

TOWN OF COLUMBINE VALLEY
BOARD OF TRUSTEES MEETING
May 16, 2017

A G E N D A

- | | |
|--|----------------|
| PUBLIC HEARING: Trustee Bill #1, Series 2017 Metro Districts | 6:00PM |
| 1. ROLL CALL | 6:30PM |
| 2. PLEDGE OF ALLEGIANCE | |
| 3. APPROVAL OF MINUTES
April 18, 2017 | Mayor Champion |
| 5. MAYOR'S COMMENTS | Mayor Champion |
| 4. CITIZENS CONCERNS
Columbine Country Club
HOA Presidents/Representatives
Public Comments | Mayor Champion |
| 6. TRUSTEE COMMENTS:
Mayor Pro Tem Cope
Trustee Boyle
Trustee Christy
Trustee Dotson
Trustee Menk
Trustee Palmer | |
| 7. TOWN ADMINISTRATORS REPORT | Mr. McCrumb |
| 8. POLICE DEPARTMENT REPORT | Chief Cottrell |
| 9. TOWN TREASURERS REPORT | Mr. Tempas |
| 10. OLD BUSINESS
Trustee Bill #1, Series 2017 Metro Districts (2 nd Reading) | Mr. Schiller |
| 11. NEW BUSINESS
2016 Town Audit | Mr. Tempas |
| 12. ADJOURNMENT | |

TOWN OF COLUMBINE VALLEY

BOARD OF TRUSTEES

Minutes

April 18, 2017

Mayor Champion introduced Kinsey Myco, Columbine Valley's Mayor for the Day.

Mayor for the Day Myco called the Regular Meeting of the Trustees to order at 6:30 p.m., in the Conference Room at the Town Hall at 2 Middlefield Road, Columbine Valley, Colorado. Roll call found the following present:

Trustees: Richard Champion, Dave Cope, Bruce Menk, Kathy Boyle, Gale Christy, Bill Dotson, and Roy Palmer

Also present: J.D. McCrumb, Lee Schiller, Jeff Tempas, Bret Cottrell, Phil Sieber, Michaela Weber and Kinsey Myco

Mayor for the Day Myco led those in attendance in the Pledge of Allegiance.

Mayor Champion introduced Michaela Weber, Town Intern, who discussed highlights from the Mayor for the Day program.

Mayor Champion presented Kinsey Myco with a Town pin and a Mayor for the Day certificate

MINUTES: The minutes of the March 21, 2017 meeting were approved.

CITIZEN CONCERNS: There were no HOA Representatives present to comment.

Tim Vandel, 14 Fairway Lane, regarding the WP Development, encouraged the Trustees to pay attention to details and take their time in considering the application for development.

Mara Marks, 8 Driver Lane, asked for clarification, regarding the metro district ordinance, between 1st and 2nd Readings.

MAYOR'S COMMENTS: Mayor Champion announced the passing of former Columbine Valley Mayor Jim McShane, crediting him with many accomplishments including the vision for the current Town Hall. Trustee Christy shared the critical roll Mr. McShane played in the creation of the paramedic program in Littleton.

TRUSTEE COMMENTS: There were no Trustee comments.

TOWN ADMINISTRATOR'S REPORT: Mr. McCrumb presented the attached report. Mr. Sieber presented an update on the Clayton development and alerted the Trustees that a request would be forthcoming to amend the Final Plat of Brookhaven to accommodate the development.

Rich Gunlikson, 17 Brookhaven Trail, expressed the Brookhaven HOA's preliminary endorsement of the development and amendment.

Trustee Dotson asked if another intern would be employed in the future. Mr. McCrumb responded the program was a positive for the Town and if an appropriate project and candidate could be identified, yes.

POLICE CHIEF'S REPORT: Chief Cottrell presented the attached report. The Chief also briefed the Trustees on a recent fire on Hunter Run (Arapahoe County), vandalism in Brookhaven, and the ride sharing program currently being tested in Centennial, CO.

TOWN TREASURER'S REPORT: Mr. Tempas reported on the attached February and March financials. He identified and reviewed several large variances. Mr. Tempas alerted the Trustees that the annual audit would be presented in May.

OLD BUSINESS:

Pave 2017 Updates: Trustee Palmer and Mr. Carmann updated the Trustees on the bid process for the 2017 summer road work. Only one bid had been received to date and that had expired. Additional bids will be sought and the Town still hopes to "piggy-back" on the City of Littleton's contract. The scope of work was reaffirmed to include Middlefield, Club and Fairway from #17-#39.

NEW BUSINESS:

Dog Waste Station: Kinsey Myco presented to the Trustees her idea for a dog waste bag station (no trash container) in Columbine Park. The idea was endorsed by Mayor Champion and Town staff.

ACTION: upon a motion by Mayor for the Day Myco (Champion) and a second by Trustee Menk, the Board of Trustees unanimously approved \$300.00 for the purchase and installation of the waste station.

Minor Amendment 66 Fairway Lane: Mr. Sieber presented the attached report addressing a request for a minor amendment to the Burning Tree Final Plan allowing building to occur outside of the setbacks at 66 Fairway Lane. The property owner (resident of Aurora) was available to answer any questions.

ACTION: upon a motion by Trustee Dotson and a second by Trustee Christy, the Board of Trustees unanimously approved the Minor Amendment 66 Fairway Lane as presented.

Trustee Bill #1, Series 2017 Metro Districts (1st Reading): Mr. Schiller introduced Ed Icenogle and Tamara Seaver who presented the attached Trustee Bill #1. The Trustees had a brief discussion of the timing between an anticipated Wild Plum metro district service plan and the WP Final Plat and Plan.

ACTION: upon a motion by Trustee Cope and a second by Trustee Palmer, the Board of Trustees unanimously approved Trustee Bill #1, Series 2017 Metro Districts on 1st Reading

South Platte River Environmental Pool: Trustee Christy presented the attached request for Town participation in the South Platte River Environmental Pool. The Trustees discussed available funding sources.

ACTION: upon a motion by Trustee Dotson and a second by Trustee Menk, the Board of Trustees unanimously approved contributing \$7,500 from the Town's Arapahoe Open Space fund.

Resolution #2, Series 2017 Fees Paid to Professionals: As a follow up to a conversation at the Town's annual Board Retreat, Trustee Cope presented Resolution #2 regarding fees paid to professionals.

ACTION: upon a motion by Trustee Cope and a second by Trustee Christy, the Board of Trustees unanimously approved Resolution #2, Series 2017.

ADJOURNMENT: There being no further business, the meeting was adjourned at 8:23 p.m.

Submitted by,
J.D. McCrumb, Town Administrator

** All reports and exhibits listed "as attached" are available on the Columbine Valley web site and by request at Town Hall, 2 Middlefield Road.*

*** All minutes should be considered to be in DRAFT form until approved by the Board of Trustees at the next regular meeting.*



Town Administrator's Report

May 2017



Town of Columbine Valley
2 Middlefield Road
Columbine Valley, CO 80123

Tel: 303-795-1434
Fax: 303-795-7325
jdmccrumb@columbinevalley.org



Communications & Happenings

- The 2016 Community Survey Report will be presented to the Trustees at the June meeting. The report is approximately 70 pages long and will provide the Town with a great deal of baseline information to strengthen community engagement and outreach efforts moving forward.
- The Summer Newsletter is currently being created and will be hitting mailboxes in the first week of June. If you have anything you'd like to see included please let J.D. know by the end of this week. The newsletter will also contain an insert details about Concerts in the Park and the 4th of July Parade.
- The "Spring Cleaning" dumpsters will be parked at Town Hall from Thursday, May 18—Saturday, May 20. We will have help on site for most of that weekend to help citizens unload their cars and trucks. Electronics will be accepted (T.V.'s require a \$20+ collection fee) but hazardous and landscape materials will not.
- The spring shred-event occurred on the 6th of May. This is the year this service is being offered semi-annually with one event in the spring and another in the fall. Nearly 400lbs of paper was collected and destroyed at this spring's event, compared with just over 500lbs last fall.
- The Town will be adding a Code Enforcement page to the web site in June. Staff has seen an increase in calls and questions regarding issues including trash cans, loud noise, lawn/yard care and dogs (barking, off leash, etc.).

Town Website Apr. Statistics

3,127

Total Visits

3,450

April Page Views

Top Pages

Development Updates

Building Department

Municipal Court

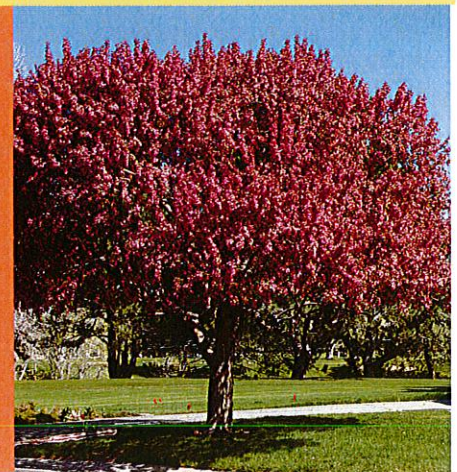
Community Updates

2017 Town Goal Tracking: 35 Goals Set; 24 Goals in Progress; 4 Goals Completed (11%)

Citizen Contacts:

Staff has fielded calls, emails or walk-ins on the following topics in April

- ⇒ Building Department: 111
- ⇒ Comm. Development: 54
- ⇒ Public Works: 61
- ⇒ Municipal Court: 49
- ⇒ Other: 88



Building Department

Monthly Stats

16 Permits Issued

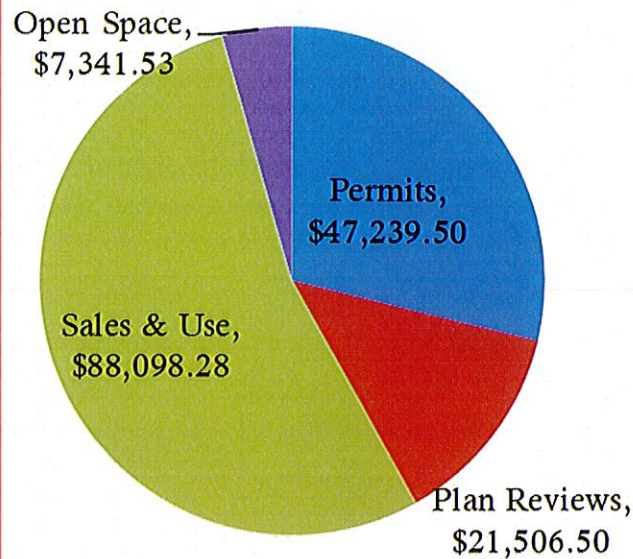
- New SFR: 5
- Major Remodels: 1
- New Roofs: 3
- Other/Misc.: 7

137 Inspections

19 Licenses Issued

- General: 5
- Electrician: 3
- Plumbers: 2
- Mech/Other: 7
- Roofer: 2

April Permit Rev.: \$164,185.81



Willowcroft Manor

- 41 Total Lots
- 39 Permits Issued
- 2 Permit Pending
- 25 Completed Homes
- 24 Occupied Homes

Wilder Lane

- 24 Total Lots
- 6 Permits Issued
- 0 Permit Pending
- 5 Completed Homes
- 4 Occupied Homes

* This data does not reflect Bow Mar activity.

Building Department Revenue by Month

	2016	2016 YTD	2017	2017 YTD
January	\$2,304.44	\$2,304.44	\$19,908.26	\$19,908.26
February	\$8,570.86	\$10,875.30	\$56,545.98	\$76,454.24
March	\$84,269.53	\$95,144.83	\$45,844.32	\$122,298.56
April	\$64,831.11	\$159,975.94	\$164,185.81	286,484.37
May	\$45,799.17	\$205,775.11		
June	\$30,756.68	\$236,531.79		
July	\$327,329.37	\$563,861.16		
August	\$83,947.48	\$647,808.64		
September	\$28,814.59	\$676,623.23		
October	\$54,077.22	\$730,700.45		
November	\$51,116.09	\$781,816.54		
December	\$42,978.61	\$824,795.15		



Municipal Court

	<u>2016</u>	<u>2016 YTD</u>	<u>2017</u>	<u>2017 YTD</u>
January	\$5,632.49	\$5,632.49	\$6,295.25	\$6,295.25
February	\$3,527.00	\$9,159.49	\$3,778.97	\$10,074.22
March	\$6,170.5	\$15,329.99	\$8,867.00	\$18,941.22
April	\$4,323.50	\$19,653.49	\$6,755.00	\$25,696.22
May	\$1,862.25	\$21,515.74		
June	\$3,638.78	\$25,154.52		
July	\$8,590.86	\$33,744.88		
August	\$5,843.61	\$39,588.49		
September	\$6,111.98	\$45,700.47		
October	\$6,120.00	\$51,820.47		
November	\$3,535.00	\$55,355.47		



March Court Stats

- Total paid before Court: 55
- Total on docket: 36
- Cases heard by Judge: 15
- Continuances: 2
- Failure to Appear: 6
- Stays of Execution: 1
- Classes Ordered: 0
- Bench Warrants: 1
- Trials: 0

Public Works Department

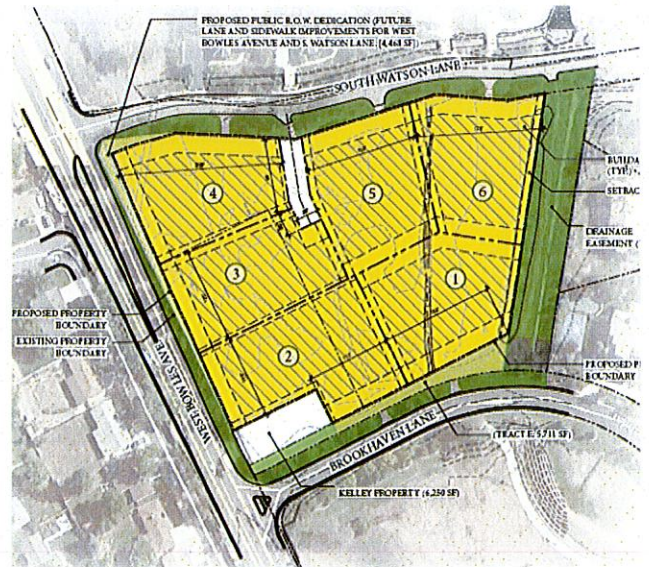


- The City of Littleton completed the spring street sweeping during the week of March 20. This was the first of three passes Littleton will conduct this year, the next happening in mid-summer and early fall, as part of the public works IGA Columbine Valley has with Littleton.
- Snow removal season appears to be over in Columbine Valley. The 2016/2017 snow season saw a total of eight days with snow accumulations over 1/2" and five days when staff treated the roads with ice slicer. The Town spent \$462.50 on contracted removal assistance.
- A number of trees in the Town right-of-way were damaged in the recent spring snow storm. Staff spend the better part of last week cleaning up and mulching fallen branches on Hunter Run and one tree in front of Town Hall had to be removed entirely due to the extend of damage.
- A reoccurring problem with the Town Hall parking lot is that it slopes to the NE corner, causing water to sit for long periods of time. The standing water deteriorates the asphalt and provides a place for bugs and algae to grow. Recently, staff installed a permanent solution by installing a drain and connecting it to the existing storm water pipe running under the lawn. This involved setting a 12 inch drain in the parking lot corner, trenching 20 feet away from the drain and digging 3 feet down to core out a 4 inch hole in the reinforced concrete pipe. The PVC pipe was then installed, routing around the existing sprinkler lines, forming a permanent connection to the town storm water system. The corner of the parking lot quickly dries out after a rain storm and the surrounding grass is no longer water logged.

Community Development

Clayton Family Farms

- A proposal is being discussed with the Littleton City staff that would develop six single family homes on this site. An application has been submitted to the Town for a Minor Subdivision that would allow the transfer of a Tract from Brookhaven HOA to the Town and call the Tract out as open space and right of way.
- The staff has asked for some updated documents and there are some legal issues to be resolved. However, it appears that these issues will be resolved and we may have an application for the Trustees to consider at their June meeting. A sketch of the proposed development is shown. Lots 1 and 2 would access onto Brookhaven Lane and become part of the Brookhaven HOA.



Wild Plum Farm

- The staff report on The Final Plan, Final Plat with architectural illustrations and the Construction Management Plan were presented to the Planning Commission on April 11th. The intention was to continue the meeting to May 9th but there were still major issues with the Construction Management Plan and the May 9th meeting was cancelled and will be continued on June 13th.

Willowcroft Manor

- As of May 10 there have been 39 building permits issued and two additional permits pending builder pick-up. This project is scheduled to be completed by the end of the year or very early 2018.

Wilder Lane

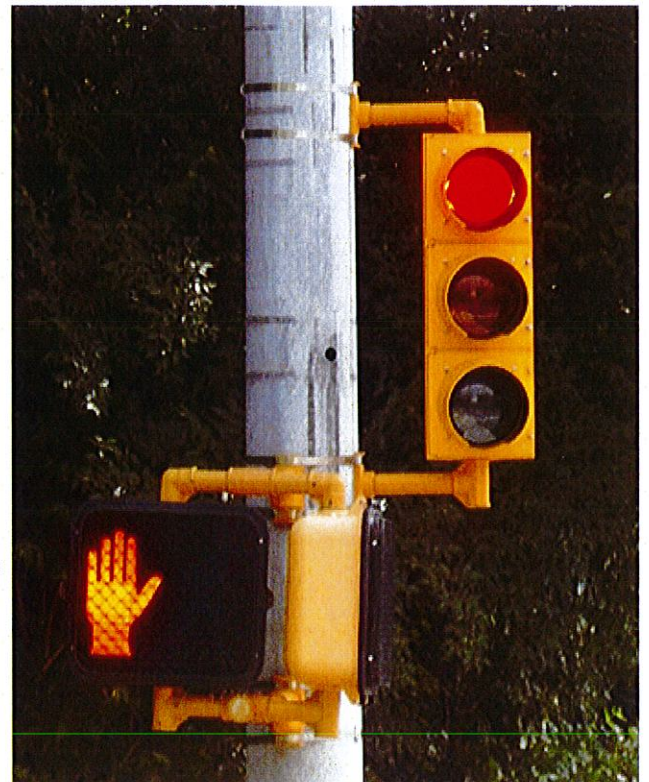
- The existing roadway asphalt and drainage pan cracking along Wilder Lane remains a concern. The developer has plans to review the Town's concerns about the pavement with the Town and Bryan Construction but no progress has been made. The Town staff is preparing a letter of outlining expectations and timetable for repairs for the Mayor's signature.

Platte Canyon Road

- Signal Timing Project: This is a DRCOG program which, if approved, would enable the coordination and timing of the signals from Bowles Avenue to Coal Mine Road. The application has been prepared by the Platte Canyon Task force and will be sponsored by the City of Littleton. The estimated schedule for action by DRCOG is:

May 17	DRCOG staff review
May 24	RTO project ranking discussion
June 9	DRCOG staff completes RTO document
June 26	Document presented to DRCOG TAC
July 18	Document presented to DRCOG RTC
July 19	Document presented to DRCOG Board
- Faster Safety Program: This is the CDOT program under which we would apply for approval of a major improvement to the Bowles Avenue/Platte Canyon Road intersection. The application was prepared by Matt Brown and Brian Weimer (Arapahoe County). The latest communication from CDOT is:

"Although an official determination is still to come, the preliminary evaluation by CDOT HQ was promising and the ability to use FASTER funds seems likely, (even at one million).



TOWN OF COLUMBINE VALLEY
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 APRIL 30, 2017

Assets	Totals	
	April 30, 2017	December 31, 2016
Cash and investments	\$ 1,623,147	1,474,091
Other receivables	120,458	133,586
Property taxes receivable	196,497	328,683
Property and equipment, net	2,380,367	2,380,366
	\$ 4,320,469	4,316,726
Liabilities and Equity		
Liabilities:		
Accounts payable	\$ 32,364	57,756
Accrued liabilities	32,804	33,307
Deferred property tax revenue	196,497	328,683
Fund balance:		
Reserved - TABOR emergency	56,657	56,657
Conservation Trust	24,635	23,051
Arapahoe County Open Space	325,312	324,700
Unavailable - Fixed assets net of outstanding long term debt	2,380,367	2,380,366
Unreserved	1,271,833	1,112,206
Total equity	4,058,804	3,896,980
	\$ 4,320,469	4,316,726

TOWN OF COLUMBINE VALLEY
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 ALL GOVERNMENTAL FUND TYPES
 BUDGET AND ACTUAL
 FOUR MONTHS ENDED APRIL 30, 2017 AND 2016

Revenue	April Totals		Four Months Ended April 30, 2017		
	2017	2016	Budget	Actual	Variance
Taxes:					
Property taxes	\$ -	-	147,907	132,156	(15,751)
Specific ownership taxes	-	-	7,168	6,786	(382)
Sales and use tax	96,488	26,310	164,000	206,172	42,172
Utility franchise fees	-	3,000	16,000	9,982	(6,018)
Cable television	7,699	-	7,000	7,699	699
Permits and fines:					
Permits, fees and services	61,796	12,791	46,000	124,773	78,773
Fines	6,520	4,459	24,000	25,966	1,966
Intergovernmental:					
Bow Mar IGA	-	-	154,108	154,108	-
State highway user's tax	3,576	-	15,332	10,892	(4,440)
County highway tax revenue	-	-	4,200	4,582	382
Motor vehicle registration fees	-	-	2,000	1,370	(630)
State cigarette tax apportionment	-	76	268	-	(268)
Conservation Trust Fund entitlement	-	-	1,500	1,566	66
Arapahoe County Open Space shareback	-	-	-	-	-
Interest income	636	517	2,668	1,768	(900)
Other	5,480	1,724	5,268	17,818	12,550
Total revenue	182,195	48,877	597,419	705,638	108,219
Expenditures					
Current:					
Public safety	44,129	62,734	220,072	206,520	13,552
Sanitation	6,551	5,613	25,000	24,761	239
Administration	68,124	55,337	178,766	233,695	(54,929)
Planning and zoning	(16,492)	5,703	23,000	16,562	6,438
Public works	5,624	8,273	130,772	21,271	109,501
Other - rounding	-	(2)	-	(1)	1
Capital outlay					
Capital expenditures	28,155	-	63,000	41,007	21,993
Conservation Trust Fund expenditures	-	-	3,000	-	3,000
Total expenditures	136,091	137,658	643,610	543,815	99,795
Excess of revenue over expenditures	46,104	(88,781)	(46,191)	161,823	208,014
Major projects	-	11,168	100,000	-	100,000
Excess of revenue over (under) expenditures and major projects	46,104	(99,949)	(146,191)	161,823	308,014
Fund balance - beginning of period	1,632,333	1,546,979	1,347,624	1,516,614	168,990
Fund balance - end of period	\$ 1,678,437	1,447,030	1,201,433	1,678,437	477,004

TOWN OF COLUMBINE VALLEY
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOUR MONTHS ENDED APRIL 30, 2017 AND 2016

	April 2017	April 2016	Budget	Four Months Ended April 30, 2017	
				Actual	Variance
Public safety:					
Automotive expenses	1,521	1,023	11,625	6,392	5,233
Salaries and benefits	35,370	57,360	175,976	172,793	3,183
Municipal court	4,200	3,267	14,168	11,199	2,969
Other	3,038	1,084	18,303	16,136	2,167
	<u>44,129</u>	<u>62,734</u>	<u>220,072</u>	<u>206,520</u>	<u>13,552</u>
Sanitation	6,551	5,613	25,000	24,761	239
Administration:					
Legal	10,956	3,000	16,000	16,347	(347)
Accounting and audit	13,950	13,550	12,700	18,600	(5,900)
Inspection	13,256	12,229	23,000	44,986	(21,986)
Town administration	22,528	20,014	90,083	96,775	(6,692)
Insurance and bonds	950	2,819	9,668	8,819	849
Office supplies and miscellaneous	4,338	1,481	12,836	32,416	(19,580)
County Treasurer's collection fees	-	-	1,479	1,322	157
Rent and building occupancy costs	2,146	2,244	13,000	14,430	(1,430)
	<u>68,124</u>	<u>55,337</u>	<u>178,766</u>	<u>233,695</u>	<u>(54,929)</u>
Planning and zoning					
Planner and Engineering	(16,492)	5,703	23,000	16,562	6,438
Public works:					
Street repairs and maintenance	1,213	4,243	113,768	7,471	106,297
Street lighting	949	1,166	5,000	4,572	428
Weed and tree removal	576	789	6,168	954	5,214
Other	2,886	2,075	5,836	8,274	(2,438)
	<u>5,624</u>	<u>8,273</u>	<u>130,772</u>	<u>21,271</u>	<u>109,501</u>
Other - rounding	-	(2)	-	(1)	1
Capital expenditures:					
Public safety	28,155	-	43,000	41,007	1,993
Administration	-	-	20,000	-	20,000
Public works	-	-	-	-	-
	<u>28,155</u>	<u>-</u>	<u>63,000</u>	<u>41,007</u>	<u>21,993</u>
Conservation Trust Fund expenditures	-	-	3,000	-	3,000
Total expenditures	<u>136,091</u>	<u>137,658</u>	<u>643,610</u>	<u>543,815</u>	<u>99,795</u>
Major projects:					
Town Hall remodel	-	11,168	100,000	-	100,000
	-	-	-	-	-
	<u>-</u>	<u>11,168</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures and major projects	<u>136,091</u>	<u>148,826</u>	<u>743,610</u>	<u>543,815</u>	<u>199,795</u>

TOWN OF COLUMBINE VALLEY
 SUPPLEMENTAL SCHEDULE OF GENERAL FUND EXPENDITURES - BUDGET AND ACTUAL
 FOUR MONTHS ENDED APRIL 30, 2017 AND 2016

	April 2017	April 2016	Four Months Ended April 30, 2017		
			Budget	Actual	Variance
Public Safety:					
Automotive expenses:					
Cruiser gas/oil/maintenance	1,521	1,023	10,000	4,767	5,233
Cruiser insurance	-	-	1,625	1,625	-
	<u>1,521</u>	<u>1,023</u>	<u>11,625</u>	<u>6,392</u>	<u>5,233</u>
Salaries and benefits:					
Salaries	29,732	47,062	138,462	140,374	(1,912)
Pension plan	3,138	4,612	13,846	14,136	(290)
Health/workman's comp insurance	2,500	5,686	23,668	18,283	5,385
	<u>35,370</u>	<u>57,360</u>	<u>175,976</u>	<u>172,793</u>	<u>3,183</u>
Municipal court:					
Municipal court - judge	750	750	3,000	3,000	-
Municipal court - legal	3,300	2,000	9,168	7,519	1,649
Municipal court - other	150	517	2,000	680	1,320
	<u>4,200</u>	<u>3,267</u>	<u>14,168</u>	<u>11,199</u>	<u>2,969</u>
Other:					
Uniforms	915	-	2,668	3,141	(473)
Education/training	-	-	2,500	622	1,878
Arapahoe County dispatch fee	-	-	6,595	6,595	-
Supplies/miscellaneous	2,123	1,084	6,540	5,778	762
	<u>3,038</u>	<u>1,084</u>	<u>18,303</u>	<u>16,136</u>	<u>2,167</u>
Administration:					
Town administration:					
Salaries - administration	14,316	15,469	64,038	63,282	756
FICA/Medicare - administration	1,468	1,742	5,123	6,477	(1,354)
Health insurance - administration	1,970	1,176	10,000	12,090	(2,090)
Pension - administration	878	773	3,202	3,978	(776)
Telephone/communications	604	505	1,832	1,811	21
Computer expense	266	349	1,668	3,291	(1,623)
Election expense	-	-	2,000	-	2,000
Dues and publications	3,026	-	2,220	5,846	(3,626)
	<u>22,528</u>	<u>20,014</u>	<u>90,083</u>	<u>96,775</u>	<u>(6,692)</u>
Office supplies and miscellaneous:					
Advertising/notices	13	17	168	13	155
Miscellaneous	3,840	856	10,000	30,534	(20,534)
Supplies - administration	485	608	2,668	1,869	799
	<u>4,338</u>	<u>1,481</u>	<u>12,836</u>	<u>32,416</u>	<u>(19,580)</u>
Legal					
Legal	10,956	3,000	16,000	16,347	(347)
Accounting and audit	13,950	13,550	12,700	18,600	(5,900)
Inspection	13,256	12,229	23,000	44,986	(21,986)
Insurance and bonds	950	2,819	9,668	8,819	849
County Treasurer's collection fees	-	-	1,479	1,322	157
Building occupancy costs	2,146	2,244	13,000	14,430	(1,430)

TOWN OF COLUMBINE VALLEY
 SUPPLEMENTAL SCHEDULE OF GENERAL FUND EXPENDITURES - BUDGET AND ACTUAL
 FOUR MONTHS ENDED APRIL 30, 2017 AND 2016

	April 2017	April 2016	Four Months Ended April 30, 2017		
			Budget	Actual	Variance
Public works:					
Street repairs and maintenance:					
Street/gutter maintenance	769	350	100,000	3,202	96,798
Snow removal	-	2,485	8,100	2,239	5,861
Striping	-	-	1,000	-	1,000
Signs maintenance	342	25	1,000	390	610
Vehicle maintenance	102	1,333	1,168	1,640	(472)
Other drainage	-	-	2,500	-	2,500
Street cleaning	-	50	-	-	-
	1,213	4,243	113,768	7,471	106,297
Street lighting	949	1,166	5,000	4,572	428
Ground maintenance	576	789	6,168	954	5,214
Other:					
Miscellaneous minor public works	2,334	1,500	2,000	6,603	(4,603)
Storm water permit process	552	575	1,668	1,671	(3)
Professional fees	-	-	2,168	-	2,168
	2,886	2,075	5,836	8,274	(2,438)
Capital and Conservation Trust Fund:					
Capital expenditures:					
Administration	-	-	20,000	-	20,000
Public safety	28,155	-	43,000	41,007	1,993
Public works	-	-	-	-	-
	28,155	-	63,000	41,007	21,993
Conservation Trust Fund expenditures:					
Miscellaneous	-	-	3,000	-	3,000
	-	-	3,000	-	3,000



Request for Board of Trustee Action

Date: May 16, 2017

Title: Special District Ordinance

Presented By: Trustee Dave Cope

Prepared By: Icenogle Seaver Pogue, PC

Background: Special Districts, also known as Metropolitan Districts, are a form of government authorized under Colorado law. These districts are generally created to fund, construct, maintain and operate public services such as water, sewer, drainage, streets and recreational activities. Special Districts have many of the typical powers and restraints of government which include the ability to tax and to impose fees for services. This type of governmental entity is subject to TABOR and debt approval by voters, elects governing boards of directors, is subject to open meetings and open records requirements and the elected board members are subject to recall. These Special Districts may also issue tax exempt bonded General Obligation bonded indebtedness. The Special Districts, however, do not have the power to pass laws or ordinances or exercise police power. The intent of this ordinance is to impose conditions, restrictions and requirements upon Special Districts which may be formed in the Town of Columbine Valley. This is an ordinance which will be applicable to all potential developments in the Town, not just to Wild Plum.

Attachments: Special District Ordinance

Staff Recommendations: Move to approve on first reading Trustee Bill No. 1, Series of 2017 an ordinance concerning Special Districts in the Town of Columbine Valley

Recommended Motion(s): “I move to approve on second reading Trustee Bill No. 1, Series of 2017 an ordinance concerning Special Districts in the Town of Columbine Valley”

Or

“I move to approve on second reading Trustee Bill No. 1, Series of 2017 an ordinance concerning Special Districts in the Town of Columbine Valley with the following changes.....”

TOWN OF COLUMBINE VALLEY

TRUSTEE BILL NO. 1
SERIES OF 2017

INTRODUCED BY
TRUSTEE: DAVE COPE

A BILL
FOR
AN ORDINANCE ESTABLISHING CHAPTER 18 OF THE MUNICIPAL CODE OF THE
TOWN OF COLUMBINE VALLEY CONCERNING SPECIAL DISTRICTS

WHEREAS, Special Districts, also known as Metropolitan Districts, are a form of government authorized under Colorado law; and

WHEREAS, such districts are generally created to fund, construct, maintain and operate public services such as water, sewer, drainage, streets and recreational activities; and

WHEREAS, the Board of Trustees wishes to adopt an ordinance which imposes conditions, restrictions and requirements upon Special Districts.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE
TOWN OF THE TOWN OF COLUMBINE VALLEY, COLORADO AS FOLLOWS:

Section 1. Title 18 of the Municipal Code of the Town of Columbine Valley is hereby established as follows:

Section 1 - Legislative Declaration

1.1 The intent of this Chapter is to impose conditions, restrictions and requirements on Special Districts formed pursuant to Title 32 of the Colorado Revised Statutes, and their organizers, to fund, construct or acquire, and in limited cases to operate public improvements, all in order to preserve the financial integrity of the Town and the health, safety, prosperity, security and general welfare of all of the residents and citizens of the Town. The Town does not intend to create unneeded multiple entities or competing governments or to aid in the proliferation of overlapping governments.

All statutory references contained herein are as those statutes may be amended from time to time and shall be interpreted to mean the then-current version of the cited statute.

1.2 The Town's Board of Trustees, in furtherance of the interests outlined above, declares its intent:

- A. To prevent Districts' indebtedness from adversely affecting the Town's credit worthiness and credit ratings;

- B. To ensure that new infrastructure funding burdens, including new development infrastructure burdens, are reasonably borne by those properties and persons directly benefiting from such infrastructure;
- C. To prevent the shifting of development risk to Districts' residents and taxpayers and, accordingly, to minimize the likelihood of excessive tax and fee burdens;
- D. To prevent the shifting of costs of Districts to the Town or taxpayers of the Town who do not live within the geographical boundaries of a District;
- E. To permit District creation where anticipated to realize property value enhancement; and
- G. To ensure that Districts are created in a manner consistent with the Town's Master Plan, and which will add to the quality of life of citizens of the Town.

1.3 The Town's Board of Trustees further recognizes that the formation of Districts lends itself to the adoption of uniform procedures for the orderly processing of proposals for District organization.

1.4 The Town's Board of Trustees declares its preference that nonresidential uses be in Districts which do not include residential uses, but exceptions to this preference may be considered on a fact-specific basis.

1.5 Districts may be permitted to operate and maintain Public Improvements in instances where the Town's Board of Trustees concludes a particular District's performance of on-going operations and maintenance is in the best interest of the Town and existing and future residents and taxpayers of the District in question.

1.6 In addition to the power, authority, and protection set forth in this Chapter, the Town's Board of Trustees shall have all the power, authority, and protection granted to municipalities by Title 32 of the Colorado Revised Statutes; provided, however, that where any conflicts exist between Title 32 and this Chapter, such inconsistencies are specifically intended and the provisions of this Chapter shall control.

Section 2 – Definitions

Application Fee – shall have that meaning assigned to such term in Section 3(2)(B) of this Chapter.

District(s) - One or more special districts which, once organized, are quasi-municipal corporations and political subdivisions of the state of Colorado proposed, organized, or acting pursuant to the provisions of this Chapter, and the Special District Act, Sections 32-1-101 *et seq.*, C.R.S. Business improvement districts, special improvement districts and general improvement districts are specifically excluded from this definition.

Material Modification(s) shall mean any one of the instances described in Section 32-1-207, C.R.S. and shall in this respect include but in no event be limited to any of the following: (i) changes to the public improvements approved by the Town per section 4.1(G) of this Chapter, (ii) exceeding the financial constraints provided in the Service Plan pursuant to section 4.1(H) of this Chapter (iii) deviating from the financial plan provided in the Service Plan in accordance with section 4.1(I), (iv) taking action in contravention of the Service Plan statements required by section 4.1(L), (v) the District publishing notice as provided in Section 32-1-207(3)(b), C.R.S. without the Town's prior approval of a revised Service Plan, and (vi) exclusions and inclusions of real property.

Petitioner – Any living person(s) or legal entity(ies) proposing a Service Plan for Town approval, or proposing to modify or amend a previously-approved Service Plan.

Public Improvements – Any public improvements or services, including maintenance and operation thereof, allowed or required of a District by its Service Plan, as approved by the Town's Board of Trustees.

Service Plan – A service plan complying with the requirements of Section 32-1-202, C.R.S. and the requirements of this Chapter which has been approved by the Town for a District organized by act of the District Court of the 18th Judicial District of Colorado.

Service Plan Submittal – shall have that meaning assigned to such term in Section 3.2 of this Chapter.

Town – The Town of Columbine Valley

Section 3 -Service Plan Process

Petitioners are encouraged to initiate the Town's Service Plan process well in advance of election deadlines. The process is as follows:

3.1 Pre-Submittal Meeting(s). Prior to submitting an application for a proposed District with a proposed Service Plan and all required attachments, the Petitioner shall file a written request with the Town clerk for a pre-submittal meeting(s) with the Town staff and such consultants as the Town deems appropriate (collectively the "Town Representatives") to discuss the procedures and requirements, including this Chapter, for submission of a proposed Service Plan. The Petitioner shall describe the proposed District to the Town's Representatives. Town Representatives shall explain the administrative process and provide information to assist the Petitioner with the orderly processing of the proposed Service Plan. If determined necessary by the Town's Representatives, more than one pre-submittal meeting may be held. The Town Representatives have no authority to bind the Town to any term, condition, or procedure.

3.2 Service Plan Submittal Requirements. After the conclusion of the pre-submittal meetings(s), the Petitioner may file with the Town clerk a Service Plan Submittal. The Town will only process Service Plan Submittals containing all the following items:

- A. Application. An application containing, at a minimum, the following information:
- i. Petitioner's name, address, phone number, email address and, for a Petitioner which is not a living person, like information for Petitioner's primary contact.
 - ii. The name of the development or neighborhood to which the District relates.
 - iii. Agreement that if, at any time, the Town's reasonable costs related to Service Plan review exceed the Application Fee, then the Petitioner will promptly deposit with the Town, as additional processing fees, all amounts the Town deems necessary to reimburse the Town for any and all costs associated with Town review Service Plan processing, including the Town's internal costs, out-of-pocket costs (such as publication notices), and contracted administrative, legal, financial, and engineering consultants. Failure to make additional deposit(s) upon notification by the Town that such deposit(s) are necessary will cause the Town to suspend further Service Plan processing and, if the additional deposit is not provided to the Town within twenty (20) business days of the notification, will result in the proposed Service Plan being deemed withdrawn.
- B. Application Fee. A non-refundable application fee of \$10,000. The Application Fee and any additional deposits made pursuant to 3.2.A.iii. in excess of the Town's reasonable costs will be refunded to the Petitioner upon the withdrawal of the application or organization of the District, whichever first occurs.
- C. Proposed Service Plan. Twelve (12) paper copies of the proposed Service Plan, including all exhibits and one (1) electronic/digital copy of the proposed Service Plan in editable format, with all exhibits attached.
- D. Petition to be Filed with District Court. A copy of the petition Petitioner expects to file with the district court upon approval of the Service Plan.

3.3. Administrative Review of Service Plan. The Town Representatives shall have forty-five (45) days from the date the Service Plan Submittal is filed with the clerk to complete an administrative review. This time period may be shortened or extended by the Town's Board of Trustees, with notice to the Petitioner. Once the review is complete, an analysis of the proposed Service Plan shall be prepared by the Town Representatives in the form of a written report to the Town's Board of Trustees. The report shall set forth recommendations of the Town Representatives for approval, disapproval or conditional approval of the proposed Service Plan and the reasons therefor. As part of the administrative review by the Town, the Town will employ an independent financial advisor to advise on the proposed Service Plan's financial constraints.

3.4 Public Hearing - Notices. The Town clerk shall schedule a public hearing before the Town's Board of Trustees upon receipt of the administrative review report described in section 3.3 of this Chapter.

- A. Notice of the hearing shall be published by the Town in an issue of the newspaper selected by the Town as its official newspaper of publication, which notice shall be at least twenty (20) days but not more than thirty (45) days prior to the scheduled hearing date.
- B. Notice of the hearing shall also be mailed by the Petitioner, by first class mail, on the date such notice is to be published, to:
 - 1. The owners of record of all real property within the district as such owners of record are listed in the proposed Service Plan (unless the Petitioner comprises 100% of the owners of all real property within the proposed District).
 - 2. The state of Colorado division of local government.
 - 3. The governing body of any municipality or district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed district's boundaries.

The contents of the mailed notice shall be as follows:

- 1. The date, time, location and purpose of the hearing.
 - 2. A general description, including a map, of the land contained within the boundaries of the proposed district.
 - 3. Information outlining methods and procedures for the filing of a petition for exclusion.
 - 4. A description of the type of district to be organized.
 - 5. The maximum property tax levy proposed to be imposed by the district and the maximum period of time for which such levy is proposed to be collected.
 - 6. The place at which the proposed Service Plan may be examined.
- C. Notice of the time, place, date and purpose of the public hearing shall be conspicuously posted on the real property to be located within the District's boundaries in accordance with the posting requirements contained in the Town's Land Use Regulations.

3.5 Conduct of Public Hearing.

- A. The hearing held by the Town's Board of Trustees pursuant to the notice provided in section 3.4 of this Chapter shall be open to the public, and a record of summary minutes shall be made by the Town clerk. Any testimony or evidence which, in the discretion of the Town's Board of Trustees, is relevant or material to the organization of the district shall be considered.
- B. The Town's Board of Trustees may postpone or continue the hearing until a later time or date or relocate the hearing by announcing such postponement, continuance or relocation of the hearing or by posting notice at the originally scheduled time and place of the hearing and at Town Hall, and no further publication shall be necessary.
- C. Upon its review of the report presented by the Town Representatives, the proposed Service Plan, and any evidence presented at the public hearing, the Town's Board of Trustees shall have the authority to:
 - 1. Approve without condition or modification the proposed Service Plan, or
 - 2. Disapprove the proposed Service Plan, or
 - 3. Conditionally approve the proposed Service Plan subject to the submission of additional information relating to, or the modification of, the proposed Service Plan or by agreement with the petitioner of the proposed Service Plan.

3.6 Service Plan Approval Criteria and Related Matters.

- A. The Town's Board of Trustees *shall disapprove* the proposed Service Plan unless evidence satisfactory to the Town's Board of Trustees of each of the following is presented:
 - 1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed district.
 - 2. The existing service in the area to be served by the proposed district is inadequate for present and projected needs.
 - 3. The proposed district is capable of providing economical and sufficient service to the area within its proposed boundaries.
 - 4. The area to be included in the proposed district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

- B. The Town's Board of Trustees *may disapprove* the proposed Service Plan unless evidence satisfactory to the Town's Board of Trustees of each of the following is presented:
1. The Service Plan and all infrastructure and operations contemplated therein are in full compliance with the Town Master Plan.
 2. The creation of the District will be in the best interests of the area proposed to be served.
- C. The Town's Board of Trustees may conditionally approve the proposed Service Plan upon satisfactory evidence that it does not comply with one or more criteria enumerated in this section. In this event, final Service Plan approval shall be contingent upon modification of the proposed Service Plan to include such changes or additional information as shall be specifically stated in the findings of the Town's Board of Trustees. Final approval of a proposed Service Plan may be withheld by Town's Board of Trustees until such changes of information are made to the proposed Service Plan.
- D. The Town's Board of Trustees may exclude territory from a proposed district prior to approval of the proposed Service Plan. The petitioner shall have the burden of proving that the exclusion of such property is not in the best interests of the proposed District. Any person owning property in the proposed District who requests his or her property be excluded from such district prior to the approval of the proposed Service Plan shall file such request with the town clerk not later than ten (10) days prior to the public hearing held pursuant to section 3.5 of this Chapter. However, the Town's Board of Trustees shall not be limited in its action with respect to exclusion of territory based upon such request. Any request for exclusion shall be acted upon before final action of the Town's Board of Trustees.
- E. The findings of the Town's Board of Trustees shall be based solely upon the proposed Service Plan, the report presented by the Town Representatives, and any evidence presented at the public hearing by the Petitioners, Town officials, and interested parties, including the public.
- F. Waiver of or variance from the provisions of this Chapter regarding a proposed Service Plan and the processing thereof shall be in the discretion of the Town's Board of Trustees, without amendment of this Chapter, in furtherance of the interests of the Town. Any waiver or variance in connection with a proposed Service Plan shall not be deemed as an amendment of this Chapter unless the Town's Board of Trustees adopts an ordinance expressly amending this Chapter.

3.7 Resolution/timing of Approval. If the proposed Service Plan is approved, a resolution of approval shall be adopted. If the proposed Service Plan is disapproved, a resolution of

disapproval shall be adopted. The resolution shall include the findings and reasons for such approval or disapproval.

Section 4 – Service Plan Contents

4.1 The proposed Service Plan shall include each of the following:

- A. All information required by Section 32-1-202(2), C.R.S. as may be further supplemented by the Town’s requirements in this Section 4.1. None of the requirements set forth in this Section 4.1 shall be construed to waive or diminish the requirements set forth in Title 32 and shall be considered additional requirements;
- B. Proof of ownership of all properties within the proposed District;
- C. A description of the proposed services (Section 32-1-202(a), C.R.S.), enumerating and describing all powers requested and describing with specificity the need for such powers;
- D. A vicinity map of the proposed District boundaries clearly showing District boundaries, section lines, existing and proposed roads within the District, surrounding roads, jurisdictional boundaries and other special districts in the area;
- E. A larger scale map of the District showing, by class of infrastructure (e.g. water lines, landscaping etc.) the various proposed infrastructure improvements;
- F. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services or provision of infrastructure between the District and such other political subdivision and the form of contract therefor;
- G. Engineering:
 - 1. A specific description of the facilities to be constructed, including local and regional infrastructure improvements, together with the standards of such construction, including a statement as to how the facility and service standards of the proposed District are compatible with the facility and service standards of the Town and other service providers;
 - 2. A detailed and itemized list of the total costs of proposed improvements and general costing assumptions;
 - 3. All facilities to be constructed or acquired by the District shall be subject to public bidding requirements of Title 32, Colorado Revised Statutes.

- H. Financial Constraints: The Service Plan shall contain statements directly reflecting the following financial parameters:
1. The District's debt service mill levy authorization shall not exceed 45 mills (the "Maximum Debt Service Mill Levy") and shall be subject to the following additional restrictions:
 - a. the Maximum Debt Service Mill Levy shall cease when debt issued by the District is no longer outstanding;
 - b. the Maximum Debt Service Mill Levy shall not be imposed for more than forty 40 years after the year of initial imposition, except in the case of refinancing or refunding existing debt at lower rates when (i) the District's board of directors comprises entirely residents living within the District and (ii) the residential board has voted in favor of refinancing or refunding already-outstanding debt which refinancing or refunding extends the term of the already outstanding debt.
 2. A statement that the District shall not issue any debt in any amount which exceeds the "Maximum Debt Limit," which shall be the maximum dollar amount of debt which the District may issue, including reimbursement of advances for District organization, operation, and capital expenditures;
 3. The District's operational mill levy authorization shall not exceed 10 mills (the "Maximum Operations Mill Levy");
 4. The District's combined Maximum Debt Service Mill Levy and Maximum Operational Mill Levy shall not, combined, exceed 55 mills, with allowance for adjustments in future years to reflect changes in the residential assessment ratio (the "Maximum District Mill Levy");
 5. The maximum interest rate on any debt of any type issued by the District shall not exceed twelve percent (12%) (the "Maximum Interest Rate");
 6. The maximum underwriting discount shall not exceed two percent (2%) (the Maximum Underwriting Discount");
 7. In connection with the issuance of any privately placed debt, the District shall obtain the truthful certification of an external financial advisor, which shall be a person or entity engaged in financial advice to special districts or other political subdivisions of the State of Colorado and knowledgeable as to current relevant interest rates and who is not otherwise engaged by the District, substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by the District for the [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert the designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

8. A statement that the District will not impose rates, fees, charges or exactions and will collect revenue only from the Maximum District Mill Levy.

I. Financial Plan. The District's financial plan shall, at a minimum, contain the following:

1. The total amount of debt planned to be issued over the life of the District;
2. All proposed sources of revenue and projected District expenses, as well as the assumptions upon which they are based, for not less than the entire term of the bond issue;
3. The dollar amount of any anticipated financing, including capitalized interest, costs of issuance, estimated maximum rates and discounts, and any expenses related to the organization and initial operation of the District;
4. A detailed repayment plan or payment schedule covering the life of any financing, including the frequency and amounts expected to be collected from all sources;
5. The amount of any reserve fund and the expected level of annual debt service coverage which will be maintained for any financing;
6. The provisions regarding any credit enhancement, if any, for the proposed financing, including, but not limited to, letters of credit and insurance.

J. Official written consent from any existing special districts providing the same services as those contemplated for the proposed District with boundaries which overlap the boundaries of the proposed District, as contemplated by Section 32-1-107(3)(b)(iv), C.R.S.;

K. Written explanation as to why the proposed District's planned improvements or facilities to be financed, established or operated by the proposed District do not

duplicate or interfere with any other improvements or facilities already constructed or planned to be constructed within the overlapping area, as contemplated by Section 32-1-1107(3)(b)(iii), C.R.S.;

- L. Statements that the District shall not:
 - 1. Condemn property inside or outside the District boundaries without first processing a material modification of the Service Plan in accordance with Section 32-1-207(2)(a), C.R.S.;
 - 2. Condemn property, easements or right-of-way owned by or entrusted to or maintained by the Town, including but not limited to the Town's public streets;
 - 3. Include or exclude any property without first processing a material modification of the Service Plan in accordance with Section 32-1-207(2)(a), C.R.S.
- M. A statement that all activities by the proposed District, and all development and infrastructure within the proposed District, will be subject to all of the Town's zoning, subdivision, building code and land use requirements and all other requirements contained within the Town's Municipal Code;
- N. Agreement that the District shall assure that Petitioner and any developers of or builders on the property located within the District will provide written notice, via certified mail, return receipt requested, to all persons who purchase or contract to purchase property in the District from the Petitioner or any developer or builder, which notice discloses the maximum mill levy, as well as a description of the District's authority to impose and collect rates, fees, charges or exactions. The form of notice shall be filed with the Town clerk prior to the issuance of debt by the District. All promotional, marketing, and sales information shall display the notice, equal in size and font to all other pertinent information as to debt, taxes, rates, fees, and exactions, and this information shall further be recorded in the real estate records of the county with the order of the court creating the District;
- O. In the case of a new subdivision, a form of agreement with the homeowners' association created in connection with the subdivision, delineating any responsibilities and rights of one to the other.

Section 5 – Intergovernmental Agreement with Town.

The District shall not levy any taxes, impose any rates, fees, tools or charges, or issue any debt until it enters into an intergovernmental agreement with the Town regarding the enforcement of this Chapter and the District's Service Plan. The intergovernmental agreement shall be in form and substance satisfactory to the Town's Board of Trustees

Section 6 – Rules and Regulations

6.1 The Town clerk other designee of the Town's Board of Trustees may develop rules and regulations which, after publication on the Town's website, may be useful to the application of this Chapter.

Section 7 – Compliance, Modification and Enforcement.

7.1 Upon final approval by the district court of the organization of the District, the petitioner shall file written notice thereof with the Town clerk.

7.2 After the creation of a District, Material Modifications to the approved Service Plan may be made by the board of directors of the District only by application to and approval by the Town's Board of Trustees. Consideration of such an application shall be in substantially the same manner as provided for the approval Service Plan. The application fee for a modification shall be [\$1,000 plus reimbursement of the costs of the Town (as defined in 3.2.A.iii. of this Chapter) in processing the application

7.3 Any material departures from the approved Service Plan, unless such has been modified with the approval of the Town's Board of Trustees, shall be a violation of this section. Such unauthorized material modifications may be enjoined by the district court upon application by the Town. Specifically, attempted use of Section 32-1-207(3)(b), C.R.S. shall not relieve the District from following the Section 7 to process Material Modifications.

7.4 Any action of the District that violates any of the requirements of this Chapter shall be deemed to constitute a material modification to the approved Service Plan and the Town shall be entitled to all remedies available under state and local law to enjoin such action of the District.

7.5 If any provision of this Chapter or any provision of any rule or regulation lawfully promulgated hereunder or any application of this Chapter or rule or regulation promulgated hereunder to any person or circumstance is held invalid or inoperative, such invalidity or inoperativeness shall not affect other provisions or applications of this Chapter or rules or regulations. The Town's Board of Trustees hereby declares that the provisions of this Chapter and all rules and regulations promulgated hereunder are severable. In the event that any part of this Chapter is found to be unenforceable for any reason, then the conflicting provision shall be severable from the remainder of the Chapter which shall remain in full force and effect.

Section 2. Should any section, clause, sentence, part or portion of this Ordinance be adjudged by any court to be unconstitutional or invalid, the same shall not affect, impair, or invalidate the Ordinance as a whole or any part thereof other than the part or portion declared by such court to be unconstitutional or invalid.

Section 3. The Town Clerk shall certify the passage of this Ordinance and cause notice of its contents and passage to be published.

Section 4. This Ordinance shall be in full force and effect upon the expiration of thirty (30) days after the publication of this Ordinance in the Littleton Independent, Littleton, Colorado, said newspaper being a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

Introduced as Trustee Bill No. 1, Series of 2017, at a regular meeting of the Board of Trustees for the Town of Columbine Valley, held at the Columbine Valley Town Hall, located at 2 Middlefield Road, Columbine Valley, Arapahoe County, Colorado, on the 18th day of April, 2017, passed by a vote of _____ for and _____ against on first reading; passed on second reading at a regular meeting of the Board of Trustees held at the Columbine Valley Town Hall, Arapahoe County, Colorado by a vote of _____ for and _____ against on the 16th day of May, 2017, at 6:30 p.m. and order published in the Littleton Independent on the _____ day of _____ 2017.

Richard Champion, Mayor

ATTEST:

JD McCrumb,
Clerk of the Town of Columbine Valley



Request for Board of Trustee Action

Date: May 17, 2016

Title: 2016 Annual Audit

Presented By: Jeff Tempas, Town Treasurer

Prepared By: Mark Elmshauser, CliftonLarsonAllen

Background: Each year the Town contracts an independent audit firm to audit the Town's financial statements and associated government activities.

Attachments: Copy of the Independent Auditors' Report

Fiscal Impacts: None

Staff Recommendations: Approve as presented

Recommended Motion: "I move to approve the 2016 annual audit".



CliftonLarsonAllen LLP
CLAconnect.com

CliftonLarsonAllen

Board of Trustees
Town of Columbine Valley
Arapahoe County, Colorado

We have audited the financial statements of the governmental activities and major fund of Town of Columbine Valley (Town) as of and for the year ended December 31, 2016, and have issued our report thereon dated May 2, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Columbine Valley are described in Note 2 to the financial statements.

As described in Note 2, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, in 2016. As the Town does not have investments outside of an external investment pool and certificates of deposit, there was not a significant change to the financial statements from implementation of the new standard.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of depreciation expense is based on the estimated useful life of the asset. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension asset is based on actuarial assumptions and other inputs as described in Note 8 to the financial statements. We evaluated the key factors and assumptions used to develop the net pension asset in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated May 2, 2017.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated May 2, 2017, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the Schedule of Expenditures – Budget and Actual - General Fund, the Five Year Summary of Assessed Valuation, Mill levy and Property Taxes Collected, and the Local Highway Finance Report (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated May 2, 2017.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This information is intended solely for the use of the Board of Trustees and management of the Town of Columbine Valley and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
May 2, 2017

Town of Columbine Valley

Period Ending: **12/31/2016**

Trial Balance: **General Fund**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 1			
To record the adjustment in Property Tax Receivable and the related deferred revenue for FY 2016			
120000	Property Tax Receivable	15,840.00	
209000	Deferred Property Taxes		15,840.00
Total		15,840.00	15,840.00
Adjusting Journal Entries JE # 2			
To record accrued wages for FY16.			
414000	Public Safety - Salaries	3,655.00	
515000	Administration - Salaries	3,978.00	
208000	Accrued Wages/CAL Time		7,633.00
Total		7,633.00	7,633.00
Adjusting Journal Entries JE # 3			
To accrue payment for administrative services provided to the Town of Bow Mar for November and December of 2016.			
121000	Other Receivable	6,685.00	
370500	Bow Mar IGA Revenue		6,685.00
Total		6,685.00	6,685.00
Adjusting Journal Entries JE # 4			
To record the change in restricted fund balances from the previous year.			
290000	General Fund Balance	46,792.00	
290003	Reserved - Conservation Trust		2,697.00
290007	Reserved - Open Space Tax		35,355.00
290010	Reserved - Emergency reserves		8,740.00
Total		46,792.00	46,792.00
Adjusting Journal Entries JE # 5			
To reclassify ground maintenance expenses as Conservation Trust Fund expenses.			
890003	CTF - Curr Yr Expenditures	6,000.00	
819000	Public Works - Other - Ground Maintenance		6,000.00
Total		6,000.00	6,000.00
Adjusting Journal Entries JE # 6			
To adjust the outstanding deposits to reflect actual outstanding deposits as of December 31, 2016.			
315100	Permits & Lic Fees - Remodels	980.00	
316500	Court Fines - Bow Mar	2,640.00	
414210	Public Safety - Off Duty - General	198.00	
539200	Administration - Credit Cards	1,852.00	
101000	Cash - Checking		5,415.00
316000	Court Fines		255.00
Total		5,670.00	5,670.00

May 2, 2017

CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 500
Greenwood Village, CO 80111

This representation letter is provided in connection with your audit of the financial statements of Town of Columbine Valley, which comprise the respective financial position of the governmental activities and the major fund as of December 31, 2016, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of May 2, 2017, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2016.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 2, 2016, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- We acknowledge and have fulfilled our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates are reasonable.
- Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
- Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts

receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
- We have not identified or been notified of any uncorrected financial statement misstatements. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
- We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
- We have a process to track the status of audit findings and recommendations.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Town of Columbine Valley, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
- The financial statements properly classify all funds and activities.
- All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- We acknowledge our responsibility for presenting the Schedule of Expenditures – Budget and Actual – General Fund, the Five Year Summary of Assessed Valuation, Mill Levy and Property Taxes Collected, and the Local High Finance Report in accordance with U.S. GAAP, and we believe this supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
- As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- We understand that TABOR (Section 20 to Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the Town is in compliance with TABOR.
- We have informed all banking and savings and loan institutions that our deposits are subject to the respective Public Deposit Protection Act and have provided banking institutions with our assigned number.

Signature: _____ Title: _____
Dana Struthers, Accounting Clerk

Signature: _____ Title: _____
Jeffery J Tempas, Town Treasurer



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Board of Trustees
Management of Town of Columbine Valley
Arapahoe County, Colorado

In planning and performing our audit of the financial statements of the governmental activities and major fund of Town of Columbine Valley as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the entity's internal control to be a significant deficiency:

Significant deficiency

Segregation of duties

The Town has an inherent problem which is common with other entities of its size, in that it has a limited number of personnel performing accounting and administrative functions. Therefore, complete segregation of duties is not practical. Ideal segregation of duties would separate the duties of cash receipts and disbursements, wire transfers, preparation of bank reconciliations, accounts receivable, accounts payable, recording of journal entries, as well as other accounting functions in order to reduce the possibility of errors and irregularities. This situation emphasizes the need for on-going management review of the Town's operations as a compensating control, especially the ongoing review by the Town's Treasurer.

This communication is intended solely for the information and use of management, the Board of Trustees, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
May 2, 2017



TOWN OF COLUMBINE VALLEY
Arapahoe County, Colorado

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

**TOWN OF COLUMBINE VALLEY
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YEAR ENDED DECEMBER 31, 2016**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Town of Columbine Valley
Arapahoe County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Town of Columbine Valley (the Town), 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. 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 and major fund of the Town of Columbine Valley as of December 31, 2016, and the respective changes in financial position and, the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, schedule of the Town's proportionate share of the net pension asset, and schedule of the Town contributions on pages 3 – 8 and 34 – 35 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 Columbine Valley's basic financial statements. The schedule of expenditures – budget and actual – general fund; the five-year summary of assessed valuation, mill levy, and property taxes collected; and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures – budget and actual – general fund; the five-year summary of assessed valuation, mill levy, and property taxes collected; and the local highway finance report are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
May 2, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Town of Columbine Valley's (the Town) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2016. Management's Discussion and Analysis (MD&A) should be read in conjunction with the Town's financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements.

The financial section of this report includes three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The government-wide financial statements give readers a broad overview of the Town's financial position and changes in financial position, similar to consolidated financial statements in a private sector business. These statements include the statement of net position and the statement of activities.

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

The *statement of activities* shows how the Town's net position changed as a result of its operations during the most recent fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting).

The government-wide financial statements include functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include administration, public safety, public works, sanitation, planning and zoning, parks and open space, and judicial.

The government-wide financial statements can be found on pages 10 - 11 of this report.

Fund Financial Statements – Funds are a self-balancing grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses governmental funds to account for its activity.

- **Governmental Funds** – All of the Town's basic services are included in governmental funds, which focus on 1) how cash and other financial assets can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. The governmental funds statements provide a detailed short-term view of cash, the governmental fund operations, and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The Town maintains one individual governmental fund, which has been reported as a major fund.

The Town adopts an annual appropriated budget for its fund. Budgetary comparison statements have been provided for the fund to demonstrate compliance with this requirement.

The basic governmental fund financial statements can be found on pages 12 - 16 of this report.

Notes to Financial Statements – The notes provide additional information that is essential to have a complete understanding of the information contained in the government-wide and fund financial statements. Notes to financial statements begin on page 17 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The required supplementary information can be found on pages 34 - 35 of this report.

Supplementary Information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The supplementary information can be found on pages 37 - 39 of this report.

Government-Wide Financial Analysis

Presented are condensed summary balances of the Town's assets, liabilities, deferred outflows and inflows of resources, and net position at December 31, 2016, with comparative balances at December 31, 2015. Total net position increased by \$455,432 during 2016. The increase in net position is related to revenues exceeding expenses by \$455,432, which includes revenue of \$398,525 from contributed capital of roads added to the Town's assets after being constructed by developers.

A substantial portion of the Town's net position (59% at December 31, 2016 and 56% at December 31, 2015) consists of its investment in capital assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The following is a condensed summary of the Town's net position at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
ASSETS		
ASSETS		
Current and Other Assets	\$ 1,936,360	\$ 2,050,997
Capital Assets	2,380,366	1,996,859
Net Pension Asset	1,197	84,710
Total Assets	<u>4,317,923</u>	<u>4,132,566</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>125,641</u>	<u>37,217</u>
LIABILITIES		
Current liabilities	<u>108,675</u>	<u>305,835</u>
Total Liabilities	<u>108,675</u>	<u>305,835</u>
DEFERRED INFLOWS OF RESOURCES	<u>330,097</u>	<u>314,588</u>
NET POSITION		
Investment in Capital Assets	2,380,366	1,996,859
Restricted:		
Emergency Reserves	56,857	47,917
Conservation Trust	23,051	20,354
Open Space	324,700	289,345
Unrestricted	<u>1,219,818</u>	<u>1,194,885</u>
Total Net Position	<u>\$ 4,004,792</u>	<u>\$ 3,549,360</u>

An additional portion of the Town's net position (\$404,608) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position (\$1,219,818) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of 2016, the Town was able to report positive balances in all three categories of net position.

The Town's net position increased by \$455,432 during 2016 to \$4,004,792.

The following is a condensed summary of the Town's revenues and expenses for the year ended December 31, 2016, with comparative figures for the year ended December 31, 2015:

	<u>2016</u>	<u>2015</u>
REVENUES		
Program Revenues:		
Charges for Services	\$ 689,698	\$ 537,701
Capital Grants and Contributions	440,910	34,596
General Revenues:		
Taxes	1,121,977	973,006
Intergovernmental	62,520	67,975
Net Investment Income	6,657	2,093
Miscellaneous	14,389	16,454
Total Revenues	<u>2,336,151</u>	<u>1,631,825</u>
EXPENSES		
Administration	582,712	418,716
Public Safety	693,575	634,044
Public Works	350,977	346,077
Planning and Zoning	51,106	72,239
Sanitation	71,010	67,355
Parks and Open Space	6,000	6,000
Economic Incentive Payment	104,930	-
Unallocated Depreciation on Town Hall	20,409	19,221
Total Expenses	<u>1,880,719</u>	<u>1,563,652</u>
CHANGE IN NET POSITION	455,432	68,173
Net Position - Beginning	<u>3,549,360</u>	<u>3,481,187</u>
NET POSITION - ENDING	<u>\$ 4,004,792</u>	<u>\$ 3,549,360</u>

Effective January 1, 2005, the Town entered into an intergovernmental agreement with the Town of Bow Mar, Colorado, to provide public safety and municipal court services for the Town of Bow Mar. Effective November 1, 2016, the Town entered into an additional intergovernmental agreement with the Town of Bow Mar to provide other administrative services. The Town received \$260,910 in fees in 2016 to provide these services in accordance with the intergovernmental agreement, and reports a receivable of \$6,685 relating to services provided. This represented an increase of \$11,800 from the fees received in 2015. The remaining increase in Charges for Services related to increased permit and license fees for new homes and remodels. Tax revenue increased \$162,726 relating primarily to additional sales and use tax collected on additional construction occurring in 2016. Administration expenses increased \$163,996 primarily due to additional inspection fees and plan review costs related to inspection and review of construction activity as well as expenses relating to remodeling a portion of the Town Hall. Public Safety expenses increased \$59,531 primarily relating to an increase in salaries and benefits paid to employees. In 2016, the Board of Trustees approved a one-time payment to the Columbine Country Club for \$104,930 as an economic incentive payment, which effectively reduced the amount of use tax paid on renovations to the Clubhouse by 50%.

General Fund Budgetary Highlights

The difference between the budgeted revenues of \$1,836,000 and the actual revenues of \$1,937,626 was \$101,626. The increase was mainly caused by the increase of \$30,552 in unanticipated sales and use tax revenue as well as an increase of \$49,835 in unanticipated permits and fees related to increased construction activity.

The difference between the budgeted expenditures of \$2,021,500 and the actual expenditures of \$1,875,885 was \$145,615. Inspection expenditures were \$28,576 greater than budgeted due to increased inspections for new and remodeled homes. Office Supplies and Miscellaneous was \$67,329 greater than budget related to uncapitalized remodel expenditures, which resulted in capital outlay under the budgeted amount by \$70,507. Public works expenditures were \$115,450 under budgeted amounts due to reduced street repair and ground maintenance expenditures. The remainder of expenditures in 2016 were generally in line with budgeted amounts.

Capital Assets

The Town's investment in capital assets at December 31, 2016 amounts to \$2,380,366 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, automotive equipment, and office and other equipment.

Capital assets increased during the year relating to \$62,947 in capitalized Town Hall renovations and \$16,546 for the purchase of a utility vehicle. The increase in infrastructure was from contributed capital which accounted for an increase of \$398,525. Capital assets net of depreciation increased in total due to capital additions exceeding depreciation expense.

Capital assets are classified as follows (net of accumulated depreciation):

	<u>2016</u>	<u>2015</u>
Land	\$ 300,000	\$ 300,000
Automotive Equipment	103,659	114,418
Drainage Infrastructure	1,363,901	1,005,035
Perimeter Wall/Fence	40,825	44,699
Office and Other Equipment	5,686	8,950
Building - Town Hall	<u>566,295</u>	<u>523,757</u>
Total Capital Assets	<u>\$ 2,380,366</u>	<u>\$ 1,996,859</u>

Additional information on the Town's capital assets can be found in Note 4 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town has budgeted for 2017 property tax revenue of \$328,683 (based on a total assessed valuation for the Town of \$40,220,632 and a mill levy of 8.172 mills for operations). Total revenues budgeted for 2017 from all sources equal \$1,561,000 including \$268,216 from the Town of Bow Mar for providing public safety and municipal court services to that town in 2017. The Town also has budgeted \$40,000 in revenue for providing administrative services for the Town of Bow Mar related to the intergovernmental agreement entered into in November 2016. Additional information on this arrangement can be found in Note 6 of this report. Total expenditures budgeted for 2017 equal \$1,753,500. This represents a budgeted decrease in expenditures of approximately \$181,385 from 2016. The change in budgeted expenditures relates primarily to the economic incentive payment being a one time payment and decreased costs in Administration and Public Safety in the Town.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town Administrator, Town of Columbine Valley, 2 Middlefield Road, Columbine Valley, Colorado 80123.

BASIC FINANCIAL STATEMENTS

**TOWN OF COLUMBINE VALLEY
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

ASSETS	
Cash and Investments	\$ 1,474,091
Receivables:	
Other	133,586
Property Taxes	328,683
Capital Assets, Not Being Depreciated	300,000
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	2,080,366
Net Pension Asset	1,197
Total Assets	<u>4,317,923</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows	125,641
Total Deferred Outflows of Resources	<u>125,641</u>
 LIABILITIES	
Accounts Payable	57,756
Accrued Salaries and Benefits Payable	33,307
Long-Term Liabilities:	
Due Within One Year	
Compensated Absences	17,612
Total Liabilities	<u>108,675</u>
 DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenues	328,683
Deferred Pension Inflows	1,414
Total Deferred Inflows of Resources	<u>330,097</u>
 NET POSITION	
Investment in Capital Assets	2,380,366
Restricted for:	
Emergency Reserves	56,857
Conservation Trust	23,051
Open Space	324,700
Unrestricted	<u>1,219,818</u>
Total Net Position	<u>\$ 4,004,792</u>

See accompanying Notes to Financial Statements.

**TOWN OF COLUMBINE VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

FUNCTIONS/PROGRAMS	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
Administration	\$ 582,712	\$ 359,835	\$ -	\$ (222,877)
Public Safety	693,575	329,863	-	(363,712)
Public Works	350,977	-	398,525	47,548
Planning and Zoning	51,106	-	-	(51,106)
Sanitation	71,010	-	-	(71,010)
Parks and Open Space	6,000	-	42,385	36,385
Economic Incentive Payment	104,930	-	-	(104,930)
Unallocated Depreciation	20,409	-	-	(20,409)
	<u>\$ 1,880,719</u>	<u>\$ 689,698</u>	<u>\$ 440,910</u>	<u>(750,111)</u>

GENERAL REVENUES

Taxes:

Property Taxes	312,222
Specific Ownership Taxes	23,983
Sales and Use Tax	710,552
Utility Franchise Fees	44,652
Cable Television Franchise Fees	30,568

Intergovernmental:

State Highway User's Tax	44,051
County Highway Tax Revenue	11,668
Motor Vehicle Registration Fees	6,046
State Cigarette Tax Apportionment	755

Interest Income 6,657

Miscellaneous 14,389

Total General Revenues 1,205,543

Change in Net Position 455,432

Net Position - Beginning 3,549,360

Net Position - Ending \$ 4,004,792

**TOWN OF COLUMBINE VALLEY
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2016**

	General Fund
ASSETS	
Cash and Investments	\$ 1,474,091
Receivables:	
Other	133,586
Property Taxes	328,683
Total Assets	\$ 1,936,360
LIABILITIES	
Accounts Payable	\$ 57,756
Accrued Salaries Payable	33,307
Total Liabilities	91,063
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	328,683
Total Deferred Inflows of Resources	328,683
FUND BALANCE	
Restricted for:	
Emergency Reserves	56,857
Conservation Trust	23,051
Open Space	324,700
Assigned	192,500
Unassigned	919,506
Total Fund Balance	1,516,614
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,936,360

See accompanying Notes to Financial Statements.

**TOWN OF COLUMBINE VALLEY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016**

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

Total Governmental Fund Balance	\$	1,516,614
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balance sheet.		
Capital Assets, Net		2,380,366
Net pension asset is not due and received in the current period and, therefore, is not reported in the governmental fund.		
		1,197
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
		125,641
Some liabilities, compensated absences, were not due and payable in the current period and, therefore, were not reported in the fund balance sheet:		
Compensated Absences		(17,612)
Deferred inflows of resources used in governmental activities are not due and payable in the current year and, therefore, are not reported in the governmental fund.		
		<u>(1,414)</u>
Net Position of Governmental Activities	\$	<u><u>4,004,792</u></u>

**TOWN OF COLUMBINE VALLEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2016**

	General Fund
REVENUES	
Taxes:	
Property Taxes	\$ 312,222
Specific Ownership Taxes	23,983
Sales and Use Tax	710,552
Utility Franchise Fees	44,652
Cable Television Franchise Fees	30,568
Permits and Fines:	
Permits, Fees, and Services	359,835
Fines	62,268
Intergovernmental:	
Town of Bow Mar	267,595
State Highway User's Tax	44,051
County Highway Tax	11,668
Motor Vehicle Registration Fees	6,046
State Cigarette Tax Apportionment	755
Conservation Trust Fund Entitlement	8,648
Open Space Tax	33,737
Interest Income	6,657
Miscellaneous	14,389
Total Revenues	1,937,626
EXPENDITURES	
Current:	
Public Safety	675,931
Sanitation	71,010
Administration	580,365
Planning and Zoning	51,106
Public Works	307,050
Economic Incentive Payment	104,930
Capital Outlay	79,493
Conservation Trust Fund Expenditures	6,000
Total Expenditures	1,875,885
NET CHANGE IN FUND BALANCE	61,741
Fund Balance - Beginning of Year	1,454,873
FUND BALANCE - END OF YEAR	\$ 1,516,614

See accompanying Notes to Financial Statements.

**TOWN OF COLUMBINE VALLEY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

A reconciliation reflecting the differences between the governmental fund net change in fund balance and change in net position reported for governmental activities in the statement of activities is as follows:

Net Change in Fund Balances - Governmental Fund	\$	61,741
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Governmental funds report capital outlays as expenditures and do not report contributed capital. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and revenue is recorded for the contributed capital

Capital Outlay		79,493
Contributed Infrastructure		398,525
Less:		
Current Year Depreciation		<u>(94,511)</u>
		<u>383,507</u>

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

Compensated Absences		4,942
		<u>4,942</u>

Some items 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. The (increases) decreases in these activities consist of:

Change in Contributions Subsequent to Measurement Date		(1,191)
Pension Expense		6,433
		<u>5,242</u>

Change in Net Position - Governmental Activities	\$	<u><u>455,432</u></u>
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TOWN OF COLUMBINE VALLEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2016

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes:				
Property Taxes	\$ 312,843	\$ 312,843	\$ 312,222	\$ (621)
Specific Ownership Taxes	20,097	20,097	23,983	3,886
Sales and Use Tax	631,000	680,000	710,552	30,552
Utility Franchise Fees	48,000	48,000	44,652	(3,348)
Cable Television Franchise Fees	25,000	25,000	30,568	5,568
Permits and Fines:				
Permits, Fees, and Services	149,000	310,000	359,835	49,835
Fines	80,000	70,000	62,268	(7,732)
Intergovernmental:				
Town of Bow Mar	260,910	260,910	267,595	6,685
State Highway User's Tax	43,000	43,000	44,051	1,051
County Highway Tax Revenue	12,000	12,000	11,668	(332)
Motor Vehicle Registration Fees	6,000	6,000	6,046	46
State Cigarette Tax Apportionment	650	650	755	105
Conservation Trust Fund Entitlement	6,000	6,000	8,648	2,648
Open Space Tax	30,000	30,000	33,737	3,737
Investment Income	2,500	2,500	6,657	4,157
Miscellaneous	9,000	9,000	14,389	5,389
Total Revenues	<u>1,636,000</u>	<u>1,836,000</u>	<u>1,937,626</u>	<u>101,626</u>
EXPENDITURES				
Current:				
Public Safety	668,000	723,000	675,931	47,069
Sanitation	72,000	72,000	71,010	990
Administration	435,500	476,000	580,365	(104,365)
Planning and Zoning	67,000	67,000	51,106	15,894
Public Works	422,500	422,500	307,050	115,450
Economic Incentive Payment	-	105,000	104,930	70
Capital Outlay	130,000	150,000	79,493	70,507
Conservation Trust Fund Expenditures	6,000	6,000	6,000	-
Total Expenditures	<u>1,801,000</u>	<u>2,021,500</u>	<u>1,875,885</u>	<u>145,615</u>
NET CHANGE IN FUND BALANCE	(165,000)	(185,500)	61,741	247,241
FUND BALANCE - BEGINNING	<u>1,211,456</u>	<u>1,211,456</u>	<u>1,454,873</u>	<u>243,417</u>
FUND BALANCE - ENDING	<u><u>\$ 1,046,456</u></u>	<u><u>\$ 1,025,956</u></u>	<u><u>\$ 1,516,614</u></u>	<u><u>\$ 490,658</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 DEFINITION OF REPORTING ENTITY

The Town of Columbine Valley, Colorado (the Town) was incorporated pursuant to Section 31-1-203, Colorado Revised Statutes. The Town provides the following services: public safety (including the activity related to the proceeds from the seizure of contraband, if any), public works, municipal court, planning and zoning, sanitation, parks and open space, and general administrative services.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Town is not financially accountable for any other entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Town are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

Major individual governmental funds are reported as separate columns in the fund financial statements.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and leases are recorded as a reduction in liabilities.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and sales and use taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government.

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

Budgets

In accordance with the state budget law, the Town's board of trustees holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The Town's board of trustees can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

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 investment in an external investment pool is measured at amortized cost and is not subject to the fair value hierarchy. The Town's investments in a money market mutual fund and negotiable certificates of deposit are also reported at amortized cost and are not subject to the fair value hierarchy.

Property Taxes

Property taxes are levied by the Town's board of trustees. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county commissioners to put the tax lien on the individual properties as of January 1 of the following year. The county treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. The county treasurer remits the taxes collected monthly to the Town.

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

Capital Assets

Capital assets, which include land, infrastructure, perimeter fences, automotive equipment, buildings, and office and other equipment, are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Infrastructure	40 Years
Buildings	39 Years
Perimeter Fences	15 Years
Automotive Equipment	7 Years
Office and Other Equipment	7 Years

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

The Town's governmental activities report a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The Town reports a deferred outflow of resources relating to pensions. See Note 8 for additional information.

Compensated Absences

The Town has a policy that allows employees to accumulate unused vacation benefits up to certain maximum hours. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The Town's General Fund is used to liquidate compensated absences of the governmental activities.

Pensions

The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension asset, deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB 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.

Deferred Inflows of Resources

The Town's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The Town reports a deferred inflow of resources relating to pensions. See Note 8 for additional information. Another item is for property tax revenue, which is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

Fund Equity

Fund balances in the General Fund are reported in classifications based on the extent to which the Town is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. In accordance with GASB Statement No. 54, fund balances are classified in one of five categories: 1) nonspendable, 2) restricted, 3) committed, 4) assigned, and 5) unassigned.

Nonspendable – Nonspendable fund balance represents amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Town did not have any nonspendable resources as of December 31, 2016.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Restricted – Restricted fund balances reflect amounts for which constraints have been placed on the use of the resources because of state or federal laws or externally imposed conditions by grantors or creditors. Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12). A portion of the General Fund fund balance in the amount of \$56,857 has been restricted in compliance with this requirement. In addition, amounts held for the Conservation Trust Fund of \$23,051, as well as amounts held for the Open Space Entitlement of \$324,700 are classified as restricted fund balance at December 31, 2016 due to their restricted use for those purposes (see Note 6).

Committed – Committed fund balance is the amounts that can be used only for specific purposes determined by a formal action of the board of trustees. These amounts cannot be used for any other purpose unless the board of trustees removes or changes the specific use by taking formal board action. The Town did not have any committed resources as of December 31, 2016.

Assigned – Assigned fund balance includes amounts that are constrained by the Board of Trustee's intended use of these resources for a specific purpose but are neither restricted nor committed. The board approved the 2017 budget for the Town with budgeted expenditures exceeding budgeted revenues by \$192,500 which is shown as an assigned fund balance.

Unassigned – Unassigned fund balance represents the net resources in excess of the other spendable classifications.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure, the Town will first expend the restricted funds and then the unrestricted funds. Within the unrestricted funds category, the Town would first reduce the committed fund balance, next would be the assigned fund balance and finally the unassigned fund balance.

Net Position

The Town has a net position consisting of three components – investment in capital assets, restricted, and unrestricted.

Investment in capital assets consists of capital assets net of accumulated depreciations. As of December 31, 2016, The Town had an investment in capital assets of \$2,380,366.

Net position is reported as restricted when constraints have been placed on the use of the resources because of laws or externally imposed conditions by grantors or creditors.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2016 consist of the following:

Deposits with Financial Institutions	\$ 17,757
Investments	<u>1,456,334</u>
Total Cash and Investments	<u>\$ 1,474,091</u>

Cash 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 market value of the collateral must be at least equal to the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2016, the Town's cash deposits had a carrying balance of \$17,757.

Investments

The Town's investment policy follows state statutes regarding investments.

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

- Obligations of the United States, certain U.S. government agency securities and World Bank
- 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
- Certain reverse repurchase agreements
- Certain corporate bonds
- Certain securities lending agreements

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2016, the Town had the following investments, which are recorded at amortized cost:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amortized Cost</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Less Than One Year	\$ 949,786
Negotiable Certificates of Deposit	Less Than One Year	500,000
Money Market Mutual Fund	Less Than One Year	6,548
		<u>\$ 1,456,334</u>

Interest Rate Risk

Colorado Revised Statutes generally limit investment maturities to five years or less unless formally approved by the board of trustees. Corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

Credit Risk

The local government investment pool, Colorado Surplus Asset Fund Trust (CSAFE), is rated AAAM by Standard and Poor's.

At December 31, 2016, the Town's money market mutual fund is rated AAAM by Standard and Poor's. The certificates of deposit held by the Town are not rated.

Concentrations of Credit Risk

The Town does not have a policy that addresses limitations of the amount that can be invested in any one issuer.

CSAFE

At December 31, 2016, the Town had \$949,786 invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an external investment pool established by state statute for local government entities to pool surplus assets. The state securities commissioner administers and enforces all state statutes governing the trust. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. Investments in the external investment pool are shown at amortized cost for financial reporting purposes. Investments consist of U.S. Treasury and U.S. agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2016 follows:

	Balance at January 1, 2016	Increases	Decreases	Balance at December 31, 2016
Capital Assets Not Being Depreciated:				
Land	\$ 300,000	\$ -	\$ -	\$ 300,000
Total Capital Assets Not Being Depreciated	300,000	-	-	300,000
Capital Assets Being Depreciated:				
Automotive Equipment	234,202	16,546	-	250,748
Infrastructure	1,187,845	398,525	-	1,586,370
Perimeter Wall/Fence	58,112	-	-	58,112
Office and Other Equipment	55,033	-	-	55,033
Buildings - Town Hall	749,603	62,947	-	812,550
Total Capital Assets Being Depreciated	2,284,795	478,018	-	2,762,813
Less Accumulated Depreciation for:				
Automotive Equipment	119,784	27,305	-	147,089
Infrastructure	182,810	39,659	-	222,469
Perimeter Wall/Fence	13,413	3,874	-	17,287
Office and Other Equipment	46,083	3,264	-	49,347
Buildings - Town Hall	225,846	20,409	-	246,255
Total Accumulated Depreciation	587,936	94,511	-	682,447
Total Capital Assets Being Depreciated, Net	1,696,859	383,507	-	2,080,366
Capital Assets, Net	<u>\$ 1,996,859</u>	<u>\$ 383,507</u>	<u>\$ -</u>	<u>\$ 2,380,366</u>

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

Unallocated - Town Hall	\$ 20,409
Public Works	43,927
Public Safety	28,508
Administration	1,667
Total Depreciation Expense - Governmental Activities	<u>\$ 94,511</u>

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the Town's long-term obligations for the year ended December 31, 2016:

	<u>Balance at January 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2016</u>	<u>Due Within One Year</u>
Compensated Absences	22,554	18,244	23,186	17,612	17,612
	<u>\$ 22,554</u>	<u>\$ 18,244</u>	<u>\$ 23,186</u>	<u>\$ 17,612</u>	<u>\$ 17,612</u>

NOTE 6 INTERGOVERNMENTAL AGREEMENTS

Conservation Trust Fund Entitlement

As a result of the State of Colorado lottery, the Town was entitled to and received \$8,648 of funds during 2016 based upon a formula considering population within the Town. The funds are restricted under the State Conservation Trust Fund statutes to acquisition, development, and maintenance of parks and recreation facilities.

The Town has \$23,051 of remaining restricted funds which is planned to be spent in 2017 and future years in accordance with the guidelines established for lottery proceeds.

Open Space Tax Entitlement

On November 4, 2003, the voters in Arapahoe County approved a countywide sales and use tax of 0.25%, otherwise known as the Open Space Tax, which became effective on January 1, 2004. In November 2011, voters in Arapahoe County approved extending the tax through December 31, 2023. The Open Space Tax is to be used exclusively to purchase, develop, improve, and maintain park and recreation facilities.

On June 22, 2004, the Town entered into an intergovernmental agreement with Arapahoe County to impose the Open Space Tax on building and construction materials purchased within the Town, and to participate in the shareback funds available through Arapahoe County.

The amount of shareback funds is based upon a formula considering the population within the Town. During the year ended December 31, 2016, the Town was entitled to and received \$33,737 in open space tax shareback funds. The Town has restricted \$324,700 to be spent in future years in accordance with the guidelines established for Open Space Tax funds.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 6 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Town of Bow Mar

On December 6, 2004, the Town entered into an intergovernmental agreement (IGA) with the Town of Bow Mar (Bow Mar) for the Town to provide police and municipal court services to Bow Mar. The IGA may be renewed on an annual basis. The IGA has been extended through December 31, 2018.

For the year ended December 31, 2016, Bow Mar paid \$260,910 in four equal quarterly installments of \$65,227 to the the Town.

The Town provides for the compensation, including salaries, wages, and benefits of the police officers. The Town prepares its budget based on projected paid officer hours. In the event that the total paid officer hours including vacation, holiday, and sick hours are less than the amount budgeted, then the Town will rebate to Bow Mar an amount equal to the budgeted hours less the actual number of hours paid times one-half of the current standard hourly rate. No rebate was due to Bow Mar for 2016.

On October 6, 2016, the Town entered into an additional intergovernmental agreement with the Town of Bow Mar for the Town to provide administrative services to Bow Mar. The IGA was effective beginning November 1, 2016. The IGA is effective through December 31, 2018 and can be renewed on an annual basis after that date. For the year ended December 31, 2016, the Town reports a receivable of \$6,685 from Bow Mar for administrative services.

NOTE 7 DEFINED CONTRIBUTION PLAN

The administrative employees of the Town participate in the Colorado County Officials and Employees Retirement Association Plan which is a defined contribution plan established by the Town and is maintained and administered by Colorado County Officials and Employees Retirement Association (CCOERA). At December 31, 2016, there were four plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become Plan members immediately upon employment. Under this Plan, 5% of the Plan members' compensation is withheld and remitted to the Plan Administrator along with a matching payment of 5% from the Town. The Town's contributions, plus earnings, become vested at a rate of 33.3% for each year of participation in the plan. the Town contributions for plan members who leave employment before they are fully vested are used to reduce the Town's current period contribution requirement. There is no liability for benefits under the plan beyond the Town's matching payments. Plan provisions and contribution requirements are established and may be amended by the Town's board of trustees.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 7 DEFINED CONTRIBUTION PLAN (CONTINUED)

Contributions actually made by plan members and the Town for the year ended December 31, 2016 are as follows:

Plan Members	<u>\$ 8,856</u>
Town	<u>\$ 8,856</u>

NOTE 8 DEFINED BENEFIT PENSION PLAN

Plan Description

The Town provides retirement and disability insurance for its full-time police officers through the Colorado Fire and Police Pension Association (FPPA). The Town contributes to the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan administered FPPA. The SWDB provides retirement benefits for members and beneficiaries. Death and disability coverage is provided through the Statewide Death and Disability Plan, which is also administered by FPPA. All full-time, paid police officers of the Town are members of the SWDB and the Statewide Death and Disability Plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Description of Benefits

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55.

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

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Members of the SWDB plan and their employers, contributed at the rate of 8.5% and 8%, respectively, of base salary for a total contribution rate of 16.5% in 2015. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8%, resulting in a combined contribution rate of 20% in 2022. Contributions to the pension plan from the Town were \$26,495 for the year ended December 31, 2016.

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

At December 31, 2016, the Town reported an asset of \$1,197 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2015, the Town's proportion was 0.067921040%, which was a decrease of 0.007131160% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Town recognized pension expense of (\$5,242). At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 9,684	\$ 1,414
Changes of Assumptions	18,807	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	60,413	-
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	10,242	-
Town Contributions Subsequent to the Measurement Date	26,495	-
Total	<u>\$ 125,641</u>	<u>\$ 1,414</u>

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

\$26,495 reported as deferred outflows of resources related to pension resulting from the Town contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 19,500
2018	19,500
2019	19,499
2020	18,164
2021	4,062
Thereafter	17,007

Actuarial Assumptions

The total pension asset in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Total Pension Liability</u>	<u>Actuarially Determined</u>
Actuarial Valuation Date	January 1, 2016	January 1, 2015
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-Term Investment Rate of Return*	7.5%	7.5%
Projected Salary Increases*	4.0% - 14.0%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
* Includes Inflation at	2.5%	3.0%

The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of postretirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For postretirement members ages 55 through 64, a blend of the previous tables is used.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40% multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, is used in the projection of postretirement benefits.

Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the fund's target asset allocation as of December 31, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected</u>
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0% *
Total	<u>100.0%</u>	

*While the expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

Discount Rate

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

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Town's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50%, as well as what the district's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 167,731	\$ (1,197)	\$ (141,317)

Pension Plan Fiduciary Net Position

Detailed information about the SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at <http://www.fppaco.org>.

NOTE 9 DEFERRED COMPENSATION PLAN

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by FPPA. Participation in the plan is optional for all police officers. The plan allows the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement or death, or unforeseen emergencies.

NOTE 10 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The Town maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**TOWN OF COLUMBINE VALLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 11 COMMITMENTS AND CONTINGENCIES

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions, which is generally equivalent to total revenues. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 30, 1998, a majority of the Town's electors approved the following:

- Authorized the Town to collect, retain and spend all excess revenue collected in 1998 and thereafter without regard to any limitations under TABOR or any other law provided that no local tax rate or mill levy shall be increased without further voter approval.

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

NOTE 12 ECONOMIC INCENTIVE PAYMENT

On April 11, 2016, the board of trustees approved an economic incentive payment to the Columbine Country Club for \$104,930, which was approximately 50% of the use tax charged to Columbine Country Club for renovations to the clubhouse. No other commitments were made by the Town or by Columbine Country Club as part of the economic incentive payment.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF COLUMBINE VALLEY
SCHEDULES OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION ASSET
DECEMBER 31, 2016

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's Proportion of the Net Pension Liability (Asset)	0.067921040%	0.075059369%	0.078535455%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,197)	\$ (84,710)	\$ (70,268)
Town's Covered-Employee Payroll	\$ 342,855	\$ 336,767	\$ 328,589
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	(0.3%)	(25.2%)	(21.4%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.1 %	106.8 %	105.8 %

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2013 was not available.

**TOWN OF COLUMBINE VALLEY
SCHEDULES OF THE TOWN CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2016**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually Required Contribution	\$ 26,495	\$ 27,686	\$ 27,009	\$ 26,287	\$ 26,261	\$ 24,880	\$ 25,171	\$ 26,472	\$ 23,656	\$ 22,363
Contributions in Relation to the Contractually Required Contribution	26,495	27,686	27,009	26,287	26,261	24,880	25,171	26,472	23,656	22,363
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 331,188	\$ 342,855	\$ 336,767	\$ 328,589	\$ 328,260	\$ 310,564	\$ 314,375	\$ 331,498	\$ 295,424	\$ 280,875
Contributions as a Percentage of Covered Employee Payroll	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%

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

SUPPLEMENTARY INFORMATION

TOWN OF COLUMBINE VALLEY
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2016

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EXPENDITURES				
Public Safety:				
Automotive Expenses	\$ 41,500	\$ 41,500	\$ 29,100	\$ 12,400
Salaries and Benefits	521,620	576,620	540,929	35,691
Municipal Court	43,000	43,000	35,911	7,089
Other	61,880	61,880	69,991	(8,111)
Total Public Safety	<u>668,000</u>	<u>723,000</u>	<u>675,931</u>	<u>47,069</u>
Sanitation	72,000	72,000	71,010	990
Administration:				
Legal	40,000	40,000	36,378	3,622
Accounting and Audit	21,000	21,000	22,085	(1,085)
Inspection	74,500	115,000	143,576	(28,576)
Town Administration	188,020	188,020	191,723	(3,703)
Insurance and Bonds	27,155	27,155	34,452	(7,297)
Office Supplies and Miscellaneous	81,697	81,697	149,026	(67,329)
County Treasurer's collection Fees	3,128	3,128	3,125	3
Total Administration	<u>435,500</u>	<u>476,000</u>	<u>580,365</u>	<u>(104,365)</u>
Planning and Zoning:				
Planning and Engineering	67,000	67,000	51,106	15,894
Public Works:				
Street Repairs and Maintenance	318,600	318,600	258,731	59,869
Street Lighting	15,000	15,000	13,585	1,415
Ground Maintenance	66,000	66,000	10,976	55,024
Other	22,900	22,900	23,758	(858)
Total Public Works	<u>422,500</u>	<u>422,500</u>	<u>307,050</u>	<u>115,450</u>
Economic Incentive Payment	-	105,000	104,930	70
Capital Outlay	130,000	150,000	79,493	70,507
Conservation Trust Fund Expenditures	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u><u>\$ 1,801,000</u></u>	<u><u>\$ 2,021,500</u></u>	<u><u>\$ 1,875,885</u></u>	<u><u>\$ 145,615</u></u>

**TOWN OF COLUMBINE VALLEY
 FIVE-YEAR SUMMARY OF ASSESSED VALUATION, MILL LEVY,
 AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2016**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Taxes</u>		<u>Percentage Collected to Levied</u>
		<u>Operating</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2012	\$ 31,998,740	9.352	-	\$ 299,252	\$ 300,086	100.28 %
2013	32,318,330	9.336	-	301,724	307,260	101.83
2014	32,359,930	9.316	-	301,465	301,396	99.98
2015	32,957,780	9.316	-	307,035	306,177	99.72
2016	39,645,583	7.891	-	312,843	312,222	99.80
<u>Estimated for Year Ending December 31,</u>						
2017	\$ 40,220,632	8.172	-	\$ 328,683		

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

LOCAL HIGHWAY FINANCE REPORT	City or County: Arapahoe
	YEAR ENDING : December 2016

This Information From The Records Of Town of Columbine Valley	Prepared By: Dana Struthers Phone: (303) 795-1434
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	232,260
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	6,047
2. General fund appropriations	662,568	b. Snow and ice removal	9,484
3. Other local imposts (from page 2)	23,983	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	15,531
5. Transfers from toll facilities		4. General administration & miscellaneous	159,509
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	329,348
a. Bonds - Original Issues		6. Total (1 through 5)	736,648
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)	686,550	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	50,098	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	736,648	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)	736,648

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
	450,900	736,648	736,648		450,900

Notes and Comments:

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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	23,983	g. Other Misc. Receipts	
6. Total (1. through 5.)	23,983	h. Other	
c. Total (a. + b.)	23,983	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	44,051	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	6,047	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	6,047	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	50,098	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: