

**TOWN OF FAIRPLAY**  
**FINANCIAL STATEMENTS**  
**WITH**  
**INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEAR ENDED**  
**December 31, 2019**

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## INTRODUCTORY SECTION

**TOWN OF FAIRPLAY, COLORADO  
BOARD OF TRUSTEES  
December 31, 2019**

**Board of Trustees**

Frank Just, Mayor  
Scott Dodge, Trustee  
Cindy Bear, Trustee  
Paul Kemp, Trustee  
Eve Stapp, Trustee

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## FINANCIAL SECTION

The discussion and analysis of the Town of Fairplay's financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

### **Financial Highlights**

The Town of Fairplay's governmental net position increased by \$431,853 and business-type net position decreased by \$47,908 for the year.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2019 by \$8,393,207 (*net position*). Of this amount, \$2,572,259 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- At the end of 2019 unrestricted net position for the proprietary funds (business-type activities) was \$1,405,667.

As of the close of fiscal year 2019, the Town's General Fund reported an ending fund balance of \$973,240 compared to the fiscal year 2018 balance of \$940,715.

- General Fund 2019 revenues increased by \$431,361 to \$2,002,276.
- General Fund 2019 expenditures increased by \$659,152 to \$1,969,751.

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

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

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

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town's major governmental fund is the General Fund. The Town has a Special Revenue fund that is a non-major fund and contains the Conservation Trust Fund.

Proprietary fund statements offer short and long-term financial information about the activities that the Town operates as a business. The Town operates two proprietary funds, the Water Fund and the Internal Service Fleet Fund.

Fiduciary fund statements provide information about financial relationships where the Town acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. The Town does not have any fiduciary funds.

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

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

The Town's total net position was \$8,393,207 as of December 31, 2019 and \$8,009,262 as of December 31, 2018. This represents an increase of \$383,945.

### **Government-Wide Financial Statements**

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include: General Fund, and Conservation Trust Fund. The Business-type Activities of the Town of Fairplay consists of Water Fund and Internal Service Fleet Fund.

## Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Fairplay, assets exceeded liabilities by approximately \$8 million at the close of 2019.

Net position of the Town at December 31 were as follows:

	CONDENSED STATEMENT OF NET POSITION					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>ASSETS</b>						
Current and Other Assets	1,519,696	1,466,062	1,827,780	1,852,646	3,347,476	3,318,708
Capital Assets	2,115,704	1,767,864	7,098,201	7,332,126	9,213,905	9,099,990
Total Assets	<u>3,635,400</u>	<u>3,233,926</u>	<u>8,925,981</u>	<u>9,184,772</u>	<u>12,561,381</u>	<u>12,418,698</u>
DEFERRED OUTFLOWS	<u>116,086</u>	<u>58,243</u>	<u>-</u>	<u>-</u>	<u>116,086</u>	<u>58,243</u>
<b>LIABILITIES</b>						
Current Liabilities	94,955	81,992	19,513	27,232	114,468	109,224
Noncurrent Liabilities	511,355	521,228	3,344,979	3,547,460	3,856,334	4,068,688
Total Liabilities	<u>606,310</u>	<u>603,220</u>	<u>3,364,492</u>	<u>3,574,692</u>	<u>3,970,802</u>	<u>4,177,912</u>
DEFERRED INFOWS	<u>257,127</u>	<u>232,752</u>	<u>56,331</u>	<u>57,014</u>	<u>313,458</u>	<u>289,766</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	1,636,553	1,261,411	3,766,301	3,796,826	5,402,854	5,058,237
Restricted	84,904	93,907	333,190	538,530	418,094	632,437
Unrestricted	1,166,592	1,100,878	1,405,667	1,217,710	2,572,259	2,318,588
Total Net Position	<u>2,888,049</u>	<u>2,456,196</u>	<u>5,505,158</u>	<u>5,553,066</u>	<u>8,393,207</u>	<u>8,009,262</u>

The statement of net position reflects a cash position totaling \$2,749,170. The bulk of the Town's resources, \$9,213,905 are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining of total assets are receivables.

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

## Changes in Net Position

Governmental activities increased the Town of Fairplay's net position by \$431,853.

Business activities decreased the Town's net position by \$47,908.

Town of Fairplay  
Management Discussion and Analysis  
December 31, 2019

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

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>PROGRAM REVENUES</b>						
Charges for Services	207,084	209,890	1,108,377	818,847	1,315,461	1,028,737
Operating Grants	240,088	114,825	-	-	240,088	114,825
Capital Grants	-	-	15,851	280,748	15,851	280,748
Total Program Revenues	<u>447,172</u>	<u>324,715</u>	<u>1,124,228</u>	<u>1,099,595</u>	<u>1,571,400</u>	<u>1,424,310</u>
<b>GENERAL REVENUES</b>						
Property Taxes	192,058	190,401	-	29,045	192,058	219,446
Specific Ownership Taxes	29,458	28,900	-	-	29,458	28,900
Sales Taxes	1,176,740	914,045	-	-	1,176,740	914,045
Franchise Taxes	53,623	49,271	-	-	53,623	49,271
Other Taxes	45,291	48,623	-	-	45,291	48,623
Interest Income	14,721	11,125	33,811	19,600	48,532	30,725
Insurance Proceeds	-	-	13	1,882	13	1,882
Gain (Loss) on Capital Assets	-	-	-	-	-	-
Other Revenues	49,701	7,489	-	-	49,701	7,489
Total General Revenues	<u>1,561,592</u>	<u>1,249,854</u>	<u>33,824</u>	<u>50,527</u>	<u>1,595,416</u>	<u>1,300,381</u>
Total Revenues & Transfers	<u>2,008,764</u>	<u>1,574,569</u>	<u>1,158,052</u>	<u>1,150,122</u>	<u>3,166,816</u>	<u>2,724,691</u>
<b>PROGRAM EXPENSES</b>						
General Government	474,728	430,417	-	-	474,728	430,417
Public Safety	441,952	197,508	-	-	441,952	197,508
Public Works	436,511	379,960	-	-	436,511	379,960
Culture and Recreation	206,278	192,048	-	-	206,278	192,048
Water	-	-	-	211,907	-	211,907
Utility	-	-	1,205,960	602,158	1,205,960	602,158
Interest	17,442	20,227	-	-	17,442	20,227
Total Program Expenses	<u>1,576,911</u>	<u>1,220,160</u>	<u>1,205,960</u>	<u>814,065</u>	<u>2,782,871</u>	<u>2,034,225</u>
<b>CHANGE IN NET POSITION</b>	431,853	354,409	(47,908)	336,057	383,945	690,466
<b>Special Item</b>	-	-	-	2,735,766	-	2,735,766
Net Position, Beginning	<u>2,456,196</u>	<u>2,101,787</u>	<u>5,553,066</u>	<u>2,481,243</u>	<u>8,009,262</u>	<u>4,583,030</u>
<b>NET POSITION, ENDING</b>	<u>2,888,049</u>	<u>2,456,196</u>	<u>5,505,158</u>	<u>5,553,066</u>	<u>8,393,207</u>	<u>8,009,262</u>

## Financial Analysis of the Town's Funds

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

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

General Fund – The General Fund went from a balance of \$940,715 to \$973,240. This increase is principally the result of governmental activity operating revenue sources exceeding operating costs. Total revenues increased by \$431,361. Expenditures increased by \$659,152.

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

Utility Fund – Utility Fund net position decreased by \$47,908.

Internal Service Fleet Fund – The Fleet Fund was created in 2015 this fund accounts for the purchase and maintenance of vehicles used by the Town. The ending net position is \$350,002.

### Capital Assets

Approximately 40% of the Town’s capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements.

	Balance 1/1/19	Additions	Deletions & Transfers	Balance 12/31/19
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 654,960	\$ -	\$ -	\$ 654,960
Construction in progress	<u>52,749</u>	<u>130,654</u>	<u>-</u>	<u>183,403</u>
Total capital assets not being depreciated	<u>707,709</u>	<u>130,654</u>	<u>-</u>	<u>838,363</u>
Capital assets being depreciated:				
Buildings and Improvements	788,625	207,121	-	995,746
Infrastructure	293,625	-	-	293,625
Streets Vehicles and Equipment	213,115	6,196	-	219,311
Police Vehicles and Equipment	95,333	-	-	95,333
Office Equipment & Software	20,596	12,240	15,446	17,390
Improvements - Parks	442,737	-	-	442,737
Equipment - Parks and Recreation	121,751	-	-	121,751
Equipment - Fleet	<u>147,468</u>	<u>50,825</u>	<u>-</u>	<u>198,293</u>
Total capital assets being depreciated	<u>2,123,250</u>	<u>276,382</u>	<u>15,446</u>	<u>2,384,186</u>
Less accumulated depreciation for:				
Buildings and Improvements	(153,675)	(19,267)	-	(172,942)
Infrastructure	(264,875)	(5,750)	-	(270,625)
Streets Vehicles and Equipment	(208,583)	(1,526)	-	(210,109)
Police Vehicles and Equipment	(77,253)	(6,289)	-	(83,542)
Office Equipment & Software	(20,596)	(1,224)	(15,446)	(6,374)
Improvements - Parks	(187,046)	(16,192)	-	(203,238)
Equipment - Parks and Recreation	(121,751)	-	-	(121,751)
Equipment - Fleet	<u>(29,314)</u>	<u>(11,491)</u>	<u>-</u>	<u>(40,805)</u>
Total Accumulated Depreciation	<u>(1,063,093)</u>	<u>(61,739)</u>	<u>(15,446)</u>	<u>(1,109,386)</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 1,767,866</u></b>	<b><u>\$ 345,297</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,113,163</u></b>

## Capital Assets (Continued)

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

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 138,112	\$ -	\$ -	\$ 138,112
Construction in progress	576,148	-	-	576,148
Total capital assets not being depreciated	<u>714,260</u>	-	-	<u>714,260</u>
Capital assets being depreciated:				
Buildings	253,639	-	-	253,639
Machinery & Equipment	289,661	42,910	-	332,571
Software and Meter Reading System	157,967	-	-	157,967
Transmission System & Lines	3,343,532	-	-	3,343,532
Water Treatment Plant	501,975	-	-	501,975
Sewer Treatment Plant	3,628,605	-	-	3,628,605
Galley System	604,409	-	-	604,409
Ditch/Drainage System	52,822	-	-	52,822
Fire Hydrants	53,878	-	-	53,878
Total capital assets being depreciated	<u>8,886,488</u>	<u>42,910</u>	-	<u>8,929,398</u>
Less accumulated depreciation for:				
Buildings	(73,882)	(7,196)	-	(81,078)
Machinery & Equipment	(107,248)	(12,462)	-	(119,710)
Software and Meter Reading System	(128,670)	(14,648)	-	(143,318)
Transmission System & Lines	(1,040,868)	(60,073)	-	(1,100,941)
Water Treatment Plant	(271,651)	(17,973)	-	(289,624)
Sewer Treatment Plant	(72,572)	(145,144)	-	(217,716)
Galley System	(540,496)	(16,316)	-	(556,812)
Ditch/Drainage System	(17,538)	(1,218)	-	(18,756)
Fire Hydrants	(15,698)	(1,804)	-	(17,502)
Total Accumulated Depreciation	<u>(2,268,623)</u>	<u>(276,834)</u>	-	<u>(2,545,457)</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 7,332,125</u></b>	<b><u>\$ (233,924)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,098,201</u></b>

## Long-Term Debt

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

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
<b>Governmental Activities:</b>				
Capital Leases Payable	184,827.00	12,240.00	22,535.00	174,532.00
2012 Certificates of Participation	318,023.00	-	16,673.00	301,351.00
Net Pension Liability	(25,991.00)	40,439.00	-	14,448.00
Accrued Compensated Absences	18,378.00	2,646.00	-	21,024.00
<b>Total</b>	<b><u>495,237.00</u></b>	<b><u>55,325.00</u></b>	<b><u>39,208.00</u></b>	<b><u>511,355.00</u></b>

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

Business-type Activities:	Balance			Balance
	<u>1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/19</u>
2018 Vectra Note Payable	3,535,300.00	-	203,400.00	3,331,900.00
Accrued Compensated Absences	<u>12,160.00</u>	<u>919.00</u>	<u>-</u>	<u>13,079.00</u>
<b>Total</b>	<b><u>3,547,460.00</u></b>	<b><u>919.00</u></b>	<b><u>203,400.00</u></b>	<b><u>3,344,979.00</u></b>

### General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Fairplay including: public safety (police), public works, parks and recreation, and general government services. The Town’s General Fund revenues were more than budgeted by \$151,271. The Town’s expenditures were \$38,268 less than budgeted.

### Economic Factors and Future Budgets and Rates

During the 2020 budgeting process, the factor that was considered for increased revenue was a prediction of increased sales tax revenue due to new businesses opening, and a consistent overall increase of sales tax revenue from existing businesses. Expenditures were budgeted based on the completion of planned capital projects and the general operation of the town.

### Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town’s finances. Questions concerning this or any additional information should be addressed to Town Treasurer, Town of Fairplay, P.O. Box 267, Fairplay, CO 80440.

# Mayberry & Company, LLC

Certified Public Accountants

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

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Board of Trustees  
Town of Fairplay  
Fairplay, Colorado

## Independent Auditors' Report

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fairplay, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *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 Town of Fairplay, Colorado, as of December 31, 2019, and the respective changes in financial position and, where applicable, and cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America

**Report on Summarized Comparative Information**

We have previously audited the Town of Fairplay's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matters**

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

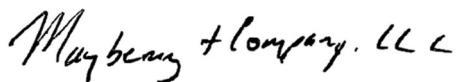
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M7 and pension schedules on pages 35-36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 37-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the budgetary comparison schedules listed as other supplementary information on pages 40-45 are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* on pages 46-50 is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



### ***BASIC FINANCIAL STATEMENTS***

The Basic Financial Statements provide a financial overview of the Town's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of all funds and activities as of December 31, 2019.

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TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ 293,336	\$ 60,894	\$ 354,230
Investments	669,105	1,331,851	2,000,956
Restricted Cash and Investments	60,794	333,190	393,984
Receivables			
Property Tax Receivable	201,066	-	201,066
Intergovernmental Receivables	227,696	-	227,696
Utility Receivable	-	101,845	101,845
Cash with Fiscal Agent	2,969	-	2,969
Other Receivables	42,989	-	42,989
Prepaid Expenses	21,741	-	21,741
Total Current Assets	<u>1,519,696</u>	<u>1,827,780</u>	<u>3,347,476</u>
<b>Noncurrent Assets</b>			
Capital Assets not being Depreciated	838,363	714,260	1,552,623
Capital Assets being Depreciated	2,384,186	8,929,398	11,313,584
Accumulated Depreciation	<u>(1,106,845)</u>	<u>(2,545,457)</u>	<u>(3,652,302)</u>
Total Noncurrent Assets	<u>2,115,704</u>	<u>7,098,201</u>	<u>9,213,905</u>
TOTAL ASSETS	<u>3,635,400</u>	<u>8,925,981</u>	<u>12,561,381</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Pension Outflows	<u>116,086</u>	<u>-</u>	<u>116,086</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 3,751,486</u>	<u>\$ 8,925,981</u>	<u>\$ 12,677,467</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 44,873	\$ 1,409	\$ 46,282
Accrued Liabilities	21,940	-	21,940
Accrued Salaries and Benefits	23,274	13,399	36,673
Deposits and Escrow	1,600	-	1,600
Accrued Interest Payable	<u>3,268</u>	<u>4,705</u>	<u>7,973</u>
Total Current Liabilities	<u>94,955</u>	<u>19,513</u>	<u>114,468</u>
<b>Noncurrent Liabilities</b>			
Due within one year	41,184	209,900	251,084
Due in more than one year	<u>470,171</u>	<u>3,135,079</u>	<u>3,605,250</u>
Total Noncurrent Liabilities	<u>511,355</u>	<u>3,344,979</u>	<u>3,856,334</u>
TOTAL LIABILITIES	<u>606,310</u>	<u>3,364,492</u>	<u>3,970,802</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Property Taxes	201,066	-	201,066
Net Pension Deferred Inflows	17,235	-	17,235
Deferred Grants	16,300	-	16,300
Other Deferred Inflows	<u>22,526</u>	<u>56,331</u>	<u>78,857</u>
TOTAL DEFERRED INFLOWS	<u>257,127</u>	<u>56,331</u>	<u>313,458</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,636,553	3,766,301	5,402,854
Restricted Net Position	84,904	333,190	418,094
Unrestricted Net Position	<u>1,166,592</u>	<u>1,405,667</u>	<u>2,572,259</u>
TOTAL NET POSITION	<u>2,888,049</u>	<u>5,505,158</u>	<u>8,393,207</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 3,751,486</u>	<u>\$ 8,925,981</u>	<u>\$ 12,677,467</u>

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

**TOWN OF FAIRPLAY**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>PROGRAM REVENUES</b>			
	<b>EXPENSES</b>	<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>	<b>CAPITAL GRANTS</b>
<b>FUNCTIONS/PROGRAMS</b>				
<b>Government Activities</b>				
Current:				
General Government	\$ 474,728	\$ 140,326	\$ 188,218	\$ -
Public Safety	441,952	14,798	-	-
Public Works	436,511	19,497	47,671	-
Culture and Recreation	206,278	32,463	4,199	-
Interest on Debt	17,442	-	-	-
<b>TOTAL GOVERNMENT ACTIVITIES</b>	<u>1,576,911</u>	<u>207,084</u>	<u>240,088</u>	<u>-</u>
<b>Business-type Activities</b>				
Current:				
Utility	1,205,960	1,108,377	-	15,851
<b>TOTAL GOVERNMENT</b>	<u>\$ 2,782,871</u>	<u>\$ 1,315,461</u>	<u>\$ 240,088</u>	<u>\$ 15,851</u>
<b>GENERAL REVENUES</b>				
Property Taxes				
Specific Ownership Taxes				
Sales Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Insurance Proceeds				
Other Revenues				
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				
<b>CHANGE IN NET POSITION</b>				
NET POSITION - Beginning				
NET POSITION - Ending				

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

**NET (EXPENSE) REVENUE AND**

**CHANGES IN NET POSITION**

<b>GOVERNMENT ACTIVITIES</b>	<b>BUSINESS - TYPE ACTIVITES</b>	<b>TOTAL</b>
\$ (146,184)	\$ -	\$ (146,184)
(427,154)	-	(427,154)
(369,343)	-	(369,343)
(169,616)	-	(169,616)
(17,442)	-	(17,442)
<u>(1,129,739)</u>	<u>-</u>	<u>(1,129,739)</u>
<u>-</u>	<u>(81,732)</u>	<u>(81,732)</u>
<u>(1,129,739)</u>	<u>(81,732)</u>	<u>(1,211,471)</u>
192,058	-	192,058
29,458	-	29,458
1,176,740	-	1,176,740
53,623	-	53,623
45,291	-	45,291
14,721	33,811	48,532
-	13	13
49,701	-	49,701
<u>1,561,592</u>	<u>33,824</u>	<u>1,595,416</u>
431,853	(47,908)	383,945
2,456,196	5,553,066	8,009,262
<u>\$ 2,888,049</u>	<u>\$ 5,505,158</u>	<u>\$ 8,393,207</u>

TOWN OF FAIRPLAY, COLORADO

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2019

With Comparative Totals for December 31, 2018

	General Fund	Other Funds	Total	
			2019	2018
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments				
Cash	\$ 103,363	\$ -	\$ 103,363	\$ 181,700
Investments	669,105	-	669,105	655,249
Restricted Cash and Investments	35,890	24,904	60,794	32,416
Receivables				
Property Tax Receivable	201,066	-	201,066	193,409
Intergovernmental Receivables	227,696	-	227,696	150,974
Cash with Fiscal Agent	2,969	-	2,969	2,667
Other Receivables	42,989	-	42,989	28,964
Prepaid Expenses	21,741	-	21,741	1,100
TOTAL ASSETS	<u>\$ 1,304,819</u>	<u>\$ 24,904</u>	<u>\$ 1,329,723</u>	<u>\$ 1,246,479</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 44,873	\$ -	\$ 44,873	\$ 38,865
Accrued Liabilities	21,940	-	21,940	18,864
Accrued Salaries and Benefits	23,274	-	23,274	19,060
Deposits and Escrow	1,600	-	1,600	1,600
TOTAL LIABILITIES	<u>91,687</u>	<u>-</u>	<u>91,687</u>	<u>78,389</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>				
Deferred Property Taxes	201,066	-	201,066	193,409
Deferred Grants	16,300	-	16,300	-
Other Deferred Inflows	22,526	-	22,526	13,050
TOTAL DEFERRED INFLOWS	<u>239,892</u>	<u>-</u>	<u>239,892</u>	<u>206,459</u>
<b>FUND BALANCE</b>				
Nonspendable Fund Balance	21,741	-	21,741	1,100
Restricted Fund Balance	60,000	24,904	84,904	67,916
Unassigned Fund Balance	891,499	-	891,499	892,615
TOTAL FUND BALANCE	<u>973,240</u>	<u>24,904</u>	<u>998,144</u>	<u>961,631</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,304,819</u>	<u>\$ 24,904</u>	<u>\$ 1,329,723</u>	<u>\$ 1,246,479</u>

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

**TOWN OF FAIRPLAY, COLORADO**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
DECEMBER 31, 2019**

<b>Fund Balance - Governmental Funds</b>		\$ 998,144
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 838,363	
Capital assets, being depreciated	2,185,893	
Accumulated depreciation	<u>(1,068,581)</u>	1,955,675
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Net deferred FPPA pension outflows	116,086	
Net FPPA pension liability	(14,448)	
Net deferred FPPA pension inflows	<u>(17,235)</u>	84,403
Internal Service operations primarily benefit Governmental Activities		
Internal Service Fund Net Position		350,002
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(174,532)	
Certificates of participation payable	(301,351)	
Accrued interest payable	(3,268)	
Accrued compensated absences	<u>(21,024)</u>	<u>(500,175)</u>
<b>Total Net Position - Governmental Activities</b>		<b><u>\$ 2,888,049</u></b>

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

TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**With Comparative Totals for the Year Ended December 31, 2018**

	General	Other	TOTAL	
	Fund	Funds	2019	2018
<b>REVENUES</b>				
Taxes	\$ 1,497,170	\$ -	\$ 1,497,170	\$ 1,231,240
Intergovernmental Revenues	224,672	6,449	231,121	105,641
Licenses and Permits	28,461	-	28,461	43,958
Fines and Forfeits	14,713	-	14,713	3,409
Charges for Services	163,913	-	163,913	162,524
Investment Earnings	14,681	39	14,720	11,125
Other Revenues	58,666	-	58,666	16,672
<b>TOTAL REVENUES</b>	<u>2,002,276</u>	<u>6,488</u>	<u>2,008,764</u>	<u>1,574,569</u>
<b>EXPENDITURES</b>				
Current:				
General Government	451,704	-	451,704	453,854
Public Safety	448,446	-	448,446	194,824
Public Works	240,231	-	240,231	216,073
Parks, Recreation and Other	182,142	-	182,142	175,855
Internal Charges	35,024	-	35,024	-
Capital Outlay	567,460	2,500	569,960	213,009
Debt Service	56,984	-	56,984	56,984
<b>TOTAL EXPENDITURES</b>	<u>1,981,991</u>	<u>2,500</u>	<u>1,984,491</u>	<u>1,310,599</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	20,285	3,988	24,273	263,970
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Proceeds	12,240	-	12,240	-
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	32,525	3,988	36,513	263,970
<b>FUND BALANCE, BEGINNING</b>	940,715	20,916	961,631	697,661
<b>FUND BALANCE, ENDING</b>	<u>\$ 973,240</u>	<u>\$ 24,904</u>	<u>\$ 998,144</u>	<u>\$ 961,631</u>

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

**TOWN OF FAIRPLAY, COLORADO**

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Change in Fund Balance - Governmental Funds</b>		\$	36,513
<p>Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level</p>			
Capitalized Asset Purchases	356,213		
Depreciation Expense	<u>(50,248)</u>		305,965
<p>Internal Service operations primarily benefit Governmental Activities</p>			
Change in net position - Internal Service Funds			38,257
<p>Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.</p>			
Change in deferred pension outflows	57,843		
Change in net pension liability/ asset	(40,439)		
Change in deferred pension inflows	<u>9,058</u>		26,462
<p>Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level</p>			
Proceeds from debt issuances	(12,240)		
Principal payments on capital leases	22,535		
Principal payments on certificates of participation	16,672		
Change in accrued interest payable	335		
Change in accrued compensated absences	<u>(2,646)</u>		<u>24,656</u>
<b>Change in Net Position - Governmental Activities</b>		<b>\$</b>	<b><u>431,853</u></b>

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

TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

DECEMBER 31, 2019

With Comparative Totals for December 31, 2018

	Business-type		Govt	
	Activities		Activities	
	Utility	Internal Service	Total	
Fund	Funds	2019	2018	
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments				
Cash	\$ 60,894	\$ 189,973	\$ 250,867	\$ 328,760
Investments	1,331,851	-	1,331,851	1,253,538
Restricted Cash and Investments	333,190	-	333,190	353,530
Receivables				
Intergovernmental Receivables	-	-	-	10,586
Utility Receivable	101,845	-	101,845	98,157
Cash with Fiscal Agent	-	-	-	1,666
Total Current Assets	<u>1,827,780</u>	<u>189,973</u>	<u>2,017,753</u>	<u>2,046,237</u>
<b>Noncurrent Assets</b>				
Capital Assets not being depreciated	714,260	-	714,260	714,260
Capital Assets being depreciated	8,929,398	198,293	9,127,691	6,765,334
Accumulated Depreciation	(2,545,457)	(38,264)	(2,583,721)	(29,314)
Total Noncurrent Assets	<u>7,098,201</u>	<u>160,029</u>	<u>7,258,230</u>	<u>7,450,280</u>
TOTAL ASSETS	<u>\$ 8,925,981</u>	<u>\$ 350,002</u>	<u>\$ 9,275,983</u>	<u>\$ 9,496,517</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 1,409	\$ -	\$ 1,409	\$ 13,114
Accrued Salaries and Benefits	13,399	-	13,399	9,099
Accrued Interest Payable	4,705	-	4,705	5,019
Total Current Liabilities	<u>19,513</u>	<u>-</u>	<u>19,513</u>	<u>27,232</u>
<b>Noncurrent Liabilities</b>				
Due within one year	209,900	-	209,900	203,400
Due in more than one year	3,135,079	-	3,135,079	3,344,060
Total Noncurrent Liabilities	<u>3,344,979</u>	<u>-</u>	<u>3,344,979</u>	<u>3,547,460</u>
TOTAL LIABILITIES	<u>3,364,492</u>	<u>-</u>	<u>3,364,492</u>	<u>3,574,692</u>
Other Deferred Inflows	56,331	-	56,331	57,014
<b>NET POSITION</b>				
Net Investment in Capital Assets	3,766,301	160,029	3,926,330	3,914,980
Restricted Net Position	333,190	-	333,190	538,530
Unrestricted Net Position	1,405,667	189,973	1,595,640	1,411,301
TOTAL NET POSITION	<u>5,505,158</u>	<u>350,002</u>	<u>5,855,160</u>	<u>5,864,811</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 8,925,981</u>	<u>\$ 350,002</u>	<u>\$ 9,275,983</u>	<u>\$ 9,496,517</u>

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

TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	Business-type		Govt	
	Activities		Activities	
	Utility	Internal Service	Total	
Fund	Funds	2019	2018	
<b>Operating Revenues</b>				
Utility Charges	\$ 1,081,641	\$ -	\$ 1,081,641	\$ 729,354
Internal Charges	-	47,207	47,207	41,307
Other Charges for Services	26,736	-	26,736	90,885
Total Revenues	<u>1,108,377</u>	<u>47,207</u>	<u>1,155,584</u>	<u>861,546</u>
<b>Operating Expenses</b>				
Management Fees/Internal Charges	24,580	-	24,580	-
Personnel Services	400,314	-	400,314	331,293
Administrative/Office Expenses	21,089	-	21,089	45,364
Insurance	11,473	-	11,473	2,740
Operating Supplies	20,277	-	20,277	19,225
Professional Fees	49,464	-	49,464	19,332
Repairs and Maintenance	173,416	-	173,416	64,660
Travel and Training	2,016	-	2,016	43
Treatment	1,449	-	1,449	3,078
Telephone and Utilities	86,342	-	86,342	47,624
Other Operating Expenses	8,668	-	8,668	9,534
Depreciation Expense	276,834	8,950	285,784	198,967
Other Capital Outlay	16,238	-	16,238	19,681
Total Expenditures	<u>1,092,160</u>	<u>8,950</u>	<u>1,101,110</u>	<u>761,541</u>
Operating Income (Loss)	<u>16,217</u>	<u>38,257</u>	<u>54,474</u>	<u>100,005</u>
<b>Other Income (Expense)</b>				
Tax Revenue	-	-	-	29,045
Investment Earnings	33,811	-	33,811	19,600
Other Revenue	13	-	13	1,882
Interest Expense	(113,800)	-	(113,800)	(61,474)
Total Other Income (Expense)	<u>(79,976)</u>	<u>-</u>	<u>(79,976)</u>	<u>(10,947)</u>
Net Income (Loss)	<u>(63,759)</u>	<u>38,257</u>	<u>(25,502)</u>	<u>89,058</u>
<b>Contributed Capital</b>				
Plant Investment Fees	15,851	-	15,851	29,702
Intergovernmental Revenue	-	-	-	251,046
Total Contributed Capital	<u>15,851</u>	<u>-</u>	<u>15,851</u>	<u>280,748</u>
<b>Change in Net Position</b>	(47,908)	38,257	(9,651)	369,806
<b>Net Position, Beginning</b>	<u>5,553,066</u>	<u>311,745</u>	<u>5,864,811</u>	<u>5,495,005</u>
<b>Net Position, Ending</b>	<u>\$ 5,505,158</u>	<u>\$ 350,002</u>	<u>\$ 5,855,160</u>	<u>\$ 5,864,811</u>

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

TOWN OF FAIRPLAY

**STATEMENT OF CASH FLOWS -**

**PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	Business-type		Govt	
	Activities		Activities	
	Utility	Internal Service	Total	
Fund	Funds	2019	2018	
<b>Cash Flows From Operating Activities:</b>				
Cash Received from Customers	\$ 1,104,006	\$ -	\$ 1,104,006	\$ 833,993
Cash Received from Interfund Services Provided	-	47,207	47,207	41,307
Cash Paid to Suppliers	(517,864)	-	(517,864)	(571,677)
Cash Paid for Interfund Services	(24,580)	-	(24,580)	-
Cash Paid to Employees	(279,366)	-	(279,366)	(180,256)
Net Cash Provided by Operating Activities	<u>282,196</u>	<u>47,207</u>	<u>329,403</u>	<u>123,367</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Tap Fees Received	15,851	-	15,851	29,702
Loan Proceeds	-	-	-	3,745,300
Cash from (to) Other Organizations	-	-	-	(2,334,164)
Debt Principal Payments	(203,400)	-	(203,400)	(210,000)
Grant Proceeds	10,586	-	10,586	240,460
Interest Payments	(114,115)	-	(114,115)	(56,455)
Proceeds of Capital Asset Sales	-	-	-	(572,151)
Acquisition of Capital Assets	(42,910)	(50,825)	(93,735)	27,016
Cash Flows Used by Capital and Related Financing Activities	<u>(333,988)</u>	<u>(50,825)</u>	<u>(384,813)</u>	<u>869,708</u>
<b>Cash Flows (Uses) From Noncapital Financing Activities:</b>				
Other Revenues (Expense)	13	-	13	1,882
Tax Revenue	1,666	-	1,666	52,308
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,679</u>	<u>-</u>	<u>1,679</u>	<u>54,190</u>
<b>Cash Flows (Uses) From Investing Activities:</b>				
Interest Received	33,811	-	33,811	19,600
<b>Net Increase (Decrease) in Cash</b>	(16,302)	(3,618)	(19,920)	1,066,865
<b>Cash - Beginning</b>	<u>1,742,237</u>	<u>193,591</u>	<u>1,935,828</u>	<u>868,963</u>
<b>Cash - Ending</b>	<u>\$ 1,725,935</u>	<u>\$ 189,973</u>	<u>\$ 1,915,908</u>	<u>\$ 1,935,828</u>
Cash	\$ 60,894	\$ 189,973	\$ 250,867	\$ 328,760
Investments	1,331,851	-	1,331,851	1,253,538
Restricted Cash and Investments	333,190	-	333,190	353,530
<b>Total</b>	<u>\$ 1,725,935</u>	<u>\$ 189,973</u>	<u>\$ 1,915,908</u>	<u>\$ 1,935,828</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</b>				
Operating Income (Loss)	\$ 16,217	\$ 38,257	\$ 54,474	\$ 100,005
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	276,835	8,950	285,785	198,967
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(3,687)	-	(3,687)	(44,225)
Accounts Receivable	-	-	-	965
(Increase) Decrease in:				
Accounts Payable	(11,704)	-	(11,704)	11,394
Accrued Liabilities	-	-	-	(203,974)
Accrued Salaries and Benefits	4,300	-	4,300	1,447
Accrued Compensated Absences	919	-	919	1,774
Other Deferred Inflows	(684)	-	(684)	57,014
<b>Total Adjustments</b>	<u>265,979</u>	<u>8,950</u>	<u>274,929</u>	<u>23,362</u>
<b>Net Cash Used for Operating Activities</b>	<u>\$ 282,196</u>	<u>\$ 47,207</u>	<u>\$ 329,403</u>	<u>\$ 123,367</u>

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

**REPORTING ENTITY**

The Town is a political subdivision of the State of Colorado governed by a five member board of trustees. The Town is a full-service entity providing public safety, public works, and parks and recreation services as well as providing water services.

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit or burden on the Town
- there is fiscal dependency by the organization on the Town

Based upon the application of these criteria, no additional organizations are includable within the Town's reporting entity. The previously reported blended component unit, The Fairplay Capital Leasing Corporation, no longer reports any activity.

**BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the government's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

**General Fund**

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

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

**Special Revenue Fund**

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

**Conservation Trust Fund (Nonmajor)**

This fund accounts for funds received through the State of Colorado Lottery/Conservation Trust Fund program. These funds are required to be spent on parks and recreation.

**Proprietary Fund**

The Town also reports the following proprietary funds:

**Enterprise Funds - Water Fund**

This fund accounts for the activities related to offering water service to the Town's residents. The operations for the Water Fund were transferred to the Utility Fund in 2018.

**Utility Fund**

This fund accounts for the activities related to distribution and collection of water related to water and sewer services to the Town's residents. This fund was established in July 2018 upon the acquisition of the Fairplay Sanitation District's operation and combined with the Town's existing Water Fund.

**Internal Service Funds – Internal Service Fund (Nonmajor)**

This fund accounts for the purchase and maintenance of vehicles used by the Town.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS** (Continued)

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** (Continued)

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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**BUDGETS AND BUDGETARY ACCOUNTING**

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

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

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

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE**

**Cash and Equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Allowance for Doubtful Accounts**

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE**  
(Continued)

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Town did not retroactively report infrastructure when those accounting standards were adopted.

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

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

Buildings	10 – 50 years
Infrastructure	20 years
Vehicles	5 – 10 years
Machinery and Equipment	3 – 20 years
Water System	15 – 100 years

**Accumulated Unused Leave/Compensated Absences**

The Town permits an employee to carry over unused personal leave to the next calendar year. The Town will compensate an employee for any unused personal time upon termination or resignation. The Town has reported the change in liability for unused personal time in Note 4.

**Deferred Outflows and Inflows of Resources**

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town reports deferred outflows related to pension liabilities as further described in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE**  
(Continued)

**Deferred Outflows and Inflows of Resources** (Continued)

In addition to liabilities, the statement of financial position and governmental balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government reports several items, one of which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred inflows related to property taxes and prepaid sales tax licenses, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. Sales tax licenses will be reported as revenue in the subsequent year to match the period the license is for. In addition, the Town reports deferred inflows related to pension liabilities as further described in Note 5.

**Net Position/Fund Equity**

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

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

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

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE**  
(Continued)

**Net Position/Fund Equity** (Continued)

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

All remaining governmental balances or deficits in the other governmental funds are presented as unassigned.

**Net Position/Fund Equity Flow Assumptions**

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

**REVENUES AND EXPENDITURES/EXPENSES**

**Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**Property Taxes**

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**REVENUES AND EXPENDITURES/EXPENSES**

**Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

**COMPARATIVE DATA**

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

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments is as follows:

Cash	\$	413,043
Cash on Hand		200
Investments		<u>2,335,927</u>
<b>Total Cash and Investments</b>	<b>\$</b>	<b><u>2,749,170</u></b>

These funds are allocated in the financial statements as follows:

Cash and Investments	\$	2,355,186
Restricted Cash and Investments		<u>393,984</u>
<b>Total Cash and Investments</b>	<b>\$</b>	<b><u>2,749,170</u></b>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

**Deposits**

The Town's deposits and cash held are comprised of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 495,766	\$ 371,935
PDPA Secured (Not in Entity's Name)	182,527	41,108
Petty Cash	-	200
<b>Total Cash</b>	<b><u>\$ 678,293</u></b>	<b><u>\$ 413,243</u></b>

Custodial Credit Risk - Deposits

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

**Investments**

Credit Risk

The Town invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are:

- 1) Safety,
- 2) Liquidity, and
- 3) Yield.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

**Investments** (Continued)

Credit Risk (Continued)

The Town Treasurer is responsible for all of the investments of the Town.

Eligible investments shall conform to state law and may include any of the following:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

During the year ended December 31, 2019, the Town invested funds in the Colorado Surplus Asset Fund (CSAFE) and Colotrust. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAM by the Standard and Poor's Corporation. The \$1,983,495 invested in Colotrust (PRIME) is reported at fair value (net asset value). The CSAFE (Cash Fund) investment of \$26,490 is reported at amortized cost.

Interest Rate Risk

The Town manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the Board of Trustees.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2019, the Town did not have any securities requiring safekeeping.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

**Restricted Cash and Investments**

The Town has restricted cash and investments as follows:

Restricted - Escrow Deposits	\$	37,672
Restricted - Conservation Trust		23,122
Restricted - Debt Service Reserve		333,190
<b>Total Restricted Cash</b>		<u>393,984</u>
Unrestricted		<u>2,355,187</u>
<b>Total Cash</b>	<b>\$</b>	<b><u>2,749,170</u></b>

**NOTE 3: CAPITAL ASSETS**

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

	Balance 1/1/19	Additions	Deletions & Transfers	Balance 12/31/19
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 654,960	\$ -	\$ -	\$ 654,960
Construction in progress	52,749	130,654	-	183,403
Total capital assets not being depreciated	<u>707,709</u>	<u>130,654</u>	<u>-</u>	<u>838,363</u>
Capital assets being depreciated:				
Buildings and Improvements	788,625	207,121	-	995,746
Infrastructure	293,625	-	-	293,625
Streets Vehicles and Equipment	213,115	6,196	-	219,311
Police Vehicles and Equipment	95,333	-	-	95,333
Office Equipment & Software	20,596	12,240	15,446	17,390
Improvements - Parks	442,737	-	-	442,737
Equipment - Parks and Recreation	121,751	-	-	121,751
Equipment - Fleet	147,468	50,825	-	198,293
Total capital assets being depreciated	<u>2,123,250</u>	<u>276,382</u>	<u>15,446</u>	<u>2,384,186</u>
Less accumulated depreciation for:				
Buildings and Improvements	(153,675)	(19,267)	-	(172,942)
Infrastructure	(264,875)	(5,750)	-	(270,625)
Streets Vehicles and Equipment	(208,583)	(1,526)	-	(210,109)
Police Vehicles and Equipment	(77,253)	(6,289)	-	(83,542)
Office Equipment & Software	(20,596)	(1,224)	(15,446)	(6,374)
Improvements - Parks	(187,046)	(16,192)	-	(203,238)
Equipment - Parks and Recreation	(121,751)	-	-	(121,751)
Equipment - Fleet	(29,314)	(11,491)	-	(40,805)
Total Accumulated Depreciation	<u>(1,063,093)</u>	<u>(61,739)</u>	<u>(15,446)</u>	<u>(1,109,386)</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 1,767,866</u></b>	<b><u>\$ 345,297</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,113,163</u></b>

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation has been allocated on the statement of activities as follows:

General Government	\$ 20,489
Public Safety	6,289
Public Works	7,277
Parks and Recreation	16,193
Fleet Internal Service Fund	<u>11,491</u>
<b>Total Governmental Activity Depreciation</b>	<b><u>\$ 61,739</u></b>

A summary of business-type activities capital assets at December 31, 2019 is as follows:

	<u>Balance</u> <u>1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/19</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 138,112	\$ -	\$ -	\$ 138,112
Construction in progress	<u>576,148</u>	-	-	<u>576,148</u>
Total capital assets not being depreciated	<u>714,260</u>	-	-	<u>714,260</u>
Capital assets being depreciated:				
Buildings	253,639	-	-	253,639
Machinery & Equipment	289,661	42,910	-	332,571
Software and Meter Reading System	157,967	-	-	157,967
Transmission System & Lines	3,343,532	-	-	3,343,532
Water Treatment Plant	501,975	-	-	501,975
Sewer Treatment Plant	3,628,605	-	-	3,628,605
Galley System	604,409	-	-	604,409
Ditch/Drainage System	52,822	-	-	52,822
Fire Hydrants	<u>53,878</u>	-	-	<u>53,878</u>
Total capital assets being depreciated	<u>8,886,488</u>	<u>42,910</u>	-	<u>8,929,398</u>
Less accumulated depreciation for:				
Buildings	(73,882)	(7,196)	-	(81,078)
Machinery & Equipment	(107,248)	(12,462)	-	(119,710)
Software and Meter Reading System	(128,670)	(14,648)	-	(143,318)
Transmission System & Lines	(1,040,868)	(60,073)	-	(1,100,941)
Water Treatment Plant	(271,651)	(17,973)	-	(289,624)
Sewer Treatment Plant	(72,572)	(145,144)	-	(217,716)
Galley System	(540,496)	(16,316)	-	(556,812)
Ditch/Drainage System	(17,538)	(1,218)	-	(18,756)
Fire Hydrants	<u>(15,698)</u>	<u>(1,804)</u>	-	<u>(17,502)</u>
Total Accumulated Depreciation	<u>(2,268,623)</u>	<u>(276,834)</u>	-	<u>(2,545,457)</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 7,332,125</u></b>	<b><u>\$ (233,924)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,098,201</u></b>

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 4: BONDS, NOTES AND LEASES PAYABLE**

**BUSINESS-TYPE ACTIVITIES**

The following is a schedule of changes in debt for the year ended December 31, 2019:

Business-type Activities:	Balance 1/1/19	Additions	Deletions	Balance 12/31/19	Current Portion	Interest Expense
2018 Vectra Note Payable	3,535,300.00	-	203,400.00	3,331,900.00	209,900.00	61,724.00
Accrued Compensated Absences	12,160.00	919.00	-	13,079.00	-	-
<b>Total</b>	<b><u>3,547,460.00</u></b>	<b><u>919.00</u></b>	<b><u>203,400.00</u></b>	<b><u>3,344,979.00</u></b>	<b><u>209,900.00</u></b>	<b><u>61,724.00</u></b>

Business-type activity bonds, notes and capital leases payable consist the following:

**Note Payable – Vectra Bank Note Payable – 2018 – Direct Placement**

On June 27, 2018, the Town issued a note payable in the amount of \$3,745,300 for the acquisition of capital and operations from Fairplay Sanitation District. The note requires semi-annual payments ranging from \$260,495 to \$620,868 on June 15th and December 15th, beginning on December 15, 2018 through December 2031. The notes bear an interest rate of 3.23% per annum. Payments will be made through the Utility Fund. The note is secured by the assets purchased from the Fairplay Sanitation District by the Town.

Principal and Interest Reserve - The note requires the creation of a Principal and Interest Account equal to one sixth of the next scheduled interest payment for the note payable and any parity debt and one twelfth of the next scheduled principal payment for the note payable and any parity debt to be deposited monthly. Since the most recent payment was made on December 15<sup>th</sup>, no requirement exists at year end.

Debt Service Reserve - In addition, the Note requires the establishment of a debt service reserve account equal to the smaller of 10% of the outstanding principal of the Note and related parity debt, the maximum annual debt service of the Note and related parity debt, or 125% of the average annual debt service on the Note and related parity debt. The lesser of the three is scheduled to be the 10% of the Note and parity debt outstanding at year end, or \$333,190 at December 31, 2019.

The following is a summary of required annual debt service payments:

Year	Principal	Interest	Total
2020	\$ 209,900	\$ 107,620	\$ 317,520
2021	216,700	100,841	317,541
2022	223,700	93,841	317,541
2023	231,000	86,616	317,616
2024	238,400	79,154	317,554
2025-2029	1,312,700	275,164	1,587,864
2030-2031	899,500	48,789	948,289
<b>Total</b>	<b><u>\$ 3,331,900</u></b>	<b><u>\$ 792,025</u></b>	<b><u>\$ 4,123,925</u></b>

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 4: **BONDS, NOTES, AND LEASES PAYABLE (Continued)**

**GOVERNMENTAL ACTIVITIES**

The following is a summary of governmental activity long-term debt.

	Balance			Balance	Current	Interest
Governmental Activities:	<u>1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/19</u>	<u>Portion</u>	<u>Expense</u>
Capital Leases Payable	184,827.00	12,240.00	22,535.00	174,532.00	23,780.00	4,832.00
2012 Certificates of Participation	318,023.00	-	16,673.00	301,351.00	17,404.00	14,258.00
Net Pension Liability	(25,991.00)	40,439.00	-	14,448.00	-	-
Accrued Compensated Absences	18,378.00	2,646.00	-	21,024.00	-	-
<b>Total</b>	<b><u>495,237.00</u></b>	<b><u>55,325.00</u></b>	<b><u>39,208.00</u></b>	<b><u>511,355.00</u></b>	<b><u>41,184.00</u></b>	<b><u>19,090.00</u></b>

**Certificates of Participation – Direct Placement**

On December 28, 2012, the Town issued \$405,000 of certificates of participation for the acquisition and remodeling of the property located at 901 Main Street. The certificates require semi-annual payments of \$15,497 on June 1 and December 1, beginning on June 1, 2013 through December 2032. The certificates bear an interest rate of 4.5% per annum. Payments will be made through the General Fund. These certificates were issued through the Fairplay Capital Leasing Corporation and subsequently leased to the Town. As the Fairplay Capital Leasing Corporation solely benefits the Town and only activity is collection of rent and payment of debt service, all activity has been eliminated in the financial statement presentation.

The following is a summary of required annual debt service payments:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 17,404	\$ 13,590	\$ 30,994
2021	18,245	12,749	30,994
2022	19,087	11,907	30,994
2023	19,968	11,026	30,994
2024	20,860	10,134	30,994
2025-2029	119,802	35,166	154,968
2030-2032	85,985	37,989	123,974
<b>Total</b>	<b><u>\$ 301,351</u></b>	<b><u>\$ 132,561</u></b>	<b><u>\$ 433,912</u></b>

**Capital Leases Payable – Direct Placements**

In 2014, the Town entered into a capital lease agreement for the purchase of a copier. The lease was for \$15,446, and requires 60 monthly payments of \$284. The lease bears interest at 2.8%. All payments related to this lease will be made by the General Fund and are included along with monthly maintenance charges in equipment rentals in the financial statements. The final lease payment was made in fiscal year 2019.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 4: **BONDS, NOTES, AND LEASES PAYABLE (Continued)**

**GOVERNMENTAL ACTIVITIES (Continued)**

**Capital Leases Payable – Direct Placements (Continued)**

In 2016, the Town entered into an equipment lease/purchase agreement for the purchase of land. The lease was for \$225,000 and requires semi-annual payments of \$12,995. All payments related to this lease will be made by the General Fund. The Town has capitalized assets with a remaining basis of \$450,000 related to the lease. The lease is additionally secured by Town equipment with a remaining basis of \$129,946. In the event of default, the lessor shall have the right at their option to take one or any combination of the following remedial steps: enforce the lease by appropriate action to collect amounts due or become due hereunder; take possession of the equipment, in which the lessee waives any and all damages resulting there from; terminate the lease agreement; sell, relet the equipment or any portion thereof, if the proceeds are less than the sum of: (i) the costs of such repossession, sale, relocation, storage, reconditioning, reletting and reinstallation; (ii) the unpaid principal balance; (iii) any past due amounts hereunder, all of which shall be paid to lessor, lessor shall retain all such proceeds, and lessee shall remain liable for any deficiency; pursue and exercise any other remedy available at law or in equity, with the town being liable for any and all costs and expenses incurred by lessor in connection with the exercise of any remedies.

The following is a summary of required annual lease payments:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 21,486	\$ 4,504	\$ 25,990
2021	22,100	3,890	25,990
2022	22,732	3,258	25,990
2023	23,383	2,607	25,990
2024	24,051	1,939	25,990
2025-2026	50,187	1,793	51,980
<b>Total</b>	<b><u>\$ 163,939</u></b>	<b><u>\$ 17,991</u></b>	<b><u>\$ 181,930</u></b>

In 2019, the Town entered into a capital lease agreement for the purchase of a copier. The lease was for \$12,240, and requires 60 monthly payments of \$231. The lease bears an estimated interest at 5.0%. All payments related to this lease will be made by the General Fund and are included along with monthly maintenance charges in equipment rentals in the financial statements. The Town has capitalized assets with a remaining basis of \$11,016 related to the lease. In the event of non-appropriation and the Town wishes to cancel the lease agreement because: funds are not appropriated for a fiscal period subsequent to the one in which the agreement was entered into which are sufficient to satisfy all of your obligations under the agreement during said fiscal period; such non-appropriation did not result from any act or failure to act of the town; the town has exhausted all funds legally available for all payment due under the agreement; and there is no other legal procedures by which payment can be made to lessor. In receipt of the equipment delivered at the Towns expense, lessor’s remedies for such a default shall be to terminate the lease agreement at the end of the fiscal period during which notice is given; retain the advance payments, if any; and/or sell, dispose of, hold, use or rent the equipment as lessor in its sole discretion may desire, without any duty to account to the Town.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 4: BONDS, NOTES, AND LEASES PAYABLE (Continued)**

**GOVERNMENTAL ACTIVITIES (Continued)**

**Capital Leases Payable- Direct Placements (Continued)**

The following is a summary of required annual lease payments:

Year	Principal	Interest	Total
2020	\$ 2,294	\$ 478	\$ 2,772
2021	2,412	360	2,772
2022	2,535	237	2,772
2023	2,665	107	2,772
2024	687	6	693
<b>Total</b>	<b>\$ 10,593</b>	<b>\$ 1,188</b>	<b>\$ 11,781</b>

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2018, that can be obtained at <http://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.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)** (Continued)

**General Information about the Pension Plan** (Continued)

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

A member is eligible for an early retirement 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 election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. 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 22 percent of base salary in 2018. 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 also had 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.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)** (Continued)

**General Information about the Pension Plan** (Continued)

The contribution rate for members and employers of affiliated social security employers is 5 percent and 4 percent, respectively, of base salary for a total contribution rate of 8 percent in 2018. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022. The Town is not an affiliated social security employer.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$6,124 for the plan year ended December 31, 2018 and \$18,041 for the fiscal year ended December 31, 2019. The current year contributions will be expensed in 2020 for FPPA purposes, December 31, 2019 employer contributions for reporting as of December 31, 2020, and are a timing difference at year end.

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

At December 31, 2019, the Town reported a liability of \$14,448 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The Town's proportion of the net pension liability was based on Town's contributions to the SWDB for the calendar year 2018 relative to the total contributions of participating employers to the SWDB.

At December 31, 2019, the Town's proportion was .011428%, which was a decrease of .006638% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the Town recognized pension expense of \$6,680. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 27,339	\$ (371)
Changes of assumptions or other inputs	\$ 17,297	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 27,668	\$ (15,676)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 25,741	\$ (1,188)
Contributions subsequent to the measurement date	\$ 18,041	\$ -
Total	\$ 116,086	\$ (17,235)

\$18,041 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2020.

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

Year Ended December 31:	Fiscal year Total
2020	\$ 16,271
2021	10,222
2022	7,987
20230	13,212
2024	8,925
2025-2028	24,193
Total	\$ 80,810

*Actuarial assumptions.* The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of pension plan	7.00%
Salary increase, including wage inflation	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarial determined contributions, 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 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.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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, 2018 are summarized in the following table:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.03%
Equity Long/Short	9.00%	6.45%
Illiquid Alternatives	24.00%	10.00%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H .15)); and the resulting Single Discount Rate is 7.00 percent.

*Sensitivity of the proportionate share of the net pension asset (liability) 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 plan's net pension liability, calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)** (Continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	\$ (56,027)	\$ (14,448)	\$ 20,041

**DEFINED CONTRIBUTION PLAN**

The Town provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

The plan is administered by ICMA Retirement Corporation and covers all full-time Town employees excluding police officers. Employees are eligible to participate immediately. A contractual agreement between the Town and ICMA requires the Town to contribute an amount equal to three percent of all employees' salaries, and a mandatory employee contribution of three percent. The Town's contributions for each employee become fully vested after five years of service. These contributions are paid to ICMA and ICMA administers the plan. The Town made the required contributions of 3.00% for employees amounting to a total of \$15,326 and plan members contributed a total of \$15,326 for the year ending December 31, 2019.

**DEFERRED COMPENSATION PLAN**

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Sec. 457. The plan is administered by ICMA-RC. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years. Employees contributed \$41,754 to this plan for the fiscal year. There were no employer contributions.

**NOTE 6: COMMITMENTS AND CONTINGENCIES**

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2019.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 7: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS**

**Tax Spending and Debt Limitations**

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

The Town's financial activity for the year ended December 31, 2019 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

At an April 2, 1996 election, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1996, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

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

The Article requires an emergency reserve be set aside for 2019 in the amount of 3% or more of its fiscal year spending. At December 31, 2019, the Town has reserved the following for emergencies:

General Fund	\$ <u>60,000</u>
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Other Restrictions

The Town has also restricted the fund balance in its Conservation Trust Fund as its use is limited by statute. The Town has restricted net position in the Utility Fund for the Debt Service Reserve as disclosed in Note 4.

**NOTE 8: RISK MANAGEMENT**

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

The Town carries all insurance through commercial insurance carriers. Risk of loss is transferred to those carriers.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2019.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Pension Schedules Unaudited)**

TOWN OF FAIRPLAY

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE  
 NET PENSION ASSET (LIABILITY)  
 FPPA SWDB Pension Plan  
 Last 10 Fiscal Years<sup>(1)</sup>

<u>Fiscal Year Ended</u>	<u>Town's proportion of the net pension asset (liability)</u>	<u>Town's proportionate share of the net pension asset (liability)</u>	<u>Town's covered payroll</u>	<u>Town's proportionate share of the net pension asset (liability) as a</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2014	0.032846%	\$ 29,370	\$ 142,663	20.59%	105.83%
December 31, 2015	0.002750%	\$ 31,031	\$ 123,650	25.10%	106.83%
December 31, 2016	0.029132%	\$ 514	\$ 141,225	0.36%	100.10%
December 31, 2017	0.029031%	\$ (10,490)	\$ 148,575	7.06%	98.21%
December 31, 2018	0.018066%	\$ 25,991	\$ 105,675	24.60%	106.34%
December 31, 2019	0.011428%	\$ (14,448)	\$ 76,550	-18.87%	95.20%

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

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**TOWN OF FAIRPLAY**

**SCHEDULE OF TOWN CONTRIBUTIONS**

**FPPA SWDB Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
December 31, 2014	\$ 11,413	(11,413)	\$ -	\$ 142,663	8.00%
December 31, 2015	\$ 9,892	(9,892)	\$ -	\$ 123,650	8.00%
December 31, 2016	\$ 11,298	(11,298)	\$ -	\$ 141,225	8.00%
December 31, 2017	\$ 11,886	(11,886)	\$ -	\$ 148,575	8.00%
December 31, 2018	\$ 8,454	(8,454)	\$ -	\$ 105,675	8.00%
December 31, 2019	\$ 6,124	(6,124)	\$ -	\$ 76,550	8.00%

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

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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**BUDGETARY COMPARISON SCHEDULES**  
**(Required Supplementary Information)**

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019				
	Original	Final		Variance	2018
	Budget	Budget	Actual	With Final Budget	Actual
<b>REVENUES</b>					
<b>Taxes</b>					
Property Taxes	\$ 193,409	\$ 193,409	\$ 192,058	\$ (1,351)	\$ 190,401
Specific Ownership Taxes	26,000	30,000	29,458	(542)	28,900
Sales Taxes	961,838	1,054,689	1,176,740	122,051	914,045
Franchise Taxes	50,000	50,000	53,623	3,623	49,271
Other Taxes	36,500	43,055	45,291	2,236	48,623
Total Tax Revenue	<u>1,267,747</u>	<u>1,371,153</u>	<u>1,497,170</u>	<u>126,017</u>	<u>1,231,240</u>
<b>Intergovernmental Revenues</b>					
Cigarette Taxes	2,200	2,600	2,752	152	2,651
Highway Users	32,000	40,000	40,343	343	39,559
Road and Bridge	7,000	8,000	7,327	(673)	7,309
Clerk/Motor Vehicle Fees	3,700	3,700	3,542	(158)	2,536
Mineral Lease	1,000	451	451	-	390
Severance Tax	2,500	4,212	4,212	-	2,317
State Grants	23,000	123,115	123,162	47	26,739
Other Intergovernmental	13,000	41,541	42,883	1,342	20,520
Total Intergovernmental Revenue	<u>84,400</u>	<u>223,619</u>	<u>224,672</u>	<u>1,053</u>	<u>102,021</u>
<b>Licenses and Permits</b>					
Liquor Licenses	2,000	3,032	3,383	351	6,105
Building Permits	5,240	6,240	6,805	565	8,729
Annexation/Other P&Z Fees	2,000	500	1,988	1,488	1,803
Animal Licenses	100	85	85	-	100
Business Licenses	6,700	6,725	6,675	(50)	6,750
Other Licenses and Permits	12,800	9,668	9,525	(143)	20,471
Total Licenses and Permits	<u>28,840</u>	<u>26,250</u>	<u>28,461</u>	<u>2,211</u>	<u>43,958</u>
<b>Fines and Forfeits</b>	<u>35,950</u>	<u>14,723</u>	<u>14,713</u>	<u>(10)</u>	<u>3,409</u>
<b>Charges for Services</b>					
Utility Charges	10,800	10,800	10,705	(95)	10,651
Recreation/Special Event Charges	26,000	33,742	32,463	(1,279)	49,306
Rents	13,200	9,000	9,985	985	18,494
Internal Charges	12,397	12,397	12,397	-	-
Other Charges for Services	99,494	97,696	98,363	667	84,073
Total Charges for Services	<u>161,891</u>	<u>163,635</u>	<u>163,913</u>	<u>278</u>	<u>162,524</u>
<b>Investment Earnings</b>	<u>8,625</u>	<u>15,160</u>	<u>14,681</u>	<u>(479)</u>	<u>11,091</u>
<b>Other Revenues</b>					
Donations	8,500	8,965	8,965	-	9,184
Other Miscellaneous Revenue	6,000	27,500	49,701	22,201	7,488
Total Other Revenue	<u>14,500</u>	<u>36,465</u>	<u>58,666</u>	<u>22,201</u>	<u>16,672</u>
<b>TOTAL REVENUES</b>	<u>1,601,953</u>	<u>1,851,005</u>	<u>2,002,276</u>	<u>151,271</u>	<u>1,570,915</u>

See accompanying Independent Auditors' Report.  
(Continued)

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	<b>2019</b>			<b>Variance With Final Budget</b>	<b>2018 Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		
(Continued)					
<b>EXPENDITURES</b>					
<b>General Government</b>					
Personnel Services	198,425	223,653	229,848	6,195	249,080
Equipment Rentals	5,300	5,000	3,966	1,034	5,296
Fuel and Automotive	3,600	3,600	3,600	-	3,600
Insurance	17,208	24,686	24,686	-	14,976
Professional Fees	44,480	54,480	48,023	6,457	40,322
Repairs and Maintenance	5,000	5,000	3,387	1,613	10,877
Supplies	4,600	5,500	5,102	398	4,441
Telephone and Utilities	29,000	26,600	25,291	1,309	15,916
Travel and Training	9,500	11,500	11,689	(189)	16,753
Other Expenses	91,450	100,436	96,112	4,324	92,593
Total General Government	<u>408,563</u>	<u>460,455</u>	<u>451,704</u>	<u>21,141</u>	<u>453,854</u>
<b>Public Safety</b>					
Personnel Services	363,004	392,578	391,583	995	154,484
Fuel and Automotive	7,000	12,000	11,623	377	18,072
Professional Fees	6,000	1,500	985	515	600
Repairs and Maintenance	7,000	21,000	13,169	7,831	6,374
Supplies	6,000	5,516	4,905	611	3,932
Telephone and Utilities	4,200	4,500	4,733	(233)	2,641
Travel and Training	6,500	2,250	1,427	823	114
Other Expenses	13,050	22,738	20,021	2,717	8,607
Total Public Safety	<u>412,754</u>	<u>462,082</u>	<u>448,446</u>	<u>13,636</u>	<u>194,824</u>
<b>Public Works</b>					
Personnel Services	150,600	159,673	160,860	(1,187)	158,589
Equipment Rentals	-	-	-	-	16,703
Fuel and Automotive	4,000	5,000	5,238	(238)	4,606
Repairs and Maintenance	22,000	37,700	40,517	(2,817)	13,948
Supplies	11,000	23,500	22,001	1,499	19,540
Telephone and Utilities	2,400	9,775	10,840	(1,065)	1,695
Travel and Training	1,000	1,000	775	225	992
Total Public Works/Comm Devel	<u>191,000</u>	<u>236,648</u>	<u>240,231</u>	<u>(3,583)</u>	<u>216,073</u>
<b>Parks, Recreation and Other</b>					
Special Events	130,800	147,607	151,319	(3,712)	149,821
Repairs and Maintenance	500	1,500	1,564	(64)	8,574
Supplies	4,000	4,000	3,371	629	15,978
Telephone and Utilities	550	475	380	95	317
Other Expenses	27,200	25,508	25,508	-	1,165
Total Parks, Recreation & Other	<u>163,050</u>	<u>179,090</u>	<u>182,142</u>	<u>(3,052)</u>	<u>175,855</u>
<b>Internal Charges</b>	<u>31,564</u>	<u>35,779</u>	<u>35,024</u>	<u>755</u>	<u>-</u>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	<b>2019</b>			<b>Variance With Final Budget</b>	<b>2018 Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		
(Continued)					
<b>Capital Outlay</b>					
General Government Capital Outlay	-	235,000	239,761	(4,761)	-
Public Works Capital Outlay	230,000	210,000	200,310	9,690	160,260
Parks, Recreation and Other Capital Outlay	<u>100,000</u>	<u>119,591</u>	<u>115,149</u>	<u>4,442</u>	<u>52,749</u>
Total Capital Outlay	<u>330,000</u>	<u>564,591</u>	<u>555,220</u>	<u>9,371</u>	<u>213,009</u>
<b>Debt Service</b>					
Principal and Interest	<u>56,984</u>	<u>56,984</u>	<u>56,984</u>	-	<u>56,984</u>
TOTAL EXPENDITURES	<u>1,593,915</u>	<u>1,995,629</u>	<u>1,969,751</u>	<u>38,268</u>	<u>1,310,599</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ 8,038</u>	<u>\$ (144,624)</u>	32,525	<u>\$ 189,539</u>	260,316
<b>Budget to GAAP Basis Reconciliation</b>					
Debt Proceeds			(12,240)		-
Capital Outlay			<u>12,240</u>		<u>-</u>
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			32,525		260,316
<b>FUND BALANCE, BEGINNING</b>			<u>940,715</u>		<u>680,399</u>
<b>FUND BALANCE, ENDING</b>			<u>\$ 973,240</u>		<u>\$ 940,715</u>

See accompanying Independent Auditors' Report.

**OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF FAIRPLAY, COLORADO**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2019**

**With Comparative Totals for December 31, 2018**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust Fund</b>	<b>Total</b>	
		<b>2019</b>	<b>2018</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Restricted Cash and Investments	\$ 24,904	\$ 24,904	\$ 20,916
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>FUND BALANCE</b>			
Restricted Fund Balance	\$ 24,904	\$ 24,904	\$ 20,916

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**With Comparative Totals for the Year Ended December 31, 2018**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust</b>	<b>Total</b>	
	<b>Fund</b>	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 6,449	\$ 6,449	\$ 3,620
Investment Earnings	39	39	34
<b>TOTAL REVENUES</b>	<b>6,488</b>	<b>6,488</b>	<b>3,654</b>
<b>EXPENDITURES</b>			
Capital Outlay	2,500	2,500	-
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	<b>3,988</b>	<b>3,988</b>	<b>3,654</b>
<b>FUND BALANCE, BEGINNING</b>	<b>20,916</b>	<b>20,916</b>	<b>17,262</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 24,904</b>	<b>\$ 24,904</b>	<b>\$ 20,916</b>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**Conservation Trust Fund**

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
<b>REVENUES</b>					
<b>Intergovernmental Revenues</b>					
Cons Trust Fund Revenue	\$ 3,300	\$ 4,000	\$ 4,199	\$ 199	\$ 3,620
Other Intergovernmental	25,000	2,250	2,250	-	-
Total Intergovernmental Revenue	28,300	6,250	6,449	199	3,620
<b>Investment Earnings</b>	24	40	39	(1)	34
TOTAL REVENUES	28,324	6,290	6,488	198	3,654
<b>EXPENDITURES</b>					
<b>Capital Outlay</b>					
Parks, Recreation and Other Capital Outlay	28,000	2,500	2,500	-	-
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ 324</u>	<u>\$ 3,790</u>	3,988	<u>\$ 198</u>	3,654
<b>FUND BALANCE, BEGINNING</b>			20,916		17,262
<b>FUND BALANCE, ENDING</b>			<u>\$ 24,904</u>		<u>\$ 20,916</u>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL**

**Water Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019		Variance with Final Budget	2018
	Final Budget	Actual		Actual
<b>Operating Revenues</b>				
Utility Charges	\$ -	\$ -	\$ -	\$ 198,911
Other Charges for Services	-	-	-	83,389
Total Revenues	-	-	-	282,300
<b>Operating Expenses</b>				
Personnel Services	-	-	-	140,778
Administrative/Office Expenses	-	-	-	32,144
Operating Supplies	-	-	-	10,734
Professional Fees	-	-	-	2,400
Repairs and Maintenance	-	-	-	4,093
Treatment	-	-	-	2,520
Telephone and Utilities	-	-	-	6,768
Other Operating Expenses	-	-	-	4,176
Other Capital Outlay	-	-	-	8,294
Total Expenditures	-	-	-	211,907
Operating Income (Loss)	-	-	-	70,393
<b>Other Income (Expense)</b>				
Investment Earnings	-	-	-	3,524
<b>Transfers</b>				
Transfers In/(Out)	-	-	-	2,735,766
Net Income (Loss), Budget Basis	-	-	-	2,809,683
<b>Contributed Capital</b>				
Plant Investment Fees	-	-	-	5,500
Change in Net Position (Budget Basis)	\$ -	-	\$ -	2,815,183
<b>Budget to GAAP Reconciliation</b>				
Special Item - Transfer to Utility Fund			-	(5,296,426)
Net Position, Beginning			-	2,481,243
Net Position, Ending	\$ -	-	\$ -	-

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL**

**Utility Fund**

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019			Variance with Final Budget	2018
	Original Budget	Final Budget	Actual		Actual
<b>Operating Revenues</b>					
Utility Charges	\$ 1,058,800	\$ 1,063,550	\$ 1,081,641	\$ 18,091	\$ 530,443
Other Charges for Services	12,480	12,921	26,736	13,815	6,104
Total Revenues	<u>1,071,280</u>	<u>1,076,471</u>	<u>1,108,377</u>	<u>31,906</u>	<u>536,547</u>
<b>Operating Expenses</b>					
Management Fees/Internal Charges	23,533	24,408	24,580	(172)	-
Personnel Services	384,435	417,751	400,314	17,437	190,515
Administrative/Office Expenses	21,500	21,857	21,089	768	13,220
Insurance	17,116	11,473	11,473	-	2,740
Operating Supplies	21,500	22,200	20,277	1,923	8,491
Professional Fees	22,220	52,290	49,464	2,826	16,932
Repairs and Maintenance	135,500	196,170	173,416	22,754	60,567
Travel and Training	6,000	3,000	2,016	984	43
Treatment	1,700	1,700	1,449	251	558
Telephone and Utilities	91,900	88,900	86,342	2,558	40,856
Other Operating Expenses	10,400	12,678	8,668	4,010	5,358
Other Capital Outlay	10,000	46,000	59,148	(13,148)	366,506
Total Expenditures	<u>745,804</u>	<u>898,427</u>	<u>858,236</u>	<u>40,191</u>	<u>705,786</u>
Operating Income (Loss)	<u>325,476</u>	<u>178,044</u>	<u>250,141</u>	<u>72,097</u>	<u>(169,239)</u>
<b>Other Income (Expense)</b>					
Tax Revenue	-	-	-	-	29,045
Investment Earnings	25,000	35,500	33,811	(1,689)	16,076
Other Revenue	200	50	13	(37)	1,882
Debt Service	(317,590)	(317,515)	(317,200)	315	(271,474)
Total Other Income (Expense)	<u>(292,390)</u>	<u>(281,965)</u>	<u>(283,376)</u>	<u>(1,411)</u>	<u>(224,471)</u>
Net Income (Loss), Budget Basis	33,086	(103,921)	(33,235)	70,686	(393,710)
<b>Contributed Capital</b>					
Plant Investment Fees	8,351	15,851	15,851	-	24,202
Intergovernmental Revenue	-	4,997	-	(4,997)	251,046
Total Contributed Capital	<u>8,351</u>	<u>20,848</u>	<u>15,851</u>	<u>(4,997)</u>	<u>275,248</u>
Change in Net Position (Budget Basis)	<u>\$ 41,437</u>	<u>\$ (83,073)</u>	<u>(17,384)</u>	<u>\$ 65,689</u>	<u>(118,462)</u>
<b>Budget to GAAP Reconciliation</b>					
Principal Paid			203,400		210,000
Depreciation Expense			(276,834)		(190,017)
Capital Outlay			42,910		355,119
Change in Net Position - GAAP Basis			(47,908)		256,640
Net Position, Beginning			5,553,066		5,296,426
Net Position, Ending			<u>\$ 5,505,158</u>		<u>\$ 5,553,066</u>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL**

**Internal Service Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	<b>2019</b>			<b>2018</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	
<b>Operating Revenues</b>				
Internal Charges	\$ 48,458	\$ 47,207	\$ (1,251)	\$ 41,308
Other Charges for Services	-	-	-	1,392
Total Revenues	<u>48,458</u>	<u>47,207</u>	<u>(1,251)</u>	<u>42,700</u>
<b>Operating Expenses</b>				
Other Capital Outlay	<u>50,825</u>	<u>50,825</u>	<u>-</u>	<u>-</u>
Change in Net Position (Budget Basis)	<u>\$ (2,367)</u>	<u>(3,618)</u>	<u>\$ (1,251)</u>	<u>42,700</u>
<b>Budget to GAAP Reconciliation</b>				
Depreciation Expense		(8,950)		(8,950)
Capital Outlay		<u>50,825</u>		<u>-</u>
Change in Net Position - GAAP Basis		38,257		33,750
<b>Net Position, Beginning</b>		<u>311,745</u>		<u>277,995</u>
<b>Net Position, Ending</b>		<u>\$ 350,002</u>		<u>\$ 311,745</u>

See accompanying Independent Auditors' Report.

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**STATE COMPLIANCE SECTION**

### Steps for printing your content and returning to 'Edit Mode

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

## ANNUAL HIGHWAY FINANCE REPORT - CY19

Email address: kwittbrodt@fairplayco.us

City/County: Fairplay

### II - RECEIPTS FOR ROAD AND STREET PURPOSES

**Please no commas or dollar signs for the input**

#### A. Receipts from local sources

2. General Fund Appropriations:	\$	<input type="text" value="0.00"/>
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	<input type="text" value="331,167.00"/>
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	<input type="text" value="11,835.00"/>
5. Transfers from toll facilities	\$	<input type="text" value="0.00"/>
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	<input type="text" value="0.00"/>
b. Bonds - Refunding Issues:	\$	<input type="text" value="0.00"/>
c. Notes:	\$	<input type="text" value="0.00"/>

SubTotal: \$

#### B. Private Contributions

\$

## II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

### A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	301,709.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	29,458.00
Total: (a + b) carried to 'Other local imposts' above		\$ 331,167.00

### A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	11,835.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above		\$ 11,835.00

### C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	40,343.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	3,542.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)		\$ 43,885.00

### D. Receipts from Federal Government

Please no commas or dollar signs for the input

#### 2. Other Federal Agencies

See accompanying Independent Auditors' Report.

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

### III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

#### A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	0.00
2. Maintenance:	\$	428,957.00
3. Road and street services		
a. Traffic control operations:	\$	38,115.00
b. Snow and ice removal:	\$	4,079.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	0.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)		\$ 471,151.00

Please no commas or dollar signs for the input

#### B. Debt service on local obligations

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

Please no commas or dollar signs for the input

C. Payments to State for Highways: \$ 0.00 The

See accompanying Independent Auditors' Report.

answer you gave was not a correct number

**D. Payments to Toll Facilities:**

\$ 0.00

Total Disbursements: *(A+B+C+D)* \$ 471,151.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

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

#### IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

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

#### V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 386,887.00	\$ 471,151.00	\$ 0.00	\$ 84,264.00

Notes & Comments:

Please enter your name: Kim Wittbrodt

Please provide a telephone number where you may be reached: 7198362622

Please click on the "Save" button before viewing the data in a print format.