

**City of Central, Colorado**  
**Financial Statements**  
**with Independent Auditors' Report**  
**December 31, 2018**



# City of Central, Colorado

## Table of Contents December 31, 2018

<b>Independent Auditors' Report</b> .....	1
<b>Management's Discussion and Analysis</b> .....	i
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statements</i>	
Statement of Net Position .....	3
Statement of Activities .....	4
<i>Governmental Funds</i>	
Balance Sheet .....	5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	6
Statement of Revenues, Expenditures and Changes in Fund Balances .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	8
<i>Proprietary Fund</i>	
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
<b>Required Supplementary Information</b>	
Schedule of Changes in Net Pension Liability and Related Ratios and Contributions – Volunteer Fire Department Pension Plan .....	31
Budgetary Comparison Schedule – General Fund .....	32
Budgetary Comparison Schedule – Transportation Fund.....	33
Budgetary Comparison Schedule – Historic Preservation Fund.....	34
<i>Notes to Required Supplementary Information</i> .....	35
<b>Supplementary Information</b>	
Combining Balance Sheet – Nonmajor Governmental Funds .....	37
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds .....	38
Budgetary Comparison Schedule – Capital Improvement Fund.....	39
Budgetary Comparison Schedule – Conservation Trust Fund.....	40
Budgetary Comparison Schedule – Water Fund .....	41
<b>Compliance Section</b>	
<b>State Compliance</b>	
Local Highway Finance Report.....	42



**HINKLE &  
COMPANY**  
*Strategic* <sup>PC</sup>  
*Business Advisors*

## **Independent Auditors' Report**

Honorable Mayor and Members of the City Council  
City of Central  
Central City, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Central, 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 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 City of Central'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  
July 13, 2019



**City of Central, Colorado**  
**Management Discussion & Analysis**  
**December 31, 2018**

As management of the City of Central, (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended December 31, 2018.

**USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements and provide the reader with greater detail and explanation of areas and/or issues the City’s Management feels are significant. This discussion and analysis is divided into two basic parts. The first section provides an overview and discussion of the basic components of the financial statements. The second section of this report provides figurative analysis of the financial statements themselves. Management recommends reviewing the financial statements in conjunction with this report.

The City’s financial statements are comprised of several components including: government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, other supplementary information, and compliance reports. Each of these components provides readers with differing levels of detail and discusses the City’s activities and financial position in different scopes.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. For that reason, the government-wide financial statements are calculated using the accrual basis of accounting like the private-sector. Government-wide statements incorporate all aspects of the City’s financial condition and provide the reader a general knowledge of its financial activities.

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

The *Statement of Activities* presents information showing how the City’s net position changed during the most recent fiscal year. While the *Statement of Net Position* focuses on total changes in assets and liabilities, the *Statement of Activities* focuses on the underlying causes of those total changes. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions of the City 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 City include general government, public safety (police services), public works, community development, fire,

**City of Central, Colorado**  
**Management Discussion & Analysis**  
**December 31, 2018**

and historic preservation. The business-type activities of the City include water distribution and system maintenance.

The government-wide financial statements can be found on pages 3 and 4 of this report.

**Fund financial statements:** Fund Financial Statements detail the status and changes within certain Fund groups. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds can be divided into two separate categories: Governmental Funds and Proprietary Funds.

*Governmental Funds*--Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending in future years, provided that balances restricted for certain purposes are spent for those purposes only. Governmental Funds utilize the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements display detailed short-term views of cash, operations, and the basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of a government's near-term financing decisions. Both the *Balance Sheet--Governmental Funds* and the *Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds* provide reconciliations to facilitate this comparison between governmental funds reported on the modified accrual basis of accounting, and governmental activities reported on the full accrual basis.

The City of Central maintains six (6) individual governmental funds. Information is presented by fund name in the *Balance Sheet--Governmental Funds* and the *Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds* for four of these funds because they meet the criteria to be considered "major funds" (General Fund, Historic Preservation Fund, Transportation Fund, and Capital Improvement Fund). The other two (Conservation Trust Fund and Impact Fees Fund) are combined in a column titled "Nonmajor Governmental Funds." Individual fund data for these nonmajor governmental funds is provided in the back of this report in the section titled "Supplementary Information."

*Proprietary Funds*--The City's water utility operations and all related financial activity are reported in a proprietary fund known as the Water Fund. Proprietary funds focus on overall economic position rather than year-end fund balances, and they utilize the full accrual method of accounting. An Enterprise Fund is the type of proprietary fund used to account for utility operations. It reports the same functions that are presented as business-type activities in the

**City of Central, Colorado**  
**Management Discussion & Analysis**  
**December 31, 2018**

government-wide financial statements, only in a bit more detail. Proprietary fund financial statements can be found on pages 9-11 of this report.

**Notes to Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are the final section of the basic financial statements. They can be found on pages 12-30 of this report.

**Supplementary Information:** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's budget and pension plan. Certain pension plan information and budgetary comparison statements for the General Fund, Historic Preservation Fund, and Transportation Fund are included as "Required Supplementary Information" on pages 31-36 of this report. Budgetary comparison schedules for the other funds with adopted budgets are displayed on pages 39-41 in the "Supplementary Information" section of the report. These statements and schedules demonstrate compliance with the City's adopted and final revised budgets.

**Government-Wide Financial Analysis**

As mentioned previously, net position may serve over time as a useful indicator of a government's financial position. The chart on the following page displays the changes in net position experienced by the City over the last two years. The City of Central's total assets exceeded its liabilities and deferred inflows of resources by \$39,776,159 at the close of 2018.

**City of Central, Colorado**  
**Management Discussion & Analysis**  
**December 31, 2018**

**City of Central's Net Position**

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 6,527,310	\$ 6,059,907	\$ 642,353	\$ 301,380	\$ 7,169,663	\$ 6,361,287
Capital assets, net	26,271,784	27,515,569	9,850,646	9,607,645	36,122,430	37,123,214
Internal balances	919,205	1,019,205	(919,205)	(1,019,205)	-	-
Total assets	\$ 33,718,299	\$ 34,594,681	\$ 9,573,794	\$ 8,889,820	\$ 43,292,093	\$ 43,484,501
Current liabilities	680,857	791,494	85,782	89,349	766,639	880,843
Long-term debt outstanding	1,838,711	1,653,373	623,843	8,630	2,462,554	1,662,003
Net pension liability	27,948	72,477	-	-	27,948	72,477
Total liabilities	\$ 2,547,516	\$ 2,517,344	\$ 709,625	\$ 97,979	\$ 3,257,141	\$ 2,615,323
Deferred Inflow of Resources	258,793	260,029	-	-	258,793	260,029
Net position:						
Net investment in capital assets	\$ 24,603,666	\$ 26,207,007	\$ 9,240,646	\$ 9,607,645	\$ 33,844,312	\$ 35,814,652
Restricted for Emergencies	194,000	173,000	-	-	194,000	173,000
Restricted for other purposes	821,985	606,357	-	-	821,985	606,357
Unrestricted	5,292,339	4,830,944	(376,477)	(815,804)	4,915,862	4,015,140
Total net position	\$ 30,911,990	\$ 31,817,308	\$ 8,864,169	\$ 8,791,841	\$ 39,776,159	\$ 40,609,149

The largest portion of the City's total net position is its investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets net of related debt account for 85.1% of total net position. While capital assets make up the most significant portion of the City's net position, it is the current assets comprised of cash, investments, and receivables with which the City operates. These assets grew from the end of 2017 to the end of 2018, increasing by \$808,376 (12.7%). Overall, the City's Total Net Position decreased by 2.0%, or \$832,990, because the \$2,752,622 depreciation of the City's capital assets exceeded its other operating gains.

In the Governmental Activities, current assets at December 31, 2018 exceeded total liabilities by \$3,979,794 (156.2%). In the Business-type Activities, current assets were less than total liabilities by -\$67,272 (-9.5%) due to an increase in long-term debt to finance upgrades to the water system.

Approximately 2.5% of the City's total net position is restricted for emergencies, historic preservation, and parks and open space. The remainder may be used to meet the City's obligations to residents, businesses, and creditors. The City utilizes both capital assets and current assets to provide services to citizens, local businesses, and visitors and to fund daily City operations.

The chart below displays the changes in net position experienced by the City over the last two years. An analysis of these changes follows for both its Governmental and Business-type Activities.

**City of Central, Colorado**  
**Management Discussion & Analysis**  
**December 31, 2018**

City of Central's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services	\$ 179,168	\$ 193,881	\$ 639,995	\$ 704,721	\$ 819,163	\$ 898,602
Operating grants & contributions	582,603	656,303	55,570	7,734	638,173	664,037
Capital grants & contributions	295,893	143,120	108,493	125,330	404,386	268,450
General revenues:					-	
Property taxes	277,719	273,777	-	-	277,719	273,777
Sales & use taxes	995,508	933,058	-	-	995,508	933,058
Lodging Tax	78,820	69,402	-	-	78,820	69,402
State Gaming Tax	961,318	854,451	-	-	961,318	854,451
Gaming Licences & Device Fees	2,583,283	2,426,433	-	-	2,583,283	2,426,433
Investment Income	46,165	17,175	-	497	46,165	17,672
Other Revenue	70,896	96,480	9,000	-	79,896	96,480
Transfers In/(Out)	(60,000)	-	60,000	-	-	-
<b>Total revenues</b>	<b>\$ 6,011,373</b>	<b>\$ 5,664,080</b>	<b>\$ 873,058</b>	<b>\$ 838,282</b>	<b>\$ 6,884,431</b>	<b>\$ 6,502,362</b>
Program expenses:						
General Government	\$ 1,241,076	\$ 1,104,384	\$ -	\$ -	\$ 1,241,076	\$ 1,104,384
Public Safety	730,295	483,971	-	-	730,295	483,971
Public Works	3,877,919	3,809,356	-	-	3,877,919	3,809,356
Community Development	323,098	473,374	-	-	323,098	473,374
Fire	447,622	621,849	-	-	447,622	621,849
Historic Preservation	253,549	292,790	-	-	253,549	292,790
Interest on Long-Term Debt	43,132	30,684	-	-	43,132	30,684
Water	-	-	800,730	818,585	800,730	818,585
<b>Total expenses</b>	<b>\$ 6,916,691</b>	<b>\$ 6,816,408</b>	<b>\$ 800,730</b>	<b>\$ 818,585</b>	<b>\$ 7,717,421</b>	<b>\$ 7,634,993</b>
Increase/(decrease)in net assets	\$ (905,318)	\$ (1,152,328)	\$ 72,328	\$ 19,697	\$ (832,990)	\$ (1,132,631)
Net Position, Beginning	31,817,308	32,969,636	8,791,841	8,772,144	40,609,149	41,741,780
Net Position, Ending	\$30,911,990	\$31,817,308	\$8,864,169	\$8,791,841	\$39,776,159	\$40,609,149

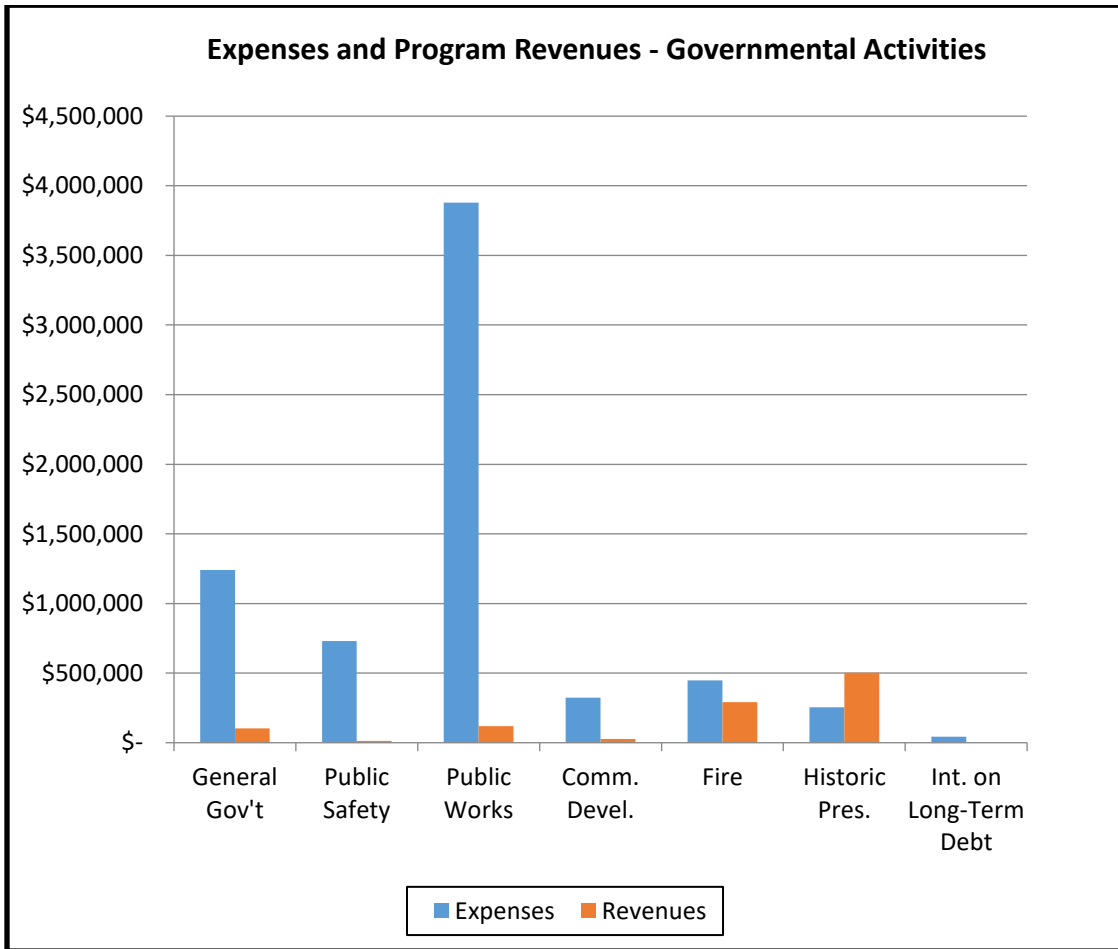
**Governmental Activities**

Governmental activities caused the City's net position to decrease by \$905,318 in 2018. Key elements of this decrease are as follows:

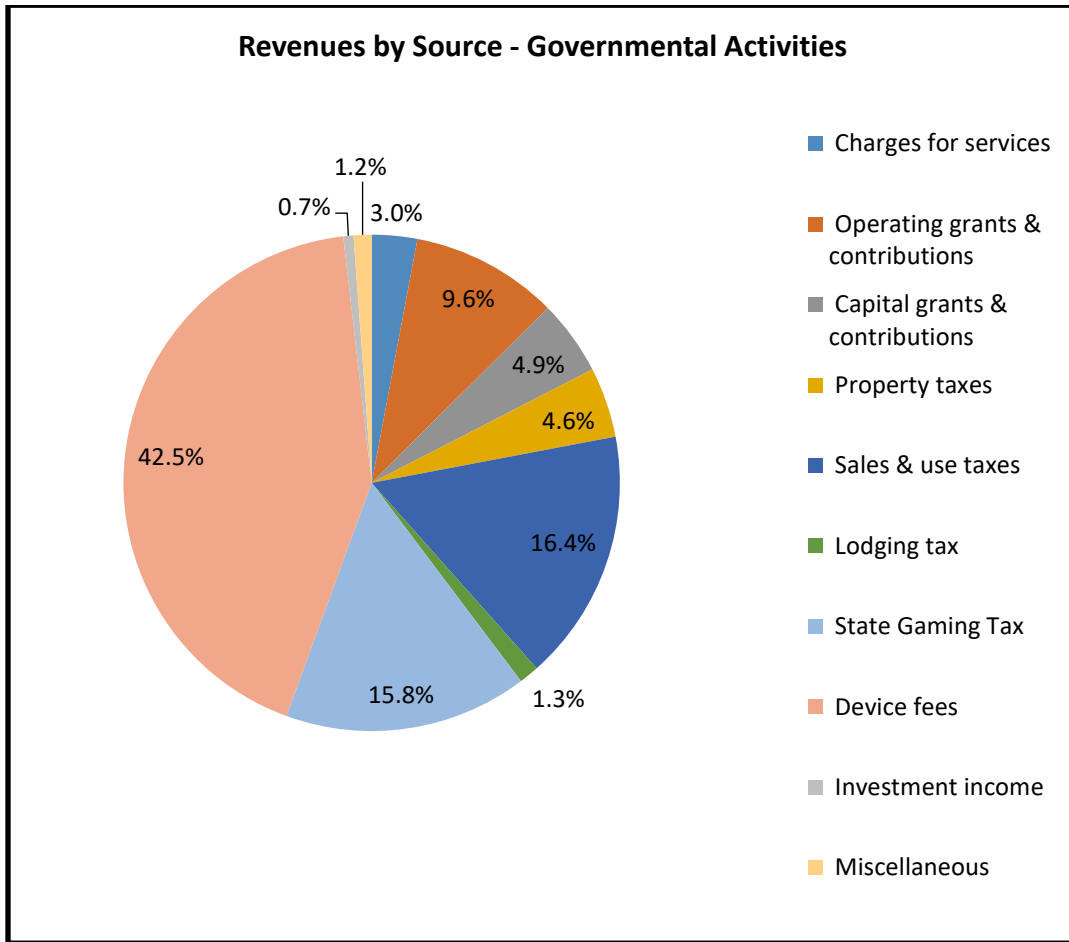
- Depreciation within the program expenses totaled \$2,476,226 in 2018 for Governmental Activities
- Sales and use taxes increased by \$62,450 (6.7%) during 2018.
- Gaming licenses and device fees increased by \$156,850 (6.5%) during 2018.

The following two charts illustrate the 2018 expenses and related program revenues of the Governmental Activities.

**City of Central, Colorado**  
**Management Discussion & Analysis**  
**December 31, 2018**



**City of Central, Colorado  
Management Discussion & Analysis  
December 31, 2018**



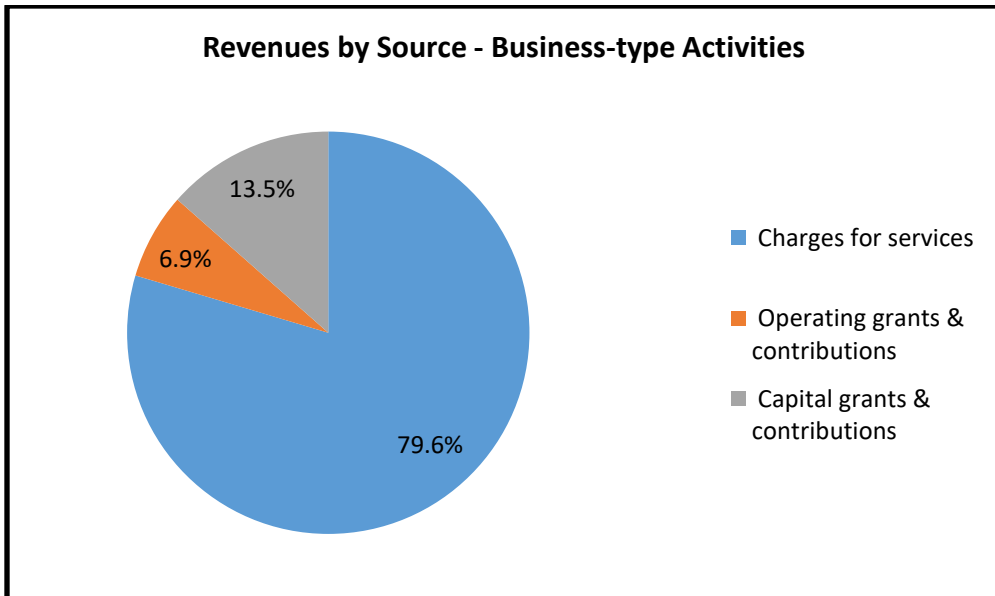
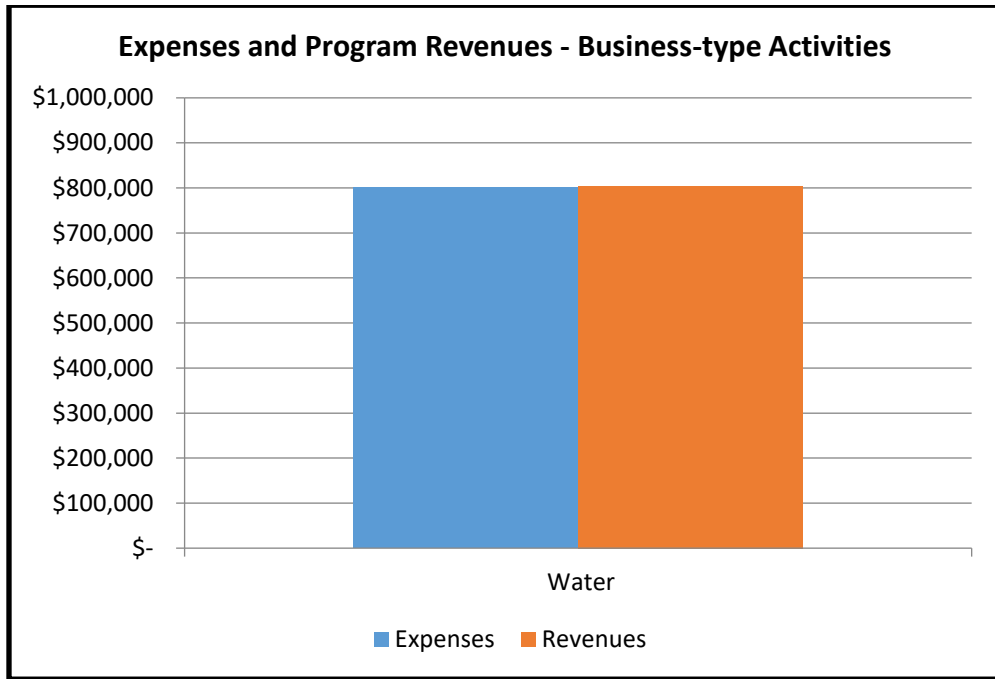
Device fees and state gaming taxes comprised 58.3% of the revenues for Governmental Activities in the City of Central in 2018. Management closely tracks these revenues because of their importance to the City’s budget.

**Business-type Activities**

Business-type activities caused the City’s net position to increase by \$72,328 in 2018. Charges for services decreased by \$64,726 (-9.2%). Charges for services exceeded operating expenses not including depreciation by \$115,314 (122.0%).

The following two charts illustrate the Business-type Activities total expenses including depreciation and related program revenues. Program revenues included operating grants and contributions of \$55,570 and capital grants and contributions of \$108,493 in addition to the charges for services discussed above.

**City of Central, Colorado  
Management Discussion & Analysis  
December 31, 2018**



**Fund Financial Analysis**

As noted earlier, the City of Central uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (fund balances) in each fund are shown at year end. At the close of 2018, the City’s governmental funds reported combined ending fund balances of \$6,533,812. This was an increase of \$491,242 (8.1%) from the prior year’s ending fund balances. Revenues increased by \$424,918 (7.5%). Expenditures increased by \$1,060,441 (21.8%) over the prior year, primarily due to the construction of a Public Works facility (\$529,406) and purchase of a Fire Tactical Tender Truck (\$417,439).

**City of Central, Colorado**  
**Management Discussion & Analysis**  
**December 31, 2018**

The following chart details the City’s governmental fund balances for the past ten (10) years:

**City of Central Ending Governmental Fund Balances**

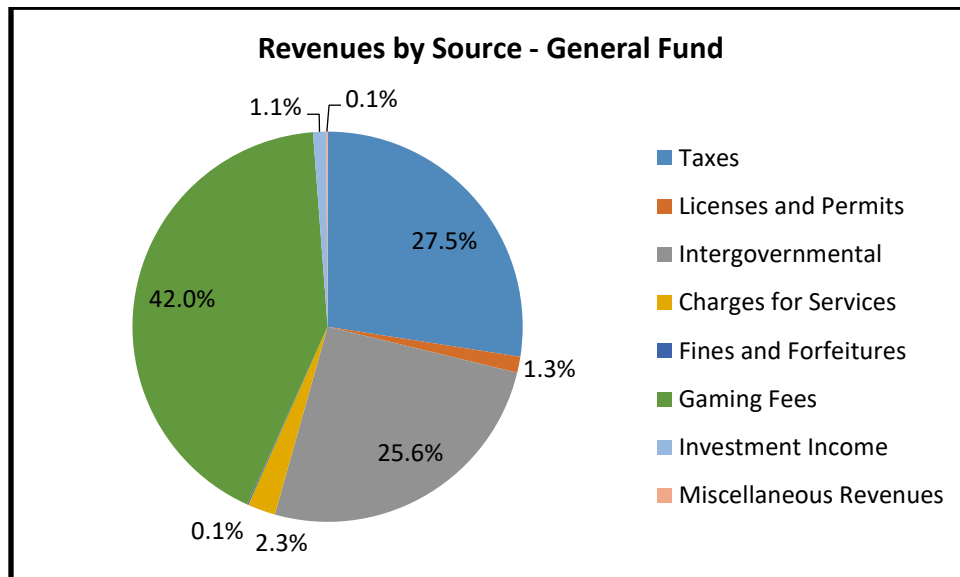
Fund	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General	\$ 1,083,488	\$ 204,049	\$ 1,153,136	\$ 1,594,416	\$ 1,585,809	\$ 2,263,848	\$ 2,632,780	\$ 3,195,011	\$ 3,562,725	\$ 4,179,433
Transportation	-	-	-	-	-	-	1,036,963	903,560	1,006,456	726,806
Capital Improvement	-	-	-	-	-	-	938,042	702,966	667,614	606,170
Historic Preservation	580,053	399,885	999,475	467,139	239,395	218,420	341,390	386,807	724,879	931,440
TABOR <sup>1</sup>	204,054	204,130	204,248	204,726	204,932	205,021	-	-	-	-
Conservation Trust	25,063	33,005	38,811	38,688	45,937	52,479	59,086	67,461	74,878	83,945
Capital Projects	66,657	66,682	-	-	-	-	-	-	-	-
Debt Service	(1,229,715)	-	29,135	21,979	-	-	-	-	-	-
Public Property Trust	201,512	925,191	225,928	226,559	227,075	(11,754)	(11,029)	-	-	-
Impact Fees Fund	(156,776)	(156,745)	(144,081)	(144,081)	(129,585)	(129,585)	(129,585)	-	6,018	6,018
<b>Total</b>	<b>\$ 774,336</b>	<b>\$ 1,676,197</b>	<b>\$ 2,506,652</b>	<b>\$ 2,409,426</b>	<b>\$ 2,173,563</b>	<b>\$ 2,598,429</b>	<b>\$ 4,867,647</b>	<b>\$ 5,255,805</b>	<b>\$ 6,042,570</b>	<b>\$ 6,533,812</b>

<sup>1</sup> TABOR Fund was combined with General Fund beginning in 2015.

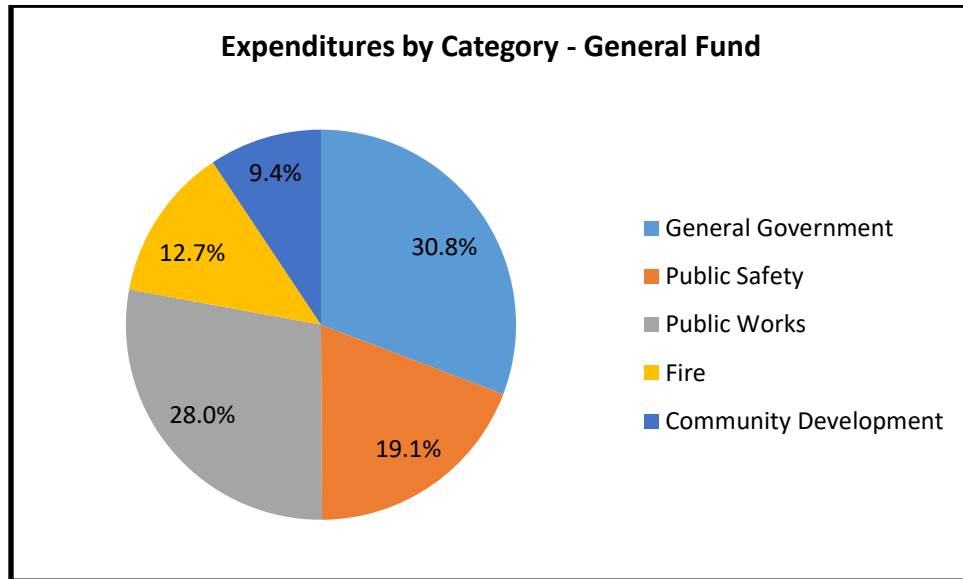
Grants and loans received in the Transportation and Capital Improvement Funds have helped to improve the governmental fund balances during the last three years. The General Fund balance has improved steadily since 2015.

**General Fund:** The General Fund is the chief operating fund of the City of Central. It accounts for all of the general services provided by the City. The General Fund Balance in 2018 increased \$616,708 (17.3%) over 2017. Revenues increased by \$205,169 (5.2%) in 2018 primarily due to taxes and gaming-related revenues. General Fund expenditures decreased in the categories of Public Works (-\$12,501), Community Development (-\$150,276), and Fire (-\$108,220). General Fund expenditures increased in the General Government (\$32,768) and Public Safety (\$134,404) categories during 2018.

The following two tables illustrate General Fund revenues and expenditures during 2018.



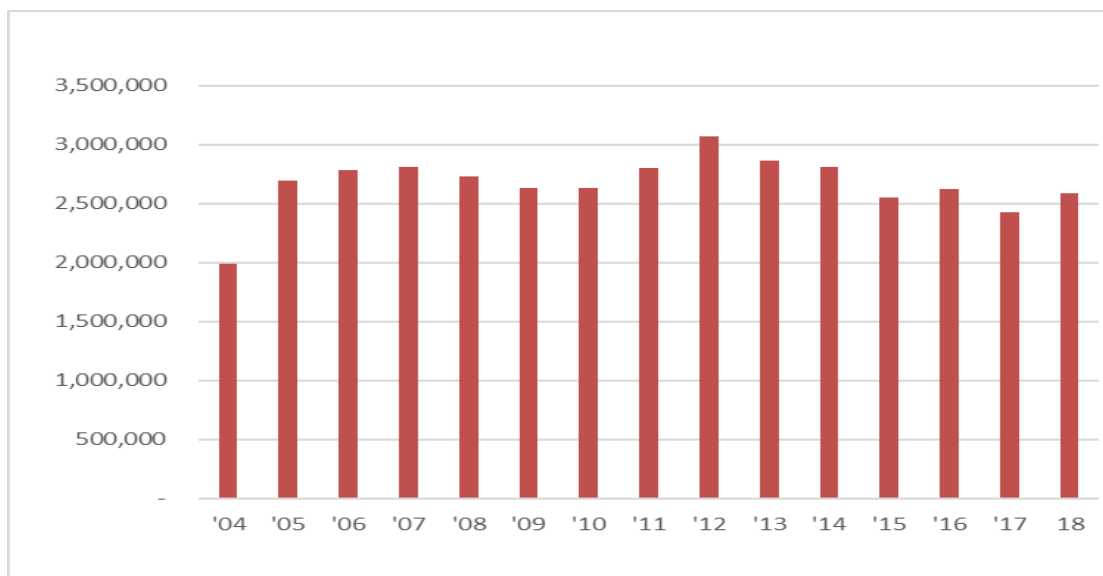
**City of Central, Colorado  
Management Discussion & Analysis  
December 31, 2018**



During 2018, the City received \$4,129,480 in General Fund revenues. The percentage of the total General Fund revenues derived from each source remained fairly constant compared to 2017. The percentage of total General Fund expenditures spent for Community Development activities decreased from 13.3% in 2017 to 9.4% in 2018. Public Safety expenditures increased from 14.8% to 19.1% of total General Fund expenditures in 2018, while Fire expenditures decreased their percentage of the total from 15.4% to 12.7% during the year.

*Device Fees and Licenses:* Device fees are the City’s most significant source of revenue. During 2018, device fees and licenses collected by all governmental funds totaled \$2,583,283 and accounted for 42.5% of all governmental fund revenues. The graph below illustrates the total amount of device revenue collected for all governmental funds over the last fifteen years.

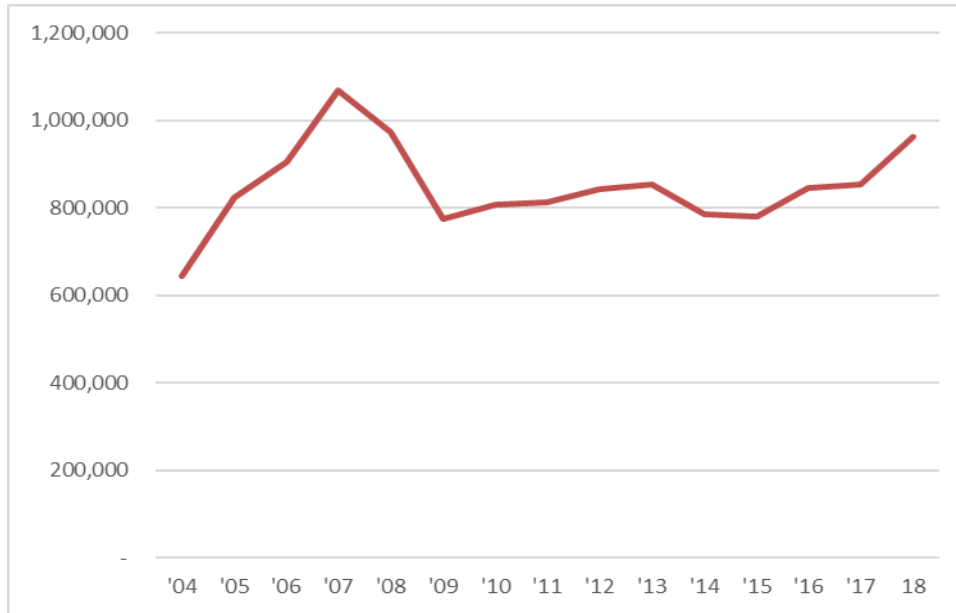
**Gaming Device Revenue**



**City of Central, Colorado  
Management Discussion & Analysis  
December 31, 2018**

*Gaming Taxes:* The City's second most important governmental revenue source is state gaming taxes. The amount of state gaming tax received annually is based on a calculation involving each Colorado gambling City's proportion of gaming taxes paid to the state. Central City received \$961,318 in 2018 compared to \$854,451 in 2017, which was an increase of 12.5%. Below is a graph illustrating state gaming tax revenue for the past fifteen years.

State Gaming Tax



***Transportation Fund:*** The Transportation Fund received \$847,452 in gaming device fees during 2018, which was an increase of \$51,455 (6.5%) over 2017. During 2018 the Transportation Fund balance decreased by \$279,650 (-27.8%). The fund's major expenditures included purchase of the membrane building for public works materials (\$529,406), street and sidewalk improvements and repairs (\$482,586), shuttle services (\$208,199), and loan repayments as required (\$173,867) to the Colorado Department of Transportation's State Infrastructure Bank.

***Capital Improvement Fund:*** During 2018, the Capital Improvement Fund balance decreased by \$61,444 (-9.2%) primarily due to the purchase of fire equipment (\$417,439) partially financed by a federal grant (\$287,143). The fund's expenditures also included City Hall improvements (\$51,098), park improvements (\$5,923), and loan payments totaling \$144,489 on its capital equipment leases.

***Historic Preservation Fund:*** The Historic Preservation Fund's most significant source of revenue, historic preservation funding from the state, is also derived from gaming. Like the state gaming tax, historic preservation monies are allocated based on a calculation involving each City's proportionate share of gaming taxes paid to the state. The funds are to be used for the preservation and protection of historical buildings and properties within the City. In 2018, the City received \$477,129 in state grant revenue, which was 8.3% more than in 2017. Other revenues include sales from the Visitors' Center and donations for historic restoration projects.

**City of Central, Colorado**  
**Management Discussion & Analysis**  
**December 31, 2018**

**Water Fund:** At December 31, 2018 the Net Position of the Water Fund was \$8,864,169. Revenues from charges for services decreased \$48,849 (7.1%) compared to 2017. Operating expenses of \$800,730 in 2018 represented a decrease of \$17,855 (-2.2%) compared to 2017.

The Water Fund had an operating loss of \$-160,735 in 2018 compared to \$-113,864 in 2017. Charges for services covered 79.9% of operating expenses in 2018 compared to 84.1% of operating expenses in 2017 (and 80.8% and 81.1% of operating expenses in 2016 and 2015 respectively). As in most years, a significant portion of the 2018 operating loss for the Water Fund was related to depreciation (\$276,696) of plant and equipment.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets.* At December 31, 2018 the City had invested in a range of capital assets including land, buildings and improvements, vehicles, office equipment, utility lines, and streets. Note 4 of the financial statements provides a summary of these assets. City capital acquisitions and expenses during 2018 included:

Water Plant and Lines	\$ 490,637
Buildings and Improvements	620,886
Equipment and Vehicles	500,974
Infrastructure	163,473
Construction in Progress	28,042

*Debt Administration.* Note 5 of the financial statements provides a summary of the City's long-term debt. At December 31, 2018 the City owed \$1,103,948 on the loan from the Colorado Department of Transportation's State Infrastructure Bank (SIB). The City also had capital leases payable totaling \$564,170. The SIB loan and leases are payable from the general revenues of the governmental funds. During 2018 the City received a \$610,000 interest-free loan from the Colorado Water Resources & Power Development Authority which is payable from Water Fund revenues over 30 years beginning in 2019. In addition, the City had contractual obligations for compensated absences and accrued longevity pay totaling \$170,593 in the General Fund and \$13,843 in the Water Fund. These debts are to be repaid from revenues of the respective funds as they come due.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's economic climate is expected to continue to realize the noticeable improvements of 2018 in 2019. The 2019 Budget conservatively estimated revenues from gaming from the City's six casinos, and fees, licenses, permits, and other general revenues are projected without significant changes over 2018. A new 2.00% Use Tax dedicated to Fire and Public Safety took effect January 1, 2019.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide the City of Central's residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's

**City of Central, Colorado**  
**Management Discussion & Analysis**  
**December 31, 2018**

accountability for the funds and assets it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Central, Finance Department, PO Box 249, Central City, Colorado 80427-0249.

## **Basic Financial Statements**

**City of Central, Colorado**  
Statement of Net Position  
December 31, 2018

	Governmental Activities	Business-Type Activities	Totals
<b>Assets</b>			
Cash and Investments	\$ 5,635,851	\$ 414,997	\$ 6,050,848
Restricted Cash and Investments	276,878	152,678	429,556
Accounts Receivable	256,904	74,678	331,582
Taxes Receivable	344,478	-	344,478
Grants Receivable	-	-	-
Internal Balances	919,205	(919,205)	-
Prepaid Expenses	13,199	-	13,199
Capital Assets, <i>Not Being Depreciated</i>	6,207,611	1,884,261	8,091,872
Capital Assets, <i>Net of Accumulated Depreciation</i>	20,064,173	7,966,385	28,030,558
Total Assets	<u>33,718,299</u>	<u>9,573,794</u>	<u>43,292,093</u>
<b>Liabilities</b>			
Accounts Payable	213,050	81,504	294,554
Accrued Liabilities	60,640	4,278	64,918
Unearned Revenues	380,220	-	380,220
Accrued Interest Payable	26,947	-	26,947
Noncurrent Liabilities			
Due Within One Year	244,195	13,389	257,584
Due in More Than One Year	1,594,516	610,454	2,204,970
Net Pension Liability	27,948	-	27,948
Total Liabilities	<u>2,547,516</u>	<u>709,625</u>	<u>3,257,141</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	258,793	-	258,793
<b>Net Position</b>			
Net Investment in Capital Assets	24,603,666	9,240,646	33,844,312
Restricted for:			
Emergencies	194,000	-	194,000
Historic Preservation	738,040	-	738,040
Parks and Open Space	83,945	-	83,945
Unrestricted	5,292,339	(376,477)	4,915,862
Total Net Position	<u>\$ 30,911,990</u>	<u>\$ 8,864,169</u>	<u>\$ 39,776,159</u>

**City of Central, 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	Totals
<b>Primary Government</b>							
<i>Governmental Activities</i>							
General Government	\$ 1,241,076	\$ 103,590	\$ -	\$ -	\$ (1,137,486)	\$ -	\$ (1,137,486)
Public Safety	730,295	14,444	-	-	(715,851)	-	(715,851)
Public Works	3,877,919	30,829	80,389	8,750	(3,757,951)	-	(3,757,951)
Community Development	323,098	15,810	11,000	-	(296,288)	-	(296,288)
Fire	447,622	3,669	-	287,143	(156,810)	-	(156,810)
Historic Preservation	253,549	10,826	491,214	-	248,491	-	248,491
Interest on Long-Term Debt	43,132	-	-	-	(43,132)	-	(43,132)
Total Governmental Activities	6,916,691	179,168	582,603	295,893	(5,859,027)	-	(5,859,027)
<i>Business-Type Activities</i>							
Water Utility	800,730	639,995	55,570	108,493	-	3,328	3,328
Total Business-Type Activities	800,730	639,995	55,570	108,493	-	3,328	3,328
Total Primary Government	\$ 7,717,421	\$ 819,163	\$ 638,173	\$ 404,386	\$ (5,859,027)	\$ 3,328	(5,855,699)
<b>General Revenues</b>							
Property Taxes					259,072	-	259,072
Specific Ownership Taxes					18,647	-	18,647
Sales and Use Taxes					995,508	-	995,508
Lodging Taxes					78,820	-	78,820
Franchise Taxes					58,709	-	58,709
State Gaming Revenues					961,318	-	961,318
Gaming License Fees					1,735,831	-	1,735,831
Gaming Device Fees					847,452	-	847,452
Grants and Contributions not Restricted to Specific Programs					10,851	-	10,851
Investment Income					46,165	-	46,165
Gain on sale of assets					-	9,000	9,000
Miscellaneous					1,336	-	1,336
<b>Transfers</b>					(60,000)	60,000	-
Total General Revenues					4,953,709	69,000	5,022,709
<b>Change in Net Position</b>							
					(905,318)	72,328	(832,990)
Net Position, Beginning of year					31,817,308	8,791,841	40,609,149
Net Position, End of year					\$ 30,911,990	\$ 8,864,169	\$ 39,776,159

**City of Central, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	General	Historic Preservation	Transportation	Capital Improvement	Nonmajor Governmental Funds	Totals
<b>Assets</b>						
Cash and Investments	\$ 3,584,734	\$ 950,688	\$ 387,549	\$ 622,917	\$ 89,963	\$ 5,635,851
Restricted Cash and Investments	-	-	276,878	-	-	276,878
Accounts Receivable	164,343	-	71,270	21,291	-	256,904
Taxes Receivable	344,478	-	-	-	-	344,478
Interfund Receivables	919,205	-	-	-	-	919,205
Prepaid Expenses	13,199	-	-	-	-	13,199
<b>Total Assets</b>	<b><u>\$ 5,025,959</u></b>	<b><u>\$ 950,688</u></b>	<b><u>\$ 735,697</u></b>	<b><u>\$ 644,208</u></b>	<b><u>\$ 89,963</u></b>	<b><u>\$ 7,446,515</u></b>
<b>Liabilities</b>						
Accounts Payable	\$ 147,415	\$ 18,706	\$ 8,891	\$ 38,038	\$ -	\$ 213,050
Accrued Liabilities	60,098	542	-	-	-	60,640
Unearned Revenues	380,220	-	-	-	-	380,220
<b>Total Liabilities</b>	<b><u>587,733</u></b>	<b><u>19,248</u></b>	<b><u>8,891</u></b>	<b><u>38,038</u></b>	<b><u>-</u></b>	<b><u>653,910</u></b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	258,793	-	-	-	-	258,793
<b>Fund Balances</b>						
Nonspendable Interfund Receivables	919,205	-	-	-	-	919,205
Restricted for:						
Emergencies	194,000	-	-	-	-	194,000
Capital Projects	-	-	276,878	-	-	276,878
Historic Preservation	-	738,040	-	-	-	738,040
Parks and Open Space	-	-	-	-	83,945	83,945
Prepaid Expenses	13,199	-	-	-	-	13,199
Committed to:						
Transportation	-	-	449,929	-	-	449,929
Capital Facilities	-	-	-	-	6,018	6,018
Assigned to Capital Projects	-	193,400	-	606,170	-	799,570
Unrestricted, Unassigned	3,053,029	-	(1)	-	-	3,053,028
<b>Total Fund Balances</b>	<b><u>4,179,433</u></b>	<b><u>931,440</u></b>	<b><u>726,806</u></b>	<b><u>606,170</u></b>	<b><u>89,963</u></b>	<b><u>6,533,812</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 5,025,959</u></b>	<b><u>\$ 950,688</u></b>	<b><u>\$ 735,697</u></b>	<b><u>\$ 644,208</u></b>	<b><u>\$ 89,963</u></b>	<b><u>\$ 7,446,515</u></b>

**City of Central, Colorado**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 December 31, 2018

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

Total Fund Balances of Governmental Funds	\$ 6,533,812
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	26,271,784
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Loan Payable	(1,103,948)
Capital Leases	(564,170)
Compensated Absences Payable	(80,190)
Accrued Longevity Pay	(90,403)
Net Pension Liability	(27,948)
Accrued Interest Payable	<u>(26,947)</u>
Total Net Position of Governmental Activities	<u>\$ 30,911,990</u>

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

	General	Historic Preservation	Transportation	Capital Improvement	Nonmajor Governmental Funds	Totals
<b>Revenues</b>						
Taxes	\$ 1,134,144	\$ -	\$ -	\$ 276,612	\$ -	\$ 1,410,756
Gaming Fees	1,735,831	-	847,452	-	-	2,583,283
Licenses and Permits	54,675	-	-	-	-	54,675
Charges for Services	95,382	10,826	10,829	-	-	117,037
Fines and Forfeitures	3,787	-	-	-	-	3,787
Intergovernmental	1,056,136	479,521	-	295,893	7,422	1,838,972
Contributions and Donations	-	11,693	-	-	-	11,693
Investment Income	44,520	-	-	-	1,645	46,165
Miscellaneous	5,005	-	-	-	-	5,005
<b>Total Revenues</b>	<b>4,129,480</b>	<b>502,040</b>	<b>858,281</b>	<b>572,505</b>	<b>9,067</b>	<b>6,071,373</b>
<b>Expenditures</b>						
<b>Current</b>						
General Government	1,063,641	-	-	108,800	-	1,172,441
Public Safety	659,555	-	-	15,000	-	674,555
Public Works	966,131	-	1,364,064	92,710	-	2,422,905
Community Development	323,098	-	-	-	-	323,098
Fire	440,347	-	-	417,439	-	857,786
Historic Preservation	-	295,479	-	-	-	295,479
<b>Debt Service</b>						
Principal	-	-	142,701	-	-	142,701
Interest	-	-	31,166	-	-	31,166
<b>Total Expenditures</b>	<b>3,452,772</b>	<b>295,479</b>	<b>1,537,931</b>	<b>633,949</b>	<b>-</b>	<b>5,920,131</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>676,708</b>	<b>206,561</b>	<b>(679,650)</b>	<b>(61,444)</b>	<b>9,067</b>	<b>151,242</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Capital Leases	-	-	400,000	-	-	400,000
Transfers Out	(60,000)	-	-	-	-	(60,000)
<b>Net Change in Fund Balances</b>	<b>616,708</b>	<b>206,561</b>	<b>(279,650)</b>	<b>(61,444)</b>	<b>9,067</b>	<b>491,242</b>
<b>Fund Balances, Beginning of year</b>	<b>3,562,725</b>	<b>724,879</b>	<b>1,006,456</b>	<b>667,614</b>	<b>80,896</b>	<b>6,042,570</b>
<b>Fund Balances, End of year</b>	<b>\$ 4,179,433</b>	<b>\$ 931,440</b>	<b>\$ 726,806</b>	<b>\$ 606,170</b>	<b>\$ 89,963</b>	<b>\$ 6,533,812</b>

**City of Central, 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 Balances of Governmental Funds	\$	491,242
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
Capital Outlay		1,232,441
Depreciation Expense		(2,476,226)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
Proceeds from Capital Leases		(400,000)
<p>Repayments of long-term obligations are reported as expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities. This amount represents loan and capital lease principal payments.</p>		
Loan Payments		142,701
Capital Lease Payments		88,639
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Pension Liability		44,529
Compensated Absences Payable		(5,780)
Accrued Longevity Pay		(10,898)
Accrued Interest Payable		(11,966)
		(11,966)
Change in Net Position of Governmental Activities	\$	(905,318)

**City of Central, Colorado**  
Statement of Net Position  
Proprietary Fund  
December 31, 2018

	Water
<b>Assets</b>	
<i>Current Assets</i>	
Cash and Investments	\$ 414,997
Restricted Cash and Investments	152,678
Accounts Receivable	74,678
Total Current Assets	642,353
<i>Noncurrent Assets</i>	
Capital Assets, <i>Not Being Depreciated</i>	1,884,261
Capital Assets, <i>Net of Accumulated Depreciation</i>	7,966,385
Total Noncurrent Assets	9,850,646
Total Assets	10,492,999
<b>Liabilities</b>	
<i>Current Liabilities</i>	
Accounts Payable	81,504
Accrued Liabilities	4,278
Interfund Payables	919,205
Compensated Absences Payable, <i>Current Portion</i>	1,384
Note Payable, <i>Current Portion</i>	12,005
Total Current Liabilities	1,018,376
<i>Noncurrent Liabilities</i>	
Compensated Absences Payable	12,459
Note Payable	597,995
Total Liabilities	1,628,830
<b>Net Position</b>	
Net Investment in Capital Assets	9,240,646
Unrestricted	(376,477)
Total Net Position	\$ 8,864,169

**City of Central, Colorado**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
For the Year Ended December 31, 2018

	Water
<b>Operating Revenues</b>	
Charges for Services	\$ 639,648
Miscellaneous	347
	639,995
<b>Operating Expenses</b>	
Personnel Services	186,133
Professional Services	143,482
Operating	194,719
Depreciation	276,396
	800,730
<b>Net Operating Loss</b>	(160,735)
<b>Nonoperating Revenues</b>	
Gain on Sale of Assets	9,000
Grants	55,570
	64,570
<b>Net Loss before Capital Contributions and Transfers</b>	(96,165)
<b>Capital Contributions and Transfers</b>	
Tap Fees	108,493
Transfers In	60,000
	72,328
<b>Change in Net Position</b>	72,328
<b>Net Position, <i>Beginning of year</i></b>	8,791,841
<b>Net Position, <i>End of year</i></b>	\$ 8,864,169

**City of Central, Colorado**  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2018

	Water
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 641,740
Cash Received from Others	347
Cash Payments to Employees	(176,642)
Cash Payments to Vendors and Suppliers	(346,046)
	119,399
<b>Cash Flows from Noncapital Financing Activities</b>	
Grants Received	55,570
Cash Payments to Other Funds	(40,000)
	15,570
<b>Cash Flows from Capital and Related Financing Activities</b>	
Tap Fees Received	108,493
Proceeds from Debt	610,000
Proceeds from Sale of Assets	9,000
Acquisition and Construction of Capital Assets	(519,397)
	208,096
<b>Net Change in Cash and Cash Equivalents</b>	343,065
<b>Cash and Cash Equivalents, <i>Beginning of year</i></b>	224,610
<b>Cash and Cash Equivalents, <i>End of year</i></b>	\$ 567,675
<b>Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Net Operating Income (Loss)	\$ (160,735)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation	276,396
Changes in Assets and Liabilities	
Accounts Receivable	2,092
Accounts Payable	(7,845)
Accrued Liabilities	4,278
Compensated Absences Payable	5,213
	276,396
Net Cash Provided (Used) by Operating Activities	\$ 119,399

See Notes to Financial Statements.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

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

The City of Central, Colorado (the City) was incorporated in 1886 and became a home rule city in 1991. The City is governed by an elected Mayor and City Council.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**Reporting Entity**

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City 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 City.

Based on the application of these criteria, the City does not include additional organizations in 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 City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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*.

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

**City of Central, 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the City.

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 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 City's practice to use restricted resources first, then unrestricted resources as they are needed.

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

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

The *Transportation Fund* was established to account for a portion of the gaming device fees committed by City Council ordinance for transportation services and improvements, and the related expenditures.

The *Capital Improvement Fund* accounts for infrastructure and other capital improvements financed primarily with marijuana sales taxes, grants from other governments and transfers from other funds.

**City of Central, 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)

The *Historic Preservation Fund* accounts for state-shared revenues, grants, and donations received for the preservation of the historic structures and history of the City of Central.

Additionally, the City reports the following major proprietary fund:

The *Water Fund* accounts for the financial activities associated with the provision of water to residents and businesses in the City limits.

**Assets, Liabilities and Net Position/Fund Balances**

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

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

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

*Capital Assets* - Capital assets, which include land, buildings, equipment, utility plants and lines, and infrastructure acquired after January 1, 2002, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more 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 the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

Buildings and Improvements	30 years
Infrastructure	10 - 30 years
Water Plant and Lines	50 years
Equipment and Vehicles	5 - 10 years

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

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

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

*Compensated Absences* - Employees of the City are allowed to accumulate unused vacation time to a maximum of 312 hours, depending on length of employment. Upon termination of employment from the City, an employee will be paid for any unused vacation time at their current rate of pay. These compensated absences are expended when earned in the proprietary fund and when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

*Volunteer Firefighter Length of Service Award Plan* - The City has established the Volunteer Firefighter Length of Service Award Plan. Every volunteer firefighter is eligible to participate in the plan and shall become a participant in the plan on the date they first perform service as a volunteer firefighter. Service awards in any plan year may be awarded at the sole and exclusive discretion of the City, and in an amount determined at the sole and exclusive discretion of the City. In order to be eligible to receive a service award, a participant must complete 36 training hours and respond to at least 15% of the calls during the year. The annual award amounts are allocated to all eligible participants based on years of service, ranging from \$600 to \$3,000. Plan participants are fully vested in the awarded amounts at all times. Participants will be paid all accrued award amounts and any interest earnings in a lump-sum distribution within fifteen days upon separation from service to the City. If separation is the result of death, the distribution will be paid to their beneficiary.

These benefits are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued benefits when earned.

*Unearned Revenues* - Unearned revenues include gaming license fees collected in advance.

*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. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Pensions* - The City maintains the Volunteer Fire Department Pension Plan, an agent multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the plan's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized in the year the contributions are paid.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

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

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

*Deferred Inflows of Resources* - Deferred inflows of resources include property taxes earned but levied for a subsequent year. In addition, revenues not available as current financial resources are deferred in the governmental fund financial statements.

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The City Council establishes a fund balance commitment through passage of an ordinance, and is authorized to informally assign amounts to a specific purpose.

The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted amounts first, followed by committed, assigned and unassigned amounts.

**Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. 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 City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding fiscal year, receivables and corresponding deferred inflows of resources are reported at year end.

**Note 2: Cash and Investments**

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

Deposits	\$ 4,326,715
Investments	<u>2,153,689</u>
Total	<u>\$ 6,480,404</u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 6,050,848
Restricted Cash and Investments	<u>429,556</u>
Total	<u>\$ 6,480,404</u>

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

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

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2018, the City had bank deposits of \$4,062,048 collateralized with securities held by the financial institutions' agents but not in the City's name.

**Investments**

The City is required to comply with State statutes and the City's investment policy which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the City may invest, which include the following. Custodial risk is not addressed by State statutes or by policy.

- 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 (GICs)

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

*Concentration of Credit Risk* - Except for corporate securities, State statutes do not limit the amount the City may invest in any single investment or issuer.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

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

**Cash Deposits**

*Local Government Investment Pool* - At December 31, 2018, the City had \$2,153,689 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. Colotrust is measured at the net asset value per share, with each share valued at \$1. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

**Restricted Cash and Investments**

At December 31, 2018, the City held loan proceeds of \$190,896, \$85,982, and \$152,678 restricted for public transportation projects, public works projects and for water improvement projects, respectively. All three amounts are held in a separate bank account as required by the loan agreements (see Note 5).

**Note 3: Interfund Balances and Transactions**

Interfund balances at December 31, 2018, were as follows:

<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Amount</u>
General Fund	Water Fund	\$ <u>919,205</u>

The General Fund subsidized water operations for multiple years. During the year ended December 31, 2018, the Water Fund made payments on the loan of \$100,000. The loan is expected to be repaid with future revenues of the Water Fund.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 4: Capital Assets**

Capital asset activity for the year ended December 31, 2018, is summarized below. Certain beginning balances have been reclassified to conform to the current year presentation.

	<b>Balance 12/31/17</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/18</b>
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land and Improvements	\$ 6,159,144	\$ -	\$ -	\$ 6,159,144
Construction in Progress	72,600	28,042	(52,175)	48,467
<b>Total Capital Assets, Not Being Depreciated</b>	<b>6,231,744</b>	<b>28,042</b>	<b>(52,175)</b>	<b>6,207,611</b>
<i>Capital Assets, Being Depreciated</i>				
Infrastructure	46,807,803	163,473	-	46,971,276
Buildings and Improvements	2,701,337	620,886	-	3,322,223
Equipment and Vehicles	2,992,872	472,215	-	3,465,087
<b>Total Capital Assets, Being Depreciated</b>	<b>52,502,012</b>	<b>1,256,574</b>	<b>-</b>	<b>53,758,586</b>
<i>Less Accumulated Depreciation</i>				
Infrastructure	(27,399,262)	(2,152,437)	-	(29,551,699)
Buildings and Improvements	(1,523,187)	(96,332)	-	(1,619,519)
Equipment and Vehicles	(2,295,738)	(227,457)	-	(2,523,195)
<b>Total Accumulated Depreciation</b>	<b>(31,218,187)</b>	<b>(2,476,226)</b>	<b>-</b>	<b>(33,694,413)</b>
<b>Total Capital Assets, Being Depreciated, net</b>	<b>21,283,825</b>	<b>(1,219,652)</b>	<b>-</b>	<b>20,064,173</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 27,515,569</b>	<b>\$ (1,191,610)</b>	<b>\$ (52,175)</b>	<b>\$ 26,271,784</b>
<b>Business-Type Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 630,898	\$ -	\$ -	\$ 630,898
Water Rights	1,253,363	-	-	1,253,363
<b>Total Capital Assets, Not Being Depreciated</b>	<b>1,884,261</b>	<b>-</b>	<b>-</b>	<b>1,884,261</b>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	1,027,242	-	-	1,027,242
Water Plant and Lines	13,818,461	490,637	-	14,309,098
Equipment	456,628	28,759	(41,233)	444,154
<b>Total Capital Assets, Being Depreciated</b>	<b>15,302,331</b>	<b>519,396</b>	<b>(41,233)</b>	<b>15,780,494</b>

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 4: Capital Assets** (Continued)

<b>Business-Type Activities</b> (Continued)	<b>Balance 12/31/17</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/18</b>
Less Accumulated Depreciation				
Buildings and Improvements	(882,365)	(6,909)	-	(889,274)
Water Plant and Lines	(6,268,901)	17,581	41,233	(6,210,087)
Equipment	(427,681)	(287,067)	-	(714,748)
Total Accumulated Depreciation	<u>(7,578,947)</u>	<u>(276,395)</u>	<u>41,233</u>	<u>(7,814,109)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>7,723,384</u>	<u>243,001</u>	<u>-</u>	<u>7,966,385</u>
Governmental Activities Capital Assets, <i>net</i>	\$ <u>9,607,645</u>	\$ <u>243,001</u>	\$ <u>-</u>	\$ <u>9,850,646</u>

Depreciation expense was charged to programs of the Governmental Activities as follows:

Governmental Activities	
General Government	\$ 73,343
Historical Preservation	1,694
Public Safety	103,236
Public Works	<u>2,297,953</u>
Total	<u>\$ 2,476,226</u>

**Note 5: Long-Term Debt**

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

<b>Governmental Activities</b>	<b>Balance 12/31/17</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance 12/31/18</b>	<b>Due Within One Year</b>
Loan Payable	\$ 1,246,649	\$ -	\$ (142,701)	\$ 1,103,948	\$ 146,268
Capital Leases	252,809	400,000	(88,639)	564,170	89,908
Compensated Absences	74,410	5,780	-	80,190	8,019
Accrued Longevity Pay	79,505	10,898	-	90,403	-
Total	<u>\$ 1,653,373</u>	<u>\$ 416,678</u>	<u>\$ (231,340)</u>	<u>\$ 1,838,711</u>	<u>\$ 244,195</u>

**Loan Payable**

In July 2015, the City obtained a loan for \$1,521,693 from the Colorado Department of Transportation's State Infrastructure Bank. Loan proceeds will be used for public transportation projects, specifically a stormwater drainage master plan, Central City Parkway repairs, Nevada Street retaining wall repairs, and Central City Parkway rock fall mitigation. Principal and interest payments of \$173,867 are due annually on July 17, from 2016 through 2025. Interest accrues at the rate of 2.5% per annum. This loan is payable solely from the gaming device fees committed for transportation services and improvements together with any other revenues of the Transportation Fund.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 5: Long-Term Debt** (Continued)

**Loan Payable** (Continued)

For the year ended December 31, 2018, revenues of \$858,281 were available to pay annual debt service of \$173,867. Debt service requirements to maturity are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 146,268	\$ 27,599	\$ 173,867
2020	149,925	23,942	173,867
2021	153,673	20,194	173,867
2022	157,515	16,352	173,867
2023	161,453	12,414	173,867
2024 - 2025	<u>335,114</u>	<u>12,619</u>	<u>347,733</u>
Total	<u>\$ 1,103,948</u>	<u>\$ 113,120</u>	<u>\$ 1,217,068</u>

**Capital Leases**

During 2011, the City entered into a lease agreement for \$489,773 to finance the installation and upgrade of HVAC and lighting systems in several City facilities. Quarterly payments of \$14,426 are due through December, 2021. Interest accrues on the outstanding balance at 3.3% per annum. Capital assets of \$458,750 less accumulated depreciation of \$146,489 are reported under this lease. The outstanding balance of the capital lease at December 31, 2018, was \$164,170.

During 2014, the City entered into a lease agreement for \$172,903 to purchase a snow plow. Annual payments of \$38,601 are due through May, 2018. Interest accrues on the outstanding balance at 3% per annum. Capital assets of \$172,903 less accumulated depreciation of \$108,065 are reported under this lease. The lease was paid in full during the year ended December 31, 2018.

During 2018, the City entered into a lease agreement for \$400,000 to purchase a membrane building. Annual payments of \$55,122 are due through March, 2027. Interest accrued on the outstanding balance at 4.537% per annum. Capital assets of \$529,406 less accumulated depreciation of \$13,235 are reported under this lease. The outstanding balance of the capital lease at December 31, 2018, was \$400,000.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 5: Long-Term Debt** (Continued)

**Capital Leases** (Continued)

Following is a schedule of the future minimum lease payments required under the capital lease obligations.

<u>Year Ended December 31,</u>	<u>Total</u>
2019	\$ 112,824
2020	112,824
2021	112,824
2022	55,122
2023	55,122
2024 - 2027	<u>220,488</u>
Total Minimum Lease Payments	669,204
Less: Interest Portion	<u>(105,034)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 564,170</u>

**Loan Payable**

Compensated absences and accrued longevity pay of the governmental activities are expected to be liquidated with revenues of the General Fund.

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

<u>Business-Type Activities</u>	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/18</u>	<u>Due Within</u> <u>One Year</u>
DWRF Loan	\$ -	\$ 610,000	\$ -	\$ 610,000	\$ 12,005
Compensated Absences	<u>8,630</u>	<u>5,213</u>	<u>-</u>	<u>13,843</u>	<u>1,384</u>
Total	<u>\$ 8,630</u>	<u>\$ 615,213</u>	<u>\$ -</u>	<u>\$ 623,843</u>	<u>\$ 13,389</u>

During 2018, the City obtained a Drinking Water Revolving Fund loan for \$610,000 from the Colorado Water Resources and Power Development Authority (CWRPDA). The loan proceeds were used for improvements to three existing source water diversion structures in remote locations west of Central City. Principal and interest payments of \$ 1,694 and \$10,310 are due in May and November of 2019. Thereafter, principal payments of \$10,310 are due semiannually in May and November 2048. Interest accrued at a rate of 0.0%.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 5: Long-Term Debt** (Continued)

**Loan Payable** (Continued)

Debt service requirements to maturity are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 12,005	\$ -	\$ 12,005
2020	20,620	-	20,620
2021	20,620	-	20,620
2022	20,620	-	20,620
2023	20,620	-	20,620
2024 - 2028	103,103	-	103,103
2029 - 2033	103,103	-	103,103
2034 - 2038	103,103	-	103,103
2039 - 2043	103,103	-	103,103
2044 - 2048	103,103	-	103,103
	<hr/>	<hr/>	<hr/>
Total	\$ 610,000	\$ -	\$ 610,000

**Note 6: Volunteer Fire Department Pension Plan**

**General Information**

*Plan Description* - The Volunteer Fire Department Pension Plan is an agent multiple-employer defined benefit pension plan for volunteer firefighters as authorized by State statutes. The City Council serves as the plan's Board of Trustees. The Board of Trustees establishes and is authorized to amend the plan provisions, and determines the contributions made by the City. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The annual financial report of FPPA may be obtained at [www.fppaco.org](http://www.fppaco.org).

*Benefits Provided* - Any volunteer firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension benefit of \$500. Monthly survivor benefits as a result of death in the line of duty or after retirement of the beneficiary are \$250. A volunteer firefighter is vested in the plan after ten years of service, and is eligible for an additional monthly pension benefit of \$25 between ten and twenty years of service.

*Plan Membership* - Plan membership consists of active, inactive non-retirement, and retired volunteer firefighters and their beneficiaries. At December 31, 2018, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	8
Inactive plan members entitled to, but not yet receiving, benefits	3
Active plan members	<hr/> 13
Total	<hr/> <hr/> 24

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 6: Volunteer Fire Department Pension Plan (Continued)**

**General Information** (Continued)

*Contributions* - The plan may receive contributions from the City in an amount not to exceed one-half mill of property tax revenue. As established by its Legislature, the State of Colorado may provide a matching contribution of ninety percent of the City's contribution. Contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. Based on the January 1, 2017, actuarial valuation, the actuarially determined contributions expected to finance the costs of benefits earned during the year, with an additional amount to finance the unfunded liability, were \$11,022. During the year ended December 31, 2018, the City contributed \$22,044 to the plan. The State contributed \$6,417.

**Net Pension Liability**

At December 31, 2018, the City reported a net pension liability of \$27,948. The net pension liability was measured at December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

*Actuarial Assumptions* - The total pension liability in the actuarial valuation as of January 1, 2018, was determined using the following actuarial assumptions.

Inflation	3.0%
Salary increases, including wage inflation	NA
Investment of Rate of Return	7.5%
Retirement Age	50% per year of eligibility until 100% at age 65

Mortality rates were based on the RP-2014 Mortality Tables for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Tables for Blue Collar Employees were used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used. All tables were projected with Scale BB.

Following a regularly scheduled experience study in 2015, the FPPA Board of Directors adopted new assumptions for first use in the actuarial valuation as of January 1, 2017. The significant changes affecting the plan include a reduction in the inflation rate from 3% to 2.5% and updated mortality assumptions based on RP-2014 mortality tables.

The long-term expected rate of return on 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.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 6: Volunteer Fire Department Pension Plan (Continued)**

**Net Pension Liability** (Continued)

Best estimates of arithmetic real rates of return, eliminating the 2.5% inflation assumption, for each major asset class included in the target asset allocation as of December 31, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2%	2.26%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Long Short	13%	7.15%
Global Public Equity	37%	8.33%
Private Capital	24%	9.70%
Total	<u>100%</u>	

*Discount Rate* - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.5% was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended December 31, 2018, changes in the net pension liability of the City were as follows.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, December 31, 2017	\$ 578,366	\$ 505,889	\$ 72,477
Service Cost	9,916	-	9,916
Interest	42,318	-	42,318
Differences Between Expected and Actual Experience	-	-	-
Contributions	-	29,546	(29,546)
Net Investment Income	-	72,742	(72,742)
Benefit Payments	(38,700)	(38,700)	-
Administrative Expenses	-	(5,525)	5,525
Total	<u>\$ 591,900</u>	<u>\$ 563,952</u>	<u>\$ 27,948</u>

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 6: Volunteer Fire Department Pension Plan (Continued)**

**Net Pension Liability** (Continued)

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* - The following presents the City's net pension liability calculated using the discount rate of 7.5%, as well as the City's net pension liability if it were calculated using a discount that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's Net Pension Liability	\$ 99,764	\$ 27,948	\$ (31,099)

*Pension Plan Fiduciary Net Position* - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

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

For the year ended December 31, 2018, the City recognized pension expense of \$6,320. The net differences in projected and actual earnings on investments, expected and actual experience, and changes of assumptions were recorded in pension expense. Because the differences were not significant, they will not be recognized as pension expense over multiple years.

**Note 7: Other Retirement Commitments**

**Fire and Police Department Pension Plan**

The City contributes to the Statewide Money Purchase Plan, a multiple-employer defined contribution pension plan, on behalf of the Fire Chief. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The contribution requirements of the plan are established by State statutes. Currently, plan participants contribute 8% of base salary, which is matched by the City. Participants vest immediately in their contributions. Vesting in the City's contributions and the related investment earnings occurs at 20% per year after the first year of service, with full vesting after five years of service. During the year ended December 31, 2018, the City contributed \$6,973 to the plan, equal to the required contributions.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 7: Other Retirement Commitments (Continued)**

**General Employees' Pension Plan**

The City has established a single-employer defined contribution money purchase pension plan on behalf of all permanent employees not covered by the Fire and Police Department Pension Plan. The plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the plan after six months of employment, and are fully vested immediately. The City matches employee contributions up to 5% of compensation. Employees may make additional voluntary contributions not to exceed the limits established by federal regulations.

During the year ended December 31, 2018, the City and employees contributed \$30,387 and \$30,387, respectively, to the plan. The plan investments are managed by the International City/County Management Association (ICMA).

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is available to all employees and permits them to defer a portion of their salary until future years. The City Council determines the City's contributions to the plan. The City currently matches employee contributions to a maximum of 5% of each employee's compensation. During the year ended December 31, 2018, the City contributed \$28,793 to the plan. The plan is administered by the ICMA, and all plan assets are held in trust for the exclusive benefit of the participants.

**Note 8: Other Postemployment Benefits**

**Statewide Death and Disability Plan**

*Plan Description* – The City's Fire Chief participates in the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). In years prior to 2017, full-time police officers participated in the plan until the City's police activities were transferred to the County Sherriff. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting FPPA at [www.fppaco.org](http://www.fppaco.org).

*Funding Policy* - The contribution requirements are established by State statutes. The City Council determines the contribution split between employees and the City. No contributions are required for employees hired prior to January 1, 1997. The City's Fire Chief was hired prior to this date. For employees hired on or after January 1, 1997, the employees contributed 2.6% of base salaries during the year ended December 31, 2016. Contributions to the plan for the years ended December 31, 2018, 2017 and 2016 were \$0, \$0, and \$4,260, respectively, equal to the required contributions.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 9: Risk-Related Activities**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Public Entity Risk Pool**

The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes and the Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.

**Note 10: Commitments and Contingencies**

**Claims and Judgments**

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2018, certain grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

**Conduit Debt**

On September 1, 1996, the City issued Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1996, in the amount of \$9,250,000, to finance the acquisition and construction of a multifamily housing facility for persons of low-income within the City known as Gold Mountain Apartments. The bonds mature on April 1, 2029, and are payable solely from revenues generated by the facility.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 10: Commitments and Contingencies** (Continued)

**Conduit Debt** (Continued)

On December 1, 1997, the City issued Multifamily Housing Revenue Bonds, Series 1997, in the amount of \$3,194,000, to finance the acquisition and construction of a multifamily housing facility for persons of low- and middle-income comprised of 72 residential units in the City known as Gold Mountain Apartments Phase II. The bonds mature on December 25, 2030, and are payable solely from revenues generated by the facility.

The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance of the bonds at December 31, 2018, was \$7,189,000.

**TABOR Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which limits state and local government taxing powers and imposes spending limitations. The amendment is complex and subject to judicial interpretation. However, the City believes it is in substantial compliance with the requirements of the amendment.

In November, 1993, voters permitted the City to collect, retain, and expend the full proceeds of the City's sales and use tax, device tax, state gaming tax, and non-federal grants notwithstanding the limitations established by the amendment.

The City has established an emergency reserve representing 3% of qualifying expenditures, as required by the amendment. At December 31, 2018, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$194,000.

**Gaming License Fee Rebate Incentive Agreements**

The City has approved incentive agreements with casinos located in the City whereby the City will rebate certain gaming license fees in exchange for the purchase, construction and/or maintenance of parking facilities.

During 2004, and as amended effective July 1, 2015, the City agreed to rebate 32% of a casino's license fees to a maximum of \$6.6 million in exchange for use of the casino's parking structure by the general public. During the year ended December 31, 2018, the City paid \$136,356 under this agreement.

During 2015, the City received an advance payment of \$600,000 to purchase a parking lot from a casino owner. The City will repay the advance through license fee rebates equal to 20% of the license fees paid. During the year ended December 31, 2018, the City rebated \$69,611 under this agreement. At December 31, 2018, the remaining advance of \$380,220 was reported as unearned revenue in the financial statements.

**City of Central, Colorado**  
Notes to Financial Statements  
December 31, 2018

**Note 10: Commitments and Contingencies** (Continued)

**Litigation**

The City is periodically involved in pending or threatened litigation. However, management believes the outcome of any litigation will not have a significant effect on the City's financial position.

**Note 11: Concentration of Risk**

For the year ended December 31, 2018, approximately 58% of the revenues of the City's governmental funds were generated from gaming license and device fees and State gaming revenues. A reduction in this revenue, if it were to occur, may have a significant effect on the City's programs and activities.

**Note 12: Subsequent Event**

On March 21, 2019, the City used \$107,242 of unused debt proceeds to pay down the existing loan principal and will receive reduced loan payments going forward.

**Note 13: Restatement**

The beginning fund balances of the Historical Preservation Fund and the Capital Improvement Fund have been restated for the effects of a transfer of \$193,400 from the Capital Improvement Fund to the Historical Preservation Fund during 2017. This transfer was not reflected in the 2017 financial statements.

## **Required Supplementary Information**

**City of Central, Colorado**  
 Required Supplementary Information  
 Schedule of Changes in Net Position Liability and Related Ratios and Contributions  
 Volunteer Fire Department Pension Plan  
 December 31, 2018

	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
<b>Total Pension Liability</b>				
Service Cost	\$ 9,916	\$ 8,359	\$ 8,359	\$ 11,469
Interest	42,318	42,429	41,339	42,634
Differences Between Expected and Actual Experience	-	(22,416)	-	(46,649)
Changes of Assumptions	-	7,819	-	(33,192)
Benefit Payments	<u>(38,700)</u>	<u>(38,200)</u>	<u>(32,233)</u>	<u>(27,333)</u>
Net Change in Total Pension Liability	13,534	(2,009)	17,465	(53,071)
<b>Total Pension Liability, Beginning</b>	<u>578,366</u>	<u>580,375</u>	<u>562,910</u>	<u>615,981</u>
<b>Total Pension Liability, Ending</b>	<u>\$ 591,900</u>	<u>\$ 578,366</u>	<u>\$ 580,375</u>	<u>\$ 562,910</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 29,546	\$ -	\$ -	\$ 11,656
Contributions - State of Colorado	-	-	6,417	6,417
Net Investment Income	72,742	26,616	9,668	34,187
Benefit Payments	(38,700)	(38,200)	(32,233)	(27,333)
Administrative Expenses	<u>(5,525)</u>	<u>(1,073)</u>	<u>(2,101)</u>	<u>(1,171)</u>
Net Change in Plan Fiduciary Net Position	58,063	(12,657)	(18,249)	23,756
<b>Plan Fiduciary Net Position, Beginning</b>	<u>505,889</u>	<u>518,546</u>	<u>536,795</u>	<u>513,039</u>
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ 563,952</u>	<u>\$ 505,889</u>	<u>\$ 518,546</u>	<u>\$ 536,795</u>
<b>City's Net Pension Liability</b>	<u>\$ 27,948</u>	<u>\$ 72,477</u>	<u>\$ 61,829</u>	<u>\$ 26,115</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95%	87%	89%	95%
<b>City Contributions</b>				
Actuarially Determined Contributions	\$ 11,022	\$ 11,022	\$ 18,524	\$ 18,524
Contributions in Relation to the Actuarially Determined Contributions	<u>29,546</u>	<u>-</u>	<u>6,417</u>	<u>18,073</u>
Contribution Deficiency (Excess)	<u>\$ (18,524)</u>	<u>\$ 11,022</u>	<u>\$ 12,107</u>	<u>\$ 451</u>
Covered Payroll	NA	NA	NA	NA
Contributions as a Percentage of Covered Payroll	NA	NA	NA	NA

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.

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 1,874,508	\$ 1,874,508	\$ 1,134,144	\$ (740,364)
Gaming License Fees	1,606,500	1,606,500	1,735,831	129,331
Licenses and Permits	43,926	43,926	54,675	10,749
Charges for Services	215,561	215,561	95,382	(120,179)
Fines and Forfeitures	13,373	13,373	3,787	(9,586)
Intergovernmental	68,875	68,875	1,056,136	987,261
Investment Income	7,244	7,244	44,520	37,276
Miscellaneous	233,540	233,540	5,005	(228,535)
<b>Total Revenues</b>	<u>4,063,527</u>	<u>4,063,527</u>	<u>4,129,480</u>	<u>65,953</u>
<b>Expenditures</b>				
Current				
General Government	1,401,429	1,401,429	1,063,641	337,788
Public Safety	661,000	661,000	659,555	1,445
Public Works	875,813	875,813	966,131	(90,318)
Community Development	512,377	512,377	323,098	189,279
Fire	518,527	518,528	440,347	78,181
<b>Total Expenditures</b>	<u>3,969,146</u>	<u>3,969,147</u>	<u>3,452,772</u>	<u>516,375</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	94,381	94,380	676,708	582,328
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	34,381	34,380	616,708	582,328
<b>Fund Balance, Beginning of year</b>	<u>3,222,033</u>	<u>3,222,033</u>	<u>3,562,725</u>	<u>340,692</u>
<b>Fund Balance, End of year</b>	<u>\$ 3,256,414</u>	<u>\$ 3,256,413</u>	<u>\$ 4,179,433</u>	<u>\$ 923,020</u>

**City of Central, Colorado**  
 Budgetary Comparison Schedule  
 Transportation Fund  
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Gaming Device Fees	\$ 784,274	\$ 784,274	\$ 847,452	\$ 63,178
Intergovernmental	-	450,000	-	(450,000)
Charges for Services	-	-	10,829	10,829
Interest	-	-	-	-
	<u>784,274</u>	<u>1,234,274</u>	<u>858,281</u>	<u>(375,993)</u>
<b>Total Revenues</b>				
<b>Expenditures</b>				
Current				
Public Works	1,173,500	1,623,500	1,364,064	259,436
Debt Service	173,867	248,150	173,867	74,283
	<u>1,347,367</u>	<u>1,871,650</u>	<u>1,537,931</u>	<u>333,719</u>
<b>Total Expenditures</b>				
<b>Excess of Revenues Over (Under) Expenditures</b>	(563,093)	(637,376)	(679,650)	(709,712)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Capital Leases	-	-	400,000	(400,000)
	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>(400,000)</u>
<b>Net Change in Fund Balance</b>	(563,093)	(637,376)	(279,650)	(1,109,712)
<b>Fund Balance, Beginning of year</b>	947,706	947,706	1,006,456	58,750
<b>Fund Balance, End of year</b>	<u>\$ 384,613</u>	<u>\$ 310,330</u>	<u>\$ 726,806</u>	<u>\$ (1,050,962)</u>

**City of Central, Colorado**  
 Budgetary Comparison Schedule  
 Historic Preservation Fund  
 For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Charges for Services	\$ 13,500	\$ 14,826	\$ 1,326
Intergovernmental	438,288	479,521	41,233
Contributions and Donations	-	7,693	7,693
Investment Income	55	-	(55)
	<u>451,843</u>	<u>502,040</u>	<u>50,197</u>
<b>Expenditures</b>			
Current			
Historic Preservation	964,959	295,479	669,480
	<u>964,959</u>	<u>295,479</u>	<u>669,480</u>
<b>Net Change in Fund Balance</b>	(513,116)	206,561	(619,283)
<b>Fund Balance, Beginning of year</b>	<u>724,882</u>	<u>724,879</u>	<u>(3)</u>
<b>Fund Balance, End of year</b>	<u>\$ 211,766</u>	<u>\$ 931,440</u>	<u>\$ (619,286)</u>

**City of Central, Colorado**  
Notes to Required Supplementary Information  
December 31, 2018

**Note 1: Schedule of Changes in Net Pension Liability and Related Ratios and Contributions**

The Volunteer Fire Department Pension Plan's net pension liability and associated amounts are measured at December 31, 2017, based on an actuarial valuation as of January 1, 2018, which is a one-year lag compared to the City's fiscal year ended December 31, 2018. Covered payroll is not applicable for volunteers. Therefore, no covered payroll information is presented in the accompanying schedule.

**Changes of Assumptions**

Following a regularly scheduled experience study in 2015, the FPPA Board of Directors adopted new assumptions for first use in the actuarial valuation as of January 1, 2017. The significant changes affecting the plan include a reduction in the inflation rate from 3% to 2.5% and updated mortality assumptions based on RP-2014 mortality tables.

**Contributions**

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017.

Significant actuarial methods and assumptions used to determine the contribution rates for the Volunteer Fire Department Pension Plan are as follows.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	3%
Salary Increases	NA
Investment Rate of Return	7.5%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality:	
Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality	
Post-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment	
Disabled: RP-2000 Disabled Mortality Table	
All tables projected with Scale AA	

**City of Central, Colorado**  
Notes to Required Supplementary Information  
December 31, 2018

**Note 2: Stewardship, Compliance, and Accountability**

**Budgets**

Budgets are adopted for all funds of the City. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.

For the year ended December 31, 2018, a budget was not adopted for the Impact Fees Funds because no expenditures were anticipated.

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- All appropriations lapse at year end.

## **Supplementary Information**

**City of Central, Colorado**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	Conservation Trust	Impact Fees	Totals
<b>Assets</b>			
Cash and Investments	\$ 83,945	\$ 6,018	\$ 89,963
Total Assets	\$ 83,945	\$ 6,018	\$ 89,963
<b>Liabilities</b>			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-
Total Liabilities	-	-	-
<b>Fund Balances</b>			
Restricted for:			
Historic Preservation	-	-	-
Parks and Open Space	83,945	-	83,945
Committed to Capital Facilities	-	6,018	6,018
Total Fund Balances	83,945	6,018	89,963
Total Liabilities and Fund Balances	\$ 83,945	\$ 6,018	\$ 89,963

**City of Central, Colorado**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2018

	Conservation Trust	Impact Fees	Totals
<b>Revenues</b>			
Charges for Services	\$ -	\$ -	\$ -
Intergovernmental	7,422	-	7,422
Contributions and Donations	-	-	-
Investment Income	1,645	-	1,645
	<u>9,067</u>	<u>-</u>	<u>9,067</u>
Total Revenues	<u>9,067</u>	<u>-</u>	<u>9,067</u>
<b>Expenditures</b>			
Current			
Historic Preservation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	9,067	-	9,067
<b>Fund Balances, Beginning of year</b>	<u>74,878</u>	<u>6,018</u>	<u>80,896</u>
<b>Fund Balances, End of year</b>	<u>\$ 83,945</u>	<u>\$ 6,018</u>	<u>\$ 89,963</u>

**City of Central, Colorado**  
 Budgetary Comparison Schedule  
 Capital Improvement Fund  
 For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes	\$ 227,501	\$ 276,612	\$ 49,111
Intergovernmental	<u>328,000</u>	<u>295,893</u>	<u>(32,107)</u>
Total Revenues	<u>555,501</u>	<u>572,505</u>	<u>17,004</u>
<b>Expenditures</b>			
Current			
General Government	102,703	108,800	(6,097)
Public Safety	-	15,000	(15,000)
Public Works	86,601	92,710	(6,109)
Community Development	50,000	-	50,000
Fire	<u>473,000</u>	<u>417,439</u>	<u>55,561</u>
Total Expenditures	<u>712,304</u>	<u>633,949</u>	<u>78,355</u>
<b>Net Change In Fund Balance</b>	(156,803)	(61,444)	(61,351)
<b>Fund Balance, Beginning of year</b>	<u>561,925</u>	<u>667,614</u>	<u>105,689</u>
<b>Fund Balance, End of year</b>	<u>\$ 405,122</u>	<u>\$ 606,170</u>	<u>\$ 44,338</u>

**City of Central, 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	\$ 6,700	\$ 7,422	\$ 722
Investment Income	35	1,645	1,610
Total Revenues	<u>6,735</u>	<u>9,067</u>	<u>2,332</u>
<b>Net Change in Fund Balance</b>	6,735	9,067	2,332
<b>Fund Balance, Beginning of year</b>	<u>65,821</u>	<u>74,878</u>	<u>9,057</u>
<b>Fund Balance, End of year</b>	<u>\$ 72,556</u>	<u>\$ 83,945</u>	<u>\$ 11,389</u>

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 772,826	\$ 772,826	\$ 639,648	\$ (133,178)
Miscellaneous	-	-	347	347
Grants	-	-	55,570	55,570
Tap Fees	106,193	106,193	108,493	2,300
	<u>879,019</u>	<u>879,019</u>	<u>804,058</u>	<u>(74,961)</u>
<b>Total Revenues</b>				
<b>Expenditures</b>				
Personnel Services	194,684	194,683	186,133	8,550
Professional Services	204,000	204,000	143,482	60,518
Operating	342,765	342,765	194,719	148,046
Capital Outlay	86,000	576,000	519,396	56,604
	<u>827,449</u>	<u>1,317,448</u>	<u>1,043,730</u>	<u>273,718</u>
<b>Total Expenditures</b>				
<b>Excess of Revenues Over (Under) Expenditures</b>	51,570	(438,429)	(239,672)	198,757
<b>Other Financing Sources (Uses)</b>				
Proceeds from Loans	-	457,325	610,000	152,675
Gain on Sale of Assets	-	-	9,000	9,000
Transfers In	60,000	60,000	60,000	-
	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
<b>Change in Net Position, Budgetary Basis</b>				
	\$ <u>111,570</u>	\$ <u>78,896</u>	439,328	\$ <u>360,432</u>
<b>Adjustments to GAAP Basis</b>				
Proceeds from Loans			(610,000)	
Capital Outlay			519,396	
Depreciation			<u>(276,396)</u>	
<b>Change in Net Position, GAAP Basis</b>				
			\$ <u>72,328</u>	

## **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: Central City
		YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of _) City of Central, Colorado	Prepared By: Phone:	Lorraine Trotter, Professional 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)	482,586
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	441,853
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	133,068
2. General fund appropriations	957,618	b. Snow and ice removal	147,940
3. Other local imposts (from page 2)	29,476	c. Other	4,401
4. Miscellaneous local receipts (from page 2)	883,914	d. Total (a. through c.)	285,409
5. Transfers from toll facilities		4. General administration & miscellaneous	63,086
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	494,666
a. Bonds - Original Issues		6. Total (1 through 5)	1,767,601
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,871,008	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	62,960	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	7,500	a. Interest	31,166
<b>E. Total receipts (A.7 + B + C + D)</b>	1,941,468	b. Redemption	142,701
		c. Total (a. + b.)	173,867
		3. Total (1.c + 2.c)	173,867
		<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>	1,941,468

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	1,246,649	0	142,701	1,103,948

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,941,468	1,941,468	0	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): 12/18

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	1,418
b. Other local imposts:		b. Traffic Fines & Penalties	3,787
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	10,829	f. Charges for Services	20,000
5. Specific Ownership &/or Other	18,647	g. Other Mis Device Fees	847,452
6. Total (1. through 5.)	29,476	h. Other County Road & Bridge	11,257
c. Total (a. + b.)	29,476	i. Total (a. through h.)	883,914
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	61,710	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	7,500
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) FEMA State Match	1,250	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,250	g. Total (a. through f.)	7,500
4. Total (1. + 2. + 3.f)	62,960	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<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			0
(3). System Preservation		482,586	482,586
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	482,586	482,586
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	482,586	482,586
			(Carry forward to page 1)

Notes and Comments: