

TOWN OF ESTES PARK, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2016

Prepared by the Finance Department:

Duane Hudson – Finance Director
Debbie McDougall – Assistant Finance Director

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**TOWN OF ESTES PARK
LIST OF PRINCIPAL OFFICIALS**

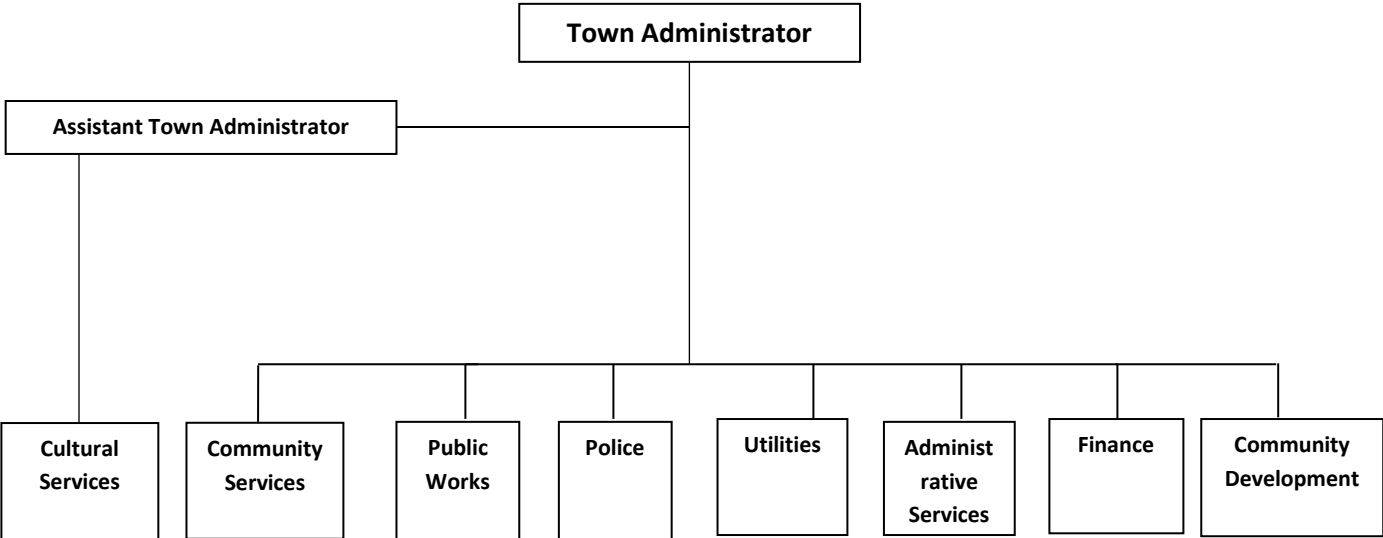
TOWN GOVERNMENT

The Town of Estes Park is governed by a Mayor and a six-member Board of Trustees. The Mayor and Trustees are elected for four year terms. The Trustees and the Mayor each have one vote in town board meetings. Listed below are the Town officials and principal staff members as of the report date.

Mayor	Elected 2016	Todd Jirsa
Mayor Pro Tem	Elected as Trustee 2010, re-elected 2014	Wendy Koenig
Trustees	Elected 2012, Re-elected 2016	Ron Norris
	Elected 2014	Ward Nelson
	Elected 2014	Bob Holcomb
	Elected 2016	Cody Walker
	Elected 2016	Patrick Martchink
Staff	Town Administrator	Frank Lancaster
	Assistant Town Administrator	Travis Machalek
	Town Clerk, Dir. of Admin Services	Jackie Williamson
	Finance Director	Duane Hudson
	Chief of Police	Wes Kufeld
	Director of Community Development	Randy Hunt
	Director of Community Services	Rob Hinkle
	Director of Public Works	Greg Muhonen
	Director of Utilities	Reuben Bergsten
	Public Information Officer	Kate Rusch
	Town Attorney	Greg White
	Municipal Judge	Gary R. Brown

Town of Estes Park

Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Estes Park
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



TOWN OF ESTES PARK

July 8, 2017

To: The Honorable Mayor, Board of Trustees, and Citizens of the Town of Estes Park, Colorado:

Formal transmittal

The Comprehensive Annual Financial Report (CAFR) of the Town of Estes Park, Colorado (the Town) for the year ended December 31, 2016, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included. The information provided in this section is introductory in nature. Specific financial details are reviewed in the Management's Discussion and Analysis section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Clifton Larson Allen has issued an unmodified ("clean") opinion on the Town of Estes Park's financial statements for the year ended December 31, 2016. The independent auditor's report is located at the front of the financial section of this report.

Profile of the Government

The Town of Estes Park, incorporated in 1917, is a destination resort community nestled in the Rocky Mountain foothills 65 miles northwest of Denver, Colorado. The Town is at the entrance to Rocky Mountain National Park and is visited by over four million people each year. Rocky Mountain National Park has been the number one tourist attraction in northern Colorado for as long as records have been compiled. The Town of Estes Park currently occupies a land area of nearly seven square miles and serves an official

Administration

Town Administrator
Public Information

Administrative Services

Town Clerk
Human Resources

Community Development

Building Safety
Code Enforcement
Planning/Zoning

Community Services

Fairgrounds & Events
Visitor Services

Cultural Services

Museum
Senior Center

Finance

Box 1747
Utility Billing

Police

P.O. Box 1287

Public Works

Engineering
Facilities
Fleet
Parks
Streets

Utilities

IT
Light and Power
Water



population of 6,362 (2016 estimate). The Town is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Town Board. There were no significant annexations in 2016.

Estes Park is a statutory town. Policy-making and legislative authority are vested in the governing board consisting of the Mayor and six Trustees. The governing board is responsible, among other duties, for passing ordinances, adopting the budget, appointing committees, and hiring the Town Administrator. The Town Administrator is responsible for carrying out the policies and ordinances of the governing body, and for overseeing the day-to-day operations of the government. The Board is elected on an at-large basis. Board members serve four-year staggered terms, with three trustees elected every two years. The Mayor is elected to serve a four-year term. Elected officials are limited to two consecutive elected terms of office.

The CAFR includes all Town funds. The Town provides a broad range of services, including police protection, electric and water utility services, construction and maintenance of streets and infrastructure, municipal parks, museum, senior center, visitors' center, community planning, building inspections, business and liquor licensing, and an extensive cultural events calendar. In addition to general government activities, the Town has significant operational and/or financial relationships with the Estes Park Building Authority (EPBA), the Estes Valley Fire Protection District (EVFPD), the Estes Valley Recreation and Park District (EVRPD), and the Estes Park Local Marketing District (Visit Estes Park - VEP).

The EVFPD began operating as an independent taxing district in 2010, ending its long-standing status as a department of the Town. The Town continues to contribute to the EVFPD, with the amount (currently 7% of General Fund sales tax collected) being appropriated annually. The Town is also financially accountable for the Estes Park Building Authority, which provided financing for golf course improvements in 1990. The Building Authority completed its most recent agreement with the Recreation District in 2009, did not operate in 2010-16, and currently does not have plans or agreements in place for 2017. The EVRPD is a separately elected special purpose district formed in 1955 and was created for the purpose of supplying recreational facilities within its boundaries. The Local Marketing District (aka Visit Estes Park) began operating as an independent taxing district in 2009. The LMD collects a 2% lodging tax that is in turn used to promote and advertise Estes Park as a vacation destination, a task previously borne by the Town. Visit Estes Park is listed in the CAFR as a component unit. Additional information on these entities can be found in Note 1 in the Notes to the Financial Statements.

The annual budget serves as the foundation for the Town’s financial planning and controls. All departments of the Town are required to submit annual requests for appropriation to the Town’s Finance Director by the third week of August. The Finance Director uses these requests as the starting point for developing a proposed budget. The Finance Department then presents the proposed budget to the Town Administrator for review and amendment. Next, the proposed budget is presented to the Town Board for deliberation in October. The board is required to hold public hearings on the proposed budget and to formally adopt the budget before December 15th. This date also serves as the deadline to certify the property tax mill levy to the Larimer County Commissioners. The appropriated budget is prepared by fund and department (e.g., General Fund and Public Works department). Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, Community Reinvestment Fund, and the Street Improvement Fund, this comparison is presented as part of the required supplemental information of the basic financial statements for the governmental funds. For the other governmental funds with appropriated annual budgets, the budget-to-actual comparison is presented in the Other Supplementary Information section of this report.

The Town maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Board. Budgetary controls (the level at which expenditures cannot legally exceed the appropriated amount) are established at the fund level. The Town also maintains an encumbrance accounting system as a budgetary control to prevent expenditures from exceeding legal appropriations. Encumbered amounts lapse at fiscal year-end, and qualifying encumbrances are formally re-appropriated in the following year as necessary.

Assessment of Town’s economic condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

Local economy

Estes Park was one of many Colorado communities affected by dramatic flooding in September 2013. Of the four major roads into Estes Park, three were heavily damaged, and the fourth, Trail Ridge Road (through Rocky Mountain National Park) was closed for the year shortly thereafter due to snowfall. Only one road was open for the next two months. Estes Park’s main source of income, sales tax, was heavily impacted during the period: September 2013 sales tax was down 34% from September 2012, while October was down 18%. Fortunately, the rest of the year saw record levels of sales tax collection, and the year as a whole was down only 0.36%. Tourism continued to increase in 2016 with Rocky Mountain National Park posting a record year for park attendance, increasing 9% over 2015’s record year. Sales tax collections continued their record pace in 2016, with the General Fund setting a new record of \$10,424,827 collected (a 6% increase from 2015).



TOWN OF ESTES PARK

In April 2014, citizens approved a Ballot issue (1A) that implemented a 1% sales tax increase, sun-setting in 2024. The 10-year increase will dedicate an estimated \$2,000,000 annually to Street Improvements/Repairs (60% of the 1%), expansion of public trails (12.5%), construction of a community recreation center including facilities for the Senior Center (25%), and for acquisitions associated with emergency response capabilities of the Town (2.5%). For 2016, \$2,603,065 in sales tax was collected in these new funds.

As citizens and businesses begin to complete their rebuilding after the 2013 Flood, building permits and accompanying valuations decreased in 2016. The Community Development Department notes that a significant amount of the 2016 permits are new growth/building, a healthy economic sign.

Year	Building Permits	Total Valuation
2011	499	\$11,904,280
2012	485	\$14,162,316
2013	496	\$13,684,899
2014	616	\$15,022,039
2015	716	\$26,934,424
2016	660	\$22,212,602

The 2013 Flood had and continues to have a tremendous impact on the community. Both the downtown tourist section and residential areas of town suffered damage. Residential areas, particularly those close to drainages, were most heavily affected. For the next several years, the Town and neighboring districts will continue to dedicate significant funds towards long-term repair. This has significantly affected fund reserves and budgeting strategies, as the Town spent over \$1,000,000 in flood-related costs in 2013, \$1,300,000 in 2014, \$3,400,000 in 2015, and over \$3,600,000 in 2016. The Town employs three grant-funded employees dedicated to assisting with flood-related projects and associated accounting. The Town continues to carefully monitor its fund balances and cash flow because agency reimbursements for flood repairs are unpredictable in both amount and timeliness.

Economic statistics are also trending higher. The national unemployment rate decreased from 5.0% in 2015 to 4.7% in 2016, while Colorado's unemployment rate, one of the 10 lowest in the US, decreased from 3.4% to 3.0% (source: [U.S. Bureau of Labor Statistics](#)) through December 2016. Family Median Income in Estes Park (source: [U.S. Census Bureau Quick Facts](#)) was \$54,530 in 2016. Meanwhile, the Fort Collins/Loveland Colorado CPI (consumer price index) dropped from 3.5% in 2015 to 2.8% in 2016.

Long-term financial planning

The Town continues to put much of its financial and personnel focus on flood repair projects in the Fall River, Fish Creek, Glen Haven and other flood-affected areas. Many of these projects were grant funded. Despite the focus on flood repair, the Town still managed to place over \$11.3 million in assets into service in what was a very productive year for infrastructure and improvement projects. Some of the more significant projects for 2016 are highlighted in the Management Discussion and Analysis section of this Comprehensive Annual Financial Report.

The Town is currently involved in exploring means to bring high speed broadband services to the Estes Valley. The Town currently has a grant to help finance the ongoing installation of a fiber network backbone and is currently evaluating proposals to complete the buildout to end user customers.

The Town is also investing in a smart meter project that will provide detailed information on the status of the electric distribution system. During a recent May 2017 snowstorm, the information proved to be very valuable in managing the response to power outages throughout the service territory. This effort is financed through user charges in the Light and Power Fund.

Relevant financial policies

The Town relies heavily on its set of comprehensive financial policies. During 2016, the Town updated several significant financial policies (fund balance, purchasing authority, local preference, and grants management) as part of an ongoing effort to stay current with changes to the local, State and Federal financial landscapes.

Major initiatives

The Town continually strives to provide superior services to its citizens and visitors in a cost-effective manner. The Town aggressively attempts to partner with Federal and State agencies through grants, thus leveraging available funds. This is evidenced by the parking structure and master plan grants. In 2016, the Town continued to partner with several Federal and State agencies to address flood-affected areas throughout the Town, most notably in the Fall River and Fish Creek areas.

Award and acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. In order to be awarded a Certificate of Achievement, the Town must publish an easily readable and efficiently organized CAFR. This report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.



TOWN OF ESTES PARK

A Certificate of Achievement is valid for a period of one year only. The Town believes that its current CAFR 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.

The successful preparation of this report could not have been accomplished without the dedication and efforts of the entire staff of the Finance Department: Sharla Beesley, Sammi Coleson, Deb Holgorsen, Molly Gonzalez, Deb McDougall, Kim McEachern, and Julie Skelton. Valuable input was also received from Public Works, Community Development, the L&P/Water utilities, Human Resources and the Public Information Officer. Special thanks are extended to the accounting firm of Clifton Larson Allen for their professionalism in the performance of the independent audit for the Town. We also wish to extend appreciation to the Mayor and the Trustees for their efforts and support in setting and administering policies for the prudent financial management of the Town of Estes Park.

Sincerely,

Duane Hudson, CPA
Finance Director



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Town of Estes Park
Estes Park, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Estes Park, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the entity'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Estes Park as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the year ended December 31, 2016, the Town corrected errors relating to prior periods. As a result, the Town reported a restatement which resulted in a prior period adjustment related to grant receivables reported in the Water Fund and Business-Type Activities. See Note 14 for additional information. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Estes Park's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, Local Highway Finance Report and schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules, Local Highway Finance Report and the schedule of expenditures of federal awards 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.

Board of Trustees
Town of Estes Park

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2017, on our consideration of the Town of Estes Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Estes Park's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
July 14, 2017

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

This section of the Town of Estes Park's (Town) financial statements provides a narrative overview and analysis of its financial activities for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the Town's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of 2016 by \$102,930,647 (\$58,374,856 in governmental activities net position and \$44,555,791 in business-type activities net position). Of the governmental activities net position total, \$4,165,544, or 7%, is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. Similarly, \$13,170,882, or 30%, of business-type activities net positions is unrestricted.

It is important to note that "Unrestricted Net Position" is an accounting term referring to lack of formal commitments (loans, etc.) of assets. It does not reflect the amount of assets that are informally committed to targeted fund balances, unobligated monies for future projects, etc. For example, the Town targets a fund balance (reserve) in the General Fund of 20% of expenditures. This is not considered a "restricted" fund balance, but the Town has earmarked the amount as a reserve for budgetary purposes.

- Total net position of the Town increased by \$1,780,022, or 2%, from 2015 to 2016, less than the \$8,384,577 increase from 2014 to 2015. Net position of the governmental activities increased \$995,030 compared to the \$6,596,178 increase in 2015. Net position of the Town's business-type activities increased \$784,992 compared to the \$1,788,399 increase in 2015. These changes are explored in further detail in the Government-wide Financial Analysis section of this Management Discussion and Analysis.
- Total revenues, excluding transfers, decreased \$2,257,300, or 5%, to \$40,287,652 million compared to 2015. Governmental activities revenues decreased \$2,051,350, or 9%, to \$20,560,731, while revenues of business-type activities decreased \$205,950, or 1%, to \$19,726,921 compared to 2015.
- The total expenses of all the town's programs, excluding transfers, increased \$4,347,255, or 13%, to \$38,507,630 compared to 2015. The expenses of governmental activities programs increased \$2,730,716, or 16%, to \$20,301,760, while the expenses of business-type activities increased \$1,616,539, or 10%, from 2015 to \$18,205,870.
- As of December 31, 2016, the town's governmental funds reported a combined ending fund balance of \$10,602,295. Approximately 39%, or \$4,175,345, is unrestricted, unassigned fund balance and, therefore, available for spending at the town's discretion within the purposes specified for the town's funds.

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Overview of the Financial Statements

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader of the Town's basic financial statements 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 two 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 net position of the Town changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused accrued vacation leave).

Both the statement of net position and statement of activities 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 culture and recreation. The business-type activities of the Town include an electric distribution operation (Light and Power Fund) and a water utility that treats and distributes water (Water Fund).

The government-wide financial statements include not only the Town itself (known as the primary government), but also the legally separate entities, the Estes Park Building Authority and Local Marketing District (established by election in 2009). For informational purposes, the Building Authority did not have any activity during the year. The Local Marketing District does not issue separate financial statements and is discretely presented in the Town's financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, 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 three categories: governmental funds, proprietary funds and fiduciary funds.

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

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 statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances or spendable resources available at year end. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and 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 eight 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, Community Reinvestment Fund, and the Street Improvement Fund, all of which are considered to be major funds. Data from the other five governmental funds, (Conservation Trust Fund, Larimer County Open Space Fund, Emergency Response System Fund, Community Recreation Center Fund, and the Trails Expansion Fund) 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 and schedules elsewhere in this report.

Proprietary Funds

Proprietary funds are generally used to account for services for which the Town charges customers – either outside customers or internal units or departments of the town. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains the following two types of 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 the operations of the Light and Power Fund and the Water Fund. These are considered to be major funds of the Town.
- **Internal Service funds** are used by the Town to account for the costs of acquiring, operating and maintaining certain types of equipment and funding for Town-wide medical insurance programs. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated memo presentation in the proprietary fund financial statements. The internal service funds consist of Fleet Maintenance, Vehicle Replacement, Information Technology and Medical Insurance Funds. Individual fund data for the internal service funds is provided in the form of combining statements in the "Combining and Individual Statements" section.

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Fiduciary Funds

Fiduciary funds are used to account for the accumulation of resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's one Fiduciary Fund, the Theater Fund (Friends of Stanley Hall), was closed in 2016.

Notes to the Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees, and budgetary comparison schedules for the general and major special revenue funds.

The combining and individual fund statements and schedules referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Our analysis below focuses on the net position and changes in net position of the Town's governmental and business-type activities.

Table 1 - Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 16,984,323	\$ 21,063,588	\$ 20,215,478	\$ 20,015,195	\$ 37,199,801	\$ 41,078,783
Capital assets	54,772,697	48,098,975	37,875,312	37,468,961	92,648,009	85,567,936
Total assets	<u>71,757,020</u>	<u>69,162,563</u>	<u>58,090,790</u>	<u>57,484,156</u>	<u>129,847,810</u>	<u>126,646,719</u>
Deferred outflows of resources	2,112,111	1,096,418	1,527,408	536,018	3,639,519	1,632,436
Noncurrent liabilities	11,212,938	11,045,804	12,217,685	12,232,008	23,430,623	23,277,812
Other liabilities	4,164,784	1,496,372	2,739,745	2,148,595	6,904,529	3,644,967
Total liabilities	<u>15,377,722</u>	<u>12,542,176</u>	<u>14,957,430</u>	<u>14,380,603</u>	<u>30,335,152</u>	<u>26,922,779</u>
Deferred inflows of resources	116,553	336,979	104,977	63,755	221,530	400,734
Net position:						
Invested in capital assets	49,411,763	42,539,162	30,145,069	29,175,592	79,556,832	71,714,754
Restricted	4,797,549	9,406,344	1,239,840	1,250,000	6,037,389	10,656,344
Unrestricted	4,165,544	5,434,320	13,170,882	13,150,224	17,336,426	18,584,544
Total net position	<u>\$ 58,374,856</u>	<u>\$ 57,379,826</u>	<u>\$ 44,555,791</u>	<u>\$ 43,575,816</u>	<u>\$ 102,930,647</u>	<u>\$ 100,955,642</u>

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Analysis of Net Position

Table 1 presents an analysis of the Town's net position as of December 31, 2016. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$102,930,647 at the close of December 31, 2016. By far the largest portion of the Town's net position (77%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related still-outstanding debt used to acquire those assets. 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.

Net investment in capital assets increased \$7,842,078, or 11%, compared to 2015. This increase is largely due to \$6.28 million in street improvements, \$0.94 million on the parking garage construction project and \$1.14 million for vehicle replacements in 2016. Depreciation expense increased by \$0.39 million for 2016 as well.

An additional 6% of the Town's net position (\$6,037,389) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$17,336,426) may be used to meet the government's ongoing obligations to citizens and creditors.

Restricted net position decreased by \$4,618,955, or 43%, compared to 2015, due in large part to the \$4,070,300 expenditure in the Street Improvement Fund for the Dry Gulch Road & Drainage project. The \$1,248,118 decrease in unrestricted net position was due in large part to usage of \$1,305,452 in General Fund resources for rebuilding Fish Creek Road and Brook Drive crossings.

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

It is important to note that \$2,278,059 in governmental unrestricted net position arises from the net position of the town's internal service funds, discussed above in "Overview of the Financial Statements – Proprietary Funds." Although it is highly unlikely that these funds will be liquidated, in the event that they are, the distribution of the net position of these funds would result in a portion of these unrestricted net positions being liquidated to governmental activities and a portion to business-type activities.

Analysis of Changes in Net Position

As can be seen from Table 2, the Town's total net position increased by \$1,780,022 during 2016. This increase is explained in the governmental and business-type activities discussions below.

Governmental Activities

Net position of governmental activities increased by \$995,030 during 2016, accounting for 56% of the total increase in the town's net position. This increase was \$5,601,148 less than the \$6,596,178 increase in net position for 2015.

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

During 2016, governmental revenues decreased by \$2,051,350 compared to 2015. This decrease can be attributed to a onetime payment in 2015 of \$4,200,000 from the State of Colorado to the Town to take over maintenance of Elkhorn Avenue from Moraine Avenue to Highway 34. This was partially offset by increased sales tax revenues of \$800,303 and additional miscellaneous revenues of \$855,142 in 2016, including \$650,000 in proceeds from the sale of a parcel of land.

Total governmental expenses for 2016 increased by \$2,730,716 compared to 2015. General Government expenses increased \$948,779, partially due to an increase in depreciation expense of \$195,306, \$225,000 for settlement of legal claims, \$128,721 increase in Planning Division personnel costs, \$78,512 increase in facility costs, and numerous other minor cost changes. Public Safety expenses increased by \$852,428. Personnel costs in the Police Department increased by \$245,786 due to less vacancies and pay rate changes in 2016. In addition, Building Safety had \$300,000 in repairs to Fall River and the Historic Hydro Power Plant and \$145,563 in costs on an area-wide hydrology study to update flood plain maps. Culture and Recreation expenses increased \$1,128,330 largely due to \$1,499,521 in 2016 contributions to the Estes Valley Recreation and Park District for construction of a new community center.

Table 2 - Changes in Net Position

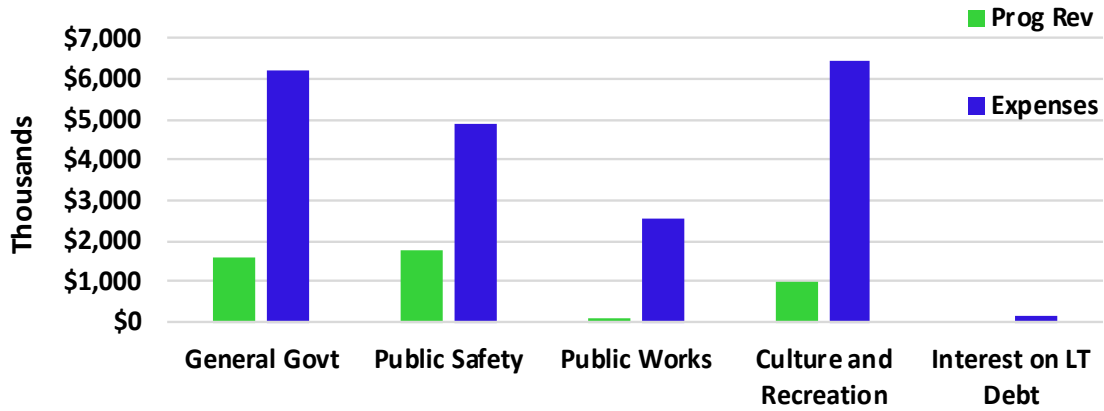
	Governmental		Business-type		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Program revenue:						
Charges for services	\$ 1,805,326	\$ 1,589,710	\$ 18,366,305	\$ 17,461,875	\$ 20,171,631	\$ 19,051,585
Operating grants and contributions	1,041,897	1,500,181	-	-	1,041,897	1,500,181
Capital grants and contributions	1,616,090	5,275,791	789,735	2,049,792	2,405,825	7,325,583
General revenue:						
Sales taxes	13,027,892	12,227,589	-	-	13,027,892	12,227,589
Property taxes	361,750	343,135	-	-	361,750	343,135
Franchise taxes	488,325	470,612	-	-	488,325	470,612
Use taxes	304,540	280,612	-	-	304,540	280,612
Other taxes	528,506	458,250	-	-	528,506	458,250
Investment income	106,420	41,358	113,292	53,616	219,712	94,974
Gain on sale of land	-	-	-	-	-	-
Miscellaneous	1,279,985	424,843	457,589	367,588	1,737,574	792,431
Total revenues	20,560,731	22,612,081	19,726,921	19,932,871	40,287,652	42,544,952
Program expenses (includes indirect expense allocation):						
Governmental activities:						
General government	6,229,691	5,280,912	-	-	6,229,691	5,280,912
Public safety	4,915,545	4,063,117	-	-	4,915,545	4,063,117
Public works	2,549,174	2,736,985	-	-	2,549,174	2,736,985
Culture and recreation	6,471,134	5,342,804	-	-	6,471,134	5,342,804
Interest on long-term debt	136,216	147,226	-	-	136,216	147,226
Business-type activities:						
Light and power	-	-	14,122,680	12,813,281	14,122,680	12,813,281
Water	-	-	4,083,190	3,776,050	4,083,190	3,776,050
Total expenses	20,301,760	17,571,044	18,205,870	16,589,331	38,507,630	34,160,375
Excess before transfers	258,971	5,041,037	1,521,051	3,343,540	1,780,022	8,384,577
Transfers In (Out)	736,059	1,555,141	(736,059)	(1,555,141)	-	-
Increase in net position	995,030	6,596,178	784,992	1,788,399	1,780,022	8,384,577
Net position, beginning of year, as restated	57,379,826	50,783,648	43,770,799	41,787,417	101,150,625	92,571,065
Net position, end of year	\$ 58,374,856	\$ 57,379,826	\$ 44,555,791	\$ 43,575,816	\$ 102,930,647	\$ 100,955,642

Charts 1 and 2 illustrate the town's governmental activities expenses and revenues by function and its revenues by source. General revenues such as sales taxes, property and other taxes are not shown in Chart 1 by program, but are used to support program activities town wide and included in Chart 2. For governmental activities overall, without regard to program, sales taxes are the largest single source (63%), followed by charges for services.

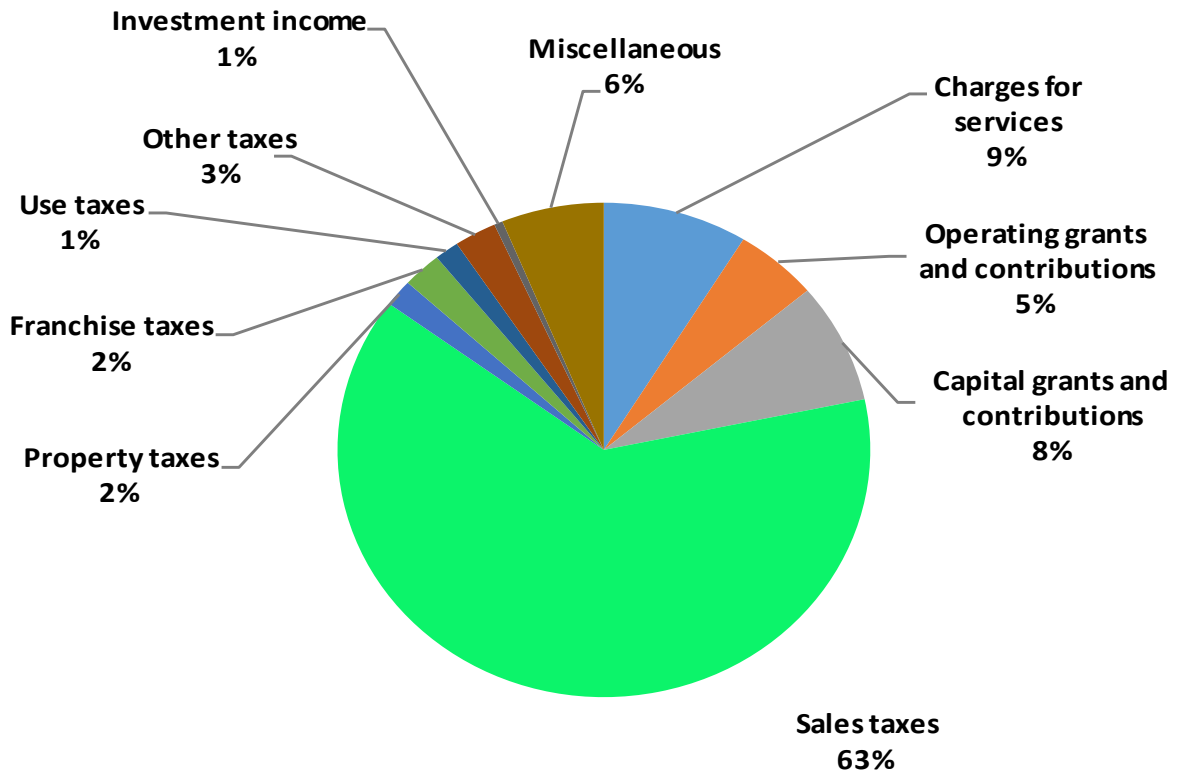
Net Position increased \$995,030 during the current fiscal year. Contributing factors have been discussed earlier in this section.

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

**Chart 1: 2016 Expenses and Program Revenues -
Governmental Activities**



**Chart 2: 2016 Revenues by Source - Governmental
Activities**



**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

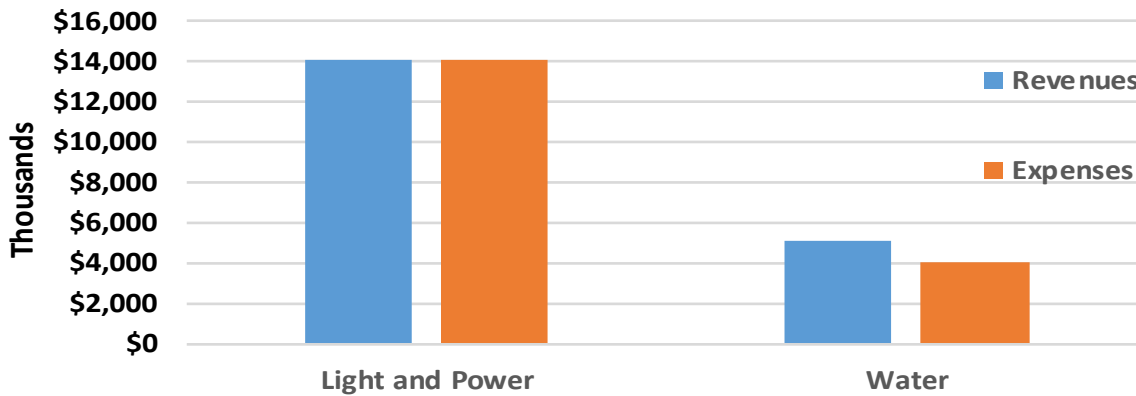
Business-type Activities

Net position in business-type activities increased \$784,992 in 2016. This increase was \$1,003,407 less than the \$1,788,399 increase in net position in 2015.

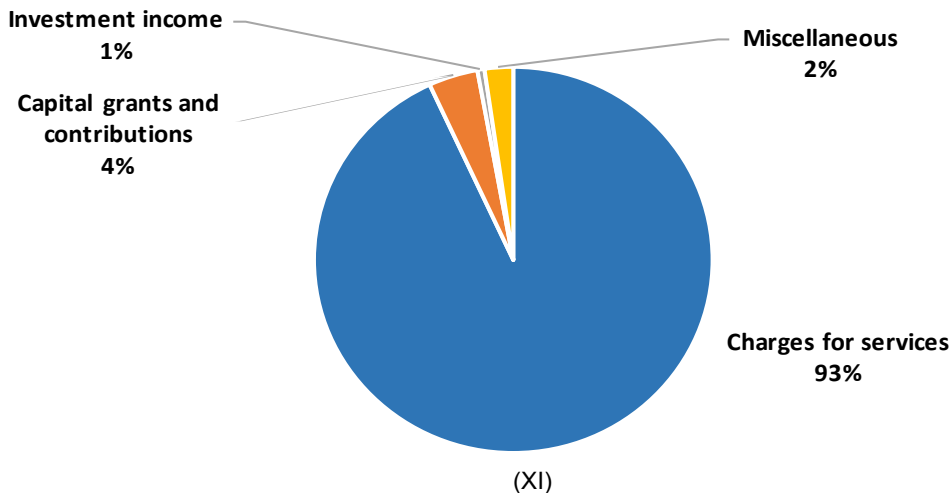
Total business-type revenues increased \$205,950, or 1%, compared to 2015. Capital grants and contributions decreased by \$1,260,057 mainly due to grant reimbursements for 2013 flood damage repair projects have started to decrease in 2016 as projects are being completed. Offsetting this, charges for services increased \$904,430 due to small rate changes and sales volume changes. Smaller increases in other revenues account for the rest of the total increase.

Expenses of business-type activities also realized an increase of \$1,616,539, or 10% compared to 2015, mainly due to a \$373,075 increase in purchased power cost, \$796,775 increase in power distribution expenses from line repairs and the smart meter project, and numerous small changes in the water system costs totaling \$296,379.

**Chart 3: 2016 Expenses and Program Revenues -
Business-type Activities**



**Chart 4: 2016 Revenue by Source -
Business-type Activities**



**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

As can be seen from Charts 3 and 4, the town's Light and Power utility and Water utility account for the Town's business-type activities, representing 100% of total business-type activities expenses. Charges for services provide the largest share of revenues (93%).

The Light & Power and Water Funds transferred \$736,059 to Governmental Activities in 2015, primarily the General Fund.

There was no material change in the scope or magnitude of projects in business-type activities from 2015 to 2016, except for flood related items and the smart electric meter project as noted elsewhere in this document. Costs for operations continue to be covered by revenues in accordance with policy. The utility funds are also subject to debt coverage requirements for their Light & Power revenue bond and Water loan.

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 resources available for spending. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$10,602,295, a decrease of \$4,974,079 from 2015. Approximately 39% of this ending fund balance constitutes unrestricted, unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending because it has already been committed to inventories, other prepaid expenses, specific governmental funds, capital improvements and emergencies.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, unrestricted, unassigned fund balance of the General Fund was \$4,422,749 (\$2,932,790 in 2015). As a measure of the General Fund's liquidity, it may be useful to compare unrestricted, unassigned fund balance to total fund operating expenditures, including transfers out. The ratio for 2016 is 25%, an increase from 2015's 18%. As discussed elsewhere in this document, the Governmental Funds, and particularly the General Fund, were dramatically affected by costs resulting from the 2013 Flood. Specifically, General Government expenditures continued to see costs resulting from efforts to mitigate and repair damage resulting from flooding in both commercial and residential districts, and from damage caused to road infrastructure leading in, out and through Town. However, these additional costs have started to decrease in 2016 due to completion of projects. Public Safety costs increased in 2016 as discussed above under Governmental Activities, primarily in Police and Building Safety.

The Street Improvement Fund was created by the new 1% sales tax initiative approved in April 2014 which went into effect on July 1, 2014. In 2016, sufficient funds had been accumulated to pay for \$4,070,300 in major improvements to Dry Gulch road.

The Open Space fund accounts for use of the Town's share of the Larimer County open space sales tax. In 2016, \$850,782 in improvements were made to the Carriage Hills Dam area out of open space funds.

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

The Community Recreation Center Fund, one of the "Other Governmental Funds", was created by the 1% sales tax initiative approved in April 2014. During 2016, the Town entered into an agreement with Estes Valley Recreation and Park District (EVRPD) to help pay for the costs of the new Estes Valley Community Center which began construction in 2016. During 2016, the Community Recreation Center Fund remitted \$1,499,521 in the accumulated sales tax monies to EVRPD for that purpose.

The other governmental funds were comparable to the prior year.

Proprietary funds

As already discussed, the Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As of December 31, 2016, the unrestricted net position of the Light and Power Fund was \$7,175,385 and the Water Fund was \$4,573,316. The Light and Power Fund had a net decrease of \$313,920 and the Water Fund had a net increase of \$1,071,350 for 2016. Despite the demands for repairs resulting from Flood-related damages over the last couple of years, particularly to Glen Haven and the Fish Creek corridor, Light & Power and Water both easily maintained their required bonded debt ratios (see statistical tables, Schedule 11). Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The Town's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and other supplemental appropriations approved during the fiscal year. The final budgeted 2016 appropriations for the General Fund, including transfers out, was \$4,322,237 greater than the original budget. The primary reasons for this difference are related to the following changes:

- \$488,911 increase in Engineering Division appropriations as a result of two projects – Moraine Ave Bridge replacement and the Stormwater Master Plan project. The increase was partially offset by increased grant revenues for 2016.
- \$3,405,412 increase in Streets appropriations for work on the remaining flood repairs, such as rebuilding of Fish Creek Road. Much of this was also offset by an increase in budgeted grant revenues as well.
- \$206,396 increase in Museum appropriations primarily for the museum remodel project.

Actual revenue and transfers in were \$2,316,153 less than final budgeted revenues and transfers in (\$20,559,567). The Town typically budgets for the full capital project, including all revenue and expenditures for the entire project, even if it is anticipated to extend beyond the budget year. As a result, several projects were in a state of mid-completion as of the end of 2016, with revenues and expenditures both falling significantly short of the budget projections, especially in the Streets operation. Backing out the large variance in intergovernmental revenues due to these grant projects, the remaining operational revenues increased. Much of this increase was due to the record year in sales tax (\$10,424,827) with \$170,419 received in excess of the revised budget.

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Actual expenditures and transfers out were \$17,020,138, 16% less than the final budgeted appropriations. Much of this was due to budgeting for the entire grant projects at once, even those expected to overlap years in the Streets operations as noted above. The primary factors contributing to this favorable variance include:

- Public Works expenditures were \$590,062 less than budgeted, reflecting the amount of the Moraine Ave Bridge Replacement project and Stormwater Master Plan project rolled forward into 2017.
- Related to the large grant projects as mentioned above for Streets, delays have resulted in much of the grant revenue and corresponding expenditures to be rolled forward into 2017 for some of the larger flood repair projects. This resulted in unused budget appropriations for the Street Department capital projects and various others of \$2,514,318.

The resulting ending actual fund balance for the General Fund of \$5,422,086 was \$1,022,011 greater than the Final Budget's projected ending fund balance.

At the end of the current fiscal year, unrestricted, unassigned fund balance for the General Fund was \$4,422,749 or 26% (18% in 2015) of general fund total expenditures; 28% if "transfers out" are excluded (20% in 2015).

Capital Asset and Debt Administration

Capital Assets

Governmental activities capital asset additions for 2016 were \$9,386,414; the net increase (after disposal/retirement of capital assets) was \$9,110,114. Some of the more significant capital acquisitions included:

- Street improvements to Dry Gulch Road - \$4,070,300
- Storm drainage improvements to Dry Gulch Road - \$238,855
- Flood repair costs (Fall River, Fish Creek, and Carriage Hills Dam repairs) - \$599,407.
- Carriage Hills Dam improvements - \$866,780
- Elm Road landfill leachate mitigation and storm drainage work - \$646,526
- Visitor Center restroom remodel - \$217,052
- Various machinery and equipment - \$1,396,814.
- Parking garage design and construction - \$942,139.

Business-type capital assets being depreciated increased \$2,005,694, with a net increase (after disposal/retirement of capital assets) of \$1,384,651. Some of the more significant capital purchases in this area were:

- Electric infrastructure (transformers, street lights, overhead and underground distribution lines) - \$1,350,691
- Light and Power shop remodel project - \$120,365
- Water infrastructure (distribution lines) - \$286,156
- Various machinery and equipment - \$189,860

Additional information can be found in notes to financial statements Note 5 – Capital Assets.

**TOWN OF ESTES PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Debt Administration

The governmental activities are currently obligated on the 2013 Certificates of Participation to finance the Multipurpose Event Center Complex. Payments are approximately \$518,000/year paid out of the Community Reinvestment Fund. The remaining balance as of December 31, 2016 is \$4,935,000.

The business-type activities (utility funds) are currently obligated to one Light & Power revenue bond and one Water loan. The Light & Power bond, obtained in 2007 to finance construction and equipping of a new substation, matures in 2027 and has a remaining balance of \$3,950,000 as of December 31, 2016. The 2008 water loan was obtained to finance a membrane filter and to increase capacity at the Mary's Lake Treatment Plant. Maturing in 2028, there is a remaining balance of \$3,780,243 at the end of 2016.

The Town Light & Power fund maintains a rating from Standard & Poor's and Fitch of "AA-" on its outstanding revenue bonds. State statutes limit the amount of general obligation debt a government entity may issue to 3% of its total assessed valuation. The debt limitation for the Town as of December 31, 2016, is \$5,877,432 (see statistical section under Schedule 9).

Additional information on these loans can be found in Note 6 – Long-Term Debt of the notes to financial statements, and in the statistical section under Schedule 8.

Other Significant Matters

- The Town continues to aggressively seek grants to assist in creating and putting into service assets that enhance the lives of its citizens and the enjoyment of its visitor base. In 2017, the Town will continue to partner with the State and Federal Agencies to repair and replace flood-damaged resources in the Estes Park area.
- The Town entered into a lease purchase financing arrangement in 2017 in the amount of \$4,340,000 to fund the construction of the Estes Park Visitor Center Parking Garage. This was originally budgeted for a closing in December 2016 in the Community Reinvestment Fund but the financing agreement was ultimately closed in January 2017. The agreement matures in 2032 and bears a coupon interest rate of 4.5%.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, P.O. Box 1200, Estes Park, Colorado 80517.

**TOWN OF ESTES PARK
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marketing District
ASSETS				
Cash and Investments	\$ 13,821,233	\$ 13,314,099	\$ 27,135,332	\$ 2,015,222
Restricted Cash and Investments	-	1,210,218	1,210,218	-
Accounts Receivable	248,425	2,610,420	2,858,845	289,307
Taxes Receivable	1,571,199	-	1,571,199	-
Intergovernmental Receivable	2,575,647	657,528	3,233,175	-
Inventories	50,122	999,550	1,049,672	-
Prepaid Expenses	139,878	1,482	141,360	-
Internal Balances	(1,422,181)	1,422,181	-	-
Capital Assets, Not Being Depreciated	9,069,694	3,437,912	12,507,606	-
Capital Assets, Net of Accumulated Depreciation	45,703,003	34,437,400	80,140,403	-
Total Assets	<u>71,757,020</u>	<u>58,090,790</u>	<u>129,847,810</u>	<u>2,304,529</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension	2,112,111	1,527,408	3,639,519	194,354
Total Deferred Outflows of Resources	<u>2,112,111</u>	<u>1,527,408</u>	<u>3,639,519</u>	<u>194,354</u>
LIABILITIES				
Accounts Payable	2,435,649	1,227,771	3,663,420	296,012
Accrued Liabilities	622,915	208,332	831,247	-
Accrued Interest Payable	9,993	79,358	89,351	-
Claims Payable	168,103	-	168,103	-
Unearned Revenue	54,725	177,035	231,760	-
Deposits	-	280,892	280,892	-
Due Within One Year	873,399	766,357	1,639,756	-
Noncurrent Liabilities				
Net Pension Liability	6,352,643	4,991,363	11,344,006	683,301
Due in More Than One Year	4,860,295	7,226,322	12,086,617	-
Total Liabilities	<u>15,377,722</u>	<u>14,957,430</u>	<u>30,335,152</u>	<u>979,313</u>
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	116,553	104,977	221,530	18,623
Total Deferred Inflows of Resources	<u>116,553</u>	<u>104,977</u>	<u>221,530</u>	<u>18,623</u>
NET POSITION				
Net Investment in Capital Assets	49,411,763	30,145,069	79,556,832	-
Restricted				
Parks and Open Space	35,558	-	35,558	-
Capital Improvements	4,185,213	-	4,185,213	-
Operations and Maintenance Reserves	-	1,239,840	1,239,840	-
Emergencies	576,778	-	576,778	79,942
Unrestricted	<u>4,165,544</u>	<u>13,170,882</u>	<u>17,336,426</u>	<u>1,421,005</u>
Total Net Position	<u>\$ 58,374,856</u>	<u>\$ 44,555,791</u>	<u>\$ 102,930,647</u>	<u>\$ 1,500,947</u>

See accompanying Notes to Financial Statements.

**TOWN OF ESTES PARK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities				
General Government	\$ 6,229,691	\$ 1,243,244	\$ 252,597	\$ 107,956
Public Safety	4,915,545	45,045	208,586	1,508,134
Public Works	2,549,174	-	99,426	-
Culture and Recreation	6,471,134	517,037	481,288	-
Interest on Long-Term Debt	136,216	-	-	-
Total Government Activities	<u>20,301,760</u>	<u>1,805,326</u>	<u>1,041,897</u>	<u>1,616,090</u>
Business-Type Activities				
Light and Power	14,122,680	13,907,893	-	153,652
Water	4,083,190	4,458,412	-	636,083
Total Business-Type Activities	<u>18,205,870</u>	<u>18,366,305</u>	<u>-</u>	<u>789,735</u>
Total Primary Government	<u>\$ 38,507,630</u>	<u>\$ 20,171,631</u>	<u>\$ 1,041,897</u>	<u>\$ 2,405,825</u>
Component Unit				
Local Marketing District	<u>\$ 2,400,087</u>	<u>\$ 512,151</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TOWN OF ESTES PARK
STATEMENT OF ACTIVITIES (CONTINUED)
DECEMBER 31, 2016**

	Net (Expense) Revenue and Change in Net Position			Component Unit Marketing District
	Primary Government		Total	
	Governmental Activities	Business-Type Activities		
	\$ (4,625,894)	\$ -	\$ (4,625,894)	\$ -
	(3,153,780)	-	(3,153,780)	-
	(2,449,748)	-	(2,449,748)	-
	(5,472,809)	-	(5,472,809)	-
	<u>(136,216)</u>	-	<u>(136,216)</u>	-
	(15,838,447)	-	(15,838,447)	-
	-	(61,135)	(61,135)	-
	-	1,011,305	1,011,305	-
	<u>-</u>	<u>950,170</u>	<u>950,170</u>	<u>-</u>
	(15,838,447)	950,170	(14,888,277)	-
	-	-	-	(1,887,936)
GENERAL REVENUES AND TRANSFERS				
Sales Taxes	13,027,892	-	13,027,892	-
Property Taxes	361,750	-	361,750	-
Franchise Taxes	488,325	-	488,325	-
Use Taxes	304,540	-	304,540	-
Lodging Taxes	-	-	-	2,151,604
Other Taxes	528,506	-	528,506	4,814
Investment Income	106,420	113,292	219,712	271
Miscellaneous	1,279,985	457,589	1,737,574	986
Transfers	<u>736,059</u>	<u>(736,059)</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>16,833,477</u>	<u>(165,178)</u>	<u>16,668,299</u>	<u>2,157,675</u>
CHANGE IN NET POSITION	995,030	784,992	1,780,022	269,739
Net Position - Beginning of Year (As Restated)	<u>57,379,826</u>	<u>43,770,799</u>	<u>101,150,625</u>	<u>1,231,208</u>
NET POSITION - END OF YEAR	<u><u>\$ 58,374,856</u></u>	<u><u>\$ 44,555,791</u></u>	<u><u>\$ 102,930,647</u></u>	<u><u>\$ 1,500,947</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF ESTES PARK
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	General	Community Reinvestment	Street Improvement	Open Space	Other Governmental Funds	Total
ASSETS						
Cash and Investments	\$ 5,392,965	\$ 1,565,637	\$ 3,495,438	\$ -	\$ 750,376	\$ 11,204,416
Accounts Receivable	216,459	2,613	6,268	-	1,324	226,664
Intergovernmental Receivable	1,333,460	187,388	-	1,018,445	35,844	2,575,137
Taxes Receivable	1,263,491	-	184,625	-	123,083	1,571,199
Due From Other Funds	152,399	-	-	-	-	152,399
Inventories	23,031	-	-	-	-	23,031
Prepaid Items	25,662	-	-	-	-	25,662
Total Assets	<u>\$ 8,407,467</u>	<u>\$ 1,755,638</u>	<u>\$ 3,686,331</u>	<u>\$ 1,018,445</u>	<u>\$ 910,627</u>	<u>\$ 15,778,508</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 1,307,137	\$ 464,680	\$ 229,747	\$ 80,339	\$ 91,907	\$ 2,173,810
Accrued Liabilities	596,281	-	-	942	-	597,223
Due to Other Funds	-	-	-	152,399	-	152,399
Unearned Revenue	192	-	11,214	-	43,319	54,725
Total Liabilities	<u>1,903,610</u>	<u>464,680</u>	<u>240,961</u>	<u>233,680</u>	<u>135,226</u>	<u>2,978,157</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	<u>1,081,771</u>	<u>84,116</u>	<u>-</u>	<u>1,032,169</u>	<u>-</u>	<u>2,198,056</u>
Total Deferred Inflows of Resources	<u>1,081,771</u>	<u>84,116</u>	<u>-</u>	<u>1,032,169</u>	<u>-</u>	<u>2,198,056</u>
FUND BALANCES						
Nonspendable						
Inventories	23,031	-	-	-	-	23,031
Prepaid Items	25,662	-	-	-	-	25,662
Restricted						
Parks and Open Space	-	-	-	-	35,558	35,558
Capital Improvements	-	-	3,445,370	-	739,843	4,185,213
Emergencies	576,778	-	-	-	-	576,778
Assigned						
Capital Improvements	-	1,206,842	-	-	-	1,206,842
Subsequent Year's Budget -						
Appropriation of Fund Balance	373,866	-	-	-	-	373,866
Unrestricted, Unassigned	<u>4,422,749</u>	<u>-</u>	<u>-</u>	<u>(247,404)</u>	<u>-</u>	<u>4,175,345</u>
Total Fund Balance	<u>5,422,086</u>	<u>1,206,842</u>	<u>3,445,370</u>	<u>(247,404)</u>	<u>775,401</u>	<u>10,602,295</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,407,467</u>	<u>\$ 1,755,638</u>	<u>\$ 3,686,331</u>	<u>\$ 1,018,445</u>	<u>\$ 910,627</u>	<u>\$ 15,778,508</u>

See accompanying Notes to Financial Statements.

**TOWN OF ESTES PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016**

Amounts reported to governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds		\$ 10,602,295
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		51,883,361
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Contributions Subsequent to the Measurement Date	457,082	
Change in Proportionate Share	408,903	
Change in Experience	47,663	
Change in Earnings	<u>1,198,463</u>	
		2,112,111
Deferred inflows of resources used in governmental activities are not financial resources and, therefore are not reported in the governmental funds		
Change in Assumptions	(116,358)	
Change in Experience	<u>(195)</u>	
		(116,553)
Long-term liabilities, including net pension liability, bond payable, accrued compensated absences, postemployment benefits, accrued interest and environmental remediation are not due and payable in the current year end and, therefore, are not reported in the funds		
Net Pension Liability	(6,352,643)	
Bonds Payable	(4,935,000)	
Capital Lease	(178,887)	
Compensated Absences	(431,486)	
Postemployment Benefits	(66,619)	
Environmental Remediation	(75,000)	
Accrued Interest	<u>(9,993)</u>	
		(12,049,628)
Other long-term assets are not available to pay current expenditures and, therefore, are deferred inflows of resources in the funds.		2,198,056
Internal service funds are used by management to charge the costs of fleet maintenance, vehicle replacement and information technology to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position.		<u>3,745,214</u>
Total net position of governmental activities		<u><u>\$ 58,374,856</u></u>

See accompanying Notes to Financial Statements.

TOWN OF ESTES PARK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	General	Community Reinvestment	Street Improvement	Open Space	Other Governmental Funds	Total
REVENUES						
Taxes	\$ 11,579,442	\$ -	\$ 1,561,839	\$ -	\$ 1,041,226	\$ 14,182,507
Licenses and Permits	730,684	-	-	-	-	730,684
Intergovernmental	2,533,875	152,458	-	365,682	115,606	3,167,621
Charges for Services	702,261	-	-	-	-	702,261
Fines and Forfeitures	45,045	-	-	-	-	45,045
Rental Income	327,336	-	-	-	-	327,336
Investment Income	26,011	16,867	30,492	2,506	10,173	86,049
Miscellaneous	493,751	50,922	14	-	4	544,691
Total Revenues	<u>16,438,405</u>	<u>220,247</u>	<u>1,592,345</u>	<u>368,188</u>	<u>1,167,009</u>	<u>19,786,194</u>
EXPENDITURES						
Current						
General Government	4,698,211	-	-	-	-	4,698,211
Public Safety	4,758,036	-	-	-	-	4,758,036
Public Works	1,102,458	-	1,138,013	-	33,529	2,274,000
Culture and Recreation	3,952,107	-	-	48,318	1,544,654	5,545,079
Community Reinvestment	-	169,735	-	-	-	169,735
Capital Outlay	1,490,792	1,361,049	4,120,670	1,043,148	102,680	8,118,339
Debt Service						
Principal	55,926	390,000	-	-	-	445,926
Interest	7,608	129,398	-	-	-	137,006
Total Expenditures	<u>16,065,138</u>	<u>2,050,182</u>	<u>5,258,683</u>	<u>1,091,466</u>	<u>1,680,863</u>	<u>26,146,332</u>
REVENUES OVER (UNDER) EXPENDITURES	373,267	(1,829,935)	(3,666,338)	(723,278)	(513,854)	(6,360,138)
OTHER FINANCING SOURCES (USES)						
Proceeds on Sale of Assets	-	650,000	-	-	-	650,000
Transfers In	1,805,009	520,000	435,000	-	-	2,760,009
Transfers Out	(955,000)	(650,000)	(251,370)	-	(167,580)	(2,023,950)
Total Other Financing Sources (Uses)	<u>850,009</u>	<u>520,000</u>	<u>183,630</u>	<u>-</u>	<u>(167,580)</u>	<u>1,386,059</u>
NET CHANGES IN FUND BALANCES	1,223,276	(1,309,935)	(3,482,708)	(723,278)	(681,434)	(4,974,079)
Fund Balances - Beginning of Year	<u>4,198,810</u>	<u>2,516,777</u>	<u>6,928,078</u>	<u>475,874</u>	<u>1,456,835</u>	<u>15,576,374</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,422,086</u>	<u>\$ 1,206,842</u>	<u>\$ 3,445,370</u>	<u>\$ (247,404)</u>	<u>\$ 775,401</u>	<u>\$ 10,602,295</u>

See accompanying Notes to Financial Statements.

**TOWN OF ESTES PARK
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances of Governmental Funds \$ (4,974,079)

Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense and loss on disposal exceed capital outlay in the current year.

Capital Outlay	\$ 8,118,339	
Depreciation Expense	(2,129,991)	
Net Book Value of Disposal of Capital Assets	(14,333)	

The effect of various transactions involving capital assets (i.e. donations) is to increase (decrease) net position

Donated Asset	60,000	6,034,015
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Environmental Remediation	335,712	
Change in Accrued Interest	790	
Principal Payments	445,926	
Accrued Compensated Absences	(34,783)	
Decrease in Post Employment Benefits	13,486	761,131

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in government funds.

18,872

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. The (increases) decreases in these activities consist of:

Pension Expense	(1,342,494)	
Employer Contribution	457,082	(885,412)

Internal service funds are used by management to charge the costs of fleet maintenance, vehicle replacement and information technology to individual funds. A portion of the net revenues of the internal service funds is reported with governmental activities in the statement of activities.

40,503

Change in Net Position of Governmental Activities

\$ 995,030

TOWN OF ESTES PARK
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-Type Activities			Governmental Activities
	Light and Power	Water	Total	Internal Service
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ 7,917,497	\$ 5,396,602	\$ 13,314,099	\$ 2,616,817
Restricted Cash and Investments	-	1,210,218	1,210,218	-
Accounts Receivable, Net	2,110,633	499,787	2,610,420	21,761
Intergovernmental Receivable	345,664	311,864	657,528	510
Inventories	841,289	158,261	999,550	27,091
Prepaid Expenses	1,446	36	1,482	114,216
Total Current Assets	<u>11,216,529</u>	<u>7,576,768</u>	<u>18,793,297</u>	<u>2,780,395</u>
NONCURRENT ASSETS				
Capital Assets, Not Being Depreciated	650,551	2,787,361	3,437,912	-
Capital Assets, Net of Accumulated Depreciation	16,329,191	18,108,209	34,437,400	2,889,336
Total Noncurrent Assets	<u>16,979,742</u>	<u>20,895,570</u>	<u>37,875,312</u>	<u>2,889,336</u>
Total Assets	<u>28,196,271</u>	<u>28,472,338</u>	<u>56,668,609</u>	<u>5,669,731</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension	992,795	534,613	1,527,408	-
Total Deferred Outflows of Resources	<u>992,795</u>	<u>534,613</u>	<u>1,527,408</u>	<u>-</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	1,192,998	34,773	1,227,771	261,839
Accrued Liabilities	156,368	51,964	208,332	25,692
Accrued Interest Payable	27,263	52,095	79,358	-
Claims Payable	-	-	-	168,103
Unearned Revenue	-	177,035	177,035	-
Deposits	252,375	28,517	280,892	-
Compensated Absences Payable, Current Portion	120,995	72,236	193,231	36,546
Loans Payable, Current Portion	-	278,126	278,126	-
Revenue Bonds Payable, Current Portion	295,000	-	295,000	-
Total Current Liabilities	<u>2,044,999</u>	<u>694,746</u>	<u>2,739,745</u>	<u>492,180</u>
NONCURRENT LIABILITIES				
Compensated Absences Payable	16,365	18,681	35,046	4,948
OPEB Liability	22,437	11,722	34,159	5,208
Net Pension Liability	3,176,322	1,815,041	4,991,363	-
Loans Payable	-	3,502,117	3,502,117	-
Revenue Bonds Payable	3,655,000	-	3,655,000	-
Total Noncurrent Liabilities	<u>6,870,124</u>	<u>5,347,561</u>	<u>12,217,685</u>	<u>10,156</u>
Total Liabilities	<u>8,915,123</u>	<u>6,042,307</u>	<u>14,957,430</u>	<u>502,336</u>
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	68,816	36,161	104,977	-
Total Deferred Inflows of Resources	<u>68,816</u>	<u>36,161</u>	<u>104,977</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	13,029,742	17,115,327	30,145,069	2,889,336
Restricted				
Operations and Maintenance	-	1,239,840	1,239,840	-
Unrestricted	7,175,385	4,573,316	11,748,701	2,278,059
Total Net Position	<u>\$ 20,205,127</u>	<u>\$ 22,928,483</u>	<u>43,133,610</u>	<u>\$ 5,167,395</u>

Amounts reported in business-type activities in the Statement of Net Position are different because:

Internal service funds are used by management to charge the costs of fleet maintenance, vehicle replacement and information technology to individual funds. A portion of the assets and liabilities of the internal service funds is included in business-type activities in the statement of net position.

	1,422,181
Total net position of business-type activities	\$ 44,555,791

See accompanying Notes to Financial Statements.

TOWN OF ESTES PARK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities			Governmental Activities
	Light and Power	Water	Total	Internal Service
OPERATING REVENUES				
Charges for Services	\$ 13,907,893	\$ 4,458,412	\$ 18,366,305	\$ 3,496,532
Miscellaneous	367,446	90,143	457,589	85,294
Total Operating Revenues	<u>14,275,339</u>	<u>4,548,555</u>	<u>18,823,894</u>	<u>3,581,826</u>
OPERATING EXPENSES				
Source of Supply	7,161,619	156,117	7,317,736	-
Purification	-	743,780	743,780	-
Distribution	3,104,575	1,490,408	4,594,983	-
Customer Accounts	384,020	237,334	621,354	-
Administration and General	2,460,228	628,126	3,088,354	975,462
Depreciation and Amortization	777,423	708,955	1,486,378	568,368
Medical Expenses	-	-	-	2,031,640
Total Operating Expenses	<u>13,887,865</u>	<u>3,964,720</u>	<u>17,852,585</u>	<u>3,575,470</u>
Operating Income	387,474	583,835	971,309	6,356
NONOPERATING REVENUES (EXPENSES)				
Investment Income	78,448	34,844	113,292	20,371
Interest Expense	(162,266)	(127,151)	(289,417)	-
Gain (Loss) on Sale of Assets	(91,430)	-	(91,430)	41,338
Total Nonoperating Revenues	<u>(175,248)</u>	<u>(92,307)</u>	<u>(267,555)</u>	<u>61,709</u>
Net Income Before Capital Contributions and Transfers	212,226	491,528	703,754	68,065
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Grants	153,652	25,420	179,072	-
Tap Fees	-	610,663	610,663	-
Transfers In	711,942	-	711,942	-
Transfers Out	<u>(1,391,740)</u>	<u>(56,261)</u>	<u>(1,448,001)</u>	<u>-</u>
Change in Net Position	(313,920)	1,071,350	757,430	68,065
Net Position - Beginning of Year (As Restated)	<u>20,519,047</u>	<u>21,857,133</u>	<u>42,376,180</u>	<u>5,099,330</u>
NET POSITION - END OF YEAR	<u>\$ 20,205,127</u>	<u>\$ 22,928,483</u>	<u>\$ 43,133,610</u>	<u>\$ 5,167,395</u>

Amounts Reported in Business-Type Activities in the Statement of Activities are Different Because:

Change in net position of proprietary funds	\$ 757,430
Internal service funds are used by management to charge the costs of fleet maintenance, vehicle replacement and information technology to individual funds.	
A portion of the net revenues of the internal services funds is included in business-type activities in the statement of activities	<u>27,562</u>
Change in Net Position of Business-Type Activities	<u>\$ 784,992</u>

See accompanying Notes to Financial Statements.

**TOWN OF ESTES PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

	Business-Type Activities			Governmental Activities
	Light and Power	Water	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received From Customers	\$ 14,024,416	\$ 4,248,704	\$ 18,273,120	\$ 3,732,423
Cash Received From Other Sources	430,856	90,143	520,999	85,294
Cash Paid to Suppliers	(10,525,081)	(1,840,608)	(12,365,689)	(297,697)
Cash Paid to Employees	(2,443,631)	(1,432,140)	(3,875,771)	(2,667,811)
Net Cash Provided by Operating Activities	1,486,560	1,066,099	2,552,659	852,209
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	711,942	-	711,942	-
Transfers to Other Funds	(1,391,740)	(56,261)	(1,448,001)	-
Grants Received	-	-	-	13,401
Net Cash Provided (Used) by Noncapital Financing Activities	(679,798)	(56,261)	(736,059)	13,401
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Construction and Acquisition of Capital Assets	(1,677,921)	(327,771)	(2,005,692)	(1,208,075)
Proceeds From Sale of Assets	21,533	-	21,533	41,338
Debt Principal Paid	(285,000)	(278,126)	(563,126)	-
Debt Interest and Fees Paid	(164,042)	(128,668)	(292,710)	-
Grants Received	293,185	225,826	519,011	-
Tap Fees Received	-	610,663	610,663	-
Net Cash Used by Capital and Related Financing Activities	(1,812,245)	101,924	(1,710,321)	(1,166,737)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	78,448	34,844	113,292	20,371
Net Cash Provided by Investing Activities	78,448	34,844	113,292	20,371
NET CHANGE IN CASH AND CASH EQUIVALENTS	(927,035)	1,146,606	219,571	(280,756)
Cash and Cash Equivalents - Beginning of Year	8,844,532	5,460,214	14,304,746	2,897,573
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,917,497</u>	<u>\$ 6,606,820</u>	<u>\$ 14,524,317</u>	<u>\$ 2,616,817</u>

See accompanying Notes to Financial Statements.

TOWN OF ESTES PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016

Reconciliation of Operating Income to Net Cash				
Provided by Operating Activities				
Operating Income	\$ 387,474	\$ 583,835	\$ 971,309	\$ 6,356
Adjustments to Reconcile Operating Activities				
Depreciation	777,423	708,955	1,486,378	568,368
Changes in Assets and Liabilities				
Accounts Receivable	116,523	(55,128)	61,395	(3,315)
Inventories	(147,325)	(17,337)	(164,662)	960
Prepaid Expenses	2,549	2,612	5,161	(80,695)
Accounts Payable	10,327	(122,714)	(112,387)	243,092
Accrued Liabilities	19,315	12,328	31,643	6,619
Unearned Revenues	(320)	(156,805)	(157,125)	-
Claims Payable	-	-	-	95,420
OPEB Payable	22,437	11,722	34,159	5,208
Deposits	63,730	2,225	65,955	-
Compensated Absences Payable	23,705	2,712	26,417	10,196
Related to Pension				
Change in Earnings	(474,829)	(270,205)	(745,034)	-
Changes in Experience	(24,199)	(13,841)	(38,040)	-
Change in Proportionate Share	(174,832)	(44,696)	(219,528)	-
Change in Assumptions	58,179	33,245	91,424	-
Change in Contributions	(24,812)	(14,178)	(38,990)	-
Net Pension Liability	851,215	403,369	1,254,584	-
Total Adjustments	<u>1,099,086</u>	<u>482,264</u>	<u>1,581,350</u>	<u>845,853</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,486,560</u>	<u>\$ 1,066,099</u>	<u>\$ 2,552,659</u>	<u>\$ 852,209</u>

See accompanying Notes to Financial Statements.

**TOWN OF ESTES PARK
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2016**

	<u>Agency</u>
ASSETS	
Cash and Investments	\$ -
Total Assets	<u>\$ -</u>
LIABILITIES	
Held for Others	\$ -
Total Liabilities	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Estes Park, Colorado (the Town) is a statutory municipality governed by a town administrator form of government through a Mayor and six-member Board of Trustees elected by the residents at large.

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

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens, on the Town.

Based on the application of these criteria, the Town includes the following component units in its financial statements.

The Estes Park Local Marketing District (Visit Estes Park) was established by election in November 2008, to assist with the marketing of businesses and activities in the Marketing District's boundaries, which include the Town and the surrounding area. The election allowed Visit Estes Park to assess a 2% marketing and promotion tax on all lodging establishments in the District. Visit Estes Park has a separate Board of Directors with seven members appointed by the Town and Larimer County. Although Visit Estes Park is legally separate from the Town, the financial statements are reported in the Town's reporting entity because Visit Estes Park provides services almost exclusively to the Town, the Town's Board of Trustees approves the Visit Estes Park's budget, and the Town appoints five members of the Board of Directors. Visit Estes Park does not issue separate financial statements and is discretely presented in the Town's financial statements.

The Estes Park Building Authority (the Building Authority) was formed to provide financing improvements to the Town-owned golf course. The Estes Valley Recreation and Park District operates the course under a management agreement. The Town Board of Trustees appoints the Directors of the Building Authority. The Building Authority had no financial activity for the year ended December 31, 2016.

Joint Venture – In 1975, the Town joined with the cities of Fort Collins, Longmont, and Loveland to establish the Platte River Power Authority (the Authority), to provide electrical power and energy to the Town and Cities. The Authority is governed by an eight-member Board of Directors. Each participant's governing board appoints two members to the Authority's Board of Directors.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town has a residual interest in the assets of the Authority that may revert to the Town upon dissolution of the Authority. The Town has no equity interest in the Authority. Complete financial statements of the Authority may be obtained by contacting the Platte River Power Authority at 2000 East Horsetooth Road, Fort Collins, Colorado 80525-2942.

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

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

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

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

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

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

The *Community Reinvestment Fund* accounts for general capital improvements of the Town, including the acquisition, construction, improvement, and maintenance of capital assets. These expenditures are financed by General Fund transfers, intergovernmental grants and certificates of participation which were issued in 2013.

The *Street Improvement Fund* was created April 2015 by vote of the Board of Trustees and accounts for the construction, repair, replacement, rehabilitation and renovations of streets within the Town of Estes Park.

The *Open Space Fund* accounts for capital improvements of the Town, including the acquisition, preservation and protection of parks and open spaces around the community. Expenditures are financed by intergovernmental grant revenues.

The Town reports the following major proprietary funds:

The *Light and Power Fund* accounts for the financial activities associated with the provision of electric services.

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

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the Town reports the following fund types:

The *Internal Service Funds* account for fleet maintenance, vehicle replacement, information technology and medical insurance services provided to other departments of the Town on a cost reimbursement basis.

The *Agency Fund* is used to account for resources collected to assist with a feasibility study and construction of a future performing arts facility. The Town holds all resources in a purely custodial capacity.

Assets, Liabilities and Net Position/Fund Balances

Cash and Investments – Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents. Investments are reported at fair value. Whenever possible, the Town pools cash to enhance investment opportunities and to facilitate management of cash resources.

Interfund Receivables/Payables – During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statement as interfund receivables and interfund payables. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Inventories – Inventories are valued at cost, using the weighted average unit method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items – Certain payments to vendors reflect costs applicable to future years and are reported as prepaid items using the consumption method.

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

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

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

Buildings	30 – 40 years
Infrastructure – Collection and Distribution Systems	25 – 50 years
Infrastructure – Streets, Bridges and Trails	30 – 40 years
Machinery and equipment	20 – 25 years
Vehicles	5 – 10 years

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period. The Town has one item that qualifies as a deferred outflow of resources related to GASB Statement No. 68. See Note 9 for additional information.

Unearned Revenues – Unearned revenues arise when resources are received by the Town before it has a legal claim to them or when assets are not available as current financial resources in the governmental funds. In addition, the Town recognizes unearned revenue related to water rates established to support estimated incremental expenses of future scheduled maintenance costs of the Water Fund, consistent with the regulatory provisions of GASB Statement No. 62. At December 31, 2016 the Town reported unearned revenue of \$54,725 in governmental funds and \$177,035 in the enterprise funds.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position will sometimes report separate sections for deferred inflows of resources. A deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. The Town has two items that qualify for reporting as deferred inflows of resources. The first type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the Town's year) under the modified accrual basis of accounting. The Town recorded \$2,198,056 of deferred inflows of resources related to unavailable revenue as of December 31, 2016. Finally, a deferred inflow of resources related to the implementation of GASB Statement No. 68 has been recorded as of December 31, 2016. See Note 9 for additional information.

Deposits – Deposits reported in the General Fund represent customer payments for specific public improvements. The Light and Power Fund reports deposits received from customers for the construction of electric service facilities at their locations. These deposits are refunded to the customers by reducing their annual electric charges by 20% each year, for the lesser of five years or until the entire deposit has been refunded.

Compensated Absences – Employees of the Town are allowed to accumulate unused vacation and sick time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time and, if the employee has completed 20 years of continuous service, will be compensated for 50% of accrued sick time at their current pay rate.

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

Long-term Obligations – In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Long-term debt issuance costs are expensed when incurred.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balances – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. Committed fund balance represents amounts constrained by the Board of Trustees, which is the highest level of decision making authority, by formal action (resolution). While there is no formal policy, the Board of Trustees has authorized the Town Administrator or his designee to assign fund balances for specific purposes consistent with the adopted budget. If both restricted and unrestricted fund balances are available, the Town uses restricted fund balance first, followed by committed, assigned and unassigned.

As of December 31, 2016, the Town reported the following restrictions in the statement of net position: 1) \$35,558 restricted for parks and open space, \$4,185,213 restricted for future capital improvements and \$576,778 restricted for emergencies (see Note 12) reported under governmental activities; and 2) \$1,239,840 restricted for operations and maintenance reserves reported under business-type activities. Restricted net position is a result of externally imposed restrictions.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The Larimer County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. As of December 31, 2016, the Town has not recorded a receivable and related deferred inflow of resources as the Town did not approve a mill levy in December 2016, for collection in 2017. This was a result of a temporary property tax mill levy reduction to effectively refund over collection of sales taxes in excess of the ballot issue 1A, voted on by residents of the Town in 2014. For 2016 taxes payable in 2017, total taxes waived is approximately \$357,000. The remainder or approximately \$61,000, will be credited to residents' utility accounts.

Contraband Forfeitures

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. These proceeds are not subject to appropriation in the budget process. Cash proceeds are recorded in the General Fund. Property and equipment seized are recorded as capital assets.

GASB Statement Implementation

For the year ended December 31, 2016, the Town adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which is effective for financial statement periods beginning after June 15, 2015. GASB Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The Town's fair value measurements have not changed as a result of the implementation. See Note 3 for additional disclosures.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are legally adopted for all funds of the Town, except the fiduciary funds. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise and internal service funds are presented on a non-GAAP budgetary basis. Capital outlay and debt service principal are budgeted as expenditures and depreciation is not budgeted. The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- All budget appropriations lapse at year-end.

For the year ended December 31, 2016, the Town expended \$2,890 in excess of the amount budgeted for the Town's Community Recreation Center Fund and \$11,993 in excess of the amount budgeted for the Town's Fleet Maintenance Fund. This may be a violation of Colorado budget law.

As of December 31, 2016, the Open Space Fund had a deficit fund balance of \$247,404 which is a result of excess expenditures in 2016 due to capital outlay.

NOTE 3 CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2016, follows:

Petty Cash	\$ 2,200
Bank Deposits	1,654,105
Investments	<u>28,704,467</u>
Total	<u><u>\$ 30,360,772</u></u>

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

Primary Government	\$ 28,345,550
Component Unit	<u>2,015,222</u>
Total	<u><u>\$ 30,360,772</u></u>

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Bank Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash 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 the PDPA. PDPA allows the institution to create a single collateral pool for all public funds.

The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The fair value of the collateral must be at least equal to the aggregate uninsured deposits. At December 31, 2016, the Town and the Marketing District reported bank deposits with a carrying value of (\$361,117) and \$2,015,222, respectively.

Deposits collateralized under the PDPA are considered collateralized with securities held by the pledging financial institution's trust department or agent in the "Town's or Marketing District's name", because the collateral pool meets the "held in name of the government" criterion.

Investments

The Town is required to comply with State statutes, which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The Town's investment policy follows State statutes. State statutes do not apply to public funds held or invested as part of any pension plan.

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

At December 31, 2016, the Town had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>Fair Value</u>
Local Government Investment Pools	AAAm	\$ 13,416,034	\$ -	\$ 13,416,034
Corporate Bonds	AA-	500,113	2,290,688	2,790,801
U.S. Treasury Securities	n/a	1,203,951	603,750	1,807,701
Federal National Mortgage Association	AA+	-	3,289,611	3,289,611
Federal Farm Credit Bank	AA+	1,852,060	798,432	2,650,492
Federal Home Loan Mortgage Corp.	AA+	1,624,159	966,917	2,591,076
Federal Home Loan Bank	AA+	750,278	1,408,474	2,158,752
		<u>\$ 19,346,595</u>	<u>\$ 9,357,872</u>	<u>\$ 28,704,467</u>

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk – State statutes limit investments in U.S. Treasury and Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest interest rate issued by a NRSRO.

Concentration of Credit Risk – State statutes do not limit the amount the Town may invest in one issuer. The Town’s concentration of credit risk that exceed 5% is shown below as of December 31, 2016. Percentages are based on the Town’s total Investments.

<u>Investment Type</u>	<u>Concentration of Credit Risk</u>
Federal National Mortgage Association	11.5%
Federal Farm Credit Bank	9.2%
Federal Home Loan Mortgage Corp.	9.0%
Federal Home Loan Bank	7.5%

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investment balances at December 31, 2016 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
U.S Treasury Securities	\$ 1,807,701	\$ -	\$ -	\$ 1,807,701
Corporate Bonds	-	2,790,801	-	2,790,801
Federal National Mortgage Association	-	3,289,611	-	3,289,611
Federal Farm Credit Bank	-	2,650,492	-	2,650,492
Federal Home Loan Mortgage Corp.	-	2,591,076	-	2,591,076
Federal Home Loan Bank	-	2,158,752	-	2,158,752
	<u>\$ 1,807,701</u>	<u>\$ 13,480,732</u>	<u>\$ -</u>	<u>\$ 15,288,433</u>

As of December 31, 2016, the Town had invested \$12,218,415 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 Commission 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+.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

As of December 31, 2016, the Town had invested \$1,197,619 in the Colorado Surplus Asset Fund Trust (CSAFE), 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 operated similarly to a money market fund and each share is equal in value to \$1.00. The Trust is rated AAAM by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

NOTE 4 NOTES RECEIVABLE

During 2014, the Town entered into an agreement for the sale of Lot 4, Plot of Lots 3 through 9, of the Stanley Historic District Subdivision to Grant Heritage Hotel Company. The Town entered into a promissory note with Grant Heritage Hotel Company by which the Grand Heritage Hotel Company is to pay the amount of \$650,000, due and payable two years after closing with default interest of 8%. \$325,000 of the promissory note will be waived by the Town if the Park Hospital District is issued a building permit by the Town for construction of the EPMC/Anschutz Wellness Training Center within two years of closing on a specific portion of Lot 4, to be leased to the Park Hotel District. During 2016, the Park Hospital District was not issued a building permit and the Town received the full \$650,000 on April 1, 2016. This has been recorded as Proceeds on Sale of Capital Assets in the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.

TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 is summarized below:

	Balance at December 31, 2015	Additions	Reductions	Transfers	Balance at December 31, 2016
Governmental Activities					
Capital Assets Not Being Depreciated					
Land Held for Preservation	\$ 4,513,297	\$ 866,780	\$ -	\$ 400,000	\$ 5,780,077
Construction in Process	1,989,505	7,989,600	6,689,488	-	3,289,617
Total Capital Assets Not Being Depreciated	<u>6,502,802</u>	<u>8,856,380</u>	<u>6,689,488</u>	<u>400,000</u>	<u>9,069,694</u>
Capital Assets Being Depreciated					
Buildings	22,937,923	278,411	-	-	23,216,334
Infrastructure	106,946,730	5,544,297	-	(90,012)	112,401,015
Machinery and Equipment	7,925,766	1,396,814	276,300	(309,988)	8,736,292
Total Capital Assets Being Depreciated	<u>137,810,419</u>	<u>7,219,522</u>	<u>276,300</u>	<u>(400,000)</u>	<u>144,353,641</u>
Less Accumulated Depreciation					
Buildings	(8,862,267)	(641,209)	-	-	(9,503,476)
Infrastructure	(83,339,006)	(1,370,895)	-	31,504	(84,678,397)
Machinery and Equipment	(4,012,973)	(686,255)	(261,967)	(31,504)	(4,468,765)
Total Accumulated Depreciation	<u>(96,214,246)</u>	<u>(2,698,359)</u>	<u>(261,967)</u>	<u>-</u>	<u>(98,650,638)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,596,173</u>	<u>4,521,163</u>	<u>14,333</u>	<u>(400,000)</u>	<u>45,703,003</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,098,975</u>	<u>\$ 13,377,543</u>	<u>\$ 6,703,821</u>	<u>\$ -</u>	<u>\$ 54,772,697</u>
	Balance at December 31, 2015	Additions	Reductions		Balance at December 31, 2016
Business-Type Activities					
Capital Assets Not Being Depreciated					
Land and Easements	\$ 2,984,072	\$ -	\$ -		\$ 2,984,072
Construction in Progress	110,698	1,737,851	1,394,709		453,840
Total Capital Assets Not Being Depreciated	<u>3,094,770</u>	<u>1,737,851</u>	<u>1,394,709</u>		<u>3,437,912</u>
Capital Assets Being Depreciated					
Buildings	10,059,474	211,699	-		10,271,173
Infrastructure	33,290,899	1,260,993	375		34,551,517
Machinery and Equipment	15,556,629	189,860	620,668		15,125,821
Total Capital Assets Being Depreciated	<u>58,907,002</u>	<u>1,662,552</u>	<u>621,043</u>		<u>59,948,511</u>
Less Accumulated Depreciation					
Buildings	(3,122,707)	(282,913)	-		(3,405,620)
Infrastructure	(13,058,352)	(743,909)	(169)		(13,802,092)
Machinery and Equipment	(8,351,752)	(459,556)	(507,909)		(8,303,399)
Total Accumulated Depreciation	<u>(24,532,811)</u>	<u>(1,486,378)</u>	<u>(508,078)</u>		<u>(25,511,111)</u>
Total Capital Assets, Being Depreciated, Net	<u>34,374,191</u>	<u>176,174</u>	<u>112,965</u>		<u>34,437,400</u>
Business-Type Activities Capital Assets, Net	<u>\$ 37,468,961</u>	<u>\$ 1,914,025</u>	<u>\$ 1,507,674</u>		<u>\$ 37,875,312</u>

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities	
General Government	\$ 1,337,076
Public Safety	62,431
Public Works	677,219
Culture and Recreation	621,633
	<u>\$ 2,698,359</u>
Business-type Activities	
Light and Power	\$ 777,423
Water	708,955
	<u>\$ 1,486,378</u>

NOTE 6 LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2016:

	Balance at December 31, 2015	Additions	Reductions	Balance at December 31, 2016	Due Within One Year
Certificates of Participation	\$ 5,325,000	\$ -	\$ 390,000	\$ 4,935,000	\$ 390,000
Compensated Absences	428,000	589,020	544,040	472,980	405,661
Postemployment Benefits	80,105	23,737	32,015	71,827	-
Environmental Remediation	410,712	152,752	488,464	75,000	20,000
Capital Lease	234,813	-	55,926	178,887	57,738
	<u>\$ 6,478,630</u>	<u>\$ 765,509</u>	<u>\$ 1,510,445</u>	<u>\$ 5,733,694</u>	<u>\$ 873,399</u>

Compensated absences and postemployment benefits are expected to be liquidated primarily with revenues of the General Fund.

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2016:

	Balance at December 31, 2015	Additions	Reductions	Balance at December 31, 2016	Due Within One Year
2007 Light and Power Bonds	\$ 4,235,000	\$ -	\$ 285,000	\$ 3,950,000	\$ 295,000
2008A Water Loan	4,058,369	-	278,126	3,780,243	278,126
Postemployment Benefits	-	34,159	-	34,159	-
Compensated Absences	201,860	335,955	309,538	228,277	193,231
	<u>\$ 8,495,229</u>	<u>\$ 370,114</u>	<u>\$ 872,664</u>	<u>\$ 7,992,679</u>	<u>\$ 766,357</u>

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 6 LONG-TERM DEBT (CONTINUED)

2007 Light and Power Revenue Bonds were issued to finance the construction and equipping of a new substation and to rebuild certain distribution lines and make other improvements to the Town's light and power facilities. Principal payments are due annually on November 1 through 2027. Interest payments are due semi-annually on May 1 and November 1. Interest accrues at 3.875% per annum.

All income derived from the operations of the light and power facilities after deduction of operating and maintenance costs must be sufficient to pay 125% of combined annual debt service requirements. During the year ended December 31, 2016, net revenues of \$1,243,347 were available to pay 125% of annual debt service of \$561,383.

Annual debt service requirements for the outstanding bonds at December 31, 2016, are as follows:

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 295,000	\$ 153,063	\$ 448,063
2018	305,000	141,631	446,631
2019	320,000	129,813	449,813
2020	330,000	117,413	447,413
2021-2025	1,855,000	384,788	2,239,788
2026-2027	845,000	49,406	894,406
Total	<u>\$ 3,950,000</u>	<u>\$ 976,114</u>	<u>\$ 4,926,114</u>

2008A Water Loan from the Colorado Water Resources and Power Development Authority was obtained to finance a membrane filter and increase capacity at the Mary's Lake Water Treatment Plant. Principal and interest payments are due semi-annually on February 1 and August 1 through August 1, 2028. Interest accrues at 3.26% per annum.

All income derived from the operations of the water facilities must be sufficient to pay; a) all Operating Expenses during the fiscal year; and b) 110% of the debt service dues during the fiscal year. During the year ended December 31, 2016, revenues of \$5,148,932 were available to pay 110% of annual debt service of \$447,474 and Operating Expenses of \$3,255,767.

Annual debt service requirements for the outstanding loans at December 31, 2016, are as follows:

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 278,126	\$ 125,027	\$ 403,153
2018	283,802	120,357	404,159
2019	289,478	115,790	405,268
2020	295,154	111,352	406,506
2021-2025	1,538,209	467,624	2,005,833
2026-2028	1,095,474	112,147	1,207,621
Total	<u>\$ 3,780,243</u>	<u>\$ 1,052,297</u>	<u>\$ 4,832,540</u>

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 6 LONG-TERM DEBT (CONTINUED)

On May 30, 2013, the Town issued Certificates of Participation, Series 2013, in the amount of \$6,075,000, for the purpose of financing the construction of a multi-purpose events center and new stall barns at the Stanley Park Fairgrounds complex. The certificates are subject to mandatory sinking fund redemption, prior to maturity of December 1, 2027. Payments of principal are due annually on December 1, through 2027. Interest accrues at a rate of 2.430% and is payable semiannually on June 1 and December 1.

<u>Year Ended December 31</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 390,000	\$ 120,650	\$ 510,650
2018	405,000	111,173	516,173
2019	415,000	101,331	516,331
2020	425,000	91,247	516,247
2021-2025	2,315,000	295,124	2,610,124
2026-2027	1,015,000	37,180	1,052,180
Total	<u>\$ 4,965,000</u>	<u>\$ 756,705</u>	<u>\$ 5,721,705</u>

*Outstanding principal is different from roll forward table due to the Town paying \$10,000 in excess of debt service schedule during fiscal years 2014, 2015 and 2016.

On December 2, 2013, the Town entered into a capital lease obligation in the amount of \$288,984 for the lease of radio equipment. The Town recorded an addition to capital assets and capital lease proceeds in fiscal year 2014. The capital lease was not recorded as an addition to long-term debt in fiscal year 2014 and as a result, is shown as an addition in 2015. The lease requires annual principal and interest payments of \$63,563 with interest at 3.24%. The final payment is due in 2019. The gross carrying amount of the assets was \$271,645 with a current year depreciation amount and accumulated depreciation amount of \$34,678 as of December 31, 2016.

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 57,738	\$ 5,796	\$ 63,534
2018	59,609	3,925	63,534
2019	61,540	1,994	63,534
	<u>\$ 178,887</u>	<u>\$ 11,715</u>	<u>\$ 190,602</u>

In prior years, the Town was identified as a responsible party in the mitigation of ground water and drainage issues at the Elm Road Landfill. The Town has received a mandated request from the State of Colorado to submit a drainage plan to address the issues. During 2014, the Town contracted with Steward Environmental Consultants, LLC regarding the identified drainage issues and the Town's estimated liability. The Town's estimate was based on a drainage plan of the area and cost estimates for completing the site specific controls necessary. During 2016, the Town made payments in the amount of \$544,040 as part of mitigation efforts. As of December 31, 2016, the Town's estimate liability is \$75,000 which represents estimated monitoring costs for three fiscal years. This amount has been reported as a long-term liability in the government-wide financial statements.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 7 INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2016, were comprised of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Light and Power Fund	\$ 1,391,740
General Fund	Water Fund	56,261
General Fund	Streets Improvement Fund	214,205
General Fund	Non-Major Governmental Funds	142,803
Community Reinvestment Fund	General Fund	520,000
Street Improvements Fund	General Fund	435,000
Light and Power Fund	Community Reinvestment Fund	650,000
Light and Power Fund	Streets Improvement Fund	37,165
Light and Power Fund	Non-Major Governmental Funds	24,777
		<u>\$ 3,471,951</u>

Annually, the Light and Power and Water Funds subsidize the General Fund for overhead costs. In 2016, the Streets Improvement Fund and other non-major governmental funds subsidized the General Fund and Light and Power Fund in relation to the excess sales tax collected above the ballot issue 1A limit. As a result of excess sales taxes received, the Town provided credits toward Town resident's utility bills and did not approve a mill levy for collections in 2017. The General Fund subsidizes the activities of the Community Reinvestment and Street Improvement Funds. The Community Reinvestment Fund reimbursed the Light and Power Fund as a result of proceeds received in 2016.

NOTE 8 RISK MANAGEMENT

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to State statute.

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

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

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 9 RETIREMENT COMMITMENTS

Plan Description – The Town and the discretely presented component unit (Visit Estes Park) contribute to the Local Government Division Trust Fund (“LGDTF”), a cost-sharing multi-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The LGDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State Law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits - 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) 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 factor.

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

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

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

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 (CPW-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.

Disability benefits are available to 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 of the Town and Visit Estes Park 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:

January 1st through December 31st	2016*
Employer Contribution Rate	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount Apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement(SAED) as specified in C.R.S. § 24-51-411	1.50%
Total Employer Contribution Rate to the LGDTF	12.68%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF.

For the year ended December 31, 2016, the Town and Visit Estes Park recognized contributions as follows:

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

	<u>Contributions</u>
Primary Government	
Governmental Activities	\$ 457,082
Light and Power Fund	232,245
Water Fund	<u>140,119</u>
Total Primary Government	<u>\$ 829,446</u>
Component Unit	
Visit Estes Park	<u>\$ 50,521</u>

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

At December 31, 2016, the Town and Visit Estes Park reported a net pension liability as follows:

	<u>Net Pension Liability</u>
Primary Government	
Governmental Activities	\$ 6,352,643
Light and Power Fund	3,176,322
Water Fund	<u>1,815,041</u>
Total Primary Government	<u>\$ 11,344,006</u>
Component Unit	
Visit Estes Park	<u>\$ 683,301</u>

The net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Town's and the discretely presented component unit's proportion of the net pension liability was based on the contributions to the LGDTF for the calendar year 2015 relative to the total contributions of participating employers to the LDGTF.

For the plan year end, the proportionate share of the net pension liability is as follows:

	<u>December 31, 2014</u>	<u>December 31, 2015</u>	<u>Increase</u>
Primary Government			
Governmental Activities	0.5096%	0.5766%	0.0670%
Light and Power Fund	0.2594%	0.2883%	0.0289%
Water Fund	0.1575%	0.1647%	0.0072%
Component Unit			
Visit Estes Park	0.0604%	0.0620%	0.0017%

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

For the year ended December 31, 2016, the Town and Visit Estes Park reported pension expense as follows:

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Light and Power Fund</u>	<u>Water Fund</u>	<u>Total</u>
Pension Expense	\$ 1,342,494	\$ 443,176	\$ 226,525	\$ 2,012,195
 <u>Discretely Presented Component Unit</u>	<u>Total</u>			
Pension Expense	\$ 62,240			

At December 31, 2016, the Town and the discretely presented component unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Light and Power Fund</u>	<u>Water Fund</u>	<u>Total</u>
Deferred Outflow of Resources				
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 1,198,463	\$ 600,918	\$ 346,760	\$ 2,146,141
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	408,903	135,801	34,116	578,820
Differences between Expected and Actual Experience	47,663	23,831	13,618	85,112
Town Contributions Subsequent to the Measurement Date	457,082	232,245	140,119	829,446
Total Deferred Outflow of Resources	<u>\$ 2,112,111</u>	<u>\$ 992,795</u>	<u>\$ 534,613</u>	<u>\$ 3,639,519</u>
 Deferred Inflow of Resources				
Differences between Expected and Actual Experience	\$ 195	\$ 99	\$ 60	\$ 354
Changes in Assumptions	116,358	58,179	33,245	\$ 207,782
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	-	10,538	2,856	13,394
Total Deferred Inflow of Resources	<u>\$ 116,553</u>	<u>\$ 68,816</u>	<u>\$ 36,161</u>	<u>\$ 221,530</u>

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

<u>Discretely Presented Component Unit</u>	<u>Total</u>
Deferred Outflow of Resources	
Net Difference Between Projected and Actual	
Earnings on Pension Plan Investments	\$ 130,939
Changes in Proportion and Differences	
Between Contributions and	
Proportionate Share of Contributions	7,767
Differences between Expected and	
Actual Experience	5,127
Town Contributions Subsequent to the	
Measurement Date	50,521
Total Deferred Outflow of Resources	<u>\$ 194,354</u>
Deferred Inflow of Resources	
Differences between Expected and	
Actual Experience	\$ 23
Changes in Assumptions	12,516
Changes in Proportion and Differences	
Between Town Contributions and	
Proportionate Share of Contributions	6,084
Total Deferred Inflow of Resources	<u>\$ 18,623</u>

\$457,082, \$232,245 and \$140,119 reported in governmental activities, light and power fund and the water fund for the primary government and \$50,521 reported for the discretely presented component unit as deferred outflow of resources related to pensions, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts related to pensions will be recognized in pension expense as follows:

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Light and Power Fund</u>	<u>Water Fund</u>	<u>Total</u>
<u>Year Ended June 30</u>				
2017	\$ 607,416	\$ 229,289	\$ 100,241	\$ 936,946
2018	362,787	177,748	94,280	634,815
2019	315,095	158,111	91,475	564,681
2020	253,178	126,586	72,337	452,101
Total	<u>\$ 1,538,476</u>	<u>\$ 691,734</u>	<u>\$ 358,333</u>	<u>\$ 2,588,543</u>

<u>Discretely Presented Component Unit</u>	<u>Total</u>
<u>Year Ended June 30</u>	
2017	\$ 28,767
2018	34,643
2019	34,569
2020	27,231
Total	<u>\$ 125,210</u>

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

Actuarial Assumptions – The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 - 10.85 percent
Long-term investment rate of return, net of pension plan investment expenses, including inflation	7.50 percent
Post-retirement benefit increase:	
PERA benefit structure hired prior to 1/1/07 and DPE benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation:

- The following programming changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage.
 - Reflection of the employer match on separation benefits for all eligible years.
 - Reflection of one year of service eligibility for survivor annuity benefit.
 - Refinement of the 18 month annual increase timing.
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - Recognition of merit salary increases in the first projection year.
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 15, 2013 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S Equity - Large Cap	26.76%	5.00%
U.S Equity - Small Cap	4.40%	5.19%
Non U.S. Equity - Developed	22.06%	5.29%
Non U.S. Equity - Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Totals	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50 percent.

Discount Rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions shown in the table 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 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- 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 the AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on those assumptions, the LDGTF'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 on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following represents the LGDTF's collective net pension liability calculated using the discount rate of 7.50 percent as of the measurement date, as well as 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):

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Primary Government Proportionate Share of the Net Pension Liability	\$ 17,391,517	\$ 11,344,006	\$ 6,328,192
Discretely Presented Component Unit Proportionate Share of the Net Pension Liability	\$ 1,047,570	\$ 683,301	\$ 381,176

Management Employees and Police Money Purchase Pension Plans

The Town contributes to a single-employer defined contribution money purchase pension plan on behalf of management employees and to a similar plan for police officers. The contribution requirements of Plan participants and the Town are established and may be amended by the Town's Board of Trustees.

Management Employees Plan – Management employees are eligible to participate in the Plan. The Plan is administered by the International City/County Management Association (ICMA). The Town is required to contribute 13.7% of each participant's covered salary to the Plan, and employees must contribute 8% of covered salary. During the year ended December 31, 2016, the Town and employee contributions were \$91,996 and \$53,120, respectively, equal to the required contributions.

Police Plan – All sworn police employees shall be eligible to participate in the Plan administered by ICMA. The Town is required to contribute 13.7% of each participating employee's covered salary, and each employee must contribute 8% of covered salary. During the year ended December 31, 2016, the Town and employee contributions were \$236,395 and \$138,041, respectively, equal to the required contributions.

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS

Multiple-Employer Defined Benefit Plan

Plan Description – The Town contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Funding Policy – The Town is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town are established by Title 24, Article 51, Part 4 of the CRS, as amended.

The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The Town’s apportionment to the HCTF for the years ended December 31, 2016, 2015 and 2014 were \$66,722, \$56,709, and \$51,923, respectively, equal to the required amounts for each year.

Single-Employer Defined Benefit Plan

Plan Description – The Town has established a single-employer defined benefit postemployment healthcare plan. Employees with at least 15 years of service with the Town, and who have reached at least 60 years of age, are eligible to receive medical insurance benefits after retirement. These benefits expire when the retiree reaches the age of 65. The authority to establish and amend benefit provisions rests with the Town’s Board of Trustees. The Town does not issue a stand-alone financial report for the plan.

Funding Policy – The contribution requirements of plan members and the Town are established and may be amended by the Town Board of Trustees. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2016, the Town contributed \$32,015 to the plan. Plan members are not required to contribute to the Plan.

Annual OPEB Cost and Net OPEB Obligation – The Town’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB obligation to the plan.

Annual Required Contribution	\$ 57,753
Interest on Net OPEB Obligation	3,204
Adjustment to Annual Required Contribution	<u>(3,061)</u>
Annual OPEB Cost	57,896
Contributions Made	<u>(32,015)</u>
Increase in Net OPEB Obligation	25,881
Net OPEB Obligation - Beginning of Year	<u>80,105</u>
 Net OPEB Obligation - End of Year	 <u><u>\$ 105,986</u></u>

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Net OPEB Obligation
12/31/2016	\$ 57,896	55.3%	\$ 105,986
12/31/2015	57,840	45.6%	80,105
12/31/2014	44,100	54.4%	48,655

Funded Status and Funding Progress – As of December 31, 2016, the most recent actuarial valuation was as of January 1, 2015. The actuarial accrued liability as of January 1, 2015 (AAL) was \$405,318, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$7,984,235 and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 5.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These assumptions include among others, annual rates of payroll increases, healthcare cost trends, and mortality rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the Town are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the note to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the Town and plan members, and are based on the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Town and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. Significant methods and assumptions included the following:

- Actuarial valuation date – January 1, 2015
- Actuarial cost method – Projected unit credit
- Amortization method – Level percentage of payroll, open
- Remaining amortization period – 30 years
- Asset valuation method – Fair value
- Investment rate of return – 4.0%, with inflation at 2.8%
- Projected wage growth – 3%
- Healthcare cost trend rate and premium increase – Getzen Model

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 11 SELF FUNDED HEALTH INSURANCE

Effective January 1, 2012, the Town established a self-insurance plan related to medical insurance for Town employees. The Town administers the plan; however, the Town utilizes a third-party service provider in the administration of the plan. Excess insurance coverage is maintained for claims greater than \$40,000 to limit the loss of any individual claim. The plan assesses other funds for estimates of current claims based on historical claims. The estimated claim liability of \$168,103 as of December 31, 2016, represents an estimate of incurred but not reported claims. This plan is an internal service fund.

	Medical Insurance
Claims Payable, December 31, 2014	\$ 64,608
2015 Claims and Changes in Estimate	970,214
Claim Payments	(962,139)
Claims Payable, December 31, 2015	72,683
2016 Claims and Changes in Estimate	1,085,955
Claim Payments	(990,535)
Claims payable, December 31, 2016	\$ 168,103

NOTE 12 COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending limitations, and other specific requirements of state and local government. In November 2000, voters within the Town authorized the Town to collect and retain all revenue in excess of the revenue limitations of the Amendment, and to spend all such revenues by transferring said revenues into the Community Reinvestment Fund for the purpose of acquisition, maintenance, repair and replacement of capital assets.

In November 2008, voters within Visit Estes Park authorized Visit Estes Park to levy a 2% marketing and promotion tax, and to collect, keep and spend all revenues received in 2009 and each year thereafter without limitation.

The Town and Visit Estes Park have established emergency reserves, representing 3% of qualifying revenues, as required by the Amendment. At December 31, 2016, the emergency reserves of \$576,778 and \$79,942, respectively, were reported as restricted net position. In addition, the Town's emergency reserve was reported as restricted fund balance in the General Fund.

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Claims and Judgments

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government.

At December 31, 2016, significant amounts of grant expenditures have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the Town.

Unasserted Claims and Assessments

In April 2013, the Town was informed by a representative of the Public Employees' Retirement Association (PERA) that some Town employees which were not enrolled in PERA for retirement benefits may be required to be enrolled in PERA. The Town maintains a separate defined contribution retirement plan and has identified some employees of the Estes Park Police Department who may be required to be either enrolled in PERA rather than International City.

Management Association (ICMA) for retirement plans or given the option to convert from their current ICMA plan into PERA's defined benefit retirement plan. Also, four current and former upper management employees may be required to have the option of converting from ICMA defined contribution plan into PERA's defined benefit retirement plan. The Town is in the process of quantifying the potential financial cost to the Town. In the event any identified employee opts to shift to PERA's defined benefit plan, the Town will be required to fund the employer's share of unpaid contributions plus interest. If all six persons convert to PERA's defined benefit retirement plan, the Town's financial obligation is estimated to be approximately \$455,000. As of December 31, 2016, the Town has not recorded a liability due to the uncertainty of the Town's potential financial responsibility.

Unconditional Purchase Obligation

The Town is a participant in the Municipal Subdistrict, Northern Colorado Water Conservancy District. The purpose of the Subdistrict is to provide a supplemental water supply to the participants through the construction of the Windy Gap Project. The Town is a 0.8% participant in the Subdistrict.

The Subdistrict issued bonds in 1986 to finance the Windy Gap Project. The bonds have since been refinanced. The participants have agreed to service this debt and pay operating expenses through water allotment contracts.

The Town's required payments under this agreement are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2017	\$ 63,755
	<u>\$ 63,755</u>

**TOWN OF ESTES PARK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 13 CHANGE IN ACCOUNTING ESTIMATE

The Town's 2015 financial statements included a receivable and associated deferred inflow of resources, reported in the general fund, for expenditures incurred in the amount of \$321,486. Subsequent to 2015, the expenditures incurred were determined to be unallowable under the respective grant agreements. During 2016, the Town incurred \$187,443 in grant expenditures, which were later determined to be unallowable. The change in estimate is due to the preliminary nature and estimates involved in the grant application process, specifically, the FEMA application process.

NOTE 14 RESTATEMENT

During 2016, the Town identified an error related to the balance reported for grant receivables in the water fund. As a result, the grant receivable balance reported as of December 31, 2015 for the Water Fund was understated by \$194,983. See table below for the effect of the prior period adjustment related to business-type activities and the water fund.

	Business-Type Activities	Water Fund
Net Position, December 31, 2015, as Previously Reported	\$ 43,575,816	\$ 21,662,150
Effect of prior period adjustment due to understatement of grant receivables as of December 31, 2015	194,983	194,983
Net Position, December 31, 2015, as Restated	\$ 43,770,799	\$ 21,857,133

NOTE 15 SUBSEQUENT EVENT

On January 1, 2017, the Town entered into a Lease Purchase Agreement commencing on January 23, 2017 and terminating on January 1, 2032 with Saulsbury Hill Financial, LLC. Under the agreement, Saulsbury Hill Financial, LLC will lease real property, including improvements, fixtures and equipment from the Town and provide funds in the aggregate amount of the principal rental payments. Saulsbury Hill Financial, LLC will also lease its interest in the property to the Town for rental payments until termination of the agreement. Upon execution of the Lease Purchase Agreement, \$4,497,092.80 was deposited into a project fund and will be periodically disbursed by an escrow agent upon receipt of a fully executed requisition request. The total principal amount of the lease is \$4,340,000 with an annual interest rate of 4.5%. Rental payments are to be made by the Town, semi-annually, in the amount of \$199,966. The Town has the option to purchase on any rental payment date beginning January 1, 2022 with payment in full of the rental payments plus the applicable purchase price. The Town may exercise its option to purchase at any time in the event of substantial damage or destruction to the leased property, upon payment in full of rental payments, plus the purchase price.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF ESTES PARK
SCHEDULE OF FUNDING PROGRESS
RETIREE HEALTHCARE PLAN
YEAR ENDED DECEMBER 31, 2016**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
1/1/11	\$ -	\$ 666,216	\$ 666,216	\$ -	\$ 6,456,111	10.3%
1/1/13	-	371,213	371,213	-	7,045,167	5.3%
1/1/15	-	405,318	405,318	-	7,984,235	5.1%

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales	\$ 9,619,000	\$ 10,254,408	\$ 10,424,827	\$ 170,419
Property	360,304	368,736	361,750	(6,986)
Franchise	484,438	490,766	488,325	(2,441)
Use	270,000	280,000	304,540	24,540
Licenses and Permits	607,530	667,248	730,684	63,436
Intergovernmental	959,416	5,331,992	2,533,875	(2,798,117)
Charges for Services	755,702	619,165	702,261	83,096
Fines and Forfeitures	50,200	50,200	45,045	(5,155)
Rental Income	425,055	311,455	327,336	15,881
Investment Income	19,370	24,399	26,011	1,612
Miscellaneous	230,498	228,429	493,751	265,322
Total Revenues	<u>13,781,513</u>	<u>18,626,798</u>	<u>16,438,405</u>	<u>(2,188,393)</u>
EXPENDITURES				
General Government				
Legislative	185,692	205,442	172,875	32,567
Judicial	44,516	53,934	56,413	(2,479)
Executive	422,725	430,242	409,763	20,479
Administrative	361,185	365,027	347,051	17,976
Financial Administration	571,796	528,996	530,286	(1,290)
Community Development	838,239	1,004,189	1,147,033	(142,844)
Buildings	832,859	885,863	846,519	39,344
Community Services	957,275	1,004,355	1,059,006	(54,651)
Other	147,765	127,212	129,265	(2,053)
Total General Government	<u>4,362,052</u>	<u>4,605,260</u>	<u>4,698,211</u>	<u>(92,951)</u>
Public Safety				
Police	4,079,342	4,013,020	3,822,920	190,100
Protective Inspection	720,715	826,490	935,116	(108,626)
Total Public Safety	<u>4,800,057</u>	<u>4,839,510</u>	<u>4,758,036</u>	<u>81,474</u>
Public Works				
Engineering	224,555	713,466	303,313	410,153
Streets	1,025,831	979,054	799,145	179,909
Total Public Works	<u>1,250,386</u>	<u>1,692,520</u>	<u>1,102,458</u>	<u>590,062</u>
Culture and Recreation				
Parks and Recreation	1,851,419	1,824,229	1,781,912	42,317
Visitor and Senior Services	726,733	732,714	688,563	44,151
Special Events	1,705,418	1,640,425	1,481,632	158,793
Capital Outlay	385,000	4,005,110	1,490,792	2,514,318
Debt Service				
Principal	-	55,926	55,926	-
Interest	-	7,608	7,608	-
Total Expenditures	<u>15,081,065</u>	<u>19,403,302</u>	<u>16,065,138</u>	<u>3,338,164</u>

**TOWN OF ESTES PARK
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
 YEAR ENDED DECEMBER 31, 2016**

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,299,552)	(776,504)	373,267	1,149,771
OTHER FINANCING SOURCES (USES)				
Transfers In	1,575,761	1,932,769	1,805,009	(127,760)
Transfers Out	<u>(955,000)</u>	<u>(955,000)</u>	<u>(955,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>620,761</u>	<u>977,769</u>	<u>850,009</u>	<u>(127,760)</u>
NET CHANGE IN FUND BALANCE	(678,791)	201,265	1,223,276	1,022,011
Fund Balance - Beginning of Year	<u>4,198,810</u>	<u>4,198,810</u>	<u>4,198,810</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,520,019</u></u>	<u><u>\$ 4,400,075</u></u>	<u><u>\$ 5,422,086</u></u>	<u><u>\$ 1,022,011</u></u>

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE – COMMUNITY REINVESTMENT FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,030,850	\$ 3,316,512	\$ 152,458	\$ (3,164,054)
Investment Income	10,000	13,871	16,867	2,996
Miscellaneous	325,000	149,748	50,922	(98,826)
Total Revenues	<u>2,365,850</u>	<u>3,480,131</u>	<u>220,247</u>	<u>(3,259,884)</u>
EXPENDITURES				
Current				
Community Reinvestment	5,000	346,025	169,735	176,290
Capital Outlay	2,277,850	9,860,998	1,361,049	8,499,949
Debt Service				
Principal	390,000	390,000	390,000	-
Interest	130,904	130,904	129,398	1,506
Total Expenditures	<u>2,803,754</u>	<u>10,727,927</u>	<u>2,050,182</u>	<u>8,677,745</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(437,904)	(7,247,796)	(1,829,935)	5,417,861
OTHER FINANCING SOURCES (USES)				
Proceeds on Sale of Assets	-	325,000	650,000	325,000
Proceeds from Capital Lease	-	4,500,000	-	(4,500,000)
Transfers In	520,000	520,000	520,000	-
Transfers Out	(325,000)	(325,000)	(650,000)	(325,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>195,000</u>	<u>5,020,000</u>	<u>520,000</u>	<u>(4,500,000)</u>
NET CHANGE IN FUND BALANCE	(242,904)	(2,227,796)	(1,309,935)	917,861
Fund Balance - Beginning of Year	<u>2,516,777</u>	<u>2,516,777</u>	<u>2,516,777</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,273,873</u>	<u>\$ 288,981</u>	<u>\$ 1,206,842</u>	<u>\$ 917,861</u>

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE – STREET IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,441,500	\$ 1,553,448	\$ 1,561,839	\$ 8,391
Investment Income	8,000	33,633	30,492	(3,141)
Miscellaneous	-	-	14	14
Total Revenues	<u>1,449,500</u>	<u>1,587,081</u>	<u>1,592,345</u>	<u>5,264</u>
EXPENDITURES				
Current				
Public Works	1,084,381	1,776,101	1,138,013	638,088
Capital Outlay	<u>3,000,000</u>	<u>4,178,539</u>	<u>4,120,670</u>	<u>57,869</u>
Total Expenditures	<u>4,084,381</u>	<u>5,954,640</u>	<u>5,258,683</u>	<u>695,957</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,634,881)	(4,367,559)	(3,666,338)	701,221
OTHER FINANCING SOURCES (USES)				
Transfers In	435,000	1,538,000	435,000	(1,103,000)
Transfers Out	-	(251,370)	(251,370)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>435,000</u>	<u>1,286,630</u>	<u>183,630</u>	<u>(1,103,000)</u>
NET CHANGE IN FUND BALANCE	(2,199,881)	(3,080,929)	(3,482,708)	(401,779)
Fund Balance - Beginning of Year	<u>6,928,078</u>	<u>6,928,078</u>	<u>6,928,078</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,728,197</u>	<u>\$ 3,847,149</u>	<u>\$ 3,445,370</u>	<u>\$ (401,779)</u>

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 633,000	\$ 3,183,673	\$ 365,682	\$ (2,817,991)
Investment Income	2,000	2,682	2,506	(176)
Total Revenues	<u>635,000</u>	<u>3,186,355</u>	<u>368,188</u>	<u>(2,818,167)</u>
EXPENDITURES				
Current				
Culture and Recreation	261,440	1,930,548	48,318	1,882,230
Capital Outlay	-	983,000	1,043,148	(60,148)
Total Expenditures	<u>261,440</u>	<u>2,913,548</u>	<u>1,091,466</u>	<u>1,822,082</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>373,560</u>	<u>272,807</u>	<u>(723,278)</u>	<u>(996,085)</u>
OTHER FINANCING USES				
Transfers Out	-	(430,000)	-	430,000
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(430,000)</u>	<u>-</u>	<u>430,000</u>
NET CHANGE IN FUND BALANCE	373,560	(157,193)	(723,278)	(566,085)
Fund Balance - Beginning of Year	<u>475,874</u>	<u>475,874</u>	<u>475,874</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 849,434</u></u>	<u><u>\$ 318,681</u></u>	<u><u>\$ (247,404)</u></u>	<u><u>\$ (566,085)</u></u>

**TOWN OF ESTES PARK
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TWO YEARS**

	Measurement Date		
	2015	2014	2013*
Town's Proportion of the Net Pension Liability	1.02979314%	0.92646094%	0.84429873%
Town's Proportionate Share of the Net Pension Liability	\$ 11,344,006	\$ 8,303,953	\$ 6,947,912
Town's Covered-Employee Payroll	\$ 5,842,524	\$ 5,078,452	\$ 4,502,074
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	194.16%	163.51%	154.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.9%	80.7%	77.6%

* The amounts presented for fiscal year were determined as of 12/31. Information prior to 2013 is not available.

**TOWN OF ESTES PARK
SCHEDULE OF TOWN CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013*</u>
Contractually Required Contribution	\$ 829,447	\$ 740,832	\$ 643,712	\$ 570,863
Contributions in Relation to the Contractually Required Contribution	<u>829,447</u>	<u>740,832</u>	<u>643,712</u>	<u>570,863</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	\$ 6,541,376	\$ 5,842,524	\$ 5,078,452	\$ 4,502,074
Contributions as a Percentage of Covered Employee Payroll	12.68%	12.68%	12.68%	12.68%

* Amounts determined for each fiscal year were determined as of December 31.
The Town implemented GASB Statement No. 68 in 2015;
Therefore 10 years of data is not available.

OTHER SUPPLEMENTARY INFORMATION

**TOWN OF ESTES PARK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	Conservation Trust	Emergency Response System	Community Recreation Center	Trails Expansion	Total
ASSETS					
Cash and Investments	\$ 35,498	\$ 29,335	\$ 7,326	\$ 678,217	\$ 750,376
Taxes Receivable	-	7,693	76,927	38,463	123,083
Accounts Receivable	60	52	-	1,212	1,324
Intergovernmental Receivable	-	-	-	35,844	35,844
Total Assets	<u>\$ 35,558</u>	<u>\$ 37,080</u>	<u>\$ 84,253</u>	<u>\$ 753,736</u>	<u>\$ 910,627</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 600	\$ 79,580	\$ 11,727	\$ 91,907
Unearned Revenue	-	467	4,672	38,180	43,319
Total Liabilities	-	1,067	84,252	49,907	135,226
FUND BALANCES					
Restricted					
Parks and Open Space	35,558	-	-	-	35,558
Capital Improvements	-	36,013	1	703,829	739,843
Total Fund Balance	<u>35,558</u>	<u>36,013</u>	<u>1</u>	<u>703,829</u>	<u>775,401</u>
Total Liabilities and Fund Balances	<u>\$ 35,558</u>	<u>\$ 37,080</u>	<u>\$ 84,253</u>	<u>\$ 753,736</u>	<u>\$ 910,627</u>

**TOWN OF ESTES PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016**

	Conservation Trust	Emergency Response System	Community Recreation Center	Trails Expansion	Total
REVENUES					
Intergovernmental	\$ 34,547	\$ -	\$ -	\$ 81,059	\$ 115,606
Taxes	-	65,077	650,766	325,383	1,041,226
Investment Income	344	124	6,368	3,337	10,173
Miscellaneous	4	-	-	-	4
Total Revenues	<u>34,895</u>	<u>65,201</u>	<u>657,134</u>	<u>409,779</u>	<u>1,167,009</u>
EXPENDITURES					
Current					
Culture and Recreation	45,133	-	1,499,521	-	1,544,654
Public Works	-	33,429	-	100	33,529
Capital Outlay	-	-	-	102,680	102,680
Total Expenditures	<u>45,133</u>	<u>33,429</u>	<u>1,499,521</u>	<u>102,780</u>	<u>1,680,863</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,238)	31,772	(842,387)	306,999	(513,854)
OTHER FINANCING USES					
Transfers Out	-	(10,474)	(104,737)	(52,369)	(167,580)
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(10,474)</u>	<u>(104,737)</u>	<u>(52,369)</u>	<u>(167,580)</u>
NET CHANGE IN FUND BALANCES	(10,238)	21,298	(947,124)	254,630	(681,434)
Fund Balances - Beginning of Year	<u>45,796</u>	<u>14,715</u>	<u>947,125</u>	<u>449,199</u>	<u>1,456,835</u>
FUND BALANCES - END OF YEAR	<u>\$ 35,558</u>	<u>\$ 36,013</u>	<u>\$ 1</u>	<u>\$ 703,829</u>	<u>\$ 775,401</u>

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 32,000	\$ 32,000	\$ 34,547	\$ 2,547
Investment Income	500	350	344	(6)
Miscellaneous	-	-	4	4
Total Revenues	<u>32,500</u>	<u>32,350</u>	<u>34,895</u>	<u>2,545</u>
EXPENDITURES				
Current				
Culture and Recreation	22,716	54,346	45,133	9,213
Capital Outlay	<u>21,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>43,716</u>	<u>54,346</u>	<u>45,133</u>	<u>9,213</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(11,216)</u>	<u>(21,996)</u>	<u>(10,238)</u>	<u>11,758</u>
NET CHANGE IN FUND BALANCE				
	(11,216)	(21,996)	(10,238)	11,758
Fund Balance - Beginning of Year	<u>45,796</u>	<u>45,796</u>	<u>45,796</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 34,580</u></u>	<u><u>\$ 23,800</u></u>	<u><u>\$ 35,558</u></u>	<u><u>\$ 11,758</u></u>

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
EMERGENCY RESONSE FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 60,063	\$ 64,727	\$ 65,077	\$ 350
Investment Income	53	111	124	13
Total Revenues	<u>60,116</u>	<u>64,838</u>	<u>65,201</u>	<u>363</u>
EXPENDITURES				
Current				
Public Works	<u>50,360</u>	<u>40,360</u>	<u>33,429</u>	<u>6,931</u>
Total Expenditures	<u>50,360</u>	<u>40,360</u>	<u>33,429</u>	<u>6,931</u>
EXCESS OF REVENUES OVER EXPENDITURES	9,756	24,478	31,772	7,294
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(10,474)</u>	<u>(10,474)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(10,474)</u>	<u>(10,474)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	9,756	14,004	21,298	7,294
Fund Balance - Beginning of Year	<u>14,715</u>	<u>14,715</u>	<u>14,715</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 24,471</u></u>	<u><u>\$ 28,719</u></u>	<u><u>\$ 36,013</u></u>	<u><u>\$ 7,294</u></u>

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
COMMUNITY RECREATION CENTER FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 600,625	\$ 647,270	\$ 650,766	\$ 3,496
Investment Income	2,000	6,973	6,368	(605)
Total Revenues	<u>602,625</u>	<u>654,243</u>	<u>657,134</u>	<u>2,891</u>
EXPENDITURES				
Current				
Cultural and Recreation	-	1,496,631	1,499,521	(2,890)
Total Expenditures	<u>-</u>	<u>1,496,631</u>	<u>1,499,521</u>	<u>(2,890)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	602,625	(842,388)	(842,387)	1
OTHER FINANCING USES				
Transfers out	-	(104,737)	(104,737)	-
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(104,737)</u>	<u>(104,737)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	602,625	(947,125)	(947,124)	1
Fund Balance - Beginning of Year	<u>947,125</u>	<u>947,125</u>	<u>947,125</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,549,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
TRAILS EXPANSION FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 237,000	\$ 295,538	\$ 81,059	\$ (214,479)
Taxes	300,312	323,635	325,383	1,748
Investment Income	1,000	3,327	3,337	10
Total Revenues	<u>538,312</u>	<u>622,500</u>	<u>409,779</u>	<u>(212,721)</u>
EXPENDITURES				
Current				
Public Works	-	-	100	(100)
Capital Outlay	<u>500,000</u>	<u>295,538</u>	<u>102,680</u>	<u>192,858</u>
Total Expenditures	<u>500,000</u>	<u>295,538</u>	<u>102,780</u>	<u>192,758</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	38,312	326,962	306,999	(19,963)
OTHER FINANCING USES				
Transfers out	-	<u>(725,369)</u>	<u>(52,369)</u>	<u>673,000</u>
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(725,369)</u>	<u>(52,369)</u>	<u>673,000</u>
NET CHANGE IN FUND BALANCE	38,312	(398,407)	254,630	653,037
Fund Balance - Beginning of Year	<u>449,199</u>	<u>449,199</u>	<u>449,199</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 487,511</u>	<u>\$ 50,792</u>	<u>\$ 703,829</u>	<u>\$ 653,037</u>

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
LIGHT AND POWER FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Utility Sales	\$ 14,220,729	\$ 14,313,480	\$ 13,907,893	\$ (405,587)
Intergovernmental	74,064	1,446,564	153,652	(1,292,912)
Investment Income	53,000	65,915	78,448	12,533
Miscellaneous	181,001	251,501	367,446	115,945
Total Revenues	<u>14,528,794</u>	<u>16,077,460</u>	<u>14,507,439</u>	<u>(1,570,021)</u>
EXPENDITURES				
Current				
Source of Supply	7,112,560	7,112,560	7,161,619	(49,059)
Distribution	3,640,985	3,728,338	3,104,575	623,763
Customer Accounts	460,738	448,787	384,020	64,767
Administration and General	2,477,936	2,469,714	2,460,228	9,486
Capital Outlay	2,242,000	3,849,602	1,677,921	2,171,681
Debt Service				
Principal	285,000	285,000	285,000	-
Interest	164,106	164,106	162,266	1,840
Total Expenditures	<u>16,383,325</u>	<u>18,058,107</u>	<u>15,235,629</u>	<u>2,822,478</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	386,942	711,942	325,000
Transfers Out	(1,519,500)	(1,519,500)	(1,391,740)	127,760
Gain (Loss) on Sale of Assets	-	5,500	(91,430)	(96,930)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,519,500)</u>	<u>(1,127,058)</u>	<u>(771,228)</u>	<u>355,830</u>
CHANGE IN NET POSITION - Budgetary Basis	<u>\$ (3,374,031)</u>	<u>\$ (3,107,705)</u>	(1,499,418)	<u>\$ 1,608,287</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			1,677,921	
Depreciation and Amortization			(777,423)	
Debt Principal Payments			<u>285,000</u>	
CHANGE IN NET POSITION - GAAP BASIS			(313,920)	
Net Position - Beginning of Year			<u>20,519,047</u>	
NET POSITION - END OF YEAR			<u>\$ 20,205,127</u>	

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
WATER FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Utility Sales	\$ 3,803,275	\$ 4,312,352	\$ 4,458,412	\$ 146,060
Tap Fees	230,000	590,255	610,663	20,408
Intergovernmental	50,000	50,000	25,420	(24,580)
Investment Income	14,000	33,500	34,844	1,344
Miscellaneous	202,208	40,208	90,143	49,935
Total Revenues	<u>4,299,483</u>	<u>5,026,315</u>	<u>5,219,482</u>	<u>193,167</u>
EXPENDITURES				
Current				
Source of Supply	217,205	217,205	156,117	61,088
Purification	1,066,394	1,037,362	743,780	293,582
Distribution	1,529,220	1,503,585	1,490,408	13,177
Customer Accounts	278,008	277,056	237,334	39,722
Administration and General	653,445	679,744	628,126	51,618
Capital Outlay	1,096,600	1,244,408	327,771	916,637
Debt Service				
Principal	278,126	278,126	278,126	-
Interest	128,668	128,668	127,151	1,517
Total Expenditures	<u>5,247,666</u>	<u>5,366,154</u>	<u>3,988,813</u>	<u>1,377,341</u>
OTHER FINANCING USES				
Transfers Out	<u>(56,261)</u>	<u>(56,261)</u>	<u>(56,261)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(56,261)</u>	<u>(56,261)</u>	<u>(56,261)</u>	<u>-</u>
CHANGE IN NET POSITION - Budgetary Basis	<u><u>\$ (1,004,444)</u></u>	<u><u>\$ (396,100)</u></u>	1,174,408	<u><u>\$ 1,570,508</u></u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			327,771	
Depreciation and Amortization			(708,955)	
Debt Principal Payments			<u>278,126</u>	
CHANGE IN NET POSITION - GAAP BASIS			1,071,350	
Net Position - Beginning of Year (As Restated)			<u>21,857,133</u>	
NET POSITION - END OF YEAR			<u><u>\$ 22,928,483</u></u>	

**TOWN OF ESTES PARK
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2016**

	Fleet Maintenance	Vehicle Replacement	Information Technology	Medical Insurance	Total
ASSETS					
Current Assets					
Cash and Investments	\$ 319,093	\$ 1,264,374	\$ 619,381	\$ 413,969	\$ 2,616,817
Accounts Receivable	3,877	2,173	11,764	3,947	21,761
Intergovernmental Receivable	71	-	439	-	510
Inventories	27,091	-	-	-	27,091
Prepaid Items	-	-	35,467	78,749	114,216
Total Current Assets	<u>350,132</u>	<u>1,266,547</u>	<u>667,051</u>	<u>496,665</u>	<u>2,780,395</u>
Noncurrent Assets					
Capital Assets, Net of					
Accumulated Depreciation	<u>48,577</u>	<u>2,658,624</u>	<u>182,135</u>	<u>-</u>	<u>2,889,336</u>
Total Noncurrent Assets	<u>48,577</u>	<u>2,658,624</u>	<u>182,135</u>	<u>-</u>	<u>2,889,336</u>
Total Assets	398,709	3,925,171	849,186	496,665	5,669,731
LIABILITIES					
Current Liabilities					
Accounts Payable	10,647	239,669	5,347	6,176	261,839
Accrued Liabilities	12,001	-	13,691	-	25,692
Unearned Revenue	-	-	-	-	-
Claims Payable	-	-	-	168,103	168,103
Compensated Absences Payable	15,255	-	21,291	-	36,546
Total Current Liabilities	<u>37,903</u>	<u>239,669</u>	<u>40,329</u>	<u>174,279</u>	<u>492,180</u>
Noncurrent Liabilities					
OPEB Liability	2,698	-	2,510	-	5,208
Compensated Absences Payable	<u>2,735</u>	<u>-</u>	<u>2,213</u>	<u>-</u>	<u>4,948</u>
Total Liabilities	<u>43,336</u>	<u>239,669</u>	<u>45,052</u>	<u>174,279</u>	<u>502,336</u>
NET POSITION					
Net Investment in Capital Assets	48,577	2,658,624	182,135	-	2,889,336
Unrestricted	<u>306,796</u>	<u>1,026,878</u>	<u>621,999</u>	<u>322,386</u>	<u>2,278,059</u>
Total Net Position	<u>\$ 355,373</u>	<u>\$ 3,685,502</u>	<u>\$ 804,134</u>	<u>\$ 322,386</u>	<u>\$ 5,167,395</u>

TOWN OF ESTES PARK
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2016

	Fleet Maintenance	Vehicle Replacement	Information Technology	Medical Insurance	Total
OPERATING REVENUES					
Charges for Services	\$ 533,862	\$ 507,449	\$ 492,115	\$ 1,963,106	\$ 3,496,532
Miscellaneous	-	138	84,994	162	85,294
Total Operating Revenues	<u>533,862</u>	<u>507,587</u>	<u>577,109</u>	<u>1,963,268</u>	<u>3,581,826</u>
OPERATING EXPENSES					
Salaries and Benefits	358,191	-	395,423	-	753,614
Supplies	6,617	6,539	27,258	-	40,414
Utilities	2,785	-	20,771	-	23,556
Training	4,372	-	6,483	-	10,855
Insurance	4,387	-	2,703	-	7,090
Maintenance and Repairs	22,664	-	65,948	-	88,612
Professional Fees	14,802	-	36,519	-	51,321
Depreciation	4,073	536,893	27,402	-	568,368
Medical Benefits	-	-	-	2,031,640	2,031,640
Total Operating Expenses	<u>417,891</u>	<u>543,432</u>	<u>582,507</u>	<u>2,031,640</u>	<u>3,575,470</u>
OPERATING INCOME (LOSS)	115,971	(35,845)	(5,398)	(68,372)	6,356
NONOPERATING REVENUES					
Investment Income	825	11,164	4,314	4,068	20,371
Gain on Sale of Asset	-	37,088	4,250	-	41,338
Total Nonoperating Revenue	<u>825</u>	<u>48,252</u>	<u>8,564</u>	<u>4,068</u>	<u>61,709</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>116,796</u>	<u>12,407</u>	<u>3,166</u>	<u>(64,304)</u>	<u>68,065</u>
CHANGES IN NET POSITION	116,796	12,407	3,166	(64,304)	68,065
Net Position - Beginning of Year	<u>238,577</u>	<u>3,673,095</u>	<u>800,968</u>	<u>386,690</u>	<u>5,099,330</u>
NET POSITION - END OF YEAR	<u>\$ 355,373</u>	<u>\$ 3,685,502</u>	<u>\$ 804,134</u>	<u>\$ 322,386</u>	<u>\$ 5,167,395</u>

**TOWN OF ESTES PARK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2016**

	Fleet Maintenance	Vehicle Replacement	Information Technology	Medical Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received From Customers	\$ 536,993	\$ 744,482	\$ 491,725	\$ 1,959,223	\$ 3,732,423
Cash Received From Other Sources	-	138	84,994	162	85,294
Cash Paid to Suppliers and Beneficiaries	(58,938)	(6,539)	(159,647)	(72,573)	(297,697)
Cash Paid to Employees	(346,286)	-	(385,305)	(1,936,220)	(2,667,811)
Net Cash Provided (Used) by Operating Activities	131,769	738,081	31,767	(49,408)	852,209
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants received	-	-	13,401	-	13,401
Net Cash Provided by Noncapital Financing Activities	-	-	13,401	-	13,401
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES					
Proceeds from Sale of Capital Assets	-	37,088	4,250	-	41,338
Construction and Acquisition of Capital Assets	-	(1,137,755)	(70,320)	-	(1,208,075)
Net Cash Used in Capital and Related Activities	-	(1,100,667)	(66,070)	-	(1,166,737)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	825	11,164	4,314	4,068	20,371
NET CHANGE IN CASH AND CASH EQUIVALENTS	132,594	(351,422)	(16,588)	(45,340)	(280,756)
Cash and Cash Equivalents - Beginning of Year	186,499	1,615,796	635,969	459,309	2,897,573
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 319,093</u>	<u>\$ 1,264,374</u>	<u>\$ 619,381</u>	<u>\$ 413,969</u>	<u>\$ 2,616,817</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES					
Operating Income	\$ 115,971	\$ (35,845)	\$ (5,398)	\$ (68,372)	\$ 6,356
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation	4,073	536,893	27,402	-	568,368
Changes in Assets and Liabilities					
Accounts Receivable	3,131	(2,173)	(390)	(3,883)	(3,315)
Inventories	960	-	-	-	960
Prepaid Items	-	-	(1,946)	(78,749)	(80,695)
Accounts Payable	(4,271)	239,206	1,981	6,176	243,092
Accrued Liabilities	2,325	-	4,294	-	6,619
Claims Payable	-	-	-	95,420	95,420
OPEB Payable	2,698	-	2,510	-	5,208
Compensated Absences Payable	6,882	-	3,314	-	10,196
Total Adjustments	15,798	773,926	37,165	18,964	845,853
NET CASH PROVIDED (USED BY) OPERATING ACTIVITIES	<u>\$ 131,769</u>	<u>\$ 738,081</u>	<u>\$ 31,767</u>	<u>\$ (49,408)</u>	<u>\$ 852,209</u>

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
FLEET MAINTENANCE FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 397,500	\$ 397,500	\$ 533,862	\$ 136,362
Investment Income	1,000	537	825	288
Total Revenues	<u>398,500</u>	<u>398,037</u>	<u>534,687</u>	<u>136,650</u>
EXPENDITURES				
Current				
Salaries and Benefits	336,946	340,082	358,191	(18,109)
Supplies	9,850	9,850	6,617	3,233
Utilities	7,265	7,265	2,785	4,480
Training	10,920	10,920	4,372	6,548
Insurance	3,381	3,381	4,387	(1,006)
Maintenance and Repairs	21,882	21,882	22,664	(782)
Professional Fees	8,445	8,445	14,802	(6,357)
Total Expenditures	<u>398,689</u>	<u>401,825</u>	<u>413,818</u>	<u>(11,993)</u>
CHANGE IN NET POSITION -				
Budgetary Basis	<u>\$ (189)</u>	<u>\$ (3,788)</u>	120,869	<u>\$ 124,657</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			<u>(4,073)</u>	
CHANGE IN NET POSITION - GAAP BASIS				
			116,796	
Net Position - Beginning of Year			<u>238,577</u>	
NET POSITION - END OF YEAR				
			<u>\$ 355,373</u>	

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
VEHICLE REPLACEMENT FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 507,449	\$ 507,449	\$ 507,449	\$ -
Miscellaneous	-	-	138	138
Investment Income	10,000	10,337	11,164	827
Total Revenues	<u>517,449</u>	<u>517,786</u>	<u>518,751</u>	<u>965</u>
EXPENDITURES				
Supplies	-	-	6,539	(6,539)
Capital Outlay	<u>819,839</u>	<u>1,156,507</u>	<u>1,137,755</u>	<u>18,752</u>
Total Expenditures	<u>819,839</u>	<u>1,156,507</u>	<u>1,144,294</u>	<u>12,213</u>
CHANGE IN NET POSITION -				
Budgetary Basis	<u>\$ (302,390)</u>	<u>\$ (638,721)</u>	(625,543)	<u>\$ 13,178</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			1,137,755	
Gain on Sale of Asset			37,088	
Depreciation			<u>(536,893)</u>	
CHANGE IN NET POSITION - GAAP BASIS				
			12,407	
Net Position - Beginning of Year			<u>3,673,095</u>	
NET POSITION - END OF YEAR			<u>\$ 3,685,502</u>	

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
INFORMATION TECHNOLOGY FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 487,983	\$ 487,983	\$ 492,115	\$ 4,132
Investment Income	4,000	4,617	4,314	(303)
Miscellaneous	51,970	51,970	84,994	33,024
Total Revenues	<u>543,953</u>	<u>544,570</u>	<u>581,423</u>	<u>36,853</u>
EXPENDITURES				
Current				
Salaries and Benefits	406,401	381,325	395,423	(14,098)
Supplies	44,450	46,450	27,258	19,192
Utilities	29,000	29,000	20,771	8,229
Training	7,300	7,300	6,483	817
Insurance	2,775	2,775	2,703	72
Maintenance and Repairs	80,901	80,901	65,948	14,953
Professional Fees	35,300	40,300	36,519	3,781
Capital Outlay	71,000	72,000	70,320	1,680
Total Expenditures	<u>677,127</u>	<u>660,051</u>	<u>625,425</u>	<u>34,626</u>
CHANGE IN NET POSITION -				
Budgetary Basis	<u>\$ (133,174)</u>	<u>\$ (115,481)</u>	(44,002)	<u>\$ 71,479</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			70,320	
Gain on Sale of Asset			4,250	
Depreciation			<u>(27,402)</u>	
CHANGE IN NET POSITION - GAAP BASIS				
			3,166	
Net Position - Beginning of Year			<u>800,968</u>	
NET POSITION - END OF YEAR			<u>\$ 804,134</u>	

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
MEDICAL INSURANCE FUND
YEAR ENDED DECEMBER 31, 2016**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 2,120,928	\$ 2,120,928	\$ 1,963,106	\$ (157,822)
Investment Income	4,500	4,150	4,068	(82)
Miscellaneous	-	-	162	162
Total Revenues	2,125,428	2,125,078	1,967,336	(157,742)
EXPENDITURES				
Current				
Medical Expenditures	2,127,928	2,127,928	2,031,640	96,288
Total Expenditures	2,127,928	2,127,928	2,031,640	96,288
CHANGE IN NET POSITION - Budgetary Basis	\$ (2,500)	\$ (2,850)	(64,304)	\$ (61,454)
Net Position - Beginning of Year			386,690	
NET POSITION - END OF YEAR			\$ 322,386	

**TOWN OF ESTES PARK
BUDGETARY COMPARISON SCHEDULE
AGENCY FUND
YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash and investments	\$ 459,993	\$ 814	\$ 460,807	\$ -
LIABILITIES				
Accrued liabilities	\$ 459,993	\$ 814	\$ 460,807	\$ -

**SCHEDULE OF COMPONENT UNIT WITHOUT SEPARATELY
ISSUED FINANCIAL STATEMENTS**

**TOWN OF ESTES PARK
MARKETING DISTRICT
BALANCE SHEET
DECEMBER 31, 2016**

	<u>General Fund</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 2,015,222
Accounts Receivable	<u>289,307</u>
Total Current Assets	2,304,529
 Total Assets	 2,304,529
LIABILITIES	
Accounts Payable	<u>285,252</u>
Total Liabilities	285,252
FUND BALANCES	
Unassigned	<u>2,019,277</u>
 Total liabilities and fund balances	 <u><u>\$ 2,019,277</u></u>

**TOWN OF ESTES PARK
MARKETING DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016**

	<u>General Fund</u>
REVENUES	
Lodging Taxes	\$ 2,151,604
Charges for Services	512,151
Contributions	4,814
Investment Income	271
Miscellaneous	986
Total Revenues	2,669,826
EXPENDITURES	
Salaries and Benefits	551,024
Marketing & Operations	1,803,003
Town Events Marketing	20,000
Total Expenditures	2,374,027
NET CHANGE IN FUND BALANCE	295,799
Fund Balance - Beginning of Year	1,723,478
FUND BALANCE - END OF YEAR	\$ 2,019,277

**TOWN OF ESTES PARK
MARKETING DISTRICT
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2016**

	Original and Final	Actual	Variance with Final Budget Positive
REVENUES			
Lodging Taxes	\$ 1,751,000	\$ 2,151,604	\$ 400,604
Charges for Services	537,460	512,151	(25,309)
Contributions	3,422	4,814	1,392
Investment Income	55	271	216
Miscellaneous	-	986	986
Total Revenues	<u>2,291,937</u>	<u>2,669,826</u>	<u>377,889</u>
EXPENSES			
Operating Expenses	<u>2,433,875</u>	<u>2,374,027</u>	<u>59,848</u>
CHANGE IN NET POSITION	<u>\$ (141,938)</u>	<u>\$ 295,799</u>	<u>\$ 295,799</u>

STATISTICAL SECTION

This section of the Town of Estes Park Comprehensive Annual Financial Report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents	Schedules	Pages
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial condition has changed over time.	1-4	70-74
Revenue Capacity These schedules contain information to help the reader assess the Town's largest revenue source, sales and use taxes	5-7	75-77
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue debt in the future.	8-11	78-81
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	12-13	82-83
Operating Information These schedules contain service data to help the reader understand how information in the financial report relates to the services the Town provides and the activities it performs.	14-16	84-87

**TOWN OF ESTES PARK
SCHEDULE 1
NET ASSETS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
Invested in Capital Assets,										
Net of Related Debt	\$ 43,547,869	\$ 43,143,611	\$ 41,563,901	\$ 42,203,530	\$ 42,113,390	\$ 41,859,310	\$ 42,700,081	\$ 43,113,642	\$ 42,539,162	\$ 49,411,763
Restricted	2,092,071	698,599	410,000	377,000	709,864	501,501	560,342	912,392	9,406,344	4,797,549
Unrestricted	10,030,682	12,029,735	11,716,321	10,611,069	9,600,463	9,567,385	8,225,881	9,808,049	5,434,320	4,165,544
Total Governmental Activities										
Net Assets	\$ 55,670,622	\$ 55,871,945	\$ 53,690,222	\$ 53,191,599	\$ 52,423,717	\$ 51,928,196	\$ 51,486,304	\$ 53,834,083	\$ 57,379,826	\$ 58,374,856
Business-Type Activities										
Invested in Capital Assets,										
Net of Related Debt	\$ 23,789,534	\$ 25,615,443	\$ 26,206,042	\$ 27,001,157	\$ 27,212,425	\$ 27,343,710	\$ 26,673,350	\$ 26,771,542	\$ 29,175,592	\$ 30,145,069
Restricted	-	-	-	-	-	1,245,740	1,429,588	1,503,341	1,671,908	1,693,717
Unrestricted	11,636,029	11,897,489	12,318,115	11,849,349	12,725,711	13,294,644	14,852,929	16,679,006	12,728,316	12,717,005
Total Business-Type										
Activities Net Assets	\$ 35,425,563	\$ 37,512,932	\$ 38,524,157	\$ 38,850,506	\$ 39,938,136	\$ 41,884,094	\$ 42,955,867	\$ 44,953,889	\$ 43,575,816	\$ 44,555,791
Primary Government										
Invested in Capital Assets,										
Net of Related Debt	\$ 67,337,403	\$ 68,759,054	\$ 67,769,943	\$ 69,204,687	\$ 69,325,815	\$ 69,203,020	\$ 69,373,431	\$ 69,885,184	\$ 71,714,754	\$ 79,556,832
Restricted	2,092,071	698,599	410,000	377,000	709,864	1,747,241	1,989,930	2,415,733	11,078,252	6,491,266
Unrestricted	21,666,711	23,927,224	24,034,436	22,460,418	22,326,174	22,862,029	23,078,810	26,487,055	18,162,636	16,882,549
Total Primary Governmental										
Net Assets	\$ 91,096,185	\$ 93,384,877	\$ 92,214,379	\$ 92,042,105	\$ 92,361,853	\$ 93,812,290	\$ 94,442,171	\$ 98,787,972	\$ 100,955,642	\$ 102,930,647

Source: Current and prior years' financial statements

**TOWN OF ESTES PARK
SCHEDULE 2
CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses										
Governmental Activities:										
General Government	\$ 3,420,170	\$ 3,625,086	\$ 2,868,438	\$ 2,971,322	\$ 4,040,703	\$ 3,468,703	\$ 3,769,227	\$ 4,660,385	\$ 5,280,912	\$ 6,229,691
Public Safety	5,747,569	3,717,226	4,564,497	3,205,060	3,392,067	3,166,031	3,754,648	5,281,116	4,063,117	4,915,545
Public Works	2,197,576	1,933,301	2,132,518	2,087,784	2,302,730	2,251,653	2,794,976	2,192,522	2,736,985	2,549,174
Culture and Recreation	2,101,810	5,022,994	5,034,757	4,172,407	3,815,959	3,892,393	4,441,986	4,669,256	5,342,804	6,471,134
Interest on Long-Term Debt	65,619	40,641	4,789	-	-	-	86,521	146,875	147,226	136,216
Total Governmental Activities Expenses	<u>13,532,744</u>	<u>14,339,248</u>	<u>14,604,999</u>	<u>12,436,573</u>	<u>13,551,459</u>	<u>12,778,780</u>	<u>14,847,358</u>	<u>16,950,154</u>	<u>17,571,044</u>	<u>20,301,760</u>
Business-Type Activities:										
Light & Power	8,693,935	9,438,072	10,031,659	10,626,958	10,775,511	11,397,397	12,031,616	12,272,416	12,813,281	14,122,680
Water	2,687,000	2,777,554	3,182,704	3,324,281	3,187,508	3,300,558	3,900,610	3,614,506	3,776,050	4,083,190
Total Business-Type Activities Expenses	<u>11,380,935</u>	<u>12,215,626</u>	<u>13,214,363</u>	<u>13,951,239</u>	<u>13,963,019</u>	<u>14,697,955</u>	<u>15,932,226</u>	<u>15,886,922</u>	<u>16,589,331</u>	<u>18,205,870</u>
Total Primary Governmental Expenses	<u>\$ 24,913,679</u>	<u>\$ 26,554,874</u>	<u>\$ 27,819,362</u>	<u>\$ 26,387,812</u>	<u>\$ 27,514,478</u>	<u>\$ 27,476,735</u>	<u>\$ 30,779,584</u>	<u>\$ 32,837,076</u>	<u>\$ 34,160,375</u>	<u>\$ 38,507,630</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 874,957	\$ 815,016	\$ 533,074	\$ 562,915	\$ 565,548	\$ 818,757	\$ 858,746	\$ 1,151,278	\$ 1,013,428	\$ 1,243,244
Public Safety	594,475	550,881	423,562	205,021	284,914	46,759	54,823	60,462	57,676	45,045
Public Works	8,655	4,755	3,032	4,400	3,987	-	-	-	-	-
Culture and Recreation	882,392	1,012,541	1,041,066	897,999	617,776	554,770	498,317	581,743	518,606	517,037
Operating Grants and Contributions	735,916	860,994	660,737	686,298	840,324	779,545	812,750	977,593	1,500,181	1,041,897
Capital Grants and Contributions	76,153	25,378	160,546	486,085	1,148,194	269,832	850,689	2,142,712	5,275,791	1,616,090
Total Governmental Activities Program Revenues	<u>3,172,548</u>	<u>3,269,565</u>	<u>2,822,017</u>	<u>2,842,718</u>	<u>3,460,743</u>	<u>2,469,663</u>	<u>3,075,325</u>	<u>4,913,788</u>	<u>8,365,682</u>	<u>4,463,313</u>
Business-Type Activities:										
Light & Power	10,446,230	11,005,740	11,366,577	11,834,082	12,264,063	12,587,633	13,425,840	13,238,766	13,639,816	13,907,893
Water	2,577,482	2,816,150	2,889,515	2,938,182	3,142,564	3,586,899	3,568,840	3,508,109	3,822,059	4,458,412
Operating Grants and Contributions	-	-	28,870	7,500	22,628	3,067	-	-	-	-
Capital Grants and Contributions	688,403	311,853	330,113	196,004	305,871	359,973	942,121	774,133	2,049,792	789,735
Total Business-Type Activities Program Revenues	<u>13,712,115</u>	<u>14,133,743</u>	<u>14,615,075</u>	<u>14,975,768</u>	<u>15,735,126</u>	<u>16,537,572</u>	<u>17,936,801</u>	<u>17,521,008</u>	<u>19,511,667</u>	<u>19,156,040</u>
Total Primary Government Program Revenues	<u>\$ 16,884,663</u>	<u>\$ 17,403,308</u>	<u>\$ 17,437,092</u>	<u>\$ 17,818,486</u>	<u>\$ 19,195,869</u>	<u>\$ 19,007,235</u>	<u>\$ 21,012,126</u>	<u>\$ 22,434,796</u>	<u>\$ 27,877,349</u>	<u>\$ 23,619,353</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (10,360,196)	\$ (11,069,683)	\$ (11,782,982)	\$ (9,593,855)	\$ (10,090,716)	\$ (10,309,117)	\$ (11,772,033)	\$ (12,036,366)	\$ (9,205,362)	\$ (15,838,447)
Business-Type Activities	2,331,180	1,918,117	1,400,712	1,024,529	1,772,107	1,839,617	2,004,575	1,634,086	2,922,336	950,170
Total Primary Government Net Expenses	<u>\$ (8,029,016)</u>	<u>\$ (9,151,566)</u>	<u>\$ (10,382,270)</u>	<u>\$ (8,569,326)</u>	<u>\$ (8,318,609)</u>	<u>\$ (8,469,500)</u>	<u>\$ (9,767,458)</u>	<u>\$ (10,402,280)</u>	<u>\$ (6,283,026)</u>	<u>\$ (14,888,277)</u>

**TOWN OF ESTES PARK
SCHEDULE 2
CHANGES IN NET POSITION (CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Taxes										
Sales Taxes	\$ 7,239,214	\$ 7,186,720	\$ 6,854,197	\$ 7,009,252	\$ 7,424,828	\$ 7,891,798	\$ 7,863,605	\$ 10,405,574	\$ 12,227,589	\$ 13,027,892
Property Taxes	1,134,800	1,261,959	351,446	468,736	372,171	370,682	366,548	353,864	343,135	361,750
Franchise Taxes	414,286	425,244	438,247	432,884	437,786	458,823	468,706	480,676	470,612	488,325
Use Taxes	209,103	186,294	173,166	199,092	180,936	210,782	-	-	280,612	304,540
Other Taxes & Contributions	-	-	40,278	34,151	37,587	40,415	85,217	132,712	458,250	528,506
Investment /income	675,203	480,105	80,201	75,623	46,383	38,914	1,336	47,534	41,358	106,420
Miscellaneous	264,702	691,302	767,602	736,350	660,277	366,860	1,056,596	614,451	424,843	1,279,985
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	835,373	-	-
Extraordinary Item: Environmental Remediation	-	-	-	-	(998,000)	-	-	-	-	-
Special Item: Elim. of Net Pension Obligation	-	-	-	(983,913)	-	-	-	-	-	-
Transfers	1,030,101	1,039,382	896,122	1,123,057	1,160,866	435,322	1,488,135	1,513,961	1,555,141	736,059
Total Governmental Activities	<u>\$ 10,967,409</u>	<u>\$ 11,271,006</u>	<u>\$ 9,601,259</u>	<u>\$ 9,095,232</u>	<u>\$ 9,322,834</u>	<u>\$ 9,813,596</u>	<u>\$ 11,330,143</u>	<u>\$ 14,384,145</u>	<u>\$ 15,801,540</u>	<u>\$ 16,833,477</u>
Business-Type Activities:										
Investment Income	\$ 499,506	\$ 526,351	\$ 92,569	\$ 81,513	\$ 63,128	\$ 66,217	\$ 12,790	\$ 67,013	\$ 53,616	\$ 113,292
Miscellaneous	323,170	682,283	414,066	343,364	413,261	475,446	687,391	1,810,884	367,588	457,589
Transfers	(1,030,101)	(1,039,382)	(896,122)	(1,123,057)	(1,160,866)	(435,322)	(1,488,135)	(1,513,961)	(1,555,141)	(736,059)
Total Business-Type Activities	<u>(207,425)</u>	<u>169,252</u>	<u>(389,487)</u>	<u>(698,180)</u>	<u>(684,477)</u>	<u>106,341</u>	<u>(787,954)</u>	<u>363,936</u>	<u>(1,133,937)</u>	<u>(165,178)</u>
Total Primary Government	<u>\$ 10,759,984</u>	<u>\$ 11,440,258</u>	<u>\$ 9,211,772</u>	<u>\$ 8,397,052</u>	<u>\$ 8,638,357</u>	<u>\$ 9,919,937</u>	<u>\$ 10,542,189</u>	<u>\$ 14,748,081</u>	<u>\$ 14,667,603</u>	<u>\$ 16,668,299</u>
Changes in Net Assets										
Governmental Activities	\$ 607,213	\$ 201,323	\$ (2,181,723)	\$ (498,623)	\$ (767,882)	\$ (495,521)	\$ (441,890)	\$ 2,347,779	\$ 6,596,178	\$ 995,030
Business-Type Activities	2,123,755	2,087,368	1,011,225	326,349	1,087,630	1,945,958	1,216,621	1,998,022	1,788,399	784,992
Total Primary Government	<u>\$ 2,730,968</u>	<u>\$ 2,288,691</u>	<u>\$ (1,170,498)</u>	<u>\$ (172,274)</u>	<u>\$ 319,748</u>	<u>\$ 1,450,437</u>	<u>\$ 774,731</u>	<u>\$ 4,345,801</u>	<u>\$ 8,384,577</u>	<u>\$ 1,780,022</u>

Source: Current and prior year's financial statements

**TOWN OF ESTES PARK
SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ 13,419	\$ 8,843	\$ 15,904	\$ 388,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,024,503	4,622,401	4,506,282	5,526,180	-	-	-	-	-	-
Total General Fund	4,037,922	4,631,244	4,522,186	5,915,150	-	-	-	-	-	-
All Other Governmental Funds										
Reserved	15,682	18,787	10,073	22,958	-	-	-	-	-	-
Unreserved, Reports in:										
Special Revenue Funds	2,008,274	2,859,303	3,981,171	3,405,964	-	-	-	-	-	-
Capital Projects Funds	131,099	135,599	-	-	-	-	-	-	-	-
Debt Service Funds	1,368,972	1,023,382	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	3,524,027	4,037,071	3,991,244	3,428,922	-	-	-	-	-	-
Total General Fund & All Other Govt Funds	\$ 7,561,949	\$ 8,668,315	\$ 8,513,430	\$ 9,344,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 72,050	\$ 21,121	\$ 14,099	\$ 103,454	\$ 41,672	\$ 48,693
Restricted	-	-	-	-	411,000	348,000	361,000	443,437	545,557	576,778
Assigned	-	-	-	-	-	1,351,691	569,653	715,775	678,791	373,866
Unassigned	-	-	-	-	6,084,967	4,176,411	3,750,551	3,036,517	2,932,790	4,422,749
Total General Fund	-	-	-	-	6,568,017	5,897,223	4,695,303	4,299,183	4,198,810	5,422,086
All Other Governmental Funds										
Nonspendable	-	-	-	-	18,314	15,156	30,807	-	-	-
Restricted	-	-	-	-	298,864	153,501	199,342	468,955	8,860,787	4,220,771
Assigned	-	-	-	-	2,830,465	3,012,679	5,403,719	5,545,301	2,516,777	1,206,842
Unassigned	-	-	-	-	-	-	-	-	-	(247,404)
Total All Other Governmental Funds	-	-	-	-	3,147,643	3,181,336	5,633,868	6,014,256	11,377,564	5,180,209
Total General Fund & All Other Govt Funds	\$ -	\$ -	\$ -	\$ -	\$ 9,715,660	\$ 9,078,559	\$ 10,329,171	\$ 10,313,439	\$ 15,576,374	\$ 10,602,295

Source: Current and prior year's financial statements

The Town adopted GASB 54 for 2011.

**TOWN OF ESTES PARK
SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues										
Taxes	\$ 8,997,403	\$ 9,060,217	\$ 7,817,056	\$ 8,109,964	\$ 8,415,721	\$ 8,932,085	\$ 8,698,859	\$ 11,240,114	\$ 13,321,948	\$ 14,182,507
Licenses, Fees and Permits	665,053	623,762	471,844	476,831	485,447	504,579	511,477	525,376	581,401	730,684
Intergovernmental	857,664	1,847,978	861,561	845,534	1,961,081	961,212	1,116,976	3,024,306	6,665,193	3,167,621
Charges for Services	737,300	1,130,773	1,203,729	965,073	746,710	686,701	641,241	1,004,843	665,719	702,261
Fines and Forfeitures	41,552	55,700	49,759	44,463	58,812	46,759	54,823	60,462	57,676	45,045
Rental Income	474,421	482,159	275,402	183,968	181,256	182,247	204,345	202,802	284,914	327,336
Investment Income	434,266	303,872	51,648	48,030	34,375	38,914	2,810	32,759	31,571	86,049
Miscellaneous	669,018	675,761	708,473	723,172	616,493	457,786	1,081,675	607,341	307,110	544,691
Total Revenues	<u>12,876,677</u>	<u>14,180,222</u>	<u>11,439,472</u>	<u>11,397,035</u>	<u>12,499,895</u>	<u>11,810,283</u>	<u>12,312,206</u>	<u>16,698,003</u>	<u>21,915,532</u>	<u>19,786,194</u>
Expenditures										
General Government	2,735,291	2,564,815	2,570,590	2,770,200	3,197,041	3,091,136	3,336,471	3,877,566	4,452,444	4,698,211
Public Safety	3,273,503	3,555,245	4,189,934	3,125,535	3,321,220	3,108,298	3,708,234	5,081,198	3,991,990	4,758,036
Public Works	1,280,148	1,374,453	1,124,064	2,000,968	1,430,119	1,273,172	2,539,203	1,268,615	2,907,909	2,274,000
Culture and Recreation	3,972,727	4,310,113	4,234,702	3,436,563	3,145,713	3,223,997	3,554,387	3,962,643	4,402,049	5,545,079
Community Reinvestment	-	-	-	-	-	-	219,832	160,649	329,556	169,735
Capital Outlay	3,026,690	1,088,484	1,449,927	1,884,092	2,195,080	2,064,186	5,121,863	4,359,403	1,541,624	8,118,339
Debt Service										
Principal	1,144,161	1,192,675	88,000	-	-	-	-	370,000	434,171	445,926
Interest, Fiscal Charges, Bond Issuance Costs	65,898	27,453	4,789	-	-	-	144,739	147,622	147,995	137,006
Total Expenditures	<u>15,498,418</u>	<u>14,113,238</u>	<u>13,662,006</u>	<u>13,217,358</u>	<u>13,289,173</u>	<u>12,760,789</u>	<u>18,624,729</u>	<u>19,227,696</u>	<u>18,207,738</u>	<u>26,146,332</u>
Excess of Revenues Over (Under) Expenditures	(2,621,741)	66,984	(2,222,534)	(1,820,323)	(789,278)	(950,506)	(6,312,523)	(2,529,693)	3,707,794	(6,360,138)
Other Financing Sources (Uses)										
Capital Lease Proceeds	-	-	-	-	-	-	-	-	-	-
Transfers In	5,262,520	5,692,704	5,373,150	5,875,187	3,405,866	2,850,195	4,668,135	5,008,419	2,850,141	2,760,009
Transfers Out	(4,232,419)	(4,653,322)	(3,305,501)	(3,224,222)	(2,245,000)	(2,536,788)	(3,180,000)	(3,494,458)	(1,295,000)	(2,023,950)
Proceeds on Sale of Assets	-	-	-	-	-	-	-	1,000,000	-	650,000
Bond Proceeds/premiums/Escrow activity	-	-	-	-	-	-	6,075,000	-	-	-
Total Other Financing Sources (Uses)	<u>1,030,101</u>	<u>1,039,382</u>	<u>2,067,649</u>	<u>2,650,965</u>	<u>1,160,866</u>	<u>313,407</u>	<u>7,563,135</u>	<u>2,513,961</u>	<u>1,555,141</u>	<u>1,386,059</u>
Net Change in Fund Balances	<u>\$ (1,591,640)</u>	<u>\$ 1,106,366</u>	<u>\$ (154,885)</u>	<u>\$ 830,642</u>	<u>\$ 371,588</u>	<u>\$ (637,099)</u>	<u>\$ 1,250,612</u>	<u>\$ (15,732)</u>	<u>\$ 5,262,935</u>	<u>\$ (4,974,079)</u>
Debt Service as a Percentage of										
Noncapital Expenditures	<u>10.5%</u>	<u>9.7%</u>	<u>0.7%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>1.1%</u>	<u>3.5%</u>	<u>3.7%</u>	<u>3.2%</u>

Source: Current and prior year's financial statements

**TOWN OF ESTES PARK
SCHEDULE 5
SALES TAX REVENUE BY TYPE OF INDUSTRY
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Amusement/ Recreation	Apparel	Arts & Crafts	Automotive	Food	Furniture	General Merchandise (Retail)	Lodging	Lumber & Building	Personal/ Professional Services	Utilities	Total Sales Tax
2007	47,801	250,389	125,692	141,660	2,449,330	85,971	1,220,049	1,813,978	382,996	76,347	645,000	7,239,214
2008	52,581	incl w/ retail	incl w/ retail	135,789	2,602,655	incl w/ retail	1,475,074	1,771,509	443,856	110,366	594,890	7,186,720
2009	56,256	incl w/ retail	incl w/ retail	141,995	2,573,160	incl w/ retail	1,410,790	1,675,092	338,364	102,582	555,958	6,854,197
2010	45,003	incl w/ retail	incl w/ retail	150,698	2,643,978	incl w/ retail	1,405,752	1,768,187	339,944	105,719	549,970	7,009,252
2011	54,966	incl w/ retail	incl w/ retail	140,997	2,812,412	incl w/ retail	1,456,846	1,931,215	356,826	111,205	560,361	7,424,828
2012	55,460	incl w/ retail	incl w/ retail	147,339	2,945,021	incl w/ retail	1,492,710	2,162,856	409,641	135,494	543,276	7,891,798
2013*	65,553	incl w/ retail	incl w/ retail	155,617	2,784,728	incl w/ retail	1,582,516	2,083,848	452,674	134,371	604,298	7,863,605
2014	77,638	incl w/ retail	incl w/ retail	180,808	3,640,784	incl w/ retail	2,233,404	2,896,359	521,716	174,221	680,645	10,405,574
2015	75,434	incl w/ retail	incl w/ retail	207,133	4,407,514	incl w/ retail	2,302,864	3,695,728	602,859	204,986	731,071	12,227,589
2016	85,086	incl w/ retail	incl w/ retail	244,733	4,852,342	incl w/ retail	2,372,937	3,903,203	595,912	211,821	746,250	13,012,284

Sales tax rate: increased from 4.00% to 5.00%, July 1, 2014

Source: Town of Estes Park Sales and Use Tax Reports

*sales tax adversely affected by September 2013 flood

**TOWN OF ESTES PARK
SCHEDULE 6
DIRECT AND OVERLAPPING SALES TAX RATES
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	City Direct Rate		Overlapping Rates		Total Overlapping Sales Tax Rate
	Town of Estes Park	Total Direct Sales Tax Rate	State of Colorado	Larimer County	
2007	4.00%	4.00%	2.90%	0.80%	7.70%
2008	4.00%	4.00%	2.90%	0.80%	7.70%
2009	4.00%	4.00%	2.90%	0.80%	7.70%
2010	4.00%	4.00%	2.90%	0.80%	7.70%
2011	4.00%	4.00%	2.90%	0.80%	7.70%
2012	4.00%	4.00%	2.90%	0.60%	7.50%
2013	4.00%	4.00%	2.90%	0.60%	7.50%
2014*	5.00%	5.00%	2.90%	0.65%	8.55%
2015*	5.00%	5.00%	2.90%	0.65%	8.55%
2016	5.00%	5.00%	2.90%	0.65%	8.55%

Source: Colorado Department of Revenue Taxation Division

* City sales tax increased from 4.00% to 5.00% on July 1, 2014, as a result of April 2014 ballot issue

**TOWN OF ESTES PARK
SCHEDULE 7
PRINCIPAL SALES TAX CATEGORIES
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2016</u>
Top Three Categories (Alphabetical)		
Food	\$ 2,449,330	\$ 4,852,342
Lodging	1,813,978	3,903,203
Retail	<u>1,214,542</u>	<u>2,372,937</u>
Total:	5,477,850	11,128,482
Aggregate All Other Categories	<u>1,755,856</u>	<u>1,883,802</u>
Total Sales and Use Tax	<u>\$ 7,233,706</u>	<u>\$ 13,012,284</u>
Top Three Categories as a Percentage of Total Sales Tax	75.73%	85.52%

GASB 34 implemented in 2003

**TOWN OF ESTES PARK
SCHEDULE 8
RATIO OF OUTSTANDING DEBT, BY TYPE**

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income ⁷	Per Capita ⁷
	Tax Increment Revenue Refunding Bonds	Certificates of Participation ⁸	Capital Leases	Light and Power Revenue Bonds ³	Water Loan ⁴	Water Loans ⁵	Water Loans ⁶			
2007	895,000	172,000	213,675	7,915,000	375,000	535,000	N/A	10,105,675	18.15%	1,867
2008	0	88,000	0	7,470,000	290,000	370,000	5,494,410	13,712,410	24.63%	2,533
2009	0	0	0	7,035,000	200,000	190,000	5,392,240	12,817,240	23.02%	2,368
2010	0	0	0	5,505,000	105,000	0	5,312,774	10,922,774	19.62%	2,018
2011	0	0	0	5,270,000	0	0	5,125,467	10,395,467	19.70%	1,775
2012	0	0	0	5,025,000	0	0	4,864,366	9,889,366	17.64%	1,672
2013	0	6,075,000	0	4,770,000	0	0	4,597,593	15,442,593	26.72%	2,587
2014	0	5,705,000	0	4,510,000	0	0	4,330,819	14,545,819	24.31%	2,390
2015	0	5,325,000	234,813	4,235,000	0	0	4,058,369	13,853,182	24.63%	2,214
2016	0	4,935,000	178,887	3,950,000	0	0	3,780,243	12,844,130	23.55%	2,019

³ 2007 Light and Power Revenue Bonds issued to finance construction and equipping of a new substation, and to rebuild certain distribution lines and make other improvements to Town's L&P facilities. 1999 Revenue Bonds (\$1,305,000 remaining in 2010) were paid in full during the year ending December 31, 2010. Interest accrues at 3.88%.

⁴ 1997B Water Loan from the Colorado Water Resources and Power Development Authority (CWRPDA) obtained to finance improvements to water system. Interest accrues at rates between 3.80-5.00%.

⁵ 1993A and 1990A Water Loans were obtained from the CWRPDA to finance improvements to water system. Interest accrues at rates between 2.70-5.00%.

⁶ 2008A Water Loan was obtained from the CWRPDA to finance improvements to water system. Interest accrues at 3.26%.

⁷ See schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

⁸ Certificates of Participation Series 2013 (\$6,075,000) obtained to finance Multipurpose Event Center/Pavillion complex. Duration: 14 years, Interest rate: 2.43%.

Source: Current and prior year's financial statements

**TOWN OF ESTES PARK
SCHEDULE 9
RATIO OF GENERAL BONDED DEBT OUTSTANDING
AND LEGAL DEBT MARGIN**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Bonded Debt Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Participation	-	-	-	-	-	-	6,075,000	5,705,000	5,325,000	4,935,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,075,000</u>	<u>\$ 5,705,000</u>	<u>\$ 5,325,000</u>	<u>\$ 4,935,000</u>
Per Capita ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,027	\$ 956	\$ 875	\$ 789
Less: Amounts Not Subject to the Statutory Debt Limit	-	-	-	-	-	-	6,075,000	5,705,000	5,325,000	4,935,000
Less: Amounts Set Aside to Repay General Debt	-	-	-	-	-	-	-	-	-	-
Total Net Debt Applicable to Debt Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,075,000</u>	<u>5,705,000</u>	<u>5,325,000</u>	<u>4,935,000</u>
Legal Debt Margin ²	<u>\$ 4,941,960</u>	<u>\$ 5,393,314</u>	<u>\$ 5,650,623</u>	<u>\$ 5,726,337</u>	<u>\$ 5,591,616</u>	<u>\$ 5,577,154</u>	<u>\$ 5,357,761</u>	<u>\$ 5,194,916</u>	<u>\$ 5,838,622</u>	<u>\$ 5,877,432</u>

¹ See Schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

² The legal debt margin is the city's available borrowing authority. It is calculated from estimated actual property value as provided by Larimer County. For 2016, the computation is: \$195,914,387 x 3% = \$5,877,432.

**TOWN OF ESTES PARK
SCHEDULE 10
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016**

Jurisdiction	Debt Outstanding	Percentage Applicable To Government	Estimated Share of Overlapping Debt
Direct:			
Town of Estes Park	\$ 5,113,887	100.00%	\$ 5,113,887
Overlapping:			
Northern Colorado Water Conservancy District	3,929,311	1.08%	42,604
Park Hospital District	17,625,000	57.25%	10,089,636
Estes Valley Library District ¹	-	100.00%	-
Park R-3 School District	<u>19,795,000</u>	52.00%	<u>10,293,400</u>
Total	<u>\$ 46,463,198</u>	54.97%	<u>\$ 25,539,528</u>

Sources: documentation from entities listed above

¹Library District debt paid off in 2012.

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This Schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Estes Park. This process recognizes that, when considering the Town's Ability to issue and repay long-term debt, the entire debt borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore is responsible for repaying the debt, of each overlapping government.

**TOWN OF ESTES PARK
SCHEDULE 11
PLEDGED REVENUE COVERAGE**

Water Revenue Bonds						
Fiscal Year	Water Revenues	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	2,637,049	2,184,862	452,187	235,000	71,410	1.48
2008	2,870,884	2,231,912	638,972	250,000	49,293	2.13
2009	3,308,276	2,408,255	900,021	372,170	156,218	1.70
2010	3,168,248	2,521,875	646,373	364,466	146,321	1.27
2011	3,528,571	2,383,332	1,145,239	292,310	136,971	2.67
2012	4,034,656	2,517,063	1,517,593	261,098	144,688	3.74
2013	4,263,303	3,290,474	972,829	266,774	140,430	2.39
2014	4,087,720	3,165,030	922,690	266,774	136,335	2.29
2015	5,211,779	2,985,121	2,226,658	272,450	132,440	5.50
2016	5,219,482	3,255,765	1,963,717	278,126	128,668	4.83

Light & Power Revenue Bonds						
Fiscal Year	Light & Power Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	10,709,833	8,135,931	2,573,902	200,000	100,940	8.55
2008	11,633,289	8,557,903	3,075,386	445,000	302,676	4.11
2009	11,813,434	8,832,666	2,980,768	435,000	307,769	4.01
2010	12,232,397	9,305,461	2,926,936	1,530,000	236,330	1.66
2011	12,682,944	9,836,421	2,846,523	235,000	213,319	6.35
2012	13,044,579	10,395,785	2,648,794	245,000	204,213	5.90
2013	14,373,679	11,746,547	2,627,132	255,000	194,719	5.84
2014	15,311,185	11,818,066	3,493,119	260,000	184,838	7.85
2015	14,721,092	11,963,511	2,757,581	275,000	174,763	6.13
2016	14,507,439	13,201,872	1,305,567	285,000	164,106	2.91

Estes Park Urban Renewal Authority						
Fiscal Year	EPURA incremental sales tax revenues	Debt Service Fund Revenue Allocation	Fund Balance in Debt Service Fund	Debt Service		Coverage
				Principal	Interest	
2007	2,837,627	1,119,741	1,368,972	860,000	42,488	1.52
2008	2,900,485	1,180,831	1,023,382	895,000	14,544	1.13
2009	-	-	-	-	-	0.00
2010	-	-	-	-	-	0.00
2011	-	-	-	-	-	0.00
2012	-	-	-	-	-	0.00
2013	-	-	-	-	-	0.00
2014	-	-	-	-	-	0.00
2015	-	-	-	-	-	0.00
2016	-	-	-	-	-	0.00

¹ Operating expenses are net of depreciation expense and do not include transfers.

² EPURA debt was paid off in 2008.

Source: Current and prior year's financial statements

**TOWN OF ESTES PARK
SCHEDULE 12
DEMOGRAPHIC AND ECONOMIC STATISTICS**

Fiscal Year	Population ^{1,3,5}	Total Personal Income ⁴	Median Family Income ^{1,3}	Per Capita Personal Income ^{1,3}	Median Age ¹	School Enrollment ²	Fort Collins/ Loveland, CO Unemployment Rate ³
2006	5,413	165,091,087	55,667	30,499	45	1,219	3.3%
2007	5,413	165,091,087	55,667	30,499	45	1,206	3.5%
2008	5,413	165,091,087	55,667	30,499	45	1,162	4.8%
2009	5,413	165,091,087	55,667	30,499	45	1,210	6.8%
2010	5,413	165,091,087	55,667	30,499	45	1,120	7.7%
2011	5,858	204,807,396	52,778	34,962	52	1,126	6.7%
2012	5,913	206,730,306	56,053	34,962	52	1,095	6.1%
2013	5,969	221,539,435	57,789	37,115	52	1,126	5.0%
2014	6,086	243,202,646	59,826	39,961	51	1,125	4.2%
2015	6,257	231,327,547	56,236	36,971	51	1,143	3.5%
2016	6,362	243,410,120	54,530	38,260	51	1,117	2.8%

¹ 2010 Census, 2013 www.census.gov factfinder.

² Park R-3 School district

³ Data obtained from www.Larimer.org/compass or U.S. Bureau of Labor Statistics for Eastern & Southern Colorado Nonmetro area

⁴ Total Personal Income derived from Per Capita Personal Income x Population

⁵ Population numbers for 2012-13 are estimates as posted on www.census.gov

**TOWN OF ESTES PARK
SCHEDULE 13
PRINCIPAL EMPLOYERS**

	2007	# of Full-Time Employees	2016	# of Full-Time Employees
1	Estes Park Medical Center	N/A	Estes Park Medical Center	278
2	Estes Valley Recreation District	N/A	Stanley Hotel	225
3	Harmony Foundation	N/A	YMCA of the Rockies	180
4	Holiday Inn	N/A	Rocky Mountain National Park	152
5	Park School District R-3	N/A	Park School District R-3	146
6	Rocky Mountain National Park	N/A	Town of Estes Park	140
7	Safeway	N/A	Estes Valley Recreation District	123
8	Town of Estes Park	111	Harmony Foundation	98
9	YMCA of the Rockies	N/A	Safeway	90
10	Stanley Hotel	N/A	Rocky Mountain Park Inn	85

Source: Town of Estes Park's Community Profile and local informal surveys.

**TOWN OF ESTES PARK
SCHEDULE 14
FULL-TIME TOWN EMPLOYEES BY FUNCTION/PROGRAM**

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Administration	5.00	4.00	5.00	5.50	5.50	9.00	8.00	8.00	9.00	9.00
Community Development	8.00	8.00	7.00	7.00	7.00	6.00	7.00	8.00	9.00	10.00
Finance	9.00	9.00	9.00	9.00	9.00	7.00	7.00	8.00	9.00	10.00
Police	30.75	29.60	30.00	30.00	30.00	29.56	30.00	32.00	33.00	33.00
Parks ¹	5.00	5.00	5.00	5.00	5.00	3.00	5.00	5.00	5.00	5.00
Public Works ¹	3.00	2.00	2.00	2.00	2.00	6.00	6.00	5.00	5.00	5.00
Streets ¹	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	5.00	5.00
Special Revenue										
Advertising	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marketing	2.00	2.00	2.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Multipurpose Event Center ⁷	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	4.00	0.00
Museum	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Senior Citizens Center ²	1.50	1.60	1.60	1.60	1.60	1.60	2.00	2.00	2.00	2.00
Special Events	4.00	4.00	4.00	4.00	4.00	5.70	4.00	2.00	2.00	7.00
Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Visitor Center	5.00	5.00	5.00	4.00	3.00	3.00	3.00	4.00	4.00	3.00
Enterprise										
Light & Power ⁴	19.30	20.00	21.00	21.00	21.00	18.80	21.00	20.00	21.00	21.00
Water	9.80	9.70	10.00	11.00	11.00	11.00	12.00	12.00	12.00	12.00
Internal Services										
Fleet Maintenance ¹	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Information Systems (IT) ⁴	2.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	4.00	3.00
Districts										
EPURA ⁵	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire ³	2.00	3.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Marketing District ⁶	0.00	0.00	0.00	4.00	4.00	0.00	0.00	0.00	0.00	0.00
TOTALS	117.10	117.90	119.60	117.10	116.10	113.66	117.00	121.00	131.00	133.00

¹Public Works/Streets/Parks/Fleet reorganized in 2006.

²Senior Center meals contracted to a catering company in 2004.

³Fire District formed in 2010, ending status as Town department.

⁴IT department split from Light & Power in 2006.

⁵EPURA dissolved by vote in 2009.

⁶Local Marketing District formed in 2009, becomes part of Town's CAFR. Separates from Town's payroll in 2012.

⁷Multipurpose event center operations combined with Events Staff in 2016.

source: Town of Estes Park Human Resources Department, Annual Town Budget

**TOWN OF ESTES PARK
SCHEDULE 15
OPERATING INDICATORS BY FUNCTION/PROGRAM**

	2007	2008	2009	2010	2011	2012*	2013	2014	2015	2016
Police										
PD Incidents	15,137	14,867	13,421	12,357	11,822	13,262	16,260	17,880	14,591	13,446
PD Report Numbers	1,873	1,676	1,652	1,507	1,532	1,613	1,690	1,728	1,903	1,886
Total Arrests	192	254	233	203	236	264	262	315	297	174
Number of allotted PD Employees	27	29	28	28	29	28	29	32	32	32
Number of allotted Sworn Employees	19	19	17	18	19	18	19	20	20	20
Number of allotted Civilian Employees	8	10	11	10	10	10	10	12	12	12
Total Phone Calls	80,332	69,789	66,872	64,003	59,009	0	53,514	46,309	47,407	48,215
911 Calls	4,496	4,216	4,020	4,313	4,051	0	4,488	4,813	5,250	5,071
Total Incidents Police/Fire/Ambulance	20,849	17,148	15,736	14,750	14,169	15,520	15,656	20,235	17,154	20,295
*data lost during phone conversion										
Fire										
Number of Volunteers	30	38	36	35	34	31	33	38	32	43
Emergency Responses	454	414	500	516	451	648	650	596	618	685
Water Hydrants	657	662	663	663	663	672	681	683	684	714
Fire Insurance Rating	ISO Class 4	ISO Class 4	ISO Class 4	ISO Class 4	ISO Class 4	ISO Class 4	ISO PPC 4	ISO PPC 4	ISO PPC 4	ISO PPC 4
Utilities-Electric										
No. of Accounts	10,133	10,315	10,381	10,449	10,464	10,500	10,473	10,540	10,623	10,674
Wind Power Customers	110	153	176	185	171	164	157	145	135	128
Substation Capacity (MW)	69	100	100	100	100	100	100	100	100	100
Average Daily Consumption	343,390	350,500	345,833	346,935	347,827	337,063	345,348	348,423	342,382	346,496
Annual Consumption	125,337,508	127,932,362	126,228,952	126,631,105	126,956,835	123,028,066	126,052,183	127,174,378	124,969,364	126,470,866
Distribution System (in Miles)	369	280	325	400	400	400	300	300	300	300
Number of Street Lights	1,166	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Utilities-Water										
No. of Accounts	4,879	4,993	4,974	5,016	5,044	5,053	5,087	5,154	5,197	5,228
Plant Capacity (gallons)	5,000,000	5,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Average Daily Consumption (Gallons)	1,132,479	1,167,133	1,121,428	1,099,339	1,111,124	1,179,679	1,078,848	1,082,184	1,098,997	1,172,322
Annual Consumption (Gallons)	413,354,928	426,003,368	409,321,201	401,258,780	405,560,310	430,582,865	393,779,690	394,997,119	401,133,914	427,897,375
Distribution System (in Miles)	109	100	100	100	100	100	100	100	100	110
Town Government										
Elected Officials	7	7	7	7	7	7	7	7	7	7
Appointed Officials	8	8	8	7	7	7	7	7	7	7
Full-time Employees	117	118	120	117	116	114	117	121	131	133
Part-time Employees	7	7	8	9	8	7	7	7	7	12
Seasonal Employees	36	46	57	44	45	49	49	49	49	36

**TOWN OF ESTES PARK
SCHEDULE 15
OPERATING INDICATORS BY FUNCTION/PROGRAM**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012*</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Building Permits	552	586	368	419	499	485	496	616	716	559
Culture and Recreation										
Museum	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Event Center	0	0	0	0	0	0	0	0	1	1
Convention & Visitor Bureau	1	1	1	1	1	1	1	1	1	1
Local Marketing District	0	0	1	1	1	1	1	1	1	1
Other Miscellaneous Data										
Hotels, Motels, B&Bs	150	152	150	124	124	124	124	124	124	146
Financial Institutions	-	-	5	5	5	5	5	4	4	4
Newspapers	2	2	2	2	2	2	2	2	2	2
Theaters	2	2	2	2	2	2	2	2	2	2
Bus/Taxi Companies	5	5	2	2	2	2	2	2	2	2
Radio Stations	2	2	2	2	2	2	1	1	1	1
Hospitals	1	1	1	1	1	1	1	1	1	1
Churches	17	17	19	18	18	18	18	18	18	21
State Highways (Highways 7, 34 and 36)	3	3	3	3	3	3	3	3	3	3
Other Miscellaneous Data										
No. of Registered Voters	4,209	4,313	4,452	4,470	4,495	4,474	4,517	4537	4040	4040
Facilities and Services Not Included in the Reporting Entity:										
Education-Park School District R-3 (Enrolled)										
Estes Park High School (9-12)	409	403	386	353	349	325	332	322	331	325
Estes Park Middle School (6-8)	303	292	275	239	241	250	240	249	259	274
Estes Park Elementary School (K-5)	494	467	521	504	506	490	524	521	553	518
Estes Park Options (Home Schooled)	-	-	28	24	30	30	30	33	24	36
Parks and Recreation										
Estes Valley Recreation and Park District	1	1	1	1	1	1	1	1	1	1

Source: Local authorities including: Local Marketing District, EVRPD, Park School District R-3

**TOWN OF ESTES PARK
SCHEDULE 16
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	13	13	13	13	13	11	12	15	15	15
Fire Protection											
Stations	1	1	1	2	2	2	2	2	2	2	2
Fire Rating	ISO 4	ISO 4	ISO 4	ISO 4	ISO 4	ISO 4	ISO 4	ISO PPC 4	ISO PPC 4	ISO PPC 4	ISO PPC 4
Public Works											
Area in Square Miles	6.50	6.50	6.50	6.78	6.78	6.78	6.78	6.88	6.88	6.88	6.88
Utilities											
Water Service Accounts	4,806	4,879	4,993	4,974	5,016	5,044	5,053	5,087	5,154	5,197	5,228
Water Mains (Miles)	104	109	100	100	100	100	100	100	100	100	100
Fire Hydrants	648	657	662	663	663	663	672	681	683	684	714
Water Treatment Plants	2	2	2	2	2	2	2	2	2	2	2
Electric Service Accounts	9,982	10,133	10,315	10,381	10,449	10,464	10,500	10,473	10,540	10,623	10,674
Number of Street Lights	1,165	1,166	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Electric Substations	2	2	2	2	2	2	2	2	2	2	2

Source: Town of Estes Park departmental data,
Community Profile

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Estes Park, Larimer County			
		YEAR ENDING : December 2016			
This Information From The Records Of: Town of Estes Park		Prepared By: Duane Hudson, Finance Director Phone: (970) 577-3560			
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)	5,483,137		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,404,307		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	21,229		
2. General fund appropriations	2,145,159	b. Snow and ice removal	81,403		
3. Other local imposts (from page 2)	1,658,247	c. Other	66,837		
4. Miscellaneous local receipts (from page 2)	40,393	d. Total (a. through c.)	169,468		
5. Transfers from toll facilities	0	4. General administration & miscellaneous	512,519		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,180,918		
a. Bonds - Original Issues		6. Total (1 through 5)	8,750,351		
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)	3,843,798	b. Redemption			
B. Private Contributions	0	c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	385,783	2. Notes:			
D. Receipts from Federal Government (from page 2)	904,804	a. Interest			
E. Total receipts (A.7 + B + C + D)	5,134,385	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	8,750,351		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)				0	
1. Bonds (Refunding Portion)					
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	6,928,078	5,134,385	8,750,351	3,445,372	(133,259)
Notes and Comments:					
The \$133,259 reconciliation amount is for 2016 Street Improvement Fund expenditures that are not reportable on Form FHWA-536.					

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2016

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	0	a. Interest on investments	30,492
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	1,561,839	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	6,460
5. Specific Ownership &/or Other	96,407	g. Other Misc. Receipts	0
6. Total (1. through 5.)	1,658,247	h. Other	3,440
c. Total (a. + b.)	1,658,247	i. Total (a. through h.)	40,393
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	276,956	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	360,927
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	30,113	d. Federal Transit Admin	496,928
d. Other (Operating Grant)	78,714	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	46,950
f. Total (a. through e.)	108,827	g. Total (a. through f.)	904,804
4. Total (1. + 2. + 3.f)	385,783	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	0
b. Engineering Costs		34,580	34,580
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		4,099,375	4,099,375
(3). System Preservation		1,349,182	1,349,182
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	5,448,557	5,448,557
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	5,483,137	5,483,137
			(Carry forward to page 1)

Notes and Comments: