

TOWN OF BERTHOUD, COLORADO

FINANCIAL STATEMENTS

December 31, 2016



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FINANCIAL SECTION



Honorable Mayor and Members of the Board of Trustees
Town of Berthoud
Berthoud, Colorado

INDEPENDENT AUDITORS' REPORT

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 Berthoud as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Berthoud, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the propose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Berthoud as of December 31, 2016, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters (Required Supplementary Information)

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

The Town of Berthoud has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Matters (Other Information)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Berthoud's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



June 5, 2017

BASIC FINANCIAL STATEMENTS

TOWN OF BERTHOUD, COLORADO

STATEMENT OF NET POSITION

December 31, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
ASSETS			
Cash	\$ 8,521,892	\$ 14,715,681	\$ 23,237,573
Accounts Receivable	50,792	386,651	437,443
Taxes Receivable	1,032,271	-	1,032,271
Prepaid Expenses	550	-	550
Restricted Cash	-	4,030	4,030
Capital Assets, Not Being Depreciated	5,587,370	7,612,234	13,199,604
Capital Assets, Net of Accumulated Depreciation	<u>7,435,803</u>	<u>23,932,483</u>	<u>31,368,286</u>
TOTAL ASSETS	<u>22,628,678</u>	<u>46,651,079</u>	<u>69,279,757</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	<u>-</u>	<u>214,341</u>	<u>214,341</u>
LIABILITIES			
Accounts Payable	59,818	573,465	633,283
Accrued Liabilities	38,724	9,661	48,385
Retainage Payable	-	212,640	212,640
Deposits	53,774	-	53,774
Accrued Interest Payable	-	139,845	139,845
Noncurrent Liabilities			
Due Within One Year	136,057	677,749	813,806
Due in More Than One Year	<u>-</u>	<u>13,701,780</u>	<u>13,701,780</u>
TOTAL LIABILITIES	<u>288,373</u>	<u>15,315,140</u>	<u>15,603,513</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>752,666</u>	<u>-</u>	<u>752,666</u>
NET POSITION			
Net Investment in Capital Assets	13,023,173	17,405,142	30,428,315
Restricted for Debt Service	-	1,680,413	1,680,413
Restricted for Street Paving and Maintenance	2,343,036	-	2,343,036
Restricted for Open Space and Parks	1,053,767	-	1,053,767
Restricted for Emergencies	206,000	-	206,000
Unrestricted	<u>4,961,663</u>	<u>12,464,725</u>	<u>17,426,388</u>
TOTAL NET POSITION	<u>\$ 21,587,639</u>	<u>\$ 31,550,280</u>	<u>\$ 53,137,919</u>

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

TOWN OF BERTHOUD, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,138,909	\$ 1,070,762	\$ -	\$ -
Public Safety	958,497	30,426	-	-
Public Works	1,193,512	460,813	266,294	18,737
Parks and Recreation	1,246,115	734,974	268,992	-
Planning	245,237	493,177	-	-
Transportation	112,666	79,485	-	-
Total Governmental Activities	4,894,936	2,869,637	535,286	18,737
Business-Type Activities				
Water Utility	1,965,191	1,997,126	-	6,791,582
Wastewater Utility	2,004,328	2,140,065	-	3,463,780
Storm Water Utility	130,159	216,537	-	-
Total Business-Type Activities	4,099,678	4,353,728	-	10,255,362
TOTAL PRIMARY GOVERNMENT	\$ 8,994,614	\$ 7,223,365	\$ 535,286	\$ 10,274,099

GENERAL REVENUES

Property Taxes
 Specific Ownership Taxes
 Sales and Use Taxes
 Occupation Taxes
 Franchise Taxes
 Grants and Contributions not Restricted to Specific Programs
 Investment Income
 Insurance Proceeds
 Miscellaneous

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

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 CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (68,147)	\$ -	\$ (68,147)
(928,071)	-	(928,071)
(447,668)	-	(447,668)
(242,149)	-	(242,149)
247,940	-	247,940
<u>(33,181)</u>	<u>-</u>	<u>(33,181)</u>
<u>(1,471,276)</u>	<u>-</u>	<u>(1,471,276)</u>
-	6,823,517	6,823,517
-	3,599,517	3,599,517
<u>-</u>	<u>86,378</u>	<u>86,378</u>
<u>-</u>	<u>10,509,412</u>	<u>10,509,412</u>
<u>(1,471,276)</u>	<u>10,509,412</u>	<u>9,038,136</u>
706,128	-	706,128
106,562	-	106,562
2,434,467	-	2,434,467
10,773	-	10,773
59,407	-	59,407
26,814	-	26,814
40,587	66,521	107,108
108,460	-	108,460
69,872	-	69,872
<u>290,000</u>	<u>(290,000)</u>	<u>-</u>
<u>3,853,070</u>	<u>(223,479)</u>	<u>3,629,591</u>
2,381,794	10,285,933	12,667,727
<u>19,205,845</u>	<u>21,264,347</u>	<u>40,470,192</u>
<u>\$ 21,587,639</u>	<u>\$ 31,550,280</u>	<u>\$ 53,137,919</u>

TOWN OF BERTHOUD, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	<u>GENERAL</u>	<u>1% SALES TAX</u>	<u>PUBLIC FACILITY</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
ASSETS					
Cash	\$ 2,238,381	\$ 2,252,522	\$ 376,259	\$ 3,654,730	\$ 8,521,892
Accounts Receivable	17,718	-	-	33,074	50,792
Taxes Receivable	941,757	90,514	-	-	1,032,271
Prepaid Items	550	-	-	-	550
TOTAL ASSETS	<u>\$ 3,198,406</u>	<u>\$ 2,343,036</u>	<u>\$ 376,259</u>	<u>\$ 3,687,804</u>	<u>\$ 9,605,505</u>
LIABILITIES					
Accounts Payable	\$ 30,566	\$ -	\$ -	\$ 29,252	\$ 59,818
Accrued Liabilities	35,685	-	-	3,039	38,724
Deposits	53,774	-	-	-	53,774
TOTAL LIABILITIES	<u>120,025</u>	<u>-</u>	<u>-</u>	<u>32,291</u>	<u>152,316</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	752,666	-	-	-	752,666
FUND BALANCES					
Nonspendable Prepaid Items	550	-	-	-	550
Restricted for Street Paving and Maintenance	-	2,343,036	-	-	2,343,036
Restricted for Open Space and Parks	-	-	-	1,053,767	1,053,767
Restricted for Emergencies	206,000	-	-	-	206,000
Committed to Capital Improvements	-	-	376,259	2,367,882	2,744,141
Assigned to Cemetery	-	-	-	57,023	57,023
Assigned to Transportation	-	-	-	176,841	176,841
Unrestricted, Unassigned	2,119,165	-	-	-	2,119,165
TOTAL FUND BALANCES	<u>2,325,715</u>	<u>2,343,036</u>	<u>376,259</u>	<u>3,655,513</u>	<u>8,700,523</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,198,406</u>	<u>\$ 2,343,036</u>	<u>\$ 376,259</u>	<u>\$ 3,687,804</u>	<u>\$ 9,605,505</u>

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 8,700,523
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	13,023,173
Long-term liabilities and related items, including accrued compensated absences, are not due and payable in the current year and, therefore, are not reported in governmental funds.	<u>(136,057)</u>
Total Net Position of Governmental Activities	<u>\$ 21,587,639</u>

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

TOWN OF BERTHOUD, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 Year Ended December 31, 2016

	<u>GENERAL</u>	<u>1% SALES TAX</u>	<u>PUBLIC FACILITY</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
REVENUES					
Taxes	\$ 2,505,848	\$ 811,489	\$ -	\$ -	\$ 3,317,337
Licenses and Permits	234,505	-	-	-	234,505
Intergovernmental	293,108	-	-	287,729	580,837
Charges for Services	1,104,560	-	367,284	1,132,862	2,604,706
Fines and Forfeitures	30,426	-	-	-	30,426
Investment Income	9,145	12,436	1,902	17,104	40,587
Miscellaneous	36,761	-	-	33,111	69,872
TOTAL REVENUES	<u>4,214,353</u>	<u>823,925</u>	<u>369,186</u>	<u>1,470,806</u>	<u>6,878,270</u>
EXPENDITURES					
Current					
General Government	1,142,719	-	754,265	-	1,896,984
Public Safety	937,563	-	-	-	937,563
Public Works	855,974	357,626	-	68,783	1,282,383
Parks and Recreation	827,474	2,250	-	366,331	1,196,055
Planning	230,674	-	-	-	230,674
Transportation	-	-	-	94,714	94,714
Capital Outlay	369,516	-	-	-	369,516
TOTAL EXPENDITURES	<u>4,363,920</u>	<u>359,876</u>	<u>754,265</u>	<u>529,828</u>	<u>6,007,889</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(149,567)</u>	<u>464,049</u>	<u>(385,079)</u>	<u>940,978</u>	<u>870,381</u>
OTHER FINANCING SOURCES (USES)					
Insurance Proceeds	108,460	-	-	-	108,460
Transfers In	308,554	-	-	72,100	380,654
Transfers Out	-	(72,100)	-	(18,554)	(90,654)
TOTAL OTHER FINANCING SOURCES (USES)	<u>417,014</u>	<u>(72,100)</u>	<u>-</u>	<u>53,546</u>	<u>398,460</u>
NET CHANGE IN FUND BALANCES	<u>267,447</u>	<u>391,949</u>	<u>(385,079)</u>	<u>994,524</u>	<u>1,268,841</u>
FUND BALANCES, Beginning	<u>2,058,268</u>	<u>1,951,087</u>	<u>761,338</u>	<u>2,660,989</u>	<u>7,431,682</u>
FUND BALANCES, Ending	<u>\$ 2,325,715</u>	<u>\$ 2,343,036</u>	<u>\$ 376,259</u>	<u>\$ 3,655,513</u>	<u>\$ 8,700,523</u>

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

TOWN OF BERTHOUD, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 1,268,841
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$1,582,343 exceeded depreciation expense (\$455,093) in the current year.	1,127,250
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This represents the change in accrued compensated absences.	<u>(14,297)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,381,794</u>

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

TOWN OF BERTHOUD, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	WATER	WASTEWATER	STORM WATER	TOTALS
ASSETS				
CURRENT ASSETS				
Cash	\$ 9,567,806	\$ 4,873,561	\$ 274,314	\$ 14,715,681
Accounts Receivable	142,316	222,390	21,945	386,651
Restricted Cash	1,192	2,838	-	4,030
TOTAL CURRENT ASSETS	9,711,314	5,098,789	296,259	15,106,362
NONCURRENT ASSETS				
Capital Assets, Not Being Depreciated	5,854,435	1,757,799	-	7,612,234
Capital Assets, Net of Accumulated Depreciation	9,170,757	14,262,055	499,671	23,932,483
TOTAL NONCURRENT ASSETS	15,025,192	16,019,854	499,671	31,544,717
TOTAL ASSETS	24,736,506	21,118,643	795,930	46,651,079
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding, Net of Accumulated Amortization	4,550	209,791	-	214,341
CURRENT LIABILITIES				
Accounts Payable	491,708	71,401	10,356	573,465
Accrued Liabilities	7,703	770	1,188	9,661
Retainage Payable	56,602	156,038	-	212,640
Accrued Interest Payable	47,323	92,522	-	139,845
Compensated Absences Payable - Current Portion	22,028	1,963	1,622	25,613
Note Payable - Current Portion	42,136	-	-	42,136
Bonds Payable - Current Portion	330,000	280,000	-	610,000
TOTAL CURRENT LIABILITIES	997,500	602,694	13,166	1,613,360
NONCURRENT LIABILITIES				
Note Payable	590,852	-	-	590,852
Bonds Payable	2,967,428	10,143,500	-	13,110,928
TOTAL NONCURRENT LIABILITIES	3,558,280	10,143,500	-	13,701,780
TOTAL LIABILITIES	4,555,780	10,746,194	13,166	15,315,140
NET POSITION				
Net Investment in Capital Assets	11,099,326	5,806,145	499,671	17,405,142
Restricted for Debt Service	524,120	1,156,293	-	1,680,413
Unrestricted	8,561,830	3,619,802	283,093	12,464,725
TOTAL NET POSITION	\$ 20,185,276	\$ 10,582,240	\$ 782,764	\$ 31,550,280

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

TOWN OF BERTHOUD, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
 Year Ended December 31, 2016

	<u>WATER</u>	<u>WASTEWATER</u>	<u>STORM WATER</u>	<u>TOTALS</u>
OPERATING REVENUES				
Charges for Services	\$ 1,997,126	\$ 2,140,065	\$ 216,537	\$ 4,353,728
TOTAL OPERATING REVENUES	<u>1,997,126</u>	<u>2,140,065</u>	<u>216,537</u>	<u>4,353,728</u>
OPERATING EXPENSES				
Operations and Maintenance	1,266,787	994,244	102,283	2,363,314
Depreciation	<u>533,281</u>	<u>550,835</u>	<u>27,876</u>	<u>1,111,992</u>
TOTAL OPERATING EXPENSES	<u>1,800,068</u>	<u>1,545,079</u>	<u>130,159</u>	<u>3,475,306</u>
NET OPERATING INCOME	<u>197,058</u>	<u>594,986</u>	<u>86,378</u>	<u>878,422</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	34,191	30,509	1,821	66,521
Debt Interest and Fiscal Charges	<u>(165,123)</u>	<u>(459,249)</u>	<u>-</u>	<u>(624,372)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(130,932)</u>	<u>(428,740)</u>	<u>1,821</u>	<u>(557,851)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>66,126</u>	<u>166,246</u>	<u>88,199</u>	<u>320,571</u>
Grants	-	384,521	-	384,521
Developer Contributions	-	1,789,328	-	1,789,328
Water Dedication Fees	5,731,227	-	-	5,731,227
System Investment Fees	1,060,355	1,289,931	-	2,350,286
Transfers Out	<u>(140,000)</u>	<u>(140,000)</u>	<u>(10,000)</u>	<u>(290,000)</u>
CHANGE IN NET POSITION	<u>6,717,708</u>	<u>3,490,026</u>	<u>78,199</u>	<u>10,285,933</u>
NET POSITION, Beginning	<u>13,467,568</u>	<u>7,092,214</u>	<u>704,565</u>	<u>21,264,347</u>
NET POSITION, Ending	<u>\$ 20,185,276</u>	<u>\$ 10,582,240</u>	<u>\$ 782,764</u>	<u>\$ 31,550,280</u>

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

TOWN OF BERTHOUD, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Increase (Decrease) in Cash
Year Ended December 31, 2016

	<u>WATER</u>	<u>WASTEWATER</u>	<u>STORM WATER</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,927,922	\$ 2,123,743	\$ 214,780	\$ 4,266,445
Cash Payments to Employees	(245,425)	(40,864)	(34,387)	(320,676)
Cash Payments to Vendors and Suppliers	(1,039,988)	(893,276)	(56,465)	(1,989,729)
Net Cash Provided (Used) by Operating Activities	<u>642,509</u>	<u>1,189,603</u>	<u>123,928</u>	<u>1,956,040</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to Other Funds	(140,000)	(140,000)	(10,000)	(290,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(140,000)</u>	<u>(140,000)</u>	<u>(10,000)</u>	<u>(290,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets	(3,056,455)	(5,396,601)	(175,780)	(8,628,836)
Grants Received	-	384,521	-	384,521
Developer Contributions Received	-	1,789,328	-	1,789,328
Water Dedication Fees Received	5,731,227	-	-	5,731,227
System Investment Fees Received	1,060,355	1,289,931	-	2,350,286
Debt Principal Payments	(365,515)	(255,000)	-	(620,515)
Debt Interest and Fiscal Charges Paid	(173,642)	(447,417)	-	(621,059)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>3,195,970</u>	<u>(2,635,238)</u>	<u>(175,780)</u>	<u>384,952</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	34,191	30,509	1,821	66,521
NET INCREASE IN CASH	3,732,670	(1,555,126)	(60,031)	2,117,513
CASH, Beginning	<u>5,836,328</u>	<u>6,431,525</u>	<u>334,345</u>	<u>12,602,198</u>
CASH, Ending	<u>\$ 9,568,998</u>	<u>\$ 4,876,399</u>	<u>\$ 274,314</u>	<u>\$ 14,719,711</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net Operating Income	\$ 197,058	\$ 594,986	\$ 86,378	\$ 878,422
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation	533,281	550,835	27,876	1,111,992
Changes in Assets and Liabilities				
Accounts Receivable	(69,204)	(16,322)	(1,757)	(87,283)
Accounts Payable	(21,880)	60,359	10,356	48,835
Accrued Liabilities	3,396	(840)	426	2,982
Compensated Absences Payable	(142)	585	649	1,092
Net Cash Provided (Used) by Operating Activities	<u>\$ 642,509</u>	<u>\$ 1,189,603</u>	<u>\$ 123,928</u>	<u>\$ 1,956,040</u>

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

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Berthoud (the “Town”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

Reporting Entity

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

Based on the application of this criteria, the Town does not include additional organizations in its 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 activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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*. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the Town.

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

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

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

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

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

The *1% Sales Tax Fund* accounts for a 1% sales and use tax restricted by election to maintain streets, purchase land and construct a recreation center, purchase open space, and operate and maintain the Berthoud Public Library and the Berthoud Area Transportation System.

The *Public Facility Fund* accounts for a public facilities investment fee collected from development in the Town.

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

In addition, the Town reports the following major proprietary funds:

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

The *Wastewater Fund* accounts for the financial activities associated with the operation and maintenance of the sewer system.

Assets, Liabilities and Net Position/Fund Balances

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future years, and are reported as prepaid expenses using the consumption method.

Capital Assets - Capital assets, which include land, buildings, utility systems, equipment, and all infrastructure owned by the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

Buildings, Improvements and Plants	10 - 50 years
Collection and Distribution Systems	5 - 50 years
Infrastructure	15 - 40 years
Vehicles and Equipment	5 - 20 years

Deposits - Deposits consist of developer payments held as collateral for required development projects.

Deferred Inflows of Resources - Property taxes earned but levied for a subsequent year are reported as deferred inflows of resources in the financial statements.

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Compensated Absences - Employees of the Town are allowed to accumulate unused vacation and sick leave up to a maximum based on years of service. Upon termination of employment from the Town, employees with at least ten years of service will be paid for one-third of their accumulated sick leave up to a maximum of 320 hours, and for all accumulated vacation leave up to a maximum of 240 hours, at their current pay rate.

A liability for these compensated absences is reported when earned in the proprietary funds and when due in the governmental funds. A long-term liability has been reported in the government-wide financial statement for the accrued compensated absences.

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Trustees approves an ordinance that places constraints on the use of resources for a specific purpose. Assigned fund balances arise from an informal action of the Board of Trustees.

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Town uses restricted fund balances first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The 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, receivables and corresponding deferred inflows of resources are reported at year end.

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 2: CASH AND INVESTMENTS

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

Petty Cash	\$ 200
Cash Deposits	<u>23,241,403</u>
Total	<u>\$ 23,241,603</u>

Cash is reported in the financial statements as follows:

Cash	\$ 23,237,573
Restricted Cash	<u>4,030</u>
Total	<u>\$ 23,241,603</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to 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 PDPA allows the financial institution 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2016, the Town had bank deposits of \$23,781,810 collateralized with securities held by the financial institution's agent but not in the Town's name.

Investments

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the Town may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of 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 (GICs)

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the Town may invest in one issuer, except for corporate securities.

At December 31, 2016, the Town had no investments.

Restricted Cash and Investments

At December 31, 2016, the Town had restricted cash of \$1,192 and \$2,838 in the Water and Wastewater Funds, respectively. The restricted cash represents contributions from developers for the construction of water and wastewater infrastructure along Interstate 25.

NOTE 3: CAPITAL ASSETS

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

	<u>Balances</u> 12/31/15	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> 12/31/16
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 5,587,370	\$ -	\$ -	\$ 5,587,370
Capital Assets, Being Depreciated				
Buildings and Improvements	3,622,574	897,683	-	4,520,257
Infrastructure	6,779,253	357,373	-	7,136,626
Vehicles and Equipment	<u>2,176,687</u>	<u>327,287</u>	<u>23,000</u>	<u>2,480,974</u>
Total Capital Assets, Being Depreciated	<u>12,578,514</u>	<u>1,582,343</u>	<u>23,000</u>	<u>14,137,857</u>
Less Accumulated Depreciation				
Buildings and Improvements	(1,525,839)	(135,594)	-	(1,661,433)
Infrastructure	(2,879,680)	(240,061)	-	(3,119,741)
Vehicles and Equipment	<u>(1,864,442)</u>	<u>(79,438)</u>	<u>(23,000)</u>	<u>(1,920,880)</u>
Total Accumulated Depreciation	<u>(6,269,961)</u>	<u>(455,093)</u>	<u>(23,000)</u>	<u>(6,702,054)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,308,553</u>	<u>1,127,250</u>	<u>-</u>	<u>7,435,803</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,895,923</u>	<u>\$ 1,127,250</u>	<u>\$ -</u>	<u>\$ 13,023,173</u>

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3: CAPITAL ASSETS (Continued)

	<u>Balances</u> 12/31/15	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> 12/31/16
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 286,411	\$ 20,000	\$ -	\$ 306,411
Water Rights	3,009,617	-	-	3,009,617
Drainage System	1,046,772	-	-	1,046,772
Construction in Progress	<u>2,242,474</u>	<u>3,249,434</u>	<u>2,242,474</u>	<u>3,249,434</u>
Total Capital Assets, Not Being Depreciated	<u>6,585,274</u>	<u>3,269,434</u>	<u>2,242,474</u>	<u>7,612,234</u>
Capital Assets, Being Depreciated				
Buildings and Plants	21,461,419	6,845,497	-	28,306,916
Collection and Distribution Systems	6,891,533	-	-	6,891,533
Drainage System	1,380,167	175,780	-	1,555,947
Equipment	<u>1,309,230</u>	<u>263,909</u>	-	<u>1,573,139</u>
Total Capital Assets, Being Depreciated	<u>31,042,349</u>	<u>7,285,186</u>	-	<u>38,327,535</u>
Less Accumulated Depreciation				
Buildings and Plants	(7,884,636)	(827,256)	-	(8,711,892)
Collection and Distribution Systems	(3,360,583)	(185,882)	-	(3,546,465)
Drainage System	(1,028,400)	(27,876)	-	(1,056,276)
Equipment	<u>(1,009,441)</u>	<u>(70,978)</u>	-	<u>(1,080,419)</u>
Total Accumulated Depreciation	<u>(13,283,060)</u>	<u>(1,111,992)</u>	-	<u>(14,395,052)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,759,289</u>	<u>6,173,194</u>	-	<u>23,932,483</u>
Business-Type Activities Capital Assets, Net	<u>\$ 24,344,563</u>	<u>\$ 9,442,628</u>	<u>\$ 2,242,474</u>	<u>\$ 31,544,717</u>

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

Governmental Activities	
General Government	\$ 35,952
Public Safety	20,934
Public Works	315,835
Parks and Recreation	50,060
Planning	14,563
Transportation	<u>17,749</u>
Total	<u>\$ 455,093</u>

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 4: LONG-TERM DEBT

Governmental Activities

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

	<u>Balances</u> <u>12/31/15</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances</u> <u>12/31/16</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	<u>\$ 121,760</u>	<u>\$ 93,027</u>	<u>\$ 78,730</u>	<u>\$ 136,057</u>	<u>\$ 136,057</u>

Compensated absences are expected to be liquidated primarily with revenues of the General and Berthoud Area Transportation Funds.

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2016:

	<u>Balances</u> <u>12/31/15</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances</u> <u>12/31/16</u>	<u>Due Within</u> <u>One Year</u>
2006 Water Refunding Bonds	\$ 760,000	-	\$ 270,000	\$ 490,000	\$ 275,000
Premium	12,630	-	2,105	10,525	-
2006 Wastewater Refunding Bonds	1,035,000	-	140,000	895,000	145,000
Premium	5,240	-	748	4,492	-
2007 Water Revenue Bonds	1,700,000	-	55,000	1,645,000	55,000
Discount	(12,931)	-	(616)	(12,315)	-
2007 Wastewater Revenue Bonds	265,000	-	10,000	255,000	10,000
Discount	(2,089)	-	(99)	(1,990)	-
2012 Water Revenue Bonds	1,110,000	-	-	1,110,000	-
Premium	61,963	-	7,745	54,218	-
2012 Wastewater Refunding Bonds	9,125,000	-	105,000	9,020,000	125,000
Premium	266,686	-	15,688	250,998	-
Note Payable	673,503	-	40,515	632,988	42,136
Compensated Absences	<u>24,521</u>	<u>22,362</u>	<u>21,270</u>	<u>25,613</u>	<u>25,613</u>
Total	<u>\$ 15,024,523</u>	<u>\$ 22,362</u>	<u>\$ 667,356</u>	<u>\$ 14,379,529</u>	<u>\$ 677,749</u>

During 2006, the Town issued \$2,870,000 Water Revenue Refunding Bonds to refund the 1997 Water Revenue Bonds and the 1982 General Obligation Water Bonds. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at rates ranging from 3.75% to 4.5%. Principal payments are due annually on October 15, through 2021.

During 2006, the Town issued \$2,085,000 Wastewater Revenue Refunding Bonds to refund the 1997 Wastewater Revenue Bonds. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at rates ranging from 3.75% to 4.5%. Principal payments are due annually on October 15, through 2022.

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 4: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

During 2007, the Town issued \$2,015,000 Water Revenue Bonds to construct improvements to the water system. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at rates ranging from 4% to 4.4%. Principal payments are due annually on October 15, through 2036.

During 2007, the Town issued \$355,000 Wastewater Revenue Bonds to construct improvements to the wastewater system. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at 4.4%. Principal payments are due annually on October 15, through 2036.

During 2012, the Town issued \$1,110,000 Water Revenue Bonds to finance the reconfiguration and upgrade of the water treatment plant. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at rates ranging from 3% to 5%. Principal payments are due annually on October 15, 2018 through 2023.

During 2012, the Town issued \$9,485,000 Wastewater Revenue Refunding and Improvement Bonds to refund the outstanding 2002 and 2004 Colorado Water Resources and Power Development Authority loans and to finance the expansion and upgrade of the wastewater treatment plant. Interest payments are due semi-annually on October 15 and April 15, with interest accruing at rates ranging from 3% to 5%. Principal payments are due annually on October 15, through 2032.

The 2006 Water Revenue Refunding Bonds, 2007 Water Revenue Bonds, and 2012 Water Revenue Bonds are payable solely from revenues of the water utility system, after deduction of operating and maintenance costs. During the year ended December 31, 2016, net revenues of \$1,684,885 were available to pay annual debt service of \$471,703. Remaining debt service at December 31, 2016, was \$4,358,312.

The 2006 Wastewater Revenue Refunding Bonds, 2007 Wastewater Revenue Bonds, and 2012 Wastewater Revenue Refunding and Improvement Bonds are payable solely from revenues of the wastewater utility system, after deduction of operating and maintenance costs. During the year ended December 31, 2016, net revenues of \$2,326,261 were available to pay annual debt service of \$702,417. Remaining debt service at December 31, 2016, was \$14,822,108.

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 4: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Annual debt service requirements for the outstanding bonds at December 31, 2016, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 610,000	\$ 572,885	\$ 1,182,885
2018	540,000	549,970	1,089,970
2019	570,000	531,180	1,101,180
2020	585,000	511,340	1,096,340
2021	605,000	487,900	1,092,900
2022 - 2026	3,850,000	1,930,282	5,780,282
2027 - 2031	4,240,000	1,027,513	5,267,513
2032 - 2036	<u>2,415,000</u>	<u>154,350</u>	<u>2,569,350</u>
Total	<u>\$ 13,415,000</u>	<u>\$ 5,765,420</u>	<u>\$ 19,180,420</u>

During 2013, the Town entered into an agreement to purchase water rights as part of a contract to buy and sell real estate with a local property owner. The purchase of the water rights will be financed by the seller. Principal and interest payments are due annually each April 1, through 2028, with interest accruing at 4% per annum.

Following is a summary of debt service requirements under the agreement.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 42,136	\$ 25,320	\$ 67,456
2018	43,822	23,634	67,456
2019	45,575	21,881	67,456
2020	47,398	20,058	67,456
2021	49,294	18,162	67,456
2022 - 2026	277,669	59,610	337,279
2027 - 2028	<u>127,094</u>	<u>7,673</u>	<u>134,767</u>
Total	<u>\$ 632,988</u>	<u>\$ 176,338</u>	<u>\$ 809,326</u>

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 5: INTERFUND TRANSACTIONS

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Water Fund	\$ 140,000
General Fund	Wastewater Fund	140,000
General Fund	Storm Water Fund	10,000
General Fund	Berthoud Area Transportation Fund	5,000
General Fund	Road Impact Fund	13,554
Berthoud Area Transportation Fund	1% Sales Tax Fund	<u>72,100</u>
Total		<u><u>\$ 380,654</u></u>

The Water, Wastewater, Storm Water, Berthoud Area Transportation, and Road Impact Funds reimbursed the General Fund for services provided, including administration, payroll, and billing. The 1% Sales Tax Fund contributed to the maintenance and operations of the Berthoud Area Transportation System as allowed by the election that authorized the 1% sales tax.

NOTE 6: RISK MANAGEMENT

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

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

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

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

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: RETIREMENT COMMITMENTS

Defined Contribution Money Purchase Pension Plan

The Town contributes to a single-employer defined contribution money purchase pension plan on behalf of its employees. The Plan is administered by the International City/County Management Association (ICMA). All employees are eligible to participate in the Plan after one full year of employment. The Town is required to contribute 5% of each participating employee's compensation, and employees must contribute a matching amount. Employees become vested in the Town's contributions at 20% annually after one year of employment. Participants become fully vested after five years of service. The contribution requirements of the Town and eligible employees are established and may be amended by the Board of Trustees.

For the year ended December 31, 2016, the Town contributed \$54,331 to the Plan, equal to the required contributions. All Plan assets are held and managed by ICMA.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Litigation

The Town is involved in various threatened and pending litigation. However, the outcome of this litigation cannot be determined at this time.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Town is subject to the Tabor Amendment. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation. Revenue received in excess of the limitations may be required to be refunded unless the Town's electorate vote to retain the revenue. The Tabor Amendment is subject to many interpretations, but the Town believes it is in substantial compliance with the Amendment.

In November, 1994, voters permitted the Town, without increasing or adding any taxes of any kind, to collect, retain or expend revenues generated from all sources during 1994 and each subsequent year for trails, parks, and open space, storm water facilities and drainage, street, curb and sidewalk construction, repair and maintenance, police services, and for other basic municipal services and lawful purposes, without limitation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2016, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$206,000.

TOWN OF BERTHOUD, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

Water and Wastewater Infrastructure Agreements

During 2015, the Town entered into agreements with two developers of the Wilson Ranch development along Interstate 25 to construct water and wastewater infrastructure in the development. During the year ended December 31, 2015, the Town received developer contributions for construction of the water and wastewater infrastructure in the amounts of \$668,000 and \$2,000,000, respectively.

In conjunction, the Town has agreed to pay one of the developers an interest credit of 8% simple interest until final approval of the infrastructure or February 24, 2024, whichever occurs first. In addition, the developers may receive credits for future system investment fees generated within the development, not to exceed \$992,770.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes				
Property Taxes	\$ 720,627	\$ 720,627	\$ 706,128	\$ (14,499)
Specific Ownership Taxes	84,000	84,000	106,562	22,562
Sales and Use Taxes	1,152,970	1,152,970	1,622,978	470,008
Occupation Taxes	8,800	8,800	10,773	1,973
Franchise Taxes	48,000	48,000	59,407	11,407
Total Taxes	2,014,397	2,014,397	2,505,848	491,451
Licenses and Permits				
Passports	55,000	55,000	63,506	8,506
Liquor Licenses	95,080	95,080	120,321	25,241
Medical Marijuana Licenses	52,000	52,000	49,245	(2,755)
Animal Licenses	1,700	1,700	1,433	(267)
Total Licenses and Permits	203,780	203,780	234,505	30,725
Intergovernmental				
Highway Users Taxes	212,530	212,530	227,320	14,790
Severance Taxes	20,000	20,000	19,498	(502)
Road and Bridge Fees	28,463	28,463	38,974	10,511
Cigarette Taxes	8,575	8,575	7,316	(1,259)
Grants	-	40,000	-	(40,000)
Total Intergovernmental	269,568	309,568	293,108	(16,460)
Charges for Services				
Development Review Fees	25,750	64,098	131,688	67,590
Building and Plan Check Fees	320,000	320,000	361,489	41,489
Recreation Fees	118,452	118,452	142,410	23,958
Municipal Fees	239,060	239,060	259,454	20,394
Other Charges for Services	33,950	35,192	209,519	174,327
Total Charges for Services	737,212	776,802	1,104,560	327,758
Fines and Forfeitures	31,467	31,076	30,426	(650)
Investment Income	9,064	9,232	9,145	(87)
Miscellaneous	111,300	110,058	36,761	(73,297)
TOTAL REVENUES	3,376,788	3,454,913	4,214,353	759,440

(Continued)

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
EXPENDITURES				
Current				
General Government	926,200	978,800	1,142,719	(163,919)
Public Safety	990,200	1,020,200	937,563	82,637
Public Works	758,705	782,905	855,974	(73,069)
Parks and Recreation	948,146	953,013	827,474	125,539
Planning	210,777	265,777	230,674	35,103
Capital Outlay	<u>280,550</u>	<u>303,537</u>	<u>369,516</u>	<u>(65,979)</u>
TOTAL EXPENDITURES	<u>4,114,578</u>	<u>4,304,232</u>	<u>4,363,920</u>	<u>(59,688)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(737,790)</u>	<u>(849,319)</u>	<u>(149,567)</u>	<u>699,752</u>
OTHER FINANCING SOURCES				
Insurance Proceeds	-	-	108,460	108,460
Transfers In	<u>302,448</u>	<u>302,500</u>	<u>308,554</u>	<u>6,054</u>
TOTAL OTHER FINANCING SOURCES	<u>302,448</u>	<u>302,500</u>	<u>417,014</u>	<u>114,514</u>
NET CHANGE IN FUND BALANCE	(435,342)	(546,819)	267,447	814,266
FUND BALANCE, Beginning	<u>1,552,052</u>	<u>2,058,268</u>	<u>2,058,268</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 1,116,710</u>	<u>\$ 1,511,449</u>	<u>\$ 2,325,715</u>	<u>\$ 814,266</u>

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are adopted for all funds of the Town in accordance with State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures but depreciation is not budgeted.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Town management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the Board of Trustees. State statutes stipulate that expenditures may not exceed budget appropriations at the fund level.
- All appropriations lapse at year end.

Legal Compliance

For the year ended December 31, 2016, the expenditures of the General and Cemetery Funds exceeded the amounts budgeted by \$59,688 and \$567, respectively. These may be violations of State statutes.

SUPPLEMENTARY INFORMATION

TOWN OF BERTHOUD, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2016

	<u>PARK DEVELOPMENT</u>	<u>PARK DEDICATION</u>	<u>CONSERVATION TRUST</u>
ASSETS			
Cash	\$ 581,731	\$ 329,465	\$ 85,680
Accounts Receivable	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 581,731</u>	<u>\$ 329,465</u>	<u>\$ 85,680</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Liabilities	<u>-</u>	<u>-</u>	<u>474</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>474</u>
FUND BALANCES			
Restricted for Open Space and Parks	-	-	85,206
Committed to Capital Improvements	581,731	329,465	-
Assigned to Cemetery	-	-	-
Assigned to Transportation	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>581,731</u>	<u>329,465</u>	<u>85,206</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 581,731</u>	<u>\$ 329,465</u>	<u>\$ 85,680</u>

See the accompanying Independent Auditors' Report.

LARIMER COUNTY OPEN SPACE	CEMETERY	BERTHOUD AREA TRANSPORTATION	ROAD IMPACT	TOTALS
\$ 935,487	\$ 57,363	\$ 179,166	\$ 1,485,838	\$ 3,654,730
33,074	-	-	-	33,074
<u>\$ 968,561</u>	<u>\$ 57,363</u>	<u>\$ 179,166</u>	<u>\$ 1,485,838</u>	<u>\$ 3,687,804</u>
\$ -	\$ 42	\$ 58	\$ 29,152	\$ 29,252
-	298	2,267	-	3,039
-	340	2,325	29,152	32,291
968,561	-	-	-	1,053,767
-	-	-	1,456,686	2,367,882
-	57,023	-	-	57,023
-	-	176,841	-	176,841
<u>968,561</u>	<u>57,023</u>	<u>176,841</u>	<u>1,456,686</u>	<u>3,655,513</u>
<u>\$ 968,561</u>	<u>\$ 57,363</u>	<u>\$ 179,166</u>	<u>\$ 1,485,838</u>	<u>\$ 3,687,804</u>

TOWN OF BERTHOUD, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2016

	<u>PARK DEVELOPMENT</u>	<u>PARK DEDICATION</u>	<u>CONSERVATION TRUST</u>
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 63,703
Charges for Services	431,680	138,840	-
Investment Income	1,873	1,336	445
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	433,553	140,176	64,148
EXPENDITURES			
Current			
Public Works	-	-	-
Parks and Recreation	49,142	243	47,254
Transportation	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	49,142	243	47,254
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<hr/>	<hr/>	<hr/>
	384,411	139,933	16,894
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCES	384,411	139,933	16,894
FUND BALANCES, Beginning	<hr/>	<hr/>	<hr/>
	197,320	189,532	68,312
FUND BALANCES, Ending	<hr/>	<hr/>	<hr/>
	\$ 581,731	\$ 329,465	\$ 85,206

See the accompanying Independent Auditors' Report.

LARIMER COUNTY OPEN SPACE	CEMETERY	BERTHOUD AREA TRANSPORTATION	ROAD IMPACT	TOTALS
\$ 205,289	\$ -	\$ -	\$ 18,737	\$ 287,729
-	22,044	79,485	460,813	1,132,862
5,167	364	905	7,014	17,104
-	27,330	5,781	-	33,111
<u>210,456</u>	<u>49,738</u>	<u>86,171</u>	<u>486,564</u>	<u>1,470,806</u>
-	-	-	68,783	68,783
210,995	58,697	-	-	366,331
-	-	94,714	-	94,714
<u>210,995</u>	<u>58,697</u>	<u>94,714</u>	<u>68,783</u>	<u>529,828</u>
<u>(539)</u>	<u>(8,959)</u>	<u>(8,543)</u>	<u>417,781</u>	<u>940,978</u>
-	-	72,100	-	72,100
-	-	(5,000)	(13,554)	(18,554)
-	-	67,100	(13,554)	53,546
(539)	(8,959)	58,557	404,227	994,524
<u>969,100</u>	<u>65,982</u>	<u>118,284</u>	<u>1,052,459</u>	<u>2,660,989</u>
<u>\$ 968,561</u>	<u>\$ 57,023</u>	<u>\$ 176,841</u>	<u>\$ 1,456,686</u>	<u>\$ 3,655,513</u>

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

PARK DEVELOPMENT FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Charges for Services	\$ 53,000	\$ 53,000	\$ 431,680	\$ 378,680
Investment Income	825	825	1,873	1,048
TOTAL REVENUES	<u>53,825</u>	<u>53,825</u>	<u>433,553</u>	<u>379,728</u>
EXPENDITURES				
Parks and Recreation	<u>28,450</u>	<u>65,392</u>	<u>49,142</u>	<u>16,250</u>
TOTAL EXPENDITURES	<u>28,450</u>	<u>65,392</u>	<u>49,142</u>	<u>16,250</u>
NET CHANGE IN FUND BALANCE	25,375	(11,567)	384,411	395,978
FUND BALANCE, Beginning	<u>146,144</u>	<u>197,320</u>	<u>197,320</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 171,519</u>	<u>\$ 185,753</u>	<u>\$ 581,731</u>	<u>\$ 395,978</u>

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

PARK DEDICATION FUND

Year Ended December 31, 2016

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Park Dedication Fees	\$ 15,000	\$ 138,840	\$ 123,840
Investment Income	<u>1,025</u>	<u>1,336</u>	<u>311</u>
TOTAL REVENUES	<u>16,025</u>	<u>140,176</u>	<u>124,151</u>
EXPENDITURES			
Parks and Recreation	<u>1,420</u>	<u>243</u>	<u>1,177</u>
TOTAL EXPENDITURES	<u>1,420</u>	<u>243</u>	<u>1,177</u>
NET CHANGE IN FUND BALANCE	14,605	139,933	125,328
FUND BALANCE, Beginning	<u>185,345</u>	<u>189,532</u>	<u>4,187</u>
FUND BALANCE, Ending	<u>\$ 199,950</u>	<u>\$ 329,465</u>	<u>\$ 129,515</u>

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

CONSERVATION TRUST FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Intergovernmental	\$ 54,800	\$ 54,800	\$ 63,703	\$ 8,903
Investment Income	<u>530</u>	<u>530</u>	<u>445</u>	<u>(85)</u>
TOTAL REVENUES	<u>55,330</u>	<u>55,330</u>	<u>64,148</u>	<u>8,818</u>
EXPENDITURES				
Parks and Recreation	<u>64,525</u>	<u>67,786</u>	<u>47,254</u>	<u>20,532</u>
TOTAL EXPENDITURES	<u>64,525</u>	<u>67,786</u>	<u>47,254</u>	<u>20,532</u>
NET CHANGE IN FUND BALANCE	(9,195)	(12,456)	16,894	29,350
FUND BALANCE, Beginning	<u>65,802</u>	<u>68,312</u>	<u>68,312</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 56,607</u>	<u>\$ 55,856</u>	<u>\$ 85,206</u>	<u>\$ 29,350</u>

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE
LARIMER COUNTY OPEN SPACE FUND
 Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Intergovernmental	\$ 112,000	\$ 112,000	\$ 205,289	\$ 93,289
Investment Income	<u>5,200</u>	<u>5,200</u>	<u>5,167</u>	<u>(33)</u>
TOTAL REVENUES	<u>117,200</u>	<u>117,200</u>	<u>210,456</u>	<u>93,256</u>
EXPENDITURES				
Parks and Recreation	<u>412,220</u>	<u>512,225</u>	<u>210,995</u>	<u>301,230</u>
TOTAL EXPENDITURES	<u>412,220</u>	<u>512,225</u>	<u>210,995</u>	<u>301,230</u>
NET CHANGE IN FUND BALANCE	(295,020)	(395,025)	(539)	394,486
FUND BALANCE, Beginning	<u>912,661</u>	<u>969,100</u>	<u>969,100</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 617,641</u>	<u>\$ 574,075</u>	<u>\$ 968,561</u>	<u>\$ 394,486</u>

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

CEMETERY FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Charges for Services	\$ 33,100	\$ 31,100	\$ 22,044	\$ (9,056)
Investment Income	360	360	364	4
Miscellaneous	<u>20,000</u>	<u>20,000</u>	<u>27,330</u>	<u>7,330</u>
TOTAL REVENUES	<u>53,460</u>	<u>51,460</u>	<u>49,738</u>	<u>(1,722)</u>
EXPENDITURES				
Parks and Recreation	<u>58,130</u>	<u>58,130</u>	<u>58,697</u>	<u>(567)</u>
TOTAL EXPENDITURES	<u>58,130</u>	<u>58,130</u>	<u>58,697</u>	<u>(567)</u>
NET CHANGE IN FUND BALANCE	(4,670)	(6,670)	(8,959)	(2,289)
FUND BALANCE, Beginning	<u>69,163</u>	<u>65,982</u>	<u>65,982</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 64,493</u>	<u>\$ 59,312</u>	<u>\$ 57,023</u>	<u>\$ (2,289)</u>

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE
BERTHOUD AREA TRANSPORTATION FUND
 Year Ended December 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Charges for Services	\$ 68,750	\$ 68,750	\$ 79,485	\$ 10,735
Investment Income	560	560	905	345
Miscellaneous	5,600	5,600	5,781	181
TOTAL REVENUES	74,910	74,910	86,171	11,261
EXPENDITURES				
Transportation	129,350	129,350	94,714	34,636
TOTAL EXPENDITURES	129,350	129,350	94,714	34,636
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(54,440)	(54,440)	(8,543)	45,897
OTHER FINANCING SOURCES (USES)				
Transfers In	72,100	72,100	72,100	-
Transfers Out	(5,000)	(5,000)	(5,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	67,100	67,100	67,100	-
NET CHANGE IN FUND BALANCE	12,660	12,660	58,557	45,897
FUND BALANCE, Beginning	70,237	118,284	118,284	-
FUND BALANCE, Ending	\$ 82,897	\$ 130,944	\$ 176,841	\$ 45,897

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

ROAD IMPACT FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 18,737	\$ 18,737
Road Impact Fees	248,270	248,270	460,813	212,543
Investment Income	<u>5,100</u>	<u>5,100</u>	<u>7,014</u>	<u>1,914</u>
TOTAL REVENUES	<u>253,370</u>	<u>253,370</u>	<u>486,564</u>	<u>233,194</u>
EXPENDITURES				
Public Works	<u>178,440</u>	<u>428,440</u>	<u>68,783</u>	<u>359,657</u>
TOTAL EXPENDITURES	<u>178,440</u>	<u>428,440</u>	<u>68,783</u>	<u>359,657</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	74,930	(175,070)	417,781	592,851
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(7,448)</u>	<u>(7,500)</u>	<u>(13,554)</u>	<u>(6,054)</u>
NET CHANGE IN FUND BALANCE	67,482	(182,570)	404,227	586,797
FUND BALANCE, Beginning	<u>973,948</u>	<u>1,052,459</u>	<u>1,052,459</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 1,041,430</u>	<u>\$ 869,889</u>	<u>\$ 1,456,686</u>	<u>\$ 586,797</u>

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

1% SALES TAX FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Sales Tax	\$ 560,000	\$ 560,000	\$ 811,489	\$ 251,489
Investment Income	<u>6,900</u>	<u>6,900</u>	<u>12,436</u>	<u>5,536</u>
TOTAL REVENUES	<u>566,900</u>	<u>566,900</u>	<u>823,925</u>	<u>257,025</u>
EXPENDITURES				
Public Works	375,220	380,240	357,626	22,614
Parks and Recreation	<u>-</u>	<u>668,180</u>	<u>2,250</u>	<u>665,930</u>
TOTAL EXPENDITURES	<u>375,220</u>	<u>1,048,420</u>	<u>359,876</u>	<u>688,544</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	191,680	(481,520)	464,049	945,569
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(72,100)</u>	<u>(72,100)</u>	<u>(72,100)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	119,580	(553,620)	391,949	945,569
FUND BALANCE, Beginning	<u>1,763,327</u>	<u>1,951,087</u>	<u>1,951,087</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 1,882,907</u>	<u>\$ 1,397,467</u>	<u>\$ 2,343,036</u>	<u>\$ 945,569</u>

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

PUBLIC FACILITY FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Charges for Services	\$ 167,240	\$ 152,400	\$ 367,284	\$ 214,884
Investment Income	<u>3,650</u>	<u>3,650</u>	<u>1,902</u>	<u>(1,748)</u>
TOTAL REVENUES	<u>170,890</u>	<u>156,050</u>	<u>369,186</u>	<u>213,136</u>
EXPENDITURES				
General Government	<u>250</u>	<u>800,250</u>	<u>754,265</u>	<u>45,985</u>
TOTAL EXPENDITURES	<u>250</u>	<u>800,250</u>	<u>754,265</u>	<u>45,985</u>
NET CHANGE IN FUND BALANCE	170,640	(644,200)	(385,079)	259,121
FUND BALANCE, Beginning	<u>734,929</u>	<u>761,338</u>	<u>761,338</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 905,569</u>	<u>\$ 117,138</u>	<u>\$ 376,259</u>	<u>\$ 259,121</u>

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

WATER FUND

Year Ended December 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Charges for Services	\$ 1,747,200	\$ 1,747,200	\$ 1,997,126	\$ 249,926
Developer Contributions	-	535,326	-	(535,326)
Water Dedication Fees	1,250,000	1,250,000	5,731,227	4,481,227
System Investment Fees	650,000	550,000	1,060,355	510,355
Investment Income	21,880	21,880	34,191	12,311
TOTAL REVENUES	<u>3,669,080</u>	<u>4,104,406</u>	<u>8,822,899</u>	<u>4,718,493</u>
EXPENDITURES				
Operations and Maintenance	3,578,190	3,728,690	1,266,787	2,461,903
Capital Outlay	1,889,000	3,029,000	3,434,877	(405,877)
Debt Principal	348,958	348,958	365,515	(16,557)
Debt Interest and Fiscal Charges	190,282	190,282	165,123	25,159
Transfers Out	140,000	140,000	140,000	-
TOTAL EXPENDITURES	<u>6,146,430</u>	<u>7,436,930</u>	<u>5,372,302</u>	<u>2,064,628</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ (2,477,350)</u>	<u>\$ (3,332,524)</u>	3,450,597	<u>\$ 6,783,121</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			(533,281)	
Capital Outlay			3,434,877	
Debt Principal			<u>365,515</u>	
CHANGE IN NET POSITION, GAAP Basis			<u>\$ 6,717,708</u>	

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

WASTEWATER FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Charges for Services	\$ 2,080,007	\$ 2,080,007	\$ 2,140,065	\$ 60,058
Grants	-	425,000	384,521	(40,479)
Developer Contributions	900,000	2,339,504	1,789,328	(550,176)
System Investment Fees	625,500	625,500	1,289,931	664,431
Investment Income	30,100	30,100	30,509	409
TOTAL REVENUES	<u>3,635,607</u>	<u>5,500,111</u>	<u>5,634,354</u>	<u>134,243</u>
EXPENDITURES				
Operations and Maintenance	1,228,848	1,335,848	994,244	341,604
Capital Outlay	3,295,000	4,645,000	4,701,489	(56,489)
Debt Principal	245,000	245,000	255,000	(10,000)
Debt Interest and Fiscal Charges	457,418	457,418	459,249	(1,831)
Transfers Out	140,000	140,000	140,000	-
TOTAL EXPENDITURES	<u>5,366,266</u>	<u>6,823,266</u>	<u>6,549,982</u>	<u>273,284</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ (1,730,659)</u>	<u>\$ (1,323,155)</u>	(915,628)	<u>\$ 407,527</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			(550,835)	
Capital Outlay			4,701,489	
Debt Principal			<u>255,000</u>	
CHANGE IN NET POSITION, GAAP Basis			<u>\$ 3,490,026</u>	

See the accompanying Independent Auditors' Report.

TOWN OF BERTHOUD, COLORADO

BUDGETARY COMPARISON SCHEDULE

STORM WATER FUND

Year Ended December 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Charges for Services	\$ 186,225	\$ 186,225	\$ 216,537	\$ 30,312
Investment Income	<u>1,950</u>	<u>1,950</u>	<u>1,821</u>	<u>(129)</u>
TOTAL REVENUES	<u>188,175</u>	<u>188,175</u>	<u>218,358</u>	<u>30,183</u>
EXPENDITURES				
Operations and Maintenance	183,795	215,795	102,283	113,512
Capital Outlay	120,000	120,000	175,780	(55,780)
Transfers Out	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>313,795</u>	<u>345,795</u>	<u>288,063</u>	<u>57,732</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ (125,620)</u>	<u>\$ (157,620)</u>	(69,705)	<u>\$ 87,915</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			(27,876)	
Capital Outlay			<u>175,780</u>	
CHANGE IN NET POSITION, GAAP Basis			<u>\$ 78,199</u>	

See the accompanying Independent Auditors' Report.

COMPLIANCE SECTION

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Berthoud, Colorado
		YEAR ENDING : December 2016
This Information From The Records Of Town of Berthoud	Prepared By: Cindy Leach Phone: 970-532-2643	

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	357,383
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	210,433
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	7,898
2. General fund appropriations	703,363	b. Snow and ice removal	57,399
3. Other local imposts (from page 2)	453,427	c. Other	60,186
4. Miscellaneous local receipts (from page 2)	7,014	d. Total (a. through c.)	125,483
5. Transfers from toll facilities	0	4. General administration & miscellaneous	284,509
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	463,793
a. Bonds - Original Issues		6. Total (1 through 5)	1,441,601
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	1,163,804	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	277,797	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	1,441,601	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	1,441,601

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,441,601	1,441,601		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	7,014
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	357,383	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Specific Ownership Tax	57,070	e. Sale of Surplus Property	0
		f. Charges for Services	0
5. From Cities/Counties	38,974	g. Other Misc. Receipts	0
6. Total (1. through 5.)	453,427	h. Other	0
c. Total (a. + b.)	453,427	i. Total (a. through h.)	7,014
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	227,320	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	50,477	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	50,477	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	277,797	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		357,383	357,383
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	357,383	357,383
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	357,383	357,383
			(Carry forward to page 1)

Notes and Comments: