

**TOWN OF SEVERANCE
SEVERANCE, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2017**



RECEIVED

Office of the State Auditor

September 26, 2018

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FINANCIAL SECTION

The Town of Severance
Management Discussion and Analysis
December 31, 2017

The discussion and analysis of the Town of Severance's financial performance provides an overall review of the Town's Financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

Financial Highlights

The Town of Severance's governmental net position increased by \$2,726,037 and business-type net position increased by \$4,436,718 for the year. The assets of the Town exceeded its liabilities at the close of fiscal year 2017 by \$50,745,810 (net position). Of this amount, \$7,931,090 (unrestricted net position) may be used to meet the Town's ongoing obligations or unforeseen expenses. \$9,825,438 is restricted for future capital projects.

At the end of 2017 unrestricted net position for the proprietary funds (business-type activities) was \$2,499,420.

As of the close of fiscal year 2017, the Town's General Fund reported an ending fund balance of \$6,513,262 compared to the fiscal year 2016 balance of \$5,032,473.

General Fund 2017 revenues increased by \$1,637,239 to \$3,808,507. General Fund expenditures increased in 2017 by \$532,360 to \$2,232,460. This increase in expenditures was primarily due to an increase in building inspection fees related to new home construction.

Using the Basic Financial Statements

The Basic Financial Statements consists of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Severance as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the Town's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town has four governmental funds including the General Fund, Conservation Trust Fund, Street Impact Fund and Parks Impact Fund.

Proprietary fund statements, sometimes referred to Business Type Activities, offer short and long-term financial information about the activities that the Town operates with self-sustaining user fees. The Town operates two proprietary funds which are the Water Fund and Sewer Fund.

Fiduciary fund statements provide information about financial relationships where the Town acts solely as a trustee or agent for the benefit of others to whom resources in question belong. The Town does not have any fiduciary funds.

**The Town of Severance
Management Discussion and Analysis
December 31, 2017**

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total net positions were \$50,745,810 as of December 31, 2017, and \$43,583,055 as of December 31, 2017. This represents an increase of \$7,162,755.

Government-Wide Financial Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private businesses. The statements of net position include all the government's assets and liabilities. Current year revenues and expenses are accounted for in the statement of activities on an accrual basis, regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. The change in net position is important because it tells the reader that for the Town as a whole, the financial position has improved or diminished. The cause of this change may be the result of various factors, both financial and non-financial. Non-financial factors include facility conditions, and state or federal government required programs.

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities). The Governmental Activities of the Town include: general government, community development, public safety (code and law enforcement), public works and parks. The Business-type Activities of the Town of Severance consists of water and sewer services.

Net Position

Net position is defined as total assets minus total liabilities and serves as a useful indicator of a government's financial position. As of December 31, 2017 the Town's Net Position was \$50,745,810.

**The Town of Severance
Management Discussion and Analysis
December 31, 2017**

Details of the Town's Net Position are as follows:

CONDENSED STATEMENT OF NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current Assets	\$ 9,652,085	\$ 6,793,321	\$ 9,090,771	\$ 6,821,657	\$ 18,742,856	\$ 13,614,978
Capital Assets Net	<u>7,461,595</u>	<u>7,277,612</u>	<u>25,741,183</u>	<u>23,509,007</u>	<u>33,202,778</u>	<u>30,786,619</u>
Total Assets	<u>17,113,680</u>	<u>14,070,933</u>	<u>34,831,954</u>	<u>30,330,664</u>	<u>51,945,634</u>	<u>44,401,597</u>
LIABILITIES						
Current Liabilities	203,045	90,542	43,244	20,881	246,289	111,423
Noncurrent Liabilities	<u>180,135</u>	<u>13,331</u>	<u>53,035</u>	<u>10,826</u>	<u>233,170</u>	<u>24,157</u>
Total Liabilities	<u>383,180</u>	<u>103,873</u>	<u>96,279</u>	<u>31,707</u>	<u>479,459</u>	<u>135,580</u>
DEFERRED INFLOW OF						
FINANCIAL RESOURCES	<u>720,365</u>	<u>682,962</u>	<u>-</u>	<u>-</u>	<u>720,365</u>	<u>682,962</u>
NET POSITION						
Net Investment in						
Capital Assets	7,293,479	7,277,612	25,695,803	23,509,007	32,989,282	30,786,619
Restricted	2,342,441	1,071,344	7,482,997	4,978,413	9,825,438	6,049,757
Unrestricted	<u>6,374,215</u>	<u>4,935,142</u>	<u>1,556,875</u>	<u>1,811,537</u>	<u>7,931,090</u>	<u>6,746,679</u>
Total Net Position	<u>\$ 16,010,135</u>	<u>\$ 13,284,098</u>	<u>\$ 34,735,675</u>	<u>\$ 30,298,957</u>	<u>\$ 50,745,810</u>	<u>\$ 43,583,055</u>

The statement of net position reflects a cash position totaling \$17,769,961 or 34% of total assets. The bulk of the Town's resources, \$33,202,778 or 66% of total assets, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, infrastructure and utility system assets.

The Town uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Town's investment in its capital assets are reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources, because the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used for any legal purpose and Restricted Net Position may be used to fund future capital expenditures.

Changes in Net Position

Governmental activities increased the Town of Severance's net position by \$2,726,037. Business activities increased the Town's net position by \$4,436,718. A summary of the changes in net position is as follows:

The Town of Severance

Management Discussion and Analysis

December 31, 2017

CONDENSED STATEMENT OF ACTIVITIES						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
PROGRAM REVENUES						
Charges for Services	\$ 2,337,148	\$ 630,535	\$ 1,279,033	\$ 1,029,805	\$ 3,616,181	\$ 1,660,340
Operating Grants & Contributions	300,820	311,909	-	-	300,820	311,909
Capital Grants & Contributions	14,990	586,411	4,609,566	1,198,300	4,624,556	1,784,711
Total Program Revenues	2,652,958	1,528,855	5,888,599	2,228,105	8,541,557	3,756,960
GENERAL REVENUES						
Property Taxes	730,819	697,401	-	-	730,819	697,401
Sales Taxes	1,420,786	624,747	-	-	1,420,786	624,747
Franchise Taxes	53,261	92,258	-	-	53,261	92,258
Other Taxes	98,665	-	-	-	98,665	-
Interest Earnings	1,154	42,563	48,478	6,660	49,632	49,223
Gain (Loss) on Disposal of Capital Assets	-	(565,963)	-	-	-	(565,963)
Insurance Proceeds	-	-	-	366	-	366
Other Revenues	97,166	38,148	1,487	-	98,653	38,148
Total General Revenues	2,401,851	929,154	49,965	7,026	2,451,816	936,180
Total Revenues	5,054,809	2,458,009	5,938,564	2,235,131	10,993,373	4,693,140
PROGRAM EXPENSES						
General Government	399,967	356,935	-	-	399,967	356,935
Public Safety	343,813	322,427	-	-	343,813	322,427
Public Works	1,386,262	284,109	-	-	1,386,262	284,109
Parks and Recreation	191,425	242,213	-	-	191,425	242,213
Interest Expense	7,305	-	-	-	7,305	-
Sewer	-	-	504,357	695,507	504,357	695,507
Water	-	-	898,217	437,352	898,217	437,352
EXTRAORDINARY ITEM - IMPAIRMENT LOSS	-	-	99,272	-	99,272	-
Total Program Expenses	2,328,772	1,205,684	1,501,846	1,132,859	3,830,618	2,338,543
Change in Net Position	2,726,037	1,252,325	4,436,718	1,102,272	7,162,755	2,354,597
Net Position, Beginning	13,284,098	12,031,773	30,298,957	29,196,685	43,583,055	41,228,458
Net Position, Ending	\$ 16,010,135	\$ 13,284,098	\$ 34,735,675	\$ 30,298,957	\$ 50,745,810	\$ 43,583,055

Financial Analysis of the Town's Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

General Fund – The General Fund balance increased by \$1,480,789 for an ending balance of \$6,513,262 as of December 31, 2017. Total revenues increased by \$1,637,239, which was primarily due to use taxes, building permit fees and impact fees. Total expenditures increased by \$532,360, which was primarily the result of increased building inspection fees.

**The Town of Severance
Management Discussion and Analysis
December 31, 2017**

Street Impact Fund – The Street Impact Fund balance increased by \$766,646, for an ending balance of \$1,013,448. This increase is due to impact fees and a \$300,000 transfer from the General Fund which is assigned for a 2018 street overlay project.

Parks Impact Fund – The Parks Impact Fund balance increased by \$445,385, for an ending balance of \$959,129. This increase is due to impact fees.

Proprietary Funds – Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Water Fund – Water Fund net position increased by \$2,131,645, which was primarily due to impact fees, water acquisition fees and dedication of water rights.

Sewer Fund – Sewer Fund net position increased by \$1,210,277, which was primarily due to impact fees.

Capital Assets

Approximately 22% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings and infrastructure improvements.

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
GOVERNMENTAL ACTIVITIES:				
Capital assets not being depreciated:				
Land and improvements	\$ 491,344	\$ 27,141	\$ -	\$ 518,485
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>491,344</u>	<u>27,141</u>	<u>-</u>	<u>518,485</u>
Capital assets being depreciated:				
Infrastructure	7,461,014	295,624	-	7,756,638
Buildings	1,367,228	24,440	-	1,391,669
Vehicles	316,946	204,742	-	521,688
Equipment	399,933	4,830	-	404,763
Total capital assets being depreciated	<u>9,545,121</u>	<u>529,636</u>	<u>-</u>	<u>10,074,757</u>
Less accumulated depreciation:				
Infrastructure	2,085,959	270,429	-	2,356,388
Buildings	215,394	44,445	-	259,839
Vehicles	160,220	42,802	-	203,022
Equipment	297,280	15,118	-	312,398
Total accumulated depreciation	<u>2,758,853</u>	<u>372,794</u>	<u>-</u>	<u>3,131,647</u>
Total capital assets, net	<u>\$ 7,277,612</u>	<u>\$ 183,983</u>	<u>\$ -</u>	<u>\$ 7,461,595</u>

The Town of Severance
Management Discussion and Analysis
December 31, 2017

The Town's business-type activities capital assets consist of its investments in water rights, utility systems and related equipment. During 2017, the Town continued its participation in the NISP project and purchased additional capacity in the project from another member.

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
BUSINESS-TYPE ACTIVITIES:				
Capital assets not being depreciated:				
Water rights	\$ 13,510,500	\$ 1,092,000	\$ -	\$ 14,602,500
Northern Integrated Supply Proj. in progress	648,828	637,500	-	1,286,328
North Weld County Water Dist. Capacity	2,318,850	540,000	-	2,858,850
Construction in progress	-	18,216	-	18,216
Total capital assets not being depreciated	<u>16,478,178</u>	<u>2,287,716</u>	<u>-</u>	<u>18,765,894</u>
Capital assets being depreciated:				
Water System	3,301,427	56,240	-	3,357,667
Sewer System	5,511,252	132,880	-	5,644,132
Buildings	223,240	10,474	-	233,714
Equipment	155,305	62,737	-	218,042
Total capital assets being depreciated	<u>9,191,224</u>	<u>262,331</u>	<u>-</u>	<u>9,453,555</u>
Less accumulated depreciation:				
Water System	471,865	68,970	-	540,835
Sewer System	1,547,575	221,844	-	1,769,419
Buildings	53,638	7,529	-	61,167
Equipment	87,316	19,529	-	106,845
Total accumulated depreciation	<u>2,160,394</u>	<u>317,872</u>	<u>-</u>	<u>2,478,266</u>
Total Capital Assets, net	<u>\$ 23,509,008</u>	<u>\$ 2,232,175</u>	<u>\$ -</u>	<u>\$ 25,741,183</u>

Long-Term Debt

The Town's governmental and business type activities long-term debt consists of accrued compensated absences payable and equipment leases. Governmental activities debt transactions for the year were as follows:

	Balance January 1 2017	Advances	Payments	Balance December 31 2017	Current Portion	Interest Expense
Governmental activities						
Capital Lease Obligations	\$ -	\$ 204,742	\$ 40,654	\$ 164,088	\$ 39,134	\$ 7,305
Compensated absences	<u>13,331</u>	<u>2,716</u>	<u>-</u>	<u>16,047</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 13,331</u>	<u>\$ 207,458</u>	<u>\$ 40,654</u>	<u>\$ 180,135</u>	<u>\$ 39,134</u>	<u>\$ 7,305</u>

**The Town of Severance
Management Discussion and Analysis
December 31, 2017**

Business-type activities debt transactions for the year were as follows:

	Balance January 1 2017	Advances	Payments	Balance December 31 2017	Current Portion	Interest Expense
Business-type activities						
Capital Lease Obligations	\$ -	\$ 57,676	\$ 12,296	\$ 45,380	\$ 11,125	\$ -
Compensated absences	10,825	-	3,172	7,653	-	-
Total business-type activities	<u>\$ 10,825</u>	<u>\$ 57,676</u>	<u>\$ 15,468</u>	<u>\$ 53,033</u>	<u>\$ 11,125</u>	<u>\$ -</u>

FUND SUMMARIES

GENERAL FUND

The General Fund is the major operating fund of the Town. It is in this fund that revenue from property tax, sales tax, use tax on building material, severance tax, franchise tax, licenses and permits, intergovernmental, charges for services, fines and other miscellaneous revenue accrues. The basic operations of the town are included in the General Fund. These operations include: legislative, judicial, elections, administration, public safety, streets/maintenance, storm drainage, parks/green space, community development, and culture/recreation.

Street Fund

The Street Fund is responsible for accounting for impact fees that are legally restricted for growth related capital improvements. Total 2017 impact fees collected were \$759,090 and \$295,624 was spent on a new street construction project.

Park Fund

The Park Fund is responsible for accounting for impact fees that are legally restricted for growth related capital improvements. Total 2017 impact fees collected were \$349,020 and there were no capital projects undertaken.

ENTERPRISE FUNDS

Water Fund

The Water Fund is a proprietary fund used to account for the Town's ongoing activities that are similar to a private business enterprise. The measurement focus of proprietary funds is on the determination of net income. Enterprise Funds account for the operation of Town facilities that are predominately self-supporting through user charges. The Water Fund was established to account for the acquisition, operation and maintenance of the Town's water facilities and infrastructure.

During 2017, a water efficiency plan was adopted and an allotment based rate structure was implemented effective November 1st. The monthly base fee was reduced from \$28 to \$15, the base usage rate per 1,000 gallons was increased from \$3.25 to \$3.50 for usage within the annual allotment, and a new rate tier of \$18.00 per 1,000 gallons was introduced for usage in excess of the annual allotment.

**The Town of Severance
Management Discussion and Analysis
December 31, 2017**

Sewer Fund

The Sewer Fund is a proprietary fund used to account for the Town's ongoing activities that are similar to a private business enterprise. The measurement focus of proprietary funds is on the determination of net income. Enterprise Funds account for the operation of Town facilities that are predominately self-supporting through user charges. The Sewer Fund was established to account for the acquisition, operation and maintenance of the Town's sewer facilities and infrastructure.

Effective March 1, 2018, the monthly base rate was increased from \$25 to \$27 and a new usage rate of \$3.00 per 1,000 gallons for monthly usage in excess of 5,000 gallons was implemented.

Fiscal Outlook

Looking towards future fiscal years, the Town of Severance is actively planning several long-term capital projects to offer more amenities to our citizens. Some of these projects include phase two of the Downtown Drainage Project, paving existing gravel streets, the addition of a new Public Works facility, a concentrated focus on economic development through increasing commercial services, and the expansion of parks and recreation in the Town. Expanding on the last item, the Town completed a Parks and Recreation Master Plan during 2017 and is now working on the creation of a 90-acre community park which will not only create recreation opportunities for the Town but as well as the region. The Town will also continue to purchase water supplies, participate in the NISP storage and supply project, and maintain sewer infrastructure for continued growth. Lastly, the Town is moving towards the creation of a municipal police department in 2018.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Treasurer, Town of Severance, P.O Box 339, Severance, CO 80546. Telephone inquiries may be made at 970-686-1218 and e-mail inquiries may be directed to schristensen@townofseverance.org.

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Severance
Severance, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Severance, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements which collectively comprise the basic financial statements of the Town, 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 the 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Severance, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Severance's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 20, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M8 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.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules shown on pages 28 - 30 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. The combining and budgetary comparison statements and schedules listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 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 financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Local Highway Finance Report page 38 - 42 is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements as a whole.

Holscher, Mayberry & Company, LLC

Englewood, Colorado
April 6, 2018

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BASIC FINANCIAL STATEMENTS

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TOWN OF SEVERANCE, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 8,779,321	\$ 8,990,640	\$ 17,769,961
Restricted Cash and Investments	42,513	9,500	52,013
Receivables			
Property Tax Receivable	716,465	-	716,465
Interest Receivable	3,534	-	3,534
Utility Receivable	-	82,298	82,298
Cash with Fiscal Agent	17,259	-	17,259
Accounts Receivable	-	8,333	8,333
Other Receivables	92,993	-	92,993
Total Current Assets	9,652,085	9,090,771	18,742,856
Noncurrent Assets			
Capital Assets not being Depreciated	518,485	18,765,894	19,284,379
Capital Assets being Depreciated	10,074,757	9,453,556	19,528,313
Accumulated Depreciation	(3,131,647)	(2,478,267)	(5,609,914)
Total Noncurrent Assets	7,461,595	25,741,183	33,202,778
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 17,113,680	\$ 34,831,954	\$ 51,945,634
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 124,540	\$ 32,284	\$ 156,824
Deposits and Escrow	42,513	9,500	52,013
Accrued Interest Payable	4,028	1,460	5,488
Other Current Liabilities	31,964	-	31,964
Total Current Liabilities	203,045	43,244	246,289
Noncurrent Liabilities			
Due within one year	39,134	11,125	50,259
Due in more than one year	141,001	41,910	182,911
Total Noncurrent Liabilities	180,135	53,035	233,170
TOTAL LIABILITIES	383,180	96,279	479,459
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Other Deferred Inflows	720,365	-	720,365
NET POSITION			
Net Investment in Capital Assets	7,293,479	25,695,803	32,989,282
Restricted Net Position	2,342,441	7,482,997	9,825,438
Unrestricted Net Position	6,374,215	1,556,875	7,931,090
TOTAL NET POSITION	16,010,135	34,735,675	50,745,810
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 17,113,680	\$ 34,831,954	\$ 51,945,634

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

TOWN OF SEVERANCE

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

		PROGRAM REVENUES		
		CHARGES FOR	OPERATING	CAPITAL
	EXPENSES	SERVICES	GRANTS AND	GRANTS
			CONTRIBUTIONS	
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 399,967	\$ 359,087	\$ 91,748	\$ -
Public Safety	343,813	17,673	-	-
Public Works	1,386,262	1,383,590	186,959	-
Culture and Recreation	191,425	576,798	37,103	-
Interest on Debt	7,305	-	-	-
TOTAL GOVERNMENT ACTIVITIES	<u>2,328,772</u>	<u>2,337,148</u>	<u>315,810</u>	<u>-</u>
Business-type Activities				
Current:				
Water	898,217	905,083	-	3,272,000
Sewer	504,357	373,950	-	1,337,566
TOTAL BUSINESS-TYPE ACTIVITIES	<u>1,402,574</u>	<u>1,279,033</u>	<u>-</u>	<u>4,609,566</u>
TOTAL GOVERNMENT	<u>\$ 3,731,346</u>	<u>\$ 3,616,181</u>	<u>\$ 315,810</u>	<u>\$ 4,609,566</u>
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Franchise Fees				
Interest Income				
Insurance Proceeds				
Other Revenues				
EXTRAORDINARY ITEM - IMPAIRMENT LOSS				
TOTAL GENERAL REVENUES, TRANSFERS AND EXTRAORDINARY ITEMS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
\$ 50,868	\$ -	\$ 50,868
(326,140)	-	(326,140)
184,287	-	184,287
422,476	-	422,476
(7,305)	-	(7,305)
<u>324,186</u>	<u>-</u>	<u>324,186</u>
-	3,278,866	3,278,866
-	<u>1,207,159</u>	<u>1,207,159</u>
-	<u>4,486,025</u>	<u>4,486,025</u>
<u>324,186</u>	<u>4,486,025</u>	<u>4,810,211</u>
678,096	-	678,096
52,723	-	52,723
1,420,786	-	1,420,786
98,665	-	98,665
53,261	48,478	101,739
1,154	1,487	2,641
97,166	-	97,166
-	(99,272)	(99,272)
<u>2,401,851</u>	<u>(49,307)</u>	<u>2,352,544</u>
<u>2,726,037</u>	<u>4,436,718</u>	<u>7,162,755</u>
<u>13,284,098</u>	<u>30,298,957</u>	<u>43,583,055</u>
<u>\$ 16,010,135</u>	<u>\$ 34,735,675</u>	<u>\$ 50,745,810</u>

TOWN OF SEVERANCE, COLORADO

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	<u>SPEC REV FD</u>				
	<u>General</u>	<u>Street Impact</u>	<u>Other</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>2017</u>	<u>2016</u>
ASSETS AND DEFERRED OUTFLOWS					
ASSETS					
Current Assets					
Cash and Investments					
Cash	\$ 6,559,880	\$ 1,013,448	\$ 1,205,993	\$ 8,779,321	\$ 5,968,088
Restricted Cash and Investments	30,513	12,000	-	42,513	55,892
Receivables					
Property Tax Receivable	716,465	-	-	716,465	678,912
Interest Receivable	3,534	-	-	3,534	3,531
Cash with Fiscal Agent	17,259	-	-	17,259	4,591
Accounts Receivable	-	-	-	-	285
Other Receivables	92,993	-	-	92,993	81,684
Other Current Assets	-	-	-	-	338
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 7,420,644</u>	<u>\$ 1,025,448</u>	<u>\$ 1,205,993</u>	<u>\$ 9,652,085</u>	<u>\$ 6,793,321</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 124,540	\$ -	\$ -	\$ 124,540	\$ 34,148
Accrued Liabilities	-	-	-	-	502
Deposits and Escrow	30,513	12,000	-	42,513	55,892
Other Current Liabilities	31,964	-	-	31,964	-
TOTAL LIABILITIES	<u>187,017</u>	<u>12,000</u>	<u>-</u>	<u>199,017</u>	<u>90,542</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES					
Other Deferred Inflows	<u>720,365</u>	<u>-</u>	<u>-</u>	<u>720,365</u>	<u>682,962</u>
FUND BALANCE					
Restricted Fund Balance	123,000	1,013,448	1,205,993	2,342,441	1,281,925
Committed Fund Balance	529,272	-	-	529,272	314,506
Assigned Fund Balance	1,006,301	-	-	1,006,301	1,086,630
Unassigned Fund Balance	4,854,689	-	-	4,854,689	3,336,756
TOTAL FUND BALANCE	<u>6,513,262</u>	<u>1,013,448</u>	<u>1,205,993</u>	<u>8,732,703</u>	<u>6,019,817</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 7,420,644</u>	<u>\$ 1,025,448</u>	<u>\$ 1,205,993</u>	<u>\$ 9,652,085</u>	<u>\$ 6,793,321</u>

The accompanying notes are an integral part of these financial statements

TOWN OF SEVERANCE, COLORADO

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2017

Fund Balance - Governmental Funds		\$ 8,732,703
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 518,485	
Capital assets, being depreciated	10,074,757	
Accumulated depreciation	<u>(3,131,647)</u>	7,461,595
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(164,088)	
Accrued interest payable	(4,028)	
Accrued compensated absences	<u>(16,047)</u>	<u>(184,163)</u>
Total Net Position - Governmental Activities		<u>\$ 16,010,135</u>

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

TOWN OF SEVERANCE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	General	Street Impact	Other	Total	
	Fund	Fund	Funds	2017	2016
REVENUES					
Taxes	\$ 2,250,270	\$ -	\$ -	\$ 2,250,270	\$ 1,414,407
Intergovernmental Revenues	262,718	-	52,093	314,811	897,523
Licenses and Permits	923,694	-	-	923,694	339,674
Fines and Forfeits	15,350	-	-	15,350	6,792
Charges for Services	289,994	759,090	349,020	1,398,104	284,068
Investment Earnings	43,998	3,180	6,083	53,261	42,563
Other Revenues	22,484	-	76,835	99,319	38,945
TOTAL REVENUES	<u>3,808,508</u>	<u>762,270</u>	<u>484,031</u>	<u>5,054,809</u>	<u>3,023,972</u>
EXPENDITURES					
Current:					
General Government	348,706	-	-	348,706	261,963
Public Safety	343,574	-	-	343,574	322,188
Public Works	1,134,683	-	-	1,134,683	720,479
Parks, Recreation and Other	127,542	-	18,580	146,122	168,173
Capital Outlay	234,025	295,624	-	529,649	1,851,278
Debt Service	43,931	-	-	43,931	-
TOTAL EXPENDITURES	<u>2,232,461</u>	<u>295,624</u>	<u>18,580</u>	<u>2,546,665</u>	<u>3,324,081</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>1,576,047</u>	<u>466,646</u>	<u>465,451</u>	<u>2,508,144</u>	<u>(300,109)</u>
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	204,742	-	-	204,742	-
Transfers (In)	-	300,000	-	300,000	500,000
Transfers (Out)	(300,000)	-	-	(300,000)	(500,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(95,258)</u>	<u>300,000</u>	<u>-</u>	<u>204,742</u>	<u>-</u>
NET CHANGE IN FUND BALANCE - GAAP BASIS	<u>1,480,789</u>	<u>766,646</u>	<u>465,451</u>	<u>2,712,886</u>	<u>(300,109)</u>
FUND BALANCE, BEGINNING	<u>5,032,473</u>	<u>246,802</u>	<u>740,542</u>	<u>6,019,817</u>	<u>6,319,926</u>
FUND BALANCE, ENDING	<u>\$ 6,513,262</u>	<u>\$ 1,013,448</u>	<u>\$ 1,205,993</u>	<u>\$ 8,732,703</u>	<u>\$ 6,019,817</u>

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

TOWN OF SEVERANCE, COLORADO

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

Change in Fund Balance - Governmental Funds **\$ 2,712,886**

Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	556,776	
Depreciation Expense	<u>(372,793)</u>	183,983

Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level

Proceeds from debt issuances	(204,742)	
Principal payments on capital leases	40,654	
Change in accrued interest payable	(4,028)	
Change in accrued compensated absences	<u>(2,716)</u>	<u>(170,832)</u>

Change in Net Position - Governmental Activities **\$ 2,726,037**

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

TOWN OF SEVERANCE, COLORADO

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	Business-type Activities			
	Water	Sewer	Total	
	Fund	Fund	2017	2016
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 5,726,744	\$ 3,263,896	\$ 8,990,640	\$ 6,737,425
Restricted Cash and Investments	9,500	-	9,500	-
Receivables				
Utility Receivable	49,135	33,163	82,298	84,169
Accounts Receivable	8,333	-	8,333	63
Total Current Assets	<u>5,793,712</u>	<u>3,297,059</u>	<u>9,090,771</u>	<u>6,821,657</u>
Noncurrent Assets				
Capital Assets not being depreciated	18,765,894	-	18,765,894	16,478,178
Capital Assets being depreciated	3,639,530	5,814,026	9,453,556	9,191,224
Accumulated Depreciation	(639,192)	(1,839,075)	(2,478,267)	(2,160,395)
Total Noncurrent Assets	<u>21,766,232</u>	<u>3,974,951</u>	<u>25,741,183</u>	<u>23,509,007</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 27,559,944</u>	<u>\$ 7,272,010</u>	<u>\$ 34,831,954</u>	<u>\$ 30,330,664</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 24,688	\$ 7,596	\$ 32,284	\$ 20,881
Deposits and Escrow	9,500	-	9,500	-
Accrued Interest Payable	730	730	1,460	-
Total Current Liabilities	<u>34,918</u>	<u>8,326</u>	<u>43,244</u>	<u>20,881</u>
Noncurrent Liabilities				
Due within one year	5,563	5,562	11,125	-
Due in more than one year	20,954	20,956	41,910	10,826
Total Noncurrent Liabilities	<u>26,517</u>	<u>26,518</u>	<u>53,035</u>	<u>10,826</u>
TOTAL LIABILITIES	<u>61,435</u>	<u>34,844</u>	<u>96,279</u>	<u>31,707</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
NET POSITION				
Net Investment in Capital Assets	21,743,542	3,952,261	25,695,803	23,509,007
Restricted Net Position	4,784,761	2,698,236	7,482,997	5,311,678
Unrestricted Net Position	970,206	586,669	1,556,875	1,478,272
TOTAL NET POSITION	<u>27,498,509</u>	<u>7,237,166</u>	<u>34,735,675</u>	<u>30,298,957</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 27,559,944</u>	<u>\$ 7,272,010</u>	<u>\$ 34,831,954</u>	<u>\$ 30,330,664</u>

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

TOWN OF SEVERANCE, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	Business-type Activities			
	Water	Sewer	Total	
	Fund	Fund	2017	2016
Operating Revenues				
Utility Charges	\$ 723,242	\$ 373,950	\$ 1,097,192	\$ 987,925
Other Charges for Services	181,841	-	181,841	41,880
Total Revenues	905,083	373,950	1,279,033	1,029,805
Operating Expenses				
Personnel Services	158,680	156,136	314,816	292,470
Administrative/Office Expenses	10,900	7,556	18,456	17,840
Insurance	6,266	6,266	12,532	10,180
Operating Supplies	116,854	26,283	143,137	58,837
Professional Fees	1,093	11,822	12,915	10,131
Repairs and Maintenance	17,737	99,827	117,564	42,768
Travel and Training	1,396	2,181	3,577	2,892
Treatment	464,901	15,964	480,865	429,259
Telephone and Utilities	2,532	41,598	44,130	46,322
Other Operating Expenses	4,887	2,698	7,585	5,359
Depreciation Expense	85,310	133,290	218,600	186,065
Enterprise Capital Outlay	26,931	6	26,937	30,736
Total Expenditures	897,487	503,627	1,401,114	1,132,859
Operating Income (Loss)	7,596	(129,677)	(122,081)	(103,054)
Other Income (Expense)				
Investment Earnings	32,556	15,922	48,478	6,660
Other Revenue	785	702	1,487	366
Interest Expense	(730)	(730)	(1,460)	-
Total Other Income (Expense)	32,611	15,894	48,505	7,026
Net Income (Loss) before Transfers	40,207	(113,783)	(73,576)	(96,028)
Contributed Capital				
Plant Investment Fees	1,720,200	1,337,566	3,057,766	512,004
Intergovernmental Revenue	35,867	-	35,867	432,129
Cash in Lieu Fees	423,933	-	423,933	254,167
Dedicated Assets	1,092,000	-	1,092,000	-
Total Contributed Capital	3,272,000	1,337,566	4,609,566	1,198,300
Extraordinary Item - Impairment Loss	-	(99,272)	(99,272)	-
Change in Net Position	3,312,207	1,124,511	4,436,718	1,102,272
Net Position, Beginning	24,186,302	6,112,655	30,298,957	29,196,685
Net Position, Ending	<u>\$ 27,498,509</u>	<u>\$ 7,237,166</u>	<u>\$ 34,735,675</u>	<u>\$ 30,298,957</u>

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

TOWN OF SEVERANCE

STATEMENT OF CASH FLOWS -

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	<u>Business-type Activities</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 910,629	\$ 371,505	\$ 1,282,134	\$ 1,030,614
Cash Paid to Suppliers	(805,684)	(298,714)	(1,104,398)	(1,072,780)
Cash Paid to Employees	(1,586)	(68,299)	(69,885)	(61,455)
Net Cash Provided by Operating Activities	<u>103,359</u>	<u>4,492</u>	<u>107,851</u>	<u>(103,621)</u>
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	2,144,133	1,337,566	3,481,699	766,171
Debt Principal Payments	22,690	22,690	45,380	-
Grant Proceeds	35,867	-	35,867	582,291
Acquisition of Capital Assets	(1,288,562)	(169,485)	(1,458,047)	(2,048,079)
Cash Flows Used by Capital and Related Financing Activities	<u>914,128</u>	<u>1,190,771</u>	<u>2,104,899</u>	<u>(699,617)</u>
Cash Flows (Uses) From Noncapital Financing Activities:				
Other Revenues (Expense)	<u>785</u>	<u>702</u>	<u>1,487</u>	<u>366</u>
Cash Flows (Uses) From Investing Activities:				
Interest Received	<u>32,556</u>	<u>15,922</u>	<u>48,478</u>	<u>6,660</u>
Net Increase (Decrease) in Cash	1,050,828	1,211,887	2,262,715	(796,212)
Cash - Beginning	<u>4,685,416</u>	<u>2,052,009</u>	<u>6,737,425</u>	<u>7,533,637</u>
Cash - Ending	<u>\$ 5,736,244</u>	<u>\$ 3,263,896</u>	<u>\$ 9,000,140</u>	<u>\$ 6,737,425</u>
Cash	\$ 5,726,744	\$ 3,263,896	\$ 8,990,640	\$ 6,737,425
Restricted Cash and Investments	<u>9,500</u>	<u>-</u>	<u>9,500</u>	<u>-</u>
Total	<u>\$ 5,736,244</u>	<u>\$ 3,263,896</u>	<u>\$ 9,000,140</u>	<u>\$ 6,737,425</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ 7,596	\$ (129,677)	\$ (122,081)	\$ (103,054)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	85,310	133,290	218,600	186,065
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	4,316	(2,445)	1,871	175
Accounts Receivable	(8,270)	-	(8,270)	634
(Increase) Decrease in:				
Accounts Payable	6,493	4,910	11,403	(189,155)
Deposits and Escrow	9,500	-	9,500	-
Accrued Compensated Absences	(1,586)	(1,586)	(3,172)	1,714
Total Adjustments	<u>95,763</u>	<u>134,169</u>	<u>229,932</u>	<u>(567)</u>
Net Cash Used for Operating Activities	<u>\$ 103,359</u>	<u>\$ 4,492</u>	<u>\$ 107,851</u>	<u>\$ (103,621)</u>

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

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The Town of Severance, Colorado is a political subdivision of the State of Colorado governed by a seven member board of trustees. The Town is a full service entity providing public safety, public works, and parks services as well as providing water and sewer services.

REPORTING ENTITY

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based upon the application of these criteria, no additional organizations were included within the Town's reporting entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt which is recognized when due and (2) compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are sales taxes, property taxes, franchise fees, and grants. Other revenues are not susceptible to accrual as they generally are not measurable until received in cash.

FUND ACCOUNTING

The accompanying financial statements include the Town's governmental fund types and proprietary fund types. The Town's accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities (except those related to the operation of the water and sewer systems) are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than on a computation of net income. The following are the Town's governmental fund types:

General Fund

Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and Town administration.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Governmental Fund Types (Continued)

Special Revenue Funds

These funds account for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The Town's special revenue funds are as follows:

Street Impact Fund

The Street Impact Fund accounts for improvements to the Town's street system funded through impact fee assessments.

Parks Impact Fund (Nonmajor)

The Parks Impact Fund accounts for improvements to the Town's park system funded through impact fee assessments.

Conservation Trust Fund (Nonmajor)

This fund accounts for funds received through the State of Colorado Lottery/Conservation Trust Fund program. These funds are required to be spent on parks and recreation.

Proprietary Fund Types

Proprietary funds are used to account for the Town's ongoing activities that are similar to a private business enterprise. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The measurement focus of proprietary funds is on the determination of net income. The Town's proprietary fund type is as follows:

Enterprise Funds

This fund accounts for the operation of Town facilities that are predominately self supporting through user charges. The funds are as follows:

Water Fund

The Water Fund was established to account for the acquisition, operation and maintenance of the Town's water facilities and infrastructure.

Sewer Fund

The Sewer Fund was established to account for the acquisition, operation and maintenance of the Town's sewer facility and infrastructure.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS AND BUDGETARY ACCOUNTING

Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

- 1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- 2) Certification of mill levies to the County Commissioners by December 15 of each year.
- 3) Final adoption of the budget and appropriations by December 15 of each year.

The Town does not use encumbrance accounting and all appropriations lapse at year end.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

Cash and Equivalents

For the purposes of cash flow presentation, the Town considers all fully cash and fully liquid investment balances as cash and cash equivalents.

Property Taxes

Property taxes are levied on December 15th and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue is recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Accounts Receivable

Based upon a review of the existing accounts receivable and the fact that any uncollectible water and sewer receivables can be certified to the County Treasurer as such and attached to the tax rolls, no allowance for doubtful accounts is provided.

Capital Assets

The Town's policy is to capitalize tangible assets with a unit value in excess of \$5,000 and an estimated useful life of greater than one year.

Governmental Activities

Expenditures for capital assets are recorded as expenditures in the appropriate governmental fund. They are also reported in the governmental activities column of the government-wide financial statements. These assets are reported at cost, or at fair market value in the case of donated assets.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

Capital Assets (Continued)

Depreciation has been provided in the government-wide financial statements and has been computed over a period of 5 to 50 years using the straight-line method. Depreciation is not provided in the fund financial statements.

Business Type Activities

Property, plant and equipment held in the proprietary funds are recorded at cost and estimated cost. Depreciation is computed over a period of 5 to 50 years using the straight-line method.

Accumulated Unpaid Leave (Compensated Absences)

The Town grants employees personal time off based on years of service. Up to one year's accrual of leave may be carried over to the next fiscal year. Upon termination or resignation, an employee will be paid for all earned but unused personal time off.

Deferred Inflows of Financial Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

Net Position/Fund Balances

In the government-wide financial statements and for the proprietary fund statements, net position are either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. The Town does not currently have any nonspendable fund balances.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

Net Position/Fund Balances (Continued)

Fund balance is reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the most formal action, adoption of an ordinance, of the government's highest level of decision-making authority, the Board of Trustees, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Town does not currently have any assigned fund balances.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in most of the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in certain statements since their inclusion would make those statements unduly complex and difficult to read.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2: CASH AND INVESTMENTS

The Town's cash and investment balances are allocated as follows as of December 31, 2017:

Cash	\$ 4,436,606
Investments	<u>13,385,368</u>
Total Cash and Investments	<u>\$17,821,974</u>

This balance is presented in the financial statements as shown below:

Cash and Investments	\$ 17,769,961
Restricted Cash and Investments	<u>52,013</u>
Total Cash and Investments	<u>\$17,821,974</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions 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.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

At December 31, 2017, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Book Balance
FDIC Insured	\$ 488,442	\$ 488,442
PDPA Secured (Not in Entity's Name)	4,028,938	3,947,357
Petty Cash	-	807
Total Cash	<u>\$ 4,517,380</u>	<u>\$ 4,436,606</u>

Investments

Credit Risk - Investments

Colorado statutes specify which instruments units of local government may invest, which include:

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

The Town's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

The Town's Morgan Stanley investments as of December 31, 2017, were as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Weighted Maturity In Years</u>	<u>% of Invest.</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>
Federal Home Loan Bank	\$ 542,381	3.83	11.52%	AAA	AA+
Federal Home Loan Mortgage Corp	232,243	3.50	4.93%	AAA	AA+
Federal National Mortgage Assn	1,710,253	2.97	36.32%	AAA	AA+
All Other Commercial Paper	519,975	1.15	11.04%	AA3-AAA	AA- - AAA
U.S. Treasury Securities	200,086	0.54	4.25%	AAA	N/A
Municipal Bonds	192,788	0.09	4.09%	AA2	AA
Mutual Funds	1,310,815	-	27.84%	N/A	N/A
Total	<u>\$ 4,708,541</u>	<u>1.84</u>	<u>100.00%</u>		

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2017 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury & Agency Securities	\$ -	\$ 2,684,963	\$ -	\$ 2,684,963
Municipal Bonds	-	192,788	-	192,788
Commercial Paper	-	519,975	-	519,975
Mutual Funds	-	1,310,815	-	1,310,815
Total	<u>\$ -</u>	<u>\$ 2,023,578</u>	<u>\$ -</u>	<u>\$ 2,023,578</u>

During the year ended December 31, 2017, the Town invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The pool invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. The pool is rated AAAM by the Standard and Poor's Corporation. The balance of this investment as of December 31, 2017 was \$8,476,309.

Concentration of Credit Risk - Investments

The Town places no limit on the amount that may be invested in any one issuer. As of December 31, 2013, the Town held investments in Private Export Funding Corporation commercial paper, General Electric Capital Corporation commercial paper, and Florida State Department of Transportation municipal bonds representing 6%, 5%, and 7% of the total investment portfolio. No other individual commercial paper or municipal bond securities represented more than 5% of the total holdings.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk - Investments

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes. The anticipated maturity of any investment is not expected to exceed five years regardless of stated maturity.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2017, the Town's securitized investments were held in safekeeping by Morgan Stanley Smith Barney.

NOTE 3: CAPITAL ASSETS

A summary of the Town's governmental activity capital assets is as follows:

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
GOVERNMENTAL ACTIVITIES:				
Capital assets not being depreciated:				
Land and improvements	\$ 491,344	\$ 27,141	\$ -	\$ 518,485
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>491,344</u>	<u>27,141</u>	<u>-</u>	<u>518,485</u>
Capital assets being depreciated:				
Infrastructure	7,461,014	295,624	-	7,756,638
Buildings	1,367,228	24,440	-	1,391,669
Vehicles	316,946	204,742	-	521,688
Equipment	399,933	4,830	-	404,763
Total capital assets being depreciated	<u>9,545,121</u>	<u>529,636</u>	<u>-</u>	<u>10,074,757</u>
Less accumulated depreciation:				
Infrastructure	2,085,959	270,429	-	2,356,388
Buildings	215,394	44,445	-	259,839
Vehicles	160,220	42,802	-	203,022
Equipment	297,280	15,118	-	312,398
Total accumulated depreciation	<u>2,758,853</u>	<u>372,794</u>	<u>-</u>	<u>3,131,647</u>
Total capital assets, net	<u>\$ 7,277,612</u>	<u>\$ 183,983</u>	<u>\$ -</u>	<u>\$ 7,461,595</u>

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation is charged to the Town's Governmental Activities as follows:

General Government depreciation	\$ 48,531
Public Safety depreciation	239
Public Works depreciation	278,721
Parks and Recreation depreciation	45,303
Total depreciation	<u>\$ 372,794</u>

The following is a summary of the Town's business-type activity capital asset balances:

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
BUSINESS-TYPE ACTIVITIES:				
Capital assets not being depreciated:				
Water rights	\$ 13,510,500	\$ 1,092,000	\$ -	\$ 14,602,500
Northern Integrated Supply Proj. in progress	648,828	637,500	-	1,286,328
North Weld County Water Dist. Capacity	2,318,850	540,000	-	2,858,850
Construction in progress	-	18,216	-	18,216
Total capital assets not being depreciated	<u>16,478,178</u>	<u>2,287,716</u>	<u>-</u>	<u>18,765,894</u>
Capital assets being depreciated:				
Water System	3,301,427	56,240	-	3,357,667
Sewer System	5,511,252	132,880	-	5,644,132
Buildings	223,240	10,474	-	233,714
Equipment	155,305	62,737	-	218,042
Total capital assets being depreciated	<u>9,191,224</u>	<u>262,331</u>	<u>-</u>	<u>9,453,555</u>
Less accumulated depreciation:				
Water System	471,865	68,970	-	540,835
Sewer System	1,547,575	221,844	-	1,769,419
Buildings	53,638	7,529	-	61,167
Equipment	87,316	19,529	-	106,845
Total accumulated depreciation	<u>2,160,394</u>	<u>317,872</u>	<u>-</u>	<u>2,478,266</u>
Total Capital Assets, net	<u>\$ 23,509,008</u>	<u>\$ 2,232,175</u>	<u>\$ -</u>	<u>\$ 25,741,183</u>

Depreciation is charged to the Town's Business-Type Activities as follows:

Depreciation - Water	\$ 85,310
Depreciation - Sewer	232,562
Total Depreciation	<u>\$ 317,872</u>

Impairment Loss

In June 2017 a strong wind storm caused the functionality of the Sewer Plant Lagoon Covers to significantly decrease. The historical cost of the covers was \$203,175 and had a net carrying value of \$154,940 at the end of the 2016 fiscal year. The impairment loss of \$99,272 for the covers was determined using the restoration cost approach. The impairment loss is classified as an extraordinary item in the Sewer Fund and for the Statement of Activities.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: NONCURRENT LIABILITIES

The following is a schedule of long-term liabilities and changes in liabilities for the year, by activity type.

	Balance January 1			Balance December 31			Current	Interest
	2017	Advances	Payments	2017			Portion	Expense
Governmental activities								
Capital Lease Obligations	\$ -	\$ 204,742	\$ 40,654	\$ 164,088	\$ 39,134	\$ 7,305		
Compensated absences	13,331	2,716	-	16,047	-	-		
Total governmental activities	\$ 13,331	\$ 207,458	\$ 40,654	\$ 180,135	\$ 39,134	\$ 7,305		
Business-type activities								
Capital Lease Obligations	\$ -	\$ 57,676	\$ 12,296	\$ 45,380	\$ 11,125	\$ -		
Compensated absences	10,825	-	3,172	7,653	-	-		
Total business-type activities	\$ 10,825	\$ 57,676	\$ 15,468	\$ 53,033	\$ 11,125	\$ -		

2017 Kansas State Bank Lease

In 2017, the Town entered into a capital lease agreement for the purchase of a snow plow. The lease was for \$147,066 and requires 5 annual payments of \$31,635. The lease bears interest at 2.5%. All payments related to this lease will be made by the General Fund. The Town has capitalized assets with a remaining basis of \$136,649 related to this lease.

The following is a schedule of the future minimum lease payments required under the capital lease for the snow plow purchase, and the present value of the remaining payments as of December 31, 2017:

Year	Minimum Annual Payment
2018	\$ 31,635
2019	31,635
2020	31,635
2021	31,635
Future Min. Lease Pmt	126,540
Imputed Interest	(9,203)
Present Value FMLP	<u>\$ 117,337</u>

2017 John Deere Financial

In 2017, the Town entered into a capital lease agreement for the purchase of a John Deere Backhoe. The lease was for \$115,352 and requires 5 annual payments of \$24,592. The lease bears interest at 3.25%. All payments related to this lease will be made 50% by General Fund, 25% by the Water Fund, and 25% by the Sewer Fund. The Town has capitalized assets with a remaining basis of \$103,816 related to this lease.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: NONCURRENT LIABILITIES (Continued)

2017 John Deere Financial (Continued)

The following is a schedule of the future minimum lease payments required under the capital lease for the backhoe purchase, and the present value of the remaining payments as of December 31, 2017:

<u>Year</u>	<u>Minimum Annual Payment</u>
2018	\$ 24,592
2019	24,592
2020	24,592
2021	<u>24,592</u>
Future Min. Lease Pmt	98,368
Imputed Interest	<u>(4,867)</u>
Present Value FMLP	<u>\$ 93,501</u>

NOTE 5: COMMITMENTS AND CONTINGENCIES

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2017.

In 2017 the Town entered into an Intergovernmental Agreement with the Town of Windsor to bear the one-third of the cost of financing roadway improvements along the south side of Colorado State Highway 392. The total cost of the project is \$405,000, with Severance committed to paying \$135,000. Windsor and Severance agree that the Severance Cost Share will be paid through the accumulation and retention by Windsor of Severance's one-third share of sales tax revenue generated within the Cooperative Planning Area as provided in the December 11, 2000, Intergovernmental Agreement.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6: RESTRICTED FUND BALANCE / NET POSITION

Tax Spending and Debt Limitations

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts. The Town's financial activity for the year ended December 31, 2017 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth.

Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

At November 7, 1995, and April 2, 1996 elections, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1998, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution. TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The Town's management believes it is in compliance with the TABOR amendment.

The Article requires an emergency reserve be set aside for 2017 in the amount of 3 percent or more of its fiscal year spending. At December 31, 2017, the Town has reserved the following for emergencies:

General Fund	<u>\$ 123,000</u>
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Other Restrictions

The Town has restricted net position at December 31, 2017 in the Water and Sewer Funds for future purchases of system capacity and other improvements totaling \$4,784,761 and \$2,698,236, respectively. The Town has also restricted net position/fund balances related to collected, but unspent, impact fees that will be used to fund future projects. The Town has also assigned \$300,000 of Street Impact Fund year-end fund balance for a street overlay projects in 2018.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6: RESTRICTED FUND BALANCE / NET POSITION (Continued)

Fund Equity Assignments

The Town has assigned the following amounts for future expenditures through the adoption of the 2018 budget:

General Fund	\$1,006,301
Conservation Trust Fund	167,266
Street Impact Fund	634,098
Park Impact Fund	728,741
Water Fund	768,628
Sewer Fund	659,993

NOTE 7: RISK MANAGEMENT

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

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of the unit.

The Town obtains commercial insurance coverage for all other risks of loss.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2017.

TOWN OF SEVERANCE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: RETIREMENT COMMITMENTS

Defined Contribution Plan

The Town provides pension benefits for its employees through a defined contribution money purchase plan. All full-time employees may participate in the plan from the date of employment and are immediately fully vested. The plan provisions can be modified by the Town Council. The Town contributes an amount equal to 7% or 3% of the covered employees' salaries each month, depending upon the employees' negotiated compensation with the Town. Contributions totaled \$22,893 in 2017. The Town has no liability for this plan beyond its current annual contribution.

Pursuant to Governmental Accounting Standards Board Statement No. 32: Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, The Town desires that its deferred compensation plan be administered by the ICMA Retirement Corporation, and that the funds be held under such plan be invested in the ICMA Retirement Trust, a trust established by public employers for the collective investment of funds held under their retirement and deferred compensation plans. As such the plan's assets are no longer the property and rights of the Town and are not reflected in the financial statements of the Town.

NOTE 9: INTERNAL TRANSFERS

The General Fund transferred \$300,000 to the Street Impact Fund to provide funding towards future street projects.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SEVERANCE, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Original & Final Budget	Actual	Variance With Final Budget	2016 Actual
REVENUES				
Taxes				
Property Taxes	\$ 678,912	\$ 678,096	\$ (816)	\$ 655,939
Specific Ownership Taxes	30,000	52,723	22,723	41,462
Sales and Use Taxes	600,000	1,420,785	820,785	624,747
Franchise Fees	85,000	98,665	13,665	92,258
Total Tax Revenue	1,393,912	2,250,269	856,357	1,414,406
Intergovernmental Revenues				
Cigarette Taxes	950	1,096	146	1,216
Highway Users	131,611	135,980	4,369	126,824
Road and Bridge	25,000	50,979	25,979	37,438
Clerk/Motor Vehicle Fees	13,000	17,092	4,092	18,938
Mineral Lease	30,000	25,422	(4,578)	33,009
Severance Tax	30,000	32,149	2,149	39,417
State Grants	350,000	-	(350,000)	11
Total Intergovernmental Revenue	580,561	262,718	(317,843)	256,853
Licenses and Permits				
Liquor Licenses	300	1,095	795	361
Building Permits	250,000	624,500	374,500	226,113
Animal Licenses	3,000	2,323	(677)	4,053
Business Licenses	2,000	3,743	1,743	3,726
Other Licenses	103,750	292,033	188,283	105,421
Total Licenses and Permits	359,050	923,694	564,644	339,674
Fines and Forfeits	8,700	15,350	6,650	6,792
Charges for Services				
Special Events Charges	9,000	13,012	4,012	10,590
Rents	44,000	55,567	11,567	34,096
Other Charges for Services	35,800	221,415	185,615	45,082
Total Charges for Services	88,800	289,994	201,194	89,768
Investment Earnings	60,350	43,998	(16,352)	40,330
Other Revenues				
Reimbursements and Refunds	1,500	1,556	56	(17,360)
Donations	750	1,000	250	797
Insurance Proceeds/Recoveries	-	1,154	1,154	-
Other Miscellaneous Revenue	8,125	18,774	10,649	40,008
Total Other Revenue	10,375	22,484	12,109	23,445
TOTAL REVENUES	2,501,748	3,808,507	1,306,759	2,171,268

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF SEVERANCE, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		2016
	Original & Final Budget	Actual	Variance With Final Budget
			Actual
(Continued)			
EXPENDITURES			
General Government			
Personnel Services	184,392	169,956	14,436
Insurance	13,074	9,269	3,805
Professional Fees	89,679	65,433	24,246
Repairs and Maintenance	17,000	16,852	148
Supplies	3,400	2,311	1,089
Telephone and Utilities	7,000	4,156	2,844
Travel and Training	10,650	3,526	7,124
Other Expenses	50,294	77,202	(26,908)
Total General Government	375,489	348,705	26,784
Public Safety			
Personnel Services	66,987	54,097	12,890
Contract Labor	270,300	261,663	8,637
Fuel and Automotive	3,500	964	2,536
Insurance	4,262	3,504	758
Professional Fees	8,200	3,512	4,688
Repairs and Maintenance	2,500	30	2,470
Supplies	1,450	280	1,170
Telephone and Utilities	800	627	173
Travel and Training	1,450	74	1,376
Other Expenses	34,985	18,823	16,162
Total Public Safety	394,434	343,574	50,860
Public Works			
Personnel Services	291,122	260,785	30,337
Fuel and Automotive	6,000	3,691	2,309
Insurance	9,136	9,554	(418)
Professional Fees	307,150	540,556	(233,406)
Repairs and Maintenance	234,500	147,654	86,846
Supplies	10,550	4,036	6,514
Telephone and Utilities	11,000	8,980	2,020
Travel and Training	8,525	5,519	3,006
Other Expenses	186,694	153,908	32,786
Total Public Works/Comm Devel	1,064,677	1,134,683	(70,006)
Parks, Recreation and Other			
Personnel Services	129,291	91,807	(37,484)
Fuel and Automotive	6,000	3,691	2,309
Insurance	4,262	3,799	463
Professional Fees	3,000	71	2,929
Repairs and Maintenance	29,000	12,025	16,975
Supplies	6,600	3,565	3,035
Telephone and Utilities	19,000	11,900	7,100
Travel and Training	1,750	392	1,358
Other Expenses	5,975	292	5,683
Total Parks, Recreation & Other	204,878	127,542	2,368

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF SEVERANCE, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Original & Final Budget	Actual	Variance With Final Budget	2016 Actual
(Continued)				
Capital Outlay				
General Government Capital Outlay	40,500	16,231	24,269	250,958
Public Safety Capital Outlay	1,000	-	1,000	-
Public Works Capital Outlay	556,500	188,949	367,551	2,742
Parks, Recreation and Other Capital Outlay	221,000	28,845	192,155	12,330
Total Capital Outlay	819,000	234,025	584,975	266,030
Debt Service				
Principal	30,000	43,931	(13,931)	-
TOTAL EXPENDITURES	2,888,478	2,232,460	581,050	1,700,100
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(386,730)	1,576,047	1,887,809	471,168
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	204,742	(204,742)	-
Transfers (Out)	(700,000)	(300,000)	(400,000)	(500,000)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (1,086,730)</u>	1,480,789	<u>\$ 1,283,067</u>	(28,832)
FUND BALANCE, BEGINNING		5,032,473		5,061,305
FUND BALANCE, ENDING		<u>\$ 6,513,262</u>		<u>\$ 5,032,473</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF SEVERANCE, COLORADO

BUDGETARY COMPARISON SCHEDULE

Street Impact Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Original & Final Budget	Actual	Variance With Final Budget	2016 Actual
REVENUES				
Intergovernmental Revenues				
State Grants	-	-	-	586,412
Charges for Services				
Impact Fees	100,000	759,090	659,090	79,800
Investment Earnings	2,900	3,180	280	1,934
TOTAL REVENUES	<u>102,900</u>	<u>762,270</u>	<u>659,370</u>	<u>668,146</u>
EXPENDITURES				
Public Works				
Public Works Capital Outlay	<u>725,000</u>	<u>295,624</u>	<u>429,376</u>	<u>1,571,790</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(622,100)	466,646	1,088,746	(903,644)
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>700,000</u>	<u>300,000</u>	<u>400,000</u>	<u>500,000</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 77,900</u>	<u>766,646</u>	<u>\$ 1,488,746</u>	<u>(403,644)</u>
FUND BALANCE, BEGINNING		<u>246,802</u>		<u>650,446</u>
FUND BALANCE, ENDING		<u>\$ 1,013,448</u>		<u>\$ 246,802</u>

See accompanying Independent Auditors' Report.

TOWN OF SEVERANCE, COLORADO

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

SPECIAL REVENUE FUNDS

	Conservation		Total	
	Trust Fund	Park Impact Fund	2017	2016
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash	\$ 246,864	\$ 959,129	\$ 1,205,993	\$ 749,272
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ 8,730
FUND BALANCE				
Restricted Fund Balance	246,864	959,129	1,205,993	740,542
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 246,864</u>	<u>\$ 959,129</u>	<u>\$ 1,205,993</u>	<u>\$ 749,272</u>

See accompanying Independent Auditors' Report.

TOWN OF SEVERANCE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	SPECIAL REVENUE FUNDS			
	Conservation	Park	Total	
	Trust	Impact		
	Fund	Fund	2017	2016
REVENUES				
Intergovernmental Revenues	37,103	14,990	52,093	54,258
Charges for Services	-	349,020	349,020	114,500
Investment Earnings	1,543	4,540	6,083	298
Other Revenues	-	76,835	76,835	15,500
TOTAL REVENUES	38,646	445,385	484,031	184,556
EXPENDITURES				
Current:				
Parks, Recreation and Other	18,580	-	18,580	38,730
Capital Outlay	-	-	-	13,459
TOTAL EXPENDITURES	18,580	-	18,580	52,189
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	20,066	445,385	465,451	132,367
FUND BALANCE, BEGINNING	226,798	513,744	740,542	608,175
FUND BALANCE, ENDING	\$ 246,864	\$ 959,129	\$ 1,205,993	\$ 740,542

See accompanying Independent Auditors' Report.

TOWN OF SEVERANCE, COLORADO

BUDGETARY COMPARISON SCHEDULE

Park Impact Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		
	Final		Variance
	Budget	Actual	With Final
			Budget
			2016
			Actual
REVENUES			
Intergovernmental Revenues			
State Grants	14,990	14,990	-
Charges for Services			
Impact Fees	349,020	349,020	-
Investment Earnings	1,400	4,540	3,140
Other Revenues			
Other Miscellaneous Revenue	-	76,835	76,835
TOTAL REVENUES	<u>365,410</u>	<u>445,385</u>	<u>79,975</u>
EXPENDITURES			
Parks, Recreation and Other			
Contract labor	15,000	-	(15,000)
Capital Outlay			
Parks, Recreation and Other Capital Outlay	20,000	-	(20,000)
TOTAL EXPENDITURES	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>\$ 330,410</u>	445,385	<u>\$ 114,975</u>
FUND BALANCE, BEGINNING		513,744	391,056
FUND BALANCE, ENDING		<u>\$ 959,129</u>	<u>\$ 513,744</u>

See accompanying Independent Auditors' Report.

TOWN OF SEVERANCE, COLORADO

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Final		Variance	2016
	Budget	Actual	With Final	Actual
			Budget	
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	\$ 32,000	\$ 37,103	\$ 5,103	\$ 39,268
Investment Earnings	950	1,543	593	218
TOTAL REVENUES	32,950	38,646	5,696	39,486
EXPENDITURES				
Parks, Recreation and Other				
Professional Fees	13,000	18,580	5,580	28,409
Capital Outlay				
Parks, Recreation and Other Capital Outlay	10,000	-	(10,000)	1,398
TOTAL EXPENDITURES	23,000	18,580	(4,420)	29,807
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ 9,950	20,066	\$ 10,116	9,679
FUND BALANCE, BEGINNING		226,798		217,119
FUND BALANCE, ENDING		\$ 246,864		\$ 226,798

See accompanying Independent Auditors' Report.

TOWN OF SEVERANCE, COLORADO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

Water Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Final		Variance	2016
	Budget	Actual	with Final	Actual
			Budget	
Operating Revenues				
Utility Charges	\$ 650,000	\$ 723,242	\$ 73,242	\$ 643,028
Other Charges for Services	27,500	181,841	154,341	41,880
Total Revenues	677,500	905,083	227,583	684,908
Operating Expenses				
Personnel Services	187,634	158,680	28,954	146,227
Administrative/Office Expenses	14,780	10,900	3,880	9,935
Insurance	9,136	6,266	2,870	5,090
Operating Supplies	30,400	116,854	(86,454)	18,246
Professional Fees	10,850	1,093	9,757	1,063
Repairs and Maintenance	35,880	17,737	18,143	17,914
Travel and Training	2,900	1,396	1,504	1,435
Treatment	507,900	464,901	42,999	421,577
Telephone and Utilities	3,950	2,532	1,418	2,681
Other Operating Expenses	13,650	4,887	8,763	4,384
Enterprise Capital Outlay	3,017,800	1,315,493	1,702,307	2,038,716
Total Expenditures	3,834,880	2,100,739	1,734,141	2,667,268
Operating Income (Loss)	(3,157,380)	(1,195,656)	1,961,724	(1,982,360)
Other Income (Expense)				
Investment Earnings	20,100	32,556	12,456	6,098
Other Revenue	-	785	785	366
Debt Service	-	21,960	21,960	-
Total Other Income (Expense)	20,100	55,301	35,201	6,464
Net Income (Loss) before Transfers	(3,137,280)	(1,140,355)	1,996,925	(1,975,896)
Contributed Capital				
Plant Investment Fees	101,500	1,720,200	1,618,700	110,550
Intergovernmental Revenue	-	35,867	35,867	432,129
Cash in Lieu Fees	270,000	423,933	153,933	254,167
Dedicated Assets	-	1,092,000	1,092,000	-
Total Contributed Capital	371,500	3,272,000	2,900,500	796,846
Change in Net Position (Budget Basis)	<u>\$ (2,765,780)</u>	2,131,645	<u>\$ 4,897,425</u>	(1,179,050)
Budget to GAAP Reconciliation				
Principal Paid		(22,690)		-
Depreciation Expense		(85,310)		(57,615)
Capital Outlay		1,288,562		2,029,376
Change in Net Position - GAAP Basis		3,312,207		792,711
Net Position, Beginning		24,186,302		23,393,591
Net Position, Ending		<u>\$ 27,498,509</u>		<u>\$ 24,186,302</u>

See accompanying Independent Auditors' Report.

TOWN OF SEVERANCE, COLORADO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Sewer Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Final		Variance	2016
	Budget	Actual	with Final	Actual
			Budget	
Operating Revenues				
Utility Charges	\$ 360,000	\$ 373,950	\$ 13,950	\$ 344,897
Operating Expenses				
Personnel Services	187,634	156,136	31,498	146,243
Administrative/Office Expenses	12,580	7,556	5,024	7,905
Insurance	9,136	6,266	2,870	5,090
Operating Supplies	52,300	26,283	26,017	40,591
Professional Fees	31,000	11,822	19,178	9,068
Repairs and Maintenance	251,080	99,827	151,253	24,854
Travel and Training	3,200	2,181	1,019	1,457
Treatment	14,500	15,964	(1,464)	7,682
Telephone and Utilities	48,950	41,598	7,352	43,641
Other Operating Expenses	4,200	2,698	1,502	975
Enterprise Capital Outlay	312,300	169,492	142,808	40,098
Total Expenditures	926,880	539,823	387,057	327,604
Operating Income (Loss)	(566,880)	(165,873)	401,007	17,293
Other Income (Expense)				
Investment Earnings	5,450	15,922	10,472	562
Other Revenue	200	702	502	-
Debt Service	-	21,960	21,960	-
Total Other Income (Expense)	5,650	38,584	32,934	562
Net Income (Loss), Budget Basis	(561,230)	(127,289)	433,941	17,855
Contributed Capital				
Plant Investment Fees	367,500	1,337,566	970,066	401,454
Change in Net Position (Budget Basis)	\$ (193,730)	1,210,277	\$ 1,404,007	419,309
Budget to GAAP Reconciliation				
Impairment Loss		(99,272)		-
Principal Paid		(22,690)		-
Depreciation Expense		(133,290)		(128,450)
Capital Outlay		169,486		18,702
Change in Net Position - GAAP Basis		1,124,511		309,561
Net Position, Beginning		6,112,655		5,803,094
Net Position, Ending		\$ 7,237,166		\$ 6,112,655

See accompanying Independent Auditors' Report.

COMPLIANCE SECTION

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STATE COMPLIANCE

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: schristensen@townofseverance.org

City/County: Severance

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	42,237.00
3. Other local imposts: <i>from A.3. 'Total' below)</i>	\$	811,813.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below)</i>	\$	17,491.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 871,541.00

B. Private Contributions

\$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	759,090.00

See accompanying Independent Auditor's Report.

3. Liens:	\$ 0.00
4. Licenses:	\$ 0.00
5. Specific Ownership and/or Other:	\$ 52,723.00
Total: <i>(a + b) carried to 'Other local imposts' above)</i>	\$ 811,813.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$ 3,181.00
b. Traffic fines & Penalties:	\$ 14,310.00
c. Parking Garage Fees:	\$ 0.00
d. Parking Meter Fees:	\$ 0.00
e. Sale of Surplus Property:	\$ 0.00
f. Charges for Services:	\$ 0.00
g. Other Misc. Receipts:	\$ 0.00
h. Other:	\$ 0.00
Total: <i>(a through h) carried to 'Misc local receipts' above)</i>	\$ 17,491.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$ 135,980.00
3. Other State funds:	
c. Motor Vehicle Registrations:	\$ 17,092.00
d. Other (Specify):	
Comments: undefined	\$ 0.00
e. Other (Specify):	
Comments: undefined	\$ 0.00
Total: <i>(1+3c,d,e)</i>	\$ 153,072.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies	
a. Forest Service:	\$ 0.00
b. FEMA:	\$ 0.00
c. HUD:	\$ 0.00
d. Federal Transit Administration:	\$ 0.00
e. U.S. Corp of Engineers	\$ 0.00
f. Other Federal:	\$ 0.00
Total: <i>(2a-f)</i>	\$ 0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$ 295,624.00
2. Maintenance:	\$ 152,664.00
3. Road and street services	
a. Traffic control operations:	\$ 9,733.00
b. Snow and ice removal:	\$ 159,608.00
c. Other:	\$ 47,182.00
4. General administration & miscellaneous	\$ 98,139.00
5. Highway law enforcement and safety	\$ 261,663.00

Total: *(A.1-5)* \$ 1,024,613.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds	
a. Interest	\$ 0.00
b. Redemption	\$ 0.00
2. Notes	
a. Interest	\$ 0.00
b. Redemption	\$ 0.00

SubTotal: *(1+2)* \$ 0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways: \$ 0.00

D. Payments to Toll Facilities: \$ 0.00

Total Disbursements: *(A+B+C+D)* \$ 1,024,613.00

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 295,624.00	\$ 295,624.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 295,624.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 295,624.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 1,024,613.00	\$ 1,024,613.00	\$ 0.00	\$ 0.00

Notes & Comments:

undefined

Please enter your name: Steve Christensen

Please provide a telephone number where you may be reached: 970-686-1218

Save

Print Mode

Edit Mode

Please click on the "Save" button before viewing the data in a print format.

FORM FHWA-536e (Version 4.5) - CY17