

Town of Dillon, Colorado



Financial Statements December 31, 2018



TABLE OF CONTENTS

	<u>PAGES</u>
Financial Section	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Balance Sheet – Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Position – Proprietary Funds	19
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	20
Statement of Cash Flows – Proprietary Funds	21
Statement of Assets and Liabilities – Agency Fund	22
Notes to the Financial Statements	23
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability and Contributions Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan	43
Schedule of Proportionate Share of the Net Pension Liability and Contributions Fire & Police Pension Association of Colorado Statewide Hybrid Plan	44
General Fund – Budgetary Comparison Schedule	45
Notes to Required Supplementary Information	46

TABLE OF CONTENTS

(continued)

	<u>PAGES</u>
Supplementary Information	
Nonmajor Governmental Funds, Special Revenue Funds	47
Combining Balance Sheet – Nonmajor Governmental Funds	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	49
Capital Improvement Fund – Budgetary Comparison Schedule	50
Street Improvement Fund – Budgetary Comparison Schedule	51
Housing Initiative 5A Fund – Budgetary Comparison Schedule	52
Conservation Trust Fund – Budgetary Comparison Schedule	53
Cemetery Perpetual Care Fund – Budgetary Comparison Schedule	54
Dillon Urban Renewal Authority – Budgetary Comparison Schedule	55
Water Fund – Budgetary Comparison Schedule	56
Sewer Fund – Budgetary Comparison Schedule	57
Marina Fund – Budgetary Comparison Schedule	58
Statement of Changes in Assets and Liabilities – Agency Fund	59
Compliance Section	
Local Highway Finance Report	60



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditors' Report

Honorable Mayor and Town Council
Town of Dillon
Dillon, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dillon's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Greenwood Village, Colorado
July 10, 2019



Management's Discussion and Analysis

As management of the Town of Dillon, we offer readers of the Town of Dillon's financial statements this narrative overview and analysis of the financial activities of the Town of Dillon for the fiscal year ended December 31, 2018.

Financial Highlights

- The assets of the Town of Dillon exceeded its liabilities at the close of fiscal year 2018 by \$32,229,451 (*net position*). Of this amount, \$7,594,110 (*unrestricted net position*) may be used to meet the Town of Dillon's ongoing obligations to citizens and creditors.
- The Town of Dillon's total net position increased by \$4,162,799.
- As of the close of the fiscal year 2018, the Town of Dillon's governmental activities reported ending net position of \$15,880,234 an increase of \$2,648,483 compared with the prior year. Approximately 26.05% of this total amount, \$4,137,040, is available for spending at the Town's discretion (*unrestricted net position*).
- At the end of the fiscal year ended December 31, 2018, unrestricted fund balance for the General Fund was \$2,358,426, or 41.76% of the total general fund expenditures.
- The Town of Dillon's total debt decreased by \$900,078 during the fiscal year ended December 31, 2018.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Dillon's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Dillon's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the Town of Dillon that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Dillon include general government, public safety, public works, community development, culture and recreation, housing and the Dillon Urban Renewal Authority. The business-type activities of the Town of Dillon include a water utility that treats and distributes water (the Water Fund), a sewer utility that maintains the sewer collection system (the Sewer Fund) and a marina program (the Marina Fund) that operates and maintains the Dillon Marina.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Dillon, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Dillon can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. This accounting method is called modified accrual accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Dillon maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund and Street Improvement Fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Dillon adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. The Town of Dillon maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Dillon uses enterprise funds to account for its water and sewer utilities and marina operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer and Marina Funds, all of which are considered to be major funds of the Town of Dillon.

Fiduciary funds. The Town of Dillon has one fiduciary fund, the Summit County Telecommunications Consortium (SCTC). The activities of the SCTC are reported in a separate Statement of Assets and Liabilities and Changes in Assets and Liabilities. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Dillon's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements are found on pages 22 and 59 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements and the required supplementary information. The combining fund statements can be found on pages 48-49.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Dillon, assets exceeded liabilities by \$32,229,451 at the close of the fiscal year 2018.

The net position of the Town at December 31, 2018 was:

Town of Dillon's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 7,867,471	\$ 7,605,117	\$ 5,563,661	\$ 4,862,177	\$ 13,431,132	\$ 12,467,294
Capital Assets	21,630,833	19,797,284	15,297,342	14,694,669	36,928,175	34,491,953
Total Assets	<u>29,498,304</u>	<u>27,402,401</u>	<u>20,861,003</u>	<u>19,556,846</u>	<u>50,359,307</u>	<u>46,959,247</u>
Total Deferred Outflows of Resources	360,868	206,906	-	-	360,868	206,906
Other Liabilities	398,352	300,038	137,460	129,980	535,812	430,018
Noncurrent Liabilities	13,066,118	13,748,558	4,374,326	4,591,965	17,440,444	18,340,523
Total Liabilities	<u>13,464,470</u>	<u>14,048,596</u>	<u>4,511,786</u>	<u>4,721,945</u>	<u>17,976,256</u>	<u>18,770,541</u>
Total Deferred Inflows of Resources	514,468	328,960	-	-	514,468	328,960
Net Position:						
Invested in Capital Assets, Net of Related Debt	8,883,707	6,364,969	12,892,147	11,999,529	21,775,854	18,364,498
Restricted	2,859,487	1,980,235	-	-	2,859,487	1,980,235
Unrestricted	4,137,040	4,886,547	3,457,070	2,835,372	7,594,110	7,721,919
Total Net Position	<u>\$ 15,880,234</u>	<u>\$ 13,231,751</u>	<u>\$ 16,349,217</u>	<u>\$ 14,834,901</u>	<u>\$ 32,229,451</u>	<u>\$ 28,066,652</u>

A large portion of the Town of Dillon's net position (67.5%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Dillon's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town of Dillon's net position (8.87%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$7,594,110) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Dillon is able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities.

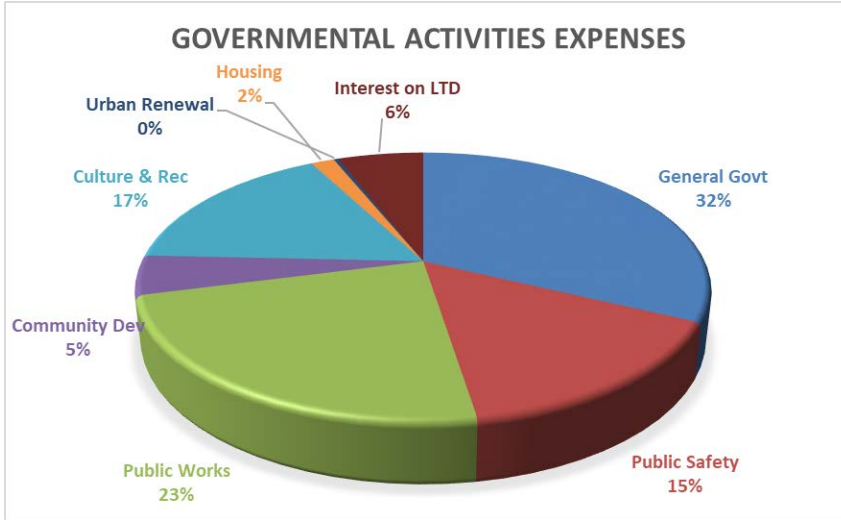
The Town of Dillon's net position increased by \$4,162,799 during the fiscal year 2018. The net position of Governmental Activities increased by \$2,648,483 which can be attributed to an increase in revenues including sales tax, lodging tax, recreational marijuana excise tax and grants for the Amphitheater project. Net position of Business-Type Activities increased by \$1,514,316 which is the result of an increase in water usage fees, water and sewer tap fees, marina fees, CRCA settlement and an increase in the investment in the Joint Sewer Authority offset by increases in personnel costs and marina spending.

Town of Dillon's Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program Revenues						
Charges for Services	\$ 775,067	\$ 331,768	\$ 3,686,368	\$ 3,491,292	\$ 4,461,435	\$ 3,823,060
Operating Grants and Contributions	122,929	165,826	-	-	122,929	165,826
Capital Grants and Contributions	1,002,011	1,454,121	367,579	567,365	1,369,590	2,021,486
General Revenues						
Sales Tax	7,032,988	6,477,506	-	-	7,032,988	6,477,506
Property Tax	228,202	217,328	-	-	228,202	217,328
Lodging Tax	203,246	187,689	-	-	203,246	187,689
Other Tax	551,472	487,345	-	-	551,472	487,345
Grants & Contributions not Restricted to Specific Programs	13,592	14,065	-	-	13,592	14,065
Other General Revenues	677,962	1,460,414	1,067,081	99,751	1,745,043	1,560,165
Total Revenues	<u>10,607,469</u>	<u>10,796,062</u>	<u>5,121,028</u>	<u>4,158,408</u>	<u>15,728,497</u>	<u>14,954,470</u>
Program Expenses						
General Government	2,566,232	1,941,382	-	-	2,566,232	1,941,382
Public Safety	1,224,267	1,478,212	-	-	1,224,267	1,478,212
Public Works	1,871,936	2,707,958	-	-	1,871,936	2,707,958
Community Development	381,104	337,183	-	-	381,104	337,183
Culture and Recreation	1,322,824	426,214	-	-	1,322,824	426,214
Housing	125,834	37,160	-	-	125,834	37,160
Urban Renewal	25,210	8,817	-	-	25,210	8,817
Interest on Long-Term Debt	463,579	523,629	-	-	463,579	523,629
Water	-	-	1,201,013	919,654	1,201,013	919,654
Sewer	-	-	948,613	1,024,038	948,613	1,024,038
Marina	-	-	1,435,086	1,391,429	1,435,086	1,391,429
Total Expenses	<u>7,980,986</u>	<u>7,460,555</u>	<u>3,584,712</u>	<u>3,335,121</u>	<u>11,565,698</u>	<u>10,795,676</u>
Transfers	22,000	22,000	(22,000)	(22,000)	-	-
Changes in Net Position	2,648,483	3,357,507	1,514,316	801,287	4,162,799	4,158,794
Net Position-Beginning of Year	<u>13,231,751</u>	<u>9,874,244</u>	<u>14,834,901</u>	<u>14,033,614</u>	<u>28,066,652</u>	<u>23,907,858</u>
Net Position-End of Year	<u>\$ 15,880,234</u>	<u>\$ 13,231,751</u>	<u>\$ 16,349,217</u>	<u>\$ 14,834,901</u>	<u>\$ 32,229,451</u>	<u>\$ 28,066,652</u>

Governmental activities. Governmental activities increased the Town of Dillon's net position by \$2,648,483. The following are illustrative summaries of Governmental Activities breaking out revenues and expenses:

- Sales tax, the primary source of revenues to the General Fund (66.3% of governmental revenues), increased \$555,482 from 2017. Increases were the result of a new winter event in the Town Center, new businesses and a growing economy.
- Lodging tax collections increased 8.3% or \$15,557 over 2017.
- Charges for services increased 133% over 2017 due to the opening of the Dillon Amphitheater and revenues from paid concerts and park reservations.
- Operating grants and contributions were down 25.9% due to a decrease in grant proceeds from the Colorado Department of Transportation for DUI and Click It or Ticket campaigns.
- Capital grants and contributions were down 31% due to the reduction in funding for the Dillon Amphitheater project. The majority of the DOLA grant was received in 2017.

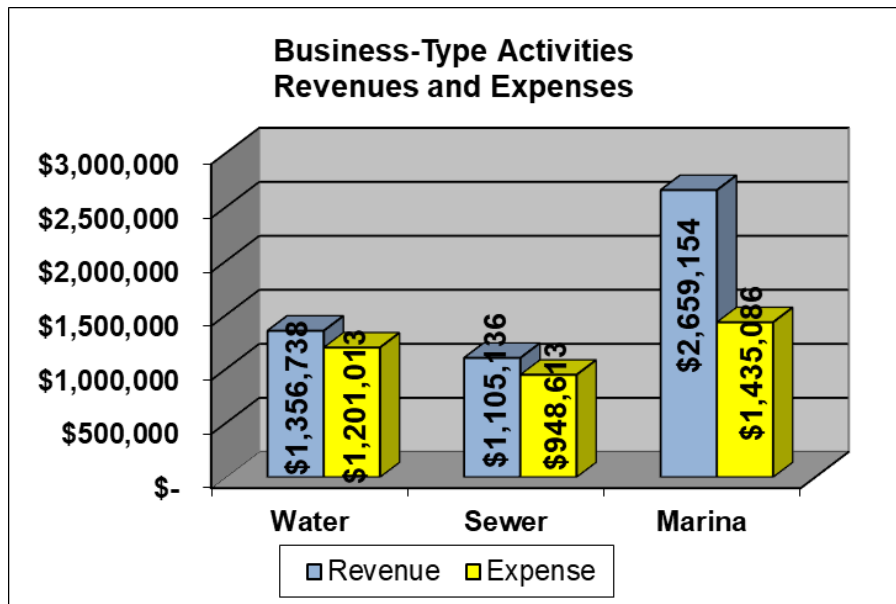


- Expenses for governmental activities are up 6.98%. The chart to the left (see *Governmental Activities Expenses*) represents department expenses as a percentage of the total expenses for governmental activities.
- General government expenses are up 32.2% due to additional events spending for paid concerts, economic development efforts and salary and benefit increases.

- Public safety expenses decreased 17.2% due to vacancies in staffing in 2018.
- Public works expenses decreased 30.88% due to a decrease in spending on street maintenance and vacancies in the staffing.
- Community Development expenses increased 13% due to the addition of planning consulting services.
- Culture and Recreation increased 210% due to the amphitheater improvements.
- Core Services (public safety, public works and culture and recreation) make up 55% of the expenses. General Government consists of Town Council, general administration, economic development, marketing, communications and events.

Business-type activities. Business-type activities increased the Town of Dillon’s net position by \$1,514,316, accounting for 36.4% of growth in the Town’s net position. Key elements of this increase are as follows:

- Charges for services increased 5.6% due to increases in water usage fees and marina revenues.
- Water and Sewer and Marina Funds reflect increases in net position as shown in the chart to the right.



Financial Analysis of the Town of Dillon's Funds

As noted earlier, the Town of Dillon uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the fiscal year 2018, the Town of Dillon's governmental funds reported combined ending fund balances of \$6,900,220, a decrease of \$105,938 (1.5%) over 2017. Approximately 34.2% of this total amount constitutes unassigned fund balance (\$2,358,426), which is available for spending at the Town's discretion. The remainder of fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been either restricted for 1) emergencies (\$309,633), 2) parks and open space projects (\$38,877), 3) affordable housing projects (\$1,937,893), 4) streets (\$482,832), or assigned for 1) cemetery purposes (\$35,166), 2) capital projects (\$1,516,573) 3) urban renewal (\$74,210) or nonspendable for notes receivable (\$2,702), prepaid expenditures (\$53,656) and cemetery perpetual care balances (\$90,252).

The General Fund is the chief operating fund of the Town of Dillon. At the end of the fiscal year 2018, unassigned fund balance of the General Fund was \$2,358,426, while the total fund balance was \$2,724,417. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 41.8% and 48.2% of the total general fund expenditures, respectively.

The Capital Improvement Fund ended the year with a fund balance of \$1,516,573. The net decrease in fund balance during the fiscal year 2018 was \$1,381,384 as a result of spending the 2016 lease proceeds for the amphitheater improvements.

The Street Improvement Fund was created in 2008 to account for the issuance of debt for funding street reconstruction projects that were approved by the voters in 2008. The funding source for the debt repayment is the voter approved .5% sales tax. The fund balance at December 31, 2018 is \$482,832. The net increase in the fund balance for 2018 was \$176,782 due to a reduction in spending in 2018.

The Housing Initiative 5A Fund was created in 2007 to collect the voter approved sales tax of .725% and the impact fee. All expenditures must be used for affordable housing and the current fund balance is \$1,937,893.

The nonmajor special revenue funds include the Conservation Trust Fund, Cemetery Perpetual Care Fund and the Dillon Urban Renewal Authority. The fund balance in the Conservation Trust Fund (\$38,877) is restricted by the State of Colorado for parks and open space projects as approved by Great Outdoors Colorado (GOCO). The Cemetery Perpetual Care Fund has a current fund balance of \$125,418 and only the donations, capital fee and interest earnings can be expended for cemetery purposes. The Cemetery Advisory Committee is charged with obtaining

donations and make recommendations for future projects. The Dillon Urban Renewal Authority (DURA) was established by the Town for the purposes of revitalizing blighted areas. The Town Council serves as the governing body for DURA. The fund balance at December 31, 2018 is \$74,210.

Proprietary funds. The Town of Dillon’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Sewer and Marina Funds at the end of the year amounted to \$3,457,070. The changes in net position for all three funds were an increase of \$155,725 for Water, \$156,523 for Sewer and \$1,202,068 for Marina. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town of Dillon’s business-type activities.

General Fund Budgetary Highlights

The fund balance of the Town of Dillon’s General Fund increased by \$333,922 (13.97%) during the current fiscal year. Revenues were over budget by \$491,637 (8.7%) due to the growth in the economy, new businesses and paid concerts. Expenditures were under budget by \$110,093 (1.9%) due to staff vacancies in public works and public safety. Supplemental appropriations were approved by Town Council for town concerts, winter events, local improvement incentives and transfer to Capital Improvement Fund for capital spending.

Capital Asset and Debt Administration

Town of Dillon's Capital Assets, Net of Accumulated Depreciation

	Governmental		Business Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$ 2,075,369	\$ 2,091,562	\$ 219,652	\$ 219,652	\$ 2,295,021	\$ 2,311,214
Water Rights	-	-	2,738,830	2,738,830	\$ 2,738,830	\$ 2,738,830
Construction in Progress	79,598	7,151,937	10,853	-	\$ 90,451	\$ 7,151,937
Infrastructure	19,912,720	19,636,494	9,331,834	9,005,544	\$ 29,244,554	\$ 28,642,038
Buildings	1,409,246	1,475,168	480,243	480,243	\$ 1,889,489	\$ 1,955,411
Equipment & Vehicles	2,955,509	2,939,167	1,020,178	889,661	\$ 3,975,687	\$ 3,828,828
Parks & Amphitheatre	13,471,870	3,307,832	-	-	\$ 13,471,870	\$ 3,307,832
Furniture & Fixtures	293,238	301,409	-	-	\$ 293,238	\$ 301,409
Water Plant	-	-	6,017,975	5,823,554	\$ 6,017,975	\$ 5,823,554
Improvements	-	-	5,089,835	4,766,717	\$ 5,089,835	\$ 4,766,717
Accumulated Depreciation	<u>(18,566,717)</u>	<u>(17,106,285)</u>	<u>(9,612,058)</u>	<u>(9,229,532)</u>	<u>\$(28,178,775)</u>	<u>\$(26,335,817)</u>
Total	<u>\$21,630,833</u>	<u>\$19,797,284</u>	<u>\$15,297,342</u>	<u>\$14,694,669</u>	<u>\$ 36,928,175</u>	<u>\$ 34,491,953</u>

Capital assets. The Town of Dillon’s investment in capital assets for its governmental and business-type activities as of December 31, 2018, amounts to \$36,928,175 (net of accumulated depreciation). This investment in capital assets includes land, streets, sidewalks, buildings, equipment and vehicles, parks and amphitheater, furniture and fixtures, water plant, water and sewer lines, marina facilities and other improvements.

Major capital asset events during the current fiscal year included the following:

- Amphitheatre Improvements (\$3m)
- Purchase of Equipment/Vehicles (\$195k)
- Storm Sewer for Town Park (\$191k)
- Highway 6 Median and Lights (\$26k)
- Sidewalk and Pullout on Lodgepole (\$59k)
- Water Plant Communication Controls (\$161k)
- Water Plant Generator (\$171k)
- Water Service for Town Park (\$290k)
- Sewer Service for Amphitheater (\$108k)
- Marina rental boats (\$108k)
- Marina A Dock and Wave Attenuator (\$419k)

Town of Dillon's Outstanding Debt

	Governmental		Business Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Water Utility Loans	\$ -	\$ -	\$ 2,832,441	\$ 2,946,923	\$ 2,832,441	\$ 2,946,923
Marina Facility Loans	-	-	1,527,255	1,632,485	\$ 1,527,255	\$ 1,632,485
Revenue Bonds	8,155,000	8,720,000	-	-	\$ 8,155,000	\$ 8,720,000
Capital Lease Obligations	4,790,997	4,930,969	-	-	\$ 4,790,997	\$ 4,930,969
Compensated Absences	130,890	109,337	14,631	12,557	\$ 145,521	\$ 121,894
Bond Discount	(10,769)	(11,748)	-	-	\$ (10,769)	\$ (11,748)
Total	<u>\$13,066,118</u>	<u>\$13,748,558</u>	<u>\$ 4,374,327</u>	<u>\$ 4,591,965</u>	<u>\$17,440,445</u>	<u>\$18,340,523</u>

Long-term debt. At the end of the current fiscal year, the Town of Dillon had total long-term debt outstanding of \$17,440,445. Of this amount, \$2,832,441 in water utility loans and \$1,527,255 for the marina shoreline replacement project, and \$8,155,000 in bonds secured solely by specified revenue sources (i.e. revenue bonds). Additionally, the Town of Dillon has \$4,790,997 in lease financing for the amphitheater improvements, \$145,521 in compensated absences and a bond discount (\$10,769). The Town of Dillon’s total debt decreased by \$900,078 during the current fiscal year.

Economic Factors and Next Year's Budget and Rates

- Sales tax revenues account for 72% of total governmental fund revenues and is the primary source for providing funds for general operations, maintenance, debt payments and capital projects of the Town of Dillon.
- Sales tax collections in 2019 were projected to be flat to 2018.
- Assessed valuations have decreased by .58% from 2018 to 2019.
- General Fund expenditures increased 5.73% over the 2018 budget due to an increase in salary and benefits, consultant fees for planning and engineering due to the increase in development, events programming and economic development incentives.
- Capital spending represents 28% of the 2019 budget of all expenditures appropriated for capital projects in the Capital Improvement Fund, Street Improvement Fund, Water Fund, Sewer Fund and Marina Fund.
- Major capital projects for 2019 include the Town Park improvements project, utility work at Town Park, water main replacement along Highway 6, replacement of sewer manholes, replacement of a portion of the marina rental boat fleet and an update to the Marina master plan.

All of these factors were considered in the preparation for the Town of Dillon's budget for the 2019 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town of Dillon's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Carri McDonnell, Finance Director, Town of Dillon, P.O. Box 8, Dillon, CO 80435, or to carrim@townofdillon.com, or (970) 262-3404.

TOWN OF DILLON, COLORADO
STATEMENT OF NET POSITION
December 31, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 5,500,195	\$ 3,672,996	\$ 9,173,191
Accounts Receivable	80,944	136,165	217,109
Current Taxes Receivable	30,421	-	30,421
Intergovernmental Receivable	1,402,024	-	1,402,024
Property Taxes Receivable	383,170	-	383,170
Notes Receivable	2,702	-	2,702
Interfund Receivable	200,000	(200,000)	-
Prepaid Expenses	53,656	-	53,656
Net Pension	214,359	-	214,359
Investment in Joint Sewer Authority	-	1,954,500	1,954,500
Capital Assets			
Non-Depreciable Assets	2,154,967	2,969,335	5,124,302
Depreciable Assets, Net	19,475,866	12,328,007	31,803,873
Total Assets	<u>29,498,304</u>	<u>20,861,003</u>	<u>50,359,307</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	188,102		188,102
Pensions, Net of Accumulated Amortization	172,766	-	172,766
Total Deferred Outflows of Resources	<u>360,868</u>	<u>-</u>	<u>360,868</u>
LIABILITIES			
Accounts Payable	226,733	67,121	293,854
Interest Payable	28,630	50,881	79,511
Accrued Liabilities	101,949	19,458	121,407
Deposits	15,000	-	15,000
Unearned Revenues	26,040	-	26,040
Noncurrent Liabilities			
Due Within One Year	720,094	226,568	946,662
Due in More Than One Year	12,346,024	4,147,758	16,493,782
Total Liabilities	<u>13,464,470</u>	<u>4,511,786</u>	<u>17,976,256</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions, Net of Accumulated Amortization	131,298	-	131,298
Property Taxes	383,170	-	383,170
Total Deferred Inflows of Resources	<u>514,468</u>	<u>-</u>	<u>514,468</u>
NET POSITION			
Net Investment in Capital Assets	8,883,707	12,892,147	21,775,854
Restricted for:			
Cemetery, Nonexpendable	90,252	-	90,252
Emergencies	309,633	-	309,633
Parks and Open Space	38,877	-	38,877
Housing	1,937,893	-	1,937,893
Streets	482,832	-	482,832
Unrestricted	4,137,040	3,457,070	7,594,110
Total Net Position	<u>\$ 15,880,234</u>	<u>\$ 16,349,217</u>	<u>\$ 32,229,451</u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,566,232	\$ 81,093	\$ -	\$ -
Public Safety	1,224,267	69,082	12,022	-
Public Works	1,871,936	-	110,907	-
Community Development	381,104	37,736	-	-
Culture and Recreation	1,322,824	587,156	-	197,519
Housing	125,834	-	-	804,492
Urban Renewal	25,210	-	-	-
Interest on Long-Term Debt	463,579	-	-	-
Total Governmental Activities	7,980,986	775,067	122,929	1,002,011
Business-Type Activities				
Water	1,201,013	1,130,246	-	207,245
Sewer	948,613	871,255	-	160,334
Marina	1,435,086	1,684,867	-	-
Total Business-Type Activities	3,584,712	3,686,368	-	367,579
TOTAL PRIMARY GOVERNMENT	\$ 11,565,698	\$ 4,461,435	\$ 122,929	\$ 1,369,590

GENERAL REVENUES
Sales Taxes
Property Taxes
Lodging Tax
Other Tax
Grants & Contributions Not Restricted to Specific Programs
Interest
CRCA Settlement
Miscellaneous

TOTAL GENERAL REVENUES

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

PRIMARY GOVERNMENT

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (2,485,139)	\$ -	\$ (2,485,139)
(1,143,163)	-	(1,143,163)
(1,761,029)	-	(1,761,029)
(343,368)	-	(343,368)
(538,149)	-	(538,149)
678,658	-	678,658
(25,210)	-	(25,210)
<u>(463,579)</u>	<u>-</u>	<u>(463,579)</u>
<u>(6,080,979)</u>	<u>-</u>	<u>(6,080,979)</u>
-	136,478	136,478
-	82,976	82,976
<u>-</u>	<u>249,781</u>	<u>249,781</u>
<u>-</u>	<u>469,235</u>	<u>469,235</u>
<u>(6,080,979)</u>	<u>469,235</u>	<u>(5,611,744)</u>
7,032,988	-	7,032,988
228,202	-	228,202
203,246	-	203,246
551,472	-	551,472
13,592	-	13,592
61,605	62,820	124,425
-	900,000	900,000
<u>616,357</u>	<u>104,261</u>	<u>720,618</u>
8,707,462	1,067,081	9,774,543
<u>22,000</u>	<u>(22,000)</u>	<u>-</u>
2,648,483	1,514,316	4,162,799
<u>13,231,751</u>	<u>14,834,901</u>	<u>28,066,652</u>
<u>\$ 15,880,234</u>	<u>\$ 16,349,217</u>	<u>\$ 32,229,451</u>

TOWN OF DILLON, COLORADO

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2018

	<u>General</u>	<u>Capital Improvement</u>	<u>Street Improvement</u>	<u>Housing Initiative 5A</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Assets						
Cash and Investments	\$ 2,112,512	\$ 1,027,968	\$ 304,305	\$ 1,805,710	\$ 249,700	\$ 5,500,195
Accounts Receivable	76,004	4,940	-	-	-	80,944
Current Taxes Receivable	30,421	-	-	-	-	30,421
Intergovernmental Receivable	801,876	284,774	178,527	136,847	-	1,402,024
Property Taxes Receivable	195,412	32,512	-	-	155,246	383,170
Notes Receivable	2,702	-	-	-	-	2,702
Due from Other Funds	11,195	200,000	-	-	-	211,195
Prepaid Expenditures	53,656	-	-	-	-	53,656
Total Assets	<u>\$ 3,283,778</u>	<u>\$ 1,550,194</u>	<u>\$ 482,832</u>	<u>\$ 1,942,557</u>	<u>\$ 404,946</u>	<u>\$ 7,664,307</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 220,960	\$ 1,109	\$ -	\$ 4,664	\$ -	\$ 226,733
Accrued Liabilities	101,949	-	-	-	-	101,949
Deposits	15,000	-	-	-	-	15,000
Unearned Revenues	26,040	-	-	-	-	26,040
Due to Other Funds	-	-	-	-	11,195	11,195
Total Liabilities	<u>363,949</u>	<u>1,109</u>	<u>-</u>	<u>4,664</u>	<u>11,195</u>	<u>380,917</u>
Deferred Inflows of Resources						
Property Taxes	195,412	32,512	-	-	155,246	383,170
Fund Balances						
Nonspendable:						
Notes Receivable	2,702	-	-	-	-	2,702
Prepaid Expenditures	53,656	-	-	-	-	53,656
Cemetery	-	-	-	-	90,252	90,252
Restricted for:						
Emergencies	309,633	-	-	-	-	309,633
Parks and Open Space	-	-	-	-	38,877	38,877
Housing	-	-	-	1,937,893	-	1,937,893
Streets	-	-	482,832	-	-	482,832
Assigned to:						
Cemetery	-	-	-	-	35,166	35,166
Capital Projects	-	1,516,573	-	-	-	1,516,573
Urban Renewal	-	-	-	-	74,210	74,210
Unassigned	2,358,426	-	-	-	-	2,358,426
Total Fund Balances	<u>2,724,417</u>	<u>1,516,573</u>	<u>482,832</u>	<u>1,937,893</u>	<u>238,505</u>	<u>6,900,220</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,283,778</u>	<u>\$ 1,550,194</u>	<u>\$ 482,832</u>	<u>\$ 1,942,557</u>	<u>\$ 404,946</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						21,630,833
Long-term liabilities, including bonds payable (\$8,155,000), leases payable (\$4,790,997), interest payable (\$28,630), accrued compensated absences (\$130,890) offset by bond discount \$10,769, FPPA pensions net of amortization \$255,827 and loss on refunding \$188,102 are not due and payable in the current period and, therefore, not reported in the funds.						(12,650,819)
Total Net Position of Governmental Activities						<u>\$ 15,880,234</u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	General	Capital Improvement	Street Improvement	Housing Initiative 5A	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 5,189,723	\$ 1,667,770	\$ 1,071,915	\$ -	\$ 86,500	\$ 8,015,908
Charges for Services	630,777	-	-	-	8,950	639,727
Licenses and Permits	68,289	-	-	-	-	68,289
Intergovernmental	136,521	187,829	-	776,946	9,690	1,110,986
Fines and Forfeitures	67,051	-	-	-	-	67,051
Interest	35,352	13,030	6,088	6,591	544	61,605
Miscellaneous	13,725	3,036	-	27,546	14,800	59,107
Total Revenues	<u>6,141,438</u>	<u>1,871,665</u>	<u>1,078,003</u>	<u>811,083</u>	<u>120,484</u>	<u>10,022,673</u>
EXPENDITURES						
Current						
General Government	2,455,797	-	-	-	-	2,455,797
Public Safety	1,390,053	-	-	-	-	1,390,053
Public Works	719,676	2,718	7,492	-	-	729,886
Community Development	384,026	-	-	-	-	384,026
Culture and Recreation	697,964	-	-	-	15,781	713,745
Housing	-	-	-	125,834	-	125,834
Urban Renewal	-	-	-	-	25,210	25,210
Capital Outlay	-	3,701,975	58,704	-	-	3,760,679
Debt Service						
Principal	-	139,972	565,000	-	-	704,972
Interest	-	175,180	270,025	-	-	445,205
Debt Issuance Costs	-	-	-	-	-	-
Total Expenditures	<u>5,647,516</u>	<u>4,019,845</u>	<u>901,221</u>	<u>125,834</u>	<u>40,991</u>	<u>10,735,407</u>
Excess of Revenues Over (Under) Expenditures	<u>493,922</u>	<u>(2,148,180)</u>	<u>176,782</u>	<u>685,249</u>	<u>79,493</u>	<u>(712,734)</u>
OTHER FINANCING SOURCES (USES)						
Sale of Assets	-	584,796	-	-	-	584,796
Transfer In	-	182,000	-	-	-	182,000
Transfer Out	(160,000)	-	-	-	-	(160,000)
Total Other Financing Sources (Uses)	<u>(160,000)</u>	<u>766,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>606,796</u>
Net Change in Fund Balances	333,922	(1,381,384)	176,782	685,249	79,493	(105,938)
Fund Balances, Beginning of Year	<u>2,390,495</u>	<u>2,897,957</u>	<u>306,050</u>	<u>1,252,644</u>	<u>159,012</u>	<u>7,006,158</u>
Fund Balances, End of Year	<u>\$ 2,724,417</u>	<u>\$ 1,516,573</u>	<u>\$ 482,832</u>	<u>\$ 1,937,893</u>	<u>\$ 238,505</u>	<u>\$ 6,900,220</u>

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

TOWN OF DILLON, COLORADO
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2018

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

Net Change in Fund Balances of Governmental Funds	\$ (105,938)
Capital outlays to purchase or build capital assets \$3,565,293 are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense (\$1,662,472).	1,902,821
The net effect of various miscellaneous transactions involving capital assets (i.e. disposal of assets) are not reported in the governmental funds.	(69,272)
Repayments of bond principal \$565,000 and lease payments of \$139,972 are expenditures in the governmental funds, but they decrease long-term liabilities in the statement of net position and do not affect the statement of activities.	704,972
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in accrued compensated absences (\$21,553), accrued interest payable \$1,409 and FPPA pensions \$255,827	235,683
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of loss on refunding (\$18,804) and amortization of bond discount (\$979)	<u>(19,783)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 2,648,483</u></u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
ASSETS				
Current Assets				
Cash and Investments	\$ 1,329,390	\$ 823,371	\$ 1,520,235	\$ 3,672,996
Accounts Receivable	<u>92,439</u>	<u>25,125</u>	<u>18,601</u>	<u>136,165</u>
Total Current Assets	<u>1,421,829</u>	<u>848,496</u>	<u>1,538,836</u>	<u>3,809,161</u>
Noncurrent Assets				
Investment in Joint Sewer Authority	-	1,954,500	-	1,954,500
Capital Assets				
Non-Depreciable Assets	2,969,335	-	-	2,969,335
Depreciable Assets, Net	<u>6,779,803</u>	<u>2,013,239</u>	<u>3,534,965</u>	<u>12,328,007</u>
Total Noncurrent Assets	<u>9,749,138</u>	<u>3,967,739</u>	<u>3,534,965</u>	<u>17,251,842</u>
Total Assets	<u>11,170,967</u>	<u>4,816,235</u>	<u>5,073,801</u>	<u>21,061,003</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	10,629	27,390	29,102	67,121
Interest Payable	48,547	-	2,334	50,881
Accrued Liabilities	8,221	2,543	8,694	19,458
Due to Other Funds	-	-	200,000	200,000
Leases and Loans Payable	<u>117,487</u>	<u>-</u>	<u>109,081</u>	<u>226,568</u>
Total Current Liabilities	<u>184,884</u>	<u>29,933</u>	<u>349,211</u>	<u>564,028</u>
Noncurrent Liabilities				
Compensated Absences	5,635	2,686	6,310	14,631
Leases and Loans Payable	<u>2,714,953</u>	<u>-</u>	<u>1,418,174</u>	<u>4,133,127</u>
Total Noncurrent Liabilities	<u>2,720,588</u>	<u>2,686</u>	<u>1,424,484</u>	<u>4,147,758</u>
Total Liabilities	<u>2,905,472</u>	<u>32,619</u>	<u>1,773,695</u>	<u>4,711,786</u>
NET POSITION				
Net Investment in Capital Assets	6,916,698	3,967,739	2,007,710	12,892,147
Unrestricted	<u>1,348,797</u>	<u>815,877</u>	<u>1,292,396</u>	<u>3,457,070</u>
TOTAL NET POSITION	<u><u>\$ 8,265,495</u></u>	<u><u>\$ 4,783,616</u></u>	<u><u>\$ 3,300,106</u></u>	<u><u>\$ 16,349,217</u></u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
OPERATING REVENUES				
Charges for Services	\$ 1,130,246	\$ 871,255	\$ 1,684,867	\$ 3,686,368
Total Operating Revenues	<u>1,130,246</u>	<u>871,255</u>	<u>1,684,867</u>	<u>3,686,368</u>
OPERATING EXPENSES				
Operations	453,625	124,345	1,091,803	1,669,773
Maintenance	229,380	244,503	91,492	565,375
Distribution	16,964	-	-	16,964
Treatment	68,281	494,399	-	562,680
Depreciation	349,674	85,366	194,922	629,962
Total Operating Expenses	<u>1,117,924</u>	<u>948,613</u>	<u>1,378,217</u>	<u>3,444,754</u>
Operating Income (Loss)	<u>12,322</u>	<u>(77,358)</u>	<u>306,650</u>	<u>241,614</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	7,920	16,642	38,258	62,820
Miscellaneous Revenue	11,327	-	36,029	47,356
Interest Expense	(83,089)	-	(56,869)	(139,958)
Joint Sewer Authority	-	56,905	-	56,905
Total Nonoperating Revenues (Expenses)	<u>(63,842)</u>	<u>73,547</u>	<u>17,418</u>	<u>27,123</u>
Net Income (Loss) Before Transfers and Capital Contributions	(51,520)	(3,811)	324,068	268,737
CRCA Settlement	-	-	900,000	900,000
Transfer Out	-	-	(22,000)	(22,000)
Capital Contributions-Tap Fees	<u>207,245</u>	<u>160,334</u>	<u>-</u>	<u>367,579</u>
CHANGE IN NET POSITION	155,725	156,523	1,202,068	1,514,316
NET POSITION, Beginning	<u>8,109,770</u>	<u>4,627,093</u>	<u>2,098,038</u>	<u>14,834,901</u>
NET POSITION, Ending	<u><u>\$ 8,265,495</u></u>	<u><u>\$ 4,783,616</u></u>	<u><u>\$ 3,300,106</u></u>	<u><u>\$ 16,349,217</u></u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended December 31, 2018

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
CASH FLOW FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,096,843	\$ 841,599	\$ 1,673,987	\$ 3,612,429
Cash Paid to Suppliers	(460,474)	(749,758)	(561,876)	(1,772,108)
Cash Paid to Employees	(276,540)	(75,473)	(632,230)	(984,243)
Net Cash Provided (Used) by Operating Activities	<u>359,829</u>	<u>16,368</u>	<u>479,881</u>	<u>856,078</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets	(643,729)	(107,961)	(328,082)	(1,079,772)
Debt Principal Payments	(114,482)	-	(105,230)	(219,712)
Interest Payments	(84,679)	-	(57,030)	(141,709)
Tap Fees Received	207,245	160,334	-	367,579
CRCA Settlement	-	-	900,000	900,000
Transfer Out	-	-	(22,000)	(22,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(635,645)</u>	<u>52,373</u>	<u>387,658</u>	<u>(195,614)</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Miscellaneous	11,327	-	36,029	47,356
Net Cash Provided by Noncapital Financing Activities	<u>11,327</u>	<u>-</u>	<u>36,029</u>	<u>47,356</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	7,920	16,642	38,258	62,820
Net Cash Provided by Investing Activities	<u>7,920</u>	<u>16,642</u>	<u>38,258</u>	<u>62,820</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(256,569)	85,383	941,826	770,640
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>1,585,959</u>	<u>737,988</u>	<u>578,409</u>	<u>2,902,356</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 1,329,390</u></u>	<u><u>\$ 823,371</u></u>	<u><u>\$ 1,520,235</u></u>	<u><u>\$ 3,672,996</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 12,322	\$ (77,358)	\$ 306,650	\$ 241,614
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	349,674	85,366	194,922	629,962
Net Gain from Joint Venture	-	(13,327)	-	(13,327)
Disposal of Assets	34,469	12,668	-	47,137
Changes in Assets and Liabilities				
Accounts Receivable	(33,403)	(16,329)	(10,880)	(60,612)
Accounts Payable	(6,463)	24,974	(8,920)	9,591
Accrued Liabilities	627	(533)	(455)	(361)
Compensated Absences	2,603	907	(1,436)	2,074
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 359,829</u></u>	<u><u>\$ 16,368</u></u>	<u><u>\$ 479,881</u></u>	<u><u>\$ 856,078</u></u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
December 31, 2018

	Summit County Telecommunications Consortium
ASSETS	
Current Assets	
Cash and Investments	\$ 164,728
Accounts Receivable	<u>10,214</u>
Total Current Assets	<u><u>\$ 174,942</u></u>
LIABILITIES	
Liabilities	
Accrued Liabilities	\$ 5,891
Funds Held for Others	<u>169,051</u>
Total Liabilities	<u><u>\$ 174,942</u></u>

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

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Dillon, Colorado (the Town) is a home-rule municipality governed by a mayor-manager form of government through a Mayor and six-member Town Council elected by the citizens.

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

The Dillon Urban Renewal Authority (Authority) was established in 2009 along with the Dillon Urban Renewal Plan to assist with revitalization of blighted areas in the Town. The Town amended the Dillon Urban Renewal Plan in 2012 to allow for tax increment financing. The Town Council serves as the governing board for the Authority and management of the Town has operational responsibility for the Authority. Although the Authority is legally separate from the Town, the Authority's primary revenue source, tax increment financing, can only be established by the Town. The Authority does not issue separate financial statements and is reported as a special revenue fund in the Town's financial statements.

For financial reporting purposes, the Town includes all funds, agencies, boards and commissions, which are controlled by, or are dependent on, the Town. No additional entities are included in the Town's 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 of the non-fiduciary activities of the Town. 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 on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the Town's government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The agency fund uses the accrual basis of accounting. Revenues are recorded in the period in which they are earned and expenses are recognized 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.

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 sixty days of the end of the current fiscal period.

Taxes, intergovernmental revenues 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 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.

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

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

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

The *Capital Improvement Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities and/or assets (other than those financed by proprietary funds and fiduciary funds). Major capital projects are funded with a portion of sales and property taxes as approved by the Town Council in the annual budget.

The *Street Improvement Fund* accounts for the reconstruction of streets funded by the dedicated sales tax of .5% and through the issuance of bonds.

The *Housing Initiative 5A Fund* accounts for development and funding of workforce housing funded by the dedicated sales tax of .725%.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town reports the following major proprietary funds:

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

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

The *Marina Fund* accounts for the financial activities associated with the operations of the Dillon Marina.

Additionally, the Town reports the following Fiduciary Fund:

The Summit County Telecommunications Consortium Agency Fund (SCTC) accounts for assets that are held on behalf of the participating public entities. The SCTC was established through an intergovernmental agreement with the Towns of Dillon, Breckenridge, Frisco and Silverthorne and Summit County Government. The responsibilities of the SCTC include the oversight of the public access channel. The Town of Dillon holds the resources in a fiduciary capacity.

Cash Equivalents

Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectable. The Town has a down payment assistance program for employees. The Town records a note and deed of trust on the property purchased by the employee. Outstanding balances are recorded as notes receivable.

Prepaid Expenses

Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

Interfund Receivables and Payables

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 from other funds* and *due to other funds*.

Capital Assets

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

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

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

Buildings and improvements	10-50 years
Equipment and Vehicles	3-15 years
Parks and Amphitheatre	3-50 years
Furniture and Fixtures	3-20 years
Infrastructure	10-40 years
Plant, Lines and Reservoirs	15-40 years

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenues

Unearned revenues arise when business license fees are received in advance for the next fiscal year. In subsequent periods, the liability for the unearned revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and the proprietary funds in the fund 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. Bond premiums, discounts and accounting losses from debt refundings are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses or expenditures when paid.

Deferred Inflows of Resources

Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Property Taxes

Property taxes attach as an enforceable lien on the property as of January 1. Taxes are levied the subsequent January 1 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. The County Treasurer collects and remits the taxes to the Town monthly.

Net Position/Fund Balance

In the government-wide financial statements and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Town Council establishes a fund balance commitment through passage of an ordinance. The Town Council has assigned the fund balance of the Capital Improvement Fund for capital projects and related capital equipment in its fund balance policies, and has authorized by resolution the authority to the Town Manager to assign amounts to a specific purpose. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the Town's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

Pensions

The Town participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting as the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized in the year the contributions are due.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Postemployment Benefits Other Than Pensions (OPEB)

The Town contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan is funded by member contributions or contributions made on behalf of members. The Town has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the Town does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

NOTE 2: CASH AND INVESTMENTS

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

Deposits	\$ 4,389,422
Petty Cash	925
Investments	4,920,130
Cash Held by Third Party	<u>27,442</u>
Total Cash on Hand and Investments	<u>\$ 9,337,919</u>

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

Cash and Investments	\$ 9,173,191
Agency Fund Cash and Investments	<u>164,728</u>
Total Cash and Investments	<u>\$ 9,337,919</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to the 102% of the uninsured deposits. At December 31, 2018, the Town had bank deposits of \$4,065,921 collateralized with securities held by the financial institutions' agents but not in the Town's name.

Investments

At December 31, 2018, the Town had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Investment in Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>Fair Value</u>
Local Government Investment Pools	AAAm	1,718,258	--	1,718,258
Fidelity Money Market	AAAm	3,872	--	3,872
Certificates of Deposit	N/A	345,000	249,000	594,000
Brokered Certificates of Deposit	N/A	<u>150,000</u>	<u>2,454,000</u>	<u>2,604,000</u>
Total		<u>\$2,217,130</u>	<u>\$2,703,000</u>	<u>\$4,920,130</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

The Town has a formal investment policy that limits its investment choices and the length of maturity to five years. Custodial risk is not addressed by State Statutes or the Town's investment policy. The investment choices are within the limitations of state laws and include:

- Obligations of the United States and certain U.S. agency securities
- Money market funds that consist entirely of U.S. government securities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more Nationally Recognized Statistical Rating Organizations (NRSRO).

Custodial Risk – The Town has purchased brokered certificates of deposits that are not held in the Town's name.

Concentration of Credit Risk – State statutes do not limit the amount the Town may invest in a single issuer, except for corporate securities.

Interest Rate Risk – The Town has an investment policy adopted by the Town Council that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town's policy is to buy and hold investments to maturity and limits the maturities to five years. The Town's investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Town's investment risk constraints and the cash flow characteristics of the portfolio.

Fair Value Measurements – At December 31, 2018, the Town's investments in a money market fund and local government investment pools were measured at the net asset value per share.

Local Government Investment Pools – At December 31, 2018 the Town had \$847,381 invested in the Colorado Surplus Asset Fund Trust (CSAFE) and \$870,877 in the Colorado Local Government Liquid Asset Trust (Colotrust). The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. Investment balances in the pools are not subject to limitations or restrictions on withdrawals.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 3: CAPITAL ASSETS

Governmental Activities

Capital assets activity for governmental activities for the year ended December 31, 2018 is summarized below:

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 2,091,562	\$ --	(\$ 16,193)	\$ 2,075,369
Construction in Progress	<u>7,151,937</u>	<u>--</u>	<u>(7,072,339)</u>	<u>79,598</u>
Total Capital Assets, Not Being Depreciated	<u>9,243,499</u>	<u>--</u>	<u>(7,088,532)</u>	<u>2,154,967</u>
Capital Assets, Being Depreciated				
Infrastructure	19,636,494	276,226	--	19,912,720
Buildings	1,475,168	--	(65,922)	1,409,246
Equipment & Vehicles	2,939,167	187,469	(171,127)	2,955,509
Parks & Amphitheatre	3,307,832	10,164,038	--	13,471,870
Furniture & Fixtures	<u>301,409</u>	<u>9,899</u>	<u>(18,070)</u>	<u>293,238</u>
Total Capital Assets, Being Depreciated	<u>27,660,070</u>	<u>10,637,632</u>	<u>(255,119)</u>	<u>38,042,583</u>
Less: Accumulated Depreciation For				
Infrastructure	12,190,178	925,785	--	13,115,963
Buildings	1,236,678	25,374	(62,703)	1,199,349
Equipment & Vehicles	1,768,860	282,353	(121,267)	1,929,946
Parks & Amphitheatre	1,709,806	401,041	--	2,110,847
Furniture & Fixtures	<u>200,763</u>	<u>27,919</u>	<u>(18,070)</u>	<u>210,612</u>
Total Accumulated				
Depreciation	<u>17,106,285</u>	<u>1,662,472</u>	<u>(202,040)</u>	<u>18,566,717</u>
Total Capital Assets, Being Depreciated, Net	<u>10,553,785</u>	<u>8,975,160</u>	<u>(53,079)</u>	<u>19,475,866</u>
Governmental Activities Capital Assets, Net	<u>\$19,797,284</u>	<u>\$8,975,160</u>	<u>\$ (7,141,611)</u>	<u>\$21,630,833</u>

The stage lighting and sound system for the Dillon Amphitheater have been reclassified from Buildings to Parks & Amphitheater and have been restated as follows:

	<u>Buildings</u>	<u>Parks/Amphitheater</u>
Asset Balance, December 31, 2017, as Originally Stated	\$1,614,670	\$3,168,330
Adjustment, Amphitheater Lighting/Sound System	(\$ 139,502)	\$ 139,502
Asset Balance, December 31, 2018, as Restated	<u>\$1,475,168</u>	<u>\$3,307,832</u>
Depreciation, December 31, 2017 as Originally Stated	\$1,272,121	\$1,674,363
Adjustment, Amphitheater Lighting/Sound System	(\$ 35,443)	\$ 35,443
Depreciation, December 31, 2018, as Restated	<u>\$1,236,678</u>	<u>\$1,709,806</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 3: CAPITAL ASSETS (Continued)

Business-Type Activities

Capital assets activity for business-type activities for the year ended December 31, 2018 is summarized below:

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 219,652	--	--	\$ 219,652
Water Rights	2,738,830	--	--	2,738,830
Construction in Progress	<u>--</u>	<u>10,853</u>	<u>--</u>	<u>10,853</u>
Total Capital Assets, Not Being Depreciated	<u>2,958,482</u>	<u>10,853</u>	<u>--</u>	<u>2,969,335</u>
Capital Assets, Being Depreciated				
Water Plant	5,823,554	194,421	--	6,017,975
Lines	6,544,366	319,899	(72,047)	6,792,218
Buildings	480,243	--	--	480,243
Equipment & Vehicles	889,661	256,743	(126,226)	1,020,178
Lift Station	903,298	78,438	--	981,736
Reservoirs	1,557,880	--	--	1,557,880
Improvements	<u>4,766,717</u>	<u>419,418</u>	<u>(96,300)</u>	<u>5,089,835</u>
Total Capital Assets, Being Depreciated	<u>20,965,719</u>	<u>1,268,919</u>	<u>(294,573)</u>	<u>21,940,065</u>
Less: Accumulated Depreciation For				
Water Plant	2,542,535	199,860	--	2,742,395
Lines	3,312,674	141,990	(24,910)	3,429,754
Buildings	443,394	11,610	--	455,004
Equipment & Vehicles	575,348	106,735	(126,226)	555,857
Lift Station	257,498	27,726	--	285,224
Reservoirs	274,262	38,947	--	313,209
Improvements	<u>1,823,821</u>	<u>103,094</u>	<u>(96,300)</u>	<u>1,830,615</u>
Total Accumulated Depreciation	<u>9,229,532</u>	<u>629,962</u>	<u>(247,436)</u>	<u>9,612,058</u>
Total Capital Assets, Being Depreciated, Net	<u>11,736,187</u>	<u>638,957</u>	<u>(47,137)</u>	<u>12,328,007</u>
Business-Type Activities Capital Assets, Net	<u>\$14,694,669</u>	<u>\$ 649,810</u>	<u>\$ (47,137)</u>	<u>\$15,297,342</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 53,293
Public Safety	46,626
Public Works	1,146,596
Culture and Recreation	<u>415,957</u>
Total Governmental Activities Depreciation Expense	<u>\$1,662,472</u>
Business-Type Activities	
Water Fund	\$ 349,674
Sewer Fund	85,366
Marina Fund	<u>194,922</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 629,962</u>

NOTE 4: INVESTMENT IN SILVERTHORNE/DILLON JOINT SEWER AUTHORITY

The Town is a participant in the Silverthorne/Dillon Joint Sewer Authority (Authority) which was formed to construct and operate a sewage treatment facility. Participants in the Authority are the Towns of Silverthorne and Dillon, Dillon Valley District, Buffalo Mountain Metropolitan District, and Mesa Cortina Water and Sanitation District.

Construction costs are paid by each participant based on their share of the available capacity in each phase of the project. Operating costs are funded by quarterly billings to the participants, which are based on the number of taps each participant has connected to the system.

The Town records its investments in the Authority and its share of operating costs in the Sewer Fund. The investment is accounted for under the equity method in accordance with generally accepted accounting principles.

The Town had an investment in the Authority at December 31, 2018 of \$1,954,500, which represents a 13.10% share in the joint venture. At December 31, 2018, the Town was responsible for 19.9% of the Authority's operating expenses.

Financial information about the Joint Sewer Authority can be obtained in a separate audit report at the Silverthorne Town Hall, 601 Center Circle, Silverthorne, Colorado 80498.

TOWN OF DILLON, COLORADO
NOTES TO THE 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>Beginning</u> <u>12/31/17</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending</u> <u>12/31/18</u>	<u>Due Within</u> <u>One Year</u>
Excise Tax Revenue Bonds-10	\$2,565,000	--	(\$90,000)	\$2,475,000	\$95,000
Excise Tax Revenue Bonds-15	1,820,000	--	(120,000)	1,700,000	120,000
Excise Tax Revenue Bonds-17	4,335,000	--	(355,000)	3,980,000	360,000
Amphitheatre Lease-16	4,930,969	--	(139,972)	4,790,997	145,094
10 Bond Discount	(11,748)	--	979	(10,769)	--
Compensated Absences	<u>109,337</u>	<u>21,553</u>	<u>--</u>	<u>130,890</u>	<u>--</u>
Total	<u>\$13,748,558</u>	<u>\$21,553</u>	<u>\$(703,993)</u>	<u>\$13,066,118</u>	<u>\$720,094</u>

Compensated absences are expected to be paid with revenues of the General Fund.

On April 8, 2010, the Town issued the Excise Tax Revenue Bonds, Series 2010 for the reconstruction of Town streets. The interest rate on the bonds ranges from 1.25% to 5.125% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1 of each year through 2030.

On April 15, 2015, the Town issued the Excise Tax Revenue Bonds, Series 2015 for the reconstruction of Town streets. The interest rate on the bonds is 2.73% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1 of each year through 2030.

On June 1, 2017, the Town issued the Excise Tax Revenue Refunding Bonds, Series 2017 to refund the Excise Tax Revenue Bonds, Series 2008. The interest rate on the bonds is 2.18% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1, through 2028.

The Excise Tax Revenue Bonds, Series 2008, Series 2010, Series 2015 and Series 2017 are payable solely from the Town's sales and lodging taxes. During the year ended December 31, 2018, revenues of \$7,236,234 were available to pay annual debt service of \$835,025 for all bonds. The outstanding debt service at December 31, 2018 for all three bonds is \$10,076,325.

On December 15, 2016, the Town entered into a site improvement lease with UMB Bank, N.A. for the amphitheater project and the refinance of the 2010 Marina site and improvement lease with UMB Bank, N.A. for the slope stabilization project. The Town provided Dillon Town Hall as collateral. The Capital Improvement Fund will repay the portion of the lease associated with the amphitheater project and the Marina Enterprise Fund will repay the portion associated with the slope stabilization project. The interest rate is 3.55% and matures on December 15, 2036 with monthly payments, beginning in 2017. Assets of \$5,000,000 have been capitalized under this portion of the lease.

TOWN OF DILLON, COLORADO
NOTES TO THE 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:

	<u>Beginning</u> <u>12/31/17</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending</u> <u>12/31/18</u>	<u>Due Within</u> <u>One Year</u>
Marina Lease-16	\$1,632,485	--	(\$105,230)	\$1,527,255	\$109,081
CWCB Loan-09	1,306,687	--	(35,345)	1,271,342	36,759
CWRPDA Loan-15	1,640,236	--	(79,137)	1,561,099	80,728
Compensated Absence	<u>12,557</u>	<u>2,074</u>	<u>--</u>	<u>14,631</u>	<u>--</u>
Total	<u>\$4,591,965</u>	<u>\$2,074</u>	<u>\$(219,712)</u>	<u>\$4,374,327</u>	<u>\$226,568</u>

On December 15, 2016, the Town refinanced the 2010 site and improvement lease with UMB Bank, N.A. for the slope stabilization project at the Dillon Marina and increased the lease to include the amphitheater project. The Town provided Dillon Town Hall as collateral. The Marina Enterprise Fund will repay the portion of the lease associated with the slope stabilization project and the Capital Improvement Fund will repay the portion associated with the amphitheater project. The interest rate is 3.55% and matures on December 1, 2030 with monthly payments, beginning in 2017. Assets of \$2,233,922 have been capitalized under this portion of the lease.

On July 15, 2009, The Town entered into a loan contract with Department of Natural Resources, Colorado Water Conservation Board for the Old Dillon Reservoir enlargement. The interest rate is 4% and matures on April 1, 2041. Principal and interest payments are due on April 1 of each year.

On September 1, 2015, the Town entered into loan contract with the Colorado Water Resources and Power Development Authority for the construction of a water storage tank. The interest rate is 2% and matures on March 1, 2035. Principal and interest payments are due on March 1 and September 1 of each year.

The CWCB Loan and CWRPDA Loan are payable solely from revenues from the Town's water utility system after the deduction of operating maintenance costs. During the year ended December 31, 2018, net revenues of \$588,488 were available to pay annual debt service of \$199,160. The outstanding debt service at December 31, 2018 for both loans is \$3,780,941.

Future Debt Service Requirements

Governmental Activities

Annual debt service requirements for the outstanding revenue bonds at December 31, 2018 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 575,000	\$ 255,680	\$830,680
2020	595,000	243,756	838,756
2021	605,000	225,077	830,077
2022	620,000	208,978	828,978
2023	645,000	192,182	837,182
2024-2028	3,485,000	681,055	4,166,055
2029-2030	<u>1,630,000</u>	<u>114,596</u>	<u>1,744,596</u>
Total	<u>\$8,155,000</u>	<u>\$1,921,324</u>	<u>\$10,076,324</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements (continued)
Governmental Activities (continued)

Following is a schedule of the future minimum lease payments required under the outstanding lease obligation at December 31, 2018:

Year Ended December 31,	
2019	315,152
2020	315,152
2021	315,152
2022	315,152
2023	315,152
2024-2028	1,575,759
2029-2033	2,142,048
2034-2036	<u>1,432,235</u>
Total Minimum Lease Payments	6,725,802
Less: Interest	<u>(1,934,805)</u>
Present Value of Future Minimum Lease Payments	<u>\$4,790,997</u>

Business-Type Activities

Annual debt service requirements for the outstanding loans at December 31, 2018 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ended December 31,			
2019	\$ 117,487	\$ 81,674	\$ 199,161
2020	120,579	78,581	199,160
2021	123,764	75,396	199,160
2022	127,043	72,118	199,161
2023	130,420	68,742	199,162
2024-2028	557,509	289,414	846,923
2029-2033	785,991	183,488	969,479
2034-2038	615,471	87,673	703,144
2039-2041	<u>254,177</u>	<u>11,414</u>	<u>265,591</u>
Total	<u>\$2,832,441</u>	<u>\$948,500</u>	<u>\$3,780,941</u>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligation for the Marina Fund at December 31, 2018:

Year Ended December 31,	
2019	162,260
2020	162,260
2021	162,260
2022	162,260
2023	162,260
2024-2028	811,300
2029-2030	<u>245,011</u>
Total Minimum Lease Payments	1,867,611
Less: Interest	<u>(340,356)</u>
Present Value of Future Minimum Lease Payments	<u>\$1,527,255</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 5: LONG-TERM DEBT (Continued)

Operating Lease

The Town entered into a lease agreement with the Denver Water Department effective January 1, 1994 and terminating December 31, 2019 for the use of Dillon Reservoir and land at the Dillon Marina. The Town pays 4% of annual gross revenues to the Denver Water Department, which totaled \$67,632 for the year ended December 31, 2018.

NOTE 6: INTERFUND BALANCES AND TRANSFERS

The Town has an agreement with the Dillon Urban Renewal Authority to repay the Town any amounts owed the Town when tax increment financing revenues are collected by the Authority. The outstanding balance of this interfund loan at December 31, 2018, was \$11,195.

The Marina Fund transferred \$22,000 to the Capital Improvement Fund for paving of the marina yard.

The General Fund transferred \$160,000 to the Capital Improvement Fund to assist with the amphitheater master plan improvements.

The Capital Improvement Fund transferred \$200,000 to the Marina Enterprise Fund to assist with the purchase of A Dock and the wave attenuator. The Marina Enterprise Fund will repay the Capital Improvement Fund over time.

NOTE 7: RETIREMENT COMMITMENTS

Employee Retirement Plans

Town employees participate in the Colorado County Officials and Employees Retirement Association (CCOERA) defined contribution plan. Full-time employees are required to contribute 5% of their gross salary and the Town matches the contribution, as required by plan documents. The Town has a defined contribution plan through International City/County Management Association (ICMA) for department heads and full-time police officers that did not elect to participate in the Fire and Police Pension Association in 2017. The sworn officers contribute 10% of gross salaries with the Town matching their contribution and the department heads contribute 5% with the Town matching their contribution. Town contributions vest at a rate of 20% each year and employees become fully vested after five years for either pension plan. Plan provisions and contribution requirements of the Town and the employees are established and may be amended by the Town Council. Total contributions of the CCOERA and ICMA retirement plans made by the Town for the year ended December 31, 2018 were \$85,761 and \$16,664 respectively, which equals the required contributions.

Police Pension Plan

General Information

Plan Description - The Town contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan (the SWH Plan), a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA).

Police officers employed on November 20, 2017, could elect to participate in either plan. Thereafter, all police officers must participate in the SWH Plan on the first day of employment.

Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at www.fppaco.org.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

General Information (continued)

Benefits Provided - A SWDB Plan 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% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of 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% interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

A SWH Plan member is eligible for a normal retirement pension at any time after age 55, if the member has at least twenty-five years of service. The annual normal retirement benefit of the defined benefit component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retirees of the defined benefit component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to 3%.

A member is eligible for an early retirement at age 50 or after 30 years of 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% interest, returned as a lump sum distribution from the defined benefit component. Alternatively, a member with at least five years of accredited service may leave contributions with the defined benefit component and remain eligible for a retirement pension at age 55 equal to 1.5% of the member's average highest three years' base salary for each year of credited service. In addition, upon termination the vested account balance in the money purchase component becomes available to the member.

Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement, and age 55. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plans' net position.

Contributions - The Town and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 20% of base salary through December 31, 2014. Employee contributions may not be less than 8% with the split of contributions between employees and the Town determined by the Town Council. The Town and eligible employees contributed 10% and 12% of base salary, respectively, for the year ended December 31, 2018. In accordance with the aforementioned election, the reentry group contributions will increase 0.5% percent annually from 2015 through 2022, to a total of 24% of base salary.

The Town's contributions to the SWDB Plan for the year ended December 31, 2018, were \$50,836, equal to the required contributions.

The Town and eligible employees are required to contribute to the SWH Plan at rates established by Town Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer. Excess contributions are deposited to the money purchase component of the SWH Plan. The defined benefit component allocation from July 1, 2017, through June 30, 2018, was 14.8%, and thereafter was 13.4%. For the year ended December 31, 2018, the Town Council established the contribution rate split at 10% of base salary for both the Town and employees.

Within the money purchase component, members are always fully vested in their contributions, as well as the earnings on those contributions. Vesting in the Town's contributions within the money purchase component and earnings on those contributions is 20% per year after the first year of service, with 100% vesting after five years of service. Unvested Town contributions and earnings thereon are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the SWH Plan's administrative expenses. Any administrative expenses not covered by forfeitures are charged directly to member accounts.

An employee may elect to make voluntary after-tax contributions to the money purchase component of the SWH Plan. All contributions to the money purchase component are invested at the discretion of the member.

The Town's contributions to the SWH Plan for the year ended December 31, 2018, were \$5,556, equal to the required contributions.

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

At December 31, 2018, the Town reported a net pension asset of \$143,311 and \$71,048, representing its proportionate share of the net pension asset of the SWDB and SWH Plans, respectively. The net pension asset was measured at December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2017, relative to the projected contributions of all participating employers.

At December 31, 2017, the Town's proportion of the SWDB Plan was 0.09961455%, which was a decrease of 0.02444449% from its proportion measured at December 31, 2016. The Town's proportion of the SWH Plan was estimated at 0.36336810%. The Town began participating in the SWH Plan during 2018, and therefore, had no measurable proportion of the total pension liability at December 31, 2016.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

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

For the year ended December 31, 2018, the Town recognized pension expense for the SWDB and SWH Plans of (\$172,767) and (\$19,325), respectively. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 81,300	\$ -
Changes of assumptions and other inputs	-	-
Net difference between projected and actual earnings on plan investments	-	71,097
Changes in proportion	22,554	1,514
Contributions subsequent to the measurement date	<u>50,836</u>	<u>-</u>
Total	<u>\$ 154,690</u>	<u>\$ 72,611</u>
Statewide Hybrid Plan		
Differences between expected and actual experience	\$ 12,520	\$ -
Changes of assumptions and other inputs	-	-
Net difference between projected and actual earnings on plan investments	-	8,321
Changes in proportion	-	50,366
Contributions subsequent to the measurement date	<u>5,556</u>	<u>-</u>
Total	<u>\$ 18,076</u>	<u>\$ 58,687</u>
Total	<u><u>\$ 172,766</u></u>	<u><u>\$ 131,298</u></u>

Town contributions to the SWDB and SWH Plans subsequent to the measurement date of \$50,836 and \$5,556, respectively, will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>	<u>SWDB Plan</u>	<u>SWH Plan</u>
2019	\$ (7,472)	\$ (10,316)
2020	(7,472)	(10,316)
2021	(15,142)	(10,316)
2022	13,670	(7,543)
2023	13,670	(7,543)
Thereafter	<u>33,989</u>	<u>(133)</u>
Total	<u><u>\$ 31,243</u></u>	<u><u>\$ (46,167)</u></u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

Actuarial Assumptions - The actuarial valuations as of January 1, 2018, determined the total pension liability using the following actuarial assumptions and other inputs:

Investment rate of return, net of plan investment expenses, including inflation	7.5%
Inflation	2.5%
Projected salary increases, including inflation	4% - 14%
Cost of living adjustments (COLA)	0%

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

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's analysis and recommendations from the 2015 Experience Study.

Based on an actuarial experience study, the FPPA Board of Directors approved a reduction in the assumed investment rate of return from 7.5% to 7.0% effective January 1, 2019.

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. Best estimates of arithmetic real rates of return for each major asset class included in the 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 Real Rate of Return</u>
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	2%	2.26%
Total	<u>100%</u>	

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

NOTE 7: RETIREMENT COMMITMENTS (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

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

	1% Decrease ▼ (6.5%)	Current Discount Rate (7.5%)	1% Increase ▼ (8.5%)
Proportionate share of the SWDB net pension asset (liability)	\$ (156,023)	\$ 143,311	\$ 391,870
Proportionate share of the SWH net pension asset (liability)	\$ 50,247	\$ 71,048	\$ 88,555

Pension Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS

Statewide Death & Disability Plan

General Information

Plan Description - The Town contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All full-time sworn police officers are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained at www.fppaco.org.

Benefits Provided - The plan provides pre-retirement death benefits, as follows:

- Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children.
- On-duty: 70% of the base salary paid to the member prior to death.

Disability benefits are as follows:

- Total disability: 70% of the base salary preceding disability.
- Permanent occupational disability: 50% of the base salary preceding disability.
- Temporary occupational disability: 40% of the base salary preceding disability for up to 5 years.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Statewide Death & Disability Plan (continued)

General Information (continued)

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability beneficiaries receive an automatic increase of 3%. For other annuitants, the increase may reflect CPI, but in no case may be higher than 3%.

Once a member is eligible to retire, all plan benefit obligations cease.

Contributions - The contribution requirements are established by State statutes. However, in accordance with Colorado Revised Statutes (CRS) 31-31-811(4), FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary.

Any decision regarding whether the employer or member contribute to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the Town Council.

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the Town contributed 2.7% of base salaries on behalf of the members during the year ended December 31, 2018. Contributions to the plan for the year ended December 31, 2018, were \$15,226, equal to the required contributions.

Based on the 2018 actuarial results, the FPPA Board of Directors agreed to increase the contribution rate from 2.7% to 2.8% effective January 1, 2019, through December 31, 2020.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Town has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the Town does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

OPEB Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 9: RISK MANAGEMENT

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 a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2).

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

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 9: RISK MANAGEMENT (continued)

Public Entity Risk Pool (continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of CIRSA.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation.

In November 1996, Town voters authorized the Town to collect and retain all revenues from all sources in 1996 and each subsequent year and to spend the same, notwithstanding the limitations of the amendment. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance. The amendment requires a reserve for emergencies equal to 3% of qualifying expenditures of the Town. At December 31, 2018 the Town reported restricted fund balance of \$309,633 to comply with this requirement.

Litigation

From time to time, the Town is involved in various litigation. Management believes the outcome of any litigation will not have a significant impact on the Town's financial position.

Economic Development Agreements

The Town has entered into four economic development agreements that require the Town to reimburse certain businesses for sales tax generated by the businesses. Economic developments are approved by the Town Council on a case by case basis. During the year ended December 31, 2018, the Town paid \$120,904 under those agreements and accrued \$28,465 for payment in the subsequent fiscal year.

TOWN OF DILLON, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
FIRE & POLICE PENSION ASSOCIATION OF COLORADO STATEWIDE DEFINED BENEFIT PLAN
December 31, 2018

	<u>12/31/17</u>	<u>12/31/16</u>
Proportionate Share of the Net Pension Asset (Liability)		
Town's Proportion of the Net Pension Asset (Liability)	0.09961455%	0.12405904%
Town's Proportionate Share of the Net Pension Asset (Liability)	\$ 143,311	\$ (44,827)
Town's Covered Payroll	\$ 58,610	\$ -
Town's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	245%	NA
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106%	98%
	<u>12/31/18</u>	<u>12/31/17</u>
Town Contributions		
Statutorily Required Contribution	\$ 50,836	\$ 5,861
Contributions in Relation to the Statutorily Required Contribution	<u>(50,836)</u>	<u>(5,861)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 508,361	\$ 58,610
Contributions as a Percentage of Covered Payroll	10.00%	10.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

TOWN OF DILLON, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
FIRE & POLICE PENSION ASSOCIATION OF COLORADO STATEWIDE HYBRID PLAN
December 31, 2018

	12/31/17
Proportionate Share of the Net Pension Asset	
Town's Proportion of the Net Pension Asset	0.36336810%
Town's Proportionate Share of the Net Pension Asset	\$ 71,048
Town's Covered Payroll	\$ -
Town's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	NA
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	139%
	12/31/18
Town Contributions	
Statutorily Required Contribution	\$ 5,556
Contributions in Relation to the Statutorily Required Contribution	(5,556)
Contribution Deficiency (Excess)	\$ -
Town's Covered Payroll	\$ 55,564
Contributions as a Percentage of Covered Payroll	10.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

TOWN OF DILLON, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 4,705,190	\$ 4,969,190	\$ 5,189,723	\$ 220,533
Charges for Services	203,976	277,976	630,777	352,801
Licenses and Permits	64,797	64,797	68,289	3,492
Intergovernmental	154,445	187,445	136,521	(50,924)
Fines and Forfeitures	118,000	118,000	67,051	(50,949)
Interest	25,000	25,000	35,352	10,352
Miscellaneous	7,393	7,393	13,725	6,332
	<u>5,278,801</u>	<u>5,649,801</u>	<u>6,141,438</u>	<u>491,637</u>
EXPENDITURES				
General Government	1,937,266	2,415,266	2,455,797	(40,531)
Public Safety	1,465,557	1,488,557	1,390,053	98,504
Public Works	884,012	884,012	719,676	164,336
Community Development	412,802	412,802	384,026	28,776
Culture and Recreation	536,972	556,972	697,964	(140,992)
	<u>5,236,609</u>	<u>5,757,609</u>	<u>5,647,516</u>	<u>110,093</u>
Excess of Revenue Over (Under) Expenditures	42,192	(107,808)	493,922	601,730
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>-</u>	<u>(135,000)</u>	<u>(160,000)</u>	<u>(25,000)</u>
Net Change in Fund Balance	42,192	(242,808)	333,922	576,730
Fund Balance, Beginning of Year	<u>1,722,080</u>	<u>1,722,080</u>	<u>2,390,495</u>	<u>668,415</u>
Fund Balance, End of Year	<u>\$ 1,764,272</u>	<u>\$ 1,479,272</u>	<u>\$ 2,724,417</u>	<u>\$ 1,245,145</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2018

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Prior to the October Council meeting, the Town Manager 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.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all of the Town's funds.
5. The budgets of the governmental funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary fund budgets are prepared on a non-GAAP basis. Capital outlay and debt service payments are budgeted as expenditures. Depreciation is not budgeted. The fiduciary fund budget is adopted by the member board established through the Intergovernmental Agreement for the Summit County Telecommunications Consortium (SCTC) and is not presented in the Town's financial statements.
6. Budgeted amounts are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Conservation Trust Fund – This fund is used to account for the Town’s share of lottery funds distributed by the State of Colorado. Funds are to be used for Parks, Trails and Open Space.

Cemetery Perpetual Care Fund – This fund is used to account for the sale of cemetery spaces at the Dillon Cemetery and donations received specifically for the Dillon Cemetery. Funds are to be used for Dillon Cemetery maintenance and capital projects.

Dillon Urban Renewal Authority – The Dillon Urban Renewal Authority was established and the Dillon Urban Renewal Plan was approved in 2009 in order to revitalize blighted areas in the Town. The Town Council amended the Dillon Urban Renewal Plan in 2012 to allow for tax increment financing.

TOWN OF DILLON, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018

	Special Revenue			Total
	Conservation Trust	Cemetery Perpetual Care	Dillon Urban Renewal Authority	Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 38,877	\$ 125,418	\$ 85,405	\$ 249,700
Property Taxes Receivable	-	-	155,246	155,246
Total Assets	\$ 38,877	\$ 125,418	\$ 240,651	\$ 404,946
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	11,195	11,195
Total Liabilities	-	-	11,195	11,195
Deferred Inflows of Resources				
Property Taxes	-	-	155,246	155,246
Fund Balances				
Nonspendable:				
Cemetery	-	90,252	-	90,252
Restricted for:				
Parks and Open Space	38,877	-	-	38,877
Assigned to:				
Cemetery	-	35,166	-	35,166
Urban Renewal	-	-	74,210	74,210
Total Fund Balances	38,877	125,418	74,210	238,505
Total Liabilities, Deferred Inflows of Resources and Fund Balances				
	\$ 38,877	\$ 125,418	\$ 240,651	\$ 404,946

See the Accompanying Independent Auditors' Report

TOWN OF DILLON, COLORADO
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2018

	Special Revenue			Total Nonmajor Governmental Funds
	Conservation Trust	Cemetery Perpetual Care	Dillon Urban Renewal Authority	
REVENUES				
Taxes	\$ -	\$ -	\$ 86,500	\$ 86,500
Charges for Services	-	8,950	-	8,950
Intergovernmental	9,690	-	-	9,690
Interest	343	195	6	544
Miscellaneous	-	14,800	-	14,800
Total Revenues	10,033	23,945	86,506	120,484
EXPENDITURES				
Current				
Culture and Recreation	8,311	7,470	-	15,781
Housing	-	-	-	-
Urban Renewal	-	-	25,210	25,210
Total Expenditures	8,311	7,470	25,210	40,991
Net Change in Fund Balances	1,722	16,475	61,296	79,493
Fund Balances, Beginning of Year	37,155	108,943	12,914	159,012
Fund Balances, End of Year	\$ 38,877	\$ 125,418	\$ 74,210	\$ 238,505

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 1,502,300	\$ 1,502,300	\$ 1,667,770	\$ 165,470
Intergovernmental	-	-	187,829	187,829
Interest	1,000	1,000	13,030	12,030
Miscellaneous	96,000	96,000	3,036	(92,964)
Total Revenues	<u>1,599,300</u>	<u>1,599,300</u>	<u>1,871,665</u>	<u>272,365</u>
EXPENDITURES				
Public Works	-	-	2,718	(2,718)
Capital Outlay	4,103,637	4,337,613	3,701,975	635,638
Debt Service				
Principal	139,972	139,972	139,972	-
Interest	175,180	175,180	175,180	-
Total Expenditures	<u>4,418,789</u>	<u>4,652,765</u>	<u>4,019,845</u>	<u>635,638</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,819,489)</u>	<u>(3,053,465)</u>	<u>(2,148,180)</u>	<u>905,285</u>
OTHER FINANCING SOURCES				
Sale of Assets	-	-	584,796	584,796
Transfer In	22,000	157,000	182,000	25,000
Total Other Financing Sources	<u>22,000</u>	<u>157,000</u>	<u>766,796</u>	<u>609,796</u>
Net Change in Fund Balance	(2,797,489)	(2,896,465)	(1,381,384)	1,515,081
Fund Balance, Beginning	<u>2,890,300</u>	<u>2,890,300</u>	<u>2,897,957</u>	<u>7,657</u>
Fund Balance, Ending	<u>\$ 92,811</u>	<u>\$ (6,165)</u>	<u>\$ 1,516,573</u>	<u>\$ 1,522,738</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
STREET IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 959,931	\$ 1,071,915	\$ 111,984
Interest	2,000	6,088	4,088
Miscellaneous	<u>3,000,000</u>	<u>-</u>	<u>(3,000,000)</u>
Total Revenues	<u>3,961,931</u>	<u>1,078,003</u>	<u>(2,883,928)</u>
EXPENDITURES			
Public Works	21,977	7,492	14,485
Capital Outlay	330,000	58,704	271,296
Debt Service			
Principal	565,000	565,000	-
Interest	276,189	270,025	6,164
Debt Issuance Costs	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,193,166</u>	<u>901,221</u>	<u>291,945</u>
Net Change in Fund Balance	2,768,765	176,782	(2,591,983)
Fund Balance, Beginning	<u>125,755</u>	<u>306,050</u>	<u>180,295</u>
Fund Balance, Ending	<u><u>\$ 2,894,520</u></u>	<u><u>\$ 482,832</u></u>	<u><u>\$ (2,411,688)</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
HOUSING INITIATIVE 5A FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 621,644	\$ 637,644	\$ 776,946	\$ 139,302
Interest	600	600	6,591	5,991
Miscellaneous	-	-	27,546	27,546
Total Revenues	<u>622,244</u>	<u>638,244</u>	<u>811,083</u>	<u>172,839</u>
EXPENDITURES				
Housing	<u>36,748</u>	<u>137,748</u>	<u>125,834</u>	<u>11,914</u>
Net Change in Fund Balance	585,496	500,496	685,249	184,753
Fund Balance, Beginning of Year	<u>1,145,996</u>	<u>1,145,996</u>	<u>1,252,644</u>	<u>106,648</u>
Fund Balance, End of Year	<u><u>\$ 1,731,492</u></u>	<u><u>\$ 1,646,492</u></u>	<u><u>\$ 1,937,893</u></u>	<u><u>\$ 291,401</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 9,510	\$ 9,690	\$ 180
Interest	<u>85</u>	<u>343</u>	<u>258</u>
Total Revenues	<u>9,595</u>	<u>10,033</u>	<u>438</u>
 EXPENDITURES			
Culture and Recreation	<u>10,000</u>	<u>8,311</u>	<u>1,689</u>
Net Change in Fund Balance	(405)	1,722	2,127
Fund Balance, Beginning of Year	<u>37,103</u>	<u>37,155</u>	<u>52</u>
Fund Balance, End of Year	<u><u>\$ 36,698</u></u>	<u><u>\$ 38,877</u></u>	<u><u>\$ 2,179</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
CEMETERY PERPETUAL CARE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for Services	\$ 1,500	\$ 8,950	\$ 7,450
Interest	500	195	(305)
Miscellaneous	<u>1,200</u>	<u>14,800</u>	<u>13,600</u>
Total Revenues	<u>3,200</u>	<u>23,945</u>	<u>20,745</u>
EXPENDITURES			
Culture and Recreation	<u>20,000</u>	<u>7,470</u>	<u>12,530</u>
Net Change in Fund Balance	(16,800)	16,475	33,275
Fund Balance, Beginning of Year	<u>108,047</u>	<u>108,943</u>	<u>896</u>
Fund Balance, End of Year	<u><u>\$ 91,247</u></u>	<u><u>\$ 125,418</u></u>	<u><u>\$ 34,171</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
DILLON URBAN RENEWAL AUTHORITY
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES				
Taxes	\$ 100,622	\$ 100,622	\$ 86,500	\$ (14,122)
Interest	100	100	6	(94)
Total Revenues	<u>100,722</u>	<u>100,722</u>	<u>86,506</u>	<u>(14,216)</u>
EXPENDITURES				
Urban Renewal	<u>5,000</u>	<u>30,000</u>	<u>25,210</u>	<u>4,790</u>
Net Change in Fund Balance	95,722	70,722	61,296	(9,426)
Fund Balance, Beginning of Year	<u>26,697</u>	<u>26,697</u>	<u>12,914</u>	<u>(13,783)</u>
Fund Balance, End of Year	<u><u>\$ 122,419</u></u>	<u><u>\$ 97,419</u></u>	<u><u>\$ 74,210</u></u>	<u><u>\$ (23,209)</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Utility Sales	\$ 1,026,636	\$ 1,026,636	\$1,130,246	\$ 103,610
Tap Fees	16,876	131,876	207,245	75,369
Interest	5,800	5,800	7,920	2,120
Miscellaneous	-	-	11,327	11,327
Total Revenues	<u>1,049,312</u>	<u>1,164,312</u>	<u>1,356,738</u>	<u>192,426</u>
EXPENDITURES				
Current				
Operations	412,624	449,624	453,625	(4,001)
Maintenance	51,166	51,166	229,380	(178,214)
Distribution	12,393	12,393	16,964	(4,571)
Treatment	37,010	58,010	68,281	(10,271)
Capital Outlay	777,583	1,020,664	643,729	376,935
Debt Service				
Principal	114,482	114,482	114,482	-
Interest	<u>84,678</u>	<u>84,678</u>	<u>83,089</u>	<u>1,589</u>
Total Expenditures	<u>1,489,936</u>	<u>1,791,017</u>	<u>1,609,550</u>	<u>181,467</u>
CHANGE IN NET POSITION, Budget Basis	<u>\$ (440,624)</u>	<u>\$ (626,705)</u>	(252,812)	<u>\$ 373,893</u>
ADJUSTMENTS TO GAAP BASIS				
Principal Payments on Debt			114,482	
Capital Outlay			643,729	
Depreciation			<u>(349,674)</u>	
CHANGE IN NET POSITION, GAAP Basis			155,725	
NET POSITION, Beginning			<u>8,109,770</u>	
NET POSITION, Ending			<u><u>\$8,265,495</u></u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	Original and Final Budget	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Utility Sales	\$ 874,577	\$ 871,255	\$ (3,322)
Tap Fees	15,000	160,334	145,334
Interest	<u>7,250</u>	<u>16,642</u>	<u>9,392</u>
Total Revenues	<u>896,827</u>	<u>1,048,231</u>	<u>151,404</u>
EXPENDITURES			
Current			
Operations	130,771	124,345	6,426
Maintenance	155,150	244,503	(89,353)
Treatment	507,056	494,399	12,657
Capital Outlay	<u>341,990</u>	<u>107,961</u>	<u>234,029</u>
Total Expenditures	<u>1,134,967</u>	<u>971,208</u>	<u>163,759</u>
CHANGE IN NET POSITION, Budget Basis	<u><u>\$ (238,140)</u></u>	77,023	<u><u>\$ 315,163</u></u>
ADJUSTMENTS TO GAAP BASIS			
Capital Outlay		107,961	
Depreciation		(85,366)	
Investment in Joint Sewer Authority		<u>56,905</u>	
CHANGE IN NET POSITION, GAAP Basis		156,523	
NET POSITION, Beginning		<u>4,627,093</u>	
NET POSITION, Ending		<u><u>\$ 4,783,616</u></u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
MARINA FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Charges for Services	\$ 1,444,500	\$ 1,631,500	\$ 1,684,867	\$ 53,367
Interest	3,000	3,000	38,258	35,258
Miscellaneous	40,000	40,000	36,029	(3,971)
Total Revenues	<u>1,487,500</u>	<u>1,674,500</u>	<u>1,759,154</u>	<u>84,654</u>
EXPENDITURES				
Current				
Operations	959,798	1,063,798	1,091,803	(28,005)
Maintenance	60,000	143,000	91,492	51,508
Capital Outlay	276,400	403,400	328,082	75,318
Debt Service				
Principal	105,230	105,230	105,230	-
Interest	57,030	57,030	56,869	161
Transfer Out	22,000	22,000	22,000	-
Total Expenditures	<u>1,480,458</u>	<u>1,794,458</u>	<u>1,695,476</u>	<u>98,982</u>
OTHER FINANCING SOURCES (USES)				
CRCA Settlement	-	-	900,000	900,000
CHANGE IN NET POSITION, Budget Basis	<u>\$ 7,042</u>	<u>\$ (119,958)</u>	963,678	<u>\$ 1,083,636</u>
ADJUSTMENTS TO GAAP BASIS				
Principal Payments on Debt			105,230	
Capital Outlay			328,082	
Depreciation			<u>(194,922)</u>	
CHANGE IN NET POSITION, GAAP Basis			1,202,068	
NET POSITION, Beginning			<u>2,098,038</u>	
NET POSITION, Ending			<u>\$3,300,106</u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended December 31, 2018

	<u>Balance</u> <u>January 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2018</u>
Summit County Telecommunications Consortium				
ASSETS				
Cash and Investments	\$ 162,376	\$ 188,882	\$ 186,530	\$ 164,728
Accounts Receivable	<u>10,503</u>	<u>10,214</u>	<u>10,503</u>	<u>10,214</u>
Total Assets	<u>\$ 172,879</u>	<u>\$ 199,096</u>	<u>\$ 197,033</u>	<u>\$ 174,942</u>
LIABILITIES				
Accrued Liabilities	\$ 2,522	\$ 5,891	\$ 2,522	\$ 5,891
Funds Held for Others	<u>170,357</u>	<u>169,051</u>	<u>170,357</u>	<u>169,051</u>
Total Liabilities	<u>\$ 172,879</u>	<u>\$ 174,942</u>	<u>\$ 172,879</u>	<u>\$ 174,942</u>

See the accompanying Independent Auditors' Report.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Dillon
		YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Phone:	Carri McDonnell 970-262-3404

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	94,495
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,133
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	14,777
2. General fund appropriations		b. Snow and ice removal	21,376
3. Other local imposts (from page 2)	1,123,644	c. Other	
4. Miscellaneous local receipts (from page 2)	67,051	d. Total (a. through c.)	36,153
5. Transfers from toll facilities		4. General administration & miscellaneous	26,269
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	277,669
a. Bonds - Original Issues		6. Total (1 through 5)	438,719
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	270,025
7. Total (1 through 6)	1,190,695	b. Redemption	565,000
B. Private Contributions		c. Total (a. + b.)	835,025
C. Receipts from State government (from page 2)	83,049	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,273,744	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	835,025
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,273,744

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	8,720,000		565,000	8,155,000
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
		1,273,744	1,273,744		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2018

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	228,202	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	67,051
1. Sales Taxes	866,165	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	29,277	g. Other Misc. Receipts	
6. Total (1. through 5.)	895,442	h. Other	
c. Total (a. + b.)	1,123,644	i. Total (a. through h.)	67,051
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	75,563	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	7,486	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.)	7,486	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	83,049	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		94,495	94,495
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	94,495	94,495
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	94,495	94,495
			(Carry forward to page 1)

Notes and Comments: