

TOWN OF DINOSAUR, COLORADO

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FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

—————

DECEMBER 31, 2018

FINANCIAL STATEMENTS - 2018

TOWN OF DINOSAUR, COLORADO

2018 BOARD OF TRUSTEES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Dinosaur, 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 Dinosaur, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 Dinosaur, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the Town adopted the provision of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which has resulted in a restatement of net position as of January 1, 2018. Our opinions are not modified with respect to this matter.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the Town's proportionate share of the net pension liability and asset, schedules of contributions, and schedule of the Town's proportionate share of the net OPEB liability on pages 3-8 and 57-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dinosaur, Colorado's basic financial statements. The budgetary comparisons for the Conservation, Water, and Sewage Funds and counties, cities, and towns annual statement of receipts and expenditures for roads, bridges, and streets are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons for the Conservation, Water, and Sewage Funds and counties, cities, and towns annual statement of receipts and expenditures for roads, bridges, and streets have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Colo CPA Services, PC

Rangely, Colorado
June 21, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Town of Dinosaur, Colorado's (the "Town") financial performance provides readers with an overall review of the financial activities of the Town for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the Town's financial performance.

FINANCIAL HIGHLIGHTS

- The Town's assets and deferred outflows exceeded liabilities and deferred inflows by \$2,324,241 at December 31, 2018.
- Total Town's cash and investments increased by \$202,546 or 19 percent from 2017.
- The December 31, 2018 General Fund balance is \$265,569 more than the previous year. The total General Fund balance is 451 percent of 2018 General Fund operating expenditures.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Town as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provides information about the activities of the whole Town, presenting both an aggregate view of the Town's finances and a longer-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net position related to each department of the Town. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

OVERVIEW OF THE TOWNS FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Town's net position and the changes in those assets. This change in assets is important because it tells the reader whether, for the Town as a whole, the financial position of the Town has improved or diminished. However, in evaluating the overall position of the Town, non-financial information such as changes in the Town's tax base and the condition of Town capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, the Town's activities are reported as Governmental Activities or Business-type Activities.

Fund Financial Statements

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 near-term financing requirements.

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 near-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.

Proprietary Funds. Proprietary funds are reported in the fund financial statements and generally report services for which customers are charged a fee. The Town uses an enterprise fund which essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to a customer external to the Town organization which is the water sales and sewage services to the residents of the Town and surrounding areas.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for the major enterprise fund.

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 on pages 25 through 55 of this report.

Budgetary Comparisons. The Town adopts an annual appropriated budget for the General Fund, Conservation Fund, Water Fund, and Sewage Fund. A budgetary comparison statement has been provided for the General Fund on pages 57 through 58, the Conservation Fund on pages 67 through 68, the Water Fund on pages 69 through 70, and the Sewage Fund on pages 71 through 72 of this report.

REPORTING THE TOWN AS A WHOLE

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the Town's net position for 2017 and 2018.

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Assets						
Current and other assets	\$ 809,225	\$1,089,470	\$ 303,031	\$ 286,956	\$ 1,112,256	\$ 1,376,426
Capital assets	194,374	177,935	1,199,540	1,187,347	1,393,914	1,365,282
Total assets	<u>1,003,599</u>	<u>1,267,405</u>	<u>1,502,571</u>	<u>1,474,303</u>	<u>2,506,170</u>	<u>2,741,708</u>
Deferred Outflows	<u>58,865</u>	<u>41,739</u>	<u>-</u>	<u>-</u>	<u>58,865</u>	<u>41,739</u>
Liabilities						
Current and other liabilities	6,533	10,681	2,603	11,169	9,136	21,850
Long-term liabilities	<u>206,836</u>	<u>198,424</u>	<u>187,761</u>	<u>177,200</u>	<u>394,597</u>	<u>375,624</u>
Total Liabilities	<u>213,369</u>	<u>209,105</u>	<u>190,364</u>	<u>188,369</u>	<u>403,733</u>	<u>397,474</u>
Deferred Inflows	<u>23,138</u>	<u>61,732</u>	<u>-</u>	<u>-</u>	<u>23,138</u>	<u>61,732</u>
Net position						
Net investment in capital assets	194,374	177,935	1,011,779	1,010,147	1,206,153	1,188,082
Restricted	5,173	6,846	-	-	5,173	6,846
Unrestricted	<u>626,410</u>	<u>853,526</u>	<u>300,428</u>	<u>275,787</u>	<u>926,838</u>	<u>1,129,313</u>
Total net position	<u>\$ 825,957</u>	<u>\$1,038,307</u>	<u>\$1,312,207</u>	<u>\$1,285,934</u>	<u>\$ 2,138,164</u>	<u>\$ 2,324,241</u>

A significant portion of the Town's net position represents unrestricted net position of \$1,129,313 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the Town's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$6,846 of the Town's net position represents resources that are subject to external restrictions on how they may be used. The restriction is for the TABOR emergency reserve.

The following table indicates the changes in net position.

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 3,948	\$ 4,645	\$ 110,122	\$ 118,744	\$ 114,070	\$ 123,389
Operating grants and contributions	3,122	3,230	-	-	3,122	3,230
Capital grants and contributions	-	-	60,294	29,872	60,294	29,872
General revenues & transfers:						
General property taxes	23,128	23,030	-	-	23,128	23,030
Specific ownership tax	2,070	2,125	-	-	2,070	2,125
Investment earnings	2,342	4,406	2,287	4,426	4,629	8,832
Sales & use tax	67,366	159,235	-	-	67,366	159,235
Occupation tax	7,075	228,779	-	-	7,075	228,779
Other	112,124	71,550	-	-	112,124	71,550
Total revenues & transfers	<u>221,175</u>	<u>497,000</u>	<u>172,703</u>	<u>153,042</u>	<u>393,878</u>	<u>650,042</u>
Expenses:						
General						
Government	91,436	97,905	-	-	91,436	97,905
Public Safety	76,128	106,559	-	-	76,128	106,559
Public Works	43,889	44,811	-	-	43,889	44,811
Parks & Recreation	18,659	21,194	-	-	18,659	21,194
Water	-	-	105,889	99,403	105,889	99,403
Sewage	-	-	60,422	79,912	60,422	79,912
Total expenses	<u>230,112</u>	<u>270,469</u>	<u>166,311</u>	<u>179,315</u>	<u>396,423</u>	<u>449,784</u>
Change in accounting principle	-	(14,181)	-	-	-	(14,181)
Increase (decrease) in net position	<u>\$ (8,937)</u>	<u>\$ 212,350</u>	<u>\$ 6,392</u>	<u>\$ (26,273)</u>	<u>\$ (2,545)</u>	<u>\$ 186,077</u>

Governmental Activities. Governmental activities increased the Town's net position by \$212,350 in 2018. Key elements of this increase are as follows:

Sales and use tax for 2018 was \$159,235, up \$91,869 from the prior year and occupation tax was \$228,779, up \$221,704.

Business-type Activities. Business-type activities decreased the Town's net position by \$26,273 in 2018. Key elements of this decrease are as follows:

Grants received were \$29,872, down \$30,422 from the prior year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds. Information about the Town's governmental funds begins on page 15. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2018, the total fund balance of the Town's governmental funds was \$1,045,270. Approximately 99 percent of this consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes of the Town. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: (1) a state-Constitution mandated emergency reserve (\$6,846). The Town had Governmental revenues of \$496,999 and expenditures of \$231,421.

Proprietary Fund. Information about the Town's proprietary fund begins on page 19. This fund is accounted for using the accrual basis of accounting.

As of December 31, 2018, the total net position of the Town's proprietary funds were \$1,285,934. Approximately 21 percent of this consists of unrestricted net position, which is available as working capital and for current spending in accordance with the purposes of the Town. The remainder of net position are restricted to indicate that it is not available for new spending because it is committed for the following purposes: (1) net investment in capital assets (\$1,010,147). The Town had Proprietary operation revenues of \$118,744, non-operating revenues of \$4,426, capital grants of \$29,872, operating expenses of \$177,051 and non-operating expenses of \$2,264.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado statutes.

2018 General Fund Budget

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 581,335	\$ -	\$ 581,335	\$ 756,028
Revenue and other financing sources	2,073,596	-	2,073,596	493,767
Expenditures and other financing uses	<u>(1,996,540)</u>	-	<u>(1,996,540)</u>	<u>(228,198)</u>
Ending Fund Balance	<u>\$ 658,391</u>	<u>\$ -</u>	<u>\$ 658,391</u>	<u>\$ 1,021,597</u>

Actual expenditures and other financing uses were under budget by \$1,768,342. The main reason for the difference was the Town budgeted \$1,658,000 for capital outlay and actual expenditures were \$1,727, which were under the budget amount by \$1,656,273.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town's net investment in capital assets for its governmental type and business-type activities as of December 31, 2018 totaled \$177,935 and \$1,010,147, respectively (net of accumulated depreciation and related debt). This investment includes all land, buildings, and equipment.

Major capital asset events during the current fiscal year included expenditures of \$32,474 for starting the Sewer Fund Phase III project.

The Town uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

Long-term Debt. During the year ended December 31, 2018, the Town had a long-term loans payable of \$39,710 for the water fund and \$137,490 for the sewage fund.

Additional information on Town's debt can be found in Note 7.

ECONOMIC FACTORS AND OTHER MATTERS

Other Matters. The following factors are expected to have a significant effect on the Town's financial position and results of operations and were taken into account in developing the 2019 budget:

- Increase in sales tax collected.
- Addition police officer(s) to be hired.
- Continued sewer service capital outlay.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Town, 317 S. Stegosaurus Frwy., Dinosaur, Colorado 81610.

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FINANCIAL STATEMENTS

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TOWN OF DINOSAUR, COLORADO

STATEMENT OF NET POSITION
December 31, 2018

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and investments	\$ 999,278	\$ 276,348	\$ 1,275,626
Accounts receivables	-	10,608	10,608
Other receivables	56,673	-	56,673
Property taxes receivable	23,189	-	23,189
Capital assets, nondepreciable	92,661	39,074	131,735
Capital assets, net of accumulated depreciation	85,274	1,148,273	1,233,547
Net pension asset	10,330	-	10,330
TOTAL ASSETS	1,267,405	1,474,303	2,741,708
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	39,439	-	39,439
Deferred outflows related to OPEB	2,300	-	2,300
TOTAL DEFERRED OUTFLOWS OF RESOURCES	41,739	-	41,739
LIABILITIES			
Accounts payable	3,328	11,169	14,497
Accrued liabilities	4,226	-	4,226
Accrued salaries and benefits	3,127	-	3,127
Noncurrent liabilities:			
Due within one year	-	10,838	10,838
Due in more than one year	-	166,362	166,362
Net pension liability	181,931	-	181,931
Net OPEB liability	16,493	-	16,493
TOTAL LIABILITIES	209,105	188,369	397,474
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	23,189	-	23,189
Deferred inflows related to pensions	38,264	-	38,264
Deferred inflows related to OPEB	279	-	279
TOTAL DEFERRED INFLOWS OF RESOURCES	61,732	-	61,732
NET POSITION			
Net investment in capital assets	177,935	1,010,147	1,188,082
Restricted for:			
Tabor	6,846	-	6,846
Unrestricted	853,526	275,787	1,129,313
TOTAL NET POSITION	\$ 1,038,307	\$ 1,285,934	\$ 2,324,241

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
FUNCTIONS/PROGRAMS			
Primary government			
Governmental activities			
General government	\$ 97,905	\$ 50	\$ -
Public safety	106,559	4,595	-
Public works	44,811	-	-
Parks and recreation	21,194	-	3,230
TOTAL GOVERNMENTAL ACTIVITIES	270,469	4,645	3,230
Business-type activities			
Water	99,403	77,670	-
Sewage	79,912	41,074	-
TOTAL BUSINESS-TYPE ACTIVITIES	179,315	118,744	-
TOTAL PRIMARY GOVERNMENT	\$ 449,784	\$ 123,389	\$ 3,230

General revenues:

Taxes:

- Property taxes
- Specific ownership taxes
- Sales & use taxes
- Highway users taxes
- Occupation taxes
- Mineral severance taxes
- Other taxes

Licenses and permits

Motor vehicle registration

Mineral lease

Unrestricted investment earnings

Miscellaneous

Total general revenues and transfers

Change in net position

Net position - beginning

Change in accounting principle

Net position - ending

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (97,855)	\$ -	\$ (97,855)
-	(101,964)	-	(101,964)
-	(44,811)	-	(44,811)
-	(17,964)	-	(17,964)
-	(262,594)	-	(262,594)
1,105	-	(20,628)	(20,628)
28,767	-	(10,071)	(10,071)
29,872	-	(30,699)	(30,699)
<u>\$ 29,872</u>	<u>(262,594)</u>	<u>(30,699)</u>	<u>(293,293)</u>
	23,030	-	23,030
	2,125	-	2,125
	159,235	-	159,235
	21,296	-	21,296
	228,779	-	228,779
	14,525	-	14,525
	273	-	273
	17,454	-	17,454
	945	-	945
	12,896	-	12,896
	4,406	4,426	8,832
	4,161	-	4,161
	<u>489,125</u>	<u>4,426</u>	<u>493,551</u>
	226,531	(26,273)	200,258
	825,957	1,312,207	2,138,164
	(14,181)	-	(14,181)
	<u>\$ 1,038,307</u>	<u>\$ 1,285,934</u>	<u>\$ 2,338,422</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2018

	General	Conservation Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 975,605	\$ 23,673	\$ 999,278
Other receivables	56,673	-	56,673
Property taxes receivable	23,189	-	23,189
TOTAL ASSETS	\$ 1,055,467	\$ 23,673	\$ 1,079,140
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 3,328	\$ -	\$ 3,328
Accrued liabilities	4,226	-	4,226
Accrued salaries and benefits	3,127	-	3,127
Unearned revenue - property taxes	23,189	-	23,189
TOTAL LIABILITIES	33,870	-	33,870
 FUND EQUITY			
Fund balance			
Reserved for Tabor emergencies	6,846	-	6,846
Unreserved	1,014,751	23,673	1,038,424
TOTAL FUND EQUITY	1,021,597	23,673	1,045,270
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,055,467	\$ 23,673	\$ 1,079,140

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCES TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2018

Balance sheet - total fund balances		\$ 1,045,270
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term liabilities, including net pension liabilities, are not due or payable in the current period and, therefore, are not reported in the funds.		(188,094)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	39,439	
Deferred outflows of resources related to OPEB	2,300	
Deferred inflows of resources related to pensions	(38,264)	
Deferred inflows of resources related to OPEB	<u>(279)</u>	
Net deferred outflows (inflows)		3,196
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.		<u>177,935</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 1,038,307</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

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

	<u>General</u>	<u>Conservation Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Intergovernmental	\$ 49,661	\$ 3,230	\$ 52,891
Licenses and permits	17,454	-	17,454
Taxes	413,442	-	413,442
Interest earned	4,404	2	4,406
Miscellaneous	8,806	-	8,806
	<u>493,767</u>	<u>3,232</u>	<u>496,999</u>
TOTAL REVENUES			
EXPENDITURES			
General government	60,396	-	60,396
Public safety	108,409	-	108,409
Public works	38,285	-	38,285
Parks and recreation	19,381	-	19,381
Capital outlay	1,727	3,223	4,950
	<u>228,198</u>	<u>3,223</u>	<u>231,421</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER EXPENDITURES	265,569	9	265,578
FUND BALANCE, BEGINNING OF YEAR	<u>756,028</u>	<u>23,664</u>	<u>779,692</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,021,597</u>	<u>\$ 23,673</u>	<u>\$ 1,045,270</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

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

Net change in fund balances - total governmental funds	\$ 265,578
Amounts reported for governmental activities in the statement of net activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$21,390) exceeded capital outlays (\$4,950) in the current period.	(16,440)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	(22,317)
Governmental funds recognize OPEB contributions as expenditures at the time of payment whereas the statement of activities factors in items related to OPEB on a full accrual perspective.	<u>(290)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 226,531</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2018

ASSETS	Enterprise Funds		
	Water	Sewage	Total
CURRENT ASSETS			
Cash and investments	\$ 250,136	\$ 26,212	\$ 276,348
Accounts receivable	6,603	4,005	10,608
TOTAL CURRENT ASSETS	256,739	30,217	286,956
PROPERTY, PLANT AND EQUIPMENT	332,763	854,584	1,187,347
TOTAL ASSETS	589,502	884,801	1,474,303
 LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
Accounts payable	531	10,638	11,169
Current maturities of long-term debt	5,838	5,000	10,838
TOTAL CURRENT LIABILITIES	6,369	15,638	22,007
Loan payable - less current maturities	33,872	132,490	166,362
TOTAL LIABILITIES	40,241	148,128	188,369
 NET POSITION			
Net investment in capital assets	293,053	717,094	1,010,147
Unrestricted	256,208	19,579	275,787
TOTAL NET POSITION	\$ 549,261	\$ 736,673	\$ 1,285,934

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Enterprise Funds		
	Water	Sewage	Total
OPERATING REVENUES			
Customer accounts	\$ 77,670	\$ 41,074	\$ 118,744
OPERATING EXPENSES			
Salaries	29,930	15,509	45,439
Supplies and other	22,840	44,845	67,685
Utilities	8,666	-	8,666
Depreciation	35,703	19,558	55,261
TOTAL OPERATING EXPENSES	97,139	79,912	177,051
OPERATING INCOME (LOSS)	(19,469)	(38,838)	(58,307)
NON-OPERATING REVENUES			
Interest revenue	2,214	2,212	4,426
Interest expense	(2,264)	-	(2,264)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(50)	2,212	2,162
INCOME BEFORE CAPITAL GRANTS	(19,519)	(36,626)	(56,145)
Capital grants	1,105	28,767	29,872
CHANGE IN NET POSITION	(18,414)	(7,859)	(26,273)
NET POSITION, BEGINNING	567,675	744,532	1,312,207
NET POSITION, ENDING	\$ 549,261	\$ 736,673	\$ 1,285,934

The accompanying "Notes to Financial Statements" are an integral part of this statement.

TOWN OF DINOSAUR, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2018

	Enterprise Funds	
	Water	Sewage
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 76,332	\$ 40,541
Cash payments for goods and services	(32,195)	(35,590)
Cash payments for payroll	(29,930)	(15,509)
	<u>14,207</u>	<u>(10,558)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM NON- CAPITAL FINANCING ACTIVITIES		
None	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grants	1,105	28,767
Long-term debt payment - principal	(5,560)	(5,000)
Long-term debt payment - interest	(2,264)	-
Purchase of fixed assets	(7,070)	(35,998)
	<u>(13,789)</u>	<u>(12,231)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned	2,214	2,212
	<u>2,214</u>	<u>2,212</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,632	(20,577)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>247,504</u>	<u>46,789</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 250,136</u>	<u>\$ 26,212</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (19,469)	\$ (38,838)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	35,703	19,558
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	(1,338)	(533)
Increase (decrease) in accounts payable	(689)	9,255
	<u>\$ 14,207</u>	<u>\$ (10,558)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		

<u>Total</u>	
\$	116,873
	(67,785)
	<u>(45,439)</u>

3,649

-

	29,872
	(10,560)
	(2,264)
	<u>(43,068)</u>

(26,020)

4,426

(17,945)

294,293

\$ 276,348

\$ (58,307)

55,261

(1,871)

8,566

\$ 3,649

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Dinosaur, Colorado, (the Town), conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

A. Financial Reporting Entity

The Town is governed by a publicly elected Town Council. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the Town since none were discovered to fall within the oversight responsibility based upon the application of the following criteria: financial accountability, appointment of a voting majority of the organizations' governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The Town's major operations include public safety, street construction and maintenance, water and sewage utility, and general administration.

B. 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 primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately for business-type activities, which rely to a significant extent on fees and charges for support.

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

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement focus, basis of accounting, and financial statement presentation, continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Town receives cash.

The Town reports the following major governmental funds:

General Fund

The General Fund is the Town's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The major revenue sources are local property taxes and charges for services. Expenditures include all costs associated with the daily operations of the Town.

Conservation Fund

The Conservation Fund is used to account for the proceeds of lottery distributed by the state that are legally restricted to expenditures for specific purposes.

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

The Town reports the following major proprietary funds:

Water Fund

The Water Fund accounts for the operations and capital needs to provide water to customers within the boundaries of the Town.

Sewage Fund

The Wastewater Fund accounts for the operations and capital needs to provide sewer and wastewater services to customers within the boundaries of the Town.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Fixed Assets and Long-Term Liabilities

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, traffic signals, trails, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis, from 2004. Infrastructure prior to 2004 will not be capitalized. Capital assets are defined by the Town as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. In 2018 no interest was capitalized.

Property, plant, and equipment of the Town are depreciated using the straight line method over the following estimated useful lives:

	<u>Governmental</u>	<u>Water</u>	<u>Sewage</u>
Buildings	20 years		
Streets & improvements	10-20 years		
Water distribution and storage system		40 years	
Sewage treatment system			50 years
Sewage collection system			45-50 years
Equipment	5-10 years	10 years	10 years

In the government-wide financial statements, and proprietary fund types 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 type statement of net position.

E. Property Taxes

Property taxes are levied on December 22 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in full by June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. The County bills and collects the property taxes and remits collections to the Town on a monthly basis. No provision has been made for uncollected taxes, in that the Town's experience indicates that all material amounts will be collected and paid to the Town.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Budgets and Budgetary Accounting

The Town's trustees follow these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to October 15, the manager submits to the Town's trustees a proposed operating budget for the 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 the taxpayers' comments.
- (3) Prior to December 15, the budget is legally enacted through passage of a resolution.
- (4) Formal budgetary integration is employed as a management control device during the year.
- (5) Budgets are adopted for the General, Special Revenue, and Enterprise Funds. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for the Enterprise Funds. The budget for the Enterprise Funds is adopted on a basis that differs from GAAP, in that outlays for debt retirement principal and acquisitions of fixed assets are included as expenses and depreciation is excluded from expenses.
- (6) Appropriations lapse at the end of each calendar year.
- (7) The Town's trustees may authorize supplemental appropriations during the year.
- (8) Actual expenditure of \$101,352 in the Sewage Fund exceeded budgeted expenditures of \$90,099 by \$11,253, which may be a violation of Colorado State Statutes.

G. Encumbrances

The Town does not use encumbrance accounting. Accordingly, no encumbrances have been recorded in the financial statements.

H. Compensated Absences

It is the Town's policy to permit employees to accumulate a limited amount of earned but unused vacation. Vacation leave is granted on a graduated accrual basis. Accrual of vacation leave shall begin at the commencement of employment. However, no employee shall be eligible for vacation leave with pay until that employee has completed twelve consecutive months of service to the Town. Vacation leave that is not used within one year of the date it is granted (anniversary of employment) may not be accumulated. Upon termination of employment, an employee is paid for unused accrued vacation leave for the calendar year in which termination occurred. A short-term liability for accrued vacation benefits has been recorded in the general fund.

I. Cash and Cash Equivalents

For purposes of the statement of cash flows the Water and Sewage Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. There are certain differences between the governmental fund balance sheet and the government-wide statement net position. A reconciliation of the differences can be found on page 16 of the financial statements.
- B. There are certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities. A reconciliation of the differences can be found on page 18 of the financial statements.

NOTE 3 - CASH AND INVESTMENTS

The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies, obligation of the State of Colorado or of any county, school, authority, and certain town and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The Town's investment policy is not more restrictive than State statutes. The Town's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value arising from increasing interest rates.

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

The Town has invested \$426,051 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operated similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. At December 31, 2018 the Town's investment in the COLOTRUST was rated AAAM by Standard & Poor's.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 3 - CASH AND INVESTMENTS, Continued

Summary

Cash and investments consist of the following:

Cash with county	\$	351
Cash in bank		849,224
ColoTrust		<u>426,051</u>
Total		<u>\$ 1,275,626</u>

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2018, in the Enterprise Funds are as follows:

	<u>Water</u>	<u>Sewage</u>	<u>Total</u>
Gross accounts receivable	\$ 8,476	\$ 5,141	\$ 13,617
Less allowance for doubtful accounts	<u>1,873</u>	<u>1,136</u>	<u>3,009</u>
	<u>\$ 6,603</u>	<u>\$ 4,005</u>	<u>\$ 10,608</u>

NOTE 5 - PROPERTY TAXES

Revenue Recognized in 2018

Local property taxes levied in 2017 and collected in 2018 are recognized as revenue in these financial statements as shown below:

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
			<u>Levied</u>	<u>Collected</u>	
General Fund	\$1,029,271	22.346	\$23,000	\$ 22,794	99.10%

Property Taxes Receivable and Deferred Revenues

Local property taxes levied in 2018 but not collectible until 2019 are shown as property taxes receivable and deferred revenue.

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Property Taxes Receivable</u>	<u>Deferred Revenue</u>
General Fund	\$1,050,008	22.085	100.00%	\$ 23,189	\$ 23,189

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 6 - CAPITAL ASSETS

A. Governmental Activities

A summary of changes in capital assets during the year ended December 31, 2018 is as follows:

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
Capital assets not being depreciated:				
Land	\$ 92,661	\$ -	\$ -	\$ 92,661
Capital assets being depreciated:				
Buildings	503,029	-	-	503,029
Streets and improvements	466,929	-	-	466,929
Equipment	226,769	4,950	-	231,719
Total assets being depreciated	<u>1,196,727</u>	<u>4,950</u>	<u>-</u>	<u>1,201,677</u>
Less accumulated depreciation:				
Buildings	(433,186)	(9,332)	-	(442,518)
Streets and improvements	(446,773)	(3,949)	-	(450,722)
Equipment	(215,054)	(8,109)	-	(223,163)
Total accumulated depreciation	<u>(1,095,013)</u>	<u>(21,390)</u>	<u>-</u>	<u>(1,116,403)</u>
Total assets being depreciated, net	<u>101,714</u>	<u>(16,440)</u>	<u>-</u>	<u>85,274</u>
Governmental activities capital assets, net	<u>\$ 194,375</u>	<u>\$ (16,440)</u>	<u>\$ -</u>	<u>\$ 177,935</u>

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

Governmental activities:	
General government	\$ 6,526
Public safety	6,525
Public works	6,526
Parks and recreation	<u>1,813</u>
Total depreciation expense – governmental activities	<u>\$ 21,390</u>

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 6 - CAPITAL ASSETS, Continued

B. Business-type Activities

	<u>Balance 1/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2018</u>
Capital assets not being depreciated:				
Land	\$ 6,600	\$ -	\$ -	\$ 6,600
Construction in progress	-	32,474	-	32,474
Total assets not being depreciated	<u>6,600</u>	<u>32,474</u>	<u>-</u>	<u>39,074</u>
Capital assets being depreciated:				
Water system	1,760,414	-	-	1,760,414
Sewer system	1,025,369	-	-	1,025,369
Machinery and equipment	72,923	10,594	-	83,517
Total assets being depreciated	<u>2,858,706</u>	<u>10,594</u>	<u>-</u>	<u>2,869,300</u>
Less accumulated depreciation:				
Water system	(1,399,018)	(34,732)	-	(1,433,750)
Sewer system	(193,825)	(19,315)	-	(213,140)
Machinery and equipment	(72,923)	(1,214)	-	(74,137)
Total accumulated depreciation	<u>(1,665,766)</u>	<u>(55,261)</u>	<u>-</u>	<u>(1,721,027)</u>
Total assets being depreciated, net	<u>1,192,940</u>	<u>(44,667)</u>	<u>-</u>	<u>1,148,273</u>
Business-type activities capital assets, net	<u>\$ 1,199,540</u>	<u>\$ (12,193)</u>	<u>\$ -</u>	<u>\$ 1,187,347</u>

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

Business-type activities:	
Water	\$ 35,703
Sewage	<u>19,558</u>
Total depreciation expense – business-type activities	<u>\$ 55,261</u>

NOTE 7 – CHANGES IN LONG-TERM DEBT

The following is a summary of the note payable of the Town for the year ended December 31, 2018:

	<u>Balance 1/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2018</u>	<u>Due within One year</u>
Business-type activities					
Note payable – DOLA	\$ 45,271	\$ -	\$ 5,561	\$ 39,710	\$ 5,838
Note payable – CWRPDA	142,490	-	5,000	137,490	5,000
Business-type activities long-term liabilities	<u>\$ 187,761</u>	<u>\$ -</u>	<u>\$ 10,561</u>	<u>\$ 177,200</u>	<u>\$ 10,838</u>

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 – CHANGE IN LONG-TERM DEBT, Continued

The Town entered into a contract with the Department of Local Affairs for \$100,000. The money was used to finance water improvements. The contract specified payments of \$7,824 due September 1st of each year for 20 years beginning in 2005 at an interest rate of 5%. The contract is an obligation of the Water Fund. Principal and interest requirement for this contract is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2019	\$ 5,838	\$ 1,986	\$ 7,824
2020	6,130	1,694	7,824
2021	6,437	1,387	7,824
2022	6,758	1,065	7,823
2023	7,096	727	7,823
2024	<u>7,451</u>	<u>373</u>	<u>7,824</u>
	<u>\$ 39,710</u>	<u>\$ 7,232</u>	<u>\$ 46,942</u>

The Town entered into a contract with the Colorado Water Resources and Power Department Authority for a maximum draw total of \$500,000 at an interest rate of 0%. The loan is for improvements to the sewer lagoons. Payment of \$2,500 are due semi-annually. The loan is payable over 20 years and is due in 2034. Payments on this loan will be made through the Sewer Fund. \$22,544 was drawn in 2014, \$32,446 in 2015, and \$100,000 in 2016 for a total draw of \$154,990 as of December 31, 2018. Principal and interest requirement for this contract is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2019	\$ 5,000	\$ -	\$ 5,000
2020	5,000	-	5,000
2021	5,000	-	5,000
2022	5,000	-	5,000
2023	5,000	-	5,000
2024-2028	25,000	-	25,000
2029-2033	25,000	-	25,000
2034	<u>62,490</u>	-	<u>62,490</u>
	<u>\$137,490</u>	<u>\$ -</u>	<u>\$ 137,490</u>

NOTE 8 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town maintains two enterprise funds which provide water and sewer services. Applicable segment information for the year ended December 31, 2018, is as follows:

	<u>Water</u>	<u>Sewage</u>	<u>Total</u>
Operating revenues	\$ 77,670	\$ 41,074	\$ 118,744
Depreciation	35,703	19,558	55,261
Operating income (loss)	(19,469)	(38,838)	(58,307)
Change in net position	(18,414)	(7,859)	(26,273)
Net working capital	250,370	14,579	264,949
Total assets	589,502	884,801	1,474,303
Net position	549,261	736,673	1,285,934

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 9 - BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis for the Enterprise Funds. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in the excess (deficiency) of revenues over expenditures for the year ended December 31, 2018 is as follows:

	<u>Water</u>	<u>Sewage</u>	<u>Total</u>
Excess (deficiency) of revenue over expenditures (NON-GAAP basis)	\$ 4,659	(\$ 29,299)	(\$ 24,640)
Plus:			
Capital Outlay	7,070	35,998	43,068
Principal Payments	5,560	5,000	10,560
Less:			
Depreciation	(35,703)	(19,558)	(55,261)
Excess (deficiency) of revenue over expenditures (GAAP basis)	(\$ 18,414)	(\$ 7,859)	(\$ 26,273)

NOTE 10 - DEFINED BENEFIT PENSION PLAN - PERA

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

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

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

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

General Information about the Pension Plan, continued

Contributions provisions as of December 31, 2017. Eligible employees and Town of Dinosaur, Colorado are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town of Dinosaur, Colorado is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Town of Dinosaur, Colorado were \$14,927 for the year ended December 31, 2018.

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

At December 31, 2018, the Town of Dinosaur, Colorado reported a liability of \$181,931 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Town of Dinosaur, Colorado proportion of the net pension liability was based on Town of Dinosaur, Colorado contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2017, the Town of Dinosaur, Colorado proportion was 0.016349 percent, which was an increase of 0.001032 percent from its proportion measured as of December 31, 2016.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLAN – PERA, 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 of Dinosaur, Colorado recognized pension expense of \$30,693. At December 31, 2018, the Town of Dinosaur, Colorado reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	11,388	-
Changes of assumptions or other inputs	1,923	-
Net difference between projected and actual earnings on pension plan investments	-	35,383
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,174	(740)
Contributions subsequent to the measurement date	14,927	-
Total	34,412	34,643

\$14,927 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ended December 31:	
2019	14,422
2020	(3,592)
2021	(12,868)
2022	(13,120)
2023	-
Thereafter	-

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

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

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

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

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

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

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

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

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

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non US Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

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

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the LGDTF’s fiduciary net position was projected to be available to make all projected future benefit payment of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent, 0.25 percent higher compared to the current measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	289,923	181,931	92,095

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

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

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

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

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

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

At December 31, 2018, the Town of Dinosaur, Colorado reported a liability of \$181,931 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule presents an estimate of what the Grand Valley Fire Protect Town proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$128,757

NOTE 11 - DEFINED BENEFIT OTHER POSTEMPLOYMENT (OPEB) PLAN

Summary of Significant Accounting Policies

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

General Information about the OPEB Plan

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

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

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

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

PERA Benefit Structure

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

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

General Information about the OPEB Plan

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town of Dinosaur, Colorado is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Town of Dinosaur, Colorado were \$1,201 for the year ended December 31, 2018.

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

At December 31, 2018, the Town of Dinosaur, Colorado reported a liability of \$16,493 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Town of Dinosaur, Colorado proportion of the net OPEB liability was based on Town of Dinosaur, Colorado contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the Town of Dinosaur, Colorado proportion was 0.00127 percent, which was an increase of 0.00001 from its proportion measured as of December 31, 2016.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

For the year ended December 31, 2018, the Town of Dinosaur, Colorado recognized OPEB expense of \$290. At December 31, 2018, the Town of Dinosaur, Colorado reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	78	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	276
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,021	3
Contributions subsequent to the measurement date	1,201	N/A
Total	2,300	279

\$1,201 was reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Year ended December 31:	
2019	147
2020	146
2021	147
2022	146
2023	215
Thereafter	19

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

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

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

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

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

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

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

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

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

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

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

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

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

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

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

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

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	45,641	46,932	48,487

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	18,544	16,493	14,743

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

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 – DEFINED BENEFIT PENSION PLAN - FPPA

Summary of Significant Accounting Policies

Pensions. The Town contributes to the Statewide Defined Benefit Pension Plan (SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, which is administered by the Colorado Fire and Police Pension Association (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/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund.

General Information about the Pension Plan

Plan Description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. The report may be obtained on FPPA's website at www.fppaco.org.

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

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

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

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. In 2014, the members elected to increase member contribution rate to SWDB plan beginning in 2015. Member contributions rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

General Information about the Pension Plan, continued

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 22 percent of base salary through 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 5 percent and 4 percent, respectively, of base salary for a total contribution rate of 9 percent in 2018. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2018, the Town reported an asset of \$10,330 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2015. Standard update procedures were used to roll forward the total pension asset to December 31, 2018. The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2017 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2017, the Town's proportion was 0.007180 percent, which was an increase of 0.007180 percent from its proportion measurement as of December 31, 2016.

For the year ended December 31, 2018, the Town recognized pension income of \$8,376. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	7,449	114
Changes of assumptions or other inputs	1,556	-
Net difference between projected and actual earnings on pension plan investments	-	3,507
Changes in proportion and differences between contributions recognized and proportionate share of contributions	(7,338)	-
Contribution subsequent to the measurement date	3,360	-
Total	5,027	3,621

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

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

\$3,360 is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ended December 31:	
2019	372
2020	212
2021	(1,278)
2022	(1,831)
2023	245
Thereafter	326

Actuarial Assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of Payroll, Open
Amortization Period:	30 Years
Asset Valuation Method:	5-Year smoothed fair value
Projected Salary Increases:	4.0% - 14.0%
Long-term Investment Rate of Return*:	7.50%
*Includes Inflation at:	2.50%
Cost of Living Adjustment (COLA):	0.0%

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumption. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2017 and were used in the roll forward calculation of total pension liability as of December 31, 2016. Actuarial assumptions effective for actuarial valuation prior to January 1, 2017 were used in the determination of the actuarially determined contribution as of December 31, 2016. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major assets class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	8.33%
Equity Long/Short	9.0%	7.15%
Illiquid Alternatives	24.0%	9.70%
Fixed Income	15.0%	3.00%
Absolute Return	9.0%	6.46%
Managed Futures	4.0%	6.85%
Cash	2.0%	2.26%
Total	100.00%	

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50 percent; the municipal bond rate is 3.78 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50 percent.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Town's Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) calculation using the discount rate of 7.50 percent as well as the net position liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

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

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	11,246	(10,330)	(28,245)

Pension Plan Fiduciary Net Position. Detailed information about the SWDB Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at www.fppaco.org.

NOTE 13- CONTINGENCIES

Constitutional Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required.

In 1996, the registered voters of the Town of Dinosaur voted to allow the Town to collect, retain and expend all revenues and other funds collected in 1995 and each subsequent year thereafter, for capital projects and other municipal services without limiting in any year the amount of the other revenues that may be collected and expended by the Town of Dinosaur in excess of the limits of Article X, Section 20 of the Colorado Constitution.

The Town has no authorized but un-issued debt subject to the amendment's limitations. Based on fiscal year spending for 2018, \$6,846 of the year-end fund balance in the General Fund has been reserved for emergencies.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

NOTE 14 - RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE – 15 – REALTED PARTY TRANSACTIONS

Richard Blakley, Town Mayor, and Charles Winkler, Town Trustee, provided services for the Town outside regular duties of Town Mayor and Trustee. During the course of its operation, the Town paid \$22,495 and \$16,221, respectively, for these services for the year 2018.

TOWN OF DINOSAUR, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 16 – COMMITTED FUND BALANCE

Beginning with the fiscal year 2010, the Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a governments' fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board establishes (and modifies or rescinds) fund balance commitments as action items in board meetings. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund. Assigned fund balance is established by the board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

NOTE 17 – REPORTING FOR PENSIONS

Beginning in 2015, financial reporting information pertaining to the Town's participation in Fire and Police Pension Association of Colorado (FPPA) and Public Employees' Retirement Association of Colorado (PERA) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition of Contributions Made Subsequent to the Measurement Date*.

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2018, the Town implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This resulting in and adjustment to beginning position on the Statement of Activities in Fund Net Position of \$14,181 to add the beginning net OPEB liability.

NOTE 19 – SUBSEQUENT EVENTS

The Town has evaluated subsequent events through June 21, 2019, the date at which the financial statements were available to be issued, and determined that an event has occurred that require disclosure. The Town is anticipating to obtain a state revolving fund loan for sewer system upgrades.

REQUIRE SUPPLEMENTARY INFORMATION

TOWN OF DINOSAUR, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended December 31, 2018

	Budget	
	Original	Final
REVENUES		
Intergovernmental	\$ 13,300	\$ 13,300
Licenses and permits	20,301	20,301
Taxes	333,231	333,231
Grants	1,697,334	1,697,334
Interest earned	2,520	2,520
Miscellaneous	6,910	6,910
TOTAL REVENUES	2,073,596	2,073,596
EXPENDITURES		
General government	126,885	126,885
Public safety	146,159	146,159
Public works	41,353	41,353
Parks and recreation	24,143	24,143
Capital outlay	1,658,000	1,658,000
TOTAL EXPENDITURES	1,996,540	1,996,540
REVENUES OVER (UNDER) EXPENDITURES	77,056	77,056
FUND BALANCE, BEGINNING OF YEAR	581,335	581,335
FUND BALANCE, END OF YEAR	\$ 658,391	\$ 658,391

<u>Actual Amounts</u>	<u>Variance</u>
\$ 49,661	\$ 36,361
17,454	(2,847)
413,442	80,211
-	(1,697,334)
4,404	1,884
8,806	1,896
493,767	(1,579,829)
60,396	66,489
108,409	37,750
38,285	3,068
19,381	4,762
1,727	1,656,273
228,198	1,768,342
265,569	188,513
756,028	756,028
\$ 1,021,597	\$ 944,541

See the accompanying independent auditor's report

TOWN OF DINOSAUR, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN
Last 10 Fiscal Years

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
12/31/2014	0.014%	\$ 117,305	\$ 76,050	154%	81.8%
12/31/2015	0.014%	129,795	79,350	164%	80.7%
12/31/2016	0.016%	174,750	90,093	194%	76.9%
12/31/2017	0.015%	206,836	93,066	222%	73.6%
12/31/2018	0.016%	181,931	103,392	176%	79.4%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the Town's fiscal year end.

See the accompanying independent auditor's report

TOWN OF DINOSAUR, COLORADO

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
PERA PENSION PLAN
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ 9,643	\$ 9,643	\$ -	\$ 76,050	12.68%
2014	10,062	10,062	-	79,350	12.68%
2015	11,424	11,424	-	90,093	12.68%
2016	11,747	11,747	-	92,641	12.68%
2017	13,078	13,078	-	103,392	12.65%
2018	14,927	14,927	-	117,722	12.68%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See the accompanying independent auditor's report

TOWN OF DINOSAUR, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION ASSET
 FPPA PENSION PLAN
 Last 10 Fiscal Years

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
12/31/2018	0.007%	\$ (10,330)	\$ 42,000	-25%	106.3%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the Town's fiscal year end.

See the accompanying independent auditor's report

TOWN OF DINOSAUR, COLORADO

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
FPPA PENSION PLAN
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2018	\$ 3,360	\$ 3,360	\$ -	\$ 42,000	8.00%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See the accompanying independent auditor's report

TOWN OF DINOSAUR, COLORADO

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA OPEB PLAN
Last 10 Fiscal Years**

Year Ended*	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Actual Covered Member Payroll	Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total OPEB Liability
12/31/2017	0.001%	\$ 15,232	\$ 93,066	16%	16.7%
12/31/2018	0.001%	16,493	103,392	16%	17.5%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net OPEB liability, which is as of the calendar year end that occurred before the Town's fiscal year end.

See the accompanying independent auditor's report

TOWN OF DINOSAUR, COLORADO

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
PERA OPEB PLAN
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2017	\$ 1,051	\$ 1,051	\$ -	\$ 103,392	1.02%
2018	1,201	1,201	-	117,722	1.02%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See the accompanying independent auditor's report

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SUPPLEMENTARY INFORMATION

TOWN OF DINOSAUR, COLORADO

**BUDGETARY COMPARISON SCHEDULE
WATER FUND**

For the Year Ended December 31, 2018

	Budget	
	Original	Final
REVENUES		
Customer accounts	\$ 73,000	\$ 73,000
Tap Fees	3,400	3,400
Grants	-	-
Interest	1,022	1,022
	<u>77,422</u>	<u>77,422</u>
TOTAL REVENUES		
EXPENSES		
Salaries	33,739	33,739
Supplies and other	64,772	64,772
Utilities	15,000	15,000
Capital outlay	-	-
Debt service		
Principle	5,560	5,560
Interest expense	2,264	2,264
	<u>121,335</u>	<u>121,335</u>
TOTAL EXPENSES		
NET CHANGE IN FUND BALANCE	(43,913)	(43,913)
FUND BALANCE, BEGINNING OF YEAR	<u>244,261</u>	<u>244,261</u>
FUND BALANCE, END OF YEAR	<u>\$ 200,348</u>	<u>\$ 200,348</u>

RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP

Add:

 Capital outlay

 Principal

Subtract:

 Depreciation

FUND BALANCE, END OF YEAR GAAP BASIS

<u>Actual Amounts</u>	<u>Variance</u>
\$ 71,370	\$ (1,630)
6,300	2,900
1,105	1,105
2,214	1,192
<u>80,989</u>	<u>3,567</u>
29,930	3,809
22,840	41,932
8,666	6,334
7,070	(7,070)
5,560	-
2,264	-
<u>76,330</u>	<u>45,005</u>
4,659	48,572
<u>567,675</u>	<u>323,414</u>
572,334	<u>\$ 371,986</u>
7,070	
5,560	
<u>(35,703)</u>	
<u>\$ 549,261</u>	

TOWN OF DINOSAUR, COLORADO
BUDGETARY COMPARISON SCHEDULE
SEWAGE FUND
For the Year Ended December 31, 2018

	Budget	
	Original	Final
REVENUES		
Customer accounts	\$ 41,700	\$ 41,700
Tap Fees	1,600	1,600
Interest	1,000	1,000
Grants	50,000	50,000
TOTAL REVENUES	94,300	94,300
 EXPENSES		
Salaries	15,278	15,278
Supplies and other	69,821	69,821
Capital outlay	-	-
Debt service		
Principal	5,000	5,000
Interest expense	-	-
TOTAL EXPENSES	90,099	90,099
NET CHANGE IN NET POSITION	4,201	4,201
NET POSITION, BEGINNING OF YEAR	30,240	30,240
NET POSITION, END OF YEAR	\$ 34,441	\$ 34,441
 RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP		
Add:		
Principal		
Capital outlay		
Subtract:		
Depreciation		
NET POSITION, END OF YEAR GAAP BASIS		

<u>Actual Amounts</u>	<u>Variance</u>
\$ 38,674	(3,026)
2,400	800
2,212	1,212
<u>28,767</u>	<u>(21,233)</u>
<u>72,053</u>	<u>(22,247)</u>
15,509	(231)
44,845	24,976
35,998	(35,998)
5,000	-
-	-
<u>101,352</u>	<u>(11,253)</u>
(29,299)	(33,500)
<u>744,532</u>	<u>714,292</u>
715,233	<u>\$ 680,792</u>
5,000	
35,998	
<u>(19,558)</u>	
<u>\$ 736,673</u>	

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Dinosaur
YEAR ENDING : December 2018	
This Information From The Records Of (example - City of _ or County of _	Prepared By: Tamara Long Phone: 970-374-2286

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	12,015
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,700
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	0	c. Other	6,564
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	9,264
5. Transfers from toll facilities		4. General administration & miscellaneous	1,625
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	22,904
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	0	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	22,904	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	22,904	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	22,904

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		22,904	22,904		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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		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		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	0	i. Total (a. through h.)	0
(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	21,611	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	1,293	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.)	1,293	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	22,904	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			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
		(Carry forward to page 1)	

Notes and Comments:

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