Required Contribution	<u>(9,695)</u>	<u>(5,053)</u>	<u>(5,820)</u>	<u>(4,849)</u>	<u>(5,473)</u>
Contribution Deficiency (Excess)	<u>\$ 4,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 121,188	\$ 63,163	\$ 72,750	\$ 60,613	\$ 68,413
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

**Town of Wiggins, Colorado**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
<b>Taxes</b>				
Property Taxes	\$ 227,108	\$ 227,108	\$ 220,577	\$ (6,531)
Specific Ownership Taxes	19,000	19,000	22,600	3,600
Sales and Use Taxes	125,000	125,000	230,526	105,526
Franchise Taxes	15,800	15,800	15,135	(665)
Other Taxes	1,400	1,400	962	(438)
<b>Total Tax Revenue</b>	<u>388,308</u>	<u>388,308</u>	<u>489,800</u>	<u>101,492</u>
<b>Intergovernmental Revenues</b>				
Cigarette Taxes	1,400	1,400	1,465	65
Highway Users	37,000	37,000	50,788	13,788
Road and Bridge	24,000	24,000	25,005	1,005
Clerk/Motor Vehicle Fees	4,000	4,000	4,881	881
Severance Tax	18,000	18,000	12,331	(5,669)
<b>Total Intergovernmental Revenue</b>	<u>84,400</u>	<u>84,400</u>	<u>94,470</u>	<u>10,070</u>
<b>Licenses and Permits</b>				
Liquor Licenses	200	200	195	(5)
Building Permits	88,100	88,100	153,991	65,891
Animal Licenses	300	300	427	127
Business Licenses	350	350	530	180
Other Licenses	60	60	100	40
<b>Total Licenses and Permits</b>	<u>89,010</u>	<u>89,010</u>	<u>155,243</u>	<u>66,233</u>
<b>Fines and Forfeits</b>	<u>15,600</u>	<u>15,600</u>	<u>7,897</u>	<u>(7,703)</u>
<b>Charges for Services</b>				
Recreation/Comm Centre Charges	12,600	12,600	13,803	1,203
Rents	8,400	8,400	7,300	(1,100)
Other charges for services	1,450	1,450	325	(1,125)
<b>Total Charges for Services</b>	<u>22,450</u>	<u>22,450</u>	<u>21,428</u>	<u>(1,022)</u>
<b>Investment Earnings</b>	<u>100</u>	<u>100</u>	<u>1,036</u>	<u>936</u>
<b>Other Revenues</b>				
Reimbursement and Refunds	15,000	15,000	10,560	(4,440)
Donations	12,000	155,500	143,715	(11,785)
Sale of Capital Assets	25,000	25,000	49,527	24,527
Other Miscellaneous Revenue	1,500	43,300	35,088	(8,212)
<b>Total Other Revenue</b>	<u>53,500</u>	<u>238,800</u>	<u>238,890</u>	<u>90</u>
<b>Total Revenues</b>	<u>\$ 653,368</u>	<u>\$ 838,668</u>	<u>\$ 1,008,764</u>	<u>\$ 170,096</u>

(Continued)

**Town of Wiggins, Colorado**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2018**  
*(Continued)*

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>				
General Government				
Personnel Services	\$ 92,290	\$ 92,290	\$ 76,084	\$ 16,206
Fuel and Automotive	4,800	4,800	4,800	-
Insurance	8,300	8,300	10,044	(1,744)
Professional Fees	53,250	55,050	72,835	(17,785)
Repairs and Maintenance	1,500	1,500	4,119	(2,619)
Supplies	9,750	9,750	9,686	64
Telephone and Utilities	3,400	3,400	3,973	(573)
Travel and Training	11,800	11,800	10,919	881
Other Expenses	13,100	13,100	25,111	(12,011)
Total General Government	<u>198,190</u>	<u>199,990</u>	<u>217,571</u>	<u>(17,581)</u>
Public Safety				
Personnel Services	178,100	178,100	170,925	7,175
Fuel and Automotive	6,000	6,000	15,345	(9,345)
Insurance	8,105	8,105	10,044	(1,939)
Professional Fees	4,350	4,350	6,020	(1,670)
Repairs and Maintenance	-	-	16,102	(16,102)
Supplies	2,300	2,300	5,593	(3,293)
Telephone and Utilities	2,300	2,300	3,342	(1,042)
Travel and Training	1,000	1,000	1,995	(995)
Other Expenses	9,300	9,300	7,026	2,274
Total Public Safety	<u>211,455</u>	<u>211,455</u>	<u>236,392</u>	<u>(24,937)</u>
Public Works				
Personnel Services	91,695	91,695	101,922	(10,227)
Equipment Rentals	500	500	-	500
Fuel and Automotive	4,000	4,000	5,527	(1,527)
Insurance	8,200	8,200	10,044	(1,844)
Repairs and Maintenance	26,900	26,900	27,627	(727)
Supplies	3,000	3,000	1,157	1,843
Telephone and Utilities	11,500	11,500	15,408	(3,908)
Travel and Training	1,000	1,000	3,711	(2,711)
Other Expenses	27,500	27,500	27,744	(244)
Total Public Works	<u>174,295</u>	<u>174,295</u>	<u>193,140</u>	<u>(18,845)</u>
Parks, Recreation and Other				
Personnel Services	6,500	6,500	709	5,791
Contract Labor	2,000	2,000	3,256	(1,256)
Repairs and Maintenance	6,000	189,500	2,649	186,851
Supplies	3,700	3,700	5,002	(1,302)
Telephone and Utilities	5,000	5,000	9,571	(4,571)
Other Expenses	12,700	12,700	13,906	(1,206)
Total Parks, Recreation and Other	<u>35,900</u>	<u>219,400</u>	<u>35,093</u>	<u>184,307</u>

*(Continued)*

**Town of Wiggins, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2018  
 (Continued)

	Original Budget	Final Actual	Actual	Variance Positive (Negative)
Capital Outlay				
Public Safety Capital Outlay	\$ 28,700	\$ 28,700	\$ 12,088	\$ 16,612
Public Works Capital Outlay	8,000	8,000	4,831	3,169
Parks, Recreation, Other Capital Outlay	-	-	141,657	(141,657)
Total Capital Outlay	<u>36,700</u>	<u>36,700</u>	<u>158,576</u>	<u>(121,876)</u>
Debt Service				
Principal	<u>30,733</u>	<u>30,733</u>	<u>33,153</u>	<u>(2,420)</u>
<b>Total Expenditures</b>	<u>\$ 687,273</u>	<u>\$ 872,573</u>	<u>\$ 873,925</u>	<u>\$ (1,352)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(33,905)</u>	<u>(33,905)</u>	<u>134,839</u>	<u>168,744</u>
<b>Net Change in Fund Balance</b>	<u>\$ (33,905)</u>	<u>\$ (33,905)</u>	<u>134,839</u>	<u>\$ 168,744</u>
<b>Fund Balance, Beginning of year</b>	<u>34,500</u>	<u>34,500</u>	<u>(27,939)</u>	
<b>Fund Balance, End of year</b>	<u>\$ 595</u>	<u>\$ 595</u>	<u>\$ 106,900</u>	

## **Supplementary Information**

**Town of Wiggins, Colorado**  
 Budgetary Comparison Schedule  
 Sales Tax Capital Improvement Fund  
 For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes			
Sales and Use Taxes	\$ 125,000	\$ 125,869	\$ 869
Investment earnings	<u>          -</u>	<u>          13</u>	<u>          13</u>
Total Revenue	<u>125,000</u>	<u>125,882</u>	<u>882</u>
<b>Expenditures</b>			
Capital Outlay			
Public Works Capital Outlay	<u>125,000</u>	<u>17,053</u>	<u>107,947</u>
Total Expenditures	<u>125,000</u>	<u>17,053</u>	<u>107,947</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	108,829	<u>\$ 108,829</u>
<b>Fund Balance, Beginning of year</b>		<u>54,655</u>	
<b>Fund Balance, End of year</b>		<u>\$ 163,484</u>	

**Town of Wiggins, Colorado**  
 Budgetary Comparison Schedule  
 Conservation Trust Fund  
 For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Intergovernmental Revenues			
Conservation Trust Fund Revenue	\$ 9,800	\$ 6,555	\$ (3,245)
Investment earnings	-	28	28
	9,800	6,583	(3,217)
Total Revenue	9,800	6,583	(3,217)
<b>Expenditures</b>			
Parks, Recreation and Other			
Personnel Services	8,465	8,450	15
Repairs and Maintenance	1,300	898	402
	9,765	9,348	417
Total Expenditures	9,765	9,348	417
<b>Net Change in Fund Balance</b>	\$ 35	(2,765)	\$ (2,800)
<b>Fund Balance, <i>Beginning of year</i></b>		39,733	
<b>Fund Balance, <i>End of year</i></b>		\$ 36,968	

**Town of Wiggins, Colorado**  
**Budgetary Comparison Schedule**  
**Water Fund**  
**For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Utility Charges	\$ 555,500	\$ 529,515	\$ (25,985)
Other Charges for Services	30,100	28,054	(2,046)
Total Revenue	585,600	557,569	(28,031)
<b>Expenditures</b>			
Personnel Services	141,416	153,075	(11,659)
Commodity Charges	60,000	60,000	-
Administrative/Office Expenses	2,700	5,572	(2,872)
Insurance	8,200	10,144	(1,944)
Operating Supplies	10,000	21,550	(11,550)
Professional Fees	306,800	23,183	283,617
Repairs and Maintenance	25,500	14,529	10,971
Travel and Training	2,500	1,577	923
Treatment	25,000	33,384	(8,384)
Telephone and Utilities	45,000	71,714	(26,714)
Other Operating Expenses	2,500	2,152	348
Enterprise Capital Outlay	1,134,500	220,152	914,348
Total Expenditures	1,764,116	617,032	1,147,084
<b>Excess of Revenues Over (Under) Expenditures</b>	(1,178,516)	(59,463)	1,119,053
<b>Non-Operating Revenues (Expenses)</b>			
Gain from Sale of Assets	-	144,781	144,781
Intergovernmental Revenues	-	60,000	60,000
Investment Earnings	-	406	406
Debt Proceeds	1,100,000	-	(1,100,000)
Debt Service	(354,662)	(322,252)	32,410
Total Other Financing Resources	\$ 745,338	\$ (117,065)	\$ (862,403)
Net Gain/(Loss) Before Capital Contributions	(433,178)	(176,528)	256,650
<b>Capital Contributions</b>			
Plant Investment Fees	460,000	708,500	248,500
Total Capital Contributions	460,000	708,500	248,500
<b>Net Change in Fund Balance</b>	\$ 26,822	531,972	\$ 505,150
<b>Budget to GAAP Reconciliation</b>			
Principal Paid		92,485	
Depreciation Expense		(151,283)	
Capital Outlay		215,891	
<b>Change in Net Position - GAAP Basis</b>		689,065	
<b>Net Position, Beginning of year</b>		4,794,602	
<b>Net Position, End of year</b>		\$ 5,483,667	

See the accompanying Independent Auditors' Report.

**Town of Wiggins, Colorado**  
**Budgetary Comparison Schedule**  
**Sewer Fund**  
For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Utility Charges	\$ 215,000	\$ 155,682	\$ (59,318)
Other Charges for Services	-	6,363	6,363
Total Revenue	215,000	162,045	(52,955)
<b>Expenditures</b>			
Personnel Services	134,945	140,175	(5,230)
Administrative/Office Expenses	3,500	5,936	(2,436)
Insurance	8,500	10,044	(1,544)
Operating Supplies	8,000	5,608	2,392
Professional Fees	18,200	62,424	(44,224)
Repairs and Maintenance	50,500	9,483	41,017
Travel and Training	1,000	999	1
Treatment	15,000	16,874	(1,874)
Telephone and Utilities	24,000	24,050	(50)
Other Operating Expenses	1,000	-	1,000
Enterprise Capital Outlay	121,000	32,843	88,157
Total Expenditures	385,645	308,436	77,209
<b>Excess of Revenues Over (Under) Expenditures</b>	(170,645)	(146,391)	24,254
<b>Non-Operating Revenues (Expenses)</b>			
Investment Earnings	-	223	223
Interest Expense	(68,000)	(58,193)	(9,807)
Total Other Financing Resources	\$ (68,000)	\$ (57,970)	\$ (10,030)
Net Loss Before Capital Contributions	(238,645)	(204,361)	34,284
<b>Capital Contributions</b>			
Tap Fees	240,000	354,000	114,000
Total Capital Contributions	240,000	354,000	114,000
<b>Net Change in Fund Balance</b>	\$ 1,355	149,639	\$ 148,284
<b>Budget to GAAP Reconciliation</b>			
Depreciation Expense		(47,966)	
Capital Outlay		30,467	
<b>Change in Net Position - GAAP Basis</b>		132,140	
<b>Net Position, Beginning of year</b>		1,887,375	
<b>Net Position, End of year</b>		\$ 2,019,515	

See the accompanying Independent Auditors' Report.

## **Compliance Section**

## **State Compliance**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Town of Wiggins
		YEAR ENDING : December 2018
This Information From The Records Of Town of Wiggins	Prepared By: Phone:	Lorraine Trotter, Prof'l Mgmt Solutions 303-910-9197

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

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

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	142,082
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,245
2. General fund appropriations		b. Snow and ice removal	10,744
3. Other local imposts (from page 2)	22,600	c. Other	16,166
4. Miscellaneous local receipts (from page 2)	111,632	d. Total (a. through c.)	29,155
5. Transfers from toll facilities		4. General administration & miscellaneous	18,664
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	189,901
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest & Costs of Issuance	
7. Total (1 through 6)	134,232	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	55,669	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	189,901	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			189,901

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	189,901	189,901	0	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	0	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	22,600	g. Other Misc. Receipts Co. Rd & Bridge	25,005
6. Total (1. through 5.)	22,600	h. Other General Sales Taxes	86,627
c. Total (a. + b.)	22,600	i. Total (a. through h.)	111,632
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	50,788	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	4,881	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	4,881	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	55,669	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	0
			(Carry forward to page 1)
<b>Notes and Comments:</b>			