

TOWN OF ORDWAY, COLORADO

FINANCIAL STATEMENTS

December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of Town Council
Town of Ordway
Ordway, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules – General, Street and Conservation Trust Funds, schedule of changes in the Town’s net pension liability(assets) and related ratios and schedules of Town contributions on pages 29 – 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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.

Management has omitted the management’s discussion and analysis that GASB requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The budgetary comparison schedules and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 basic financial statements taken as a whole.

Logan and Associates, LLC

Aurora, Colorado
September 12, 2022

BASIC FINANCIAL STATEMENTS

TOWN OF ORDWAY, COLORADO

STATEMENT OF NET POSITION December 31, 2018

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 666,918	\$ 45,193	\$ 712,111
Restricted Cash and Investments	149,872	137,725	287,597
Internal Balances	(486,671)	486,671	-
Receivables			
Other Governments	24,167	1,160,115	1,184,282
Accounts	42,794	89,243	132,037
Property Taxes	84,290	-	84,290
Inventory	-	6,842	6,842
Net Pension Asset	83,815	-	83,815
Capital Assets, Not Depreciated	47,793	321,312	369,105
Capital Assets, Net of Accumulated Depreciation	1,099,028	2,255,169	3,354,197
TOTAL ASSETS	1,712,006	4,502,270	6,214,276
DEFERRED OUTFLOWS OF RESOURCES			
Related to Defined Benefit Pension Plans	10,445	-	10,445
LIABILITIES			
Accounts Payable	11,004	65,214	76,218
Accrued Liabilities	-	-	-
Meter Deposits	-	25,292	25,292
Noncurrent Liabilities			
Due within One Year	11,112	52,020	63,132
Due in More Than One Year	78,655	1,557,858	1,636,513
TOTAL LIABILITIES	100,771	1,700,384	1,801,155
DEFERRED INFLOWS OF RESOURCES			
Related to Defined Benefit Pension Plans	11,999	-	11,999
Deferred Property Tax Revenue	84,290	-	84,290
TOTAL DEFERRED INFLOWS OF RESOURCES	96,289	-	96,289
NET POSITION			
Net Investment in Capital Assets	1,057,054	966,602	2,023,656
Restricted for Emergencies	12,800	-	12,800
Restricted for Culture and Recreation	48,233	-	48,233
Unrestricted	407,304	1,835,283	2,242,587
TOTAL NET POSITION	\$ 1,525,391	\$ 2,801,885	\$ 4,327,276

The accompanying notes are integral part of the financial statements.

TOWN OF ORDWAY, COLORADO

STATEMENT OF ACTIVITIES December 31, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY GOVERNMENT		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	\$ 131,693	\$ 31,733	\$ 5,563	\$ -	\$ (94,397)	\$ -	\$ (94,397)
Public Safety	80,148	-	-	-	(80,148)	-	(80,148)
Highway and Streets	187,702	-	56,412	-	(131,290)	-	(131,290)
Culture and Recreation	43,954	-	4,500	10,358	(29,096)	-	(29,096)
Health and Welfare	18,995	-	-	-	(18,995)	-	(18,995)
Interest on Long-Term Debt	337	-	-	-	(337)	-	(337)
Total Governmental Activities	462,829	31,733	66,475	10,358	(354,263)	-	(354,263)
Business-Type Activities							
Water	326,746	229,947	-	105,361	-	8,562	8,562
Sewer	124,233	129,823	-	93,090	-	98,680	98,680
Sanitation	186,276	191,398	-	-	-	5,122	5,122
Interest on Long-Term Debt	-	-	-	-	-	-	-
Total Business-Type Activities	637,255	551,168	-	198,451	-	112,364	112,364
TOTAL PRIMARY GOVERNMENT	1,100,084	582,901	66,475	208,809	(354,263)	112,364	(241,899)
GENERAL REVENUES							
Taxes					298,765	-	298,765
Lease of Water Shares					-	89,364	89,364
Investment Income					2,858	1,721	4,579
Gain on Sale of Asset					20,240	-	20,240
Miscellaneous					41,938	15,699	57,637
TOTAL GENERAL REVENUES					363,801	106,784	470,585
CHANGE IN NET POSITION					9,538	219,148	228,686
NET POSITION, Beginning					1,515,853	2,582,737	4,098,590
NET POSITION, Ending					\$ 1,525,391	\$ 2,801,885	\$ 4,327,276

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

TOWN OF ORDWAY, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	GENERAL FUND	STREET FUND	CONSERVATION TRUST FUND	NONMAJOR	TOTALS
				LIBRARY FUND	
ASSETS					
Cash and Investments	\$ 666,918	\$ -	\$ -	\$ -	\$ 666,918
Restricted Cash and Investments	-	-	149,872	-	149,872
Due From Other Funds	-	381,317	-	12,107	393,424
Due From Other Governments	10,982	13,185	-	-	24,167
Property Taxes Receivable	35,823	35,823	-	12,644	84,290
Accounts Receivable	42,794	-	-	-	42,794
TOTAL ASSETS	756,517	430,325	149,872	24,751	1,361,465
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	10,201	69	-	734	11,004
Due to Other Funds	778,456	-	101,639	-	880,095
TOTAL LIABILITIES	788,657	69	101,639	734	891,099
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	35,823	35,823	-	12,644	84,290
FUND EQUITY					
Fund Balance (Deficit)					
Nonspendable	-	-	-	-	-
Restricted for Parks and Recreation	-	-	48,233	-	48,233
Restricted for Emergencies	12,800	-	-	-	12,800
Assigned to Streets	-	394,433	-	-	394,433
Assigned to Library	-	-	-	11,373	11,373
Unassigned	(80,763)	-	-	-	(80,763)
TOTAL FUND EQUITY	(67,963)	394,433	48,233	11,373	386,076
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY					
	\$ 756,517	\$ 430,325	\$ 149,872	\$ 24,751	\$ 1,361,465

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

TOWN OF ORDWAY, COLORADO

RECONCILIATION OF THE BALANCE SHEET- GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION December 31, 2018

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

Total Fund Balances of Governmental Funds	\$ 386,076
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,146,821
Net Pension Asset is a long-term asset and therefore is not available to pay for current-period expenditures and is not reported in the governmental funds.	83,815
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources - difference in projected vs actual investment earnings	7,747
Deferred outflows of resources - difference in expected vs actual experience	1,041
Deferred outflows of resources - changes of assumptions	1,157
Deferred outflows of resources - contributions subsequent to measurement date	500
Deferred inflows of resources - difference in projected vs actual investment earnings	(11,999)
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include Loans and Leases Payable.	<u>(89,767)</u>
Net position of governmental activities	<u><u>\$ 1,525,391</u></u>

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

TOWN OF ORDWAY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Year Ended December 31, 2018

	GENERAL FUND	STREET FUND	CONSERVATION TRUST FUND	NONMAJOR	TOTALS
				LIBRARY FUND	
REVENUES					
Taxes	163,969	119,942	-	14,854	298,765
Licenses and Permits	12,927	-	-	-	12,927
Charges for Services	18,209	-	-	-	18,209
Intergovernmental	735	56,412	10,358	4,500	72,005
Fines and Forfeitures	597	170	-	-	767
Contributions/Donations	4,828	-	-	-	4,828
Investment Income	2,826	-	32	-	2,858
Insurance Proceeds	7,970	-	-	-	7,970
Miscellaneous	29,376	-	-	4,422	33,798
TOTAL REVENUES	241,437	176,524	10,390	23,776	452,127
EXPENDITURES					
General Government	189,914	-	-	-	189,914
Public Safety	79,605	-	-	-	79,605
Highways and Streets	-	111,736	-	-	111,736
Culture and Recreation	7,827	-	5,920	15,437	29,184
Health and Welfare	18,995	-	-	-	18,995
Capital	-	86,250	34,900	-	121,150
Debt Service					
Principal	-	11,655	-	-	11,655
Interest	-	337	-	-	337
TOTAL EXPENDITURES	296,341	209,978	40,820	15,437	562,576
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(54,904)	(33,454)	(30,430)	8,339	(110,449)
OTHER FINANCING SOURCES (USES)					
Loan Proceeds	-	86,250	-	-	86,250
Sale of Asset	20,240	-	-	-	20,240
TOTAL OTHER FINANCING SOURCES (USES)	20,240	86,250	-	-	106,490
NET CHANGE IN FUND BALANCES	(34,664)	52,796	(30,430)	8,339	(3,959)
FUND BALANCES (DEFICIT), Beginning	(33,299)	341,637	78,663	3,034	390,035
FUND BALANCES (DEFICIT), Ending	\$ (67,963)	\$ 394,433	\$ 48,233	\$ 11,373	\$ 386,076

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

TOWN OF ORDWAY, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES- AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2018

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (3,959)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlay (\$141,150) exceeded depreciation expense (\$44,724) in the current year.	96,426
Disposal/sale of assets	(5,920)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This includes loan payments in the current year.	11,655
Issued new debt	(86,250)
In the statement of activities, certain operating expenses, pension expense, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (the amounts actually paid). This amount represent the net effect of pension related amounts, including amortization of deferred outflows and deferred inflows of resources related to pensions, in the statement of activities.	(3,592)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences in the current year.	<u>1,178</u>
Change in Net Position of Governmental Activities	<u>\$ 9,538</u>

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

TOWN OF ORDWAY, COLORADO

STATEMENT OF NET POSITION PROPRIETARY FUNDS December 31, 2018

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
ASSETS				
Current Assets				
Cash and Investments	\$ 45,193	\$ -	\$ -	\$ 45,193
Restricted Cash and Investments	70,613	67,112	-	137,725
Due From Other Funds	337,852	113,119	35,700	486,671
Due from Other Governments	713,180	446,400	535	1,160,115
Accounts Receivable	44,041	17,701	27,501	89,243
Inventory	6,842	-	-	6,842
Total Current Assets	1,217,721	644,332	63,736	1,925,789
Noncurrent Assets				
Capital Assets, Not Depreciated	210,639	110,218	455	321,312
Capital Assets, Net of Accumulated Depreciation	956,728	1,297,429	1,011	2,255,169
Total Noncurrent Assets	1,167,367	1,407,647	1,466	2,576,481
TOTAL ASSETS	2,385,088	2,051,979	65,202	4,502,270
LIABILITIES				
Current Liabilities				
Accounts Payable	32,136	21,524	11,554	65,214
Meter Deposits Payable	25,292	-	-	25,292
Loans Payable, Current Portion	13,283	38,737	-	52,020
Total Current Liabilities	70,711	60,261	11,554	142,526
Noncurrent Liabilities				
Loans Payable	895,620	662,238	-	1,557,858
Total Noncurrent Liabilities	895,620	662,238	-	1,557,858
TOTAL LIABILITIES	966,331	722,499	11,554	1,700,384
NET POSITION				
Net Investment in Capital Assets	258,464	706,672	1,466	966,602
Unrestricted	1,160,293	622,808	52,182	1,835,283
TOTAL NET POSITION	\$ 1,418,757	\$ 1,329,480	\$ 53,648	\$ 2,801,885

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

TOWN OF ORDWAY, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Year Ended December 31, 2018

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
OPERATING REVENUES				
Charges for Services	\$ 229,947	\$ 129,823	\$ 191,398	\$ 551,168
Miscellaneous	14,629	75	995	15,699
TOTAL OPERATING REVENUES	244,576	129,898	192,393	566,867
OPERATING EXPENSES				
Operation and Maintenance	280,278	70,093	186,133	536,504
Depreciation	46,468	54,140	143	100,751
TOTAL OPERATING EXPENSES	326,746	124,233	186,276	637,255
OPERATING INCOME (LOSS)	(82,170)	5,665	6,117	(70,388)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	883	838	-	1,721
Lease of Water Shares	89,364	-	-	89,364
TOTAL NON-OPERATING REVENUES (EXPENSES)	90,247	838	-	91,085
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	8,077	6,503	6,117	20,697
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions				
Grant Proceeds	101,300	84,434	-	185,734
Tap Fees	4,061	8,656	-	12,717
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	105,361	93,090	-	198,451
CHANGE IN NET POSITION	113,438	99,593	6,117	219,148
NET POSITION, Beginning	1,305,319	1,229,887	47,531	2,582,737
NET POSITION, Ending	\$ 1,418,757	\$ 1,329,480	\$ 53,648	\$ 2,801,885

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

TOWN OF ORDWAY, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended December 31, 2018

Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 247,222	\$ 137,958	\$ 199,222	\$ 584,402
Cash Paid to Suppliers	(186,514)	(33,385)	(141,107)	(361,006)
Cash Paid to Employees	(96,321)	(39,594)	(36,081)	(171,996)
Net Cash Provided (Used) by Operating Activities	<u>(35,613)</u>	<u>64,979</u>	<u>22,034</u>	<u>51,400</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Lease of Water Shares	89,364	-	-	89,364
Purchases of capital assets	(102,849)	(84,434)	-	(187,283)
Grant proceeds	101,300	84,434	-	185,734
Payments from (to) Other Funds	(248,852)	(113,119)	(35,700)	(397,671)
Long-term Debt Principal Paid	(167,282)	(29,950)	-	(197,232)
Tap Fees Received	4,061	8,656	-	12,717
Net Cash Provided (Used) by capital and Related Financing Activities	<u>(324,258)</u>	<u>(134,413)</u>	<u>(35,700)</u>	<u>(494,371)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>883</u>	<u>838</u>	<u>-</u>	<u>1,721</u>
Net (Decrease) in Cash and Cash Equivalents	(358,988)	(68,596)	(13,666)	(441,250)
CASH AND CASH EQUIVALENTS, Beginning	<u>474,794</u>	<u>135,708</u>	<u>13,666</u>	<u>624,168</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 115,806</u>	<u>\$ 67,112</u>	<u>\$ -</u>	<u>\$ 182,918</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (82,170)	\$ 5,665	\$ 6,117	\$ (70,388)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	46,468	54,140	143	100,751
Changes in Assets and Liabilities				
Accounts Receivable	2,646	7,222	5,671	15,539
Accounts Payable	2,729	(537)	11,459	13,651
Accrued Liabilities	(4,170)	(717)	(582)	(5,469)
Meter Deposits Payable	772	-	-	772
Accrued Compensated Absences	(1,888)	(794)	(774)	(3,456)
Total Adjustments	<u>46,557</u>	<u>59,314</u>	<u>15,917</u>	<u>121,788</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (35,613)</u>	<u>\$ 64,979</u>	<u>\$ 22,034</u>	<u>\$ 51,400</u>

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

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Town of Ordway (the "Town") was incorporated in 1900 and is governed by a Mayor and six-member Town Council elected by the residents. The Town provides public safety, public works, parks, library, recreation, and general government services as well as water, sewer and sanitation services. The sanitation services are contracted by the Town to an outside provider.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the Town's more significant accounting policies.

Reporting Entity

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 the 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 organizations that are fiscally dependent upon it. Based on the application of the criteria, the Town does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

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

The statement of net position reports all financial, capital and debt resources of the Town. The difference between assets plus deferred outflows, and liabilities plus deferred inflows of the Town is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues 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.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Town reports the following major governmental funds in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and specific programs of the Town.

Street Fund – The Street Fund accounts for 42.5% of the property tax revenues and 50% of the sales tax revenues, in addition, to other revenues for Town street projects and maintenance.

Conservation Trust Fund – The Conservation Trust Fund is used to account for the receipt of lottery monies from the State of Colorado for the use of allowed park and recreation related expenses.

The Town reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the financial activities associated with the provision of water services.

Sewer Fund – The Sewer Fund accounts for the financial activities associated with the provision of sewer services.

Sanitation Fund – The Sanitation Fund accounts for the financial activities related to the Town's services for collection and disposal of trash.

Cash – For purposes of reporting in the statement of cash flows, cash equivalents include certificates of deposits and investments with original maturities of three months or less. The Town pools cash from several funds for the purpose of increasing interest income.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Position/Fund Balance

Internal Balances and Due to/from Other Funds – During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as due to/from other funds. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Grants, Other Governments and Accounts Receivable – Grants, other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Accounts receivable are reported in the statement of net position, net of allowance for uncollectible accounts.

Capital Assets – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the Town, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund 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 asset lives are not capitalized.

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

Land Improvements	15 – 25 years
Buildings and Improvements	20 – 40 years
Infrastructure	25 – 55 years
Collection and Distribution Systems	5 – 40 years
Equipment and Vehicles	3 – 10 years

Unearned Revenue – Unearned revenue includes receipts from customers for water services that will be provided in the following year. In addition, grants that have been collected but the corresponding expenditures have not been incurred are also reported as unearned revenue.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

This separate financial statement classification represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expenses) until then. The Town has items related to pension actuarial activity and the change in proportion of pension participation in relation to the pension plans as a whole at December 31, 2018.

In addition to assets, the balance sheet – governmental funds and statement of financial position reports a separate section for *deferred inflows of resources*. This separate financial statement classification represents an acquisition of fund balance or net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until then. The Town has an item related to property taxes levied in the current year to be collected in the following year and items related to pension actuarial activity and the change in proportion of pension participation in relation to the pension plans as a whole at December 31, 2018.

Compensated Absences - Employees of the Town are allowed to accumulate unused vacation and sick time. Employees will be paid for all accrued vacation time, but not accumulated sick time, upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for the accrued vacation time.

Long-Term Debt - In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Net Position – In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes assets that do not have any third party limitation on their use.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact. The Town report an amount related to prepaid items for nonspendable resources at December 31, 2018.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the Town had restricted amounts for parks and recreation because of lottery funds received from the State for this purpose.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority, the Town Council. The constraint may be removed or changed only through formal action of the Town Council. The Town had no committed resources at December 31, 2018.
- Assigned – This classification includes amounts that are constrained by the Town’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The Town had assigned resources at December 31, 2018 for future capital improvements related to hail damage claims, street maintenance and improvements; and library services.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Stewardship, Compliance and Accountability

At December 31, 2018, the General Fund has an ending deficit fund balance of \$67,963 as a result of expenditures being greater than revenues in prior years. Management expects this deficit balance to be eliminated as expenses are reduced in future years.

Pensions

The Town has the Volunteer Firefighter's Pension Plan, which is an agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Authority (FPPA). The net pension liability(asset), 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 Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

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

- In September, Management submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer and public comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Budgets amended by the Town Council during the year have been presented in the budgetary comparison schedules for the each fund amended.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the Town Council.
- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Legal Compliance

For the year ended December 31, 2018, the General, Conservation Trust, Water, Sewer and Sanitation Funds actual expenditures and transfers out exceeded budgeted expenditures and transfers out by \$89,811, \$32,460, \$298,128, \$127,878, and \$21,748, respectively.

These may be violations of State statutes.

TOWN OF ORDWAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 2: CASH

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

Petty Cash	\$ 400
Cash Deposits	<u>999,308</u>
Total	<u>\$ 999,708</u>

Cash is reported in the financial statements as follows:

Cash and Investments	\$ 712,111
Restricted Cash and Investments	<u>287,597</u>
Total	<u>\$ 999,708</u>

Cash Deposits

The Colorado Deposit Protection Act (PDPA) requires that all local Public government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2018, the Town had bank deposits totaling \$1,006,189 of which \$748,891 were collateralized with securities held by the financial institutions' agents but not in the Town's name.

Restricted Cash

Restricted Cash consists of \$149,872 in the Conservation Trust Fund, which \$60,872 is for future parks and recreation projects and \$89,000 is to be paid to the Water Fund. In addition, the loans require amounts to be restricted for debt service requirements. The Town has restricted \$70,613, and \$67,112 in the Water and Sewer Funds, respectively, to satisfy this requirement.

NOTE 3: INTERNAL BALANCES AND TRANSFERS

Internal balances – At December 31, 2018, Internal Balance amount was \$486,671.

TOWN OF ORDWAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, is summarized below:

	Balance at <u>December 31, 2017</u>	Additions	Deletions	Balance at <u>December 31, 2018</u>
Governmental Activities :				
Capital Assets, not being depreciated				
Land	\$ 50,493	\$ -	\$ (2,700)	\$ 47,793
Capital Assets, being depreciated:				
Building and Improvements	837,138	-	-	837,138
Infrastructure	99,649	-	-	99,649
Equipment and Other	599,499	141,150	(41,400)	699,249
Total Capital Assets, being depreciated	<u>1,536,286</u>	<u>141,150</u>	<u>(41,400)</u>	<u>1,636,036</u>
Less accumulated depreciation for:				
Building and Improvements	(188,774)	(19,926)	-	(208,700)
Infrastructure	(22,094)	(4,589)	-	(26,683)
Equipment and Other	(319,596)	(20,209)	38,180	(301,625)
Total accumulated depreciation	<u>(530,464)</u>	<u>(44,724)</u>	<u>38,180</u>	<u>(537,008)</u>
Total Capital Assets, being depreciated, net	<u>1,005,822</u>	<u>96,426</u>	<u>(3,220)</u>	<u>1,099,028</u>
Governmental Activities Capital Assets, net	<u>\$ 1,056,315</u>	<u>\$ 96,426</u>	<u>\$ (5,920)</u>	<u>\$ 1,146,821</u>

Depreciation expense was charged to the functions/programs as follows:

General Government	\$ 20,297
Public Safety	1,043
Public Works	8,614
Culture and Recreation	<u>14,770</u>
Total	<u>\$ 44,724</u>

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4: CAPITAL ASSETS (Continued)

	<u>Balance at</u> <u>December 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>December 31, 2018</u>
Business-type Activities :				
Capital Assets, not being depreciated				
Land	\$ 87,596	\$ -	\$ -	\$ 87,596
CIP	-	233,716		233,716
	<u>87,596</u>	<u>233,716</u>	<u>-</u>	<u>321,312</u>
Capital Assets, being depreciated:				
Building and Improvements	12,937	-	-	12,937
Equipment	128,934	-	-	128,934
Systems	3,979,122	-	-	3,979,122
Total Capital Assets, being depreciated	<u>4,120,993</u>	<u>-</u>	<u>-</u>	<u>4,120,993</u>
Less accumulated depreciation for:				
Building and Improvements	(8,430)	(459)	-	(8,889)
Equipment	(115,115)	(4,597)	-	(119,712)
Systems	(1,641,528)	(95,695)	-	(1,737,223)
Total accumulated depreciation	<u>(1,765,073)</u>	<u>(100,751)</u>	<u>-</u>	<u>(1,865,824)</u>
Total Capital Assets, being depreciated, net	<u>2,355,920</u>	<u>(100,751)</u>	<u>-</u>	<u>2,255,169</u>
Business-type Activities Capital Assets, net	<u>\$ 2,443,516</u>	<u>\$ 132,965</u>	<u>\$ -</u>	<u>\$ 2,576,481</u>

Depreciation expense was charged to the Water, Sewer and Sanitation Funds as follows:

Water Fund	\$ 46,468
Sewer Fund	54,140
Sanitation Fund	<u>143</u>
Total	<u>\$ 100,751</u>

TOWN OF ORDWAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 5: LONG-TERM DEBT

Governmental Activities

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

	<u>Balance 12/31/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2018</u>	<u>Due Within One Year</u>
Governmental Activities					
Street Light Loan	\$ 15,172	\$ -	\$ (11,655)	\$ 3,517	\$ 3,517
Series 2018 Equipment Lease Purchase	-	86,250	-	86,250	7,595
Accrued Compensated Absences	1,178	-	(1,178)	-	-
	<u>\$ 16,350</u>	<u>\$ 86,250</u>	<u>\$ (12,833)</u>	<u>\$ 89,767</u>	<u>\$ 11,112</u>

Street Light Loan

During 2013, the Town received a loan from First National Bank of Las Animas to finance the installation of street lights. Monthly payments of principal and interest are due through April 2019. Interest accrues at 3.5% per annum.

Backhoe and International Truck Loan

During 2018, the Town received a loan from NBH Bank of Colorado to finance the purchases of a Backhoe and International Truck. Monthly payments of principal and interest are due through September 2028. Interest accrues at 4.4% per annum.

Future Debt Service Requirements

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 11,112	\$ 3,108	\$ 14,220
2020	7,297	3,381	10,678
2021	7,622	3,057	10,678
2022	7,961	2,718	10,678
2023	8,315	2,364	10,678
2024-2028	47,462	5,930	53,392
Total	<u>\$ 89,767</u>	<u>\$ 20,558</u>	<u>\$ 110,324</u>

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 5: LONG TERM DEBT (Continued)

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2018.

	Balance 12/31/2017	Additions	Reductions	Balance 12/31/2018	Due Within One Year
Business-type activities					
2003 Water Energy/Mineral Impact Assistance Loan	\$ 156,806	\$ -	\$ (156,806)	\$ -	\$ -
2006 Drinking Water Revolving Loan	129,999	-	(6,666)	123,333	6,666
2008 Drinking Water Revolving Loan	76,200	-	(3,810)	72,390	3,810
2006 Water Pollution Control Revolving Loan	284,525	-	(29,950)	254,575	29,952
2018 Drinking Water Revolving Loan	-	713,180	-	713,180	2,807
2018 Water Pollution Control Revolving Loan	-	446,400	-	446,400	8,785
	<u>\$ 647,530</u>	<u>\$ 1,159,580</u>	<u>\$ (197,232)</u>	<u>\$ 1,609,878</u>	<u>\$ 52,020</u>

Water Loans

During 2003, the Town entered into a \$385,000 Water Energy/Mineral Impact Assistance Loan with the State of Colorado. The loan, along with grant proceeds, was used to replace approximately 8.7 miles of water transmission lines from the Town's well field. Payments of principal and interest are due annually by September 1, through 2023. Interest accrues at 5% per annum. The Town paid this loan in full in 2018.

During 2006, the Town entered into a \$200,000 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for improvements to the Town's water system. Principal payments of \$3,333 are due semi-annually on May 1 and November 1, through May 1, 2037. The loan is non-interest bearing.

During 2008, the Town entered into a \$114,000 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for completion of improvements to the Town's water system. Principal payments of \$1,905 are due semi-annually on May 1 and November 1, through November 1, 2037. The loan is non-interest bearing.

During 2018, the Town entered into a \$713,180 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for replacing old distribution piping, looping of system, replacement of

TOWN OF ORDWAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 5: **LONG TERM DEBT** (Continued)

Business-type Activities (Continued)

water meters, and supply well rehabilitation. On January 22, 2019, the CWRPDA forgave loan principal of \$570,544 leaving a remaining loan principal balance of \$142,636. Principal payments were adjusted to \$2,411, payable semi-annually on May 1 and November 1, through November 1, 2048. The loan is non-interest bearing.

The three water loans are payable solely from revenues of the Town's water utility system, after deducting operation and maintenance costs. During the year ended December 31, 2018, net revenues of \$58,606 and cash and investments were available to pay annual debt service of \$167,702. Remaining debt service at December 31, 2018 was \$908,903.

Sewer Loans

During 2006, the Town entered into a \$599,000 Water Pollution Control Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for improvements to the Town's sewer system. Principal payments of \$14,975 are due semi-annually on May 1 and November 1, through May 1, 2027. The loan is non-interest bearing.

Sewer Loans

During 2018, the Town enter into a \$446,400 Water Pollution Control Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for sanitary collection system pipe replacement and associated appurtenances. Principal payments of \$7,545 are due semi-annually on May 1 and November 1, through November 1, 2048. The loan is non-interest bearing.

The sewer loans are payable solely from revenues of the Town's sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2018, net revenues of \$68,299 were available to pay annual debt service of \$29,950. Remaining debt service at December 31, 2018 was \$254,575.

CWRPDA Loan Covenants

The Town is required to maintain an operations and maintenance reserve in the Water and Sewer Funds equal to three months of operating and maintenance expenses, excluding depreciation, based on the current year annual budget. For the year ended December 31, 2018, the Water and Sewer Funds met this requirement. However, the Town didn't meet the CWRPDA filing requirements for the year ended December 31, 2018.

Loan Forgiveness

Subsequent to December 31, 2018, CWRPDA awarded the town \$570,544 of principal forgiveness on the 2018 Drinking Water Revolving Loan. The future debt

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 5: **LONG TERM DEBT** (Continued)

Business-type Activities (Continued)

service requirements table below reflects the revised debt service after the principal forgiveness.

Future Debt Service Requirements

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 52,020	\$ -	\$ 52,020
2020	60,337	-	60,337
2021	60,337	-	60,337
2022	60,337	-	60,337
2023	60,337	-	60,337
2024-2028	256,770	-	256,770
2029-2033	171,953	-	171,953
2034-2038	138,128	-	138,128
2039-2043	99,556	-	99,556
2044-2048	79,560	-	79,560
Total	<u>\$ 1,039,335</u>	<u>\$ -</u>	<u>\$ 1,039,335</u>

NOTE 6: **PUBLIC ENTITY RISK POOL**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and

TOWN OF ORDWAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 6: PUBLIC ENTITY RISK POOL (CONTINUED)

availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

The Town has workers' compensation insurance coverage through a private insurance company.

NOTE 7: PENSION PLANS

Volunteer Firefighter's Pension Plan

Plan Description. The Volunteer Firefighter's Pension Plan is a defined benefit, agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Plan is administered by a Board of Trustees composed of Town Council members and firefighters. Town Council establishes the Plan benefits. The Plan is affiliated with and administered by the Fire and Police Pension Association of Colorado (FPPA). FPPA issues publicly available financial statements and required supplementary information. That report may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 190, Englewood, CO 80111 or by calling 1-800-332-3772.

Benefits Provided. Any firefighter who has attained both the age of fifty and completed twenty years of active service shall be eligible for a monthly pension from the Town and the State of Colorado, currently at \$225 and \$300, respectively. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by Town Council.

Contributions. The Plan receives contributions from the Town and the State of Colorado based on an actuarially determined amount, as required by State statute. The actuarial study as of January 1, 2015, indicated that the current level of contributions to the Plan are adequate to support on an actuarially sound basis the prospective benefits, including administrative costs, of the present Plan. The Town contribution amount for the Plan has been historically determine by biennial

TOWN OF ORDWAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter’s Pension Plan (Continued)

actuarial studies.

Administrative costs of the plan are paid from the pension fund. There are no investments in, loans to or leases with parties related to the Plan.

Pension Asset, Pension Expense, and Deferred Outflows of Resources Related to Pensions. At December 31, 2018, the Town reported a net pension asset of \$83,815. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

For the year ended December 31, 2018, the Town recognized pension income of \$3,592. At December 31, 2018, the Town reported deferred outflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between expected and actual experience of the total pension liability	\$ 1,041
Changes of assumptions	1,157
Net difference between projected and actual earnings on pension plan investments	3,747
Contributions subsequent to the measurement date	<u>500</u>
Total deferred outflows of resources related to pensions	<u>\$ 10,445</u>

At December 31, 2018, the Town reported deferred inflows of \$11,999 related to net difference in projected and actual earnings on pension plan investments.

TOWN OF ORDWAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter’s Pension Plan (Continued)

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

2019	\$	2,760
2020		299
2021		(2,114)
2022		(2,999)
2023		0
Thereafter		0

Total \$ (2,054)

Actuarial assumptions. The January 1, 2015 actuarial valuation was used to determine the actuarially determined contribution for the fiscal year ending December 31, 2018. The valuation used the following actuarial assumption and other inputs:

Long-term investment rate of return	7.50%
Municipal bond rate	3.31%

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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Equity	37.00%	8.33%
Equity Long/Short	9.00%	7.15%
Private Capital	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	3.00%
Cash	2.00%	2.26%
Total	<u>100.0%</u>	

TOWN OF ORDWAY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter’s Pension Plan (Continued)

Single Discount Rate. The discount rate used to measure the total pension liability(asset) was 7.5%. 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 plan fiduciary net pension 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.

Sensitivity of the Town’s Net Pension Liability (Asset) to Changes in the Single Discount Rate.

The following presents the Town’s net pension liability/(asset) calculated using the single discount rate of 7.5%, as well as what the Town’s net pension liability/(asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 6.5%	Current Single Discount Rate 7.5%	1% Increase 8.5%
Town's Net Pension Asset	<u>\$ (68,762)</u>	<u>\$ (83,815)</u>	<u>\$ (96,466)</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report at www.fppaco.org/PDF/annual-reports/14.annual.report.pdf.

Simple IRA Plan

The Town maintains a Simple IRA plan with VOYA for its employees who meet the eligibility requirements. Eligibility is limited to employees who have received at least \$5,000 in compensation during any two calendar years. The Town will matchup to 3% of eligible employee contributions. In 2018, the Town made eligible contributions in the amount of \$3,940 to the Plan.

TOWN OF ORDWAY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the Town. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In 1994, voters within the Town authorized the Town to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

The Town's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2018, the emergency reserve of \$12,800 was reported as restricted net position and fund balance in the Governmental Activities and General Fund, respectively.

Claims and Judgments

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ORDWAY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - VOLUNTEER FIREFIGHTER'S PENSION PLAN

Last Ten Fiscal Years*

	2017	2016	2015	2014
Total Pension Liability				
Interest on the Total Pension Liability	\$ 10,542	\$ 6,692	\$ 6,766	\$ 6,632
Service Cost	784	585	585	548
Benefit Changes	-	46,639	-	-
Difference Between Expected and Actual Experience	-	3,393	-	1,248
Changes of Assumptions	-	3,773	-	-
Benefit Payments	(9,750)	(9,938)	(6,800)	(6,521)
Net Change in Total Pension Liability	1,576	51,144	551	1,907
Total Pension Liability - Beginning	144,959	93,815	93,264	91,357
Total Pension Liability - Ending	<u>\$ 146,535</u>	<u>\$ 144,959</u>	<u>\$ 93,815</u>	<u>\$ 93,264</u>
Plan Fiduciary Net Position				
Employer Contributions	500	500	500	500
Pension Plan Net Investment Income	30,539	11,189	3,945	14,224
Benefit Payments	(9,750)	(9,938)	(6,800)	(6,521)
Pension Plan Administrative Expense	(5,712)	(610)	(2,659)	(710)
State of Colorado Discretionary Payment	450	-	450	-
Net Change in Plan Fiduciary Net Position	16,027	1,141	(4,564)	7,493
Plan Fiduciary Net Position - Beginning	214,323	213,182	217,746	210,253
Plan Fiduciary Net Position - Ending	<u>\$ 230,350</u>	<u>\$ 214,323</u>	<u>\$ 213,182</u>	<u>\$ 217,746</u>
Net Pension Liability (Asset)				
Total Pension Liability - Ending	146,535	144,959	93,815	93,264
Plan Fiduciary Net Position - Ending	230,350	214,323	213,182	217,746
Net Pension Liability (Asset)	<u>\$ (83,815)</u>	<u>\$ (69,364)</u>	<u>\$ (119,367)</u>	<u>\$ (124,482)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	157.2%	147.9%	227.2%	233.5%
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

* - The amounts presented for each fiscal year were determined as of the Plan measurement date, 12/31.

NOTE: Information for the prior six years was not available to report.
See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN CONTRIBUTIONS

Last Ten Fiscal Years

Fiscal Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
<u>December 31,</u>	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2014	\$ -	\$ 500	\$ (500)	NA	NA
2015	\$ -	\$ 950	\$ (950)	NA	NA
2016	\$ -	\$ 500	\$ (500)	NA	NA
2017	\$ -	\$ 950	\$ (950)	NA	NA

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer and the State of Colorado supplemental discretionary payment, and does not include employee amounts.

NOTES:

Actuarial Valuation Date: 1/1/2015

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years.

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Dollar, Open *

Remaining Amortization Period: 20 years *

Asset Valuation Method: 5-Year Smoothed Fair Value

Inflation: 3%

Salary Increases: N/A

Investment Rate of Return: 7.5%

Retirement Age: 50% per year of eligibility until 100% at age 65

Mortality: Pre-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment, 40% multiplier for off-duty mortality.
 Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment
 Disabled: RP-2000 Disabled Mortality Table
 All tables projected with Scale AA.

* - Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

NOTE: Information for the prior six years was not available to report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	2018		VARIANCE Positive (Negative)	2017
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Taxes				
Sales and Use	\$ 81,389	\$ 77,571	\$ (3,818)	\$ 85,419
Property	38,000	43,022	5,022	38,644
Franchise	35,000	43,376	8,376	36,275
Other	300	-	(300)	4,774
Total Taxes	<u>154,689</u>	<u>163,969</u>	<u>9,280</u>	<u>165,112</u>
Licenses and Permits	<u>6,880</u>	<u>12,927</u>	<u>6,047</u>	<u>8,501</u>
Charges for Services				
Organic Waste Removal	5,000	5,184	184	15,209
Cemetery	5,200	4,445	(755)	8,780
Other	3,660	8,580	4,920	1
Total Charges for Services	<u>13,860</u>	<u>18,209</u>	<u>4,349</u>	<u>23,990</u>
Intergovernmental				
Cigarette Taxes	1,613	735	(878)	1,247
Other	3,000	-	(3,000)	-
Total Intergovernmental	<u>4,613</u>	<u>735</u>	<u>(3,878)</u>	<u>1,247</u>
Fines and Forfeitures	-	597	597	1,443
Contributions/Donations	-	4,828	4,828	-
Interest	-	2,826	2,826	1,334
Insurance Proceeds	-	7,970	7,970	-
Miscellaneous	4,871	29,376	24,505	6,290
TOTAL REVENUES	<u>184,913</u>	<u>241,437</u>	<u>56,524</u>	<u>207,917</u>
EXPENDITURES				
General Government				
General	44,788	146,740	(101,952)	43,575
Town Council	3,313	5,690	(2,377)	3,681
Mayor	678	3,820	(3,142)	669
Town Clerk	16,785	15,388	1,397	7,247
Town Treasurer	13,032	10,811	2,221	9,396
Grant writer	7,939	7,465	474	3,602
Capital	-	-	-	-
Total General Governments	<u>86,535</u>	<u>189,914</u>	<u>(103,379)</u>	<u>68,170</u>
Public Safety				
Law Enforcement	38,766	44,774	(6,008)	43,572
Fire	3,765	-	3,765	5,915
Animal Control	13,772	17,105	(3,333)	11,818
Building Inspection	3,992	2,313	1,679	4,821
Mosquito Spraying	6,650	11,478	(4,828)	6,143
Municipal Court	3,796	3,935	(139)	8,150
Total Public Safety	<u>70,741</u>	<u>79,605</u>	<u>(8,864)</u>	<u>80,419</u>
Culture and Recreation				
Culture and Recreation	<u>21,136</u>	<u>7,827</u>	<u>13,309</u>	<u>29,651</u>
Health and Welfare				
Cemetery	<u>28,118</u>	<u>18,995</u>	<u>9,123</u>	<u>30,300</u>
TOTAL EXPENDITURES	<u>206,530</u>	<u>296,341</u>	<u>(89,811)</u>	<u>208,540</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,617)</u>	<u>(54,904)</u>	<u>(33,287)</u>	<u>(623)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	388
Sale of Asset	-	20,240	20,240	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>20,240</u>	<u>20,240</u>	<u>388</u>
NET CHANGE IN FUND BALANCE	<u>(21,617)</u>	<u>(34,664)</u>	<u>(13,047)</u>	<u>(235)</u>
FUND BALANCE (DEFICIT), Beginning	<u>(42,611)</u>	<u>(33,299)</u>	<u>9,312</u>	<u>(33,064)</u>
FUND BALANCE (DEFICIT), Ending	<u>\$ (64,228)</u>	<u>\$ (67,963)</u>	<u>\$ (3,735)</u>	<u>\$ (33,299)</u>

See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE STREET FUND

Year Ended December 31, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Taxes				
Property/Specific Ownership Tax	\$ 38,049	\$ 43,022	\$ 4,973	\$ 45,148
Sales	79,389	76,920	(2,469)	80,026
Other	300	-	(300)	4,794
Total Taxes	117,738	119,942	2,204	129,968
Intergovernmental				
Motor Vehicle Registration	4,095	9,985	5,890	3,989
Highway Users Tax Fund	34,040	46,427	12,387	38,020
Total Intergovernmental	38,135	56,412	18,277	42,009
Fines and Forfeitures	285	170	(115)	304
Interest	120	-	(120)	592
Miscellaneous	19,612	-	(19,612)	5,082
TOTAL REVENUES	175,890	176,524	634	177,955
EXPENDITURES				
Highways and Streets				
Highways and Streets	132,438	79,025	53,413	119,348
Construction	7,607	11,589	(3,982)	659
Maintenance of Condition	58,464	3,143	55,321	11,539
Snow and Ice Removal	836	405	431	837
Law and Enforcement	7,151	10,942	(3,791)	887
Traffic Services	8,103	6,632	1,471	9,672
Total Highways and Streets	214,599	111,736	102,863	142,942
Capital	-	86,250	(86,250)	-
Debt Service				
Principal	-	11,655	(11,655)	11,255
Interest and Fiscal Charges	-	337	(337)	745
Total Debt Service	-	11,992	(11,992)	12,000
TOTAL EXPENDITURES	214,599	209,978	4,621	154,942
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(38,709)	(33,454)	(5,255)	23,013
OTHER FINANCING SOURCES				
Loan proceeds	-	86,250	86,250	-
TOTAL OTHER FINANCING SOURCES	-	86,250	86,250	-
NET CHANGE IN FUND BALANCE	(38,709)	52,796	80,995	23,013
FUND BALANCE, Beginning	342,291	341,637	654	318,624
FUND BALANCE, Ending	<u>\$ 303,582</u>	<u>\$ 394,433</u>	<u>\$ 81,649</u>	<u>\$ 341,637</u>

See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE CONSERVATION TRUST FUND

Year Ended December 31, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	2018		VARIANCE Positive (Negative)	2017
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Lottery Revenues	\$ 11,757	\$ 10,358	\$ (1,399)	\$ 10,019
Interest	6	32	26	11
	<u>11,763</u>	<u>10,390</u>	<u>(1,373)</u>	<u>10,030</u>
TOTAL REVENUES				
EXPENDITURES				
Culture and Recreation	8,360	5,920	2,440	-
Capital	-	34,900	(34,900)	-
	<u>8,360</u>	<u>40,820</u>	<u>(32,460)</u>	<u>-</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,403</u>	<u>(30,430)</u>	<u>(33,833)</u>	<u>10,030</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	(388)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(388)</u>
NET CHANGE IN FUND BALANCE	<u>3,403</u>	<u>(30,430)</u>	<u>(33,833)</u>	<u>9,642</u>
FUND BALANCE (DEFICIT), Beginning	<u>79,119</u>	<u>78,663</u>	<u>(456)</u>	<u>69,021</u>
FUND BALANCE (DEFICIT), Ending	<u>\$ 82,522</u>	<u>\$ 48,233</u>	<u>\$ (34,289)</u>	<u>\$ 78,663</u>

See the accompanying Independent Auditor's report.

SUPPLEMENTARY INFORMATION

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE

LIBRARY FUND

Year Ended December 31, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Property Taxes	\$ 13,429	\$ 14,854	\$ 1,425	\$ 13,632
Grants	1,000	4,500	3,500	5,000
Interest	45	-	(45)	167
Miscellaneous	1,070	4,422	3,352	2,655
TOTAL REVENUES	15,544	23,776	8,232	21,454
EXPENDITURES				
Culture and Recreation				
Salaries and Benefits	15,017	8,388	6,629	10,752
Books	2,850	3,641	(791)	12,389
Maintenance and Supplies	2,800	3,408	(608)	7,098
TOTAL EXPENDITURES	20,667	15,437	5,230	30,239
NET CHANGE IN FUND BALANCE	(5,123)	8,339	13,462	(8,785)
FUND BALANCE (DEFICIT), Beginning	21,471	3,034	(18,437)	11,819
FUND BALANCE (DEFICIT), Ending	\$ 16,348	\$ 11,373	\$ (4,975)	\$ 3,034

See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE WATER FUND

Year Ended December 31, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Charges for Services				
Charges for Services	\$ 293,823	\$ 229,947	\$ (63,876)	\$ 296,156
Tank Sales	-	46	46	79
Connection Fees	-	2,225	2,225	-
Late Fees and Penalties	-	12,358	12,358	11,606
Total Charges for Services	293,823	244,576	(49,247)	307,841
Tap Fees	-	4,061	4,061	458
Lease of Water Shares	89,000	89,364	364	89,000
Investment Income	-	883	883	881
Grant Proceeds	-	101,300	101,300	-
Loan Proceeds	-	713,180	713,180	-
TOTAL REVENUES	382,823	1,153,364	770,541	398,180
EXPENDITURES				
Salaries and Benefits	84,760	96,321	(11,561)	90,360
Operations and Maintenance	102,029	103,021	(992)	83,786
Water Stock Assessment	27,493	22,958	4,535	22,960
Water Purchased and Storage	63,324	57,978	5,346	56,053
Capital Outlay	-	128,174	(128,174)	-
Debt Service				
Principal	-	167,282	(167,282)	32,433
Interest	-	-	-	11,184
TOTAL EXPENDITURES	277,606	575,734	(298,128)	296,776
NET INCOME, Budget Basis	\$ 105,217	577,630	\$ 472,413	101,404
GAAP BASIS ADJUSTMENTS				
Depreciation		(46,468)		(46,514)
Issue New Debt		(713,180)		-
Capital Outlay		128,174		-
Principal Paid on Long-Term Debt		167,282		32,433
NET INCOME, GAAP Basis		113,438		87,323
NET POSITION, Beginning		1,305,319		1,217,996
NET POSITION, Ending		\$ 1,418,757		\$ 1,305,319

See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE SEWER FUND

Year Ended December 31, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Charges for Services	\$ 108,000	\$ 129,823	\$ 21,823	\$ 131,406
Tap Fees	-	8,656	8,656	-
Loan Proceeds	-	446,400	446,400	-
Investment Income	-	838	838	827
Miscellaneous Income	-	75	75	225
Grant Proceeds	-	84,434	84,434	-
Total Charges for Services	108,000	670,226	562,226	132,458
TOTAL REVENUES	108,000	670,226	562,226	132,458
EXPENDITURES				
Salaries and Benefits	50,990	39,594	11,396	38,802
Operations and Maintenance	26,717	30,499	(3,782)	24,966
Capital Outlay	-	105,542	(105,542)	-
Debt Service				
Principal	-	29,950	(29,950)	29,950
Interest	-	-	-	-
Transfers Out	-	-	-	-
TOTAL EXPENDITURES	77,707	205,585	(127,878)	93,718
NET INCOME, Budget Basis	\$ 30,293	464,641	\$ 690,104	38,740
GAAP BASIS ADJUSTMENTS				
Depreciation		(54,140)		(54,140)
Issue New Debt		(446,400)		-
Capital Outlay		105,542		
Principal Paid on Long-Term Debt		29,950		29,950
NET INCOME, GAAP Basis		99,593		14,550
NET POSITION, Beginning		1,229,887		1,215,337
NET POSITION, Ending		\$ 1,329,480		\$ 1,229,887

See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE SANITATION FUND

Year Ended December 31, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Charges for Services				
Sanitation Charges	\$ 188,117	\$ 191,398	\$ 3,281	\$ 182,981
Trash Load Dumping	1,700	908	(792)	1,901
Trash Tags	350	87	(263)	196
Total Charges for Services	<u>190,167</u>	<u>192,393</u>	<u>2,226</u>	<u>185,078</u>
Grants - Landfill	-	-	-	-
Transfers In	-	-	-	-
TOTAL REVENUES	<u>190,167</u>	<u>192,393</u>	<u>2,226</u>	<u>185,078</u>
EXPENDITURES				
Salaries and Benefits	46,948	36,081	10,867	37,380
Contract Services	105,411	143,667	(38,256)	130,362
Operations and Maintenance	12,026	6,385	5,641	10,176
Landfill Closure Costs	-	-	-	310
TOTAL EXPENDITURES	<u>164,385</u>	<u>186,133</u>	<u>(21,748)</u>	<u>178,228</u>
NET INCOME, Budget Basis	<u>\$ 25,782</u>	6,260	<u>\$ 23,974</u>	6,850
GAAP BASIS ADJUSTMENTS				
Depreciation		<u>(143)</u>		<u>(143)</u>
NET INCOME, GAAP Basis		6,117		6,707
NET POSITION, Beginning		<u>47,531</u>		<u>40,824</u>
NET POSITION, Ending		<u>\$ 53,648</u>		<u>\$ 47,531</u>

See the accompanying Independent Auditor's report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 12/2017

This Information From The Records Of: Town of Ordway, Ordway Colorado	Prepared By: Yolanda Avalos Town Treasurer
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	11939.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	9349.00
2. General fund appropriations		b. Snow and ice removal	628.00
3. Other local imposts (from page 2)	130753.00	c. Other	
4. Miscellaneous local receipts (from page 2)	5748.00	d. Total (a. through c.)	9977.00
5. Transfers from toll facilities		4. General administration & miscellaneous	96404.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	23657.00
a. Bonds - Original Issues		6. Total (1 through 5)	141977.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	136501.00	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	41702.00	2. Notes:	
D. Receipts from Federal Government (from page 2)		a. Interest	
E. Total receipts (A.7 + B + C + D)	178203.00	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 expenditures (A.6 + B.3 + C + D)	141977.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

Notes and Comments: This form did not have section V. Local Road and Street Fund Balance.

Line B. Total Receipts: 178203.00
Line C. Total Disbursements: 141977.00
Line E: Reconciliation: 36226.00

See the accompanying Independent Auditor's Report.

LOCAL HIGHWAY FINANCE REPORT

STATE:

Colorado

YEAR ENDING (mm/yy):

12/2017

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	32783.00	a. Interest on Investments	156.00
b. Other local imposts:		b. Traffic fines & Penalties	302.00
1. Sales Taxes	87540.00	c. (Specify)	
2. (Specify)		d. (Specify)	
3. (Specify)		e. (Specify)	
4. (Specify)		f. (Specify)	
5. (Specific Ownership & Other)	10430.00	g. (Other misc revenues)	5040.00
6. Total (1. through 5.)	97970.00	h. (Other)	250.00
c. Total (a. + b.)	130753.00	i. Total (a. through h.)	5748.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	38020.00	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. (Specify)		c. HUD	
c. (Motor Vehicle)	3682.00	d. (Specify)	
d. (Specify)		e. (Specify)	
e. (Specify)		f. (Specify)	
f. Total (a. through e.)	3682.00	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	41702.00	3. Total (1. + 2.g)	
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES 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			
b. Engineering Costs			
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation			
(4). System Enhancement And Operation			
(5). Total Construction (1)+(2)+(3)+(4)			
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)			
	<i>(Carry forward to page 1)</i>		

Notes and Comments: