TOWN OF OAK CREEK
OAK CREEK, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2019

TOWN OF OAK CREEK, COLORADO
BOARD OF TRUSTEES
December 31, 2019

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FINANCIAL SECTION

Town of Oak Creek
Management Discussion and Analysis
December 31, 2019

The discussion and analysis of the Town of Oak Creek'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 Oak Creek's governmental net position increased by $417,614 and business-type net position increased by $30,091 for the year.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2019 by $12,896,135 *(net position).* Of this amount, $2,143,319 *(unrestricted net position)* may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2019, the Town's General Fund reported an ending fund balance of $143,812 compared to the fiscal year 2018 balance of $177,748.
- At the end of 2019 unrestricted net position for the proprietary funds (business-type activities) was $2,017,927 or 80% of total 2019 operating expenses.
- General Fund 2019 revenues increased by $461,636 to $1,194,623.
- General Fund expenditures increased in 2019 by $617,348 to $1,383,457.

Using the Basic Financial Statements

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

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

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town has two governmental funds: the General Fund, and one fiduciary fund, LiveWell.

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 LiveWell Fund ceased to exist in 2019.

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

- Electric Fund
- Water Fund
- Sewer Fund
- Trash Fund

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

Financial Analysis of the Town as a Whole

The Town's total net position was $12,896,135 as of December 31, 2019 and $12,448,430 as of December 31, 2018. This represents an increase of $447,705 or 3.5%.

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 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 it has 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, intergovernmental revenues and taxes *(Governmental Activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(Business-type Activities).* The Governmental Activities of the Town include: general government, public safety (police), public works, parks and recreation and LiveWell. The Business-type Activities of the Town of Oak Creek consist of electric, water, sewer, and trash services.

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 Oak Creek, assets exceeded liabilities by approximately $12.8 million at the close of 2019.

Net position of the Town at December 31, 2019 was as follows:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current Assets	$ 337,657	$ 320,581	$ 2,411,927	$ 2,198,539	$ 2,749,584	$ 2,519,120
Noncurrent Assets	1,723,780	1,202,884	10,401,950	10,663,543	12,125,730	11,866,427
Total Assets	2,061,437	1,523,465	12,813,877	12,862,082	14,875,314	14,385,547
DEFERRED OUTFLOWS	102,957	52,892	-	-	102,957	52,892
LIABILITIES						
Current Liabilities	73,551	43,333	239,949	208,607	313,500	251,940
Noncurrent Liabilities	230,616	108,915	1,397,590	1,507,228	1,628,206	1,616,143
Total Liabilities	304,167	152,248	1,637,539	1,715,835	1,941,706	1,868,083
DEFERRED INFOWS	140,430	121,926	-	-	140,430	121,926
NET POSITION						
Net Investment in Capital Assets	1,525,842	1,085,237	9,004,360	9,156,315	10,530,202	10,241,552
Restricted	68,563	48,382	154,051	140,054	222,614	188,436
Unrestricted	125,392	168,564	2,017,927	1,849,878	2,143,319	2,018,442
Total Net Position	$ 1,719,797	$ 1,302,183	$ 11,176,338	$ 11,146,247	$ 12,896,135	$ 12,448,430

The statement of net position reflects a cash position totaling $2,286,922 or 15% of total assets. The bulk of the Town's resources, $12.1 million or 82% of total assets, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining 3% of total assets are receivables or prepaid expenses.

The Town of Oak Creek uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Oak Creek'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 assets may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

Governmental activities increased the Town of Oak Creek's net position by $417,614. This was mostly due to grants used to purchase Oak Creek Mountain Park.

Business activities increased the Town's net position by $30,091.

Town of Oak Creek
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**
PROGRAM REVENUES						
Charges for Services	$ 205,049	$ 245,881	$ 2,070,492	$ 1,993,901	$ 2,275,541	$ 2,239,782
Operating Grants	561,365	137,473	-	-	561,365	137,473
Capital Grants	-	-	44,082	1,020,368	44,082	1,020,368
Total Program Revenues	766,414	383,354	2,114,574	3,014,269	2,880,988	3,397,623
GENERAL REVENUES						
Property Taxes	89,196	91,028	-	-	89,196	91,028
Specific Ownership Taxes	5,993	7,610	-	-	5,993	7,610
Sales and Use Taxes	290,306	214,248	-	-	290,306	214,248
Other Taxes	675	2,583	-	-	675	2,583
Interest Income	40,864	29,739	64	58	40,928	29,797
Insurance Proceeds	-	-	8,750	-	8,750	-
Other Revenues	1,175	4,425	-	-	1,175	4,425
Total General Revenues	428,209	349,633	8,814	58	437,023	349,691
Total Revenues & Transfers	1,194,623	732,987	2,123,388	3,014,327	3,747,314	3,747,314
PROGRAM EXPENSES						
General Government	188,659	180,484	-	-	188,659	185,883
Public Safety	279,516	274,802	-	-	279,516	274,802
Public Works	124,687	126,169	-	-	124,687	120,770
Culture and Recreation	184,147	190,018	-	-	184,147	190,018
Electric Operations	-	-	1,049,594	1,070,378	1,049,594	1,070,378
Water Operations	-	-	500,449	483,512	500,449	483,512
Sewer Operations	-	-	404,847	391,491	404,847	391,491
Trash Operations	-	-	138,407	130,144	138,407	130,144
Interest	-	2,888	-	-	-	2,888
Total Program Expenses	777,009	774,361	2,093,297	2,075,525	2,870,306	2,849,886
CHANGE IN NET POSITION	417,614	(41,374)	30,091	938,802	447,705	897,428
Net Position, Beginning	1,302,183	1,343,557	11,146,247	10,207,445	12,448,430	11,551,002
NET POSITION, ENDING	$ 1,719,797	$ 1,302,183	$ 11,176,338	$ 11,146,247	$ 12,896,135	$ 12,448,430

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 fund 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 $177,748 to $143,812. This decrease is principally the result of governmental activity operating costs exceeding revenue sources. Total General Fund revenues increased by $461,636, while expenditures increased by $617,348. In 2019 grant revenues as well as expenditures increased due to purchase of the land for Oak Creek Mountain Park.

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

Electric Fund – Electric Fund net position increased by $172,042, following an increase of $121,616 in 2018. Expenditures decreased by $21,739, including $14,972 in capital outlay. The cost to purchase power was $6,967 more than the 2018 cost.

Water Fund – Water Fund net position decreased by $84,411 after a 2018 increase of $860,989. 2018 completed a major capital project with the first phase of reconstruction of the water distribution system and other Main Street-related work.

Sewer Fund – Sewer Fund net position decreased by $53,443 compared to a decrease of $58,464 in 2018.

Trash Fund – Trash Fund net position decreased by $4,097 for the current year, up from a 2018 decrease of $8,115. The Trash Fund is a tightly run enterprise to benefit the citizens of Oak Creek and includes an annual Clean-Up Day.

Capital Assets

Approximately 10% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements.

	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 216,766	$ 448,838	$ -	$ 665,604
Construction in Progress	15,570	-	(15,570)	-
Total Capital Assets not being Depreciated	232,336	448,838	(15,570)	665,604
Capital Assets being Depreciated:				
Buildings & Improvements	1,557,602	51,857	-	1,609,459
Vehicles & Equipment	580,273	154,898	-	735,171
Total Capital Assets being Depreciated	2,137,875	206,755	-	2,344,630
Less Accumulated Depreciation:				
Buildings & Improvements	(844,867)	(56,931)	-	(901,798)
Vehicles & Equipment	(347,842)	(36,814)	-	(384,656)
Total Accumulated Depreciation	(1,192,709)	(93,745)	-	(1,286,454)
Net Capital Assets	**$ 1,177,502**	**$ 561,848**	**$ (15,570)**	**$ 1,723,780**

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

	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Business-Type Activities:				
Capital Assets:				
Electrical System	$ 2,313,464	$ -	$ -	$ 2,313,464
Water System	7,968,453	74,442	-	8,042,895
Sewer System	5,909,610	16,508	-	5,926,118
Total Capital Assets	16,191,527	90,950	-	16,282,477
Less Accumulated Depreciation:				
Electrical System	(1,758,890)	(36,148)	-	(1,795,038)
Water System	(2,105,069)	(187,296)	-	(2,292,365)
Sewer System	(1,664,025)	(129,099)	-	(1,793,124)
Total Accumulated Depreciation	(5,527,984)	(352,543)	-	(5,880,527)
Net Capital Assets	**$ 10,663,543**	**$ (261,593)**	**$ -**	**$ 10,401,950**

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 12/31/18	Advances	Payments	Balance 12/31/19	Current Portion	Interest Paid
2017 Equipment Capital Lease	$ 74,910	$ -	$ 29,248	$ 45,662	$ 14,534	$ (6,846)
2018 Equipment Capital Lease	17,355	-	3,169	14,186	3,168	1,072
2019 Equipment Capital Lease	-	154,898	16,808	138,090	12,795	577
Accrued Compensated Absences	16,650	-	4,075	12,575	-	-
Totals	**$ 108,915**	**$ 154,898**	**$ 53,300**	**$ 210,513**	**$ 30,497**	**$ (5,197)**

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:

	Balance 12/31/18	Advances	Payments	Balance 12/31/19	Current Portion	Interest Expense
2000 Electric Note Payable	$ 39,224	$ -	$ 32,203	$ 7,021	$ 7,021	$ 1,436
2003 CWRPDA Water Note	293,819	-	54,204	239,615	56,394	11,216
2010 Sewer Revenue Bonds	1,088,844	-	17,426	1,071,418	18,020	43,096
2017 Equipment Capital Lease	85,342	-	5,805	79,537	14,934	11,612
Totals	**$ 1,507,229**	**$ -**	**$ 109,638**	**$ 1,397,591**	**$ 96,369**	**$ 67,360**

General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Oak Creek including: public safety (police), public works, parks and recreation and general government services. The Town's General Fund revenues were $19,670 more than planned, having sales and use taxes come in at approximately $20,000 more than budgeted. The Town's expenditures were $387,657 less than budgeted, with capital expenditures totaling over $200,000 less than planned.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

The Town of Oak Creek's main economic drivers are regional recreation and tourism, agriculture and energy. Both Stagecoach Reservoir and the Steamboat Ski Area provide area employment opportunities. Agricultural products such as hay, grain, sheep, horses and cattle from the region are local exports.

The estimated population for Oak Creek is 944 and has remained relatively stable over the last 10 years with the expectation that increases and decreases in the permanent population will be less than 1%.

During 2020 we will be working on capital improvements to our water source at Sheriff Reservoir. We are currently undertaking a feasibility study to expand the spillway and improve the structural integrity of the dam.

In 2019, sales tax increased 34% over 2018. We are expecting this increase to continue into 2020. 2019 was a reassessment year for property taxes, and we expect to receive 16% more property tax revenue in 2020.

As we enter 2020 with a worldwide pandemic, we will be budgeting conservatively as there is so much uncertainty for what the future holds. Our main concern is to support our businesses and citizens, to keep them safe and well and operating.

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 Clerk, Town of Oak Creek, P O Box 128, Oak Creek, CO 80467.

Mayberry & Company, LLC
Certified Public Accountants

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

Board of Trustees
Town of Oak Creek
Oak Creek, 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 Oak Creek, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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.

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Opinion

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 Oak Creek, Colorado, as of December 31, 2019, and the respective changes in financial position and, where applicable, 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 Oak Creek 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 18, 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-M8 and pension schedules on pages 36-37 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 schedules on pages 38-40 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 combining and individual fund schedules on pages 41-48 and listed as other supplementary information 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* is presented on pages 49-50 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.

Mayberry & Company, LLC

Englewood, CO
June 18, 2020

BASIC FINANCIAL STATEMENTS

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TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ 148,531	$ 1,982,061	$ 2,130,592
Restricted Cash and Investments	2,279	154,051	156,330
Receivables			
Property Tax Receivable	104,919	-	104,919
Intergovernmental Receivables	500	4,600	5,100
Utility Receivable	-	262,465	262,465
Cash with Fiscal Agent	581	-	581
Accounts Receivable	65,927	-	65,927
Other Receivables	14,500	-	14,500
Internal Balances	-	8,750	8,750
Prepaid Expenses	420	-	420
Total Current Assets	337,657	2,411,927	2,749,584
Noncurrent Assets			
Capital Assets not being Depreciated	665,604	-	665,604
Capital Assets being Depreciated	2,344,630	16,282,477	18,627,107
Accumulated Depreciation	(1,286,454)	(5,880,527)	(7,166,981)
Total Noncurrent Assets	1,723,780	10,401,950	12,125,730
TOTAL ASSETS	2,061,437	12,813,877	14,875,314
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Deferred Pension Outflows	102,957	-	102,957
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 2,164,394	$ 12,813,877	$ 14,978,271
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 46,798	$ 173,052	$ 219,850
Accrued Liabilities	3,011	-	3,011
Accrued Salaries and Benefits	22,582	-	22,582
Deposits and Escrow	1,160	49,050	50,210
Accrued Interest Payable	-	17,847	17,847
Total Current Liabilities	73,551	239,949	313,500
Noncurrent Liabilities			
Due within one year	30,497	96,369	126,866
Due in more than one year	200,119	1,301,221	1,501,340
Total Noncurrent Liabilities	230,616	1,397,590	1,628,206
TOTAL LIABILITIES	304,167	1,637,539	1,941,706
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	104,919	-	104,919
Deferred Pension Inflows	20,136	-	20,136
Deferred Grants	15,375	-	15,375
TOTAL DEFERRED INFLOWS	140,430	-	140,430
NET POSITION			
Net Investment in Capital Assets	1,525,842	9,004,360	10,530,202
Restricted Net Position	68,563	154,051	222,614
Unrestricted Net Position	125,392	2,017,927	2,143,319
TOTAL NET POSITION	1,719,797	11,176,338	12,896,135
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 2,164,394	$ 12,813,877	$ 14,978,271

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

TOWN OF OAK CREEK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	$ 188,659	$ 177,428	$ 73,279	$ 429,274
Public Safety	279,516	3,454	5,013	-
Public Works	124,687	-	40,179	-
Culture and Recreation	184,147	24,167	13,620	-
TOTAL GOVERNMENT ACTIVITIES	777,009	205,049	132,091	429,274
Business-type Activities				
Current:				
Electric	1,049,594	1,221,636	-	-
Water	500,449	377,196	-	38,842
Sewer	404,847	337,350	-	5,240
Trash	138,407	134,310	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	2,093,297	2,070,492	-	44,082
TOTAL GOVERNMENT	$ 2,870,306	$ 2,275,541	$ 132,091	$ 473,356
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Other Taxes				
Interest Income				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
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		
GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
$ 491,322	$ -	$ 491,322
(271,049)	-	(271,049)
(84,508)	-	(84,508)
(146,360)	-	(146,360)
(10,595)	-	(10,595)
-	172,042	172,042
-	(84,411)	(84,411)
-	(62,257)	(62,257)
-	(4,097)	(4,097)
-	21,277	21,277
(10,595)	21,277	10,682
89,196	-	89,196
5,993	-	5,993
290,306	-	290,306
675	-	675
40,864	64	40,928
1,175	-	1,175
428,209	64	428,273
417,614	21,341	438,955
1,302,183	11,146,247	12,448,430
$ 1,719,797	$ 11,167,588	$ 12,887,385

TOWN OF OAK CREEK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
With Comparative Totals for December 31, 2018

	General Fund	Total 2019	Total 2018
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ 148,531	$ 148,531	$ 178,311
Restricted Cash and Investments	2,279	2,279	100
Receivables			
Property Tax Receivable	104,919	104,919	89,500
Intergovernmental Receivables	500	500	2,382
Interest Receivable	-	-	26
Cash with Fiscal Agent	581	581	746
Accounts Receivable	65,927	65,927	49,366
Other Receivables	14,500	14,500	-
Prepaid Expenses	420	420	150
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 337,657	$ 337,657	$ 320,581
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 46,798	$ 46,798	$ 15,079
Accrued Liabilities	3,011	3,011	4,304
Accrued Salaries and Benefits	22,582	22,582	22,790
Deposits and Escrow	1,160	1,160	1,160
TOTAL LIABILITIES	73,551	73,551	43,333
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	104,919	104,919	89,500
Deferred Grants	15,375	15,375	10,000
TOTAL DEFERRED INFLOWS	120,294	120,294	99,500
FUND BALANCE			
Nonspendable Fund Balance	420	420	150
Restricted Fund Balance	68,563	68,563	23,000
Committed Fund Balance	74,829	74,829	108,675
Unassigned Fund Balance	-	-	45,923
TOTAL FUND BALANCE	143,812	143,812	177,748
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 337,657	$ 337,657	$ 320,581

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

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

Fund Balance - Governmental Funds		$ 143,812
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 665,604	
Capital assets, being depreciated	2,344,630	
Accumulated depreciation	(1,286,454)	1,723,780
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		
FPPA Statewide Defined Benefit Plan		
Net pension liability	(20,103)	
Deferred outflows - pensions (net)	102,957	
Deferred inflows - pensions (net)	(20,136)	62,718
Internal Service operations primarily benefit Governmental Activities		
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(197,938)	
Accrued compensated absences	(12,575)	(210,513)
Total Net Position - Governmental Activities		$ 1,719,797

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

TOWN OF OAK CREEK, 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	Total	
	Fund	**2019**	**2018**
REVENUES			
Taxes	$ 386,170	$ 386,170	$ 315,469
Intergovernmental Revenues	561,365	561,365	136,624
Licenses and Permits	61,261	61,261	95,057
Fines and Forfeits	3,190	3,190	2,663
Internal Charges	99,050	99,050	96,900
Charges for Services	41,549	41,549	51,261
Investment Earnings	40,864	40,864	29,739
Other Revenues	1,174	1,174	5,274
TOTAL REVENUES	1,194,623	1,194,623	732,987
EXPENDITURES			
Current:			
General Government	183,191	183,191	170,383
Public Safety	269,439	269,439	271,593
Public Works	98,938	98,938	102,222
Parks, Recreation and Other	127,803	127,803	131,648
Capital Outlay	660,058	660,058	71,650
Debt Service	44,028	44,028	18,613
TOTAL EXPENDITURES	1,383,457	1,383,457	766,109
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(188,834)	(188,834)	(33,122)
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	154,898	154,898	17,355
NET CHANGE IN FUND BALANCE - GAAP BASIS	(33,936)	(33,936)	(15,767)
FUND BALANCE, BEGINNING	177,748	177,748	193,515
FUND BALANCE, ENDING	$ 143,812	$ 143,812	$ 177,748

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

TOWN OF OAK CREEK, COLORADO

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

Change in Fund Balance - Governmental Funds		$ (33,936)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	640,023	
Depreciation Expense	(93,745)	546,278
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.		
Change in deferred outflows - pensions (net)	(45,485)	
Change in net pension asset/liability	50,065	
Change in deferred inflows - pensions (net)	2,290	6,870
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		
Proceeds from debt issuances	(154,898)	
Principal payments on capital leases	49,225	
Change in accrued compensated absences	4,075	(101,598)
Change in Net Position - Governmental Activities		$ 417,614

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019
With Comparative Totals for December 31, 2018

	Business-type Activities			
	Electric Fund	**Water Fund**	**Sewer Fund**	**Other Funds**
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash and Investments	$ 1,234,572	$ 406,365	$ 338,882	$ 2,242
Restricted Cash and Investments	-	66,792	87,259	-
Receivables				
Intergovernmental Receivables	-	4,600	-	-
Utility Receivable	164,364	45,117	41,183	11,801
Internal Balances	-	(315,000)	315,000	-
Total Current Assets	1,398,936	207,874	782,324	14,043
Noncurrent Assets				
Capital Assets being depreciated	2,313,464	8,042,895	5,926,118	-
Accumulated Depreciation	(1,795,038)	(2,292,365)	(1,793,124)	-
Total Noncurrent Assets	518,426	5,750,530	4,132,994	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,917,362	$ 5,958,404	$ 4,915,318	$ 14,043
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 141,231	$ 11,366	$ 9,517	$ 10,938
Deposits and Escrow	49,050	-	-	-
Accrued Interest Payable	-	-	17,847	-
Total Current Liabilities	190,281	11,366	27,364	10,938
Noncurrent Liabilities				
Due within one year	11,999	61,372	22,998	-
Due in more than one year	21,534	204,755	1,074,932	-
Total Noncurrent Liabilities	33,533	266,127	1,097,930	-
TOTAL LIABILITIES	223,814	277,493	1,125,294	10,938
NET POSITION				
Net Investment in Capital Assets	484,893	5,484,403	3,035,064	-
Restricted Net Position	-	66,792	87,259	-
Unrestricted Net Position	1,208,655	129,716	667,701	3,105
TOTAL NET POSITION	1,693,548	5,680,911	3,790,024	3,105
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 1,917,362	$ 5,958,404	$ 4,915,318	$ 14,043

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

Total 2019	Total 2018
$ 1,982,061	$ 1,824,427
154,051	132,051
4,600	-
262,465	242,061
-	-
2,403,177	2,198,539
16,282,477	16,191,527
(5,880,527)	(5,527,984)
10,401,950	10,663,543
$ 12,805,127	$ 12,862,082
$ 173,052	$ 142,146
49,050	48,323
17,847	18,138
239,949	208,607
96,369	122,364
1,301,221	1,384,864
1,397,590	1,507,228
1,637,539	1,715,835
9,004,360	9,156,315
154,051	140,054
2,009,177	1,849,878
11,167,588	11,146,247
$ 12,805,127	$ 12,862,082

TOWN OF OAK CREEK, 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 Activities			
	Electric Fund	Water Fund	Sewer Fund	Other Funds
Operating Revenues				
Utility Charges	$ 1,219,092	$ 376,902	$ 336,617	$ 134,310
Other Charges for Services	2,544	294	733	-
Total Revenues	1,221,636	377,196	337,350	134,310
Operating Expenses				
Management Fees	95,283	61,107	53,033	3,700
Personnel Services	200,483	112,321	111,683	6,660
Commodity Charges	647,675	-	-	-
Administrative/Office Expenses	178	275	-	-
Insurance	11,652	8,136	6,539	-
Operating Supplies	9,095	14,737	3,837	-
Professional Fees	7,639	4,638	-	127,474
Repairs and Maintenance	6,534	28,409	10,627	-
Travel and Training	-	177	-	-
Treatment	-	3,555	13,293	-
Telephone and Utilities	5,722	24,260	29,770	-
Other Operating Expenses	8,906	3,379	-	573
Depreciation Expense	36,148	187,296	129,099	-
Other Capital Outlay	14,972	37,072	-	-
Total Expenditures	1,044,287	485,362	357,881	138,407
Operating Income (Loss)	177,349	(108,166)	(20,531)	(4,097)
Other Income (Expense)				
Investment Earnings	-	-	64	-
Interest Expense	(5,307)	(15,087)	(46,966)	-
Total Other Income (Expense)	(5,307)	(15,087)	(46,902)	-
Net Income (Loss)	172,042	(123,253)	(67,433)	(4,097)
Contributed Capital				
Plant Investment Fees	-	5,240	5,240	-
Intergovernmental Revenue	-	33,602	-	-
Change in Net Position	172,042	(84,411)	(62,193)	(4,097)
Net Position, Beginning	1,521,506	5,765,322	3,852,217	7,202
Net Position, Ending	$ 1,693,548	$ 5,680,911	$ 3,790,024	$ 3,105

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

Total	
2019	2018
$ 2,066,921	$ 1,981,292
3,571	12,609
2,070,492	1,993,901
213,123	191,652
431,147	447,836
647,675	640,708
453	425
26,327	23,568
27,669	25,196
139,751	136,424
45,570	19,209
177	1,511
16,848	18,001
59,752	56,137
12,858	16,668
352,543	348,260
52,044	86,279
2,025,937	2,011,874
44,555	(17,973)
64	58
(67,360)	(63,651)
(67,296)	(63,593)
(22,741)	(81,566)
10,480	11,000
33,602	1,009,368
21,341	938,802
11,146,247	10,207,445
$ 11,167,588	$ 11,146,247

TOWN OF OAK CREEK

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 Activities			
	Electric Fund	**Water Fund**	**Sewer Fund**	**Other Funds**
Cash Flows From Operating Activities:				
Cash Received from Customers	$ 1,218,973	$ 365,964	$ 332,277	$ 133,602
Cash Paid to Suppliers	(758,011)	(143,920)	(94,045)	(119,349)
Cash Paid for Interfund Services	(95,283)	(61,107)	(53,033)	(3,700)
Cash Paid to Employees	(145,095)	(82,262)	(82,262)	(4,421)
Net Cash Provided by Operating Activities	220,584	78,675	102,937	6,132
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	-	5,240	5,240	-
Debt Principal Payments	(34,139)	(56,139)	(19,361)	-
Grant Proceeds	-	29,002	-	-
Interest Payments	(5,307)	(15,087)	(47,256)	-
Acquisition of Capital Assets	-	(74,442)	(16,508)	-
Cash Flows Used by Capital and Related Financing Activities	(39,446)	(111,426)	(77,885)	-
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash from Other Funds	-	(17,500)	17,500	-
Cash Flows (Uses) From Investing Activities:				
Interest Received	-	-	64	-
Net Increase (Decrease) in Cash	181,138	(50,251)	42,616	6,132
Cash - Beginning	1,053,434	523,408	383,525	(3,890)
Cash - Ending	$ 1,234,572	$ 473,157	$ 426,141	$ 2,242
Cash and Investments	$ 1,234,572	$ 406,365	$ 338,882	$ 2,242
Restricted Cash and Investments	-	66,792	87,259	-
Total	$ 1,234,572	$ 473,157	$ 426,141	$ 2,242
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	$ 177,349	$ (108,166)	$ (20,531)	$ (4,097)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	36,148	187,296	129,099	-
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(3,390)	(11,232)	(5,073)	(708)
(Increase) Decrease in:				
Accounts Payable	9,750	10,777	(558)	10,937
Deposits and Escrow	727	-	-	-
Total Adjustments	43,235	186,841	123,468	10,229
Net Cash Used for Operating Activities	$ 220,584	$ 78,675	$ 102,937	$ 6,132

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

Total	
2019	2018
$ 2,050,816	$ 2,028,747
(1,115,325)	(1,102,186)
(213,123)	(191,652)
(314,040)	(318,696)
408,328	416,213
10,480	11,000
(109,639)	(1,114,759)
29,002	1,009,368
(67,650)	(63,930)
(90,950)	(111,905)
(228,757)	(270,226)
-	-
64	58
179,635	146,045
1,956,477	1,810,432
$ 2,136,112	$ 1,956,477
$ 1,982,061	$ 1,824,426
154,051	132,051
$ 2,136,112	$ 1,956,477
$ 44,555	$ (17,973)
352,543	348,260
(20,403)	35,748
30,906	51,080
727	(902)
363,773	434,186
$ 408,328	$ 416,213

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The Town of Oak Creek, Colorado is a political subdivision of the State of Colorado governed by a seven member board of trustees. The Town was incorporated in 1907 in Routt County, Colorado. The Town is a full service entity providing public safety, public works, and parks and recreation services as well as providing electric, water, sewer and trash services.

REPORTING ENTITY

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it. Based on the application of these criteria, the Town has not included any other organizations within its reporting entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the Town as a whole. The reporting information includes all of the non-fiduciary activities of the Town. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. Internal activity has been eliminated within the function for the statement of activities presentation.

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

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses 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 non-operating revenues and expenses.

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

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.

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

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

Proprietary Funds
The Town also reports the following major proprietary funds

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

BUDGETS AND BUDGETARY ACCOUNTING

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

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

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.

The Town does not utilize encumbrance accounting and all appropriations lapse at year end. The budgets presented are as originally adopted or supplemented during the year.

CASH AND EQUIVALENTS

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

PROPERTY TAXES

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

Since property tax revenues are collected in arrears during the succeeding year, receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced. The deferred revenue is shown as a deferred inflow of financial resources in the financial statements.

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

ACCOUNTS RECEIVABLE

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

CAPITAL ASSETS

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

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

The Town has elected to not retroactively report infrastructure and had no additions to its infrastructure for the year. Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives.

Buildings	20 - 40 years
Vehicles and Equipment	10 - 20 years
Utility Systems	5 - 50 years

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)

The Town permits an employee to carry over up to 80 hours of unused vacation pay to the next calendar year upon approval by the town administrator with amounts above that requiring board approval. The Town assumes that the employee will use all carryover vacation as well as any current vacation earned in the same year. Sick leave accumulates up to 12 days annually with no limitation on the maximum amount that can be accumulated. An employee will not be paid upon termination for sick leave. The Town has accrued $12,575 in the governmental activities presentation for accrued compensated absences at December 31, 2019.

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 government only has pension related items as further described in Note 6.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town is reporting two items, the first is at the governmental activity and governmental fund level related to property taxes that were milled in 2019 for collection in 2018. In addition, the governmental activities reports deferred inflows related to pension obligations as further described in Note 6.

NET POSITION/FUND BALANCES

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.

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the Town Board, 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.

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

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

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

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

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**

DEPOSITS

The Town's cash and investment balances as of December 31, 2019 are comprised of and allocated in the financial statements as follows:

Cash	$ 424,681
Investments	1,862,241
Total Cash and Investments	**$ 2,286,922**
Cash and Investments	$ 2,130,592
Restricted Cash and Investments	156,330
Total Cash and Investments	**$ 2,286,922**

NOTE 2: CASH AND INVESTMENTS (Continued)

DEPOSITS (Continued)

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. At December 31, 2019, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Book Balance
FDIC Insured	$ 250,000	$ 250,000
PDPA Secured (Not in Entity's Name)	196,030	174,496
Cash on Hand	-	185
Total Cash	**$ 446,030**	**$ 424,681**

INVESTMENTS

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

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

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

During the year ended December 31, 2019, the Town invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner.

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

INVESTMENTS (Continued)

It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation. The balance of this investment at December 31, 2019 was $1,862,241.

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

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

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 hold any securities that required safekeeping.

RESTRICTED CASH

Restricted cash represents those amounts collected for a particular purpose but unspent as of the end of the fiscal year.

The Town's restricted cash balances at December 31, 2019 are comprised of the following:

General Fund	
Conservation Trust Funds	$ 2,279
Water Fund	
Water 3 Month O&M Reserve	66,792
Sewer Fund	
Sewer Debt Service Reserve	57,463
Sewer O&M and Short-Lived Asset Reserve	29,796
Total Sewer Fund	87,259
Total Restricted Cash	**$ 156,330**

NOTE 3: CAPITAL ASSETS

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

	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 216,766	$ 448,838	$ -	$ 665,604
Construction in Progress	15,570	-	(15,570)	-
Total Capital Assets not being Depreciated	232,336	448,838	(15,570)	665,604
Capital Assets being Depreciated:				
Buildings & Improvements	1,557,602	51,857	-	1,609,459
Vehicles & Equipment	580,273	154,898	-	735,171
Total Capital Assets being Depreciated	2,137,875	206,755	-	2,344,630
Less Accumulated Depreciation:				
Buildings & Improvements	(844,867)	(56,931)	-	(901,798)
Vehicles & Equipment	(347,842)	(36,814)	-	(384,656)
Total Accumulated Depreciation	(1,192,709)	(93,745)	-	(1,286,454)
Net Capital Assets	**$ 1,177,502**	**$ 561,848**	**$ (15,570)**	**$ 1,723,780**

Depreciation by Function:	
General Government	$ 9,182
Public Safety	11,971
Public Works	19,658
Parks and Recreation	52,934
Total Depreciation	**$ 93,745**

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

	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Business-Type Activities:				
Capital Assets:				
Electrical System	$ 2,313,464	$ -	$ -	$ 2,313,464
Water System	7,968,453	74,442	-	8,042,895
Sewer System	5,909,610	16,508	-	5,926,118
Total Capital Assets	16,191,527	90,950	-	16,282,477
Less Accumulated Depreciation:				
Electrical System	(1,758,890)	(36,148)	-	(1,795,038)
Water System	(2,105,069)	(187,296)	-	(2,292,365)
Sewer System	(1,664,025)	(129,099)	-	(1,793,124)
Total Accumulated Depreciation	(5,527,984)	(352,543)	-	(5,880,527)
Net Capital Assets	**$ 10,663,543**	**$ (261,593)**	**$ -**	**$ 10,401,950**

NOTE 4: LONG TERM DEBT – GOVERNMENTAL ACTIVITIES

At December 31, 2019, the Town had the following governmental long term debt obligations:

	Balance 12/31/18	Advances	Payments	Balance 12/31/19	Current Portion	Interest Paid
2017 Equipment Capital Lease	$ 74,910	$ -	$ 29,248	$ 45,662	$ 14,534	$ (6,846)
2018 Equipment Capital Lease	17,355	-	3,169	14,186	3,168	1,072
2019 Equipment Capital Lease	-	154,898	16,808	138,090	12,795	577
Accrued Compensated Absences	16,650	-	4,075	12,575	-	-
Totals	**$ 108,915**	**$ 154,898**	**$ 53,300**	**$ 210,513**	**$ 30,497**	**$ (5,197)**

Capital Leases

In 2017, the Town entered into a capital lease agreement for the purchase of a 2015 Ford Van, 2016 Ford Explorer Police Interceptor, Caterpillar Backhoe Loader, and a 2017 Dodge Ram 3500 Pickup. As part of this agreement the Town agreed to trade in the 2002 Cat Loader that the Town owned, which had no remaining basis. The lease requires monthly payments of $3,318. The lease bears interest at 3.46%. Payments related to this lease will be paid by the General, Water, Sewer and Electric Funds. The allocation of the assets and lease liability are 46.75% General, 17.75% Electric, 17.75 % Water and 17.75% Sewer. The Town has capitalized assets with a remaining basis of $176,188 related to this lease, the General Fund will be responsible for their proportionate share of $81,842. In the event of a default the lessor may terminate the affected lease and any other lease or lessee's rights thereunder and in any such event repossess the equipment at the lessor's expense. The equipment shall be repossessed free and clear of all liens and security interests. Upon repossession, if the equipment is damaged or otherwise made less suitable for the purposes for which it was manufactured then the lessee has the option to repair and restore to the same condition in which it was received or pay the lessor the reasonable costs of such a repair and restoration. In the event the lessor liquidates the equipment following an event of default and realizes net proceeds in excess of total rental payments under the lease, the lessor shall immediately pay the amount of any such excess to the lessee. If the lessee continues to use the equipment leased and refuses to pay rental payments the lessor may declare the rental payments due and owing for the fiscal period for which such appropriations have been made to be immediately due and payable and shall be entitled to bring such action at law or in equity to recover money and other damages attributable to such holdover period under the lease. The lessor shall also be entitled to exercise any and all remedies available under the applicable Uniform Commercial Code and all other rights and remedies that the lessor may have at law or in equity. The lessee is liable for any expense reasonably incurred with respect to the enforcement of any remedy available to the lessor, but only from legally available funds.

The following is a schedule of the future minimum lease payments required under the capital lease, to be made proportionally by fund based on the amounts shown above, for the vehicle and equipment purchase, and the present value of the remaining payments as of December 31, 2019.

NOTE 4: **LONG TERM DEBT – GOVERNMENTAL ACTIVITIES** (Continued)

Capital Leases (Continued)

	General Fund			Electric	Water	Sewer	Total
Year	**Public Safety**	**Public Works**	**Parks & Rec**	**Fund**	**Fund**	**Fund**	**Payment**
2020	$ 7,844	$ 5,806	$ 2,188	$ 5,806	$ 5,806	$ 5,806	$ 33,256
2021	7,844	5,806	-	5,806	5,806	5,806	31,068
2022	1,962	3,931	-	3,931	3,931	3,931	17,686
2023	-	3,307	-	3,307	3,307	3,307	13,228
2024	-	3,307	-	3,307	3,307	3,307	13,228
2025-2027	-	7,439	-	7,439	7,439	7,439	29,756
Future Minimum Lease Pmts	17,650	29,596	2,188	29,596	29,596	29,596	138,222
Less: Interest at 4.47%	(682)	(3,084)	(6)	(3,083)	(3,084)	(3,084)	(13,023)
Present Value of Payments	$ 16,968	$ 26,512	$ 2,182	$ 26,513	$ 26,512	$ 26,512	$ 125,199

In 2018, the Town entered into a capital lease agreement for the purchase of four portable police radios. The lease requires annual payments of $4,241. The lease bears interest at 7.08%. Payments related to this lease will be paid by the General Fund. The Town has capitalized assets with a remaining basis of $12,149 related to this lease. In the event of a default, the lessor shall have the right to take one or any combination of the following remedial steps; with or without terminating the contract, the lessor may declare all contract payments and other amounts payable by the lessee hereunder to the end of the then current budget year to be immediately due and payable, redelivery of any and all equipment at lessee's expense while being liable for any damages to the equipment and any additional collateral caused by the lessee or its employees or agents and the lessor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights with the lessee being responsible for all costs incurred in the enforcement of its rights under this contract including reasonable attorney fees.

The following is a schedule of the future minimum lease payments required under the capital lease:

Year	**Total Payment**
2020	$ 4,241
2021	4,241
2022	4,241
2023	4,241
Future Min. Lease Pmt	16,964
Less: Interest 7.56%	(2,778)
Present Value of Payments	$ 14,186

NOTE 4: **LONG TERM DEBT – GOVERNMENTAL ACTIVITIES** (Continued)

Capital Leases (Continued)

In 2019, the Town entered into a capital lease agreement for the purchase of one Caterpillar Loader. The lease requires annual payments of $18,965. The lease bears interest at 4.47%. Payments related to this lease will be paid by the General Fund. The Town has capitalized assets with a remaining basis of $151,026 related to this lease. In the event of a default the lessor may terminate the affected lease and any other lease or lessee's rights thereunder and in any such event repossess the equipment at the lessor's expense. The equipment shall be repossessed free and clear of all liens and security interests. Upon repossession, if the equipment is damages or otherwise made less suitable for the purposes for which it was manufactured then the lessee has the option to repair and restore to the same condition in which it was received or pay the lessor the reasonable costs of such a repair and restoration. In the event the lessor liquidates the equipment following an event of default and realizes net proceeds in excess of total rental payments under the lease, the lessor shall immediately pay the amount of any such excess to the lessee. If the lessee continues to use the equipment leased and refuses to pay rental payments the lessor may declare the rental payments due and owing for the fiscal period for which such appropriations have been made to be immediately due and payable and shall be entitled to bring such action at law or in equity to recover money and other damages attributable to such holdover period under the lease. The lessor shall also be entitled to exercise any and all remedies available under the applicable Uniform Commercial Code and all other rights and remedies that the lessor may have at law or in equity. The lessee is liable for any expense reasonably incurred with respect to the enforcement of any remedy available to the lessor, but only from legally available funds.

The following is a schedule of the future minimum lease payments required under the capital lease:

Year	Total Payment
2020	$ 18,965
2021	18,965
2022	18,965
2023	18,965
2024	18,965
2025-2028	75,860
Future Minimum Lease Pmts	170,685
Less: Interest at 4.47%	(32,595)
Present Value of Payments	$ 138,090

NOTE 5: LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES

Changes in long-term debt for the year ended December 31, 2019 are as follows:

	Balance 12/31/18	Advances	Payments	Balance 12/31/19	Current Portion	Interest Expense
2000 Electric Note Payable	$ 39,224	$ -	$ 32,203	$ 7,021	$ 7,021	$ 1,436
2003 CWRPDA Water Note	293,819	-	54,204	239,615	56,394	11,216
2010 Sewer Revenue Bonds	1,088,844	-	17,426	1,071,418	18,020	43,096
2017 Equipment Capital Lease	85,342	-	5,805	79,537	14,934	11,612
Totals	**$ 1,507,229**	**$ -**	**$ 109,638**	**$ 1,397,591**	**$ 96,369**	**$ 67,360**

Details of the Town's outstanding business-type activity debt are as follows:

ELECTRIC FUND

The Town issued Electrical Enterprise Revenue Note, Series 2000 (the Electrical Note) on February 29, 2000 in the amount of $400,000 to finance improvements to the Town's existing electrical power system. The Electrical Note is secured by a lien on the revenue of the electric fund and is payable monthly over a 20-year period. The Electrical Note bears interest at 5.75% annually until February 15, 2003 and will be adjusted every 5 years thereafter at a per annum interest rate equal to 96.28% of the then current 5-year U.S. Treasury note. The current interest rate is 5.75%.

Year	Principal	Interest	Total
2020	$ 7,021	$ 51	$ 7,072

WATER FUND

In November 2003, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority ("CWRPDA") for the purpose of constructing water system improvements. CWRPDA has committed funding up to $981,198. The loan has a 20 year term and bears interest at 4% per annum. Payments of $32,710 principal and interest are due semiannually on May 1 and November 1 of each year through November 1, 2023. The first payment was due May 1, 2004. The loan requires a three month operations and maintenance reserve computed to be $66,792 as of December 31, 2019.

Year	Principal	Interest	Total
2020	$ 56,394	$ 9,025	$ 65,419
2021	58,672	6,748	65,420
2022	61,042	4,378	65,420
2023	63,507	1,933	65,440
Totals	**$ 239,615**	**$ 22,084**	**$ 261,699**

NOTE 5: **LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES** (Continued)

SEWER FUND

In 2010, the Town issued Sewer Revenue Bonds in the amount of $1,208,000 through the USDA Department of Rural Development. The bonds bear interest at 4% with semi-annual payments of $30,406 due on February 1st and August 1st beginning February 1, 2011. There are debt service and operations and maintenance reserve requirements related to this loan, with $87,259 of restricted cash to meet the requirements as of December 31, 2019.

Future payments on long-term debt are scheduled as follows:

Year	Principal	Interest	Total
2020	$ 18,020	$ 42,792	$ 60,812
2021	18,748	42,064	60,812
2022	19,506	41,307	60,813
2023	20,294	40,518	60,812
2024	21,113	39,699	60,812
2025-2029	119,072	184,988	304,060
2030-2034	145,148	158,912	304,060
2035-2039	176,936	127,124	304,060
2040-2044	215,683	88,377	304,060
2045-2049	262,917	41,143	304,060
2050	53,981	3,987	57,968
Totals	**$ 1,071,418**	**$ 810,911**	**$ 1,882,329**

In addition, the Enterprise Funds will be responsible for their proportionate share of the 2017 equipment lease with a remaining balance of $94,346 as described in the Governmental Activities Long-Term Debt shown above (Note 4).

NOTE 6: **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.

NOTE 6: **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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 htttp://www.FPPAco.org.

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

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

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.

NOTE 6: **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

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.

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 $8,521 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 $20,103 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 .01590%, which was a decrease of .00174% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the Town recognized pension expense of $9,624. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 6: <u>EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS</u> (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	$ 27,407	$ (196)
Changes of assumptions or other inputs	$ 19,212	$ -
Net difference between projected and actual earnings on pension plan investments	$ 29,886	$ (15,309)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ 8,411	$ (4,631)
Contributions subsequent to the measurement date	$ 18,041	$ -
Total	$ 102,957	$ (20,136)

$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:

NOTE 6: **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 tab les 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 tab les 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:

NOTE 6: **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:

NOTE 6: **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)	$ (77,957)	$ (20,103)	$ 27,886

DEFINED CONTRIBUTION PLAN

The Town offers its employees a Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The contribution rate for the Town is 3% for covered employees or as contractually agreed to by the board. The Town's contributions to the Benefit Plan for the year ending December 31, 2019, 2018 and 2017 were $23,640, $28,668, and $27,138, respectively, equal to their required contributions.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. The Town has no ownership interest in the Plan nor is the Town liable for any losses under the Plan.

NOTE 7: **INTERFUND ACTIVITY**

The utility funds and grant fund have paid to the General Fund the following management and overhead fees:

	Overhead Allocations	Management Fees
General Fund	$ 114,073	$ 99,050
Electric Fund	(35,633)	(59,650)
Water Fund	(39,107)	(22,000)
Sewer Fund	(35,633)	(17,400)
Trash Fund	(3,700)	-
	$ -	$ -

NOTE 8: **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.

NOTE 9: **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 adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

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 retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

In November 1998, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1998, as well as the full amount of all revenues generated by all sources for each subsequent year without limitation under Article X, Section 20 of the Colorado Constitution.

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

The Article requires an emergency reserve be set aside for 2018 in the amount of 3% or more of its fiscal year spending. At December 31, 2019, the Town has reserved the following for emergencies:

General Fund	$ 41,000

NOTE 9: **FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS** (Continued)

Subsequent Appropriations/Other Restrictions and Commitments

Through adoption of the 2020 budget, the Town has appropriated an increase of $4,957 in carryover reserves for the General Fund. In addition, the Town has restricted or committed other funds as noted below:

	Restricted Equity
Governmental Activities	
Conservation Trust Fund	$ 2,279
TABOR Emergency Reserve	41,000
Parking Impact Fees	20,534
Coal Queen Scholarship	4,750
Total Government Activities	**$ 68,563**
Business-type Activity	
Water CWRPDA O&M Reserve	$ 66,792
Sewer Bond Debt Service Reserve	57,463
Sewer Short Lived Asset Reserve	29,796
Total Business-type Activities	**$ 154,051**

	Fund Equity	
General Fund	**Committed**	**Restricted**
Conservation Trust Fund	$ -	$ 2,279
TABOR Emergency Reserve	-	41,000
Coal Queen Scholarship	-	4,750
Parking Fee in Lieu	-	20,534
Operating Reserve	50,542	-
Capital Reserve - Police	17,555	-
Capital Reserve - Public Works	6,732	-
Total General Fund	**$ 74,829**	**$ 68,563**
Water Fund		
CWRPDA O&M Reserve		**$ 66,792**
Sewer Fund		
Bond Debt Service Reserve		$ 57,463
Bond Short Lived Asset Reserve		29,796
Total Sewer Fund		**$ 87,259**

NOTE 10: RISK MANAGEMENT

The Town of Oak Creek, Colorado carries commercial 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's risk of loss transfers to those carriers.

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

REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules – Unaudited)

TOWN OF OAK CREEK

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
FPPA Pension Plan
Last 10 Fiscal Years[1]

Fiscal Year	District's proportion of the net pension asset (liability)	District's proportionate share of the net pension asset (liability)	District's covered payroll	District's proportionate share of the net pension asset (liability) as a proportion of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2019	0.0159008%	$ (20,103)	$ 106,513	-18.87%	95.23%
12/31/2018	0.0176431%	$ 25,382	$ 103,200	24.59%	106.34%
12/31/2017	0.0195469%	$ (7,063)	$ 100,038	-7.06%	98.21%
12/31/2016	0.0145249%	$ 256	$ 70,413	0.36%	100.10%
12/31/2015	0.0144375%	$ 16,294	$ 64,925	25.10%	106.83%
12/31/2014	0.0213235%	$ 19,067	$ 92,613	20.59%	105.83%

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

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

SCHEDULE OF DISTRICT CONTRIBUTIONS
FPPA Pension Plan
Last 10 Fiscal Years(1)

Fiscal Year	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
12/31/2019	$ 8,521	$ 8,521	$ -	$ 106,513	8.00%
12/31/2018	$ 8,256	$ 8,256	$ -	$ 103,200	8.00%
12/31/2017	$ 8,003	$ 8,003	$ -	$ 100,038	8.00%
12/31/2016	$ 5,633	$ 5,633	$ -	$ 70,413	8.00%
12/31/2015	$ 5,194	$ 5,194	$ -	$ 64,925	8.00%
12/31/2014	$ 7,409	$ 7,409	$ -	$ 92,613	8.00%

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

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

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, 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 Budget	Final Budget	Actual	Variance With Final Budget	2018 Actual
REVENUES					
Taxes					
Property Taxes	$ 89,500	$ 89,500	$ 89,196	$ (304)	$ 91,028
Specific Ownership Taxes	6,000	6,000	5,993	(7)	7,610
Sales and Use Taxes	204,000	270,000	290,306	20,306	214,248
Other Taxes	1,000	1,000	675	(325)	2,583
Total Tax Revenue	300,500	366,500	386,170	19,670	315,469
Intergovernmental Revenues					
Cigarette Taxes	1,100	1,100	647	(453)	771
Cons Trust Fund Revenue	8,500	8,500	10,620	2,120	9,255
Highway Users	28,000	28,000	36,161	8,161	36,419
Road and Bridge	3,000	3,000	4,018	1,018	3,094
Clerk/Motor Vehicle Fees	5,300	5,300	3,732	(1,568)	5,172
Mineral Lease	2,000	2,000	1,679	(321)	1,426
Severance Tax	12,500	12,500	24,899	12,399	12,420
State Grants	142,000	370,000	479,609	109,609	68,067
Total Intergovernmental Revenue	202,400	430,400	561,365	130,965	136,624
Licenses and Permits					
Liquor Licenses	1,100	1,100	1,218	118	2,823
Marijuana Licenses	92,000	80,000	59,779	(20,221)	91,830
Animal Licenses	500	500	264	(236)	404
Total Licenses and Permits	93,600	81,600	61,261	(20,339)	95,057
Fines and Forfeits	3,750	4,049	3,190	(859)	2,663
Internal Charges					
Administrative/Management Fees	99,050	99,050	99,050	-	96,900
Charges for Services					
Recreation/Comm Ctr Charges	37,100	37,100	24,167	(12,933)	35,096
Other Charges for Services	16,200	18,500	17,382	(1,118)	16,165
Total Charges for Services	53,300	55,600	41,549	(14,051)	51,261
Investment Earnings	28,600	35,000	40,864	5,864	29,739
Other Revenues					
Other Miscellaneous Revenue	4,400	4,400	1,174	(3,226)	4,425
TOTAL REVENUES	785,600	1,076,599	1,194,623	118,024	732,138

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	91,957	91,957	81,131	10,826	92,380
Contract labor	1,000	1,000	486	514	-
Equipment Rentals	300	300	450	(150)	566
Insurance	15,900	15,900	16,006	(106)	13,804
Professional Fees	31,100	55,100	27,705	27,395	29,123
Repairs and Maintenance	13,000	24,000	26,725	(2,725)	20,390
Supplies	12,000	12,000	10,987	1,013	13,436
Telephone and Utilities	11,000	11,000	9,328	1,672	11,330
Travel and Training	5,200	5,200	3,572	1,628	5,683
Overhead	(36,864)	(38,520)	(47,533)	9,013	(44,195)
Other Expenses	46,000	113,500	54,334	59,166	27,866
Total General Government	190,593	291,437	183,191	108,246	170,383
Public Safety					
Personnel Services	252,854	252,853	246,138	6,715	237,916
Fuel and Automotive	4,500	4,500	1,961	2,539	5,346
Professional Fees	3,970	5,470	3,491	1,979	1,018
Repairs and Maintenance	6,250	7,500	2,203	5,297	5,034
Supplies	6,000	6,000	3,022	2,978	4,147
Telephone and Utilities	2,500	2,500	2,009	491	2,206
Travel and Training	5,700	8,200	6,642	1,558	7,841
Other Expenses	3,000	3,000	3,973	(973)	8,085
Total Public Safety	284,774	290,023	269,439	20,584	271,593
Public Works					
Personnel Services	61,658	61,658	54,509	7,149	57,154
Contract Labor	6,000	15,000	12,934	2,066	-
Equipment Rentals	1,000	1,000	-	1,000	-
Fuel and Automotive	12,500	12,500	14,950	(2,450)	11,685
Insurance	1,700	1,676	1,676	-	1,409
Professional Fees	2,500	2,500	2,476	24	1,025
Repairs and Mainenance	49,400	49,400	48,766	634	48,213
Supplies	12,700	12,700	5,518	7,182	11,581
Telephone and Utilities	18,100	18,100	22,512	(4,412)	20,756
Travel and Training	1,000	1,000	-	1,000	687
Other Expenses	(56,450)	(55,574)	(64,403)	8,829	(50,288)
Total Public Works	110,108	119,960	98,938	21,022	102,222

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, 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 Budget	Final Budget	Actual	Variance With Final Budget	2018 Actual
(Continued)					
Parks, Recreation and Other					
Personnel Services	80,923	80,923	76,138	4,785	87,598
Contract labor	1,500	5,000	492	4,508	1,320
Equipment Rentals	3,865	3,865	3,865	-	3,865
Fuel and Automotive	1,200	1,200	3,027	(1,827)	844
Professional Fees	-	1,000	1,204	(204)	134
Repairs and Maintenance	6,350	6,350	4,416	1,934	3,917
Supplies	9,300	24,000	17,057	6,943	12,224
Telephone and Utilities	11,300	11,300	14,640	(3,340)	12,247
Travel and Training	2,500	2,500	772	1,728	1,648
Other Expenses	10,200	10,200	6,192	4,008	7,851
Total Parks, Recreation & Other	127,138	146,338	127,803	18,535	131,648
Capital Outlay					
General Government Capital Outlay	5,000	5,000	1,604	3,396	5,816
Public Works Capital Outlay	165,000	160,108	5,210	154,898	5,399
Parks, Recreation and Other Capital Outlay	45,000	568,000	498,346	69,654	42,928
Total Capital Outlay	215,000	733,108	505,160	227,948	54,143
Debt Service					
Principal	39,160	35,350	44,028	(8,678)	18,613
TOTAL EXPENDITURES	966,773	1,616,216	1,228,559	387,657	748,602
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(181,173)	(539,617)	(33,936)	505,681	(16,464)
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	(160,000)	(167,936)	-	(167,936)	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$(341,173)	$(707,553)	(33,936)	$ 337,745	(16,464)
Budget to GAAP Basis Reconciliation					
Debt Proceeds			154,898		17,355
Capital Outlay			(154,898)		(17,355)
NET CHANGE IN FUND BALANCE - GAAP BASIS			(33,936)		(16,464)
FUND BALANCE, BEGINNING			177,748		194,212
FUND BALANCE, ENDING			$ 143,812		$ 177,748

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
Live Well Grant Fund
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019			
	Final Budget	Actual	Variance With Final Budget	2018 Actual
REVENUES				
Donations	$ -	$ -	$ -	$ 849
EXPENDITURES				
Parks, Recreation and Other Capital Outlay	-	-	-	152
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ -	-	$ -	697
FUND BALANCE, BEGINNING		-		(697)
FUND BALANCE, ENDING		$ -		$ -

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2019
With Comparative Totals for December 31, 2018

	Trash Fund	Total 2019	Total 2018
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ 2,242	$ 2,242	$ (3,890)
Receivables			
Utility Receivable	11,801	11,801	11,092
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 14,043	$ 14,043	$ 7,202
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 10,938	$ 10,938	$ -
NET POSITION			
Unrestricted Net Position	3,105	3,105	7,202
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 14,043	$ 14,043	$ 7,202

See accompanying Independent Auditors' Report.

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	Trash	Total	
	Fund	2019	2018
Operating Revenues			
Utility Charges	$ 134,310	$ 134,310	$ 122,029
Operating Expenses			
Management Fees	3,700	3,700	3,718
Personnel Services	6,660	6,660	6,030
Professional Fees	127,474	127,474	120,055
Other Operating Expenses	573	573	341
Total Expenditures	138,407	138,407	130,144
Change in Net Position	(4,097)	(4,097)	(8,115)
Net Position, Beginning	7,202	7,202	15,317
Net Position, Ending	$ 3,105	$ 3,105	$ 7,202

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

COMBINING SCHEDULE OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	Trash	Total	
	Fund	2019	2018
Cash Flows From Operating Activities:			
Cash Received from Customers	$ 133,602	$ 133,602	$ 122,285
Cash Paid to Suppliers	(119,349)	(119,349)	(122,559)
Cash Paid for Interfund Services	(3,700)	(3,700)	(3,718)
Cash Paid to Employees	(4,421)	(4,421)	(3,867)
Net Cash Provided by Operating Activities	6,132	6,132	(7,859)
Cash - Beginning	(3,890)	(3,890)	3,969
Cash - Ending	$ 2,242	$ 2,242	$ (3,890)
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:			
Operating Income (Loss)	$ (4,097)	$ (4,097)	$ (8,115)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Utility Receivable	(708)	(708)	256
Accounts Payable	10,937	10,937	-
Net Cash Used for Operating Activities	$ 6,132	$ 6,132	$ (7,859)

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Electric Fund
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 1,285,875	$ 1,219,092	$ (66,783)	$ 1,187,518
Other Charges for Services	1,500	2,544	1,044	12,068
Total Revenues	1,287,375	1,221,636	(65,739)	1,199,586
Operating Expenses				
Management Fees	90,846	95,283	(4,437)	87,845
Personnel Services	222,623	200,483	22,140	214,087
Commodity Charges	673,000	647,675	25,325	640,708
Administrative/Office Expenses	1,000	178	822	150
Insurance	11,500	11,652	(152)	10,056
Operating Supplies	22,000	9,095	12,905	5,762
Professional Fees	10,000	7,639	2,361	11,451
Repairs and Maintenance	25,500	6,534	18,966	4,438
Travel and Training	2,000	-	2,000	1,050
Telephone and Utilities	4,500	5,722	(1,222)	3,093
Other Operating Expenses	3,000	8,906	(5,906)	10,185
Other Capital Outlay	406,400	14,972	391,428	45,778
Total Expenditures	1,472,369	1,008,139	464,230	1,034,603
Operating Income (Loss)	(184,994)	213,497	398,491	164,983
Other Income (Expense)				
Debt Service	(43,857)	(39,446)	4,411	(40,708)
Change in Net Position (Budget Basis)	$ (228,851)	174,051	$ 402,902	124,275
Budget to GAAP Reconciliation				
Principal Paid		34,139		36,356
Depreciation Expense		(36,148)		(35,923)
Capital Outlay		-		4,500
Change in Net Position - GAAP Basis		172,042		129,208
Net Position, Beginning		1,521,506		1,392,298
Net Position, Ending		$ 1,693,548		$ 1,521,506

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, 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			2018
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 440,100	$ 376,902	$ (63,198)	$ 337,225
Other Charges for Services	100	294	194	-
Total Revenues	440,200	377,196	(63,004)	337,225
Operating Expenses				
Management Fees	53,196	61,107	(7,911)	52,345
Personnel Services	127,907	112,321	15,586	114,013
Administrative/Office Expenses	325	275	50	275
Insurance	8,136	8,136	-	7,874
Operating Supplies	18,200	14,737	3,463	15,171
Professional Fees	6,000	4,638	1,362	4,918
Repairs and Maintenance	15,800	28,409	(12,609)	10,904
Travel and Training	2,000	177	1,823	401
Treatment	13,800	3,555	10,245	5,148
Telephone and Utilities	20,000	24,260	(4,260)	22,334
Other Operating Expenses	2,000	3,379	(1,379)	6,142
Other Capital Outlay	200,000	111,514	88,486	131,414
Total Expenditures	467,364	372,508	94,856	370,939
Operating Income (Loss)	(27,164)	4,688	31,852	(33,714)
Other Income (Expense)				
Other Revenue	250	-	(250)	-
Debt Service	(86,452)	(71,225)	15,227	(72,489)
Total Other Income (Expense)	(86,202)	(71,225)	14,977	(72,489)
Net Income (Loss) before Transfers	(113,366)	(66,537)	46,829	(106,203)
Contributed Capital				
Plant Investment Fees	5,500	5,240	(260)	5,500
Intergovernmental Revenue	15,000	33,602	18,602	11,757
Total Contributed Capital	20,500	38,842	18,342	17,257
Change in Net Position (Budget Basis)	$ (92,866)	(27,695)	$ 65,171	(88,946)
Budget to GAAP Reconciliation				
Principal Paid		56,138		1,055,682
Depreciation Expense		(187,296)		(184,568)
Capital Outlay		74,442		86,413
Change in Net Position - GAAP Basis		(84,411)		868,581
Net Position, Beginning		5,765,322		4,896,741
Net Position, Ending		$ 5,680,911		$ 5,765,322

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Sewer Fund
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 340,100	$ 336,617	$ (3,483)	$ 334,520
Other Charges for Services	1,850	733	(1,117)	541
Total Revenues	341,950	337,350	(4,600)	335,061
Operating Expenses				
Management Fees	48,596	53,033	(4,437)	47,744
Personnel Services	127,907	111,683	16,224	113,706
Insurance	6,539	6,539	-	5,638
Operating Supplies	6,000	3,837	2,163	4,263
Professional Fees	5,000	-	5,000	-
Repairs and Maintenance	5,500	10,627	(5,127)	3,867
Travel and Training	500	-	500	60
Treatment	11,000	13,293	(2,293)	12,853
Telephone and Utilities	27,500	29,770	(2,270)	30,710
Other Operating Expenses	700	-	700	-
Other Capital Outlay	100,000	16,508	83,492	20,992
Total Expenditures	339,242	245,290	93,952	239,833
Operating Income (Loss)	2,708	92,060	89,352	95,228
Other Income (Expense)				
Investment Earnings	50	64	14	58
Other Revenue	8,750	-	(8,750)	-
Debt Service	(54,152)	(66,326)	(12,174)	(67,602)
Total Other Income (Expense)	(45,352)	(66,262)	(20,910)	(67,544)
Net Income (Loss) before Transfers	(42,644)	25,798	68,442	27,684
Contributed Capital				
Plant Investment Fees	5,500	5,240	(260)	5,500
Change in Net Position (Budget Basis)	$ (37,144)	31,038	$ 68,182	33,184
Budget to GAAP Reconciliation				
Principal Paid		19,360		22,721
Depreciation Expense		(129,099)		(127,769)
Capital Outlay		16,508		20,992
Change in Net Position - GAAP Basis		(62,193)		(50,872)
Net Position, Beginning		3,852,217		3,903,089
Net Position, Ending		$ 3,790,024		$ 3,852,217

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Trash Fund
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 150,000	$ 134,310	$ (15,690)	$ 122,029
Operating Expenses				
Management Fees	3,072	3,700	(628)	3,718
Personnel Services	6,516	6,660	(144)	6,030
Professional Fees	135,000	127,474	7,526	120,055
Other Operating Expenses	-	573	(573)	341
Total Expenditures	144,588	138,407	6,181	130,144
Change in Net Position (Budget Basis)	$ 5,412	(4,097)	$ (9,509)	(8,115)
Net Position, Beginning		7,202		15,317
Net Position, Ending		$ 3,105		$ 7,202

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

Financial Planning 02/01

The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County: Oak Creek, Routt County
		YEAR ENDING : December 2019
This Information From The Records Of Town of Oak Creek	Prepared By: Phone:	Sandy Jacobs 970-736-2422

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	9,383
3. Other local imposts (from page 2)	102,773
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	112,156
B. Private Contributions	
C. Receipts from State government (from page 2)	39,893
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	152,049

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	5,000
2. Maintenance:	47,071
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	47,071
c. Other	
d. Total (a. through c.)	47,071
4. General administration & miscellaneous	4,796
5. Highway law enforcement and safety	48,110
6. Total (1 through 5)	152,049
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	152,049

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	152,049	152,049		0

Notes and Comments:

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LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2019

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	96,780	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	5,993	g. Other Misc. Receipts	
6. Total (1. through 5.)	102,773	h. Other	
c. Total (a. + b.)	102,773	i. Total (a. through h.)	0
			(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	36,161	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	3,732	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	3,732	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	39,893	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		5,000	5,000
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	5,000	5,000
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	5,000	5,000
			(Carry forward to page 1)

Notes and Comments: