



TOWN OF FIRESTONE, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2018



Comprehensive Annual Financial Report
For the Fiscal Year ended
December 31, 2018

TOWN OF FIRESTONE
FIRESTONE, COLORADO



Prepared by the Finance Department

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TOWN OF FIRESTONE, COLORADO
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2018

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July 1, 2019

To the Honorable Mayor, members of the Board of Trustees (the “Trustees”), and Citizens of the Town of Firestone (the “Town”):

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report for the Town of Firestone for the fiscal year ended December 31, 2018.

This report consists of management’s representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Town’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town’s internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Fiscal Focus Partners, LLC, a firm of licensed certified public accountants, has audited the Town’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2018 are free of material misstatement. The independent audit involved: examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for the fiscal year ended December 31, 2018, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town’s MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE TOWN OF FIRESTONE

The Town, incorporated in 1908, is located on the northern fringe of the Denver metropolitan area of Colorado. The Town has a current area of 14 square miles and serves a population of approximately 14,500 and is located in Weld County. The Town is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board and voter approval. On April 2, 1996, the taxpayers approved a ballot question to remove the Taxpayer Bill of Rights (“TABOR”) limits that were imposed on the Town in 1992.

The Town has operated under the Trustees-Town Manager form of government since its first meeting as a statutory Town. Policy-making and legislative authority are vested in the Board, consisting of the Mayor and six Trustees. The Town’s Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Town’s manager, attorney, treasurer, and clerk. The Town’s manager is responsible for: carrying out the goals, policies, and ordinances of the Board; for overseeing the day-to-day operations of the Town; and for appointing the heads of the various departments. The Board is elected on a nonpartisan basis. The Mayor is elected for a two-year term and the Trustees are elected for four-year terms. The Mayor and Trustees are elected at-large.

The Town provides a full range of services including: police protection; construction and maintenance of streets, parks, trails, and open space; and stormwater and water utilities. Other utility services such as sewer, electricity, natural gas, and trash removal are provided by organizations not affiliated with the Town, and therefore, are not reported in the Town’s financial statements.

The annual budget serves as the foundation for the Town’s financial planning and control. All departments of the Town are required to submit requests for appropriation to the Town’s finance department on or about the last day of August each year. The finance department and Town manager use these requests as the starting point for developing a proposed budget. The finance department then presents the proposed budget to the Board by October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15. The Town’s fiscal year is on a calendar year basis. The Town’s budget is prepared by fund (e.g. general) and department (e.g. police). However, the annual budget is appropriated and approved at the fund level by the Board and certified to the State of Colorado as such. Transfers of appropriations between funds require the approval of the Board.

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. As for the General Fund and the two Sales Tax Capital Improvement Funds, these comparisons are presented on pages 71 to 73 as part of the required supplementary information. For all other governmental and proprietary funds, the comparisons are presented in the other supplementary information subsection of this report, which begins on page 81.

FACTORS AFFECTING FINANCIAL CONDITION

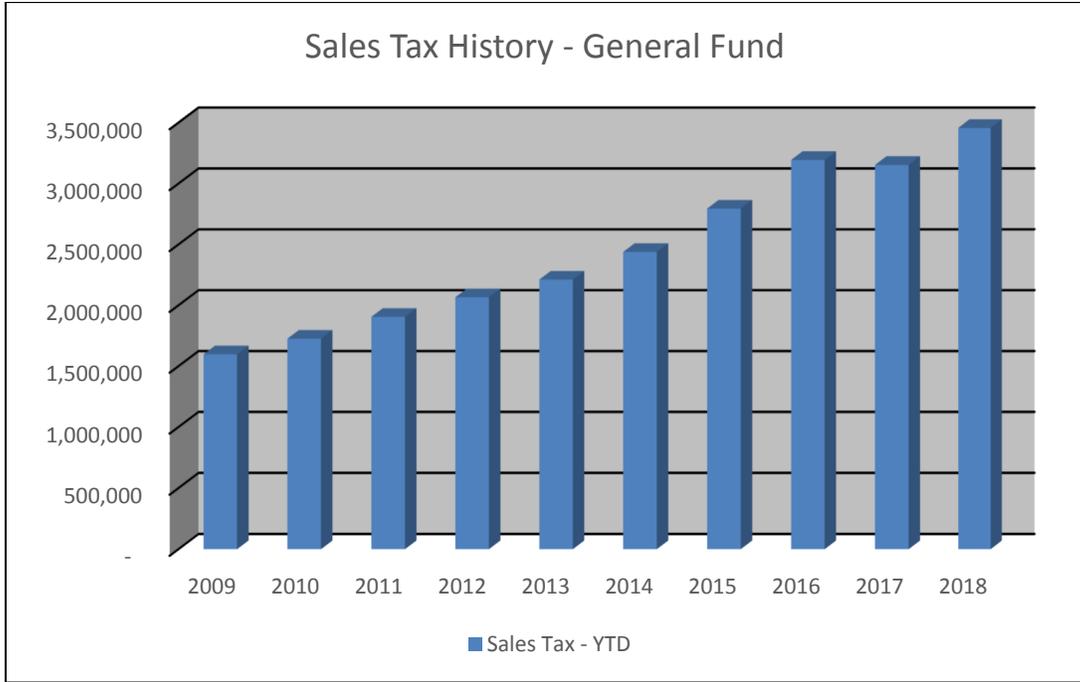
LOCAL ECONOMY

The Town is a unique community of citizens, businesses, and governments that are united in creating a stable, safe, prosperous, and healthy environment in which to live, work, worship, learn, and exercise the rights and freedoms provided by the United States Constitution. The Town has been recognized in several national and Colorado listings for its cost of home ownership, amenities, and for being a safe environment. During 2018, the Town was named the fifth safest community in Colorado by Safewise. The Town continues to grow and develop and was recognized 6th nationally in the Top 10 Cities primed for economic growth and opportunity in 2018. The area has a homeownership rate of 86.7 percent, and a median household income of \$94,545 annually per datausa.io. The median home value in Firestone is \$303,100. In addition, according to City-Data.com, the Town’s cost of living index is 102.9, which is near the United States average of 100. In order to maximize commercial and residential development opportunities, the Town continued with a strategic and targeted economic development program in 2018. The objective of the plan is to attract new businesses and encourage expansion of existing businesses.

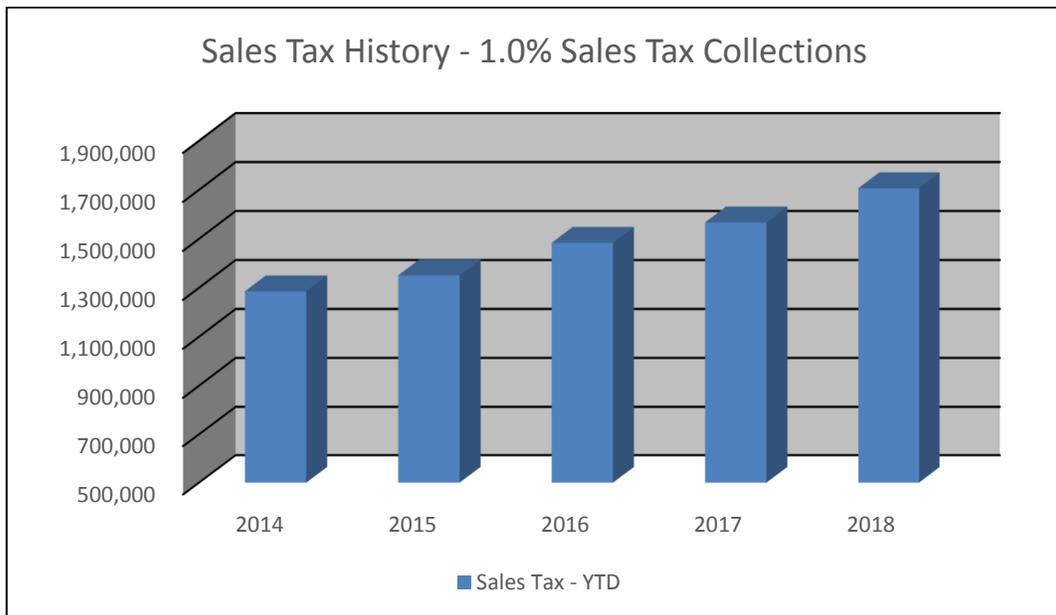
The Town is currently working to increase the number and variety of businesses throughout the community, including initiatives to enhance the economic success of historic Old Town Firestone. The tables below detail the Town’s taxable assessed value (AV) for the past ten years.

AV Year / Year Levied	Assessed Valuation
2009 / 2010	\$ 132,642,530
2010 / 2011	\$ 116,860,720
2011 / 2012	\$ 132,306,920
2012 / 2013	\$ 142,807,170
2013 / 2014	\$ 135,635,763
2014 / 2015	\$ 147,288,760
2015 / 2016	\$ 170,842,090
2016 / 2017	\$ 208,282,680
2017 / 2018	\$ 215,444,970
2018 / 2019	\$ 231,241,860

Because of the growth of the Town’s residential and retail base, sales tax revenues have shown significant growth throughout the past ten years. The retail trade sector has steadily employed more of the Town’s population in the past several years and significantly influences the Town’s economy. The chart on the next page reflects the increase in sales tax revenues throughout the last ten years (as of December of each year).



In addition to the sales tax revenues shown in the previous chart, in November 2013, the Town's citizens approved a 1 percent additional sales tax to be utilized for street and park capital projects, operation and maintenance and associated debt service issuances/payments. Collection of this additional tax began in 2014 and will provide for long term sustainability of the Town's streets and park assets. Below is a chart reflecting the increase in 1% sales tax revenues for the past five years (as of December of each year).



Recently, the Town's citizens approved a 0.6% Sales Tax increase for the purpose of constructing a Public Safety Facility that will house the police, the court, and will provide meeting space for the Town. Collection of this sales tax began in 2018 and will expire after 25 years. The Town collected \$1.2 million from the 0.6% sales tax in 2018.

LONG-TERM PLANNING

The Board and management are currently working on a major project that will impact the Town's financial position. In 2005, the Board indicated its desire to pursue participation in Northern Integrated Supply Project ("NISP") for future water needs. NISP is a joint project to develop water storage and supply facilities for a large group of water providers in the region. The Town maintains a long-range financial model in order to plan and provide future funding for this vital project.

The Town continuously monitors the status of its budget and will make adjustments, as warranted.

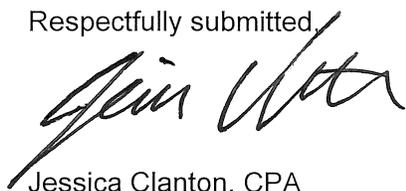
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the twelfth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administrative departments. Credit also must be given to the Mayor and the Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Town's finances.

Respectfully submitted,



Jessica Clanton, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

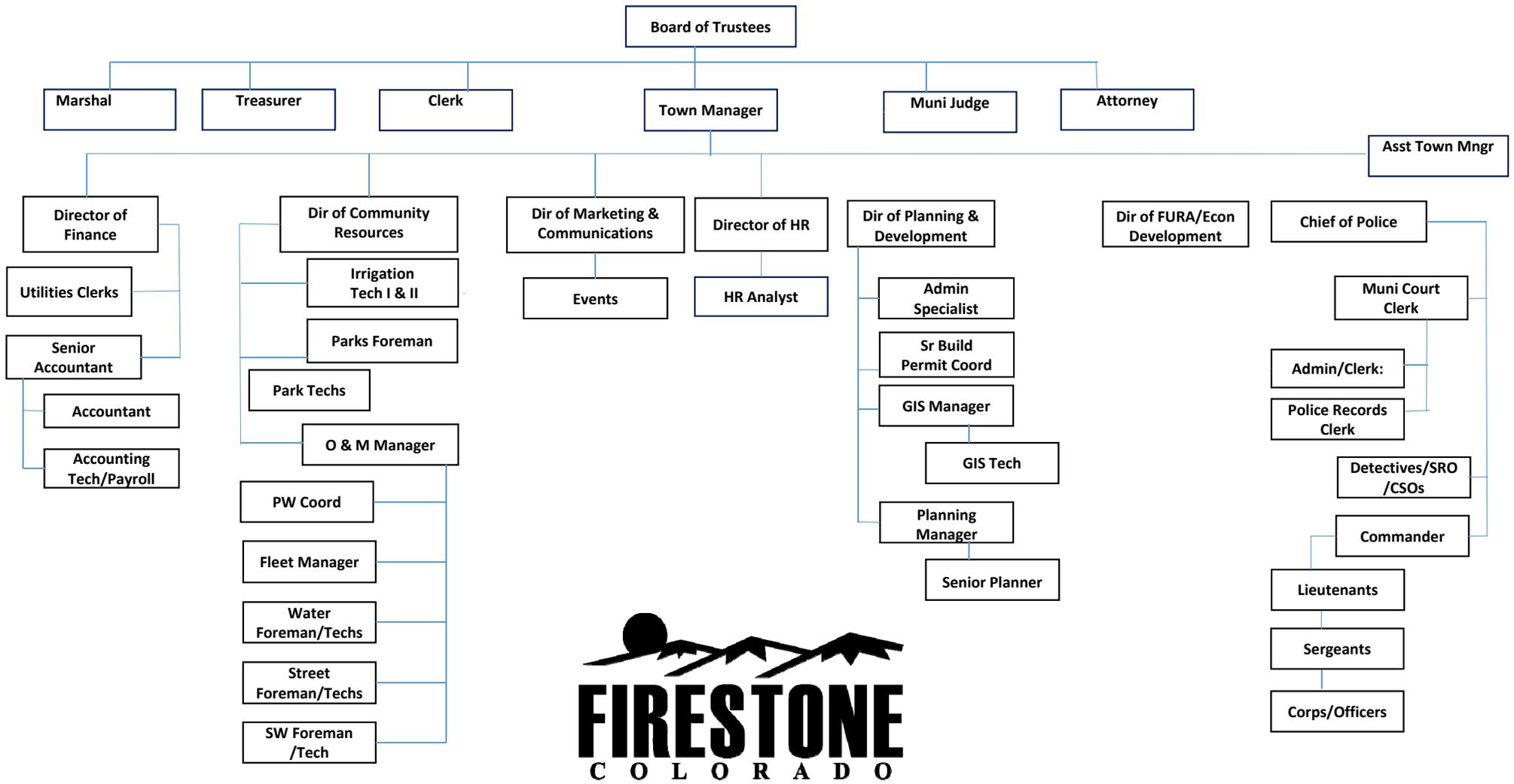
**Town of Firestone
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO



TOWN OF FIRESTONE ORGANIZATIONAL CHART



LIST OF PRINCIPAL OFFICIALS – AS OF DECEMBER 31, 2018

Elected Officials

Mayor Bobbi Sindelar
Mayor Pro-tem Drew Peterson
Trustee Don Conyac
Trustee George Heath
Trustee Frank Jimenez
Trustee Samantha Meiring
Trustee Doug Sharp

Appointed Officials

Town Clerk Leah Vanarsdall
Town Treasurer Jessica Clanton, CPA
Town Attorney Sam Light, Light & Kelly, PC
..... Kathleen Kelly, Kelly, PC
Town Engineer Dave Lindsay, CCG, Inc.
Municipal Judge Paul Basso

Department Directors

Town Manager Interim AJ Krieger
Assistant Town Manager Jennifer Weinberger
Chief of Police David Montgomery
Community Resources Director Julie Pasillas
Economic Development and FURA Director Paula Mehle
Finance Director Jessica Clanton, CPA
Human Resource Director Janet Sloat
Marketing and Communications Director Katie Hansen
Planning Director Todd Bjerkaas
Public Works Director Theo Abkes



INDEPENDENT AUDITOR'S REPORT

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 Firestone, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, the budgetary comparison information on page 71, and the pension and other postemployment benefits schedules on pages 72 through 77 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's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, enterprise fund budgetary comparison information, statistical section, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, enterprise fund budgetary comparison, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
July 1, 2019

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

As management of the Town, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources as of December 31, 2018 by \$143.3 million. Of this amount, \$21.3 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$22 million, or 18.2%. Governmental net position increased by \$5 million, or 10.2%, and business-type net position increased by \$17 million, or 23.5%.
- As of December 31, 2018, the Town's governmental funds reported combined ending fund balances of \$29 million, an increase of \$11.8 million from 2017. Approximately 13.4% of this total amount or \$4 million is unassigned and available for discretionary spending for the benefit of Town citizens.
- Outlays for capital assets included construction of streets; water and storm water infrastructure; improvements to various parks; acquisition of police vehicles and equipment; and public works equipment and vehicles. See the Capital Assets section of this management's discussion and analysis for more information.

Overview of the Financial Statements

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

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

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

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

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works and parks and recreation. Business-type activities include the water system and storm drainage system.

The government-wide financial statements can be found on pages 15 through 17 of this report.

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating the Town'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.

The Town maintains 7 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the 1.0% Sales Tax Capital Improvement Fund, and the 0.6% Sales Tax Capital Improvement Fund, which are all considered to be major funds. Data from the other 4 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for each individual governmental fund. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 18 and 21 of this report.

Proprietary Funds: The Town maintains two individual proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and stormwater operations.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water operation and the stormwater operation, which are both considered to be major funds.

The basic proprietary fund financial statements can be found on pages 22 through 24 of this report.

Notes to 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 begin on page 25 of this report.

Required Supplementary Information: Required supplementary information consists of a budgetary comparison statement for the General Fund and supporting pension and other post employment benefit schedules found on pages 71 through 77.

Other Information: The budgetary comparison statements for the major debt service funds are presented immediately following the required supplementary information and begin on page 79 of this report. In addition, the combining statements and budget schedules for the nonmajor governmental funds and all of the proprietary funds are also presented in this section.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$143.3 million at December 31, 2018. The Town reported positive balances in net position for both governmental and business-type activities.

Total Assets increased by \$41.8 million or 31.3%. This is partially from additional investments from the 2018 Certificates of Participation (COP) that were issued during the year and not yet spent on the construction of the Public Safety Facility (Note 7).

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

The following table reflects the Town's condensed statement of net position.

Town of Firestone's Net Position (\$000s)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and Other Assets	\$ 34,619	\$ 19,497	\$ 10,246	\$ 9,127	\$ 44,864	\$ 28,624
Capital Assets	48,797	38,892	81,611	65,988	130,408	104,880
Total Assets	<u>83,416</u>	<u>58,389</u>	<u>91,857</u>	<u>75,115</u>	<u>175,272</u>	<u>133,504</u>
TOTAL DEFERRED OUTFLOWS						
OF RESOURCES	1,068	1,558	50	175	1,118	1,733
LIABILITIES						
Long-Term Liabilities						
Outstanding	24,316	8,279	2,082	2,436	26,398	10,715
Other Liabilities	3,738	919	418	495	4,156	1,414
Total Liabilities	<u>28,054</u>	<u>9,198</u>	<u>2,500</u>	<u>2,931</u>	<u>30,554</u>	<u>12,129</u>
TOTAL DEFERRED INFLOWS						
OF RESOURCES	2,487	1,473	66	5	2,553	1,478
NET POSITION						
Net Investment in						
Capital Assets	28,110	34,650	80,031	64,408	108,141	99,058
Restricted	13,841	803	-	-	13,841	803
Unrestricted	11,992	13,823	9,310	7,946	21,302	21,769
Total Net Position	<u>\$ 53,943</u>	<u>\$ 49,276</u>	<u>\$ 89,341</u>	<u>\$ 72,354</u>	<u>\$ 143,284</u>	<u>\$ 121,630</u>

Total Liabilities increased by \$18.0 million or 151.9%. This is primarily due to the 2018 COPs that were issued as well as the new leases. These are all discussed in Note 7 to the financial statements.

By far the largest portion of the Town's net position (75.5%) reflects its investment in capital assets (e.g., land, buildings, streets, water, storm drainage systems, equipment, and vehicles); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position accounts for 9.7% of its total net position, representing resources that are subject to external restrictions on how they may be used. The remaining component of net position is unrestricted, representing 14.8% of the Town's total net position and may be used to meet ongoing obligations to the Town's residents and creditors.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

The Town's Statement of Activities reflects an increase in revenues for 2018 of \$19.6 million or 86.8% over prior year. This is due to a new 0.6% sales tax being collected for \$1.2 million, as well as, receiving \$11.8 million from water credit bidding. The water credit bidding is related to water credits that the Town holds but did not need for 2018; therefore, were offered to the highest bidder. These were both revenues that the Town did not receive in 2017.

The Town's expenses for 2018 only increased by \$1.5 million or 7.8% over 2017. These changes primarily occurred in the Governmental Activities and are due to several key position vacancies being filled during 2018 and to a change in how expenditures related to reimbursable developer expenditures are handled.

Town of Firestone's Changes in Net Position (\$000s)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
PROGRAM REVENUES						
Charges for Services	\$ 5,476	\$ 4,169	\$ 6,358	\$ 6,246	\$ 11,834	\$ 10,415
Operating Grants and Contributions	508	202	10	23	518	225
Capital Grants and Contributions	2,198	1,181	13,936	401	16,134	1,582
GENERAL REVENUE						
Property Taxes	2,911	2,306	-	-	2,911	2,306
Sales and Use Taxes	8,123	6,093	-	-	8,123	6,093
Other Taxes	1,208	1,006	-	-	1,208	1,006
Other Revenue	993	943	572	66	1,565	1,009
Total Revenues	<u>21,417</u>	<u>15,900</u>	<u>20,876</u>	<u>6,736</u>	<u>42,293</u>	<u>22,636</u>
EXPENSES						
General Government	6,570	5,515	-	-	6,570	5,515
Public Safety	3,935	3,261	-	-	3,935	3,261
Public Works	4,126	4,880	-	-	4,126	4,880
Parks and Recreation	1,039	900	-	-	1,039	900
Interest and Fiscal Charges	554	146	-	-	554	146
Water/Stormwater	-	-	4,114	4,166	4,114	4,166
Total Expenses	<u>16,224</u>	<u>14,702</u>	<u>4,114</u>	<u>4,166</u>	<u>20,338</u>	<u>18,868</u>
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS						
	<u>5,193</u>	<u>1,198</u>	<u>16,762</u>	<u>2,570</u>	<u>21,955</u>	<u>3,768</u>
Transfers	(250)	(575)	250	575	-	-
INCREASE (DECREASE) IN NET POSITION						
	<u>4,943</u>	<u>623</u>	<u>17,012</u>	<u>3,145</u>	<u>21,955</u>	<u>3,768</u>
Net Position - January 1	49,000	48,653	72,329	69,209	121,328	117,862
NET POSITION - DECEMBER 31	<u><u>\$ 53,943</u></u>	<u><u>\$ 49,276</u></u>	<u><u>\$ 89,341</u></u>	<u><u>\$ 72,354</u></u>	<u><u>\$ 143,283</u></u>	<u><u>\$ 121,630</u></u>

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

General Government Functions

The following schedule presents a summary of the governmental funds revenues from various sources for the fiscal year ended December 31, 2018 and the changes from the prior year.

REVENUE SOURCE	2018		2017		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Taxes	\$ 11,235	58.4 %	\$ 8,597	57.2 %	\$ 2,638	30.7 %
Intergovernmental	1,045	5.4	1,096	7.3	(51)	(4.7)
Licenses, Fees and Charges	4,474	23.3	3,753	25.0	721	19.2
Fines	244	1.3	213	1.4	31	14.6
Grants	369	1.9	5	-	364	7280.0
Miscellaneous	1,851	9.7	1,359	9.1	492	36.2
Total Revenue (\$000s)	<u>\$ 19,218</u>	100.0%	<u>\$ 15,023</u>	100.0%	<u>\$ 4,195</u>	27.9%

Overall revenue increased by 27.9% or \$4.2 million in 2018 over 2017.

The largest source of revenue for 2018 was derived from taxes, 58.4% of total revenues. Overall, tax revenue increased by 30.7% or \$2.6 million. Property tax revenue in 2018 increased by \$0.6 million or 26.2% over 2017 due primarily to an increase in assessed value. The Town maintained its mill levy at 6.805 mills. Sales and Use taxes increased by \$2.0 million or 33.3% due to an increase of 0.6% with voter approval restricting the money for the construction of the new public safety building.

Intergovernmental revenue remained consistent with the prior year, while grant revenue increased due to a one-time DOLA grant received for the public safety building in 2018. Full grant amount awarded was \$0.8 million, of this \$0.3 million was received as reimbursement in 2018.

Licenses, Fees and Charges show a 19.2% increase from 2017 primarily due to an increase in the number of permits issued related to the multi-family dwellings. Miscellaneous revenue increased due to additional investment earnings on the 2018 COPs that were not expended before year end.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

The following schedule presents a summary of the governmental funds expenditures for the fiscal year ended December 31, 2018 and the changes from the prior year.

	2018		2017		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
EXPENDITURES						
General Government	\$ 6,188	26.5 %	\$ 4,579	37.5 %	\$ 1,609	35.1 %
Public Safety	3,661	15.7	3,225	26.4	436	13.5
Public Works	1,500	6.4	1,640	13.4	(140)	(8.5)
Parks and Recreation	682	2.9	435	3.6	247	56.8
Capital Outlay	9,436	40.4	1,906	15.6	7,530	395.1
Debt Service	1,882	8.1	410	3.5	1,472	359.0
Total Expenditures (\$000s)	<u>\$23,349</u>	100.0%	<u>\$12,195</u>	100.0%	<u>\$11,154</u>	91.5%

Overall expenditures for 2018 increased by \$11.1 million or 91.5% over the prior year.

General government expenditures increased \$1.6 million in 2018 partially due to several key positions that had been vacant and were filled in 2018. Another reason for this difference is due to a change in the documentation for expenditures that are reimbursed by developers during the year. In 2017, the expenditures were recorded as part of Capital Outlay. In 2018, these were recorded under General Government Function as normal expenditures.

Public Safety increased by \$0.5 million or 13.5% due primarily to an increase in personnel and overall operating expenses. Public Works activities remained consistent with prior year. Parks and Recreation increased by \$0.2 million or 56.8% due to a re-allocation of personnel costs in 2017 that was not repeated in 2018. Capital outlay increased by \$7.5 million or 395.1% due to the extension and widening of McClure Avenue for \$3.3 million and the startup of construction related to the Public Safety Facility for \$5.5 million. These are offset by the above mentioned change to the expenditures related to developer reimbursements in 2018. Debt service increased by \$1.5 million or 359% due to the signing of several leases to purchase vehicles and equipment. See Note 7 for more information related to these leases.

Financial Analysis of the Town's Funds

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

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

As of December 31, 2018, the Town's governmental funds reported combined ending fund balances of \$29 million, an increase of \$11.8 million over the prior year. Approximately 13.4% of the total fund balance constitutes unassigned fund balance, which is available for spending to meet the needs of Town citizens. The remainder of fund balance is separated into four categories.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

- Nonspendable fund balance which includes amounts that cannot be spent because they are either not in a spendable form or they are legally or contractually required to be maintained intact. For 2018, this is \$0.1 million.
- Restricted fund balance has constraints placed on the use of these resources either externally imposed by creditors, grantors, contributors, or have been imposed by law through constitutional provisions or enabling legislation. For 2018, this includes:
 - Emergency reserves required by TABOR of \$0.3 million;
 - Conservation Trust funds as stipulated by State statute of \$0.3 million;
 - Public Safety Facility Construction funds as stipulated by Certificates of Participation issued with voter consent of \$12.6 million;
 - Lodging taxes have been restricted for the purchase, development and maintenance of open space within the Town for a fund balance of \$0.4 million;
 - And, parks and streets as stipulated by the sales tax regulations imposed by voter approval for \$0.3 million.
- Committed Fund balances are reported pursuant to resolutions passed by the Board of Trustees.
 - Fund balances related to the Finance Urban Renewal Authorities – Southern, Northern, and Central are committed for projects within these three blighted areas in the amount of \$1.1 million;
 - Impact fees collected for Roadway, Local Parks, Regional Parks, Municipal Facilities, Drainage, and Raw Water Irrigation have been committed for related capital projects of \$6.4 million.
- Assigned Fund balances are constrained by the Town's intent to use them for a specific purpose.
 - Working reserve is determined by calculating a minimum of 25% of the General Funds expenditures in the current year.

The General Fund is the chief operating fund of the Town. At December 31, 2018, unassigned fund balance of the General Fund was \$4 million while total fund balance declined slightly to \$15 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers). Unassigned fund balance represents 19% of total General Fund expenditures (including transfers out), while total fund balance represents 72% of that same amount.

The Town has established a working reserve of just over 25%, or \$3.6 million, of current year General Fund operating expenditures.

The fund balance of the Town's General Fund decreased by \$1.1 million during 2018, due to an increase in capital outlay expenditures in 2018 as discussed above.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Both of the Town's proprietary funds are enterprise funds engaged in business-type activities.

The total net position of the enterprise funds as of December 31, 2018, was \$89.3 million, of which \$9.3 million was unrestricted. Total net position increased \$17.0 million over the prior year, with unrestricted net position increasing \$1.4 million.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

The following schedule provides the breakdown of revenues by source for 2018:

REVENUE SOURCE	2018		2017		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Charges for Services	\$ 6,358	30.5 %	\$ 6,246	92.7 %	\$ 112	1.8 %
Water Credit Bidding	11,816	56.7	-	-	11,816	100.0
Interest Earnings	344	1.7	62	0.9	282	454.8
Grants	-	-	23	0.3	(23)	(100.0)
Pension Investments	188	0.9	-	-	188	100.0
Capital Contributions	2,120	10.2	401	6.0	1,719	428.7
Miscellaneous	10	-	5	0.1	5	100.0
Total Revenue (\$000s)	20,836	100%	6,737	100%	14,099	209%

Proprietary Funds rely on charges for services to support related expenses. Charges for services of \$6.4 million for Proprietary Funds represented 30.5% of 2018 revenues, and increased \$0.1 million, or 1.8%, compared to the prior year. The other primary source of revenue, representing 10.2% of revenues comes primarily from capital contributions in the form of donated capital assets. This source of revenue increased \$1.7 million, or 428.7%, compared to 2017. The final increase in revenues occurred due to water credits that the Town offered at auction. Normally, water credits are kept and do not provide a revenue source. In 2018, these water credits were not needed by the Town and brought in \$11.8 million, or 56.7%, revenue that is not expected to be repeated.

Proprietary Fund expenses were \$4.1 million in 2018, a decrease of \$0.1 million, or 2.3%, compared to 2017.

General Fund Budgetary Highlights

The Town's original budget for the General Fund anticipated a deficit of \$5 million, reflecting revenues of \$12.8 million, expenditures of \$29.5 million and other financing sources, net of other financing uses of \$11.7 million.

Actual results in the General Fund was a usage of \$1.1 million. Revenues in total were over budget mainly due to the increase in license, fees and charges. License, fees and charges are related to building permits issued during the year. With an increase in multi-family permits issued, the Town noticed an increase in related fees. Expenditures were under budget due to less capital outlay in 2018 than originally expected on the Public Safety Facility.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2018 amounts to \$130.4 million (net of accumulated depreciation). This investment in capital assets includes land and improvements, water shares, construction in progress, buildings and improvements, streets and storm drainage, utility systems and equipment and vehicles. The total net increase in the Town's investment in capital assets for the current fiscal year was \$25.5 million.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
CAPITAL ASSETS						
Land	\$ 6,537	\$ 6,537	\$ 1,601	\$ 1,601	\$ 8,138	\$ 8,138
Water Shares	-	-	52,190	42,190	52,190	42,190
Construction in Progress	7,191	1,018	5,494	1,782	12,685	2,800
Land Improvements	1,954	2,151	-	-	1,954	2,151
Buildings and Improvements	836	923	-	-	836	923
Streets and Storm Drainage	29,211	26,903	-	-	29,211	26,903
Utility Systems	-	-	22,128	20,170	22,128	20,170
Equipment and Vehicles	3,068	1,360	198	245	3,266	1,605
Total Capital Assets (\$000s)	\$ 48,797	\$ 38,892	\$ 81,611	\$ 65,988	\$ 130,408	\$ 104,880

Additional information on the Town's capital assets can be found in Note 6 on pages 39 and 40 of the financial statements.

Long-Term Debt: At the end of 2018, the Town had \$3 million in sales tax revenue bonds reported in the governmental funds. In addition, the Town had Certificates of Participation outstanding totaling \$16.5 million. At December 31, 2018 the Water Fund had a \$1.6 million loan from the Colorado Water Conservation Board (CWCB). For 2018, the Town experienced a \$16.5 million increase overall in outstanding debt from 2017, mainly due to the issuance of the 2018 Certificates of Participation.

The Town's debt consists of the following at December 31, 2018:

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Sales Tax Revenue Bonds	\$ 3,030	\$ 3,187	\$ -	\$ -	\$ 3,030	\$ 3,187
Certificate of Participation	16,465	1,055	-	-	16,465	1,055
CWCB Loan	-	-	1,580	1,580	1,580	1,580
Leases	1,192	-	-	-	1,192	-
Compensated Absences	282	229	29	21	311	250
Total Long-Term Debt (\$000s)	\$ 20,969	\$ 4,471	\$ 1,609	\$ 1,601	\$ 22,578	\$ 6,072

State statutes limit the amount of general obligation debt the Town may issue to 3% of estimated actual valuation, except for such debt as may be incurred in supplying water. The Town's outstanding debt is below this limit. Additional information on the Town's long-term debt can be found in Note 7 in the financial statements and the statistical section of this report for more details.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Economic Factors and Next Year's Budgets and Rates

- There are several factors that drive the Town's budget and financial performance. The factors include but are not limited to the following: area employment rates, sales and use tax revenues, building permit valuation and issuance, population growth, and capital asset construction requirements.
- Currently, the Town's residential building permit valuation and issuance drives a reasonable part of the budget revenue for corresponding capital expenditures. The Town receives capital revenues from impact fees and water tap fees during the fiscal year, which will be utilized in future years to acquire or construct capital assets to serve future residents. A significant decrease in housing permits would have a significant adverse effect on impact fee revenues and corresponding capital projects.
- The Town has set aside significant amounts of reserves in the General Fund to enable it to continue to provide required services should an economic downturn occur.
- In November 2017, the residents of the Town, passed a 0.6% sales tax increase to fund the construction of a new Police Facility and associated debt service issuance/payments. In 2018, the 0.6% Sales Tax Capital Improvement Fund was established to account for the additional sales tax. The 2018 budget includes costs for debt service payments for Certificates of Participation issued in 2018 along with transfers to the General Fund related to construction of the new Police Facility.
- In 2018, a 5-year water and stormwater rate increase plan was implemented to raise funds to complete capital projects over the next decade.

All of these factors were considered in preparing the Town's budget for 2019.

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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Firestone Finance Director, 151 Grant Avenue, P.O. Box 100, Firestone, Colorado 80520-0100.

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TOWN OF FIRESTONE
STATEMENT OF NET POSITION
December 31, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 18,784,479	\$ 9,962,674	\$ 28,747,153
Receivables	2,875,037	251,994	3,127,031
Prepaid Expenses	116,814	30,719	147,533
Cash and Investments, Restricted	12,453,575	-	12,453,575
Capital Assets, Non-Depreciable	13,728,262	59,285,702	73,013,964
Capital Assets, Net	35,068,597	22,325,696	57,394,293
Net Pension Asset	388,872	-	388,872
Total Assets	<u>83,415,636</u>	<u>91,856,785</u>	<u>175,272,421</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions/OPEB	<u>1,067,836</u>	<u>49,856</u>	<u>1,117,692</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,576,612	363,234	1,939,846
Retainage payable	195,940	-	195,940
Accrued liabilities	1,747,795	-	1,747,795
Accrued Interest Payable	86,633	54,525	141,158
Developer Deposits	131,021	-	131,021
Noncurrent Liabilities:			
Customer Deposits	-	171,732	171,732
Long-Term Liabilities			
Due within One Year	1,132,743	29,027	1,161,770
Due After One Year	19,835,977	1,580,000	21,415,977
Net Pension/OPEB Liability	<u>3,346,826</u>	<u>301,572</u>	<u>3,648,398</u>
Total Liabilities	<u>28,053,547</u>	<u>2,500,090</u>	<u>30,553,637</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax Revenues	1,586,364	-	1,586,364
Pensions/OPEB	900,984	65,658	966,642
Total Deferred Inflows of Resources	<u>2,487,348</u>	<u>65,658</u>	<u>2,553,006</u>
NET POSITION			
Net Investment in Capital Assets	28,109,970	80,031,398	108,141,368
Restricted for:			
Emergencies	321,891	-	321,891
Conservation Trust	230,628	-	230,628
Facility Construction	12,642,647	-	12,642,647
Open Space	363,443	-	363,443
Parks and Streets	282,112	-	282,112
Unrestricted	<u>11,991,886</u>	<u>9,309,495</u>	<u>21,301,381</u>
Total Net Position	<u>\$ 53,942,577</u>	<u>\$ 89,340,893</u>	<u>\$ 143,283,470</u>

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

**TOWN OF FIRESTONE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 6,569,854	\$ 2,399,646	\$ -	\$ -
Public Safety	3,935,427	245,411	439,216	-
Public Works	4,125,894	1,348,846	69,011	2,198,384
Parks and Recreation	1,038,690	1,481,911	-	-
Interest on Long-Term Debt	553,631	-	-	-
Total Governmental Activities	<u>16,223,496</u>	<u>5,475,814</u>	<u>508,227</u>	<u>2,198,384</u>
BUSINESS-TYPE ACTIVITIES				
Water	3,881,323	5,795,460	10,342	12,580,224
Stormwater	232,813	562,356	-	1,356,068
Total Business-Type Activities	<u>4,114,136</u>	<u>6,357,816</u>	<u>10,342</u>	<u>13,936,292</u>
Total	<u>\$ 20,337,632</u>	<u>\$ 11,833,630</u>	<u>\$ 518,569</u>	<u>\$ 16,134,676</u>

GENERAL REVENUES:

- Property Taxes
- Sales and Use Taxes
- Highway Users Tax
- Specific Ownership
- Other Shared Taxes
- Investment Earnings
- Miscellaneous

Transfers In (Out)

Total General Revenues and Transfers

CHANGE IN NET POSITION

**NET POSITION - BEGINNING
OF YEAR AS RESTATED (Note 13)**

NET POSITION - END OF YEAR

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

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business- Type Activities	Total
\$ (4,170,208)	\$ -	\$ (4,170,208)
(3,250,800)	-	(3,250,800)
(509,653)	-	(509,653)
443,221	-	443,221
<u>(553,631)</u>	<u>-</u>	<u>(553,631)</u>
<u>(8,041,071)</u>	<u>-</u>	<u>(8,041,071)</u>
-	14,504,703	14,504,703
-	1,685,611	1,685,611
<u>-</u>	<u>16,190,314</u>	<u>16,190,314</u>
<u>(8,041,071)</u>	<u>16,190,314</u>	<u>8,149,243</u>
2,910,926	-	2,910,926
8,122,999	-	8,122,999
532,150	-	532,150
112,203	-	112,203
563,148	-	563,148
518,530	383,847	902,377
474,089	188,214	662,303
(250,000)	250,000	-
<u>12,984,045</u>	<u>822,061</u>	<u>13,806,106</u>
4,942,975	17,012,375	21,955,350
<u>48,999,602</u>	<u>72,328,518</u>	<u>121,328,120</u>
<u>\$ 53,942,577</u>	<u>\$ 89,340,893</u>	<u>\$ 143,283,470</u>

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

**TOWN OF FIRESTONE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018**

	General Fund	1.0% Sales Tax Capital Improvement	0.6% Sales Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 17,709,204	\$ -	\$ -	\$ 1,075,275	\$ 18,784,479
Receivables	2,403,853	282,112	189,072	-	2,875,037
Due from other funds	30,765	-	-	38,456	69,221
Cash and Investments, restricted	-	-	12,453,575	-	12,453,575
Prepays	116,814	-	-	-	116,814
Total Assets	<u>\$ 20,260,636</u>	<u>\$ 282,112</u>	<u>\$ 12,642,647</u>	<u>\$ 1,113,731</u>	<u>\$ 34,299,126</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,561,559	\$ -	\$ -	\$ 15,057	\$ 1,576,616
Retainage payable	195,940	-	-	-	195,940
Accrued Liabilities	1,747,795	-	-	-	1,747,795
Due to other funds	-	-	-	69,221	69,221
Developer Deposits	131,021	-	-	-	131,021
Total Liabilities	<u>3,636,315</u>	<u>-</u>	<u>-</u>	<u>84,278</u>	<u>3,720,593</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenues	1,586,364	-	-	-	1,586,364
FUND BALANCE					
Nonspendable	116,814	-	-	-	116,814
Restricted for:					
Emergencies	321,891	-	-	-	321,891
Conservation Trust	230,628	-	-	-	230,628
Facility Construction	-	-	12,642,647	-	12,642,647
Open Space	363,443	-	-	-	363,443
Parks and Streets	-	282,112	-	-	282,112
Committed for:					
Impact Fees	6,429,983	-	-	-	6,429,983
FURA Improvements	-	-	-	1,057,094	1,057,094
Assigned for:					
Working Reserve	3,557,619	-	-	-	3,557,619
Unassigned	4,017,579	-	-	(27,641)	3,989,938
Total Fund Balance	<u>15,037,957</u>	<u>282,112</u>	<u>12,642,647</u>	<u>1,029,453</u>	<u>28,992,169</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
	<u>\$ 20,260,636</u>	<u>\$ 282,112</u>	<u>\$ 12,642,647</u>	<u>\$ 1,113,731</u>	<u>\$ 34,299,126</u>

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

**TOWN OF FIRESTONE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2018**

Total Fund Balance - Governmental Funds	\$ 28,992,169
Amounts reported for governmental activities on the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	48,796,859
Long-term liabilities, including interest payable, leases, compensated absences, and certificates of participation, are not due and payable from current financial resources, and therefore, are not reported as liabilities in the governmental funds.	(21,055,349)
Net pension liability is not payable from current financial resources and, therefore, are not reported in the funds.	(3,346,826)
Net pension assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	388,872
Pension related deferred outflows of resources used in governmental activities are not financial resources and, therefore are not reported in the funds.	1,067,836
Pension related deferred inflows of resources used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(900,984)</u>
Net Position - Governmental Activities	<u><u>\$ 53,942,577</u></u>

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

TOWN OF FIRESTONE
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	General Fund	1.0% Sales Tax Capital Improvement	0.6% Sales Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,824,052	\$ 1,707,003	\$ 1,249,059	\$ 1,455,337	\$ 11,235,451
Intergovernmental	1,044,700	-	-	-	1,044,700
Licenses, fees and charges	4,474,448	-	-	-	4,474,448
Fines	243,821	-	-	-	243,821
Grants	369,489	-	-	-	369,489
Investment Earnings	270,971	9,336	238,223	-	518,530
Miscellaneous	1,331,650	-	-	-	1,331,650
Total Revenues	<u>14,559,131</u>	<u>1,716,339</u>	<u>1,487,282</u>	<u>1,455,337</u>	<u>19,218,089</u>
EXPENDITURES					
Current:					
General Government					
Town Administration	2,948,622	-	23,578	967,616	3,939,816
Municipal Court	163,609	-	-	-	163,609
Planning	2,084,929	-	-	-	2,084,929
Public Safety	3,661,060	-	-	-	3,661,060
Public Works	1,500,029	-	-	-	1,500,029
Parks and Recreation	681,902	-	-	-	681,902
Capital Outlay	9,435,637	-	-	-	9,435,637
Debt Service:					
Principal	295,976	155,000	610,000	110,000	1,170,976
Interest expenditures	-	106,718	391,662	36,925	535,305
Debt issuance costs	-	-	175,259	-	175,259
Total Expenditures	<u>20,771,764</u>	<u>261,718</u>	<u>1,200,499</u>	<u>1,114,541</u>	<u>23,348,522</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES					
	<u>(6,212,633)</u>	<u>1,454,621</u>	<u>286,783</u>	<u>340,796</u>	<u>(4,130,433)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,495,934	-	-	148,125	5,644,059
Transfers out	(398,125)	(1,172,509)	(3,827,922)	(495,503)	(5,894,059)
Proceeds from debt issuance	-	-	14,830,000	-	14,830,000
Premium on Certificates of Participation	-	-	1,353,786	-	1,353,786
Total Other Financing Sources (Uses)	<u>5,097,809</u>	<u>(1,172,509)</u>	<u>12,355,864</u>	<u>(347,378)</u>	<u>15,933,786</u>
NET CHANGE IN FUND BALANCES	<u>(1,114,824)</u>	<u>282,112</u>	<u>12,642,647</u>	<u>(6,582)</u>	<u>11,803,353</u>
FUND BALANCES - BEGINNING OF YEAR	<u>16,152,781</u>	<u>-</u>	<u>-</u>	<u>1,036,035</u>	<u>17,188,816</u>
FUND BALANCES - END OF YEAR	<u>\$ 15,037,957</u>	<u>\$ 282,112</u>	<u>\$ 12,642,647</u>	<u>\$ 1,029,453</u>	<u>\$ 28,992,169</u>

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

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

Net Change in Fund Balances - Total Governmental Funds	\$ 11,803,353
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.	6,270,658
Contributions of capital assets by developers increase net position in the Statement of Activities but do not appear in the governmental funds because they are not financial resources.	2,198,384
Net Book Value of Disposed Capital Assets	(51,869)
Repayment of debt principal is an expenditure in the governmental funds. However, in the Statement of Activities these payments are reflected as a reduction in long-term debt obligations.	1,170,976
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Government funds.	<u>(16,448,527)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 4,942,975</u></u>

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

TOWN OF FIRESTONE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2018

	Water Fund	Stormwater Fund	Total
CURRENT ASSETS			
Cash and Investments	\$ 8,701,393	\$ 1,261,281	\$ 9,962,674
Receivables	195,670	56,324	251,994
Prepaid Expenses	30,719	-	30,719
Total Current Assets	<u>8,927,782</u>	<u>1,317,605</u>	<u>10,245,387</u>
NONCURRENT ASSETS			
Capital Assets:			
Land	1,600,841	-	1,600,841
Water Rights	52,190,398	-	52,190,398
Utility Systems	20,375,052	6,700,106	27,075,158
Construction in Progress	5,494,463	-	5,494,463
Equipment	694,494	-	694,494
Less Accumulated Depreciation	<u>(5,160,279)</u>	<u>(283,677)</u>	<u>(5,443,956)</u>
Total Noncurrent Assets	<u>75,194,969</u>	<u>6,416,429</u>	<u>81,611,398</u>
 Total Assets	 <u>84,122,751</u>	 <u>7,734,034</u>	 <u>91,856,785</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	<u>40,767</u>	<u>9,089</u>	<u>49,856</u>
CURRENT LIABILITIES			
Accounts Payable	348,356	4,985	353,341
Accrued Liabilities	8,243	1,650	9,893
Accrued Interest Payable	54,525	-	54,525
Accrued Compensated Absences	25,521	3,506	29,027
Total Current Liabilities	<u>436,645</u>	<u>10,141</u>	<u>446,786</u>
NONCURRENT LIABILITIES			
Customer Deposits	169,995	1,737	171,732
CWCB Loan	1,580,000	-	1,580,000
Net Pension Liability	246,608	54,964	301,572
Total Noncurrent Liabilities	<u>1,996,603</u>	<u>56,701</u>	<u>2,053,304</u>
 Total Liabilities	 <u>2,433,248</u>	 <u>66,842</u>	 <u>2,500,090</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	<u>53,685</u>	<u>11,973</u>	<u>65,658</u>
 Total Deferred inflows of resources	 <u>53,685</u>	 <u>11,973</u>	 <u>65,658</u>
NET POSITION			
Net Investment in Capital Assets	73,614,969	6,416,429	80,031,398
Unrestricted	<u>8,061,616</u>	<u>1,247,879</u>	<u>9,309,495</u>
 Total Net Position	 <u>\$ 81,676,585</u>	 <u>\$ 7,664,308</u>	 <u>\$ 89,340,893</u>

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

TOWN OF FIRESTONE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2018

	Water Fund	Stormwater Fund	Total
OPERATING REVENUE			
Charges for Services	\$ 5,795,460	\$ 562,356	\$ 6,357,817
Total Operating Revenues	<u>5,795,460</u>	<u>562,356</u>	<u>6,357,817</u>
OPERATING EXPENSES			
Operations	1,133,574	114,972	1,248,546
Administration	510,663	8,172	518,835
Engineering	763,882	-	763,882
Tap Fees	972,653	-	972,653
Depreciation	459,166	109,669	568,835
Total Operating Expenses	<u>3,839,938</u>	<u>232,813</u>	<u>4,072,751</u>
OPERATING INCOME	<u>1,955,522</u>	<u>329,543</u>	<u>2,285,066</u>
NONOPERATING REVENUES (EXPENSES)			
Water Credit Bidding	11,815,889	-	11,815,889
Interest Earnings	368,999	14,848	383,847
Pension investments	158,817	29,397	188,214
Other Operating Revenues	10,342	-	10,342
Interest Expense	(40,335)	-	(40,335)
(Loss) on Disposal of Assets	(1,050)	-	(1,050)
Total Nonoperating Revenues	<u>12,312,662</u>	<u>44,245</u>	<u>12,356,907</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	14,268,184	373,788	14,641,972
Contributed Capital Assets	764,335	1,356,068	2,120,403
Transfers in	<u>250,000</u>	<u>-</u>	<u>250,000</u>
CHANGE IN NET POSITION	15,282,519	1,729,856	17,012,375
NET POSITION - BEGINNING OF YEAR AS RESTATED (NOTE 13)	<u>66,394,066</u>	<u>5,934,452</u>	<u>72,328,518</u>
NET POSITION - END OF YEAR	<u>\$ 81,676,585</u>	<u>\$ 7,664,308</u>	<u>\$ 89,340,893</u>

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

**TOWN OF FIRESTONE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2018**

	Business-Type Activity	
	Water Fund	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 5,785,494	\$ 556,526
Cash Paid to Suppliers	(3,107,604)	(17,310)
Cash Paid to and for Employees	(434,802)	(99,633)
Net Cash Provided by Operating Activities	<u>2,243,088</u>	<u>439,583</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from Other Funds	250,000	-
Operating Grants Received	10,342	-
Net Cash Provided by Noncapital Financing Activities	<u>260,342</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Water Credit Bidding	11,815,889	
Acquisition of Capital Assets	(14,072,834)	-
Net Cash (Used) by Capital and Related Financing Activities	<u>(2,256,945)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	<u>368,999</u>	<u>14,848</u>
Net Increase (Decrease) in Cash and Cash Equivalents	615,485	454,431
Cash and Cash Equivalents - Beginning of Year	<u>8,085,908</u>	<u>806,851</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,701,393</u>	<u>\$ 1,261,282</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES		
Operating Income	\$ 1,955,522	\$ 329,543
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities		
Depreciation and Amortization	459,166	109,669
(Increase) Decrease in Accounts Receivable	(12,051)	(5,830)
(Increase) Decrease in Prepaid Expenses	(30,519)	-
Increase (Decrease) in Customer Deposits	2,085	-
Increase (Decrease) in Accounts Payable	(138,364)	3,260
Increase (Decrease) in Accrued Expenses	7,249	2,941
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 2,243,088</u>	<u>\$ 439,583</u>
NON-CASH INVESTING AND FINANCING TRANSACTIONS		
Contributed Capital Assets	\$ 764,335	\$ 1,356,068

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

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Firestone (the Town), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant accounting policies.

Financial Reporting Entity

The Town was incorporated in 1908 as a statutory municipality. The governing body of the Town consists of a mayor and six Board of Trustee members. The Town's major operations include general administrative services, municipal court, community development and engineering, public safety, public works, parks and recreation, utility billing and water services, and street and storm drainage systems.

In conformance with governmental accounting and financial reporting standards, the Town is the reporting entity for financial reporting purposes. The Town is the primary government financially accountable for all activities of the Town. The Town meets the criteria of a primary government: its Town Board of Trustees is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The Town is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board and (1) the Town is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Town is legally entitled to or can otherwise access the organization's resources; the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Town is obligated for the debt of the organization.

Based on the application of the above criteria, the Town considers both the Firestone Finance Authority and the Firestone Urban Renewal Authorities as blended component units. The Firestone Finance Authority was created to account for the acquisition and development of Central Park and its related debt service. The Firestone Urban Renewal Authorities were established to develop and implement a plan to renew and revitalize portions of the northern, central and southern Firestone areas. The Town is financially accountable and has operational responsibility for each of the blended component units. The basis for blending is that the Town's Board acts as the governing board for the entities. Separate financial statements are not issued for the Firestone Finance Authority or the Firestone Urban Renewal Authorities.

Joint Ventures

The Town may participate in joint ventures created for special purposes which are not part of the Town's reporting entity. The following is a description of the only joint venture in which the Town participated in during the year ended December 31, 2018.

TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The **E911 Emergency Telephone Service Authority Board** (E911 Authority) was created by intergovernmental agreements pursuant to Article 11 of Title 29, C.R.S., as amended, that authorizes the county, municipalities within the county, and special districts within the county to enter into an agreement for the purpose of providing 911 emergency telephone services. Per the state statute cited above, the agreement creates a separate legal entity which is responsible for administering the operations of the 911 emergency telephone service program in Weld County. The authority board consists of seven members with four selected by the Weld County Commissioners, one member each is selected by the City of Greeley, City of Fort Lupton and Weld County Sheriff. Under the by-laws of E911 Authority, Weld County is required to pay all operating costs. They are to maintain all accounts and have accounts audited. State statute requires that all funds be maintained by the Weld County Treasurer. The operation of the E911 Authority is done contractually by the Weld County Communication Regional Center. The financial statements are prepared for E911 Emergency Telephone Service Authority Board by Weld County, Colorado. In conformity with generally accepted accounting principles (GAAP) as applied to a government unit the E911 Authority's financial reports are a component unit in the Weld County Comprehensive Annual Financial Report (CAFR). Complete financial statements of this joint venture are available at www.weldgov.com/departments/accounting/cafr.

Investments in joint ventures are recorded as expenditures at the time the investment is made.

Government-wide and Fund Financial Statements

The government-wide statements include the statement of net position and the statement of activities, which display information about the primary government (the Town) and its component units. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Separate financial statements are provided for governmental funds and proprietary funds. The Town does not operate any fiduciary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

Governmental Funds

Governmental funds are those through which governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the Town's major governmental funds:

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The General Fund is the general operating fund of the Town. It is used to account for financial resources except those required to be accounted for in another fund.

The 1.0% Sales Tax Capital Improvement Fund is a debt service fund which was established to account for financial resources accumulated for principal and interest payments maturing in future years related to the 2014 Revenue Bonds.

The 0.6% Sales Tax Capital Improvement Fund is a debt service fund which was established to account for financial resources accumulated for principal and interest payments maturing in future years related to the 2018 Certificates of Participation (COP).

Other Governmental Funds are non-major funds and include a Debt Service Fund (Firestone Finance Authority) and Special Revenue Funds (Firestone Urban Renewal Authority – Southern, Firestone Urban Renewal Authority – Northern and Firestone Urban Renewal Authority – Central) which have been established to account for revenues derived from specific taxes or other earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Town reports the following major enterprise funds:

The Water Fund accounts for the financial transactions related to the water service operations of the Town.

The Stormwater Fund accounts for the financial transactions related to the stormwater service operations of the Town.

Measurement Focus, Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are reported as revenue in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year-end. Property taxes, sales taxes, grants and intergovernmental revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Budgets and Budgetary Accounting

In accordance with the State Budget Law, the Town Board of Trustees annually adopts the Budget Resolution for all operating funds of the Town. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds, with the exception of the proprietary funds, which are budgeted on a non-GAAP basis of accounting. All annual appropriations are at the fund level and lapse at fiscal year-end.

By October 15 of each year, a proposed operating budget is submitted to the Board of Trustees for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Town to obtain taxpayer comments.

Prior to December 15, the budget is legally adopted through passage of a resolution for all Town funds. Revisions that increase the expenditure of any fund must be approved by the Board of Trustees by passage of a subsequent resolution.

Budgets for the Firestone Urban Renewal Authority – Northern fund and Firestone Urban Renewal Authority – Central fund were amended subsequent to year end.

Cash and Investments

All cash is pooled and invested by the Town. The Town makes investments pursuant to its investment policy and relevant State of Colorado statutes. For purposes of the statement of cash flows, cash equivalents are defined as liquid investments with original maturity dates of 90 days or less at the time of purchase.

Investments at December 31, 2018, consisted of CSAFE and ColoTrust in accordance with GASB Statement 72 "Fair Value Measurement and Application".

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

All property tax and other receivables are shown net of an allowance for uncollectibles. Activities between funds where an outstanding balance is present at year-end and is expected to be repaid within one year are reported as “due to/from other funds” in the fund financial statements. If such balances are expected to remain outstanding for more than one year from the current year-end date, the balances are reported as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

No allowance is provided for utility service charges since delinquent amounts are certified as a lien against the property billed and are expected to be fully collectible.

Property Tax Calendar

Property taxes are not due and payable until after the assessment year has ended and are not included in the budget or statement of revenues, expenditures and changes in fund balance of the assessment year.

Property taxes are recorded as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

By December 15th of each year, property taxes for the Town are levied by the Board of Trustees and certified to Weld County (the County) for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 20 or in two installments by June 15 in the year of collection. The taxes are collected by the Weld County Treasurer on behalf of the Town. A 1% collection fee is retained by the County as compensation for collecting the taxes.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items in the government-wide and fund financial statements and will be reported as expenses/expenditures in the following year.

Capital Assets

Capital assets, which include land, water rights, buildings and improvements, land and improvements, streets and storm drainage, machinery and equipment, and construction in progress are reported in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and a useful life longer than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	10-30 years
Buildings and Improvements	5-30 years
Streets and Storm Drainage	15-40 years
Machinery and Equipment	5-20 years
Utility Systems	30-50 years

Accrued Compensated Absences Payable

It is the Town's policy to permit employees to accumulate earned but unused paid time off and extended sick leave benefits. There is no liability for unpaid accumulated extended sick leave since the Town does not have a policy to pay out any amounts when employees separate from service with the Town. It is the Town's policy to permit employees to accumulate earned but unused paid time off up to a maximum of 240 hours. All paid time off is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured. Compensated absences for governmental activities are paid from the General Fund.

Long-Term Obligations

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. Long-term debt premiums and discounts are amortized over the life of the related debt using the straight-line method, which approximates the effective interest method. Debt issuance costs are reported as an outflow of resources.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net position is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position is noncapital assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Town. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the governmental fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable: amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted: amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed: amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Trustees, the Town's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board Trustees.

Assigned: amounts the Town intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Board of Trustees has the authority to assign amounts for specific purposes.

Unassigned: a residual classification within the General Fund. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balances in other governmental funds are reported as unassigned once other purposes of that fund were reduced.

For the General Fund, in the event that an expenditure can be considered restricted or unrestricted (committed, assigned, or unassigned) and both categories have available amounts, the funds will be first applied against the most restrictive fund balance classification, unless the Town has provided otherwise in its commitment or assignment actions.

Contribution of Capital

Contributions of capital arise from outside contributions of capital assets, or from grants or outside contributions of resources for capital acquisition and construction.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Financial Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town has certain items that relate to its pension and other post employment benefit plans that qualify for reporting as deferred outflows of resources and deferred inflows of resources. See Notes 8, 10, and 13 for more information. Deferred inflows of resources also consist of property taxes receivable. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

Pensions

The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). In addition, the Town participates in the Statewide Defined Benefit Plan ("SWDB"), a cost sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA").

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans 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.

Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) released Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, that is effective for the Town for fiscal year ending December 31, 2018. This statement details the reporting requirements for employers regarding other post-employment benefit (OPEB) plans.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

Fire and Police Pension Association of Colorado (FPPA) administers the Statewide Death & Disability Plan discussed in Note 8, which qualifies as a cost sharing multiple-employer defined benefit OPEB plan under the standard. This plan covers substantially all active full-time (and some part-time) employees of fire and police departments in Colorado. As it pertains to the requirements in Statement No. 75 regarding the FPPA Statewide Death & Disability Plan and the Town, FPPA concluded that because all contributions to the plan are considered member contributions (and not employer), the employers' proportionate share of any FPPA Net OPEB liability (asset) is zero.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates and could be material.

Deficit Fund Balances

The Firestone Urban Renewal Authority – Central Fund had a deficit unassigned fund balance of \$27,641 as of December 31, 2018. The Town anticipates repayment of the advance from the Firestone Urban Renewal Authority – Southern and Northern Funds that has financed this deficit, which is expected to be re-paid by 2020.

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

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position.

Capital Assets		
Non-Depreciable	\$ 13,728,262	
Depreciable	70,061,816	
Accumulated Depreciation	<u>(34,993,219)</u>	48,796,859
Long-Term Debt	(20,686,890)	
Compensated Absences	(281,830)	
Accrued Interest Payable	<u>(86,629)</u>	(21,055,349)
Net Pension/OPEB Liability		(3,346,826)
Net Pension Asset		388,872
Pension related Deferred Outflow of Resources		1,067,836
Pension related Deferred Inflow of Resources		<u>(900,984)</u>
Net Adjustment to Fund Balance		<u><u>\$ 24,950,408</u></u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

Capital Outlays	\$ 9,435,637	
Depreciation Expense	<u>(3,164,979)</u>	6,270,658
Contributed Capital Assets		2,198,384
Disposed Capital Assets	(341,219)	
Accum Depr on Disposed Assets	<u>289,350</u>	(51,869)
Debt Principal Expended in Funds		1,170,976
Admin Fees on Leases	(1,090)	
Proceeds from Issuing Debt	(16,183,786)	
Compensated Absences	(52,403)	
Interest Exp on LT Debt	(74,658)	
LT Debt Premium Amortization	56,332	
Pension Expenditures	(215,532)	
OPEB Expenditures	<u>22,610</u>	<u>(16,448,527)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u><u>\$ (6,860,378)</u></u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 - DEPOSITS AND INVESTMENTS

At December 31, 2018, the Town's cash and investments consist of the following:

Cash and Investments - Statement of Net Position	\$ 28,747,153
Cash and Investments, restricted - Statement of Net Position	12,453,575
Total	<u>\$ 41,200,728</u>

Cash on Hand	\$ 1,490
Cash Deposits	1,417,941
Savings	6,779,454
Investments	33,001,843
Total	<u>\$ 41,200,728</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash be in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	\$12,380,773
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>20,621,070</u>
Total Investments		<u>\$33,001,843</u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

COLOTRUST

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

The Town invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at fair value and the Town records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town's policy to limit its investments to U.S. Treasury obligations, repurchase agreements, government backed securities, money market mutual funds, local government investment pools, and corporate obligations.

The Town's investment policy is to "invest idle public funds in a manner to meet the daily cash flow demands of the Town with the primary objective in priority order, being: a) safety of principal b) liquidity and c) return on Investments." Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return.

TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's investment policy does not allow investment maturities to exceed five years. This limit on investment maturities is a means of limiting exposure to adverse fair market value changes arising from increasing interest rates.

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town manages its credit risk by limiting its investment to certain types of securities allowed by State statutes, by pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors.

Fair Value

The Town, when applicable, categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

The Town has no assets reported at fair value on a nonrecurring basis and other investments meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 72.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables at December 31, 2018, consist of the following:

<u>Receivables</u>	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
Taxes	\$ 2,634,896	\$ -	\$ 2,634,896
Customer Utilities	15,869	251,994	267,863
Other	224,272	-	224,272
 Total Funds	 \$ 2,875,037	 \$ 251,994	 \$ 3,127,031

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables (due to/from and advances to/from) consist of the following:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 30,765	\$ -
Firestone Urban Renewal Authority - Southern	30,765	30,765
Firestone Urban Renewal Authority - Northern	7,691	-
Firestone Urban Renewal Authority - Central	-	38,456
	<u>\$ 69,221</u>	<u>\$ 69,221</u>

The \$38,456 interfund balance relates to funds temporarily moved between funds to cover startup costs in the Firestone Urban Renewal Authority – Central Fund. This amount is not expected to be repaid within one year.

Transfers to and from the various funds consist of the following:

<u>Transfers Out</u>	<u>Transfers In</u>			
	<u>General</u>	<u>Non-Major Governmental</u>	<u>Water</u>	<u>Total</u>
Major Fund				
General	\$ -	\$ 148,125	\$ 250,000	\$ 398,125
1.0% Sales Tax Capital Improvement	1,172,509	-	-	1,172,509
0.6% Sales Tax Capital Improvement	3,827,922	-	-	3,827,922
Non-Major				
Governmental	495,503	-	-	495,503
Total	<u>\$ 5,495,934</u>	<u>\$ 148,125</u>	<u>\$ 250,000</u>	<u>\$ 5,894,059</u>

Transfers to and from the various funds were to cover the costs of operations, capital expenditures and debt service.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance 12/31/2017	Additions	Deletions	Transfers	Ending Balance 12/31/2018
<u>Governmental Activities</u>					
Capital Assets Not Subject to Depreciation:					
Land	\$ 6,537,310	\$ -	\$ -	\$ -	\$ 6,537,310
Construction in Progress	1,017,512	8,945,453		(2,772,013)	7,190,952
Total Capital Assets Not Subject to Depreciation	7,554,822	8,945,453	-	(2,772,013)	13,728,262
Capital Assets Subject to Depreciation:					
Land Improvements	6,615,871	-	-	119,575	6,735,446
Buildings and Improvements	1,966,681	-	-	-	1,966,681
Streets and Storm Drainage	51,305,173	2,198,384	-	2,602,800	56,106,357
Equipment and Vehicles	3,567,275	1,977,638	(341,219)	49,638	5,253,332
Total Capital Assets Subject to Depreciation	63,455,000	4,176,022	(341,219)	2,772,013	70,061,816
Less Accumulated Depreciation for:					
Land Improvements	(4,464,694)	(316,822)	-	-	(4,781,516)
Buildings and Improvements	(1,043,604)	(86,984)	-	-	(1,130,588)
Streets and Storm Drainage	(24,401,719)	(2,493,811)	-	-	(26,895,530)
Equipment and Vehicles	(2,207,573)	(267,362)	289,350	-	(2,185,585)
Total Accumulated Depreciation	(32,117,590)	(3,164,979)	289,350	-	(34,993,219)
Capital Assets Subject to Depreciation, Net	31,337,410	1,011,043	(51,869)	2,772,013	35,068,597
Governmental Activities Capital Assets, Net	\$ 38,892,232	\$ 9,956,496	\$ (51,869)	\$ -	\$ 48,796,859

Depreciation expense for governmental activities capital assets was allocated as follows:

Governmental Activities:	
General Government	\$ 122,687
Public Safety	129,336
Public Works	2,596,134
Parks and Recreation	316,822
Total	<u>\$ 3,164,979</u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance 12/31/2017	Increase	Decrease	Transfers	Ending Balance 12/31/2018
<u>Business-Type Activities</u>					
Capital Assets Not Subject to Depreciation:					
Land	\$ 1,600,841	\$ -	\$ -	\$ -	\$ 1,600,841
Water Rights	42,190,398	10,000,000	-	-	52,190,398
Construction in Progress	1,782,174	3,712,289	-	-	5,494,463
Total Capital Assets Not Subject to Depreciation	45,573,413	13,712,289	-	-	59,285,702
Capital Assets Subject to Depreciation:					
Utility Systems	24,607,113	2,468,045	-	-	27,075,158
Equipment and Vehicles	688,592	12,902	(7,000)	-	694,494
Total Capital Assets Subject to Depreciation	25,295,705	2,480,947	(7,000)	-	27,769,652
Less Accumulated Depreciation for:					
Utility Systems	(4,437,122)	(509,774)	-	-	(4,946,896)
Equipment and Vehicles	(443,949)	(59,061)	5,950	-	(497,060)
Total Accumulated Depreciation	(4,881,071)	(568,835)	5,950	-	(5,443,956)
Capital Assets Subject to Depreciation, Net	20,414,634	1,912,112	(1,050)	-	22,325,696
Business-Type Activity Capital Assets, Net	\$ 65,988,047	\$ 15,624,401	\$ (1,050)	\$ -	\$ 81,611,398

Depreciation expense was charged to business-type activities capital assets as follows:

Business-Type Activities:	
Water	\$ 459,166
Stormwater	109,669
Total	<u>\$ 568,835</u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 - LONG-TERM DEBT

Pledged Revenues

During 2006 and 2008, the Town executed two reimbursement agreements (an Amended and Restated Public Improvements Reimbursement Agreement and Retail Infrastructure Funding Agreement) (the "Plan") with a developer (the "Developer") see Note 17 for additional information. Pursuant to the Plan, the Town will reimburse the Developer for costs incurred in constructing certain assets that were conveyed to the Town upon completion. Reimbursements are made based on a percentage of revenues derived from sales tax charged by the Town, commencing with the date the assets were completed by the developer and conveyed to the Town. Any unpaid balance accrues interest at the Wall Street Journal Prime Rate, capped at 7 percent per annum, compounding monthly until the balance is paid in full.

The Town follows guidance provided in GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, to account for the assets received, and payments made in connection with these agreements. Accordingly, the pledged revenues are treated as an obligation of the Town, until fully repaid. The assets have been capitalized and are depreciated over their useful lives in the government-wide financial statements. At December 31, 2018, there is no balance due to the Developer.

Following is a schedule of changes in long-term debt for the year ended December 31, 2018:

	Beginning Balance	Additions	Reductions/ Adjustments	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Certificates of Participation					
Series 2005	\$ 1,055,000	\$ -	\$ (110,000)	\$ 945,000	\$ 115,000
Series 2018	-	14,830,000	(610,000)	14,220,000	360,000
Premium	-	1,353,786	(54,151)	1,299,635	
Sales Tax Revenue Bonds					
Series 2014	3,165,000	-	(155,000)	3,010,000	160,000
Premium	21,868	-	(2,181)	19,687	
Leases - Vehicles & Equipment	-	1,488,544	(295,976)	1,192,568	300,462
Compensated Absences	229,428	494,912	(442,510)	281,830	197,281
<hr/>					
Total Governmental Long-Term Debt	\$ 4,471,296	\$ 18,167,242	\$ (1,669,818)	\$ 20,968,720	\$ 1,132,743
<hr/>					
<u>Business-Type Activity</u>					
Colorado Water Conservation					
Board Loan	\$ 1,580,000	\$ -	\$ -	\$ 1,580,000	\$ -
Compensated Absences	21,177	50,974	(43,124)	29,027	29,027
<hr/>					
Total Business-Type Long-Term Debt	\$ 1,601,177	\$ 50,974	\$ (43,124)	\$ 1,609,027	\$ 29,027
<hr/>					

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Certificates of Participation

Certificates of participation dated May 31, 2005, in the amount of \$1,985,000, were issued by the Firestone Finance Authority (the Authority) pursuant to a lease purchase agreement with a financial institution to acquire leased property for future use as a park. The interest rate is (65 percent) of the Prime Rate as of October 15 of the prior year, reset every three years with a minimum rate of 3.50 percent and a maximum rate of 6.75 percent. The certificates mature December 1, 2025 and are payable solely from revenues from the Town under a lease agreement with the Authority. Payments are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional or statutory debt limitation.

Annual debt service requirements under the lease purchase agreement as of December 31, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 115,000	\$ 33,075	\$ 148,075
2020	120,000	29,050	149,050
2021	130,000	24,850	154,850
2022	135,000	20,300	155,300
2023	140,000	15,575	155,575
2024 - 2025	305,000	16,100	321,100
Total	<u>\$ 945,000</u>	<u>\$ 138,950</u>	<u>\$ 1,083,950</u>

In April 2018, the Town entered into a Lease Purchase Agreement with a financial institution for the Certificates of Participation, Series 2018 in the amount of \$14,830,000, the proceeds of which were for the purpose of financing the construction of the Town's new Public Safety Facility, fund the reserve fund, and pay the costs of issuing the certificates. The 2018 Certificates of Participation are to be retired over a 25-year period with interest rates ranging from 3.00% to 5.00%.

The 2018 Certificates of Participation are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year obligation of the Town within the meaning of any constitutional statutory debt limitation. Principal payments are due annually and interest payments are due semiannually through November 15, 2042. These payments are payable from the 0.6% Sales Tax Capital Improvement Fund. Annual debt service requirements to maturity for certificates outstanding at December 31, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 360,000	\$ 637,600	\$ 997,600
2020	370,000	623,200	993,200
2021	385,000	608,400	993,400
2022	400,000	593,000	993,000
2023	425,000	577,000	1,002,000
2024 - 2028	2,350,000	2,625,200	4,975,200
2029 - 2033	2,850,000	2,120,800	4,970,800
2034 - 2038	3,545,000	1,433,000	4,978,000
2039 - 2042	3,535,000	452,750	3,987,750
Total	<u>\$ 14,220,000</u>	<u>\$ 9,670,950</u>	<u>\$ 23,890,950</u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Sales Tax Revenue Bonds

Sales Tax Revenues Bonds, Series 2014, in the amount of \$3,795,000 were issued on April 8, 2014, to pay or reimburse the costs of the acquisition, development, construction, repair, replacement, expansion, rehabilitation and renovation of existing and planned streets and parks. The interest rate on the debt ranges from 2.00 to 3.625 percent. The bonds mature December 1, 2033.

Annual debt service requirements as of December 31, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 160,000	\$ 103,619	\$ 263,619
2020	175,000	100,419	275,419
2021	170,000	96,044	266,044
2022	170,000	91,581	261,581
2023	175,000	86,481	261,481
2024 - 2028	985,000	340,527	1,325,527
2029 - 2033	1,175,000	144,463	1,319,463
Total	<u>\$ 3,010,000</u>	<u>\$ 963,134</u>	<u>\$ 3,973,134</u>

Leases

On May 22, 2018, the Town entered into a lease-purchase agreement with Ford Motor Credit Company LLC for six vehicles for total payments of \$190,430 including interest at a rate of 5.7%. The lease is payable in four annual installment payments of \$47,607 starting May 22, 2018 and maturing on May 22, 2021.

On June 6, 2018, the Town entered into a lease-purchase agreement with Ally Financial for two vehicles for total payments of \$64,833 including interest at a rate of 4.34%. The lease is payable in four annual installment payments of \$16,208 starting June 6, 2018 and maturing on June 6, 2021.

On June 26, 2018 the Town entered into a lease-purchase agreement with Deere Credit for equipment for total payments of \$245,460 including interest at a rate of 3.75%. The lease is payable in four annual installment payments of \$61,365 starting June 26, 2019 and maturing on June 26, 2022.

On June 27, 2018 the Town entered into a lease-purchase agreement with Deere Credit for equipment for total payments of \$183,680 including interest at a rate of 3.75%. The lease is payable in five annual installment payments of \$36,736 starting June 27, 2018 and maturing on June 27, 2022.

On July 1, 2018 the Town entered into a lease-purchase agreement with KS State Bank for equipment for total payments of \$274,741 including interest at a rate of 4.47%. The lease is payable in five annual installment payments of \$54,948 starting July 1, 2018 and maturing on July 1, 2022.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 - LONG-TERM DEBT (CONTINUED)

On June 7, 2018 the Town entered into a lease-purchase agreement with TCF Equipment Finance for equipment for total payments of \$67,961 including interest at a rate of 4.91%. The lease is payable in three annual installment payments of \$22,654 starting June 7, 2018 and maturing on June 1, 2020.

On August 7, 2018 the Town entered into a lease-purchase agreement with KS State Bank for equipment for total payments of \$282,229 including interest at a rate of 5.0%. The lease is payable in six annual installment payments of \$54,948 starting September 26, 2018 and maturing on August 7, 2023.

On September 24, 2018 the Town entered into a lease-purchase agreement with KS State Bank for equipment for total payments of \$133,468 including interest at a rate of 5.49%. The lease is payable in four annual installment payments of \$33,367 starting September 24, 2018 and maturing on September 24, 2021.

On October 24, 2018 the Town entered into a lease-purchase agreement with Ford Motor Credit Company LLC for six vehicles for total payments of \$187,175 including interest at a rate of 6.2%. The lease is payable in five annual installment payments of \$37,435 starting October 24, 2018 and maturing on October 24, 2022.

Annual debt service requirements as of December 31, 2018 are as follows:

Year	Principal	Interest	Total
2019	\$ 300,462	\$ 56,898	\$ 357,360
2020	314,901	42,458	357,359
2021	307,399	27,306	334,705
2022	225,007	12,515	237,522
2023	44,799	2,240	47,039
Total	<u>\$ 1,192,568</u>	<u>\$ 141,417</u>	<u>\$ 1,333,985</u>

Colorado Water Conservation Board Loan

In 2017, the Town was approved for a loan with the Colorado Water Conservation Board (CWCB) for a total of \$10 million, which includes a 1 percent loan origination fee of \$99,010 and is payable over 20 years at an interest rate of 2.35 percent. During 2017, the Town drew down \$1,580,000 of the loan proceeds and during 2018, the Town submitted a request for a draw down in the amount of \$3,839,095 that was received in April 2019. Interest accrues at a rate of 2.35 percent as the loan funds are disbursed and will become payable when the project is substantially complete. Interest payment of \$54,525 was accrued back to December 31, 2018 to cover all accrued interest expenses to date. Principal and interest is payable in annual payments with the first payment due and payable one year from the substantial date of completion of the project. As the project was not substantially complete at December 31, 2018, only the amount drawn down of \$1,580,000 is included in long-term debt. The loan will be repaid with pledged revenues from the water utility charges. The CWCB loan funds will be used to develop a non-potable water supply and associated water storage for the Town.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 – FIRE AND POLICE PENSION ASSOCIATION (FPPA)

Plan Description

The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, sworn police officers of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for police hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits Provided

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

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

A member is eligible for an early retirement at age 50 with at least five years of credited service 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 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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 – FIRE AND POLICE PENSION ASSOCIATION (FPPA) (CONTINUED)

Contributions

The 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 total contribution rate of 18 percent in 2018. Members of the SWDB Plan and their employers contributed at a rate of 9.5% and 8%, respectively, of a base salary for a total contribution of 17.5% in 2017. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022. Contributions to the SWDB plan from the Town were \$161,626 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 reported an asset of \$388,872 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2017, the Town's proportion was .2703017652 percent, which was a decrease of .0016814371 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Town recognized pension expense of (\$314,490). At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 280,432	\$ 4,309
Changes of assumptions or other inputs	58,589	-
Net difference between projected and actual earnings on pension plan investments	-	132,035
Changes in proportion and differences between contributions recognized and proportionate share of contributions	13,807	35,783
Town contributions subsequent to the measurement date	161,626	-
Total	\$ 514,454	\$ 172,127

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 – FIRE AND POLICE PENSION ASSOCIATION (FPPA) (CONTINUED)

The \$161,626 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as reduction of the net pension asset in the year ended 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 as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2019	\$ 43,357
2020	37,344
2021	(18,776)
2022	(39,588)
2023	38,593
Thereafter	119,771
	\$ 180,701

Actuarial Assumptions

The total pension liability(asset) in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases*	4.0 - 14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

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 color 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 healthy retiree. The totally disabled post-retirement mortality assumption uses 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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 – FIRE AND POLICE PENSION ASSOCIATION (FPPA) (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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.33%
Equity Long/Short	9.00%	7.15%
Illiquid Alternatives	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	6.85%
Cash	2.00%	2.26%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability(asset) 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 FPPA Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as the Town’s proportionate share of the net pension 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 423,365	\$ (388,872)	\$ (1,063,330)

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 – FIRE AND POLICE PENSION ASSOCIATION (FPPA) (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the SWDB’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report, which can be obtained at <http://www.fppaco.org>.

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

The FPPA Board completed an actuarial study and approved changes to the actuarial assumptions effective January 1, 2019. The inflation assumption will remain at 2.5%. The investment return assumption will be reduced from 7.5% to 7.0% to reflect the reduced real return expected from recent capital market data. The reduction in the investment return assumption will increase the total pension liability.

NOTE 9 - FIRE AND POLICE PENSION ASSOCIATION (FPPA) – 457 PLAN

Plan Description

Employees of the Town who are members of the FPPA Statewide Defined Benefit Plan (see Note 8) may voluntarily contribute to the FPPA 457 Deferred Compensation Plan (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is voluntary, and contributions are separate from others made to FPPA. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

Funding Policy

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$18,500 for 2018 and \$19,000 for 2019). Catch-up contributions up to \$6,000 for the calendar years 2015 through 2019 were allowed for participants who had attained age 50 before the close of the plan year. For the year ended December 31, 2018, 2017 and 2016, the 457 Plan member contributions from the Town of Firestone were \$8,049, \$3,960, and \$6,264, respectively.

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA)

Plan Description

Eligible employees of the Town 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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA) (CONTINUED)

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 provisions 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 provisions 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.

Benefits Provided

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.

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.

In all cases, the service retirement benefit is limited to 100% of the highest average salary and also cannot exceed the maximum benefit allowed by the 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 (COLAs), 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 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 for the LGDTF.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA) (CONTINUED)

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.

Contributions

Eligible employees and the Town 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:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate *	10.00%	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS SS 24-51-208(1)(f) *	(1.02%)	(1.02%)
Amount Apportioned to the LGDTF *	8.98%	8.98%
Amortization Equalization Disbursement (AED) as specified in CRS SS 24-51-411 *	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411 *	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF *	12.68%	12.68%

* Rates are expressed as a percentage of salary as defined in CRS SS 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 is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were \$329,666 for the year ended December 31, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, the Town reported a liability of \$3,362,833 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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA) (CONTINUED)

Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Town’s proportion of the net pension liability was based on the Town’s 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’s proportion was .3020246539 percent, which was a decrease of .0208711262 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Town recognized pension expense of \$343,853. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 210,375	\$ -
Changes of Assumptions or other Inputs	35,524	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	653,654
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
Share of Contributions	-	121,476
Contributions Subsequent to the Measurement Date	<u>329,666</u>	<u>-</u>
Total	<u>\$ 575,565</u>	<u>\$ 775,130</u>

\$329,666 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 ended 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 as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	\$ 45,822
2020	(94,960)
2021	(237,718)
2022	(242,375)
2023	-
	<u>\$ (529,231)</u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA) (CONTINUED)

Actuarial Assumptions

The December 31, 2016 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 10.45%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	2.00%
PERA Benefit Structure hired after December 31, 2006 (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 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 reflect 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 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.

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

The actuarial assumptions used in the December 31, 2016 valuation 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 PERA’s Board during the November 18, 2016 Board meeting.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA) (CONTINUED)

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 LGDTF, 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 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.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
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	<u>100.00%</u>	

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 percent.

TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA) (CONTINUED)

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 percent.
- Employee contributions were assumed to be made at the member contribution rate as of the measurement date. 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 and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent 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.
- 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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA) (CONTINUED)

Based on the above assumptions and methods, the LGDTF’s fiduciary net position was projected to be available to make all projected future benefit payments 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. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Town’s 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 one percentage-point lower (6.25 percent) or one 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	\$ 5,355,903	\$ 3,362,833	\$ 1,701,323

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 the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA) (CONTINUED)

- 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.

At December 31, 2018, the Town reported a liability of \$3,362,833 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 percent. For comparative purposes, the following schedule presents an estimate of what the Town’s 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%	\$ 2,378,589

NOTE 11 - PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA) – 401(k) PLAN

Plan Description

Employees of the Town who are members of the LGDTF (see Note 10) may voluntarily contribute to the PERA Plus 401(k) Plan (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report the 401(k) Plan. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$18,500 for 2018 and \$19,000 for 2019). Catch-up contributions up to \$6,000 for calendar years 2015-2019 are allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC 414(v).5. The contribution requirement for the Town of Firestone are established under Title 24, Article 51, Section 1402 of the CRS, as amended. For the year ended December 31, 2018, 2017, and 2016, the 401(k) Plan member contributions from the Town were \$1,850, \$26,510, and \$30,948, respectively.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION (PERA) – 457 PLAN

Plan Description

Employees of the Town who are members of the LGDTF (see Note 10) may voluntarily contribute to the PERA Plus 457 Plan (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. PERA issues a publicly available comprehensive annual financial report for the 457 Plan. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The 457 Plan is funded by voluntary member contributions of up to maximum limit set by the IRS (\$18,500 for 2018 and \$19,000 for 2019). Catch-up contributions up to \$6,000 for calendar years 2015-2019 are allowed for participants who had attained age 50 before the close of the plan year. The Town began offering this plan in 2013. For the years ended December 31, 2018, 2017, and 2016, the 457 Plan member contributions from the Town were \$494, \$15,000, and \$30,915, respectively.

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

Eligible employees of the Town are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (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. PERA issues a publicly available comprehensive annual financial report (CAFR) 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 Division, School Division, Local Government Division and Judicial Division Trust Funds), 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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. 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.

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 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Town were \$26,231 for the year ended December 31, 2018.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

At December 31, 2018 the Town reported a liability of \$304,999 for its proportionate share of the net OPEB liability. The net OPEB liability 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's proportion of the net OPEB liability was based on the Town's 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's proportion was .0234686932 percent, which was a decrease of .001317955 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Town recognized OPEB expense of (\$5,222). At December 31, 2018, the Town 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	\$ 1,442	\$ -
Net Difference between Projected and Actual		
Earnings on OPEB Plan Investments	-	5,103
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
Share of Contributions	-	14,282
Contributions Subsequent to the Measurement Date	<u>26,231</u>	<u>-</u>
Total	<u>\$ 27,673</u>	<u>\$ 19,385</u>

Deferred outflows of resources of \$26,231 related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amortization</u>
2019	\$ (3,798)
2020	(3,798)
2021	(3,798)
2022	(3,798)
2023	(2,522)
Thereafter	<u>(230)</u>
	<u>\$ (17,944)</u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial assumptions

The total OPEB 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%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.00% for 2017, gradually rising to 4.25% in 2023

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 FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (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:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
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 described 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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four of 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 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.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
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	<u>100.00%</u>	

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 percent.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the Town’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the Town’s proportionate share of the net OPEB liability, as well as what the Town’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend 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%
Proportionate Share of the Net OPEB Liability	\$ 296,607	\$ 304,999	\$ 315,106

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 percent.
- 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.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Based on the above assumptions and methods, the HCTF’s fiduciary net position was projected to be available 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. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Town’s proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Town’s proportionate share of the net OPEB liability, as well as what the Town’s 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 discount rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 342,915	\$ 304,999	\$ 272,637

OPEB plan fiduciary net position

Detailed information about the HCTF plan’s fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Restatement

For the year ended December 31, 2018, the Town adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75), which is effective for financial statements beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by the Public Employees’ Retirement Association of Colorado (PERA) to record their proportionate share, as defined in GASB No. 75, of the HCTF’s net OPEB liability.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

For the Town, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability. Implementation of the standard resulted in a restatement of the prior period net position as shown below.

	Governmental Activities	Business-Type Activities	Total
Net Position, December 31, 2017 as Previously Reported	\$ 49,276,475	\$ 72,353,578	\$ 121,630,053
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	(276,873)	(25,060)	(301,933)
Net Position, December 31, 2017 as Restated	<u>\$ 48,999,602</u>	<u>\$ 72,328,518</u>	<u>\$ 121,328,120</u>

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Construction Commitments

At December 31, 2018, the Town had unexpended construction related contract commitments in the governmental funds of approximately \$7,808,792. These projects are expected to be completed in 2019.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the Taxpayer Bill of Rights, otherwise known as TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$321,891 for this purpose.

On April 2, 1996, the voting citizens of the Town of Firestone authorized the Town to collect retain, and expend the full proceeds of the Town's sales and use tax, property tax revenues, non-federal grants, fees and other revenues collected and received during the year 1996 and each subsequent year, for capital projects, basic municipal services or other lawful municipal purposes, notwithstanding any state limitation on fiscal year revenue and spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution or any other law. This effectively removed all revenue and spending limits imposed by TABOR.

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require Judicial interpretation.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 14 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

Management is not aware of any outstanding claims that could have a material adverse effect on the Town's financial statements.

Operating Leases

The Town leases office facilities under an operating lease that expires in December, 2019. Total rental expense for the year ended December 31, 2018 was \$51,308. A new lease became effective August 1, 2018 and expires after two years. Based on this new lease, the future minimum annual rental commitments are \$52,884 for 2019 and \$30,849 for 2020.

NOTE 15 – FUND BALANCE CLASSIFICATION

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. As required by the State Constitution amendment addressed in Note 14, the Town is required to provide for Emergency Reserves.

The rationale of the fund balance classifications are as follows:

- Nonspendable
 - these are payments made to vendors for services that will benefit periods extending beyond the current fiscal year.
- Restricted
 - Emergencies – a portion restricted for emergencies as defined under TABOR (Note 14)
 - Conservation Trust – restricted under state statutes for future payments on maintenance and capital expenditures
 - Open Space – per legal restrictions on the use of lodging taxes collected
- Committed
 - Impact Fees – committed by Board of Trustees resolution for capital projects related to roadways, local parks, regional parks, municipal facilities, drainage, and raw water
 - FURA Improvements – committed by Board of Trustees resolution to mitigate blight in the Southern, Northern, or Central Firestone Urban Renewal Authority boundaries
- Assigned
 - Working Reserve – Town Policy adopted by Resolution of the Board of Trustees to establish a working reserve of at least 25% of the current year General Fund operating expenditures
- Unassigned – any remaining fund balance that does not fall into one of the other categories. The General Fund should be the only fund that reports a positive unassigned fund balance.

The Town's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year, in that order.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 16 - RISK MANAGEMENT

Since January 1, 2010, the Town has been a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”) which provides sufficient liability and property coverage to protect against property damage to all the Town’s capital assets and equipment. Other coverage includes general liability coverage as well as supplemental liability coverage for employee benefits, employment practices, law enforcement activities, vehicle and auto liability, crimes against the Town and a general umbrella liability policy. In addition, the Town has secured additional coverage for Town events and volunteers. The Town maintains the state required worker’s compensation insurance with Pinnacol Assurance, the primary provider of worker’s compensation coverage in Colorado.

NOTE 17 - DEVELOPER AGREEMENTS AND TAX ABATEMENTS

The Town is involved in developer agreements to promote commercial growth within its boundaries. These agreements are structured so that future revenues are committed to meet development obligations, but only as the revenues are earned. If revenues are not earned from the sources outlined in the agreements, the Town of Firestone is not obligated to fund the expenditures from other sources. These agreements fall under Government Accounting Standard Board Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* for pledged revenues. The obligations to be repaid through these pledged revenues are summarized below:

American Furniture Warehouse (AFW) and THF/TFD Firestone Development, L.L.C.

An Amended and Restated Public Improvements Reimbursement Agreement (the “PIRA”) between AFW and THF/TFD Firestone Development (the “Developers”) was approved by the Town on July 31, 2006. The PIRA will finance the construction of certain public improvements in connection with the Town City Centre development, located at I-25 and Firestone Blvd. Under the PIRA, the Developers will receive 1.25 percent (the “Credit PIF”) of the Town’s 3.6 percent sales and use tax on the sale or provision of goods in the development. The amount of eligible cost that could be reimbursed to the Developers from Credit PIF Revenues is limited to \$11,000,000, plus interest accruing at the Wall Street Journal Prime Rate (5.50 percent at December 31, 2018), capped at 7 percent per annum. The Developers have 20 years (2026) to receive the maximum reimbursable amount.

The amount of sales taxes credited to the Developers as part of this developer agreement for the year ended 2018 amounted to \$225,879 and has received a total of \$1,649,516 since the reimbursement began in 2006.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 17 - DEVELOPER AGREEMENTS AND TAX ABATEMENTS (CONTINUED)

THF Firestone Development, L.L.C.

A Retail Infrastructure Funding Agreement (the "RIFA") with THF Firestone Development (the "THF Developer") was approved by the Town on September 4, 2008. The RIFA supplements the PIRA and is intended to help finance the construction of additional public improvements in connection with the development of a portion of the retail area at I-25 and Firestone Boulevard. Under the RIFA, the THF Developer imposed a Retail Transaction Fee ("RTF") in the amount of 0.25 percent of the Town's 3.6 percent sales and use tax on the sale or provision of goods in the project area. The amount of eligible cost that could be reimbursed to the Developers from RTF Revenues is limited to \$4,000,000, plus interest accruing at the Wall Street Journal Prime Rate (5.50% at December 31, 2018), capped at 7 percent per annum. The Developers have 20 years (2029) to receive the maximum reimbursable amount.

The amount of sales taxes credited to the THF Developer as part of this developer agreement for the year ended 2018 amounted to \$521,789 and has received a total of \$3,696,611 since the reimbursement began in 2008.

NOTE 18 - SUBSEQUENT EVENTS

The Town issued Certificates of Participation, Series 2019 (the Certificates), in the amount of \$5,585,000 to pay for the remodel of the town hall, the public works facility, and telecommunications equipment at an interest rate of 2.45% payable semi-annually on June 1 and December 1 commencing December 1, 2019. Principal related payments on the Certificates are due beginning December 1, 2020. The Certificates mature December 1, 2029.

The Town submitted a drawdown request on December 20, 2018 against the Colorado Water Conservation Board loan in the amount of \$3,839,095 for reimbursement on the purchase of Carbon Valley Resource Pit which includes 1.41 shares of the Rural Ditch Company. This drawdown was not received until April 2019, therefore will be shown as an addition to the CWCB Loan in 2019.

TOWN OF FIRESTONE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,464,758	\$ 6,464,758	\$ 6,824,052	\$ 359,294
Intergovernmental	846,882	846,882	1,044,700	197,818
Licenses, fees and charges	3,311,802	3,311,802	4,474,448	1,162,646
Fines	222,572	222,572	243,821	21,249
Grants	806,000	806,000	369,489	(436,511)
Investment earnings	125,000	125,000	270,971	145,971
Miscellaneous	1,028,373	1,028,373	1,331,650	303,277
Total Revenues	<u>12,805,387</u>	<u>12,805,387</u>	<u>14,559,131</u>	<u>1,753,744</u>
EXPENDITURES				
General Government	3,622,056	3,622,056	2,956,557	665,499
Municipal Court	165,525	165,525	163,609	1,916
Planning	1,253,315	1,253,315	2,084,929	(831,614)
Public Safety	3,898,750	3,898,750	3,709,006	189,744
Public Works	2,181,697	2,181,697	1,709,536	472,161
Parks and Recreation	876,740	876,740	712,490	164,250
Capital Outlay	17,525,284	17,525,284	9,435,637	8,089,647
Total Expenditures	<u>29,523,367</u>	<u>29,523,367</u>	<u>20,771,764</u>	<u>8,751,603</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,717,980)</u>	<u>(16,717,980)</u>	<u>(6,212,633)</u>	<u>10,505,347</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,111,109	12,111,109	5,495,934	(6,615,175)
Transfers out	(398,425)	(398,425)	(398,125)	300
Total Other Financing Sources (Uses)	<u>11,712,684</u>	<u>11,712,684</u>	<u>5,097,809</u>	<u>(6,614,875)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,005,296)</u>	<u>\$ (5,005,296)</u>	<u>(1,114,824)</u>	<u>\$ 3,890,472</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>16,152,781</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 15,037,957</u>	

TOWN OF FIRESTONE
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)

FPPA - STATEWIDE DEFINED BENEFIT PLAN
 Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportionate share of the net pension liability/(asset)	0.27030%	0.27198%	0.23771%	0.25066%	0.25271%
Town's proportion of the net pension liability/(asset)	\$ (388,872)	\$ 98,278	\$ (4,191)	\$ (282,914)	\$ (316,152)
Town's covered payroll	\$ 1,581,069	\$ 1,349,000	\$ 1,253,350	\$ 1,127,325	1,097,600
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-24.60%	7.29%	-0.33%	-25.10%	-28.80%
Plan fiduciary net position as a percentage of the total pension	106.30%	98.21%	101.60%	106.30%	105.80%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

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

TOWN OF FIRESTONE
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)

PERA - LOCAL GOVERNMENT DIVISION TRUST FUND
 Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportionate share of the net pension liability/(asset)	0.30200%	0.32290%	0.32673%	0.30410%	0.28906%
Town's proportion of the net pension liability/(asset)	\$ 3,362,833	\$ 4,360,194	\$ 3,599,155	\$ 2,725,702	\$ 2,167,416
Town's covered payroll	\$ 1,905,298	\$ 1,957,152	\$ 1,855,551	\$ 1,666,348	\$ 1,542,145
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	176.50%	222.78%	193.97%	163.57%	140.55%
Plan fiduciary net position as a percentage of the total pension	79.37%	73.65%	76.87%	80.72%	77.66%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

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

TOWN OF FIRESTONE
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB
LIABILITY/(ASSET)

PERA - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
Last Ten Years

	2018
Town's proportionate share of the net OPEB liability/(asset)	0.02347%
Town's proportion of the net OPEB liability/(asset)	\$ 304,999
Town's covered payroll	\$ 2,571,702
Town's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	11.86%
Plan fiduciary net position as a percentage of the total OPEB	17.53%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

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

**TOWN OF FIRESTONE
SCHEDULE OF THE TOWN'S CONTRIBUTIONS**

**FPPA - STATEWIDE DEFINED BENEFIT PLAN
Last Ten Years**

As of December 31,2018	2018	2017	2016	2015	2014	2013
Statutorily required contributions	\$ 161,626	\$ 126,486	\$ 107,920	\$ 100,268	\$ 90,186	\$ 87,808
Contributions in relation to the statutorily required contribution	161,626	126,486	107,920	100,268	90,186	87,808
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	2,020,327	1,581,069	1,349,000	1,253,350	1,127,325	1,097,600
Contribution as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

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

**TOWN OF FIRESTONE
SCHEDULE OF THE TOWN'S CONTRIBUTIONS**

**PERA - LOCAL GOVERNMENT DIVISION TRUST FUND
Last Ten Years**

As of December 31,2018	2018	2017	2016	2015	2014	2013
Statutorily required contributions	\$ 329,666	\$ 241,592	\$ 248,166	\$ 235,284	\$ 211,293	\$ 195,544
Contributions in relation to the statutorily required contribution	329,666	241,592	248,166	235,284	211,293	195,544
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	2,571,702	1,905,298	1,957,152	1,855,551	1,666,348	1,542,145
Contribution as a percentage of covered payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

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

TOWN OF FIRESTONE

SCHEDULE OF THE TOWN'S CONTRIBUTIONS

PERA - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Last Ten Years

As of December 31,2018	<u>2018</u>
Statutorily required contributions	\$ 26,231
Contributions in relation to the statutorily required contribution	<u>26,231</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	2,571,702
Contribution as a percentage of covered payroll	1.02%

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

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TOWN OF FIRESTONE
1.0% SALES TAX CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,768,824	\$ 1,768,824	\$ 1,707,003	\$ (61,821)
Investment earnings	10,000	10,000	9,336	(664)
Total Revenues	<u>1,778,824</u>	<u>1,778,824</u>	<u>1,716,339</u>	<u>(62,485)</u>
EXPENDITURES				
2014 Revenue Bonds - Principal	155,000	155,000	155,000	-
2014 Revenue Bonds - Interest	106,718	106,718	106,718	-
Administrative fees	1,500	1,500	-	1,500
Total Expenditures	<u>263,218</u>	<u>263,218</u>	<u>261,718</u>	<u>1,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,515,606</u>	<u>1,515,606</u>	<u>1,454,621</u>	<u>(60,985)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,515,606)</u>	<u>(1,515,606)</u>	<u>(1,172,509)</u>	<u>343,097</u>
Total other financing Sources (Uses)	<u>(1,515,606)</u>	<u>(1,515,606)</u>	<u>(1,172,509)</u>	<u>343,097</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	282,112	<u>\$ 282,112</u>
FUND BALANCE AT BEGINNING OF YEAR			-	
FUND BALANCE AT END OF YEAR			<u>\$ 282,112</u>	

TOWN OF FIRESTONE
0.6% SALES TAX CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,061,295	\$ 1,061,295	\$ 1,249,059	\$ 187,764
Investment earnings	8,000	8,000	238,223	230,223
Total Revenues	<u>1,069,295</u>	<u>1,069,295</u>	<u>1,487,282</u>	<u>417,987</u>
EXPENDITURES				
2018 Certificates of Participation - Principal	320,000	320,000	610,000	(290,000)
2018 Certificates of Participation - Interest	529,600	529,600	391,662	137,938
Cost of Issuance	300,000	300,000	175,259	124,741
Miscellaneous	-	-	23,578	(23,578)
Total Expenditures	<u>1,149,600</u>	<u>1,149,600</u>	<u>1,200,499</u>	<u>(50,899)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(80,305)</u>	<u>(80,305)</u>	<u>286,783</u>	<u>367,088</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,100,000)	(10,100,000)	(3,827,922)	6,272,078
Proceeds from debt issuance	10,400,000	10,400,000	14,830,000	4,430,000
Premium on Certificates of Participation	-	-	1,353,786	1,353,786
Total other financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>12,355,864</u>	<u>12,055,864</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ 219,695</u>	<u>\$ 219,695</u>	12,642,647	<u>\$ 12,422,952</u>
FUND BALANCE AT BEGINNING OF YEAR				
			<u>-</u>	
FUND BALANCE AT END OF YEAR				
			<u>\$ 12,642,647</u>	

**TOWN OF FIRESTONE
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
December 31, 2018**

	Firestone Finance Authority	Firestone Urban Renewal Authority - Southern	Firestone Urban Renewal Authority - Northern	Firestone Urban Renewal Authority - Central	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ -	\$ -	\$ 1,064,460	\$ 10,815	\$ 1,075,275
Due from other funds	-	30,765	7,691	-	38,456
Total Assets	\$ -	\$ 30,765	\$ 1,072,151	\$ 10,815	\$ 1,113,731
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 15,057	\$ -	\$ 15,057
Due to other funds	-	30,765	-	38,456	69,221
Total Liabilities	-	30,765	15,057	38,456	84,278
FUND BALANCE					
Committed for:					
FURA Improvements	-	-	1,057,094	-	1,057,094
Unassigned	-	-	-	(27,641)	(27,641)
Total Fund Balance	-	-	1,057,094	(27,641)	1,029,453
Total Liabilities and Fund Balance	\$ -	\$ 30,765	\$ 1,072,151	\$ 10,815	\$ 1,113,731

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

	Firestone Finance Authority	Firestone Urban Renewal Authority - Southern	Firestone Urban Renewal Authority - Northern	Firestone Urban Renewal Authority - Central	Total Nonmajor Governmental Funds
REVENUES					
Taxes	\$ -	\$ -	\$ 1,404,533	\$ 50,804	\$ 1,455,337
Total Revenues	<u>-</u>	<u>-</u>	<u>1,404,533</u>	<u>50,804</u>	<u>1,455,337</u>
EXPENDITURES					
Current:					
Town Administration	1,200	-	926,273	40,143	967,616
Debt Service:					
Principal	110,000	-	-	-	110,000
Interest expenditures	36,925	-	-	-	36,925
Total Expenditures	<u>148,125</u>	<u>-</u>	<u>926,273</u>	<u>40,143</u>	<u>1,114,541</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	<u>(148,125)</u>	<u>-</u>	<u>478,260</u>	<u>10,661</u>	<u>340,796</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	148,125	-	-	-	148,125
Transfers out	-	(495,503)	-	-	(495,503)
Total Other Financing Sources (Uses)	<u>148,125</u>	<u>(495,503)</u>	<u>-</u>	<u>-</u>	<u>(347,378)</u>
NET CHANGE IN FUND BALANCES	-	(495,503)	478,260	10,661	(6,582)
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>495,503</u>	<u>578,834</u>	<u>(38,302)</u>	<u>1,036,035</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057,094</u>	<u>\$ (27,641)</u>	<u>\$ 1,029,453</u>

**TOWN OF FIRESTONE
 FIRESTONE FINANCE AUTHORITY
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
2005 COP's - Principal	110,000	110,000	110,000	-
2005 COP's - Interest	36,925	36,925	36,925	-
Administration fee	1,500	1,500	1,200	300
Total Expenditures	<u>148,425</u>	<u>148,425</u>	<u>148,125</u>	<u>300</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(148,425)</u>	<u>(148,425)</u>	<u>(148,125)</u>	<u>(300)</u>
OTHER FINANCING SOURCES				
Transfers in	148,425	148,425	148,125	(300)
Total Other Financing Sources (Uses)	<u>148,425</u>	<u>148,425</u>	<u>148,125</u>	<u>(300)</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE AT BEGINNING OF YEAR				
			-	
FUND BALANCE AT END OF YEAR				
			<u>\$ -</u>	

**TOWN OF FIRESTONE
 FIRESTONE URBAN RENEWAL AUTHORITY - SOUTHERN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING USES				
Transfers out	(495,503)	(495,503)	(495,503)	-
Total Other Financing Sources (Uses)	(495,503)	(495,503)	(495,503)	-
NET CHANGE IN FUND BALANCE	<u>\$ (495,503)</u>	<u>\$ (495,503)</u>	(495,503)	<u>\$ -</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>495,503</u>	
FUND BALANCE AT END OF YEAR			<u>\$ -</u>	

**TOWN OF FIRESTONE
 FIRESTONE URBAN RENEWAL AUTHORITY - NORTHERN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes - TIF	\$ 1,348,107	\$ 1,348,107	\$ 1,404,533	\$ 56,426
Total Revenues	<u>1,348,107</u>	<u>1,348,107</u>	<u>1,404,533</u>	<u>56,426</u>
EXPENDITURES				
Property taxes - TIF shareback	765,775	765,775	852,148	(86,373)
Legal	-	-	15,000	(15,000)
County's Treasurer's fees	-	11,000	21,068	(10,068)
Miscellaneous	150,000	150,000	38,057	111,943
Total Expenditures	<u>915,775</u>	<u>926,775</u>	<u>926,273</u>	<u>502</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>432,332</u>	<u>421,332</u>	<u>478,260</u>	<u>56,928</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>578,834</u>	
FUND BALANCE AT END OF YEAR			<u><u>\$ 1,057,094</u></u>	

**TOWN OF FIRESTONE
 FIRESTONE URBAN RENEWAL AUTHORITY - CENTRAL
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes - TIF	\$ 51,123	\$ 51,123	\$ 50,804	\$ (319)
Total Revenues	<u>51,123</u>	<u>51,123</u>	<u>50,804</u>	<u>(319)</u>
EXPENDITURES				
Property taxes - TIF shareback	40,077	40,077	39,381	696
County's Treasurer's fees	-	200	762	(562)
Total Expenditures	<u>40,077</u>	<u>40,277</u>	<u>40,143</u>	<u>134</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,046</u>	<u>10,846</u>	<u>10,661</u>	<u>(185)</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>(38,302)</u>	
FUND BALANCE AT END OF YEAR			<u><u>\$ (27,641)</u></u>	

**TOWN OF FIRESTONE
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL (NON GAAP BUDGETARY BASIS)
Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for Service	\$ 5,239,600	\$ 5,239,600	\$ 5,388,210	\$ 148,610
Total Operating Revenues	<u>5,239,600</u>	<u>5,239,600</u>	<u>5,388,210</u>	<u>148,610</u>
OPERATING EXPENSES				
Operations	1,332,065	1,332,065	1,312,336	19,729
Administration	749,900	749,900	510,663	239,237
Engineering	820,230	820,230	763,882	56,348
Tap fees	1,291,200	1,291,200	972,653	318,547
Capital Outlay	15,337,150	15,337,150	13,895,207	1,441,943
Total Operating Expenses	<u>19,530,545</u>	<u>19,530,545</u>	<u>17,454,741</u>	<u>2,075,804</u>
OPERATING INCOME (LOSS)	<u>(14,290,945)</u>	<u>(14,290,945)</u>	<u>(12,066,531)</u>	<u>2,224,414</u>
NONOPERATING REVENUES (EXPENSES)				
Water Credit Bidding	11,680,000	11,680,000	11,815,889	135,889
Interest earnings	30,000	30,000	368,999	338,999
Property Sales	689,000	689,000	-	(689,000)
Grants	106,060	106,060	2,413	(103,647)
Loan proceeds	8,420,000	8,420,000	-	(8,420,000)
Intergovernmental	8,500	8,500	7,929	(571)
Interest expense	-	-	(40,335)	(40,335)
Total Nonoperating Revenues	<u>20,933,560</u>	<u>20,933,560</u>	<u>12,154,894</u>	<u>(8,778,665)</u>
INCOME (LOSS) BEFORE TRANSFERS	6,642,615	6,642,615	88,364	(6,554,251)
OTHER FINANCING SOURCES				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Change in Net Position - Budget Basis	<u>\$ 6,892,615</u>	<u>\$ 6,892,615</u>	338,364	<u>\$ (6,554,251)</u>
RECONCILIATION TO GAAP BASIS:				
Capital Contributions			764,335	
Cash-in-Lieu of water rights			407,250	
Change in Pension Liability			157,140	
Change in OPEB Liability			1,677	
Expenditures moved to Capital			178,762	
Capital Outlay			13,895,207	
Depreciation			(459,166)	
(Loss) on Disposal of Assets			(1,050)	
Change in Net Position - GAAP Basis			<u>15,282,519</u>	
TOTAL NET POSITION - BEGINNING AS RESTATED (NOTE 13)			<u>66,394,066</u>	
TOTAL NET POSITION - ENDING			<u>\$ 81,676,585</u>	

**TOWN OF FIRESTONE
STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL (NON GAAP BUDGETARY BASIS)
Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Charges for services	<u>\$ 534,000</u>	<u>\$ 534,000</u>	<u>\$ 562,356</u>	<u>\$ 28,356</u>
Total Operating Revenues	<u>534,000</u>	<u>534,000</u>	<u>562,356</u>	<u>28,356</u>
OPERATING EXPENSES				
Operations	130,521	130,521	114,972	15,549
Administration	8,200	8,200	8,172	28
Capital Outlay	<u>250,000</u>	<u>250,000</u>	<u>2,669</u>	<u>247,331</u>
Total Operating Expenses	<u>388,721</u>	<u>388,721</u>	<u>125,813</u>	<u>262,908</u>
OPERATING INCOME	<u>145,279</u>	<u>145,279</u>	<u>436,543</u>	<u>291,264</u>
NONOPERATING REVENUES				
Interest earnings	<u>2,000</u>	<u>2,000</u>	<u>14,848</u>	<u>12,848</u>
Total Nonoperating Revenues	<u>2,000</u>	<u>2,000</u>	<u>14,848</u>	<u>12,848</u>
Change in Net Position - Budget Basis	<u>\$ 147,279</u>	<u>\$ 147,279</u>	451,391	<u>\$ 304,112</u>
RECONCILIATION TO GAAP BASIS:				
Developer Contributions			1,356,068	
Change in Pension Liability			29,028	
Change in OPEB Liability			369	
Capital Outlay			2,669	
Depreciation			<u>(109,669)</u>	
Change in Net Position - GAAP Basis			1,729,856	
TOTAL NET POSITION - BEGINNING AS RESTATED (NOTE 13)			<u>5,934,452</u>	
TOTAL NET POSITION - ENDING			<u>\$ 7,664,308</u>	

TOWN OF FIRESTONE, COLORADO
STATISTICAL SECTION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

This part of the Town of Firestone's Comprehensive Annual Financial Report presents detailed information spanning multiple years to provide a historical context for understanding, interpreting and analyzing the information presented in the financial statements, note disclosures, and supplementary information about the Town's overall financial condition.

The Statistical Section is organized as follows -

	<u>Pages</u>
<i>Financial Trends:</i>	
Information on the Town's financial performance and health over time.	90-101
<i>Revenue:</i>	
Information on the Town's ability to generate tax revenue over time.	103-111
<i>Debt Capacity:</i>	
Information on the Town's outstanding debt and that of overlapping governments.	112-117
<i>Demographics:</i>	
Information on demographic and economic measures that affect the Town and its provision of services to its constituents.	118-120
<i>Operating Information:</i>	
Information on the Town's operations, staffing and other data.	121-122

Town of Firestone
Net Position by Component
Last Ten Years

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 32,308,457	\$ 30,754,589	\$ 29,832,385	\$ 28,453,663
Restricted	2,682,197	3,034,596	269,051	319,783
Unrestricted	1,723,914	1,793,769	4,807,819	5,216,289
Total governmental activities position	\$ 36,714,568	\$ 35,582,954	\$ 34,909,255	\$ 33,989,735
Business-type activities				
Net investment in capital assets	\$ 53,326,076	\$ 53,632,012	\$ 53,745,675	\$ 53,954,280
Restricted	-	-	-	-
Unrestricted	2,304,582	2,813,046	3,347,722	3,979,414
Total business-type activities net position	\$ 55,630,658	\$ 56,445,058	\$ 57,093,397	\$ 57,933,694
Primary government				
Net investment in capital assets	\$ 85,634,533	\$ 84,386,601	\$ 83,578,060	\$ 82,407,943
Restricted	2,682,197	3,034,596	269,051	319,783
Unrestricted	4,028,496	4,606,815	8,155,541	9,195,703
Total primary government net position	\$ 92,345,226	\$ 92,028,012	\$ 92,002,652	\$ 91,923,429

Source: Town of Firestone Finance Department

	2013	2014	2015	2016	2017	2018
\$	27,884,672	\$ 25,318,630	\$ 29,781,019	\$ 35,226,064	\$ 34,650,364	\$ 28,109,970
	360,606	2,896,206	555,109	620,745	803,119	13,864,260
	5,368,759	7,080,617	10,668,886	12,805,734	13,822,992	11,968,347
\$	33,614,037	\$ 35,295,453	\$ 41,005,014	\$ 48,652,543	\$ 49,276,475	\$ 53,942,577
\$	54,207,452	\$ 54,887,599	\$ 56,976,448	\$ 61,740,243	\$ 64,408,047	\$ 80,031,398
	-	-	-	-	-	-
	4,747,092	5,700,790	6,330,768	7,468,575	7,945,531	9,309,495
\$	58,954,544	\$ 60,588,389	\$ 63,307,216	\$ 69,208,818	\$ 72,353,578	\$ 89,340,893
\$	82,092,124	\$ 80,206,229	\$ 86,757,467	\$ 96,966,307	\$ 99,058,411	\$ 108,141,368
	360,606	2,896,206	555,109	620,745	803,119	13,864,260
	10,115,851	12,781,407	16,999,654	20,274,309	21,768,523	21,277,842
\$	92,568,581	\$ 95,883,842	\$ 104,312,230	\$ 117,861,361	\$ 121,630,053	\$ 143,283,470

Town of Firestone
Changes in Net Position
Last Ten Years

	2009	2010	2011	2012	2013
Expenses					
Governmental activities:					
General Government	\$ 1,410,953	\$ 1,156,785	\$ 1,106,283	\$ 1,322,245	\$ 1,835,993
Public Safety	2,350,659	2,246,700	2,169,999	2,266,759	2,272,091
Public Works	2,563,019	2,588,250	2,450,275	2,445,606	2,554,525
Health & Welfare	103,002	95,917	95,010	96,785	174,160
Economic Development	15,298	18,905	70,334	65,143	72,636
Parks & Recreation	700,636	699,652	668,285	774,910	837,008
Interest on long-term debt	106,860	82,409	73,349	70,203	58,494
Total governmental activities expenses	7,250,427	6,888,618	6,633,535	7,041,651	7,804,907
Business-type activities:					
Water	1,698,657	1,857,559	2,018,304	2,125,436	2,079,861
Stormwater	13,013	48,000	16,502	29,637	63,537
Total business-type activities expenses	1,711,670	1,905,559	2,034,806	2,155,073	2,143,398
Total primary government activities expenses	\$ 8,962,097	\$ 8,794,177	\$ 8,668,341	\$ 9,196,724	\$ 9,948,305

	2014	2015	2016	2017	2018
\$	2,156,089	\$ 2,207,436	\$ 2,348,047	\$ 5,513,764	\$ 6,569,854
	2,436,446	2,671,801	2,969,834	3,261,233	3,935,427
	2,974,941	3,248,015	3,090,882	4,880,477	4,125,894
	141,181	154,023	141,260	-	-
	176,249	177,493	43,704	-	-
	899,216	1,113,830	1,012,945	900,040	1,038,690
	205,068	156,411	159,656	145,887	553,631
	8,989,190	9,729,009	9,766,328	14,701,401	16,223,496
	2,311,358	2,473,529	2,744,992	4,017,740	3,881,323
	82,369	167,672	227,901	148,496	232,813
	2,393,727	2,641,201	2,972,893	4,166,236	4,114,136
\$	11,382,917	\$ 12,370,210	\$ 12,739,221	\$ 18,867,637	\$ 20,337,632

Town of Firestone
Changes in Net Position (continued)
Last Ten Years

	2009	2010	2011	2012	2013
Program Revenues					
Governmental activities:					
Charges for services					
General Government	\$ 30,887	\$ 43,364	\$ 77,340	\$ 137,715	\$ 437,671
Public safety	209,212	173,518	201,219	200,761	170,871
Public works	1,274,954	1,318,295	1,117,241	897,921	1,055,226
Parks	93,748	98,311	73,943	115,434	-
Operating grants and contributions	1,178,813	89,656	25,400	-	238,962
Capital grants and contributions					
General government	-	-	7,500	-	51,500
Public safety	-	-	-	-	-
Public works	-	-	105,660	-	105,660
Parks	-	-	-	-	-
Total governmental activities program revenues	2,787,613	1,723,144	1,608,303	1,351,831	2,059,890
Business-type activities:					
Charges for services					
Water	1,842,175	2,296,168	2,354,488	2,751,268	2,452,756
Stormwater	76,817	106,144	111,001	113,757	114,700
Operating grants and contributions	545,599	30,461	26,696	26,067	6,064
Capital grants and contributions	300,760	99,000	57,500	61,900	595,603
Total business-type activities program revenues	2,765,351	2,531,773	2,549,685	2,952,992	3,169,123
Total primary government program revenues	\$ 5,552,964	\$ 4,254,917	\$ 4,157,988	\$ 4,304,823	\$ 5,229,013
Net (expense) revenue					
Governmental activities	(4,462,813)	(5,165,474)	(5,025,232)	(5,689,820)	(5,745,017)
Business-type activities	1,053,681	626,214	514,879	797,919	1,025,725
Total primary government net expense	\$ (3,409,132)	\$ (4,539,260)	\$ (4,510,353)	\$ (4,891,901)	\$ (4,719,292)

	2014	2015	2016	2017	2018
\$	629,638	\$ 1,029,753	\$ 1,003,617	\$ 1,944,779	\$ 2,399,646
	187,039	249,393	242,676	215,919	245,411
	1,750,915	3,368,729	2,697,973	1,451,035	1,348,846
	-	-	-	557,611	1,481,911
	397,245	1,276,205	853,006	201,916	508,227
	-	-	-	-	-
	-	-	-	-	-
	462,805	1,479,388	4,785,207	1,181,103	2,198,384
	-	-	-	-	-
	3,427,642	7,403,468	9,582,479	5,552,363	8,182,425
	2,726,634	3,208,033	3,416,947	5,741,998	5,795,460
	118,585	278,433	449,677	503,901	562,356
	29,756	5,300	1,074	22,616	10,342
	1,115,070	2,301,727	3,228,775	400,981	13,936,292
	3,990,045	5,793,493	7,096,473	6,669,496	20,304,450
\$	7,417,687	\$ 13,196,961	\$ 16,678,952	\$ 12,221,859	\$ 28,486,875
	(5,561,548)	(2,325,541)	(183,849)	(9,149,038)	(8,041,071)
	1,596,318	3,152,292	4,123,580	2,503,260	16,190,314
\$	(3,965,230)	\$ 826,751	\$ 3,939,731	\$ (6,645,778)	\$ 8,149,243

Town of Firestone
Changes in Net Position (continued)
Last Ten Years

General Revenues and Other Changes in Net Position

Governmental activities:

	2009	2010	2011	2012
Taxes				
Property taxes - general	\$ 731,651	\$ 813,795	\$ 720,123	\$ 824,637
Property taxes - debt service	70,490	72,265	75,271	74,090
Property taxes - urban renewal	-	-	15,562	20,170
Specific ownership taxes	-	55,890	57,189	71,475
Sales & Use Tax	2,097,477	2,301,440	2,518,329	2,683,817
Hwy users, road & bridge, motor vehicle taxes	-	454,967	467,408	469,955
Other shared taxes	-	-	-	-
Franchise fees (1)	339,903	343,974	338,780	380,273
Interest earnings	42,695	10,635	14,705	15,411
Other miscellaneous	701,848	158,345	267,523	259,343
Transfers	(269,778)	(177,451)	(123,361)	(28,871)
Total governmental activities	3,714,286	4,033,860	4,351,529	4,770,300
Business-type activities				
Investment earnings	15,999	6,302	9,391	9,155
Other miscellaneous	-	4,433	708	4,352
Transfers	269,778	177,451	123,361	28,871
Total business-type activities	285,777	188,186	133,460	42,378
Total primary government	\$ 4,000,063	\$ 4,222,046	\$ 4,484,989	\$ 4,812,678
Changes in Net Position				
Governmental activities	\$ (748,528)	\$ (1,131,614)	\$ (673,703)	\$ (919,520)
Business-type activities	1,339,458	814,400	648,339	840,297
Total primary government	\$ 590,930	\$ (317,214)	\$ (25,364)	\$ (79,223)

Source: Town of Firestone Finance Department

(1) Franchise Fees were previously included under General Revenues. Per GASB-S37, these should be under charge for service when not based on gross receipts. Therefore, they are now included in charge for service under the appropriate function.

	2013	2014	2015	2016	2017	2018
\$	892,840	\$ 918,746	\$ 990,689	\$ 1,158,501	\$ 1,415,101	\$ 1,455,589
	79,607	-	-	-	-	-
	31,910	27,839	679,422	472,096	890,758	1,455,337
	64,770	77,454	66,868	72,990	110,069	112,203
	2,973,413	4,692,078	5,448,691	6,072,395	6,093,407	8,122,999
	485,282	507,865	545,634	551,515	401,994	532,150
	-	-	-	-	493,796	563,148
	396,128	406,612	435,073	481,156	517,269	-
	7,362	29,615	48,372	75,918	116,195	518,530
	394,184	601,620	1,121,028	702,061	309,380	474,089
	43,823	(18,865)	(94,741)	(1,755,254)	(575,000)	(250,000)
	5,369,319	7,242,964	9,241,036	7,831,378	9,772,969	12,984,045
	10,433	13,801	20,061	22,768	61,555	383,847
	13,535	4,861	97,063	-	4,945	188,214
	(28,843)	18,865	94,741	1,755,254	575,000	250,000
	(4,875)	37,527	211,865	1,778,022	641,500	822,061
\$	5,364,444	\$ 7,280,491	\$ 9,452,901	\$ 9,609,400	\$ 10,414,469	\$ 13,806,106
\$	(375,698)	\$ 1,681,416	\$ 6,915,495	\$ 7,647,529	\$ 623,931	\$ 4,942,975
	1,020,850	1,633,845	3,364,157	5,901,602	3,144,760	17,012,375
\$	645,152	\$ 3,315,261	\$ 10,279,652	\$ 13,549,131	\$ 3,768,691	\$ 21,955,350

Town of Firestone
Fund Balances of Governmental Funds
Last Ten Years

	2009	2010	2011 ⁽¹⁾	2012	2013	2014
General Fund						
Reserved	\$ 255,431	\$ 172,156	\$ -	\$ -	\$ -	\$ -
Unreserved	676,957	849,368	-	-	-	-
Nonspendable	-	-	10,365	12,433	27,847	30,524
Restricted	-	-	125,132	174,175	207,290	294,883
Committed	-	-	-	-	-	-
Assigned	-	-	128,100	128,397	62,084	62,084
Unassigned	-	-	1,230,764	1,642,004	2,022,351	2,675,982
Total general fund	<u>\$ 932,388</u>	<u>\$ 1,021,524</u>	<u>\$ 1,494,361</u>	<u>\$ 1,957,009</u>	<u>\$ 2,319,572</u>	<u>\$ 3,063,473</u>
All other governmental funds						
Reserved	\$ 2,426,766	\$ 2,853,815	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						
Special revenue funds	1,003,948	1,027,279	-	-	-	-
Nonspendable	-	-	-	515	-	-
Restricted	-	-	143,919	145,608	153,316	2,601,323
Committed	-	-	2,082,265	2,236,855	1,984,022	3,301,212
Assigned	-	-	1,433,810	1,310,650	1,402,256	1,158,717
Unassigned	-	-	-	-	-	-
Total of all other governmental funds	<u>\$ 3,430,714</u>	<u>\$ 3,881,094</u>	<u>\$ 3,659,994</u>	<u>\$ 3,693,628</u>	<u>\$ 3,539,594</u>	<u>\$ 7,061,252</u>

Source: Town of Firestone Finance Department

(1) The Town adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," for fiscal year 2011. This statement changed the fund balance categories reported for governmental funds beginning with the fiscal year ending December 31, 2011.

	2015	2016	2017	2018
\$	-	\$ -	\$ -	\$ -
	-	-	-	-
	11,265	9,928	63,850	116,814
	419,510	419,510	803,119	939,501
	-	-	7,166,423	6,429,983
	-	-	2,237,467	2,682,429
	4,174,872	6,024,085	5,881,921	4,869,230
\$	4,605,647	\$ 6,453,523	\$ 16,152,780	\$ 15,037,957
\$	-	\$ -	\$ -	\$ -
	-	-	-	-
	-	1,318	-	-
	135,599	201,235	-	12,924,759
	6,438,705	6,586,504	1,074,337	1,057,094
	1,407,111	1,693,642	-	-
	-	-	(38,302)	(27,641)
\$	7,981,415	\$ 8,482,699	\$ 1,036,035	\$ 13,954,212

Town of Firestone
Changes in Fund Balances of Governmental Funds
Last Ten Years

	2009	2010	2011	2012	2013
Revenues					
Taxes and Impact Fees	\$ 4,748,305	\$ 5,030,226	\$ 5,108,891	\$ 5,287,922	\$ 6,066,305
Licenses, fees and charges	480,952	512,121	466,007	449,699	580,715
Intergovernmental	1,191,114	99,199	108,118	86,319	238,962
Fines	199,991	170,647	159,002	164,833	170,871
Grants	-	-	-	-	-
Investment earnings	42,695	10,635	14,705	15,411	7,362
Miscellaneous	101,144	103,989	107,848	146,815	178,991
Total revenues	6,764,201	5,926,817	5,964,571	6,150,999	7,243,206
Expenditures					
General government	1,430,492	1,176,268	1,059,884	1,299,466	1,745,644
Public safety	2,153,198	2,164,212	2,107,193	2,174,095	2,190,954
Public works	801,422	847,105	688,699	687,029	725,448
Health & Welfare	368,531	95,917	95,010	96,785	174,160
Economic Development	36,121	18,905	70,334	65,143	72,636
Parks and Open Space	82,178	366,645	317,802	408,546	467,477
Capital Outlay	3,496,310	291,454	671,586	657,101	1,375,169
Debt service					
Interest	375,959	392,391	78,720	419,743	61,608
Principal	111,070	85,083	500,245	69,827	250,424
Debt Issuance Costs					
Total expenditures	8,855,281	5,437,980	5,589,473	5,877,735	7,063,520
Excess of revenues over (under) expenditures	(2,091,080)	488,837	375,098	273,264	179,686
Other financing sources (uses)					
Proceeds from capital lease	73,788	43,176	-	251,889	-
Proceeds from sale of capital assets	13,174	18,992	-	-	-
Operating transfers in	2,595,513	505,906	969,108	599,577	1,343,895
Operating transfers out	(3,031,253)	(683,357)	(1,092,469)	(628,448)	(1,315,052)
Proceeds from Bond Issuance	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-
Total other financing sources (uses)	(348,778)	(115,283)	(123,361)	223,018	28,843
Net changes in fund balance	\$ (2,439,858)	\$ 373,554	\$ 251,737	\$ 496,282	\$ 208,529
Debt service as a percentage of noncapital expenditures	9.09%	9.28%	11.77%	9.38%	5.49%

Source: Town of Firestone Finance Department

2014	2015	2016	2017	2018
\$ 8,691,142	\$ 11,854,063	\$ 11,638,871	\$ 8,597,266	\$ 11,235,451
777,802	1,183,137	1,164,279	3,752,927	4,474,448
397,246	1,276,205	853,006	1,096,057	1,044,700
187,039	249,393	242,676	212,529	243,821
-	-	-	5,367	369,489
29,615	48,372	75,918	116,195	518,530
143,822	648,687	409,154	1,242,364	1,331,650
10,226,666	15,259,857	14,383,904	15,022,705	19,218,089
2,013,681	2,120,898	2,241,403	4,579,269	6,188,354
2,393,303	2,699,483	2,916,172	3,224,787	3,661,060
1,138,594	1,168,995	931,942	1,639,613	1,500,029
141,181	154,023	141,260	-	-
176,249	177,493	43,704	-	-
532,995	719,125	627,552	435,065	681,902
2,833,046	5,234,670	2,967,231	1,905,964	9,435,637
131,175	163,244	159,471	150,414	535,305
344,939	264,848	250,755	260,000	1,170,976
62,443	-	-	-	175,259
9,767,606	12,702,779	10,279,490	12,195,112	23,348,522
459,060	2,557,078	4,104,414	2,827,593	(4,130,433)
-	-	-	-	-
-	-	-	-	-
3,180,869	4,269,478	2,451,310	10,094,527	5,644,059
(3,199,734)	(4,364,219)	(4,206,564)	(10,669,527)	(5,894,059)
3,795,000	-	-	-	14,830,000
30,364	-	-	-	1,353,786
3,806,499	(94,741)	(1,755,254)	(575,000)	15,933,786
\$ 4,265,559	\$ 2,462,337	\$ 2,349,160	\$ 2,252,593	\$ 11,803,353
6.93%	5.73%	5.56%	3.94%	12.42%

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Town of Firestone
General Governmental Tax Revenues By Source
Last Ten Years

Year	Property Tax	Specific Ownership Tax	Franchise Tax ⁽¹⁾	Sales & Use Tax	Severance Tax	Cigarette Tax	Other	Total
2009	802,141	64,239	339,903	2,097,477	100,311	15,512	297,052	3,716,635
2010	886,060	55,890	343,974	2,301,440	30,009	17,135	407,823	4,042,331
2011	810,956	57,189	338,780	2,518,329	119,510	16,866	331,032	4,192,662
2012	918,897	71,475	380,273	2,683,817	163,361	15,683	290,911	4,524,417
2013	1,004,357	64,770	396,128	2,973,413	157,655	15,382	542,418	5,154,123
2014	946,639	77,454	406,612	4,692,078	325,426	16,192	623,990	7,088,392
2015	1,670,111	66,868	435,073	5,448,691	354,052	17,402	646,521	8,638,718
2016	1,630,597	72,990	481,156	6,072,395	178,086	18,236	648,099	9,101,560
2017	2,305,859	110,069	517,269	6,093,407	80,794	18,187	796,809	9,922,394
2018	2,910,926	112,203	-	8,122,999	137,952	22,894	934,452	12,241,426

Source: Town of Firestone Finance Department

⁽¹⁾ In 2018, the Franchise Fees were documented differently to follow GASB Statement No. 37

Year	Taxable Revenue Sales Tax	% Change	Taxable Revenue Use Tax	% Change
2013	\$ 115,592,482	--	\$ 13,946,250	71.59%
2014	124,703,183	7.88%	22,125,050	58.65%
2015	135,100,169	8.34%	36,912,350	66.84%
2016	148,351,395	9.81%	39,452,175	6.88%
2017	156,684,562	5.62%	33,806,900	-14.31%
2018	196,750,193	25.57%	39,999,704	18.32%

Town of Firestone
Sales Tax Trends
Last Ten Years

	2009	2010	2011	2012	2013	2014
Motor Vehicle Taxes	\$ 321,078	\$ 357,742	\$ 387,137	\$ 465,971	\$ 482,771	\$ 576,613
Hotel/Motels	21,026	21,148	43,089	58,818	75,068	144,952
Restaurants	234,598	224,575	300,907	314,609	337,268	599,105
Retail - Grocery	193,522	218,648	228,005	242,623	269,046	400,796
Retail - Other	422,475	471,706	496,001	485,988	516,102	1,117,043
Bars/Liquor Stores	60,413	48,599	46,043	72,168	70,579	117,811
Other	29,591	50,620	33,044	38,958	42,593	100,965
Services	3,788	35,431	52,892	57,375	35,848	67,023
Banking & Financial	287,696	3,857	3,623	5,162	23,949	70,361
Utilities & Communications	23,131	282,124	317,038	321,785	357,889	529,765
Developer Reimbursement Obligation ⁽¹⁾	245,330	364,449	442,804	459,034	483,325	525,090
TOTAL	\$ 1,842,649	\$ 2,078,898	\$ 2,350,581	\$ 2,522,492	\$ 2,694,438	\$ 4,249,525

⁽¹⁾Pledged revenues from sales tax for PIRA and RIFA agreements (See Note 17)

2015	2016	2017	2018
\$ 751,155	\$ 926,406	\$ 776,835	\$ 1,103,314
141,172	110,806	133,528	175,898
638,306	674,929	774,683	989,526
433,788	468,049	470,009	588,765
1,241,644	1,339,173	1,526,329	2,252,453
126,508	132,458	133,684	170,261
99,141	121,590	120,886	138,859
72,966	81,868	123,542	193,857
72,858	86,020	102,249	108,368
568,173	736,228	558,466	721,318
564,623	605,824	673,326	769,331
\$ 4,710,334	\$ 5,283,351	\$ 5,393,537	\$ 7,211,949

Town of Firestone
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Year⁽¹⁾	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land
2009	51,011,620	34,465,300	3,161,300	240,660	32,362,330	9,686,070
2010	52,952,710	33,976,600	3,048,150	298,360	16,447,950	8,879,080
2011	55,888,650	32,207,030	2,881,190	363,320	32,865,700	6,997,120
2012	57,283,090	34,718,800	3,627,570	466,950	39,194,150	6,309,850
2013	56,630,930	36,827,340	3,838,980	526,100	31,052,063	5,345,770
2014	58,161,240	37,162,960	3,862,400	589,250	40,321,950	5,013,430
2015	74,765,710	37,099,070	4,784,810	728,010	44,078,640	5,977,080
2016	81,440,220	38,234,500	5,168,420	956,120	74,448,970	4,770,570
2017	94,651,970	42,820,800	5,055,340	1,044,270	61,193,030	6,393,710
2018	99,929,150	44,280,990	4,467,370	1,024,170	71,906,320	4,833,110

% of Assessed Valuation	43.2%	19.1%	1.9%	0.4%	31.1%	2.1%
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Source: Weld County Assessor's Office

(1) Taxes are levied on November 1 of the prior year based on the prior year's assessed valuation on January 1.

(2) Includes tax-exempt property

	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Percent Change	Total Direct Tax Rate	Grand Total Actual Taxable Value	Assessed Value as a Percentage of Actual Value ⁽²⁾
Other						
1,715,250	2,402,890	132,642,530	12.2%	6.805	857,705,156	15.74%
1,257,870	4,646,970	116,860,720	-11.9%	6.805	865,276,097	14.04%
1,103,910	4,578,130	132,306,920	13.2%	6.805	908,144,710	15.07%
1,206,760	11,135,130	142,807,170	7.9%	6.805	967,639,313	15.91%
1,414,580	10,905,230	135,635,763	-5.0%	6.805	953,953,862	15.36%
2,177,530	12,263,170	147,288,760	8.6%	6.805	1,001,239,462	15.94%
3,408,770	13,207,650	170,842,090	16.0%	6.805	1,219,182,510	15.10%
3,263,880	13,207,650	208,282,680	21.9%	6.805	1,346,732,610	16.45%
4,285,850	14,607,160	215,444,970	3.4%	6.805	1,653,001,095	13.92%
4,800,750	15,817,050	231,241,860	7.3%	6.805	1,743,703,006	14.17%
	2.1%	100%				

Town of Firestone
Property Tax Levy from Direct and Overlapping Governments
Last Ten Years

Year	Town of Firestone	Weld County	RE1J School District	Frederick Firestone Fire Protection District	Mountain View Fire Protection District	N. Colo. Water Conservation District	The Greens Metro District	The Springs Metro District
Rates (In mills)								
2009	6.805	16.804	46.268	12.401	11.747	1.000	-	42.000
2010	6.805	16.804	46.268	12.401	11.747	1.000	-	42.000
2011	6.805	16.804	47.614	12.264	11.747	1.000	-	42.000
2012	6.805	16.804	53.500	12.197	11.747	1.000	45.000	42.000
2013	6.805	16.804	53.679	12.277	11.747	1.000	50.000	42.000
2014	6.805	15.800	53.673	12.250	11.747	1.000	50.000	42.000
2015	6.805	15.800	53.887	12.121	11.747	1.000	50.000	42.000
2016	6.805	15.800	56.945	12.058	11.747	1.000	50.000	42.000
2017	6.805	15.800	56.394	12.058	11.747	1.000	55.456	42.000
2018	6.805	15.800	56.394	12.058	11.747	1.000	55.456	42.000

Source: Weld County Assessor's Office

⁽¹⁾ Formerly known as the Weld County Library District..

Cottonwood Hollow Res Metro Dist	Cottonwood Hollow Com Metro Dist	Stoneridge Metro District	Neighbor's Point Metro Dist	St. Vrain Sanitation District	Carbon Valley Recreation District	High Plains Library District ⁽¹⁾
40.000	40.000	50.000	45.000	0.737	6.657	3.255
40.000	40.000	50.000	45.000	0.737	6.657	3.255
50.000	50.000	50.000	45.000	0.720	6.657	3.271
50.000	50.000	50.000	45.000	0.682	6.657	3.261
50.000	50.000	50.000	45.000	0.680	6.657	3.264
50.000	46.000	50.000	45.000	0.685	6.710	3.267
50.000	46.000	50.000	50.000	0.585	6.794	3.308
50.000	46.000	50.000	45.000	0.519	7.055	3.271
61.911	46.000	50.000	45.000	0.517	5.955	3.256
61.911	46.000	50.000	45.000	0.517	5.955	3.256

Town of Firestone
Principal Taxpayers
Current Year and Ten Years Ago

Taxpayer	2018			2009		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Crestone Peak Resources, LP	40,729,270	1	2.34%			
Extraction Oil & Gas LLC	15,155,150	2	0.87%			
Kerr-McGee Oil & Gas Onshore LP	11,427,560	3	0.66%	6,312,800	3	0.74%
American Furniture Warehouse	8,021,340	4	0.46%	18,637,120	1	2.17%
Kerr McGee Gathering LLC	2,607,590	5	0.15%			
SRC Energy Inc	2,226,010	6	0.13%			
Home Depot	2,115,320	7	0.12%	1,160,000	10	0.14%
Dillon Companies Inc	1,887,230	8	0.11%	1,783,920	7	0.21%
Advance Forming Technology Inc	1,858,500	9	0.11%	1,471,500	8	0.17%
Crestone Peak Resource Holdings LLC	1,836,410	10	0.11%			
Synergy Resources Corp				8,386,060	2	0.98%
Noble Energy				5,389,210	4	0.63%
Top Operating Company				2,114,480	5	0.25%
Advance Forming Technology LLC				1,924,860	6	0.22%
Safeway Stores 45 Inc				1,160,000	9	0.14%
	<u>\$ 87,864,380</u>		<u>5.04%</u>	<u>\$ 48,339,950</u>		<u>5.64%</u>

Source: Weld County Assessor's Office

**Town of Firestone
Property Tax Levies and Collections
Last Ten Years**

Levy Year	Collection Year	Total Tax Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected
2008	2009	804,405	801,808	99.68
2009	2010	902,633	885,585	98.11
2010	2011	794,109	794,415	100.04 ⁽²⁾
2011	2012	898,148	897,551	99.93
2012	2013	968,422	964,774	99.62
2013	2014	920,014	914,425	99.00
2014	2015	932,961	990,714	106.00 ⁽²⁾
2015	2016	1,113,383	1,158,493	104.00 ⁽²⁾
2016	2017	1,375,530	1,404,373	102.00 ⁽²⁾
2017	2018	1,400,949	1,455,590	104.00 ⁽²⁾

Source: Weld County Assessor's Office

(1) Taxes are levied on November 1 of the prior year based on the prior year's assessed valuation at January 1.

(2) Amounts showing greater than 100% collected include previous year abatements that were overruled.

Town of Firestone
Ratios of Outstanding Debt by Type
Last Ten Years

Fiscal Year	Governmental Activities					Business - Type Activities			Total Primary Government	Weld County	
	General Obligation Bond	Sales Tax Revenue Bonds	Certificates of Participation	Capital Leases	Developer Reimb Obligation	Water Loans	Capital Leases	Developer Reimb Obligation		Percent Personal Income	Per Capita
2009	260,000	-	1,775,000	221,009	556,324	-	23,891	462,444	3,298,668	46.67%	\$ 362
2010	200,000	-	1,700,000	147,022	417,050	-	27,892	297,266	2,789,230	40.27%	\$ 275
2011	135,000	-	1,620,000	47,476	158,521	-	16,052	112,991	2,090,040	30.18%	\$ 188
2012	70,000	-	1,535,000	190,966	-	-	34,740	-	1,830,706	23.61%	\$ 180
2013	-	-	1,445,000	100,542	-	-	15,782	-	1,561,324	18.70%	\$ 148
2014	-	3,650,364	1,355,000	20,603	-	-	-	-	5,025,967	55.79%	\$ 450
2015	-	3,496,419	1,260,000	755	-	-	-	-	4,757,174	44.31%	\$ 413
2016	-	3,344,113	1,160,000	-	-	-	-	-	4,504,113	36.91%	\$ 349
2017	-	3,186,868	1,055,000	-	-	1,580,000	-	-	5,821,868	46.23%	\$ 441
2018	-	3,029,687	16,464,635	1,192,568	-	1,580,000	-	-	22,266,890	165.93%	\$ 1,611

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Details regarding the Town's outstanding debt can be found in Note 6 to the financial statements.

Town of Firestone
Ratio of General Bonded Debt Outstanding
Last Ten Years

Year	Population ⁽¹⁾	Actual Taxable Value ⁽²⁾	General Bonded Debt	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2009	9,100	857,705,156	260,000	3.03%	29
2010	10,147	865,276,097	200,000	2.31%	20
2011	11,096	908,144,710	135,000	1.49%	12
2012	10,147	967,639,313	70,000	0.72%	7
2013	10,555	953,953,862	-	0.00%	-
2014	11,175	1,001,239,462	-	0.00%	-
2015	11,524	1,219,182,510	-	0.00%	-
2016	12,917	1,346,732,610	-	0.00%	-
2017	13,187	1,653,001,095	-	0.00%	-
2018	13,826	1,743,703,006	-	0.00%	-

Source: ⁽¹⁾ Dept. of Local Affairs
⁽²⁾ Weld County Assessor's Office

Town of Firestone
 Direct and Overlapping General Bonded Debt
 December 31, 2018

	Outstanding General Obligation Bonded Debt ⁽¹⁾	Percentage Applicable to the Town	Share of Debt Applicable to the Town
Direct Debt:			
Town of Firestone	\$ -	100%	\$ -
Total Direct Debt	<u>-</u>		<u>-</u>
Overlapping General Obligation Debt:			
Frederick-Firestone Fire Protection District	\$ 1,175,000	39%	\$ 460,116
Carbon Valley Recreation District	2,975,000	32%	954,996
St Vrain Valley School District	595,924,782	7%	42,106,684
Total Overlapping General Bonded Debt	<u>600,074,782</u>		<u>43,521,795</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 600,074,782</u>		<u>\$ 43,521,795</u>

⁽¹⁾ Provided by each governmental entity

Town of Firestone
Pledged Revenue - Developer Reimbursement Obligations
Last Ten Years

Fiscal Year	Sales Tax Collected		Assets Dedicated		Debt Service Payments	
	PIRA 1.25%	RIFA 0.25%	General Fund	Enterprise Fund	General Fund	Enterprise Fund
2009	228,931	16,399	-	83,155	68,921	176,409
2010	303,707	60,742	-	59,997	139,274	225,175
2011	369,003	73,801	-	-	258,530	184,275
2012	382,529	76,506	-	-	158,521	112,991
2013	402,771	80,554	-	-	483,325	-
2014	437,575	87,515	-	-	525,090	-
2015	470,519	94,104	1,479,388	1,396,328	564,623	-
2016	504,853	100,971	4,801,570	3,103,643	410,226	-
2017	600,156	73,171	1,181,103	400,981	410,414	-
2018	680,027	89,304	1,478,016	2,120,403	1,227,308	-

Town of Firestone
 Legal Debt Margin Information
 Last Ten Years

	2009	2010	2011	2012	2013
Debt limit - 3% of Actual Valuation	\$ 25,731,155	\$ 25,958,283	\$ 27,244,341	\$ 29,029,179	\$ 28,618,616
Total net debt applicable to limit	260,000	200,000	135,000	70,000	-
Legal debt margin	\$ 25,471,155	\$ 25,758,283	\$ 27,109,341	\$ 28,959,179	\$ 28,618,616
Total net debt applicable to the limit as a percentage of debt limit	1.01%	0.77%	0.50%	0.24%	0.00%

Source: Town of Firestone Finance Department

2014	2015	2016	2017	2018
\$ 30,037,184	\$ 36,575,475	\$ 40,401,978	\$ 49,590,033	\$ 52,311,090
-	-	-	-	-
\$ 30,037,184	\$ 36,575,475	\$ 40,401,978	\$ 49,590,033	\$ 52,311,090

0.00%

0.00%

0.00%

0.00%

0.00%

Town of Firestone
 Demographic and Economic Statistics
 Last Ten Years

Year	Town of Firestone Population	Weld County				
		Personal Income (amounts expressed in thousands)	Per Capita Income	Median Age	School Enrollment	Unemploy- ment Rate
2009	9,100	7,067,989	25,516	31.1	25,270	8.6
2010	10,147	6,926,000	27,186	31.1	26,724	10.0
2011	11,096	6,925,906	27,186	32.0	28,109	7.8
2012	10,147	7,755,562	29,986	33.6	28,109	9.3
2013	10,555	8,347,637	29,986	33.7	29,382	8.7
2014	11,175	9,008,919	31,657	33.7	30,017	5.9
2015	11,524	10,735,917	38,664	33.7	31,776	3.7
2016	12,917	12,201,617	34,335	34.0	31,776	4.5
2017	13,187	12,593,779	42,787	33.7	32,171	2.5
2018	13,826	13,419,495 ⁽¹⁾	36,159	33.7	32,421	2.7

Sources: U.S. Census Bureau
 Upstate Colorado
 Bureau of Economic Analysis
 Department of Local Affairs
 Colorado State of Labor
 St. Vrain Valley School District

All information except population is Weld County demographics as it is not available for the Town of Firestone.

(1) This is an estimate based on Weld County Population not Town of Firestone population.

Town of Firestone
Principal Employers
Current Year and Ten Years Ago

Employer	2018				2009			
	Employees	Rank	Type of Business	% Total Town Employment	Employees	Rank	Type of Business	% Total Town Employment
American Furniture Warehouse	300	1	Retail	4.68%	235	1	Retail	9.40%
Home Depot	150	2	Home Improv.	2.34%	120	2	Home Improv.	4.80%
King Soopers Store - Firestone	101	3	Grocery	1.58%	110	3	Grocery	4.40%
Town of Firestone	90	4	Government	1.40%	48	8	Government	1.92%
Safeway Store - Firestone	88	5	Grocery	1.37%	90	4	Grocery	3.60%
Coal Ridge Middle School	80	6	Education	1.25%	71	5	Education	2.84%
Crestone Peak Resources	60	7	Oil & Gas	0.94%	*		Oil & Gas	0.00%
Prairie Ridge Elementary	58	8	Education	0.90%	62	6	Education	2.48%
McDonald's	45	9	Fast Food	0.70%	*		Fast Food	0.00%
Saddleback Square	40	10	Fast Food	0.62%	*		Fast Food	0.00%
Advance Forming Technology	*		Manufacturing		120	2	Manufacturing	4.80%
Centennial Elementary	*		Education		53	7	Education	2.12%
Imagine Charter School	*		Education		40	9	Education	1.60%
Wendy's	*		Restaurant		32	10	Restaurant	1.28%
Total	1,012			15.79%	981			39.24%
(estimated)	6,410				2,500			

Source: Firestone Finance Department & Planning Department
The 2018 estimated number of employees was found on datausa.io
* Information is not available.

Town of Firestone
Property Value and Construction
Last Ten Years

Year	Actual Property Value ⁽¹⁾			Commercial Construction ⁽²⁾		Residential Construction ⁽²⁾	
	Commercial	Residential	Total	# Units	Value	# Units	Value
2009	118,845,898	640,800,521	759,646,419	5	748,532	123	22,303,024
2010	117,160,690	665,235,050	782,395,740	2	1,088,501	87	19,037,912
2011	111,058,853	702,135,833	813,194,686	6	305,850	134	12,069,990
2012	119,719,877	719,652,488	839,372,365	2	869,400	71	12,922,858
2013	126,990,855	711,483,814	838,474,669	7	4,625,128	78	20,178,465
2014	128,148,022	730,710,535	858,858,557	5	2,289,245	132	37,324,080
2015	127,927,625	939,194,775	1,067,122,400	16	5,428,715	221	56,330,300
2016	131,842,824	1,023,041,946	1,154,884,770	37	15,823,875	191	56,478,538
2017	147,657,928	1,314,690,408	1,462,348,336	46	14,087,021	167	45,594,678
2018	152,692,770	1,387,985,939	1,540,678,709	57	40,232,129	133	36,020,629

Source:

⁽¹⁾Weld County Assessor's Office

⁽²⁾Town of Firestone Building Department (Safebuilt)

Town of Firestone
Full-Time Equivalent Town Government Employees by Function
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
General Government	9.0	8.0	9.0	12.0	12.0	15.0	8.3	9.8	11.0	19.0
Public Safety										
Police	23.0	23.0	20.0	18.0	19.0	22.0	23.0	26.0	24.5	33.0
CSO	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Public Works	-	-	-	-	-	-	-	-	6.5	8.1
Parks and Recreation	-	-	-	-	-	-	-	-	4.0	10.0
Community Development	13.0	14.0	11.0	12.0	13.0	13.0	19.4	21.7	-	-
Water	1.0	1.0	1.0	1.0	2.0	2.0	2.5	2.6	5.7	5.8
StormWater	-	-	-	-	-	-	-	-	1.1	2.1
Total	48.0	48.0	43.0	45.0	48.0	54.0	55.2	62.1	55.8	81.0

Source: Town of Firestone Finance Department

Town of Firestone
Miscellaneous Statistics
Last Ten Years

Date of Incorporation 1908
 Form of Government Trustees & Town Manager

	2009	2010	2011	2012	2013	2014
Number of Employees						
Non-Exempt (Hourly)	40	40	35	37	38	44
Exempt (Salary)	8	8	8	8	10	10
Planning area in square miles	20	26	47	47	56	56
Town of Firestone's facilities and services						
Miles of streets	74	74	74	74	74	74
Parks:						
Number of parks	18	18	18	18	18	18
Number of miles maintained	998	998	998	998	998	998
Number of trail & sidewalk miles maintained	5	5	5	5	5	18
Police Protection:						
Number of stations	1	1	1	1	1	1
Number of police personnel and officers	25	23	22	23	23	23
Number of patrol units	15	15	16	16	16	17
Water System:						
Linear Feet of water lines maintained	124,768	124,768	308,051	307,824	288,482	288,482
Number of customer accounts	3,125	3,219	3,293	3,344	3,435	3,533
Services not included in the reporting entity:						
Frederick Firestone Fire Protection District						
Electrical services by Xcel Energy or United Power						
Gas services by Source Gas						
Sewer services by St. Vrain Sanitation District						
School Districts						
Weld County School District RE-1						
St Vrain Valley School District						

Source: Town Various Departments

2015	2016	2017	2018
45	52	51	65
13	10	9	16
56	56	56	56
74	74	74	74
18	18	18	18
998	998	998	998
18	18	18	18
1	1	1	1
25	28	28	36
14	21	23	23
288,482	288,482	288,482	288,482
3,763	3,910	4,200	5,358

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Firestone
	YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of Town of Firestone	Prepared By: Jessica Clanton Phone:303.531.6279

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)	3,284,514
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,220,667
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	110,718
2. General fund appropriations		b. Snow and ice removal	31,176
3. Other local imposts (from page 2)	2,906,812	c. Other	336,349
4. Miscellaneous local receipts (from page 2)	184,318	d. Total (a. through c.)	478,243
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,983,424
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)	3,091,131	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	589,796	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	106,718
E. Total receipts (A.7 + B + C + D)	3,680,927	b. Redemption	155,000
		c. Total (a. + b.)	261,718
		3. Total (1.c + 2.c)	261,718
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	5,245,142

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	3,165,000		155,000	3,010,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,016,389	3,680,927	5,245,142	(547,826)	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	9,336
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,707,003	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	894,890	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	174,983
5. Specific Ownership &/or Other	304,919	g. Other Misc. Receipts	
6. Total (1. through 5.)	2,906,812	h. Other	
c. Total (a. + b.)	2,906,812	i. Total (a. through h.)	184,318
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	532,150	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	52,874	d. Federal Transit Admin	
d. Other (Specify) - Fuel tax reimb	4,772	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	57,645	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	589,796	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	0
(4). System Enhancement & Operation		3,284,514	3,284,514
(5). Total Construction (1) + (2) + (3) + (4)	0	3,284,514	3,284,514
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,284,514	3,284,514
			(Carry forward to page 1)
Notes and Comments:			