

City of Wray, Colorado

Financial Statements

For the Year ended December 31, 2018

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Independent Auditors' Report

To the Honorable Mayor and Members of City Council
City of Wray
Wray, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Change in Accounting Principle

As discussed in Note M to the financial statements, in 2018 the City adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension and other post-employment benefit 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 other supplementary information and the local highway finance report are fairly stated in all material respects in relation to the basic financial statements as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
June 7, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the City of Wray, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2018.

FINANCIAL HIGHLIGHTS

- The City of Wray remains in good financial condition.
- The assets and deferred outflows of resources of the City of Wray exceeded its liabilities and deferred inflows of resources at the close of 2018 by \$20,350,583 (net position).
- The City's total net position increased by \$175,525.
- During the year, the City's revenue from taxes and other revenues for governmental programs were less than the expenses by \$163,603.
- The General Fund ending fund balance reached \$881,863, a decrease of \$416,386.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Wray's basic financial statements. The City of Wray's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

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

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

The government-wide financial statements of the City are divided into two categories:

- **Governmental activities.** Most of the City's basic services are included here, such as the fire, public works, parks, recreation, and general administration. Property tax, franchise tax, intergovernmental revenue and charges for services finance most of these activities.
- **Business-type activities.** The City charges fees to customers to recover most of the costs of certain services provided. The City's electric, water, sewer and sanitation systems are included here.

The government-wide financial statements can be found starting on page 12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law; however, City Council has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (the Conservation Trust Fund). All of the funds of the City of Wray can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 16 of this report.

Proprietary funds. When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found starting on page 20 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The basic fiduciary fund financial statements can be found starting on page 32 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 34 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wray, assets exceed liabilities by \$20,526,108 at the close of 2018.

Net Position

Combined net position of the City of Wray as of December 31, 2018 and 2017 are shown in Table 1 below.

Table 1
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 1,946,649	\$ 2,277,040	\$ 5,327,989	\$ 4,803,118	\$ 7,274,638	\$ 7,080,158
Capital assets	<u>9,920,469</u>	<u>9,596,215</u>	<u>9,057,588</u>	<u>9,303,624</u>	<u>18,978,057</u>	<u>18,899,839</u>
Total assets	11,867,118	11,873,255	14,385,577	14,106,742	26,252,695	25,979,997
Deferred outflows of resources	<u>767,103</u>	<u>925,433</u>	<u>206,465</u>	<u>260,128</u>	<u>973,568</u>	<u>1,185,561</u>
Total assets and deferred outflows of resources	<u>\$ 12,634,221</u>	<u>\$ 12,798,688</u>	<u>\$ 14,592,042</u>	<u>\$ 14,366,870</u>	<u>\$ 27,226,263</u>	<u>\$ 27,165,558</u>
Long-term debt outstanding	\$ 2,497,221	\$ 2,970,071	\$ 2,236,014	\$ 2,478,653	\$ 4,733,235	\$ 5,448,724
Other liabilities	<u>324,946</u>	<u>367,515</u>	<u>345,000</u>	<u>367,365</u>	<u>669,946</u>	<u>734,880</u>
Total liabilities	2,822,167	3,337,586	2,581,014	2,846,018	5,403,181	6,183,604
Deferred inflows of resources	<u>1,082,633</u>	<u>397,958</u>	<u>214,341</u>	<u>4,479</u>	<u>1,296,974</u>	<u>402,437</u>
Net position:						
Net investment in capital assets	9,871,234	9,510,860	7,482,854	7,623,114	17,354,088	17,133,974
Restricted	325,487	225,719	-	25,000	325,487	250,719
Unrestricted (deficit)	<u>(1,467,300)</u>	<u>(673,435)</u>	<u>4,313,833</u>	<u>3,868,259</u>	<u>2,846,533</u>	<u>3,194,824</u>
Total net position	<u>8,729,421</u>	<u>9,063,144</u>	<u>11,796,687</u>	<u>11,516,373</u>	<u>20,526,108</u>	<u>20,579,517</u>
Total liabilities and net position	<u>\$ 12,634,221</u>	<u>\$ 12,798,688</u>	<u>\$ 14,592,042</u>	<u>\$ 14,366,870</u>	<u>\$ 27,226,263</u>	<u>\$ 27,165,558</u>

The largest portion of the City of Wray's net position reflects its investment in capital assets (land, buildings and equipment). The City of Wray uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. In addition, a portion of the City of Wray's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in net position

The City's total revenue of \$6,960,655 was more than program expenses of \$6,785,130 for an increase in net position of \$175,525.

Table 2 shows the summarized revenues and expenses for 2018 and 2017.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues						
Charges for services	\$ 466,683	\$ 452,038	\$ 3,777,483	\$ 3,648,358	\$ 4,244,166	\$ 4,100,396
Operating grants and contributions	191,534	229,328	-	-	191,534	229,328
Capital grants and contributions	669,793	688,645	88,958	1,824,990	758,751	2,513,635
General revenues						
Property taxes	375,577	380,429	-	-	375,577	380,429
Sales and use taxes	1,101,605	1,038,959	-	-	1,101,605	1,038,959
Specific ownership taxes	42,853	44,658	-	-	42,853	44,658
Franchise taxes	31,777	16,099	-	-	31,777	16,099
Severance taxes	14,613	15,165	-	-	14,613	15,165
Lodging taxes	51,480	51,155	-	-	51,480	51,155
Interest earnings	5,702	4,045	19,125	11,589	24,827	15,634
Miscellaneous	48,321	587,964	75,151	79,249	123,472	667,213
Sale of fixed assets	-	9,933	-	-	-	9,933
Transfers	650,000	505,000	(650,000)	(505,000)	-	-
Total revenues	3,649,938	4,023,418	3,310,717	5,059,186	6,960,655	9,082,604
Program expenses						
General government	696,975	573,521	-	-	696,975	573,521
Public safety	1,269,197	1,394,004	-	-	1,269,197	1,394,004
Public works	887,021	971,754	-	-	887,021	971,754
Culture and recreation	959,047	834,918	-	-	959,047	7834,918
Interest and fiscal charges	1,301	1,977	-	-	1,301	1,977
Electric services	-	-	1,855,799	1,973,508	1,855,799	1,973,508
Water services	-	-	301,842	242,269	301,842	242,269
Sewer services	-	-	492,713	266,108	492,713	266,108
Sanitation services	-	-	321,235	328,398	321,235	328,398
Total expenses	3,813,541	3,776,174	2,971,589	2,810,283	6,785,130	6,586,457
Change in net position	(163,603)	247,244	339,128	2,248,903	1,766,204	2,496,147
Net position at beginning of year	8,893,024	8,815,900	11,457,559	9,267,470	20,350,583	18,083,370
Net position at end of year	\$ 8,729,421	\$ 9,063,144	\$ 11,796,687	\$ 11,516,373	\$ 20,526,108	\$ 18,083,370

Governmental Activities

Revenue for the City's governmental activities totaled \$3,649,938 for 2018. Tax revenue produced 44% of these revenues. Tax revenue includes property taxes, sales and use taxes, specific ownership taxes, franchise taxes, severance taxes and lodging taxes.

Table 3
GOVERNMENTAL ACTIVITIES

	Total cost of services		Net cost of services	
	2018	2017	2018	2017
General government	\$ 696,975	\$ 573,521	\$ 371,620	\$ 9,738
Public safety	1,269,197	1,394,004	885,296	980,818
Public works	887,021	971,754	436,456	728,930
Culture and recreation	959,047	834,918	790,858	684,700

Table 3 presents the cost and revenue of each of the City's four largest programs – general government, public safety, public works, and culture recreation – as well as each program's *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Business-type Activities

Net position in the business-type activities increased by \$339,128 in 2018. Business-type activities include electric, water, sewer and sanitation services.

Table 4
BUSINESS-TYPE ACTIVITIES

	Total cost of services		Net cost of services	
	2018	2017	2018	2017
Electric services	\$ 1,855,799	\$ 1,973,508	\$ (772,767)	\$ (609,554)
Water services	301,842	242,269	(213,782)	(126,264)
Sewer services	492,713	266,108	85,586	(1,939,728)
Sanitation services	321,235	328,398	6,111	12,481

Table 4, above, presents the cost and revenue of each of the City's business-type activities – electric, water, sewer, and sanitation – as well as the program *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$1,153,671. The general fund and other governmental funds reported fund balances of \$881,863, and \$271,808 respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City of Wray's investment in capital assets for its governmental and business-type activities as of December 31, 2018, amounts to \$18,978,057 (net of accumulated depreciation). This amount includes a broad range of capital assets; including public works equipment, electric, water, sewer, sanitation and other infrastructure.

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in Table 5.

Table 5
CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,524,516	\$ 1,524,516	\$ 78,402	\$ 78,402	\$ 1,602,918	\$ 1,602,918
Other non-depreciable assets	690,422	1,101,908	484,122	352,000	1,174,544	1,453,908
Infrastructure	1,108,120	89,074	-	-	1,108,120	89,074
Land Improvements	1,956,085	2,316,567	-	-	1,956,085	2,316,567
Buildings and improvements	4,126,859	4,056,929	99,488	104,722	4,226,347	4,161,651
Vehicles	138,587	148,515	45,068	59,585	183,655	218,100
Machinery and equipment	375,880	358,706	147,574	172,570	523,454	531,276
Systems	-	-	8,202,934	8,526,345	8,202,934	8,526,345
Total	\$ 9,920,469	\$ 9,596,215	\$ 9,057,588	\$ 9,303,624	\$ 18,978,057	\$ 18,899,839

Long-term debt. The City had \$4,733,235 in debt outstanding at year-end consisting of outstanding leases and bonds and net pension and OPEB liabilities. More detailed information about the City's long-term debt is presented in Table 6 and Note F to the financial statements.

Table 6
LONG-TERM DEBT

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Capital lease obligation	\$ 49,235	\$ 85,355	\$ 22,713	\$ 52,478	\$ 71,948	\$ 137,833
Note payable	-	-	1,552,022	1,628,032	1,552,022	1,628,032
Net pension liability	2,289,793	2,884,716	606,297	798,143	2,896,090	3,682,859
Net OPEB liability	158,193	170,120	54,982	58,813	213,175	228,933
Total	\$ 2,497,221	\$ 3,140,191	\$ 2,236,014	\$ 2,537,466	\$ 4,733,235	\$ 5,677,657

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City provides products and services to the businesses, residents and visitors of Wray, Colorado: General Administrative services, Public Safety, Public Works, and Cultural and Recreational activities. General administrative functions include financial management and accounting in addition to customer billing for municipal services along with cash investment and fiduciary responsibility. Public Safety includes ambulance and emergent care, fire protection and response, as well as police enforcement to ensure public compliance to statutes and ordinances stipulated by the State of Colorado and by City Charter and City Ordinance.

The City of Wray also maintains all of the city's parks, ball fields, streets, and public buildings. The City provides local residents and surrounding community and its visitor's access to the municipal airport, parks, bike and walk paths, golf course, museum, library, swimming pool, and a variety of city recreational programs. The City also works cooperatively with community service groups in sponsoring and facilitating local activities and events for the community during the year.

The cost of these "General Fund Services" has totaled between \$3.7 and \$5.2 million dollars annually since 2014. User fees are collected from the swimming pool, museum, and other cultural and recreational programs provided by the City; fines are collected from state law and city ordinance enforcement. However, user fees for cultural and recreational programs cover only a small fraction of the cost to provide these services. Therefore, primary conventional forms of revenue used to offset these General Fund expenditures come from taxes on retail sales, property, auto, highway use, severance, cigarette, lodging, and road and bridge. Franchise fees are collected from cable, phone, and natural gas providers. Fees are also collected from public safety services such as ambulance and emergent care.

The City of Wray also receives donations to the various departments (library, ambulance, police, public works, etc.), but still does not receive sufficient revenues to offset the annual cost inherent in the quality of services and programs contained in the General Fund and provided by the local government. Therefore, each year funds are transferred from the enterprise departments – specifically the light and water enterprises- to help balance the general fund budget and help deliver all the services and cultural and recreational programs that enhance the quality of living in the city.

The City of Wray is involved in four enterprises- the sale and delivery of electricity and water, wastewater collection and treatment, plus solid waste collection. Commodity sales and delivery charges are billed and collected for electricity and water and service fees are charged for providing wastewater service in addition to collection of solid waste or trash.

The City of Wray also pursues and secures grants for infrastructure enhancements from both state and federal sources. The City's airport, parks, pool, ball fields, water and wastewater systems have all benefited from aggressive grant applications and subsequent awards leveraged with local and municipal funding matches.

2019 Budgetary Important Features and Major Projects

The attached 2019 Budget for the City of Wray includes these *important features*:

1. A Broadband/Fiber Infrastructure project that began in 2018, is continued in the 2019 budget. The project budget includes \$716,125 of Energy Impact Assistance Funding (EIAF) in the form of a grant, \$379,546 of other grant and local financial support, as well as \$379,546 of City investment to complete the \$1.5M project.
2. The construction phase of a Runway Rehab at the Wray Municipal Airport is incorporated in the 2019 budget utilizing \$5,000,000 of entitlement, FAA and CDGA funds with \$277,778 of local match to complete the estimated \$5,277,778 runway rehabilitation project.
3. The budget includes the completion of a capital asset inventory, utility cost of service study and rate analysis. As part of a Fiscal Health Initiative, the City has received an Energy Impact Assistance Fund (EIAF) grant in the amount of \$68,860 to complete this aspect of the initiative.
4. The Ambulance budget includes the purchasing of a replacement Ambulance unit in the amount of \$181,000 with partnering funds from grants, Yuma County, and Kitzmiller-Bales Trust support.
5. The Fire department budget includes the purchase of replacement Jaws of Life equipment in the amount of \$55,000. The capital purchase will be made in part with a state grant and matching contribution from Kitzmiller-Bales Trust.
6. Park improvements in the amount of \$165,000 including Baker Field and walking trail improvements are included in the 2019 budget. The projects are contingent on securing grant funding and utilizing conservation trust fund dollars as the City match.
7. Dependent upon grant funding, the 2019 budget includes expenses for bridge replacement, sidewalk replacements and improvements, and flood inundation mapping. A budget expense of \$240,000 would include \$160,000 of grant revenues for projects to proceed.
8. Fleet replacement includes an electric department bucket truck in the amount of \$150,000, a wastewater department pickup in the amount of \$45,000, and a sanitation pickup in the amount of \$45,000.
9. The 2019 budget includes a 5% electric rate increase to customers for fixed cost recovery, and a \$1/month sanitation increase to offset an increase in landfill fees and maintain fix cost recovery.

Many of the General Fund capital projects in the \$10,000 to \$100,000 range are often presented by the City Manager to the Kitzmiller-Bales Trust (KBT). KBT is a local trust that was endowed by a wealthy teacher in the community many years ago. KBT helps fund School capital projects, City Parks and Recreation projects, ambulance replacement purchases, Fire Hall expansions, broadband/fiber and a host of other opportunities.

Including grant projects and department expenses, the proposed 2019 General fund expense totals \$9,964,142 which exceeds projected revenue and fund cash reserves without transferring funds from the Enterprise Departments. Contributions into the Airport, Library, Fire, Museum, Police, Street, Recreation, and Ambulance departments are anticipated and part of the budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact City of Wray, 245 West 4th Street, P.O. Box 35, Wray, Colorado 80758.

Basic Financial Statements

The basic financial statements of the City include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

CITY OF WRAY, COLORADO
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 970,076	\$ 1,863,169	\$ 2,833,245
Cash with county treasurer	4,040		4,040
Certificates of deposit	92,105	2,683,734	2,775,839
Receivables	808,554	460,121	1,268,675
Inventory		320,965	320,965
Net pension asset	71,874		71,874
Capital assets, net of depreciation	9,920,469	9,057,588	18,978,057
Total assets	11,867,118	14,385,577	26,252,695
Deferred outflows of resources			
Pension and other post-employment benefit deferrals	767,103	206,465	973,568
Total assets and deferred outflows of resources	\$ 12,634,221	\$ 14,592,042	\$ 27,226,263
Liabilities			
Accounts payable	\$ 157,766	\$ 215,936	\$ 373,702
Accrued salaries and benefits	83,380		83,380
Unearned revenues	83,800		83,800
Customer deposits		126,477	126,477
Accrued interest payable		2,587	2,587
Noncurrent liabilities			
Due within one year	36,808	99,485	136,293
Due in more than one year	2,460,413	2,136,529	4,596,942
Total liabilities	2,822,167	2,581,014	5,403,181
Deferred inflows of resources			
Deferred property tax revenues	390,318		390,318
Pension and other post-employment benefit deferrals	692,315	214,341	906,656
Total deferred inflows of resources	1,082,633	214,341	1,296,974
Net position			
Net investment in capital assets	9,871,234	7,482,854	17,354,088
Restricted for:			
Emergencies	94,000		94,000
Culture and recreation	159,613		159,613
Pensions	71,874		71,874
Unrestricted (deficit)	(1,467,300)	4,313,833	2,846,533
Total net position	8,729,421	11,796,687	20,526,108
Total liabilities, deferred inflows of resources and net position	\$ 12,634,221	\$ 14,592,042	\$ 27,226,263

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

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CITY OF WRAY, COLORADO
Statement of Activities
For the Year Ended December 31, 2018

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 696,975	\$ 26,316		\$ 299,039
Public safety	1,269,197	329,238		54,663
Public works	887,021	22,890	\$ 141,517	286,158
Culture and recreation	959,047	88,239	50,017	29,933
Interest and fiscal charges	1,301			
Total governmental activities	3,813,541	466,683	191,534	669,793
Business-type activities				
Electric services	1,855,799	2,628,566		
Water services	301,842	449,564		66,060
Sewer services	492,713	384,229		22,898
Sanitation services	321,235	315,124		
Total business-type activities	2,971,589	3,777,483	-	88,958
Total	\$ 6,785,130	\$ 4,244,166	\$ 191,534	\$ 758,751

General revenues and transfers

Taxes

Property taxes, levied for general purposes

Sales and use taxes

Specific ownership taxes

Franchise taxes

Severance taxes

Lodging taxes

Unrestricted interest on investments

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year, as restated

Net position at end of year

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (371,620)		\$ (371,620)
(885,296)		(885,296)
(436,456)		(436,456)
(790,858)		(790,858)
(1,301)		(1,301)
(2,485,531)	\$ -	(2,485,531)
	772,767	772,767
	213,782	213,782
	(85,586)	(85,586)
	(6,111)	(6,111)
-	894,852	894,852
(2,485,531)	894,852	(1,590,679)
375,577		375,577
1,101,605		1,101,605
42,853		42,853
31,777		31,777
14,613		14,613
51,480		51,480
5,702	19,125	24,827
48,321	75,151	123,472
650,000	(650,000)	-
2,321,928	(555,724)	1,766,204
(163,603)	339,128	175,525
8,893,024	11,457,559	20,350,583
\$ 8,729,421	\$ 11,796,687	\$ 20,526,108

CITY OF WRAY, COLORADO
Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Other Governmental Funds	Total
Assets			
Cash	\$ 695,319	\$ 274,757	\$ 970,076
Cash with county treasurer	4,040		4,040
Certificates of deposit	92,105		92,105
Property taxes receivable	390,318		390,318
Accounts receivable	287,394	1,668	289,062
Grants receivable	123,334		123,334
Total assets	<u>\$ 1,592,510</u>	<u>\$ 276,425</u>	<u>\$ 1,868,935</u>
Liabilities			
Accounts payable	\$ 157,766		\$ 157,766
Accrued salaries and benefits	83,380		83,380
Unearned revenues	79,183	\$ 4,617	83,800
Total liabilities	320,329	4,617	324,946
Deferred inflows of resources			
Deferred property tax revenues	390,318		390,318
Total deferred inflows of resources	390,318	-	390,318
Fund balance			
Restricted for:			
Emergencies	94,000		94,000
Culture and recreation		159,613	159,613
Committed for:			
Airport services		100,326	100,326
Youth activities		11,869	11,869
Assigned for:			
Special police fund	47,105		47,105
Equipment reserve fund	66,912		66,912
Unassigned	673,846		673,846
Total fund balance	<u>881,863</u>	<u>271,808</u>	<u>1,153,671</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,592,510</u>	<u>\$ 276,425</u>	<u>\$ 1,868,935</u>

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

CITY OF WRAY, 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 balance - governmental funds	\$ 1,153,671
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	9,920,469
Certain receivables will be collected in the next fiscal year, but are not available soon enough to pay for the current period's expenditures, and therefore are unearned in the funds.	5,840
Net pension assets and related deferred outflows of resources are not financial resources and therefore are not reported as assets in governmental funds.	838,977
Long-term liabilities and related deferred inflows of resources are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(3,189,536)</u>
Net position of the governmental activities	<u><u>\$ 8,729,421</u></u>

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

CITY OF WRAY, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2018

	General Fund	Other Governmental Funds	Total
Revenues			
Taxes	\$ 1,618,924		\$ 1,618,924
Licenses and permits	12,450		12,450
Intergovernmental	686,967	\$ 25,779	712,746
Fines and forfeitures	8,982		8,982
Charges for services	416,710	22,702	439,412
Miscellaneous	188,700	12,885	201,585
Total revenues	2,932,733	61,366	2,994,099
Expenditures			
Current			
General government	1,221,998		1,221,998
Public safety	1,219,545		1,219,545
Public works	805,761	14,931	820,692
Culture and recreation	714,394	8,225	722,619
Debt service			
Principal retirement	36,120		36,120
Interest and fiscal charges	1,301		1,301
Total expenditures	3,999,119	23,156	4,022,275
Excess of revenues over (under) expenditures	(1,066,386)	38,210	(1,028,176)
Other financing sources			
Transfers in	650,000		650,000
Net change in fund balance	(416,386)	38,210	(378,176)
Fund balance at beginning of year	1,298,249	233,598	1,531,847
Fund balance at end of year	\$ 881,863	\$ 271,808	\$ 1,153,671

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

CITY OF WRAY, COLORADO**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018**

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balance - governmental funds	\$ (378,176)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	324,254
Because some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.	5,840
Pension and OPEB expense at the fund level represents cash contributions to the plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.	(151,641)
Repayment of principal on leases are an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the statement of net position.	<u>36,120</u>
Change in net position of governmental activities	<u><u>\$ (163,603)</u></u>

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

CITY OF WRAY, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Assets				
Current assets				
Cash	\$ 299,461	\$ 762,068	\$ 777,894	\$ 23,746
Certificates of deposit	1,518,733	646,461	104,795	413,745
Due from other funds	225,000			
Accounts receivable	302,629	38,063	48,388	39,176
Grants receivable		31,865		
Inventory	256,826	56,461	3,727	3,951
Total current assets	2,602,649	1,534,918	934,804	480,618
Noncurrent assets				
Capital assets, net of depreciation	1,001,041	1,674,894	6,307,018	74,635
Total noncurrent assets	1,001,041	1,674,894	6,307,018	74,635
Deferred outflows of resources				
Pension and other post-employment benefit deferrals	114,987	15,197	22,771	53,510
Total assets and deferred outflows of resources	<u>\$ 3,718,677</u>	<u>\$ 3,225,009</u>	<u>\$ 7,264,593</u>	<u>\$ 608,763</u>

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

Total

\$ 1,863,169
2,683,734
225,000
428,256
31,865
320,965

5,552,989

9,057,588

9,057,588

206,465

\$ 14,817,042

(continued)

CITY OF WRAY, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2018

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 142,851	\$ 62,428	\$ 8,606	\$ 2,051
Customer deposits	125,477	1,000		
Accrued interest payable			2,587	
Due to other funds			225,000	
Current portion of note payable			76,772	
Current portion of capital lease obligation				22,713
Total current liabilities	268,328	63,428	312,965	24,764
Long-term liabilities				
Note payable			1,475,249	
Net pension and OPEB liabilities	364,118	51,179	77,545	168,438
Total long-term liabilities	364,118	51,179	1,552,794	168,438
Total liabilities	632,446	114,607	1,865,759	193,202
Deferred inflows of resources				
Pension and other post-employment benefit deferrals	118,022	16,588	25,135	54,596
Net position				
Net investment in capital assets	1,001,041	1,674,894	4,754,997	51,922
Unrestricted	1,967,168	1,418,920	618,702	309,043
Total net position	2,968,209	3,093,814	5,373,699	360,965
Total liabilities, deferred inflows of resources and net position	\$ 3,718,677	\$ 3,225,009	\$ 7,264,593	\$ 608,763

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

Total

\$ 215,936
126,477
2,587
225,000
76,772

22,713

669,485

1,475,249
661,280

2,136,529

2,806,014

214,341

7,482,854
4,313,833

11,796,687

\$ 14,817,042

CITY OF WRAY, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Operating revenues				
Charges for services	\$ 2,628,566	\$ 449,564	\$ 384,229	\$ 315,124
Operating expenses				
Systems operation				
Salaries	96,117	37,372	64,365	104,743
Employee benefits	71,193	21,406	54,182	89,066
Electricity purchases	1,232,791			
Power purchases		49,879	73,240	
Supplies	10,497	12,702	11,503	5,144
Chemicals		6,288	13,481	
Repairs and maintenance	49,235	52,781	15,759	18,224
Vehicle expense	12,125	6,100	428	21,023
Professional services	677	39,034	1,954	
Training	2,428	1,904	2,134	1,016
Landfill expense				52,220
Water fees		12,020		
Bad debts	211			
Grant expenditures			10	
Depreciation and amortization	87,896	62,356	239,693	29,031
Total systems operation	1,563,170	301,842	476,749	320,467
Administrative and general				
Salaries	148,603			
Employee benefits	86,121			
Supplies	13,374			
Repairs and maintenance	27,720			
Training	3,912			
Professional services	2,774			
Lease expense	6,907			
Miscellaneous	3,218			
Total administrative and general	292,629	-	-	-
Total operating expenses	1,855,799	301,842	476,749	320,467
Operating income (loss)	772,767	147,722	(92,520)	(5,343)

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

Total

\$ 3,777,483

302,597
235,847
1,232,791
123,119
39,846
19,769
135,999
39,676
41,665
7,482
52,220
12,020
211
10
418,976

2,662,228

148,603
86,121
13,374
27,720
3,912
2,774
6,907
3,218

292,629

2,954,857

822,626

(continued)

CITY OF WRAY, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Nonoperating revenues (expenses)				
Interest on investments	10,055	4,408	1,665	2,997
Grant revenues		66,060	22,898	
Miscellaneous revenues	54,655	13,025		7,471
Interest and fiscal charges			(15,964)	(768)
Total nonoperating revenues (expenses)	64,710	83,493	8,599	9,700
Income (loss) before transfers	837,477	231,215	(83,921)	4,357
Transfers out	(650,000)			
Change in net position	187,477	231,215	(83,921)	4,357
Net position at beginning of year, as restated	2,780,732	2,862,599	5,457,620	356,608
Net position at end of year	\$ 2,968,209	\$ 3,093,814	\$ 5,373,699	\$ 360,965

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

Total

19,125
88,958
75,151
(16,732)

166,502

989,128

(650,000)

339,128

11,457,559

\$ 11,796,687

CITY OF WRAY, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Cash flows from operating activities				
Receipts from customers	\$ 2,662,128	\$ 442,567	\$ 383,183	\$ 315,711
Internal activity - receipts from (payments to) other funds	25,000		(25,000)	
Payments to suppliers	(1,483,913)	(142,836)	(234,791)	(164,515)
Payments to employees	(244,720)	(37,372)	(64,365)	(104,743)
Net cash provided by operating activities	958,495	262,359	59,027	46,453
Cash flows from noncapital financing activities				
Miscellaneous revenues	54,655	13,025		7,471
Transfers out	(650,000)			
Net cash provided (used) by noncapital financing activities	(595,345)	13,025	-	7,471
Cash flows from capital and related financing activities				
Grant proceeds		34,195	260,820	
Purchase of capital assets	(14,799)	(132,120)	(26,019)	
Principal paid on capital debt			(76,010)	(29,765)
Interest and fiscal charges			(16,091)	(768)
Net cash provided (used) by capital and related financing activities	(14,799)	(97,925)	142,700	(30,533)
Cash flows from investing activities				
Interest on investments	10,055	4,408	1,665	2,997
Purchase of investments and certificates	(387,758)	(58,939)	(52,675)	(44,553)
Net cash used by investing activities	(377,703)	(54,531)	(51,010)	(41,556)

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

Total
<u> </u>
\$ 3,803,589
-
(2,026,055)
<u>(451,200)</u>
1,326,334
75,151
<u>(650,000)</u>
(574,849)
295,015
(172,938)
(105,775)
<u>(16,859)</u>
(557)
19,125
<u>(543,925)</u>
(524,800)

(continued)

CITY OF WRAY, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Net change in cash and cash equivalents	(29,352)	122,928	150,717	(18,165)
Cash and cash equivalents at beginning of year	328,813	639,140	627,177	41,911
Cash and cash equivalents at end of year	<u>\$ 299,461</u>	<u>\$ 762,068</u>	<u>\$ 777,894</u>	<u>\$ 23,746</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 772,767	\$ 147,722	\$ (92,520)	\$ (5,343)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation and amortization	87,896	62,356	239,693	29,031
Pension expense	31,848	4,753	14,578	16,669
Change in assets and liabilities				
Due from other funds	25,000			
Receivables	33,202	(6,997)	(1,046)	587
Inventory	1,437	5,064	(148)	7,024
Accounts payable	5,985	49,461	(76,530)	(1,515)
Due to other funds			(25,000)	
Customer deposits	360			
Net cash provided by operating activities	<u>\$ 958,495</u>	<u>\$ 262,359</u>	<u>\$ 59,027</u>	<u>\$ 46,453</u>

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

Total
226,128
1,637,041
<u>\$ 1,863,169</u>

\$ 822,626

418,976
67,848
25,000
25,746
13,377
(22,599)
(25,000)
360
<u>\$ 1,326,334</u>

CITY OF WRAY, COLORADO
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

	<u>Pension Trust Funds</u>
Assets	
Cash	\$ 9,795
Certificate of deposit	<u>109,398</u>
Total assets	<u>\$ 119,193</u>
Net position	
Restricted for pension benefits	<u>\$ 119,193</u>
Total net position	<u>\$ 119,193</u>

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

CITY OF WRAY, COLORADO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2018

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 17,722
State	8,804
Specific ownership tax	<u>4,466</u>
Total contributions	30,992
Investment income	
Interest on investments	<u>854</u>
Total investment income	<u>854</u>
Total additions	31,846
Deductions	
Pension benefits	23,520
Professional services	<u>4,300</u>
Total deductions	<u>27,820</u>
Change in net position	4,026
Net position restricted for pension benefits	
Beginning of year	<u>115,167</u>
End of year	<u><u>\$ 119,193</u></u>

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the City of Wray's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the City's accounting policies are described below.

A.1 – Reporting entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The City has examined other entities that could be included as defined in numbers 2 and 3 above. Based on these criteria, the City has no component units.

A.2 – Fund accounting

The City uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following is the City's major governmental fund:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the City. It is used to account for most of the day-to-day operations of the City which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the City, except for activities of the enterprise funds.

The following are the City's nonmajor governmental funds:

Airport Fund – This fund accounts for financial resources of the airport, including leases, taxes and state fuel taxes.

Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.

Youth Fund – This fund was established to account for mineral royalties and oil lease revenues, as well as provide transparency of the use of the money for youth programs.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major proprietary funds:

Electric Fund – This fund was established to account for all operations of the electric utility services provided by the City.

Water Fund – This fund was established to account for all operations of the water utility services provided by the City.

Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the City.

Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the City.

Fiduciary funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the City's own programs. The City has one pension trust fund.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund financial statements – Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds focus on net position and are reported using accounting principles similar to proprietary funds. The City's fiduciary funds are presented in the fiduciary fund financial statements by fund type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the City, these funds are not incorporated into the government-wide financial statements.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and nonexchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Expenses/expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

A.5 – Encumbrances

The City does not utilize encumbrance accounting.

A.6 – Cash and cash equivalents

For the purposes of the statement of cash flows, the City considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

A.7 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.8 – Receivables

Monthly charges for electric, water, sewer, sanitation and street services are included with monthly utility billings. All receivables are reported net of estimated uncollectible accounts. An allowance for doubtful accounts has been established in the Electric Fund, Water Fund, Sewer Fund and Sanitation Fund in the amount of \$32,004, \$3,900, \$4,748 and \$5,065 respectively, based on management's review of billings.

A.9 – Inventories

Inventories in the proprietary funds consist of supplies and are recorded at the lower of cost or market using the first-in, first-out method.

A.10 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets, other than equipment, with a unit cost greater than \$5,000 and an estimated useful life in excess of two years are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Equipment with a unit cost greater than \$3,000 with an estimated useful life of greater than two years are capitalized by the City. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) will be capitalized on a prospective basis beginning in 2004.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized during the year.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Land improvements	15 years	15 years
Distribution systems	10-50 years	10-50 years
Buildings & Improvements	20-40 years	20-40 years
Machinery and equipment	3-10 years	3-10 years
Vehicles	5 years	5 years
Street improvements	5 years	5 years

A.11 – Compensated absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." In recognition of the varying work schedules of city employees and each employee's diverse needs for time away from work, the City provides a general leave policy for its employees. Paid time off shall be accrued by regular employees and is determined by the work period that each employee is scheduled.

Vacation leave

Full-time employees are entitled to varying hours of vacation leave depending on the number of years of eligible service, up to 160 hours per year after completing 15 years of eligible service. Upon termination of employment, employees will be paid for any unused vacation time that has not been taken through the last day of work. In the event that available vacation leave is not used by the end of the benefit year, employees will forfeit the unused amounts. As such, no amount is reported in the financial statements.

Sick leave

Full-time employees are entitled to 80 hours of sick leave annually, with accumulations up to 480 hours after completing 10 years of eligible service. Sick leave benefits are intended solely to provide income protection in the event of illness or injury. Upon termination of employment, employees will not be paid for any unused sick leave time.

A.12 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

A.13 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

A.14 – Operating revenues and expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are service charges for electric, water, sewer and sanitation utility services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A.15 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.16 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City council and that are either unusual in nature or infrequent in occurrence. The City had no transactions that qualify as extraordinary or special items during the year.

A.17 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council (the City's highest level of decision-making authority),

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, an

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the City council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

When both restricted and unrestricted resources are available in governmental funds, the City applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

Note B – Cash and investments

Cash and deposits – Colorado State statutes govern the City's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of year-end, the City had total deposits of \$5,686,273, of which \$500,000 was insured and \$5,186,273 was collateralized with securities held by the pledging institution's trust department or agent in the City's name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the City's own investment policies and procedures. Investments of the City may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States 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

At year-end, the City's only investments consisted of certificates of deposit with local financial institutions.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note C – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Electric Fund	Sewer Fund	\$ <u>225,000</u>

The balance of \$225,000 advanced to the Sewer Fund from the Electric Fund resulted from a loan made to provide financing resources for the wastewater facility improvements.

All remaining balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Electric Fund	\$ <u>650,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The City annually transfers funds from certain of the Proprietary Funds (Electric Fund) to provide support for various departments within the General Fund.

Note D – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Utility accounts	\$ -	\$ 428,256	\$ 428,256
Property taxes	390,318	-	390,318
Accounts	294,902	-	294,902
Grants	<u>123,334</u>	<u>31,865</u>	<u>155,199</u>
Total	\$ <u>808,554</u>	\$ <u>460,121</u>	\$ <u>1,268,675</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Yuma County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the county are remitted to the City in the subsequent month.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note E – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,524,516	\$ -	\$ -	\$ 1,524,516
Collection of library books	395,235	-	-	395,235
Construction in progress	<u>706,673</u>	<u>295,187</u>	<u>(706,673)</u>	<u>295,187</u>
Total capital assets, not being depreciated	2,626,424	295,187	(706,673)	2,214,938
Capital assets, being depreciated:				
Infrastructure	1,696,175	352,138	706,673	2,754,986
Land improvements	6,430,765	-	-	6,430,765
Buildings and improvements	5,929,889	220,515	-	6,150,404
Vehicles	1,682,991	88,156	-	1,771,147
Machinery and equipment	<u>2,084,772</u>	<u>115,702</u>	<u>-</u>	<u>2,200,474</u>
Total capital assets, being depreciated	<u>17,824,592</u>	<u>776,511</u>	<u>706,673</u>	<u>19,307,776</u>
Total capital assets	20,451,016	1,071,698	-	21,522,714
Less accumulated depreciation for:				
Infrastructure	(1,607,101)	(39,765)	-	(1,646,866)
Land improvements	(4,114,198)	(360,482)	-	(4,474,680)
Buildings and improvements	(1,872,960)	(150,585)	-	(2,023,545)
Vehicles	(1,534,476)	(98,084)	-	(1,632,560)
Machinery and equipment	<u>(1,726,066)</u>	<u>(98,528)</u>	<u>-</u>	<u>(1,824,594)</u>
Total accumulated depreciation	<u>(10,854,801)</u>	<u>(747,444)</u>	<u>-</u>	<u>(11,602,245)</u>
Governmental activities capital assets, net	<u>\$ 9,596,215</u>	<u>\$ 324,254</u>	<u>\$ -</u>	<u>\$ 9,920,469</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 78,402	\$ -	\$ -	\$ 78,402
Water rights	352,000	-	-	352,000
Construction in progress	-	-	132,122	132,122
Total capital assets, not being depreciated	430,402	-	132,122	562,524
Capital assets, being depreciated				
Distribution systems	12,589,553	26,019	-	12,615,572
Buildings and improvements	346,572	-	-	346,572
Vehicles	547,902	-	-	547,902
Machinery and equipment	908,467	14,799	-	923,266
Total capital assets, being depreciated	14,392,494	40,818	-	14,433,312
Total capital assets	14,822,896	40,818	132,122	14,995,836
Less accumulated depreciation for:				
Distribution systems	(4,063,208)	(349,430)	-	(4,412,638)
Building and improvements	(241,850)	(5,234)	-	(247,084)
Vehicles	(478,317)	(24,517)	-	(502,834)
Machinery and equipment	(735,897)	(39,795)	-	(775,692)
Total accumulated depreciation	(5,519,272)	(418,976)	-	(5,938,248)
Business-type activities capital assets, net	\$ 9,303,624	\$ (378,158)	\$ 132,122	\$ 9,057,588

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 21,985
Public safety	107,450
Public works	418,080
Culture and recreation	199,929
Total governmental activities	747,444

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

Business-type activities

Electric	87,896
Water	62,356
Sewer	239,693
Sanitation	<u>29,031</u>
Total business-type activities	<u>418,976</u>
Total depreciation expense	<u>\$ 1,166,420</u>

Note F – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental Activities					
Capital lease Obligation	\$ 85,355	\$ -	\$ (36,120)	\$ 49,235	\$ 36,808
Net pension liability	2,884,716	-	(594,923)	2,289,793	-
Net OPEB liability	<u>170,120</u>	<u>-</u>	<u>(11,927)</u>	<u>158,193</u>	<u>-</u>
Total	<u>\$ 3,140,191</u>	<u>\$ -</u>	<u>\$ (642,970)</u>	<u>\$ 2,497,221</u>	<u>\$ 36,808</u>

Payments on the capital lease obligation are made in the General Fund. The net pension and OPEB liabilities attributable to the governmental activities will be liquidated primarily by the General Fund.

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Business-type activities					
Capital lease obligation	\$ 52,478	\$ -	\$ (29,765)	\$ 22,713	\$ 22,713
Note payable	1,628,032	-	(76,010)	1,552,022	76,772
Net pension liability	798,143	-	(191,846)	606,297	-
Net OPEB liability	<u>58,813</u>	<u>-</u>	<u>(3,831)</u>	<u>54,982</u>	<u>-</u>
Total	<u>\$ 2,537,466</u>	<u>\$ -</u>	<u>\$ (301,452)</u>	<u>\$ 2,236,014</u>	<u>\$ 99,485</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note F – Long-term debt (Continued)

Capital lease obligations

Vehicle lease obligation – In September 2014, the City entered into an agreement with Wray State Bank to purchase a 2015 Freightliner Truck. The agreement called for a lease term of five years with annual renewal options. Monthly payments of \$2,544 are due on the 23rd of each month, with a final payment due in 2019. The average interest rate over the lease term is 1.950%. The City has capitalized \$145,247 of assets under this capital lease.

Vehicle lease obligation – In May 2015, the City entered into an agreement with Wray State Bank to purchase a street sweeper. The agreement called for a lease term of five years with annual renewal options. Monthly payments of \$3,118 are due on the 20th of each month, with a final payment due in 2020. The average interest rate over the lease term is 1.890%. The City has capitalized \$178,400 of assets under this capital lease.

The following is a schedule by years of future minimum lease payments under the capital leases above, together with the present value of the net minimum lease payments at year-end:

<u>Year ended December 31,</u>	<u>Debt service requirement</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2019	\$ 37,421	\$ 22,900
2020	<u>12,476</u>	<u>-</u>
Total minimum lease payments	49,897	22,900
Less amount representing interest	<u>(662)</u>	<u>(187)</u>
Present value of future net minimum lease payments	<u>\$ 49,235</u>	<u>\$ 22,713</u>

Notes payable

CWRPDA Note payable – Sewer Fund – The City has entered into a \$1,634,200 note agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) dated September 20, 2016, due in semi-annual installments ranging from \$7,530 to \$46,051, including interest, through 2037. The agreement was entered into in order to facilitate the modification of the City's wastewater treatment facility.

\$ 1,552,022

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note F – Long-term debt (Continued)

The following schedule represents the City's debt service requirements to maturity for the outstanding notes payable at year-end:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 76,772	\$ 15,329	\$ 92,101
2020	77,542	14,559	92,101
2021	78,320	13,781	92,101
2022	79,105	12,996	92,101
2023	79,898	12,203	92,101
2024-2028	411,665	48,841	460,506
2029-2033	432,717	27,789	460,506
2034-2037	<u>316,003</u>	<u>6,353</u>	<u>322,356</u>
Total	<u>\$ 1,552,022</u>	<u>\$ 151,851</u>	<u>\$ 1,703,873</u>

Note G – Risk management

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. The City has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, general liability and workers compensation claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability, property and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The City makes an annual contribution to CIRSA for its insurance coverage. For the year, the City's financial contribution to CIRSA was \$157,701. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans

PERA – Local Government Division Trust Fund

Summary of significant accounting policies

Pensions. The City participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). 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/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the LGDTF for financial reporting purposes be measured using the plan provisions in effect as of the LGDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled Changes between the measurement date of the net pension liability and December 31, 2018.

General information about the pension plan

Plan description. Eligible employees of the City are provided with pensions through the Local Government Division Trust Fund (LGDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2017. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. Section 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions as of December 31, 2018. Eligible employees and the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	<u>Rate</u>
Employer contribution rate ¹	10.00%
Amount of employer contribution apportioned to the health care trust fund as specified in C.R.S. Section 24-51-208(1)(f) ¹	<u>(1.02)%</u>
Amount apportioned to the LGDTF ¹	8.98%
Amortization equalization disbursement (AED) as specified in C.R.S. Section 24-51-411 ¹	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. Section 24-51-411 ¹	<u>1.50%</u>
Total employer contribution to the LGDTF ¹	<u><u>12.68%</u></u>

¹ Rates are expressed as a percentage of salary as defined in C.R.S. Section 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$176,868 for the year ended.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At year-end, the City reported a liability of \$2,350,739 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

At December 31, 2017, the City's proportion was 0.2111 percent, which was a decrease of 0.0191 percent from its proportion measured as of December 31, 2016.

For the year, the City recognized pension expense of \$446,684. At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 147,533	\$ -
Changes of assumptions or other inputs	1,159	-
Net difference between projected and actual earnings on pension plan investments	457,845	677,714
Changes in proportion and differences between contributions recognized and proportionate share of contributions	15,549	136,170
Contributions subsequent to the measurement date	<u>176,868</u>	<u>-</u>
Total	<u>\$ 798,954</u>	<u>\$ 813,884</u>

\$176,868 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2019	\$ 58,886
2020	5,444
2021	(86,699)
2022	<u>(169,429)</u>
Totals	<u>\$ (191,798)</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06; (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. equity – large cap	21.20%	4.30%
U.S. equity – small cap	7.42%	4.80%
Non U.S. equity – developed	18.55%	5.20%
Non U.S. equity – emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non U.S. fixed income - developed	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	<u>100.00%</u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 3,743,965	\$ 2,350,739	\$ 1,189,285

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

Changes between the measurement date of the net pension liability and December 31, 2018.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, in the Local Government Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

At year end, the City reported a liability of \$2,350,739 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule presents an estimate of what the City's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$1,662,717

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Statewide Defined Benefit Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at www.fppaco.org.

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

Contributions. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Members of the SWDB Plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

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

The contribution rate for members and employers of affiliated social security employers is 4.75 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.75 percent in 2017. Per the 2014 member election, members of the affiliate social security group will have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the City were \$14,301.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

At December 31, 2018 the City reported an asset of \$71,874 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

At December 31, 2017, the City's proportion was .0500 percent, which was a decrease of .0093 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense (income) of \$(25,098). At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 54,505	\$ 1,036
Changes of assumptions or other inputs	12,880	-
Net difference between projected and actual earnings on pension plan investments	39,818	57,800
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	7,784
Contributions subsequent to the measurement date	<u>14,301</u>	<u>-</u>
Total	<u>\$ 121,504</u>	<u>\$ 66,620</u>

\$14,301 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

<u>Year Ended December 31, —</u>	<u>Amount</u>
2019	\$ 11,125
2020	9,678
2021	(2,659)
2022	(7,225)
2023	7,226
2024	7,226
2025	7,314
2026	5,444
2027	<u>2,454</u>
Totals	<u>\$ 40,583</u>

Actuarial assumptions. The collective total pension liability as of December 31, 2017 is based upon the January 1, 2018 actuarial valuation, which was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2018
Actuarial method	Entry age normal
Amortization method	Level percent of payroll, open
Amortization period	30 years
Long-term investment rate of return *	7.5%
Projected salary increases*	4.0% – 14.0%
Cost of living adjustment	0.0%
*Includes inflation at	2.5%

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	2%	2.26%
Totals	<u>100.0%</u>	

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31% (based on the weekly rate closest to but not later than the measurement date of the “state and local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$ 78,249	\$ (71,874)	\$ (196,532)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

City of Wray Volunteer Fire Pension Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Wray Volunteer Fire Pension Plan and additions to/deductions from City of Wray Volunteer Fire Pension Plan’s net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

General information about the pension plan

Plan description. The City's defined benefit pension plan, City of Wray Volunteer Fire Pension Plan, provides retirement and death benefits to plan members and beneficiaries for volunteer firefighters. The plan is a single-employer pension plan administered by the Pension Board. The Pension Board has the authority to establish and amend the benefit provisions of the plan.

Management of the City of Wray Volunteer Fire Pension Fund is vested in the local Pension Board, which consists of one council member, the city clerk, the fire chief, one retired volunteer and one current volunteer of the local fire department serving the City.

Plan membership. At year-end, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	28
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>36</u>
Total	<u>65</u>

Benefits provided. The City of Wray Volunteer Fire Department Pension Plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently \$70 per month). The plan also provides for a lump-sum burial benefit of \$100 upon death of an active firefighter.

Contributions. Contribution requirements of the City are established by the local Pension Board. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2018 included \$22,188 from the City (one-half mill levy and related specific ownership taxes), and \$8,804 from the State of Colorado matching funds.

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

At December 31, 2018 the City reported a net pension liability of \$545,352. The net pension liability was measured as of 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, 2018.

For the year ended December 31, 2018, the City recognized pension expense of \$21,642. At December 31, 2018 the City reported deferred outflows of resources related to pensions from the following sources:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 6,593	\$ 8,993
Net difference between projected and actual earnings on pension plan investments	9,054	-
Contributions subsequent to the measurement date	<u>22,188</u>	<u>-</u>
Total	<u>\$ 37,835</u>	<u>\$ 8,993</u>

\$22,188 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31, _____</u>	<u>Amount</u>
2019	\$ 3,823
2020	2,665
2021	134
2022	<u>32</u>
Totals	<u>\$ 6,654</u>

Actuarial assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Asset valuation method	Fair market value
Inflation	N/A
Salary increases	N/A
Investment rate of return	2.00% (net of expenses paid from the fund)
Retirement age	Age 50 and 20 years of service

Mortality rates were based on the RP-2000 Combined Mortality Table.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense). These amounts are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the asset allocation percentage. Best estimates of arithmetic real rates of return for the City's current holdings of cash and certificates of deposit included in the Plan's assets as of December 31, 2017, are summarized in the above table.

Discount rate. The discount rate used to measure the total pension liability was 2.00 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive volunteers. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's net pension liability to changes in the discount rate. The following presents the City's net pension liability calculated using the discount rate of 2.00 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.00 percent) or 1-percentage point higher (3.00 percent) than the current rate:

	1% Decrease (1.00%)	Current Discount (2.00%)	1% Increase (3.00%)
Net pension liability	\$ 651,473	\$ 545,352	\$ 460,434

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued City of Wray Fireman Pension Fund financial report.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan

Summary of significant accounting policies

OPEB. The City participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the OPEB plan

Plan description. Eligible employees of the City are provided with OPEB through the HCTF – a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

C.R.S. Section 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For the benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. Section 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charges to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of the benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$14,268 for the year ended.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

At year-end, the City reported a liability of \$213,175 for its proportionate share of the net OPEB liability. The net pension OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the City's proportion was 0.0164 percent, which was a decrease of 0.0013 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the City recognized OPEB expense of \$3,885. At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,007	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,568
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	13,591
Contributions subsequent to the measurement date	<u>14,268</u>	<u>-</u>
Total	<u>\$ 15,275</u>	<u>\$ 17,159</u>

\$14,268 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30, _____	Amount
2019	\$ (3,364)
2020	(3,364)
2021	(3,364)
2022	(3,365)
2023	(2,473)
2024	<u>(222)</u>
Totals	<u>\$ (16,152)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as show below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF.

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016 valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. equity – large cap	21.20%	4.30%
U.S. equity – small cap	7.42%	4.80%
Non U.S. equity – developed	18.55%	5.20%
Non U.S. equity – emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non U.S. fixed income - developed	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	<u>100.00%</u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$ 207,309	\$ 213,175	\$ 220,239

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 239,675	\$ 213,175	\$ 190,556

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the OPEB plan

The City did not report any payables to the OPEB plan at year-end.

Note J – Defined contribution pension plan

Voluntary Investment Program

Plan description. Employees of the City that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The City does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year, program members contributed \$20,360 for the Voluntary Investment Program.

Note K – Deferred compensation plan

The City has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by the Fire and Police Pension Association through an administrative service agreement. The plan is available to all police officers of the City. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death or financial hardship.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997. The City approved plan amendments such that plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted for any other purpose.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note L – Commitments and contingencies

Federal and state funding

The City receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the City under specified voting requirements by the entire electorate.

In November, 1993, the voters of the City approved a ballot initiative permitting the City to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds of the City's sales and use tax, non-federal grants, fees and other revenues, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

In November 2007, the voters of the City approved a ballot initiative permitting the City to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure the full proceeds of the City's property tax revenues generated from the mill levy for general municipal purposes, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

TABOR is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of TABOR. However, the City has made certain interpretations of TABOR's language in order to determine its compliance. The City has reserved funds in the General Fund in the amount of \$94,000 for the emergency reserve.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note L – Commitments and contingencies (Continued)

CWRPDA loan covenants

Rate covenant – during the loan term, the City shall establish, impose and collect, rents, rates and other charges for the products and services provided by the system, which shall be at least sufficient, together with other amounts available therefore, and after meeting the operation and maintenance expenses of the system, to pay 110% of the debt service coming due in such calendar year. The City believes it has met this requirement for the year ended December 31, 2018.

Operations and maintenance fund – the City shall maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities or may be in a separate segregated fund. Unobligated fund balances in the Sewer Fund exceeded the required reserve by \$562,575.

Colorado local government budget laws

Expenses in the Youth Fund exceeded appropriations by \$3,225 and may be in violation of local government budget laws.

Note M – Prior period restatement

The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement requires the City to recognize a liability for its proportionate share of the net OPEB liability of PERA's Health Care Trust Fund (see Note I), as well as OPEB expense, and to report deferred outflows of resources and deferred inflows of resources related to OPEB for its proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB. The City has reduced the beginning net position of its governmental activities, business type activities and proprietary funds as follows due to the adoption of this statement:

	Beginning net position as originally reported	GASB 75 Implementation	Beginning net position as restated
Governmental activities	\$ 9,063,144	\$ (170,120)	\$ 8,893,024
Business-type activities	\$ 11,516,373	\$ (58,814)	\$ 11,457,559
Electric Fund	\$ 2,813,584	\$ (32,852)	\$ 2,780,732
Water Fund	\$ 2,867,155	\$ (4,556)	\$ 2,862,599
Sewer Fund	\$ 5,463,962	\$ (6,342)	\$ 5,457,620
Sanitation Fund	\$ 371,672	\$ (15,064)	\$ 356,608

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Schedule of the City's Proportionate Share of the Net Pension Liability – PERA's Local Government Division Trust Fund
- Schedule of City Contributions – PERA's Local Government Division Trust Fund
- Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Police Statewide Defined Benefit Plan
- Schedule of City Contributions – Police Statewide Defined Benefit Plan
- Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios – City of Wray Volunteer Fire Pension Plan
- Schedule of City Contributions – City of Wray Volunteer Fire Pension Plan
- Schedule of the City's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of City Contributions – PERA's Health Care Trust Fund
- General Fund – Budgetary Comparison Schedule
- Notes to the Required Supplementary Information

CITY OF WRAY, COLORADO**Schedule of the City's Proportionate Share of the Net Pension Liability ¹****PERA's Local Government Division Trust Fund****December 31, 2018**

	2018	2017	2016	2015
City's proportion of the net pension liability	0.2111%	0.2301%	0.2085%	0.2189%
City's proportionate share of the net pension liability	\$ 2,350,739	\$ 3,106,536	\$ 2,296,570	\$ 1,962,368
City's covered payroll	\$ 1,331,871	\$ 1,394,425	\$ 1,184,001	\$ 1,199,687
City's proportionate share of the net pension liability as a percentage of its employee payroll	176.50%	222.78%	193.97%	163.57%
Plan fiduciary net position as a percentage of the total pension liability	79.37%	73.60%	76.90%	80.70%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2014

0.2209%

\$ 1,817,665

\$ 1,178,413

154.25%

77.66%

CITY OF WRAY, COLORADO
Schedule of City Contributions ¹
PERA's Local Government Division Trust Fund
December 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 176,868	\$ 168,881	\$ 176,813	\$ 150,131
Contributions in relation to the contractually required contribution	<u>(176,868)</u>	<u>(168,881)</u>	<u>(176,813)</u>	<u>(150,131)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,398,818	\$ 1,331,871	\$ 1,394,425	\$ 1,184,001
Contributions as a percentage of covered payroll	12.64%	12.68%	12.68%	12.68%

- ¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

<u>2014</u>	<u>2013</u>
\$ 152,120	\$ 149,423
<u>(152,120)</u>	<u>(149,423)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 1,199,687	\$ 1,178,413
12.68%	12.68%

CITY OF WRAY, COLORADO**Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) ¹****Police Statewide Defined Benefit Plan****December 31, 2018**

	2018	2017	2016	2015
City's proportion of the net pension liability/(asset)	0.0500%	0.0593%	0.0594%	0.0650%
City's proportionate share of the net pension liability/(asset)	\$ (71,874)	\$ 21,427	\$ (1,048)	\$ (73,401)
City's covered payroll	\$ 292,225	\$ 303,475	\$ 288,063	\$ 292,481
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-24.6%	7.1%	-0.4%	-25.1%
Plan fiduciary net position as a percentage of the total pension liability	106.30%	98.21%	100.10%	106.80%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2014

0.0655%

\$ (58,547)

\$ 284,387

-20.6%

105.80%

CITY OF WRAY, COLORADO
Schedule of City Contributions ¹
Police Statewide Defined Benefit Plan
December 31, 2018

	2018	2017	2016	2015
Contractually required contribution	\$ 14,301	\$ 23,378	\$ 24,278	\$ 23,045
Contributions in relation to the contractually required contribution	(14,301)	(23,378)	(24,278)	(23,045)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 178,765	\$ 292,225	\$ 303,475	\$ 288,063
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

<u>2014</u>		<u>2013</u>	
\$	23,398	\$	22,751
	<u>(23,398)</u>		<u>(22,751)</u>
\$	<u>-</u>	\$	<u>-</u>
\$	292,481	\$	284,387
	8.00%		8.00%

CITY OF WRAY, COLORADO**Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios ¹****City of Wray Volunteer Fire Pension Plan****Last 10 Fiscal Years**

	2018	2017	2016
Total pension liability			
Service cost	\$ 14,913	\$ 10,960	\$ 10,222
Interest on the total pension liability	13,106	12,785	12,527
Benefit changes	-	-	-
Plan amendment	-	94,857	-
Differences between expected and actual experience	(11,626)	7,614	8,184
Assumption changes	-	40,525	-
Benefit payments	(23,520)	(22,120)	(19,120)
Net change in total pension liability	(7,127)	144,621	11,813
Total pension liability - beginning	667,083	522,462	510,649
Total pension liability - ending (a)	<u>\$ 659,956</u>	<u>\$ 667,083</u>	<u>\$ 522,462</u>
Plan fiduciary net position			
Employer contributions	\$ 20,798	\$ 20,922	\$ 11,754
Pension plan net investment income	(3,324)	(3,338)	540
Benefit payments	(23,520)	(22,120)	(19,120)
Pension plan administrative expenses	-	-	-
State of Colorado matching funds	8,463	7,884	7,530
Adjustment to beginning balance	-	(296)	-
Net change in plan fiduciary net position	2,417	3,052	704
Plan fiduciary net position - beginning	112,187	109,135	108,431
Plan fiduciary net position - ending (b)	<u>\$ 114,604</u>	<u>\$ 112,187</u>	<u>\$ 109,135</u>
City's net pension liability/(asset) - ending (a) - (b)	<u>\$ 545,352</u>	<u>\$ 554,896</u>	<u>\$ 413,327</u>
Plan fiduciary net position as a percentage of the total pension liability	17.37%	16.82%	20.89%
Covered payroll	N/A	N/A	N/A
City's net pension liability as a percentage of covered payroll	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

<u>2015</u>	
\$	9,966
	12,214
	-
	-
	7,979
	-
	(18,240)
	<u>11,919</u>
	<u>498,730</u>
\$	<u><u>510,649</u></u>
\$	10,715
	537
	(18,240)
	-
	7,417
	-
	<u>429</u>
	<u>108,002</u>
\$	<u><u>108,431</u></u>
\$	<u><u>402,218</u></u>
	21.23%
	N/A
	N/A

CITY OF WRAY, COLORADO
Schedule of City Contributions ¹
City of Wray Volunteer Fire Pension Plan
Last 10 Fiscal Years

Measurement Period Ended December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2018	\$ 52,882	\$ 30,992	\$ 21,890	N/A	N/A
2017	\$ 52,882	\$ 29,824	\$ 23,058	N/A	N/A
2016	\$ 35,395	\$ 28,806	\$ 6,589	N/A	N/A
2015	\$ 35,395	\$ 19,284	\$ 16,111	N/A	N/A
2014	\$ 35,395	\$ 18,132	\$ 17,263	N/A	N/A

* Includes both employer and State of Colorado matching funds.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

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CITY OF WRAY, COLORADO
Schedule of Investment Returns ¹
City of Wray Volunteer Fire Pension Plan
Last 10 Fiscal Years

	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	0.78%	0.62%	0.62%	0.50%

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2014

0.50%

CITY OF WRAY, COLORADO
Schedule of the City's Proportionate Share of the Net OPEB Liability ¹
PERA's Health Care Trust Fund
December 31, 2018

	2018	2017
City's proportion of the net OPEB liability	0.0164%	0.0177%
City's proportionate share of the net OPEB liability	\$ 213,175	\$ 228,933
City's covered payroll	\$ 1,331,871	\$ 1,394,425
City's proportionate share of the net OPEB liability as a percentage of its employee payroll	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF WRAY, COLORADO
Schedule of City Contributions ¹
PERA's Health Care Trust Fund
December 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 14,268	\$ 13,583	\$ 14,221
Contributions in relation to the contractually required contribution	<u>(14,268)</u>	<u>(13,583)</u>	<u>(14,221)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,398,818	\$ 1,331,871	\$ 1,394,425
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,503,706	\$ 1,503,706	\$ 1,618,924	\$ 115,218
Licenses and permits	15,014	15,014	12,450	(2,564)
Intergovernmental	1,098,907	1,098,907	686,967	(411,940)
Fines and forfeitures	11,007	11,007	8,982	(2,025)
Charges for services	490,445	490,445	416,710	(73,735)
Miscellaneous	654,412	654,412	188,700	(465,712)
Total revenues	3,773,491	3,773,491	2,932,733	(840,758)
Expenditures				
Current				
General government	1,876,749	1,876,749	1,221,998	654,751
Public safety	1,532,314	1,532,314	1,219,545	312,769
Public works	900,188	900,188	805,761	94,427
Culture and recreation	734,988	734,988	714,394	20,594
Debt service				
Principal retirement	36,120	36,120	36,120	-
Interest and fiscal charges	1,301	1,301	1,301	-
Appropriated reserves	101,525	101,525		101,525
Total expenditures	5,183,185	5,183,185	3,999,119	1,184,066
Excess of revenues over (under) expenditures	(1,409,694)	(1,409,694)	(1,066,386)	343,308
Other financing sources				
Transfers in	960,000	960,000	650,000	(310,000)
Net change in fund balance	\$ (449,694)	\$ (449,694)	(416,386)	\$ 33,308
Fund balance at beginning of year			1,298,249	
Fund balance at end of year			\$ 881,863	

CITY OF WRAY, COLORADO
Notes to the Required Supplementary Information

Note A – Budgetary data

Annual budgets are established for all funds of the City as required by its local code. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the enterprise funds (electric, water, sanitation and sewer) in which capital and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by City council. Within these control levels, management may transfer appropriations without City council approval. Revisions to the budget were made throughout the year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15th of each year, or in conformity with the general state law, the City clerk submits to the City council a budget which shall be a complete financial plan for the ensuing fiscal year.
- At the same time the budget is submitted, the City clerk shall also prepare an appropriation ordinance making a levy in mills upon all taxable property within the City for the ensuing fiscal year.
- A public hearing on the budget shall be held by City council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.
- Prior to December 15th, or in conformity with the general state law, the City council shall adopt the budget and the tax levy ordinance.
- Any portion of any annual appropriation remaining unexpended and unencumbered at the close of the budget year shall be declared surplus and included in the budget for the ensuing year as those appropriations lapse at year-end.

CITY OF WRAY, COLORADO
Notes to the Required Supplementary Information

Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules

PERA – Local Government Division Trust Fund and Health Care Trust Fund

Information about factors that significantly affect trends in the amounts reported in the Schedules of the City's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of City Contributions is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

FPPA – Police Statewide Defined Benefit Plan

Information about factors that significantly affect trends in the amounts reported in the pension schedules is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org/annual-reports.html.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- General Fund – Budgetary Comparison Schedules of Revenues and Expenditures
- Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedule – Fiduciary Fund

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Budgetary Comparison Schedules – General Fund

The General Fund accounts for all transactions of the City not required to be accounted for in other funds. This fund represents an accounting of the City's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the City's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
Property taxes	\$ 380,455	\$ 380,455	\$ 375,577	\$ (4,878)
Specific ownership taxes	38,468	38,468	42,853	4,385
Penalties and interest on taxes	1,162	1,162	1,019	(143)
Franchise taxes	17,275	17,275	31,777	14,502
Sales taxes	1,001,959	1,001,959	1,101,605	99,646
Severance taxes	15,000	15,000	14,613	(387)
Lodging taxes	49,387	49,387	51,480	2,093
Total taxes	1,503,706	1,503,706	1,618,924	115,218
Licenses and permits	15,014	15,014	12,450	(2,564)
Intergovernmental				
Motor vehicle assessments	8,779	8,779	10,214	1,435
Cigarette taxes	4,760	4,760	3,767	(993)
Highway users tax	86,013	86,013	106,779	20,766
Road and bridge	21,005	21,005	22,347	1,342
Broadband grant	508,985	508,985	199,039	(309,946)
Ambulance grant	144,179	144,179	42,163	(102,016)
Airport grant	283,686	283,686	286,158	2,472
Library grant	4,000	4,000	4,000	-
Police grant	12,500	12,500	12,500	-
Fire grant	25,000	25,000		(25,000)
Total intergovernmental	1,098,907	1,098,907	686,967	(411,940)
Fines and forfeitures				
Animal control	1,181	1,181	1,228	47
Police fines	8,687	8,687	6,287	(2,400)
Library fines	1,139	1,139	1,467	328
Total fines and forfeitures	11,007	11,007	8,982	(2,025)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Charges for services				
Ambulance fees	390,000	390,000	315,884	(74,116)
Street fees	2,303	2,303	188	(2,115)
Parks user fees	1,448	1,448	1,236	(212)
Recreation fees	25,068	25,068	25,994	926
Swimming pool fees	57,228	57,228	55,893	(1,335)
Museum fees	1,700	1,700	3,649	1,949
Rental income	12,698	12,698	13,866	1,168
Total charges for services	490,445	490,445	416,710	(73,735)
Miscellaneous				
Interest on investments	2,850	2,850	5,232	2,382
Donations	240,832	240,832	144,210	(96,622)
Insurance proceeds	340,337	340,337	16,551	(323,786)
Miscellaneous	70,393	70,393	22,707	(47,686)
Total miscellaneous	654,412	654,412	188,700	(465,712)
Total revenues	<u>\$ 3,773,491</u>	<u>\$ 3,773,491</u>	<u>\$ 2,932,733</u>	<u>\$ (840,758)</u>

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
General government				
Salaries	\$ 180,525	\$ 180,525	\$ 180,379	\$ 146
Employee benefits	58,167	58,167	66,945	(8,778)
Workers compensation	45,000	45,000	40,550	4,450
Contract labor			19,089	(19,089)
Supplies	16,000	16,000	17,252	(1,252)
Repairs and maintenance	20,000	20,000	2,379	17,621
Housekeeping	3,000	3,000	1,271	1,729
Insurance	96,000	96,000	129,199	(33,199)
Insurance claim expense	340,337	340,337	283,026	57,311
Training	7,500	7,500	8,784	(1,284)
Professional services	55,000	55,000	40,382	14,618
Meetings and dues	13,000	13,000	10,221	2,779
Audit expense	19,500	19,500	17,100	2,400
Dues and donations	20,000	20,000	12,217	7,783
County treasurer fees	7,609	7,609	7,532	77
Election expense	6,000	6,000		6,000
Grant expenditures	987,111	987,111	385,672	601,439
Capital outlay	2,000	2,000		2,000
Total general government	1,876,749	1,876,749	1,221,998	654,751
Public safety				
Police				
Salaries	398,510	398,510	388,050	10,460
Employee benefits	173,231	173,231	139,797	33,434
Contract labor	17,000	17,000	17,400	(400)
Professional services	1,500	1,500	11,885	(10,385)
Meetings and dues	4,000	4,000	2,180	1,820
Court expense	1,500	1,500	80	1,420
Vehicle expense	8,000	8,000	7,222	778
Repairs and maintenance	10,000	10,000	5,278	4,722
Supplies	15,500	15,500	25,203	(9,703)
Medical expense	1,500	1,500	688	812
Communications	12,000	12,000	9,647	2,353
Police operations	3,000	3,000	5,446	(2,446)
Lease expense			4,200	(4,200)
Grant expenditures	49,500	49,500	43,947	5,553
Capital outlay	15,000	15,000	6,270	8,730
Total police	710,241	710,241	667,293	42,948

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Animal Control				
Salaries	5,032	5,032	1,667	3,365
Employee benefits	764	764	258	506
Supplies	675	675	677	(2)
Total animal control	6,471	6,471	2,602	3,869
Fire				
Supplies	14,000	14,000	9,248	4,752
Repairs and maintenance	10,600	10,600	11,709	(1,109)
Training	3,000	3,000		3,000
Professional services	500	500		500
Firemen's pension	28,480	28,480	22,188	6,292
Fireworks display	5,000	5,000	7,440	(2,440)
Grant expenditures	50,000	50,000		50,000
Capital outlay	28,000	28,000		28,000
Total fire	139,580	139,580	50,585	88,995
Ambulance				
Salaries	246,549	246,549	239,724	6,825
Employee benefits	102,903	102,903	72,937	29,966
Supplies	33,500	33,500	36,532	(3,032)
Repairs and maintenance	12,000	12,000	15,034	(3,034)
Vehicle expense	10,000	10,000	15,759	(5,759)
Training	10,000	10,000	8,247	1,753
Professional services	31,500	31,500	14,449	17,051
Medical expense	800	800	172	628
Transfer meals	4,500	4,500	6,280	(1,780)
Communications	8,000	8,000	6,071	1,929
Grant expenditures	216,270	216,270	82,121	134,149
Capital outlay			1,739	(1,739)
Total ambulance	676,022	676,022	499,065	176,957
Total public safety	1,532,314	1,532,314	1,219,545	312,769

(continued)

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2018

(continued)				Variance with
	Budgeted Amounts			Final Budget
	Original	Final	Actual	Favorable
				(Unfavorable)
Public works				
Highways and streets				
Salaries	201,139	201,139	173,804	27,335
Employee benefits	115,829	115,829	94,456	21,373
Street repairs	50,000	50,000	16,749	33,251
Maintenance and repairs	30,000	30,000	26,513	3,487
Supplies	2,000	2,000	2,094	(94)
Shop and general	25,000	25,000	33,111	(8,111)
Vehicle expense	30,000	30,000	33,695	(3,695)
Training	4,000	4,000	546	3,454
Professional services	500	500	55	445
Medical expense	2,500	2,500	219	2,281
Capital outlay	90,000	90,000	94,577	(4,577)
Total highways and streets	550,968	550,968	475,819	75,149
Airport				
Salaries	21,075	21,075	18,590	2,485
Employee benefits	3,199	3,199	2,836	363
Supplies	6,930	6,930	12,192	(5,262)
Repairs and maintenance	7,000	7,000	5,039	1,961
Professional services	5,400	5,400	2,700	2,700
Matching expense	4,500	4,500	4,109	391
Training	500	500		500
Grant expenditures	298,616	298,616	280,856	17,760
Capital outlay	2,000	2,000	3,620	(1,620)
Total airport	349,220	349,220	329,942	19,278
Total public works	900,188	900,188	805,761	94,427
Culture and recreation				
Parks				
Salaries	50,898	50,898	76,269	(25,371)
Employee benefits	16,664	16,664	38,760	(22,096)
Supplies	12,500	12,500	6,154	6,346
Repairs and maintenance	7,500	7,500	4,238	3,262
Training	500	500		500
Capital outlay			300	(300)
Total parks	88,062	88,062	125,721	(37,659)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Recreation				
Salaries	50,358	50,358	43,576	6,782
Employee benefits	29,470	29,470	28,726	744
Activities	18,029	18,029	17,054	975
Contract labor	3,000	3,000	1,795	1,205
Supplies	2,500	2,500	2,052	448
Repairs and maintenance	10,000	10,000	9,011	989
Training	1,500	1,500	1,042	458
Professional services	250	250	28	222
Capital outlay	23,000	23,000		23,000
Total recreation	138,107	138,107	103,284	34,823
Pool				
Salaries	78,100	78,100	77,584	516
Employee benefits	11,856	11,856	11,987	(131)
Supplies	34,000	34,000	35,900	(1,900)
Repairs and maintenance	20,000	20,000	26,629	(6,629)
Training	6,500	6,500	5,915	585
Professional services	500	500	407	93
Total pool	150,956	150,956	158,422	(7,466)
Library				
Salaries	95,454	95,454	94,030	1,424
Employee benefits	36,316	36,316	35,992	324
Supplies	30,000	30,000	22,882	7,118
Repairs and maintenance	14,100	14,100	11,843	2,257
Training	1,800	1,800	772	1,028
Activities	7,000	7,000	9,184	(2,184)
Lease expense	1,750	1,750	1,652	98
Grant expenditures	44,000	44,000	43,850	150
Capital outlay	12,000	12,000	12,331	(331)
Total library	242,420	242,420	232,536	9,884

(continued)

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2018

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Museum				
Salaries	51,543	51,543	48,085	3,458
Employee benefits	29,650	29,650	28,435	1,215
Supplies	6,000	6,000	9,272	(3,272)
Repairs and maintenance	3,000	3,000	4,233	(1,233)
Training	1,000	1,000	177	823
Professional services	1,000	1,000	880	120
Activities	250	250	335	(85)
Gift shop inventory			2,755	(2,755)
Lease			259	(259)
Grant expenditures	10,000	10,000		10,000
Capital outlay	13,000	13,000		13,000
Total museum	115,443	115,443	94,431	21,012
Total culture and recreation	734,988	734,988	714,394	20,594
Debt service				
Principal retirement	36,120	36,120	36,120	-
Interest and fiscal charges	1,301	1,301	1,301	-
Total debt service	37,421	37,421	37,421	-
Appropriated reserves	101,525	101,525		101,525
Total expenditures	\$ 5,183,185	\$ 5,183,185	\$ 3,999,119	\$ 1,184,066

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The City reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Airport Fund – This fund accounts for financial resources of the airport, including leases, taxes and state fuel taxes.
- Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.
- Youth Fund – This fund was established to account for mineral royalties and oil lease revenues, as well as provide transparency of the use of the money for youth programs.

CITY OF WRAY, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2018

	Airport Fund	Conservation Trust Fund	Youth Fund	Total
Assets				
Cash	\$ 104,943	\$ 159,613	\$ 10,201	\$ 274,757
Receivables			1,668	1,668
Total assets	<u>\$ 104,943</u>	<u>\$ 159,613</u>	<u>\$ 11,869</u>	<u>\$ 276,425</u>
Liabilities				
Unearned revenues	\$ 4,617			\$ 4,617
Total liabilities	4,617	\$ -	\$ -	4,617
Fund balance				
Restricted for:				
Culture and recreation		159,613		159,613
Committed for:				
Airport services	100,326			100,326
Youth activities			11,869	11,869
Total fund balance	<u>100,326</u>	<u>159,613</u>	<u>11,869</u>	<u>271,808</u>
Total liabilities and fund balance	<u>\$ 104,943</u>	<u>\$ 159,613</u>	<u>\$ 11,869</u>	<u>\$ 276,425</u>

CITY OF WRAY, COLORADO**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2018**

	<u>Airport Fund</u>	<u>Conservation Trust Fund</u>	<u>Youth Fund</u>	<u>Total</u>
Revenues				
Intergovernmental revenue	\$ 2,177	\$ 23,602		\$ 25,779
Charges for services	22,702			22,702
Miscellaneous	170	292	\$ 12,423	12,885
	<u>25,049</u>	<u>23,894</u>	<u>12,423</u>	<u>61,366</u>
Total revenues				
Expenditures				
Public works	14,931			14,931
Culture and recreation			8,225	8,225
	<u>14,931</u>	<u>-</u>	<u>8,225</u>	<u>23,156</u>
Total expenditures				
Net change in fund balances	10,118	23,894	4,198	38,210
Fund balance at beginning of year	90,208	135,719	7,671	233,598
Fund balance at end of year	<u>\$ 100,326</u>	<u>\$ 159,613</u>	<u>\$ 11,869</u>	<u>\$ 271,808</u>

CITY OF WRAY, COLORADO
Airport Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue				
State fuel taxes	\$ 3,000	\$ 3,000	\$ 2,177	\$ (823)
Charges for services				
Airport leases	9,989	9,989	12,219	2,230
Airport taxes	4,500	4,500	6,374	1,874
City match	4,500	4,500	4,109	(391)
Total charges for services	18,989	18,989	22,702	3,713
Miscellaneous				
Interest on investments	100	100	170	70
Total revenues	22,089	22,089	25,049	2,960
Expenditures				
Public works	14,931	14,931	14,931	-
Total expenditures	14,931	14,931	14,931	-
Net change in fund balance	\$ 7,158	\$ 7,158	10,118	\$ 2,960
Fund balance at beginning of year			90,208	
Fund balance at end of year			\$ 100,326	

CITY OF WRAY, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue				
Lottery proceeds	\$ 23,500	\$ 23,500	\$ 23,602	\$ 102
Miscellaneous				
Interest on investments	190	190	292	102
Total revenues	23,690	23,690	23,894	204
Expenditures				
Culture and recreation				-
Total expenditures	-	-	-	-
Net change in fund balance	\$ 23,690	\$ 23,690	23,894	\$ 204
Fund balance at beginning of year			135,719	
Fund balance at end of year			\$ 159,613	

CITY OF WRAY, COLORADO
Youth Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Miscellaneous				
Oil and gas lease	\$ 4,000	\$ 4,000	\$ 12,415	\$ 8,415
Interest on investments	20	20	8	(12)
Total revenues	4,020	4,020	12,423	8,403
Expenditures				
Culture and recreation	5,000	5,000	8,225	(3,225)
Total expenditures	5,000	5,000	8,225	(3,225)
Net change in fund balance	\$ (980)	\$ (980)	4,198	\$ 11,628
Fund balance at beginning of year			7,671	
Fund balance at end of year			\$ 11,869	

Budgetary Comparison Schedules – Enterprise Funds

The City reports the following major proprietary funds:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Electric Fund – This fund was established to account for all operations of the electric utility service provided by the City.
- Water Fund – This fund was established to account for all operations of the water utility service provided by the City.
- Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the City.
- Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the City.

CITY OF WRAY, COLORADO
Electric Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 2,365,000	\$ 2,365,000	\$ 2,626,066	\$ 261,066
Tap fees	1,750	1,750	2,500	750
Total operating revenues	2,366,750	2,366,750	2,628,566	261,816
Operating expenses				
Systems operation				
Salaries	152,972	152,972	96,117	56,855
Employee benefits	91,613	91,613	71,193	20,420
Electricity purchases	1,346,166	1,346,166	1,232,791	113,375
Supplies	13,500	13,500	10,497	3,003
Repairs and maintenance	75,000	75,000	49,235	25,765
Vehicle expense	9,000	9,000	12,125	(3,125)
Professional services	2,250	2,250	677	1,573
Training	4,000	4,000	2,428	1,572
Bad debts	4,200	4,200	211	3,989
Capital outlay			14,799	(14,799)
Total systems operation	1,698,701	1,698,701	1,490,073	208,628
Administrative and general				
Salaries	153,162	153,162	148,603	4,559
Employee benefits	103,256	103,256	86,121	17,135
Supplies	16,000	16,000	13,374	2,626
Repairs and maintenance	17,500	17,500	27,720	(10,220)
Training	3,500	3,500	3,912	(412)
Professional services	5,000	5,000	2,774	2,226
Lease expense	7,600	7,600	6,907	693
Miscellaneous	3,500	3,500	3,218	282
Total administrative and general	309,518	309,518	292,629	16,889
Total operating expenses	2,008,219	2,008,219	1,782,702	225,517
Operating income	358,531	358,531	845,864	487,333

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues				
Interest on investments	3,500	3,500	10,055	6,555
Miscellaneous	77,733	77,733	54,655	(23,078)
Total nonoperating revenues	81,233	81,233	64,710	(16,523)
Net income before transfers	439,764	439,764	910,574	470,810
Transfers out	(905,000)	(905,000)	(650,000)	255,000
Change in net position	<u>\$ (465,236)</u>	<u>\$ (465,236)</u>	260,574	<u>\$ 725,810</u>
Adjustments to GAAP Basis				
Add capital purchases			14,799	
Deduct depreciation			(87,896)	
Change in net position - GAAP Basis			187,477	
Net position at beginning of year, as restated			<u>2,780,732</u>	
Net position at end of year			<u>\$ 2,968,209</u>	

CITY OF WRAY, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 418,660	\$ 418,660	\$ 448,564	\$ 29,904
Tap fees	1,000	1,000	1,000	-
Total operating revenues	419,660	419,660	449,564	29,904
Operating expenses				
Salaries	39,023	39,023	37,372	1,651
Employee benefits	16,062	16,062	21,406	(5,344)
Power purchases	45,241	45,241	49,879	(4,638)
Supplies	12,000	12,000	12,702	(702)
Chemicals	6,500	6,500	6,288	212
Repairs and maintenance	50,000	50,000	52,781	(2,781)
Vehicle expense	5,567	5,567	6,100	(533)
Professional services	23,000	23,000	39,034	(16,034)
Training	2,000	2,000	1,904	96
Water fees	21,000	21,000	12,020	8,980
Bad debts	500	500		500
Grant expenditures	254,000	254,000		254,000
Capital outlay			132,120	(132,120)
Total operating expenses	474,893	474,893	371,606	103,287
Operating income (loss)	(55,233)	(55,233)	77,958	133,191
Nonoperating revenues				
Interest on investments	1,845	1,845	4,408	2,563
Grant revenue	127,000	127,000	66,060	(60,940)
Miscellaneous	20,000	20,000	13,025	(6,975)
Total nonoperating revenues	148,845	148,845	83,493	(65,352)
Net income before transfers	93,612	93,612	161,451	67,839
Transfers out	(55,000)	(55,000)		55,000
Change in net position	\$ 38,612	\$ 38,612	161,451	\$ 122,839

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Adjustments to GAAP Basis				
Add capital purchases			132,120	
Deduct depreciation			<u>(62,356)</u>	
Change in net position - GAAP Basis			231,215	
Net position at beginning of year, as restated			<u>2,862,599</u>	
Net position at end of year			<u><u>\$ 3,093,814</u></u>	

CITY OF WRAY, COLORADO
Sewer Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 396,232	\$ 396,232	\$ 383,479	\$ (12,753)
Tap fees	1,000	1,000	750	(250)
Total operating revenues	397,232	397,232	384,229	(13,003)
Operating expenses				
Salaries	85,786	85,786	64,365	21,421
Employee benefits	53,122	53,122	54,182	(1,060)
Power purchases	45,000	45,000	73,240	(28,240)
Supplies	5,987	5,987	11,503	(5,516)
Chemicals	14,000	14,000	13,481	519
Repairs and maintenance	56,000	56,000	15,759	40,241
Vehicle expense	5,000	5,000	428	4,572
Training	1,200	1,200	2,134	(934)
Professional services			1,954	(1,954)
Grant expenditures	136,680	136,680	10	136,670
Capital outlay			26,019	(26,019)
Total operating expenses	402,775	402,775	263,075	139,700
Operating income (loss)	(5,543)	(5,543)	121,154	126,697
Nonoperating revenues (expenses)				
Interest on investments	500	500	1,665	1,165
Miscellaneous	1,000	1,000		(1,000)
Grant revenue	161,680	161,680	22,898	(138,782)
Principal paid on notes	(118,000)	(118,000)	(76,010)	41,990
Interest and fiscal charges			(15,964)	(15,964)
Total nonoperating revenues (expenses)	45,180	45,180	(67,411)	(112,591)
Change in net position	\$ 39,637	\$ 39,637	53,743	\$ 14,106

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Adjustments to GAAP Basis				
Add capital purchases			26,019	
Add principal paid on notes			76,010	
Deduct depreciation			(239,693)	
Change in net position - GAAP Basis			(83,921)	
Net position at beginning of year, as restated			5,457,620	
Net position at end of year			\$ 5,373,699	

CITY OF WRAY, COLORADO
Sanitation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 318,000	\$ 318,000	\$ 315,124	\$ (2,876)
Operating expenses				
Salaries	118,836	118,836	104,743	14,093
Employee benefits	74,128	74,128	89,066	(14,938)
Supplies	5,000	5,000	5,144	(144)
Repairs and maintenance	15,000	15,000	18,224	(3,224)
Vehicle expense	25,000	25,000	21,023	3,977
Training	700	700	1,016	(316)
Landfill expense	53,000	53,000	52,220	780
Bad debts	500	500		500
Total operating expenses	292,164	292,164	291,436	728
Operating income	25,836	25,836	23,688	(2,148)
Nonoperating revenues (expenses)				
Interest on investments	1,200	1,200	2,997	1,797
Miscellaneous	4,000	4,000	7,471	3,471
Principal paid on leases	(29,765)	(29,765)	(29,765)	-
Interest and fiscal charges	(769)	(769)	(768)	1
Total nonoperating revenues (expenses)	(25,334)	(25,334)	(20,065)	5,269
Change in net position	\$ 502	\$ 502	3,623	\$ 3,121
Adjustments to GAAP Basis				
Add principal paid on leases			29,765	
Deduct depreciation			(29,031)	
Change in net position - GAAP Basis			4,357	
Net position at beginning of year, as restated			356,608	
Net position at end of year			\$ 360,965	

Budgetary Comparison Schedule – Fiduciary Fund

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds.

The City reports the following fiduciary fund:

Pension trust funds – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

- Fireman's Pension Fund – This fund was established to account for contributions made to a single-employer defined benefit plan on behalf of the City's volunteer fire fighters.

CITY OF WRAY, COLORADO
Fireman's Pension Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Additions				
Contributions				
Employer	\$ 17,608	\$ 17,608	\$ 17,722	\$ 114
State	7,900	7,900	8,804	904
Specific ownership tax	4,000	4,000	4,466	466
Total contributions	29,508	29,508	30,992	1,484
Investment income				
Interest on investments	800	800	854	54
Total investment income	800	800	854	54
Total additions	30,308	30,308	31,846	1,538
Deductions				
Pension benefits	24,460	24,460	23,520	940
Professional services	4,000	4,000	4,300	(300)
Appropriated reserves	1,848	1,848		1,848
Total deductions	30,308	30,308	27,820	2,488
Change in net position	\$ -	\$ -	4,026	\$ 4,026
Net position restricted for pension benefits				
Beginning of year			115,167	
End of year			\$ 119,193	

**Colorado Department of Highways
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the City's financial statements.

LOCAL HIGHWAY FINANCE REPORTCity or County:
City of Wray
YEAR ENDING :
December 31, 2018

This Information From The Records Of City of Wray:

Prepared By: Emily Ellis
Phone: 970-332-4431**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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	0
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	799,665	b. Snow and ice removal	60,582
3. Other local imposts (from page 2)	90,078	c. Other	989
4. Miscellaneous local receipts (from page 2)	28,155	d. Total (a. through c.)	61,571
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	974,805
a. Bonds - Original Issues		6. Total (1 through 5)	1,036,376
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	917,898	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	118,478	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	1,036,375	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,036,376

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,036,375	1,036,376	(0)	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): 12/18	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	6,287
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	(492)
4. Licenses		f. Charges for Services	12
5. Specific Ownership &/or Other	90,078	g. Other Misc. Receipts	22,348
6. Total (1. through 5.)	90,078	h. Other	
c. Total (a. + b.)	90,078	i. Total (a. through h.)	28,155
(Carry forward to page 1)		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	108,284	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	10,194	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	10,194	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	118,478	3. Total (1. + 2.g)	
		(Carry forward to page 1)	
Notes and Comments:			