

cPa DIXON, WALLER & CO., INC.

TOWN OF FOWLER, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2016

**RECEIVED**

*By the Office of the State Auditor at 12:47 pm, Aug 30, 2017*

**DIXON, WALLER & CO., INC.**

**TABLE OF CONTENTS**

TOWN OF FOWLER, COLORADO  
FINANCIAL STATEMENTS  
December 31, 2016

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis .....	i-vii
<u>BASIC FINANCIAL STATEMENTS</u>	
Government Wide Financial Statements:	
Statement of Net Position.....	3
Statement of Activities .....	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position ..	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	8
Statement of Net Position – Proprietary Funds.....	9-10
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	11-12
Statement of Cash Flows – Proprietary Funds.....	13-14
Statement of Fiduciary Net Position .....	15
Statement of Changes in Fiduciary Net Position .....	16
Notes to Basic Financial Statements .....	17-40

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Major Governmental Funds:

General Fund ..... 41

Pension Trend Data:

Schedule of the Town’s Proportionate Share of the Net Pension Asset of the Statewide Defined Benefit Plan – A Cost Sharing Multiple-Employer Defined Benefit Pension Plan Administered by the Fire and Police Pension Association..... 42

Schedule of Town Contributions to the Statewide Defined Benefit Plan – A Cost Sharing Multiple-Employer Defined Benefit Pension Plan Administered by the Fire and Police Pension Association..... 42

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds ..... 43

Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds ..... 44

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:

Library Fund – Special Revenue Fund ..... 45

Conservation Trust Fund – Special Revenue Fund ..... 46

Cemetery – Special Revenue Fund..... 47

Pool & Recreation – Special Revenue Fund..... 48

Schedule of Revenues and Expenditures – Budget (Non-GAAP) and Actual:

Water Utility Fund ..... 49

Sewer Utility Fund ..... 50

Sanitation Utility Fund..... 51

Storm Drainage Fund..... 52

Natural Resources Fund..... 53

Internal Service Fund..... 54

Schedule of Activities Fiduciary Funds – Budget and Actual ..... 55

OTHER SCHEDULES

Counties, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets..... 56-57

TOWN OF FOWLER, COLORADO  
ROSTER OF OFFICIALS  
December 31, 2016

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Chuck Hitchcock	Mayor
Randy McKown	Trustee
Emil Rogge	Trustee
Diana Saxon	Trustee
Nathan Shultz	Trustee
Andy Lotrich	Trustee
Lowell White	Trustee

FINANCIAL SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

Independent Auditor's Report

To the Honorable Mayor and  
the Board of Trustees  
Town of Fowler  
Fowler, Colorado 81039

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

## Opinions

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

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend data on pages i through vii and 41 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fowler's basic financial statements. The combining and individual fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Trinidad, Colorado  
July 21, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

## TOWN OF FOWLER

### Management's Discussion and Analysis For Fiscal Year 2016

As management of the Town of Fowler, Colorado, we offer readers of the Town of Fowler's financial statements this narrative overview and analysis of the financial activities of the Town of Fowler for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the financial statements.

#### Financial Highlights

1. The assets of the Town of Fowler exceeded its liabilities at the close of the most recent fiscal year by \$4,968,157 (*net assets*). Of this amount, \$996,252 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
2. The government's total net assets increased \$311,072. The increase is attributable to an increase in current assets and a decrease in current liabilities.
3. As of the close of the current fiscal year, the Town of Fowler's governmental funds reported combined ending fund balances of \$580,555, an increase of \$161,064 in comparison with the prior year. Approximately 53 percent of the total governmental fund balances, \$308,547, is available for spending at the government's discretion (*unreserved, unassigned fund balance*).
4. At the end of the fiscal year, unreserved, unassigned fund balance for the general fund was \$308,547, or 69 percent of the total general fund expenditures of \$448,319.
5. The Town of Fowler's total debt decreased by \$202,032.98. This resulted from principal payments on the debt.

#### Overview of the Financial Statements

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

#### Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Town of Fowler's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Town of Fowler's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the

Town of Fowler is improving or deteriorating. The following is a summarized statement of net position.

Table 1 -- Condensed Statement of Net Position

Change in Net Position	2016		2015		Total	
	Governmental	Governmental	Business Type	Business Type	2016	2015
	Activities	Activities	Activities	Activities		
<b>ASSETS</b>						
Current and Other Assets	\$ 799,991	\$ 734,989	\$ 2,232,999	\$ 2,342,026	\$ 3,032,990	\$ 3,077,015
Capital Assets	\$ 2,291,162	\$ 2,277,916	\$ 3,500,275	\$ 3,414,639	\$ 5,791,437	\$ 5,692,555
<b>TOTAL ASSETS</b>	<b>\$ 3,091,153</b>	<b>\$ 3,012,905</b>	<b>\$ 5,733,274</b>	<b>\$ 5,756,665</b>	<b>\$ 8,824,427</b>	<b>\$ 8,769,570</b>
Deferred Outflows	\$ 33,414	\$ 8,902			\$ 33,414	\$ 8,902
<b>LIABILITIES</b>						
Current and Other Liabilities	\$ 128,888	\$ 212,830	\$ 197,526	\$ 435,799	\$ 326,414	\$ 648,629
Long Term Liabilities	\$ 156,876	\$ 155,710	\$ 3,372,980	\$ 3,308,146	\$ 3,529,856	\$ 3,463,856
<b>TOTAL LIABILITIES</b>	<b>\$ 285,764</b>	<b>\$ 368,540</b>	<b>\$ 3,570,506</b>	<b>\$ 3,743,945</b>	<b>\$ 3,856,270</b>	<b>\$ 4,112,485</b>
Deferred Inflows	\$ 67,467	\$ 63,852	\$ -	\$ -	\$ 67,467	\$ 63,852
<b>NET POSITION</b>						
Net Investment in Capital Assets	\$ 2,291,162	\$ 2,106,927	\$ 1,518,691	\$ 1,316,577	\$ 3,809,853	\$ 3,423,504
Restricted For:						
Tabor Reserve	\$ 18,500	\$ 15,600	\$ -	\$ -	\$ 18,500	\$ 15,600
Debt	\$ 51,283	\$ 50,508	\$ -	\$ -	\$ 51,283	\$ 50,508
Culture and Recreation	\$ 58,216	\$ 49,762	\$ -	\$ -	\$ 58,216	\$ 49,762
Unrestricted	\$ 352,175	\$ 366,618	\$ 644,077	\$ 696,143	\$ 996,252	\$ 1,062,761
	<b>\$ 2,771,336</b>	<b>\$ 2,589,415</b>	<b>\$ 2,162,768</b>	<b>\$ 2,012,720</b>	<b>\$ 4,934,104</b>	<b>\$ 4,602,135</b>

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

Table 2 --Changes in Net Position

Statement of Activities	2016		2015		Total	
	Governmental	Governmental	Business Type	Business Type	2016	2015
	Activities	Activities	Activities	Activities		
<b>REVENUES</b>						
Charges for Services	\$ 100,389	\$ 111,267	\$ 818,703	\$ 830,288	\$ 919,092	\$ 941,555
Operating Grants & Contributions	\$ 46,361	\$ 4,190	\$ -	\$ 6,938	\$ 46,361	\$ 11,128
Capital Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Taxes	\$ 65,470	\$ 62,648	\$ -	\$ -	\$ 65,470	\$ 62,648
Specific Ownership Taxes	\$ 13,241	\$ 12,908	\$ -	\$ -	\$ 13,241	\$ 12,908
Sales and Use Taxes	\$ 247,399	\$ 230,980	\$ -	\$ -	\$ 247,399	\$ 230,980
Fines and Forfeits	\$ 25,195	\$ 18,302	\$ -	\$ -	\$ 25,195	\$ 18,302
Franchise Taxes	\$ 50,752	\$ 53,372	\$ -	\$ -	\$ 50,752	\$ 53,372
Earnings on Investments	\$ 994	\$ 465	\$ -	\$ 1,489	\$ 994	\$ 1,954
Other Revenues	\$ 80,439	\$ 41,793	\$ 5,975	\$ -	\$ 86,414	\$ 41,793
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 630,240</b>	<b>\$ 535,925</b>	<b>\$ 824,678</b>	<b>\$ 838,715</b>	<b>\$ 1,454,918</b>	<b>\$ 1,374,640</b>
<b>EXPENSES</b>						
Administrative	\$ 55,188	\$ 76,411	\$ -	\$ -	\$ 55,188	\$ 76,411
Public Works	\$ 77,694	\$ 111,719	\$ -	\$ -	\$ 77,694	\$ 111,719
Public Safety	\$ 186,092	\$ 205,012	\$ -	\$ -	\$ 186,092	\$ 205,012
Community Service	\$ 123,047	\$ 131,798	\$ -	\$ -	\$ 123,047	\$ 131,798
Interest on Long Term Debt	\$ 6,298	\$ 7,278	\$ -	\$ -	\$ 6,298	\$ 7,278
Capital Outlay	\$ -	\$ 6,682	\$ -	\$ -	\$ -	\$ 6,682
Sewer Fund	\$ -	\$ -	\$ 234,980	\$ 201,726	\$ 234,980	\$ 201,726
Water Fund	\$ -	\$ -	\$ 350,718	\$ 404,222	\$ 350,718	\$ 404,222
Sanitation Fund	\$ -	\$ -	\$ 37,627	\$ 32,166	\$ 37,627	\$ 32,166
Storm Drainage Fund	\$ -	\$ -	\$ 12,685	\$ 6,666	\$ 12,685	\$ 6,666
Natural Resources Fund	\$ -	\$ -	\$ 16,480	\$ 109,038	\$ 16,480	\$ 109,038
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 448,319</b>	<b>\$ 538,900</b>	<b>\$ 652,490</b>	<b>\$ 753,818</b>	<b>\$ 1,100,809</b>	<b>\$ 1,292,718</b>
Increase (Decrease) in Net Position	\$ 181,921	\$ (2,975)	\$ 172,188	\$ 84,897	\$ 354,109	\$ 81,922

Table 3 --Government Activities by Major Function

Government Activities by Major Function	2016		2015	
	Total Cost Of Service	Total Cost Of Service	Net Cost Of Service	Net Cost Of Service
<b>GOVERNMENT ACTIVITIES</b>				
<b>BY MAJOR FUNCTION</b>				
Administrative	\$ 55,188	\$ 76,411	\$ 47,026	\$ (12,315)
Public Works	\$ 77,694	\$ 111,719	\$ (77,694)	\$ (111,719)
Public Safety	\$ 186,092	\$ 205,012	\$ (186,092)	\$ (205,012)
Community Service	\$ 123,047	\$ 131,798	\$ (78,511)	\$ (80,437)
Interest on Long Term Debt	\$ 6,298	\$ 7,278	\$ (6,298)	\$ (7,278)
Capital Outlay	\$ -	\$ 6,682	\$ -	\$ (6,682)
<b>TOTAL</b>	<b>\$ 448,319</b>	<b>\$ 538,900</b>	<b>\$ (301,569)</b>	<b>\$ (423,443)</b>

## **Fund Financial Statements**

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of related accounts designed to keep control over resources segregated for specific activities or objectives. The Town of Fowler, like other governments, uses fund accounting to guarantee and prove compliance. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### *Governmental funds.*

The Town of Fowler maintains six different governmental funds. The general fund is the major governmental fund. The conservation trust fund, the library fund, the cemetery fund and the pool and recreation fund are non-major governmental funds.

The Town adopts an annual appropriated budget for each of the individual governmental funds. Budgetary comparison schedules for each fund are included in the fund financial statements to demonstrate compliance with the adopted budget. Other information can be found in the notes section of the audit report.

### *Proprietary funds*

The Town of Fowler maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Fowler uses enterprise funds to account for its Water Enterprise, Sewer Enterprise, Sanitation Enterprise, Storm Drainage Enterprise and Natural Resources Enterprise. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town of Fowler's various functions. The Town of Fowler uses the internal service funds to account for its fleet of police vehicles. Because this service predominately benefits governmental rather than business-type functions, it is included within governmental activities in the government-wide financial statements.

### *Fiduciary funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the governmental-wide financial statement because the resources of those funds are not available to support the Town of Fowler's own programs.

## **Notes to the financial statements.**

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

## **Other information**

In addition to the financial statements and accompanying notes, this report also contains both the required and additional supplementary information. Individual budgets and actual schedules are presented after the notes to the financial statements.

## **Financial analysis of the governmental funds**

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

The general fund is the major governmental fund of the Town of Fowler. The general fund under GASB 34 reporting requirements includes the general fund only. As of December 31, 2016, the general fund shows an ending balance of \$378,330.

## **General fund budgetary highlights**

The Town of Fowler began budget development for the 2016 year in August of 2015 with an analysis of year-to-date as well as prior years' financial statements. After reviewing projections and the most current revenue assumptions, the Mayor and Trustees prepared a preliminary budget by prioritizing the needs expressed in the hearing process and by the department heads. The final budget was presented to the Board of Trustees in December 2015. Adoption of the budget for the 2016 fiscal year took place in December 2015.

## **Capital Assets and Debt Administration**

The town's net investment in capital assets for its governmental and business type activities as of December 31, 2016 amounts to \$5,791,437. This is the total cost of \$10,685,202 less accumulated depreciation of \$4,893,765. Additional information on the Town's capital assets can be found in this report. The following is a summary of the Town's governmental and business-type activities' capital assets.

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 64,270	\$ -	\$ -	\$ 64,270
Construction in Progress	\$ 1,011,508	\$ -	\$ -	\$ 1,011,508
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 1,075,778</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,075,778</b>
<b>Capital Assets Being Depreciated</b>				
Site Improvements	\$ 1,677,421	\$ -	\$ -	\$ 1,677,421
Buildings	\$ 1,065,416	\$ -	\$ -	\$ 1,065,416
Equipment	\$ 515,451	\$ 116,559	\$ -	\$ 632,010
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 3,258,288</b>	<b>\$ 116,559</b>	<b>\$ -</b>	<b>\$ 3,374,847</b>
<b>Less Accumulated Depreciation For:</b>				
Site Improvements	\$ 570,529	\$ 70,334	\$ -	\$ 640,863
Buildings	\$ 1,065,416	\$ -	\$ -	\$ 1,065,416
Equipment	\$ 420,205	\$ 32,979	\$ -	\$ 453,184
<b>Total Accumulated Depreciation</b>	<b>\$ 2,056,150</b>	<b>\$ 103,313</b>	<b>\$ -</b>	<b>\$ 2,159,463</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 1,202,138</b>	<b>\$ 13,246</b>	<b>\$ -</b>	<b>\$ 1,215,384</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 2,277,916</b>	<b>\$ 13,246</b>	<b>\$ -</b>	<b>\$ 2,291,162</b>
<b>Business Type Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land & Rights	\$ 1,981,786	\$ -	\$ -	\$ 1,981,786
<b>Capital Assets Being Depreciated</b>				
Systems and Equipments	\$ 4,076,510	\$ 208,374	\$ 32,093	\$ 4,252,791
Construction in Progress	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 4,076,510</b>	<b>\$ 208,374</b>	<b>\$ 32,093</b>	<b>\$ 4,252,791</b>
<b>Less Accumulated Depreciation for:</b>				
Systems and Equipment	\$ 2,643,656	\$ 122,739	\$ 32,093	\$ 2,734,302
Construction in Progress	\$ -	\$ -	\$ -	\$ -
<b>Total Accumulated Depreciation</b>	<b>\$ 2,643,656</b>	<b>\$ 122,739</b>	<b>\$ 32,093</b>	<b>\$ 2,734,302</b>
<b>Business Type Activities, Net</b>	<b>\$ 3,414,640</b>	<b>\$ 85,635</b>	<b>\$ -</b>	<b>\$ 3,500,275</b>

<b>Changes in Long Term Debt</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>SEWER</b>				
1999 Sewer System Loan	\$ 85,599.00	\$ -	\$ 25,726.98	\$ 59,872.02
2010 Sewer System Loan	\$ 70,474.00	\$ -	\$ 15,796.00	\$ 54,678.00
DWRPD Loan	\$ 1,330,000.00	\$ -	\$ 70,000.00	\$ 1,260,000.00
2016 Sewer System Loan		\$ 54,925.00	\$ 1,714.00	\$ 53,211.00
<b>WATER</b>				
2010 Tractor Loan - Water	\$ 3,000.00	\$ -	\$ 3,000.00	\$ -
2013 Lease Purchase Water System Equip.	\$ 129,935.00	\$ -	\$ 6,135.00	\$ 123,800.00
Colorado Water Conservation Loan	\$ -	\$ 13,104.00	\$ -	\$ 13,104.00
<b>NATURAL RESOURCES ENT FUND</b>				
FSB Loan for Land and Water Shares	\$ 1,737,113.00	\$ -	\$ 60,220.00	\$ 1,676,893.00
<b>GOVERNMENTAL</b>				
Park School Project Note	\$ 77,400.00	\$ -	\$ 13,274.00	\$ 64,126.00
2011 Video Camera Lease Purchase	\$ 2,664.00	\$ -	\$ 2,664.00	\$ -
2013 Street Lighting Lease Purchase	\$ 83,425.00	\$ -	\$ 3,503.00	\$ 79,922.00
Medical Building	\$ 7,500.00	\$ -	\$ -	\$ 7,500.00
	<b>\$ 3,527,110.00</b>	<b>\$ 68,029.00</b>	<b>\$ 202,032.98</b>	<b>\$ 3,393,106.02</b>

### **Economic factors and next year's budget**

State and federal rules and regulation continue to control the projects the Town of Fowler must construct. Other projects must be set aside as these projects are constructed. The town does not have the resources to provide matching funds for state and federal mandated projects as well as non-mandatory projects. In addition, the town's focus has been on assuring the citizens have a viable long term source of water.

The town anticipates construction of a raw water line to carry augmentation water from approximately eight shares of the Oxford Farmer's Ditch to the Arkansas River in 2018. Completion of a major modification to the waste-water lagoons to comply with Colorado Department of Health and Environment regulations for a cost of \$2,400,000 is anticipated for 2018. The town construction of a major potable water project in early 2018. Once the mandatory infrastructure projects are underway or complete, the town will return to its Park School Project which will provide a new library and administration building for the town. Estimated remaining cost of this project is \$2,100,000. The town also anticipates constructing phase 2 of the cemetery irrigation water line project in late 2018 or 2019.

### **Requests for information**

This financial report is designed to provide a general overview of the Town of Fowler's finances for all those with an interest in the Town. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Treasurer  
Town of Fowler  
317 S. Main Street  
Fowler, CO 81039

BASIC FINANCIAL STATEMENTS

TOWN OF FOWLER, COLORADO  
STATEMENT OF NET POSITION  
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	554,942	2,048,081	2,603,023
Accounts Receivable	53,646	87,726	141,372
Grant Receivable	-	21,697	21,697
Internal Receivables	125,088	-	125,088
Property Tax Receivable	66,015	-	66,015
Inventory	-	68,162	68,162
Net Pension Asset	300	-	300
Prepaid Expenses	-	7,333	7,333
Capital Assets	4,450,625	6,234,577	10,685,202
Accumulated Depreciation	(2,159,463)	(2,734,302)	(4,893,765)
<u>Total Assets</u>	<u>3,091,153</u>	<u>5,733,274</u>	<u>8,824,427</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Contributions Subsequent to Pension Measurement Date	9,196	-	9,196
Pension Outflows – Plan Level	22,414	-	22,414
Pension Outflows – Employer Level	1,804	-	1,804
<u>Total Deferred Outflow of Resources</u>	<u>33,414</u>	<u>-</u>	<u>33,414</u>
<b>LIABILITIES</b>			
Accounts Payable	126,139	57,318	183,457
Internal Payables	-	125,088	125,088
Accrued Salaries & Benefits	2,749	2,391	5,140
Other Liabilities	-	12,729	12,729
Noncurrent Liabilities:			
Due Within One Year	17,266	193,749	211,015
Due in More than One Year	134,282	3,047,809	3,182,091
Landfill Postclosure Costs	-	122,800	122,800
Compensated Absences	5,328	8,622	13,950
Deferred Revenues	-	-	-
<u>Total Liabilities</u>	<u>285,764</u>	<u>3,570,506</u>	<u>3,856,270</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Property Taxes	66,015	-	66,015
Pension Outflows – Plan Level	354	-	354
Pension Outflows – Employer Level	1,098	-	1,098
<u>Total Deferred Inflow of Resources</u>	<u>67,467</u>	<u>-</u>	<u>67,467</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,291,162	1,518,691	3,809,853
Restricted for:			
Tabor Reserve	18,500	-	18,500
Debt	51,283	-	51,283
Culture and Recreation	58,216	-	58,216
Unrestricted	352,175	644,077	996,252
<u>Total Net Position</u>	<u>2,771,336</u>	<u>2,162,768</u>	<u>4,934,104</u>

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

TOWN OF FOWLER, COLORADO  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental Activities</b>							
Administrative	55,188	59,853	42,361	-	47,026	-	47,026
Public Works	77,694	-	-	-	(77,694)	-	(77,694)
Public Safety	186,092	-	-	-	(186,092)	-	(186,092)
Community Service	123,047	40,536	4,000	-	(78,511)	-	(78,511)
Interest on Long Term Debt	6,298	-	-	-	(6,298)	-	(6,298)
Capital Outlay	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>448,319</b>	<b>100,389</b>	<b>46,361</b>	<b>-</b>	<b>(301,569)</b>	<b>-</b>	<b>(301,569)</b>
<b>Business Type Activities</b>							
Sewer Fund	242,266	251,524	15,033	-	-	24,291	24,291
Water Fund	355,180	282,027	17,749	-	-	(55,404)	(55,404)
Sanitation Fund	37,627	46,464	-	-	-	8,837	8,837
Storm Drainage Fund	12,685	12,404	-	-	-	(281)	(281)
Natural Resources Fund	90,356	234,284	-	-	-	143,928	143,928
<b>Total Business Type Activities</b>	<b>738,114</b>	<b>826,703</b>	<b>32,782</b>	<b>-</b>	<b>-</b>	<b>121,371</b>	<b>121,371</b>
<b>Total Primary Government</b>	<b>1,186,433</b>	<b>927,092</b>	<b>79,143</b>	<b>-</b>	<b>(301,569)</b>	<b>121,371</b>	<b>(180,198)</b>
<b>General Revenues:</b>							
Property Taxes					65,470	-	65,470
Specific Ownership Taxes					13,241	-	13,241
Sales and Use Taxes					247,399	-	247,399
Fines & Forfeits					25,195	-	25,195
Franchise Taxes					50,752	-	50,752
Earnings on Investments					994	1,202	2,196
Other Revenues					80,439	27,475	107,914
Transfers					-	-	-
<b>Total General Revenues and Transfers</b>					<b>483,490</b>	<b>28,677</b>	<b>512,167</b>
Change in Net Position					181,921	150,048	331,969
Net Position – Beginning					2,589,415	2,012,720	4,602,135
Net Position – Ending					2,771,336	2,162,768	4,934,104

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

TOWN OF FOWLER, COLORADO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2016

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash & Investments	345,915	203,544	549,459
Accounts Receivable	40,386	13,260	53,646
Property Tax Receivable	66,015	-	66,015
Other Receivable	-	-	-
Due From Other Funds	<u>285,017</u>	<u>27,308</u>	<u>312,325</u>
<u>Total Assets</u>	<u>737,333</u>	<u>244,112</u>	<u>981,445</u>
 <u>LIABILITIES</u>			
Accounts Payable	126,139	-	126,139
Accrued Salaries	2,275	474	2,749
Deferred Revenue	-	-	-
Due To Other Funds	<u>164,574</u>	<u>41,413</u>	<u>205,987</u>
<u>Total Liabilities</u>	<u>292,988</u>	<u>41,887</u>	<u>334,875</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Property Tax	<u>66,015</u>	<u>-</u>	<u>66,015</u>
 <u>FUND BALANCES</u>			
Restricted:			
Emergencies	18,500	-	18,500
Debt Service	51,283	-	51,283
Culture and Recreation	-	58,216	58,216
Committed:			
Capital Outlay	-	-	-
Assigned:			
Community Service	-	144,009	144,009
Unassigned	<u>308,547</u>	<u>-</u>	<u>308,547</u>
<u>Total Fund Balances</u>	<u>378,330</u>	<u>202,225</u>	<u>580,555</u>
 <u>TOTAL LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</u>			
	<u>737,333</u>	<u>244,112</u>	<u>981,445</u>

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

TOWN OF FOWLER, COLORADO  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
December 31, 2016

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

<u>Total Fund Balance – Governmental Funds</u>	580,555
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$4,450,625 and the accumulated depreciation is \$2,159,463.	2,291,162
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(151,548)
The Towns portion of the net pension asset for FPPA reported on the statement of net position is not reported as an asset in the funds.	300
Deferred flows for contributions made toward the net pension asset from January 1, 2016 until December 31, 2016 is not reported in the funds	9,196
Deferred pension flows for differences in projected and actual activity are not reported in the funds.	22,766
Compensated absences are not reported as a liability in the funds.	(5,328)
The assets and liabilities of the internal service fund (other than net capital assets, included above) are included in governmental activities in the statement of net position	<u>24,233</u>
<u>Total Net Position – Governmental Activities</u>	<u>2,771,336</u>

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

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

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>			
Taxes	290,972	85,890	376,862
Licenses and Fees	59,853	-	59,853
Charges for Services	25,536	-	25,536
Fines and Forfeits	25,195	-	25,195
Grants	42,361	4,000	46,361
Other	<u>65,967</u>	<u>15,466</u>	<u>81,433</u>
<u>Total Revenues</u>	<u>509,884</u>	<u>105,356</u>	<u>615,240</u>
<u>EXPENDITURES:</u>			
Administrative	52,278	-	52,278
Public Works	14,272	-	14,272
Public Safety	171,773	-	171,773
Community Service	46,537	54,972	101,509
Debt Service:			
Principal	23,586	-	23,586
Interest	2,153	-	2,153
Capital Outlay	<u>13,905</u>	<u>74,700</u>	<u>88,605</u>
<u>Total Expenditures</u>	<u>324,504</u>	<u>129,672</u>	<u>454,176</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>185,380</u>	<u>(24,316)</u>	<u>161,064</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers In	-	20,000	20,000
Transfers (Out)	(20,000)	-	(20,000)
Proceeds from Debt	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(20,000)</u>	<u>20,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	165,380	(4,316)	161,064
<u>FUND BALANCES – Beginning</u>	<u>212,950</u>	<u>206,541</u>	<u>419,491</u>
<u>FUND BALANCES - Ending</u>	<u>378,330</u>	<u>202,225</u>	<u>580,555</u>

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

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

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	161,064
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	
Capital outlays more than \$5000	88,605
Depreciation expense	<u>(86,351)</u>
	2,254
<p>In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences increased by this amount.</p>	
	(1,519)
<p>The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums, discounts and deferred refunding amounts are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:</p>	
Debt proceeds	-
Principal payment	19,441
<p>The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	
	(1,962)
<p>The statement of activities reports net pension obligation which is not reported in the fund financial statements.</p>	
Change in net pension obligation	(20,805)
Change in deferred flows from net pension obligation	<u>23,448</u>
<u>Change in Net Position of Governmental Activities</u>	<u>181,921</u>

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

TOWN OF FOWLER, COLORADO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2016

	Business Type Activities		
	Sewer Fund	Water Fund	Sanitation Fund
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Investments	1,524,887	239,634	97,606
Accounts Receivable	30,368	30,450	7,338
Grants Receivable	14,168	7,529	-
Prepaid Expenses	-	-	-
Due From Other Funds	8,825	54,175	75,000
Deposits	-	-	-
Inventory	5,028	63,134	-
<u>Total Current Assets</u>	<u>1,583,276</u>	<u>394,922</u>	<u>179,944</u>
<b>Capital Assets</b>	1,628,134	2,808,384	-
Less Accumulated Depreciation	(945,250)	(1,774,656)	-
<u>Net Capital Assets</u>	<u>682,884</u>	<u>1,033,728</u>	<u>-</u>
 <b><u>TOTAL ASSETS</u></b>	 <u>2,266,160</u>	 <u>1,428,650</u>	 <u>179,944</u>
 <b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	27,860	25,025	4,433
Accrued Salary and Benefits Payable	1,069	1,322	-
Compensated Absences	3,823	4,799	-
Accrued Interest Payable	-	-	-
Unearned Revenue	-	-	-
Customer Deposits	-	11,829	-
Landfill Postclosure Costs	-	-	122,800
Due To Other Funds	28,425	202,904	16,215
Notes Payable – Current	124,001	6,670	-
<u>Total Current Liabilities</u>	<u>185,178</u>	<u>252,549</u>	<u>143,448</u>
<b><u>NonCurrent Liabilities</u></b>			
Note Payable	1,303,760	130,234	-
 <b><u>TOTAL LIABILITIES</u></b>	 <u>1,488,938</u>	 <u>382,783</u>	 <u>143,448</u>
 <b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	515,097	896,824	-
Unrestricted	262,125	149,043	36,496
 <b><u>TOTAL NET POSITION</u></b>	 <u>777,222</u>	 <u>1,045,867</u>	 <u>36,496</u>

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

- Enterprise Funds

<u>Storm Drainage Fund</u>	<u>Natural Resources Fund</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Fund</u>
43,482	142,472	2,048,081	5,483
1,348	18,222	87,726	-
-	-	21,697	-
-	7,333	7,333	-
-	2,577	140,577	18,750
-	-	-	-
-	-	68,162	-
<u>44,830</u>	<u>170,604</u>	<u>2,373,576</u>	<u>24,233</u>
-	1,798,059	6,234,577	84,807
-	(14,396)	(2,734,302)	(45,143)
-	<u>1,783,663</u>	<u>3,500,275</u>	<u>39,664</u>
<u>44,830</u>	<u>1,954,267</u>	<u>5,873,851</u>	<u>63,897</u>
-	-	57,318	-
-	-	2,391	-
-	-	8,622	-
-	-	-	-
-	-	-	-
-	900	12,729	-
-	-	122,800	-
6,212	11,909	265,665	-
-	63,078	193,749	-
<u>6,212</u>	<u>75,887</u>	<u>663,274</u>	<u>-</u>
-	1,613,815	3,047,809	-
<u>6,212</u>	<u>1,689,702</u>	<u>3,711,083</u>	<u>-</u>
-	106,770	1,518,691	39,664
<u>38,618</u>	<u>157,795</u>	<u>644,077</u>	<u>24,233</u>
<u>38,618</u>	<u>264,565</u>	<u>2,162,768</u>	<u>63,897</u>

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

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

	<u>Business Type Activities</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Sanitation Fund</u>
<u>OPERATING REVENUES</u>			
Charges for Service	247,524	278,027	46,464
Connects	-	-	-
Insurance Proceeds	-	-	-
Other	<u>5,004</u>	<u>971</u>	<u>-</u>
<u>Total Operating Revenues</u>	<u>252,528</u>	<u>278,998</u>	<u>46,464</u>
<u>OPERATING EXPENSES</u>			
Administration	14,529	29,353	1,549
Operating Supplies	1,031	966	50
Repairs	20,657	55,487	763
Insurance	9,373	12,412	661
Utilities & Communications	6,366	25,640	609
Salaries & Benefits	103,144	124,937	9,970
Gas & Oil	4,120	7,340	178
Professional Services	4,952	27,803	348
Landfill Contribution	-	-	23,412
Other Expense	7,044	15,003	87
Bad Debts	-	-	-
Depreciation	<u>63,764</u>	<u>51,777</u>	<u>-</u>
<u>Total Operating Expenses</u>	<u>234,980</u>	<u>350,718</u>	<u>37,627</u>
<u>OPERATING INCOME (LOSS)</u>	<u>17,548</u>	<u>(71,720)</u>	<u>8,837</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	389	543	72
Grants	15,033	17,749	-
Tap Fees	4,000	4,000	-
Interest Expense	(7,286)	(4,462)	-
Gain on Disposition of Assets	<u>21,500</u>	<u>-</u>	<u>-</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>33,636</u>	<u>17,830</u>	<u>72</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>51,184</u>	<u>(53,890)</u>	<u>8,909</u>
<u>OPERATING TRANSFERS</u>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>CHANGE IN NET POSITION</u>	<u>51,184</u>	<u>(53,890)</u>	<u>8,909</u>
<u>NET POSITION, Beginning</u>	<u>726,038</u>	<u>1,099,757</u>	<u>27,587</u>
<u>NET POSITION, Ending</u>	<u>777,222</u>	<u>1,045,867</u>	<u>36,496</u>

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

- Enterprise Funds

<u>Storm Drainage Fund</u>	<u>Natural Resources Fund</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
12,404	234,284	818,703	15,000
-	-	-	-
-	-	-	-
-	-	<u>5,975</u>	-
<u>12,404</u>	<u>234,284</u>	<u>824,678</u>	<u>15,000</u>
239	202	45,872	-
141	-	2,188	-
639	719	78,265	-
653	-	23,099	-
79	-	32,694	-
9,120	-	247,171	-
19	-	11,657	-
229	-	33,332	-
-	-	23,412	-
1,566	8,361	32,061	-
-	-	-	-
-	<u>7,198</u>	<u>122,739</u>	<u>16,962</u>
<u>12,685</u>	<u>16,480</u>	<u>652,490</u>	<u>16,962</u>
<u>(281)</u>	<u>217,804</u>	<u>172,188</u>	<u>(1,962)</u>
43	155	1,202	-
-	-	32,782	-
-	-	8,000	-
-	(73,876)	(85,624)	-
-	-	21,500	-
<u>43</u>	<u>(73,721)</u>	<u>(22,140)</u>	<u>-</u>
<u>(238)</u>	<u>144,083</u>	<u>150,048</u>	<u>(1,962)</u>
-	-	-	-
-	-	-	-
-	-	-	-
(238)	144,083	150,048	(1,962)
<u>38,856</u>	<u>120,482</u>	<u>2,012,720</u>	<u>65,859</u>
<u>38,618</u>	<u>264,565</u>	<u>2,162,768</u>	<u>63,897</u>

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

TOWN OF FOWLER, COLORADO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended December 31, 2016

	<u>Business Type Activities</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Sanitation Fund</u>
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	247,652	277,351	44,698
Payments to Employees	(102,437)	(125,018)	(6,111)
Payments to Vendors	<u>(10,305)</u>	<u>(36,614)</u>	<u>(26,729)</u>
<u>Net Cash Provided by (Used for) Operating Activities</u>	<u>134,910</u>	<u>115,719</u>	<u>11,858</u>
<u>Cash Flows from Non-Capital Financing Activities</u>			
Due From Other Funds	-	-	(75,000)
Grants	<u>24,999</u>	<u>10,220</u>	<u>-</u>
<u>Net Cash from Non-Capital Financing Activities</u>	<u>24,999</u>	<u>10,220</u>	<u>(75,000)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchase of Fixed Assets	(143,158)	(65,216)	-
Proceeds from Sale of Assets	21,500	-	-
Proceeds from Debt	54,925	13,104	-
Interest Paid on Debt	(7,286)	(4,462)	-
Principal Paid on Debt	(113,237)	(9,135)	-
Tap Fees	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<u>Net Cash from Capital &amp; Related Financing Activities</u>	<u>(183,256)</u>	<u>(61,709)</u>	<u>-</u>
<u>Cash Flows from Investing Activities</u>			
Interest Earnings	<u>389</u>	<u>543</u>	<u>72</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	<u>(22,958)</u>	<u>64,773</u>	<u>(63,070)</u>
<u>Cash and Cash Equivalents at Beginning of Year</u>	<u>1,547,845</u>	<u>174,861</u>	<u>160,676</u>
<u>Cash and Cash Equivalents at End of Year</u>	<u>1,524,887</u>	<u>239,634</u>	<u>97,606</u>
<u>Reconciliation of Cash Flows from Operating Activities</u>			
Operating Income (Loss)	17,548	(71,720)	8,837
<u>Adjustments to Reconcile Net Income to</u>			
<u>Net Cash Provided by Operating Activities</u>			
Depreciation	63,764	51,777	-
(Increase) Decrease in Pre-Paid Expenses	-	-	-
(Increase) Decrease in Inventory	(5,028)	1,426	-
(Increase) Decrease in Accounts Receivable	(4,876)	(1,647)	(1,766)
(Increase) Decrease in Due From Other Funds	15,382	24,225	-
(Increase) Decrease in Due To Other Funds	28,425	100,056	6,170
Increase (Decrease) in Accounts Payable	21,972	13,632	(1,383)
Increase (Decrease) in Customer Deposits	-	528	-
Increase (Decrease) in Unearned Revenue	-	-	-
Increase (Decrease) in Accrued Salaries and Benefits Payable	<u>(2,277)</u>	<u>(2,558)</u>	<u>-</u>
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>134,910</u>	<u>115,719</u>	<u>11,858</u>

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

- Enterprise Funds

<u>Storm Drainage Fund</u>	<u>Natural Resources Fund</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
11,941	233,962	815,604	7,500
(6,057)	-	(239,623)	-
(1,933)	(106,751)	(182,332)	-
<u>3,951</u>	<u>127,211</u>	<u>393,649</u>	<u>7,500</u>
-	-	(75,000)	-
-	-	<u>35,219</u>	-
-	-	<u>(39,781)</u>	-
-	-	(208,374)	(27,954)
-	-	21,500	-
-	-	68,029	-
-	(73,876)	(85,624)	-
-	(60,220)	(182,592)	-
-	-	<u>8,000</u>	-
-	<u>(134,096)</u>	<u>(379,061)</u>	<u>(27,954)</u>
<u>43</u>	<u>155</u>	<u>1,202</u>	-
3,994	(6,730)	(23,991)	(20,454)
<u>39,488</u>	<u>149,202</u>	<u>2,072,072</u>	<u>25,937</u>
<u>43,482</u>	<u>142,472</u>	<u>2,048,081</u>	<u>5,483</u>
(281)	217,804	172,188	(1,962)
-	7,198	122,739	16,962
-	(7,333)	(7,333)	-
-	-	(3,602)	-
(463)	(322)	(9,074)	-
-	(2,576)	37,031	(7,500)
4,695	(20,060)	119,286	-
-	-	34,221	-
-	-	528	-
-	(67,500)	(67,500)	-
-	-	<u>(4,835)</u>	-
<u>3,951</u>	<u>127,211</u>	<u>393,649</u>	<u>7,500</u>

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

TOWN OF FOWLER, COLORADO  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2016

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	Police Pension Trust Fund
<u>ASSETS</u>	
Cash and Investments	37,288
Interest Receivable	-
Due From Other Funds	-
<u>Total Assets</u>	<u>37,288</u>
<u>LIABILITIES</u>	
Due To Other Funds	-
Deposits Held for Others	-
<u>Total Liabilities</u>	<u>-</u>
<u>NET POSITION</u>	
Net Position Held in Trust for Pension Benefits	<u>37,288</u>

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

TOWN OF FOWLER, COLORADO  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
Year Ended December 31, 2016

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	<u>Police Pension Trust Fund</u>
<u>ADDITIONS</u>	
Earnings on Investments	203
Contributions	<u>-</u>
<u>Total Additions</u>	<u>203</u>
<u>DEDUCTIONS</u>	
Pension Payments and Fees	-
Capital Outlay	<u>-</u>
<u>Total Deductions</u>	<u>-</u>
Changes in Net Position	203
Net Position Held in Trust for Pension Benefits:	
Net Position – Beginning of Year	<u>37,085</u>
Net Position – End of Year	<u>37,288</u>

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

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A    Reporting Entity

The reporting entity, for financial purposes, is defined as the primary government (the Town of Fowler) and its component units. The Town has no component units; the financial statements are comprised of the funds and account groups more fully described in subsequent information contained in the footnotes.

The accounting policies of the Town of Fowler conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

B.    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 the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the Town's legally separate *component units* for which the Town is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *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 funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C.    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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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.

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary funds:

The *sewer fund* accounts for the activities of the Town's sewage disposal and treatment system.  
The *water fund* accounts for the activities of the Town's water distribution and treatment system.  
The *sanitization fund* accounts for the activities of the Town's waste disposal services.  
The *storm drainage fund* accounts for the activities of the Town's storm drain infrastructure.  
The *natural resources enterprise fund* accounts for the Town's purchase of land and water rights.

Additionally, the government reports the following fund types:

*Internal service funds* account for data processing and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

*Police pension trust (health and safety) fund* is used to account for resources that can be used to purchase health and safety items for the town.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility enterprise funds are charges to customers for sales and services. Operating expenses for the 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.

D.    Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	5-15
Building	10-30

E.    Budgets and Budgetary Accounting

The Town has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E.    Budgets and Budgetary Accounting (Continued)

1.    Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.
2.    Public hearings are conducted to obtain taxpayer comments.
3.    Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4.    Budgets for the General, Special Revenue Funds, and Fiduciary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Enterprise Fund budgets are on a Non-GAAP Basis.

F.    Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, and Enterprise Funds. All encumbrances lapse at the end of the year.

G.    Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when they are used.

H.    Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits Amounts

Accumulated unpaid vacation, sick pay, and other employee benefits amounts should be accrued when incurred in proprietary funds and government-wide financial statements (using the accrual basis of accounting). Such amounts would not be accrued in governmental funds (using the modified accrual basis of accounting).

I.    Property Taxes

Property taxes represent ad valorem taxes levied by the Town, which are payable to the County Treasurer, and are recognized as revenue by the Town in the year for which they are levied.

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

J.    Contraband

There were no contraband proceeds for the year ended December 31, 2016.

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

L. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

M. Due to/from Funds

Outstanding balances between funds created by lending/borrowing or cash allocation in common purchasing activities are reported as due to/from funds.

N. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O.    Deferred Outflows / Inflows of Resources

In addition to liabilities, the statement of financial 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 so will not be recognized as an inflow of resources (revenue) until that time.

P.    GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council (the Town's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The Town's Committed Fund Balance is fund balance reporting required by the Town Council, either because of a Town Council Policy in the Town Council Policy Manual, or because of motions that passed at Town Council meetings.

Assigned Fund Balance Policy:

The Town's Assigned Fund Balance is fund balance reporting occurring by Town Council Administration authority, under the direction of the Town manager.

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P.    GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Library Fund</u>	<u>Conservation Trust Fund</u>	<u>Cemetery Fund</u>	<u>Pool &amp; Recreation Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	-	-	-	-
<u>Restricted:</u>						
Emergencies	18,500	-	-	-	-	18,500
Debt Service	51,283	-	-	-	-	51,283
Culture and Recreation	-	-	58,216	-	-	58,216
<u>Committed:</u>						
Capital Outlay	-	-	-	-	-	-
<u>Assigned:</u>						
Community Service	-	34,309	-	31,097	78,603	144,009
<u>Unassigned</u>	<u>308,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,547</u>
<u>Total Fund Balances</u>	<u>378,330</u>	<u>34,309</u>	<u>58,216</u>	<u>31,097</u>	<u>78,603</u>	<u>580,555</u>

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

NOTE 2    RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

	Items Eliminated	
	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	20,000	-
Library Fund	-	<u>20,000</u>
	<u>20,000</u>	<u>20,000</u>
	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	38,290	33,645
Library Fund	23,100	7,768
Cemetery Fund	3,051	-
Internal Service Fund	-	18,750
Pool & Recreation Fund	12,262	19,540
Conservation Trust	<u>3,000</u>	<u>-</u>
	<u>79,703</u>	<u>79,703</u>

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 3    CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	64,270	-	-	64,270
Construction in Progress	<u>1,011,508</u>	-	-	<u>1,011,508</u>
Total Capital Assets Not Being Depreciated	<u>1,075,778</u>	-	-	<u>1,075,778</u>
Capital Assets Being Depreciated:				
Site Improvements	1,677,421	-	-	1,677,421
Buildings	1,065,416	-	-	1,065,416
Equipment	<u>515,451</u>	<u>116,559</u>	-	<u>632,010</u>
Total Capital Assets Being Depreciated	<u>3,258,288</u>	<u>116,559</u>	-	<u>3,374,847</u>
Less Accumulated Depreciation for:				
Site Improvements	570,529	70,334	-	640,863
Buildings	1,065,416	-	-	1,065,416
Equipment	<u>420,205</u>	<u>32,979</u>	-	<u>453,184</u>
Total Accumulated Depreciation	<u>2,056,150</u>	<u>103,313</u>	-	<u>2,159,463</u>
Total Capital Assets Being Depreciated, Net	<u>1,202,138</u>	<u>13,246</u>	-	<u>1,215,384</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>2,277,916</u>	<u>13,246</u>	-	<u>2,291,162</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land & Rights	<u>1,981,786</u>	-	-	<u>1,981,786</u>
Capital Assets Being Depreciated:				
Systems & Equipment	4,076,510	208,374	32,093	4,252,791
Construction In Progress	-	-	-	-
Total Capital Assets Being Depreciated	<u>4,076,510</u>	<u>208,374</u>	<u>32,093</u>	<u>4,252,791</u>
Less Accumulated Depreciation for:				
Systems & Equipment	<u>2,643,656</u>	<u>122,739</u>	<u>32,093</u>	<u>2,734,302</u>
Total Accumulated Depreciation	<u>2,643,656</u>	<u>122,739</u>	<u>32,093</u>	<u>2,734,302</u>
<u>Business-Type Activities Capital Assets, Net</u>	<u>3,414,640</u>	<u>85,635</u>	-	<u>3,500,275</u>

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

NOTE 3    CAPITAL ASSETS (Continued)

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

Governmental Activities:

Administrative	1,391
Public Works	63,290
Public Safety	17,094
Community Services	<u>21,538</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>103,313</u>

Business-Type Activities:

Water	51,777
Sewer	63,764
Natural Resources	<u>7,198</u>
<u>Total Depreciation Expense – Business Type Activities</u>	<u>122,739</u>

NOTE 4    CASH AND DEPOSITS

The Town's deposits at year end were covered by Federal depository insurance or secured under the Public Deposit Protection Act of the State of Colorado, whereby the custodial bank pledges collateral for amounts on deposit in excess of the amount guaranteed by the FDIC for governmental entities.

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Insured	500,000	500,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	<u>848,365</u>	<u>815,862</u>
<u>Sub-Total</u>	1,348,365	1,315,862
Cash with Colorado Water Development	1,322,752	1,322,752
Cash with County Treasurer	-	1,348
Cash on Hand	-	350
<u>Total Cash and Deposits</u>	<u>2,671,117</u>	<u>2,640,312</u>

Cash of \$18,500 is restricted as Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado. (See Note 8).

As presented above, deposits with a bank balance of \$848,365 and a carrying balance of \$815,862 as of December 31, 2016 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 5    SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town maintains four Enterprise Funds which provide water and sewer and sanitation services. Each are segments. Since all enterprise funds are reported separately in the fund financial statements, no segment disclosures are required.

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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NOTE 6    COMPENSATED ABSENCES

Compensated absences totaled \$13,950 at December 31, 2016.

NOTE 7    RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The Town maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8    CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), 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 and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1996 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

During 2003, the authorized voters of the Town of Fowler Colorado, voted to authorize the Town to collect, retain and expend all revenues from any source collected during 2004 and grants in future periods from any source, notwithstanding the limitation of Article X, Section 20 of the Colorado constitution and providing that no local tax rate or mill levy be increased without further voter approval.

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

NOTE 8      CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS (Continued)

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

NOTE 9      PENSION TRUST FUND

The Pension Trust Fund covers all employees of the Fowler police department. Funding is accomplished by the aggregate cost method. This cost method received contributions from the State of Colorado, the Town's General Fund, and the covered employees.

The Town currently has no employee of the Police Department that has met the vesting requirements to receive pension benefits and has never had anyone meet those requirements. The Town has obtained permission to use the collective contributions for current and future police requirements.

NOTE 10      LONG-TERM DEBT-SEWER

The Town of Fowler executed a loan agreement with Fowler State Bank for sewer system improvements up to the amount of \$350,000 on December 1, 1999. The note is payable over a period of 20 years. Payment terms are \$2,507.51 monthly including interest at 6%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	27,251	2,839	30,090
2018	28,926	1,164	30,090
2019	<u>3,695</u>	<u>22</u>	<u>3,717</u>
	<u>59,872</u>	<u>4,025</u>	<u>63,897</u>

The Town of Fowler executed a loan agreement with Fowler State Bank for sewer system improvements in the amount of \$150,000 on March 10, 2010. The note is payable over a period of 10 years. Payment terms are \$1,536.95 monthly including interest at 4.25%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	16,419	2,024	18,443
2018	17,137	1,307	18,444
2019	17,885	558	18,443
2020	<u>3,237</u>	<u>50</u>	<u>3,287</u>
	<u>54,678</u>	<u>3,939</u>	<u>58,616</u>

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 10    LONG-TERM DEBT-SEWER (Continued)

The Town of Fowler executed a loan agreement with the Colorado Resources & Power Development Authority for sewer system improvements in the amount of \$1,400,000 on June 30, 2014. The note is payable over a period of 20 years. Payment terms are \$35,000 semi-annually with an interest rate of 0%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	70,000	-	70,000
2018	70,000	-	70,000
2019	70,000	-	70,000
2020	70,000	-	70,000
2021	70,000	-	70,000
2022	70,000	-	70,000
2023	70,000	-	70,000
2024	70,000	-	70,000
2025	70,000	-	70,000
2026	70,000	-	70,000
2027	70,000	-	70,000
2028	70,000	-	70,000
2029	70,000	-	70,000
2030	70,000	-	70,000
2031	70,000	-	70,000
2032	70,000	-	70,000
2033	70,000	-	70,000
2034	70,000	-	70,000
	<u>1,260,000</u>	<u>-</u>	<u>1,260,000</u>

The Town of Fowler executed a loan agreement with Fowler State Bank for equipment purchases in the amount of \$54,925 on October 20, 2016. The note is payable over a period of 5 years. Payment terms are \$994 monthly with an interest rate of 3.25%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	10,331	1,599	11,930
2018	10,677	1,253	11,930
2019	11,034	896	11,930
2020	11,401	529	11,930
2021	9,768	149	9,917
	<u>53,211</u>	<u>4,426</u>	<u>57,637</u>

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 10    LONG-TERM DEBT-SEWER (Continued)

Changes in Long-Term Debt-Sewer

	<u>Beg. Bal.</u> <u>01-01-16</u>	<u>Increase</u>	<u>Decrease</u>	<u>End Bal.</u> <u>12-31-16</u>	<u>Current</u> <u>Portion</u>
Sewer System	<u>1,486,073</u>	<u>54,925</u>	<u>113,237</u>	<u>1,427,761</u>	<u>124,001</u>

NOTE 11    LONG-TERM DEBT – WATER

The Town of Fowler executed a loan agreement with Deere and Company for a Tractor and attachments in the amount of \$50,000 on February 4, 2010. The note required a down payment of \$35,000 at inception and 5 annual payments of \$3,000 commencing February 5, 2011. The interest rate is 0%. This debt was paid in full during 2016.

The Town of Fowler entered into a lease purchase agreement with Fowler State Bank for water system equipment in the amount of \$147,737 on January 23, 2013. The terms of the lease call for annual payments of varying amounts beginning January 23, 2014 with an interest rate of 3.43%.

Below is a schedule of debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	6,670	4,246	10,916
2018	7,226	4,017	11,243
2019	7,812	3,769	11,581
2020	8,427	3,502	11,929
2021	9,074	3,212	12,286
2022	9,754	2,901	12,655
2023	10,468	2,567	13,035
2024	11,218	2,208	13,426
2025	12,005	1,823	13,828
2026	12,832	1,411	14,243
2027	13,699	971	14,670
2028	14,615	501	<u>15,116</u>
			154,928
Less Amounts Representing Interest			<u>(31,128)</u>
Present Value of Future Minimum Lease Payments			<u>123,800</u>

The Town of Fowler executed a loan agreement with the Colorado Water Conservation Board for a water augmentation project in the amount of \$277,245. As of December 31, 2016, the town has drawn \$13,104 of the available balance. The note will not become payable until one year after the completion of the project. At that time, the note will be payable over a period of 30 years, requiring annual payments, with an interest rate of 2.25%.

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

NOTE 11     LONG-TERM DEBT – WATER

Changes in Long-Term Debt-Water:

	Beg. Bal. <u>01-01-16</u>	<u>Increase</u>	<u>Decrease</u>	End Bal. <u>12-31-16</u>	Current <u>Portion</u>
Tractor Loan	3,000	-	3,000	-	-
Water Equipment Lease	129,935	-	6,135	123,800	6,670
Colorado Conservation Loan	-	13,104	-	13,104	-
	<u>132,935</u>	<u>13,104</u>	<u>9,135</u>	<u>136,904</u>	<u>6,670</u>

NOTE 12     LONG-TERM DEBT – NATURAL RESOURCES

The Town of Fowler executed a loan agreement with Fowler State Bank for the purchase of land and water rights in the amount of \$1,795,000 on December 12, 2014. The note is payable over a period of 20 years. Payment terms are \$11,175 monthly with an interest rate of 4.25%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	63,078	71,018	134,096
2018	65,850	68,246	134,096
2019	68,744	65,352	134,096
2020	71,587	62,509	134,096
2021	74,912	59,184	134,096
2022	78,204	55,892	134,096
2023	81,642	52,454	134,096
2024	85,089	49,007	134,096
2025	88,970	45,126	134,096
2026	92,880	41,216	134,096
2027	96,962	37,134	134,096
2028	101,127	32,969	134,096
2029	105,669	28,427	134,096
2030	110,313	23,783	134,096
2031	115,161	18,935	134,096
2032	120,178	13,918	134,096
2033	125,504	8,592	134,096
2034	<u>131,023</u>	<u>3,073</u>	<u>134,096</u>
	<u>1,676,893</u>	<u>736,835</u>	<u>2,413,728</u>

Changes in Long-Term Debt:

	Beg. Bal. <u>01-01-16</u>	<u>Increase</u>	<u>Decrease</u>	End Bal. <u>12-31-16</u>	Current <u>Portion</u>
Land and Water Rights	<u>1,737,113</u>	-	<u>60,220</u>	<u>1,676,893</u>	<u>63,078</u>

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

NOTE 13    LONG TERM DEBT – GOVERNMENTAL

Medical Building

On September 18, 2002, the Town of Fowler executed a promissory note with Otero County, Colorado for repairs to a city owned medical building. The note is in the amount of \$7,500 at a rate of 0%. The note is due only if one of the following conditions occurs: 1) The building is sold, or 2) the building is no longer used for medical purposes. The Town is actively pursuing the sale of the property.

Park Building Note

The Town of Fowler executed a loan agreement with Fowler State Bank on November 21, 2011 for the purpose of supplementing the Park School project. The note was \$130,000 with an interest rate of 3.5 % and payable over 10 years.

Below is a schedule of the debt to maturity.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	13,380	2,046	15,426
2018	13,854	1,572	15,426
2019	14,345	1,081	15,426
2020	14,853	573	15,426
2021	<u>7,694</u>	<u>93</u>	<u>7,787</u>
	<u>64,126</u>	<u>5,365</u>	<u>69,491</u>

Video Camera Lease

The Town of Fowler entered into a lease agreement with Dealers Leasing, Inc. for police video cameras. The lease was executed on November 30, 2011 in the amount of \$11,544. The terms of the lease call for 60 payment of \$257 with an interest rate of 12%. The lease is subject to annual appropriations by the Town Council. This lease ended in 2016.



TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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NOTE 15 INTERGOVERNMENTAL AGREEMENT

The Town of Fowler is a member of (CIRSA). The Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity, was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 29-1-201 et. seq., C.R.S. as amended, 8-44-101(1)(c) and (3), and 8-44-110, C.R.S. as amended, and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members a self-insurance pool to provide defined coverages, and claims and risk management services related thereto.

It is the intent of the members of CIRSA to create an entity to defend and indemnify, in accordance with the Bylaws, any member of CIRSA against liability or loss, to the limit of the financial resources of CIRSA available to pay such liability or loss. 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. The Bylaws shall constitute the substance of the intergovernmental contract among the members.

Summary audited financial information as of December 31, 2016 follows:

Assets	<u>87,254,665</u>
Liabilities	36,055,129
Net Position	<u>51,199,536</u>
	<u>87,254,665</u>
Revenues	26,382,872
Expenditures	21,353,618
Distributions to Members (Credits to Members)	<u>574,075</u>
Increase (Decrease) in Net Position	<u>4,455,179</u>

NOTE 16 PENSION PLANS

***Fire & Police Statewide Defined Benefit Plan***

*Plan description.* The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980 and as of December 31, 2014 has 212 participating employer fire and police departments.

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at [www.fppaco.org](http://www.fppaco.org).

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

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

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

TOWN OF FOWLER, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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NOTE 16   PENSION PLANS

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2015 was not included in the SWDB Plan Net Position.

*Contributions.* The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Members of this Plan and their employers are contributing at the rate of 8.5 percent and 8 percent of base salary for a total contribution rate of 16.5 percent in 2015. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5 percent of base salary in 2014. It is a local decision on who pays the additional 4 percent contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent.

The contribution rate for members and employers of affiliated social security employers is 4.25 percent of base salary for a total contribution rate of 8.25 percent. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the Town were \$9,196 for the year ended December 31, 2016.

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

**NOTE 16 PENSION PLANS**

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

At December 31, 2016, the Town reported an asset of \$(300) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability/(asset) was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating Towns, actuarially determined. At December 31, 2015, the Town's proportion was .00017 percent, which was an increase/(decrease) of (.00001) percent from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Town recognized pension expense of \$(2,643). At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 2,427	\$ 354
Changes in assumptions	4,714	-
Net difference between actual and projected earnings on pension plan investments	15,273	-
Changes in proportion and differences between Department contributions and proportionate share of contributions	1,804	1,098
Department contributions subsequent to the measurement date	9,196	-
<b>Total</b>	<b>\$ 33,414</b>	<b>\$ 1,452</b>

\$9,196 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2017	\$ 4,796
2018	4,796
2019	4,796
2020	4,405
2021	757
Thereafter	3,216

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

**NOTE 16 PENSION PLANS**

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

Investment rate of return	7.5 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	4.0 – 14.0 percent
Cost of Living Adjustment	0.0 percent
Inflation	3.0 percent

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment projected with Scale AA, 40 percent multiplier for off-duty mortality. On-duty related mortality is assumed to be 0.00020 per year for all members.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2007–December 31, 2011. As a result of the 2011 actuarial experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.5 percent to 3.0 percent.
- Reduced the normal investment return assumption from 8.0 percent to 7.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	40%	8.9%
Equity Long/Short	10%	7.5%
Illiquid Alternatives	18%	10.5%
Fixed Income	15%	4.6%
Absolute Return	12%	6.5%
Managed Futures	4%	5.5%
Cash	1%	2.5%
<b>Total</b>	<b>100%</b>	

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

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

NOTE 16 PENSION PLANS

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

*Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Department's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as what the Department's proportionate share of the net pension liability/(Asset) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Department's proportionate share of the net pension liability/(asset)	42,038	(300)	(35,418)

\* The long-term rate of return used was 7.5 percent. The municipal bond rate used was 3.57 percent. The single discount rate for the plans was 7.50 percent.

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

NOTE 17 INTERFUND BALANCES AND TRANSFERS

<u>INTERFUND BALANCES</u>	<u>Due To</u>	<u>Due From</u>
Major General Fund	164,574	285,018
Major Water Fund	202,904	54,174
Major Sewer Fund	28,425	8,825
Major Sanitation Fund	16,215	75,000
Major Natural Resources Fund	11,909	2,576
Major Storm Drainage Fund	6,212	-
Nonmajor Governmental Funds	<u>41,412</u>	<u>46,058</u>
	<u>471,651</u>	<u>471,651</u>

TOWN OF FOWLER, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

NOTE 17    INTERFUND BALANCES AND TRANSFERS (Continued)

<u>TRANSFERS</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>MAJOR GOVERNMENTAL FUND</u>		
General Fund	-	20,000
<u>MAJOR ENTERPRISE FUNDS</u>		
Water	-	-
Sewer	-	-
Sanitation	-	-
Storm Drainage	-	-
<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>20,000</u>	-
	<u>20,000</u>	<u>20,000</u>

Transfers were made between these funds for the purpose of assisting operations.

Interfund payables and receivables will be paid within one year.

NOTE 18    LANDFILL POSTCLOSURE

Landfill Closure and Postclosure Costs

The Town of Fowler is a participating member of the Otero County Landfill, Inc.. State and Federal laws require a final cover on landfill sites when it stops accepting waste and to perform certain maintenance functions at the site for thirty years after closure. Although closure and postclosure costs will be paid only near or after the date that the landfill stops accepting waste, a portion of these closure and postclosure costs should be reported as an operating expense in each period based on landfill capacity used as of each balance sheet date. Postclosure and financial assurance cost of the Otero County Landfill Inc. will be shared by its members as an average of population and assessed valuation.

The \$122,800 reported as landfill postclosure liability represents the Town of Fowler's portion of the postclosure and financial assurance costs at December 31, 2016 based on the estimated capacity of the landfill.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Pension Trend Data

TOWN OF FOWLER, COLORADO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	294,557	294,557	290,972	(3,585)
License and Fees	59,331	59,331	59,853	522
Charges for Service	20,800	20,800	25,536	4,736
Fines and Forfeits	27,350	27,350	25,195	(2,155)
Grants	2,274	2,274	42,361	40,087
Other	7,530	7,530	65,967	58,437
<u>Total Revenues</u>	<u>411,842</u>	<u>411,842</u>	<u>509,884</u>	<u>98,042</u>
<b>EXPENDITURES</b>				
Administrative	66,467	66,467	52,278	14,189
Public Works	29,168	29,168	14,272	14,896
Public Safety	212,975	212,975	171,773	41,202
Community Service	84,900	84,900	46,537	38,363
Debt Service				
Principal	22,878	22,878	23,586	(708)
Interest	2,800	2,800	2,153	647
Capital Outlay	115,450	115,450	13,905	101,545
<u>Total Expenditures</u>	<u>534,638</u>	<u>534,638</u>	<u>324,504</u>	<u>210,134</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(122,796)	(122,796)	185,380	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	122,796	122,796	-	(122,796)
Transfers (Out)	-	-	(20,000)	(20,000)
Proceeds from Debt	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>122,796</u>	<u>122,796</u>	<u>(20,000)</u>	<u>(142,796)</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	-	-	165,380	
<b>FUND BALANCES, Beginning</b>				
	-	-	212,950	
<b>FUND BALANCES, Ending</b>				
	-	-	378,330	

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

TOWN OF FOWLER, COLORADO  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FPPA STATEWIDE PLAN  
 Year Ended December 31, 2016

**Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset)  
 Fire & Police Statewide Defined Benefit Plan  
 As of December 31,  
 [Build to 10 years prospectively]**

	2016	2015
Town's proportion of the net pension liability/(asset)	.0176%	.0187%
Town's proportionate share of the net pension liability/(asset)	\$(300)	\$(21,105)
Town's covered-employee payroll	\$114,950	\$95,675
Town's proportionate share of the net pension liability/(asset) as a percentage of is covered-employee payroll	.0026%	4.5%
Plan fiduciary net position as a percentage of the total pension liability	-	106.8%

**Schedule of Town's Contributions  
 Fire & Police Statewide Defined Benefit Plan  
 As of December 31,  
 [Build to 10 years prospectively]**

	2016	2015
Contractually required contribution	\$9,196	\$7,654
Contributions in relation to the contractually required contribution	\$9,196	\$7,654
Contribution deficiency (excess)	\$0	\$0
Town's covered-employee payroll	\$114,950	\$95,675
Contributions as a percentage of covered-employee payroll	8%	8%

**Notes to Required Supplementary Information  
 for the Year Ended December 31, 2016**

*Changes in plan provisions.* The plan provisions have not changed since the prior valuation. The member contribution rate will increase in 2016 as a result of the member election.

*Benefit Adjustments.* Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

*Changes of assumptions.* Beginning in the January 1, 2014 actuarial valuation, the married assumption for active members was increased from 80 percent to 85 percent to reflect the passage of the Colorado Civil Union Act.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

## NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Library Fund

Conservation Trust Fund

Cemetery Fund

Pool & Recreation Fund

TOWN OF FOWLER, COLORADO  
 COMBINING BALANCE SHEET  
 NON MAJOR GOVERNMENTAL FUNDS  
 December 31, 2016

	<u>Conservation Trust Fund</u>	<u>Library Fund</u>	<u>Cemetery Fund</u>	<u>Pool &amp; Recreation Fund</u>	<u>Total Nonmajor Governmental</u>
<b><u>ASSETS</u></b>					
Cash and Investments	61,216	45,696	29,728	66,904	203,544
Taxes Receivable	-	-	-	-	-
Accounts Receivable	-	4,420	4,420	4,420	13,260
Interest Receivable	-	-	-	-	-
Due From Other Funds	-	<u>7,768</u>	-	<u>19,540</u>	<u>27,308</u>
<b>Total Assets</b>	<u>61,216</u>	<u>57,884</u>	<u>34,148</u>	<u>90,864</u>	<u>244,112</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>Liabilities</u></b>					
Accounts Payable	-	-	-	-	-
Accrued Salaries	-	474	-	-	474
Deferred Revenue					
Property Taxes	-	-	-	-	-
Due To Other Funds	<u>3,000</u>	<u>23,101</u>	<u>3,051</u>	<u>12,261</u>	<u>41,413</u>
<b>Total Liabilities</b>	<u>3,000</u>	<u>23,575</u>	<u>3,051</u>	<u>12,261</u>	<u>41,887</u>
<b><u>Fund Balances</u></b>					
<b>Restricted</b>					
Culture and Recreation	58,216	-	-	-	58,216
<b>Assigned</b>					
Community Service	-	<u>34,309</u>	<u>31,097</u>	<u>78,603</u>	<u>144,009</u>
<b>Total Fund Balances</b>	<u>58,216</u>	<u>34,309</u>	<u>31,097</u>	<u>78,603</u>	<u>202,225</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>					
	<u>61,216</u>	<u>57,884</u>	<u>34,148</u>	<u>90,864</u>	<u>244,112</u>

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

TOWN OF FOWLER, COLORADO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2016

	Conservation Trust Fund	Library Fund	Cemetery Fund	Pool & Recreation Fund	Total Nonmajor Governmental
<u>REVENUES</u>					
Taxes	-	28,630	28,630	28,630	85,890
License and Fees	-	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Grants	-	4,000	-	-	4,000
Other	<u>12,954</u>	<u>2,338</u>	<u>63</u>	<u>111</u>	<u>15,466</u>
<u>Total Revenues</u>	<u>12,954</u>	<u>34,968</u>	<u>28,693</u>	<u>28,741</u>	<u>105,356</u>
<u>EXPENDITURES</u>					
Administrative	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Service	4,500	50,060	236	176	54,972
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>74,700</u>	<u>-</u>	<u>74,700</u>
<u>Total Expenditures</u>	<u>4,500</u>	<u>50,060</u>	<u>74,936</u>	<u>176</u>	<u>129,672</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>8,454</u>	<u>(15,092)</u>	<u>(46,243)</u>	<u>28,565</u>	<u>(24,316)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers	-	20,000	-	-	20,000
Proceeds from Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	8,454	4,908	(46,243)	28,565	(4,316)
<u>FUND BALANCE, Beginning</u>	<u>49,762</u>	<u>29,401</u>	<u>77,340</u>	<u>50,038</u>	<u>206,541</u>
<u>FUND BALANCE, Ending</u>	<u>58,216</u>	<u>34,309</u>	<u>31,097</u>	<u>78,603</u>	<u>202,225</u>

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

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
LIBRARY SPECIAL REVENUE FUND  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Taxes	29,800	28,630	(1,170)
Grants	4,500	4,000	(500)
Other	<u>310</u>	<u>2,338</u>	<u>2,028</u>
<u>Total Revenues</u>	<u>34,610</u>	<u>34,968</u>	<u>358</u>
 <u>EXPENDITURES</u>			
Administrative	-	-	-
Public Works	-	-	-
Public Safety	-	-	-
Community Service	54,510	50,060	4,450
Capital Outlay	<u>100</u>	<u>-</u>	<u>100</u>
<u>Total Expenditures</u>	<u>54,610</u>	<u>50,060</u>	<u>4,550</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	<u>(20,000)</u>	<u>(15,092)</u>	
 <u>OTHER FINANCING SOURCES</u>			
Transfers	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>			
	-	4,908	
 <u>FUND BALANCE, Beginning</u>			
	<u>-</u>	<u>29,401</u>	
 <u>FUND BALANCE, Ending</u>			
	<u>-</u>	<u>34,309</u>	

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

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
CONSERVATION TRUST FUND SPECIAL REVENUE FUND  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
Other	11,400	12,954	1,554
<u>Total Revenue</u>	<u>11,400</u>	<u>12,954</u>	<u>1,554</u>
 <u>EXPENDITURES</u>			
Administrative	-	-	-
Public Works	-	-	-
Public Safety	-	-	-
Recreation	11,400	4,500	6,900
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>11,400</u>	<u>4,500</u>	<u>6,900</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>8,454</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>	<u>-</u>	<u>8,454</u>	
 <u>FUND BALANCE, Beginning</u>	<u>-</u>	<u>49,762</u>	
 <u>FUND BALANCE, Ending</u>	<u>-</u>	<u>58,216</u>	

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

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
CEMETERY SPECIAL REVENUE FUND  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
Taxes	23,500	28,630	5,130
Other	<u>100</u>	<u>63</u>	<u>(37)</u>
<u>Total Revenues</u>	<u>23,600</u>	<u>28,693</u>	<u>5,093</u>
 <u>EXPENDITURES</u>			
Administrative	-	-	-
Public Works	-	-	-
Public Safety	-	-	-
Community Service	14,198	236	13,962
Capital Outlay	<u>79,402</u>	<u>74,700</u>	<u>4,702</u>
<u>Total Expenditures</u>	<u>93,600</u>	<u>74,936</u>	<u>18,664</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	<u>(70,000)</u>	<u>(46,243)</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>			
	<u>(70,000)</u>	<u>(46,243)</u>	
 <u>FUND BALANCE, Beginning</u>			
	<u>70,000</u>	<u>77,340</u>	
 <u>FUND BALANCE, Ending</u>			
	<u>-</u>	<u>31,097</u>	

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

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
POOL AND RECREATION SPECIAL REVENUE FUND  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
Taxes	23,500	28,630	5,130
Grants	-	-	-
Other	40	111	71
<u>Total Revenues</u>	<u>23,540</u>	<u>28,741</u>	<u>5,201</u>
<u>EXPENDITURES</u>			
Administrative	-	-	-
Public Works	-	-	-
Public Safety	-	-	-
Community Service	-	176	(176)
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>176</u>	<u>(176)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	23,540	<u>28,565</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(23,540)	-	<u>23,540</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(23,540)</u>	<u>-</u>	<u>23,540</u>
<u>NET CHANGE IN FUND BALANCES</u>			
	-	28,565	
<u>FUND BALANCE, Beginning</u>			
	<u>-</u>	<u>50,038</u>	
<u>FUND BALANCE, Ending</u>			
	<u>-</u>	<u>78,603</u>	

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

PROPRIETARY FUNDS – BUDGET SCHEDULES

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
WATER UTILITY FUND  
BUDGET (NON-GAAP) AND ACTUAL  
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>OPERATING REVENUES</u>				
Charges for Services	302,517	302,517	278,027	(24,490)
Connects	-	-	-	-
Insurance Proceeds	-	-	-	-
Miscellaneous	31,725	31,725	971	(30,754)
<u>Total Operating Revenues</u>	<u>334,242</u>	<u>334,242</u>	<u>278,998</u>	<u>(55,244)</u>
<u>OPERATING EXPENSES</u>				
Administration	5,305	5,305	29,353	(24,048)
Operating Supplies	7,420	7,420	966	6,454
Repairs	12,950	12,950	55,487	(42,537)
Insurance	13,000	13,000	12,412	588
Utilities & Communications	9,300	9,300	25,640	(16,340)
Salaries & Benefits	130,323	130,323	124,937	5,386
Gas & Oil	-	-	7,340	(7,340)
Professional Services	54,357	54,357	27,803	26,554
Other Expense	36,664	36,664	15,003	21,661
Depreciation	-	-	-	-
<u>Total Operating Expenses</u>	<u>269,319</u>	<u>269,319</u>	<u>298,941</u>	<u>(29,622)</u>
<u>OPERATING INCOME (LOSS)</u>	<u>64,923</u>	<u>64,923</u>	<u>(19,943)</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Income	600	600	543	(57)
Interest Expense	(10,589)	(10,589)	(4,462)	6,127
Grants	976,420	976,420	17,749	(958,671)
Tap Fees	-	-	4,000	4,000
Capital Outlay	(492,700)	(492,700)	(65,216)	427,484
Debt Principal	(910,899)	(910,899)	(9,135)	901,764
Debt Proceeds	302,245	302,245	13,104	(289,141)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(134,923)</u>	<u>(134,923)</u>	<u>(43,417)</u>	<u>91,506</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>(63,360)</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	70,000	70,000	-	(70,000)
Operating Transfers (Out)	-	-	-	-
<u>Total Operating Transfers</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>
<u>NET INCOME (LOSS) – (NON GAAP)</u>	<u>-</u>	<u>-</u>	<u>(63,360)</u>	
<u>RECONCILING ITEMS/GAAP NET INCOME</u>				
Capital Outlay	-	-	65,216	
Depreciation	-	-	(51,777)	
Debt Principal	-	-	9,135	
Debt Proceeds	-	-	(13,104)	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>9,470</u>	
<u>NET INCOME (LOSS) GAAP</u>	<u>-</u>	<u>-</u>	<u>(53,890)</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>1,099,757</u>	
<u>NET POSITION – Ending</u>	<u>-</u>	<u>-</u>	<u>1,045,867</u>	

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

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
SEWER UTILITY FUND  
BUDGET (NON-GAAP) AND ACTUAL  
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>OPERATING REVENUES</u></b>				
Charges for Services	254,335	254,335	247,524	(6,811)
Connects	-	-	-	-
Miscellaneous	100	100	5,004	4,904
<u>Total Operating Revenues</u>	<u>254,435</u>	<u>254,435</u>	<u>252,528</u>	<u>(1,907)</u>
<b><u>OPERATING EXPENSES</u></b>				
Administration	2,270	2,270	14,529	(12,259)
Operating Supplies	5,500	5,500	1,031	4,469
Repairs	18,850	18,850	20,657	(1,807)
Insurance	11,050	11,050	9,373	1,677
Utilities & Communications	4,372	4,372	6,366	(1,994)
Salaries & Benefits	114,689	114,689	103,144	11,545
Gas & Oil	-	-	4,120	(4,120)
Professional Services	7,037	7,037	4,952	2,085
Other Expense	438	438	7,044	(6,606)
<u>Total Operating Expenses</u>	<u>164,206</u>	<u>164,206</u>	<u>171,216</u>	<u>(7,010)</u>
<b><u>OPERATING INCOME</u></b>	<u>90,229</u>	<u>90,229</u>	<u>81,312</u>	
<b><u>NON OPERATING REVENUES (EXPENSES)</u></b>				
Interest Income	300	300	389	89
Interest Expense	(7,831)	(7,831)	(7,286)	545
Grants	600,000	600,000	15,033	(584,967)
Tap Fees	-	-	4,000	4,000
Capital Outlay	(2,098,480)	(2,098,480)	(143,158)	1,955,322
Debt Principal	(74,218)	(74,218)	(113,237)	(39,019)
Debt Proceeds	1,490,000	1,490,000	54,925	(1,435,075)
Gain on Disposition of Assets	-	-	21,500	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(90,229)</u>	<u>(90,229)</u>	<u>(167,834)</u>	<u>(99,105)</u>
<b><u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u></b>	<u>-</u>	<u>-</u>	<u>(86,522)</u>	
<b><u>OPERATING TRANSFERS</u></b>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET INCOME (LOSS) – (NON GAAP)</u></b>	<u>-</u>	<u>-</u>	<u>(86,522)</u>	
<b><u>RECONCILING ITEMS/GAAP NET INCOME</u></b>				
Capital Outlay	-	-	143,158	
Debt Principal	-	-	113,237	
Debt Proceeds	-	-	(54,925)	
Depreciation	-	-	(63,764)	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>137,706</u>	
<b><u>NET INCOME (LOSS) GAAP</u></b>	<u>-</u>	<u>-</u>	<u>51,184</u>	
<b><u>NET POSITION – Beginning</u></b>	<u>-</u>	<u>-</u>	<u>726,038</u>	
<b><u>NET POSITION – Ending</u></b>	<u>-</u>	<u>-</u>	<u>777,222</u>	

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

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
SANITATION UTILITY FUND  
BUDGET (NON-GAAP) AND ACTUAL  
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>OPERATING REVENUES</u>				
Charges for Services	46,372	46,372	46,464	92
Connects	-	-	-	-
Miscellaneous	-	-	-	-
<u>Total Operating Revenues</u>	<u>46,372</u>	<u>46,372</u>	<u>46,464</u>	<u>92</u>
<u>OPERATING EXPENSES</u>				
Administration	450	450	1,549	(1,099)
Operating Supplies	-	-	50	(50)
Repairs	1,120	1,120	763	357
Insurance	1,602	1,602	661	941
Utilities & Communications	340	340	609	(269)
Salaries & Benefits	7,452	7,452	9,970	(2,518)
Gas & Oil	-	-	178	(178)
Professional Services	500	500	348	152
Landfill Contribution	26,000	26,000	23,412	2,588
Bad Debts	-	-	-	-
Other Expense	<u>7,816</u>	<u>7,816</u>	<u>87</u>	<u>7,729</u>
<u>Total Operating Expenses</u>	<u>45,280</u>	<u>45,280</u>	<u>37,627</u>	<u>7,653</u>
<u>OPERATING INCOME</u>	<u>1,092</u>	<u>1,092</u>	<u>8,837</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Income	10	10	72	62
Interest Expense	-	-	-	-
Capital Outlay	(206)	(206)	-	206
Debt Principal	-	-	-	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(196)</u>	<u>(196)</u>	<u>72</u>	<u>268</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>896</u>	<u>896</u>	<u>8,909</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>(896)</u>	<u>(896)</u>	<u>-</u>	<u>896</u>
<u>Total Operating Transfers</u>	<u>(896)</u>	<u>(896)</u>	<u>-</u>	<u>896</u>
<u>NET INCOME (LOSS)</u>	<u>-</u>	<u>-</u>	<u>8,909</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>27,587</u>	
<u>NET POSITION – Ending</u>	<u>-</u>	<u>-</u>	<u>36,496</u>	

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

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
STORM DRAINAGE FUND  
BUDGET (NON-GAAP) AND ACTUAL  
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>OPERATING REVENUES</u>				
Charges for Services	13,000	13,000	12,404	(596)
Miscellaneous	-	-	-	-
<u>Total Operating Revenues</u>	<u>13,000</u>	<u>13,000</u>	<u>12,404</u>	<u>(596)</u>
<u>OPERATING EXPENSES</u>				
Administration	40	40	239	(199)
Operating Supplies	-	-	141	(141)
Repairs	5,151	5,151	639	4,512
Insurance	770	770	653	117
Utilities & Communications	-	-	79	(79)
Salaries & Benefits	6,278	6,278	9,120	(2,842)
Gas & Oil	-	-	19	(19)
Professional Services	280	280	229	51
Bad Debts	-	-	-	-
Other Expense	349	349	1,566	(1,217)
<u>Total Operating Expenses</u>	<u>12,868</u>	<u>12,868</u>	<u>12,685</u>	<u>183</u>
<u>OPERATING INCOME</u>	<u>132</u>	<u>132</u>	<u>(281)</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Income	18	18	43	25
Interest Expense	-	-	-	-
Capital Outlay	(150)	(150)	-	150
Debt Principal	-	-	-	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(132)</u>	<u>(132)</u>	<u>43</u>	<u>175</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>-</u>	<u>-</u>	<u>(238)</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET INCOME (LOSS)</u>	<u>-</u>	<u>-</u>	<u>(238)</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>38,856</u>	
<u>NET POSITION – Ending</u>	<u>-</u>	<u>-</u>	<u>38,618</u>	

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

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
NATURAL RESOURCES FUND  
BUDGET (NON-GAAP) AND ACTUAL  
For the Year Ended December 31, 2016

	Variance- Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
<u>OPERATING REVENUES</u>				
Charges for Service	232,300	232,300	234,284	1,984
Miscellaneous	<u>47,441</u>	<u>47,441</u>	-	(47,441)
<u>Total Operating Revenues</u>	<u>279,741</u>	<u>279,741</u>	<u>234,284</u>	<u>(45,457)</u>
<u>OPERATING EXPENSES</u>				
Administration	900	900	202	698
Operating Supplies	-	-	-	-
Repairs	13,200	13,200	719	12,481
Insurance	4,000	4,000	-	4,000
Utilities & Communications	1,100	1,100	-	1,100
Salaries & Benefits	-	-	-	-
Gas & Oil	-	-	-	-
Professional Services	4,200	4,200	-	4,200
Bad Debts	-	-	-	-
Other Expense	26,038	26,038	8,361	17,677
Depreciation	-	-	-	-
<u>Total Operating Expenses</u>	<u>49,438</u>	<u>49,438</u>	<u>9,282</u>	<u>40,156</u>
<u>OPERATING INCOME</u>	<u>230,303</u>	<u>230,303</u>	<u>225,002</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Income	80	80	155	75
Interest Expense	(72,639)	(72,639)	(73,876)	(1,237)
Debt Principal	<u>(87,744)</u>	<u>(87,744)</u>	<u>(60,220)</u>	<u>27,524</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(160,303)</u>	<u>(160,303)</u>	<u>(133,941)</u>	<u>26,362</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>70,000</u>	<u>70,000</u>	<u>91,061</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>(70,000)</u>	<u>(70,000)</u>	-	70,000
<u>Total Operating Transfers</u>	<u>(70,000)</u>	<u>(70,000)</u>	-	<u>70,000</u>
<u>NET INCOME (LOSS) – (NON GAAP)</u>	<u>-</u>	<u>-</u>	<u>91,061</u>	
<u>RECONCILING ITEMS/GAAP NET INCOME</u>				
Depreciation	-	-	(7,198)	
Debt Proceeds	-	-	-	
Debt Principal	-	-	60,220	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>53,022</u>	
<u>NET INCOME (LOSS) GAAP</u>	<u>-</u>	<u>-</u>	<u>144,083</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>120,482</u>	
<u>NET POSITION – Ending</u>	<u>-</u>	<u>-</u>	<u>264,565</u>	

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

TOWN OF FOWLER, COLORADO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUND  
BUDGET AND ACTUAL (NON-GAAP)  
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>OPERATING REVENUES</u>				
Charges for Service	15,000	15,000	15,000	-
Other	<u>30,000</u>	<u>30,000</u>	-	(30,000)
<u>Total Operating Revenues</u>	<u>45,000</u>	<u>45,000</u>	<u>15,000</u>	<u>(30,000)</u>
<u>OPERATING EXPENSES</u>				
Administration	-	-	-	-
Operating Supplies	-	-	-	-
Repairs	-	-	-	-
Insurance	-	-	-	-
Utilities & Communications	-	-	-	-
Salaries & Benefits	-	-	-	-
Gas & Oil	-	-	-	-
Professional Services	-	-	-	-
Bad Debts	-	-	-	-
Other Expense	15,000	15,000	-	15,000
Depreciation	-	-	-	-
<u>Total Operating Expenses</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
<u>OPERATING INCOME</u>	<u>30,000</u>	<u>30,000</u>	<u>15,000</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Capital Outlay	(30,000)	(30,000)	(27,954)	2,046
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(27,954)</u>	<u>2,046</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>-</u>	<u>-</u>	<u>(12,954)</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET INCOME (LOSS) – (NON GAAP)</u>	<u>-</u>	<u>-</u>	<u>(12,954)</u>	
<u>RECONCILING ITEMS / GAAP NET INCOME</u>				
Capital Outlay	-	-	27,954	
Depreciation	-	-	(16,962)	
Debt Principal	-	-	-	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>10,992</u>	
<u>NET INCOME (LOSS) GAAP</u>	<u>-</u>	<u>-</u>	<u>(1,962)</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>65,859</u>	
<u>NET POSITION – Ending</u>	<u>-</u>	<u>-</u>	<u>63,897</u>	

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

TOWN OF FOWLER, COLORADO  
 SCHEDULE OF ACTIVITIES – POLICE PENSION FIDUCIARY FUNDS  
 BUDGET AND ACTUAL  
 December 31, 2016

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	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>ADDITIONS:</u>			
Earnings on Investments	100	203	103
Contributions	<u>-</u>	<u>-</u>	<u>-</u>
	<u>100</u>	<u>203</u>	<u>103</u>
 <u>DEDUCTIONS:</u>			
Capital Outlay	30,000	-	30,000
Other	<u>100</u>	<u>-</u>	<u>100</u>
	<u>30,100</u>	<u>-</u>	<u>30,100</u>
 <u>CHANGES IN NET POSITION:</u>			
	(30,000)	203	
 <u>NET POSITION HELD IN TRUST FOR PENSION BENEFITS:</u>			
 <u>NET POSITION – BEGINNING OF YEAR</u>			
	30,000	37,085	
 <u>NET POSITION – END OF YEAR</u>			
	<u>-</u>	<u>37,288</u>	

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

OTHER SCHEDULES

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>Town of Fowler</b>			
		YEAR ENDING: December 2016			
This Information From The Records Of (example - City of _ or County of _) <b>Town of Fowler</b>		Prepared By: <b>Dan Hyatt</b> Phone: <b>719-2103-4461</b>			
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)			
a. Motor Fuel (from Item I.A.5.)		2. Maintenance	27,816		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations	67,749	b. Snow and ice removal			
3. Other local imposts (from page 2)	56,417	c. Other			
4. Miscellaneous local receipts (from page 2)	17,293	d. Total (a. through c.)			
5. Transfers from toll facilities		4. General administration & miscellaneous	9,817		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	145,720		
a. Bonds - Original Issues		6. Total (1 through 5)	183,343		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)		a. Interest			
7. Total (1 through 6)		b. Redemption			
<b>B. Private Contributions</b>		c. Total (a. + b.)			
<b>C. Receipts from State government</b> (from page 2)		2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)		a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	141,459	b. Redemption			
		c. Total (a. + b.)			
		3. Total (1.c + 2.c)			
		<b>C. Payments to State for highways</b>			
		<b>D. Payments to toll facilities</b>			
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	183,343		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
<b>A. Bonds (Total)</b>					
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>					
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		183,343	183,343		
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
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	44,359	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	17,293
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	12,058	g. Other Misc. Receipts	
6. Total (1. through 5.)		h. Other	
c. Total (a. + b.)	56,417	i. Total (a. through h.)	17,293
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway user taxes	41,884	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State board proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)		g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	41,884	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			
b. Engineering Costs			
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation			
(4). System Enhancement & Operation			
(5). Total Construction (1) + (2) + (3) + (4)			
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)			
			(Carry forward to page 1)

Notes and Comments: