

**Town of Granby
Granby, Colorado**

**Financial Statements
December 31, 2016**



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By Justin L. Smith at 12:20 pm, Apr 27, 2017

**Town of Granby, Colorado
Financial Report
December 31, 2016**

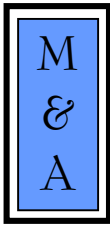
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Board Town of Granby

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Granby (the "Town"), as of and for the year ended December 31, 2016, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Town'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.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and Town Board
Town of Granby

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 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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B 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 Management's Discussion and Analysis in Section B in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, and the *Local Highway Finance Report* listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, and the *Local Highway Finance Report* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
To the Mayor and Town Board
Town of Granby

Other Matters (continued)

Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section is presented for the purpose of additional analysis, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and is not a required part of the Town's financial statements. Such information has been subjected to the auditing procedures applied audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2017 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
March 22, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Granby, Colorado

Management's Discussion and Analysis December 31, 2016

As management of the Town of Granby ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2016.

Financial Highlights

- The Town had an increase in net position of \$2,804,210. The increase was attributable to an increase of \$3,011,908 in proprietary funds that was largely related to grants and contributions received from SilverCreek Water and Sanitation District in the current year as well as a decrease in governmental funds of \$207,698 which is largely attributable to an increase general government expenses.
- The Town's governmental funds combined fund balances increased by \$190,602, of which the General Fund had an excess of revenues over expenditures of \$428,286. A significant portion of the General Fund's excess relates to the excess of funding proceeds (\$6,250,000) over the refunding of town hall (\$1,172,102) and Shorefox purchase (\$4,494,406). This excess of \$583,492 which is held as restricted cash at year end.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the 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 are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Town 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 is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, streets, and parks and recreation. The business-type activities of the Town include water and sewer services.

Overview of the Financial Statements (continued)

The government-wide financial statements include not only the Town itself (known as the primary government), but also the Grand Elk General Improvement Districts and the Granby West General Improvement District. Since the Town created the General Improvement Districts and the Town Board serves as the board for the Grand Elk and Granby West General Improvement Districts, the financial statements are required to be blended or combined for financial reporting purposes. Therefore, the financial information for Grand Elk General Improvement District is blended to include the financial information for the District as a fund of the Town. Additional information regarding Grand Elk General Improvement District is available on Page D1.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town adopts an annual appropriated budget for all funds to demonstrate compliance with the State budget statutes.

Proprietary funds: The Town maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town, each of which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The Town also presents a budgetary comparison for its proprietary funds.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D21 of this report.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis: The largest portion of the Town's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 75% of the total assets. The Town uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, the Town's restricted net position has changed as follows:

	<u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u>
<i>General Fund:</i>				
Emergency reserves	\$ 114,443	8,688	-	123,131
<i>Conservation Trust:</i>				
Recreation	61,218	19,018	-	80,236
<i>Grand Elk Fund:</i>				
Emergency reserves	33,058	-	(5,247)	27,811
Debt service	854,830	-	(106,922)	747,908
<i>Granby West GID Fund:</i>				
Emergency reserves	194	-	-	194
<i>Water Plant Investment Fund:</i>				
Water Rights Acquisition	64,000	-	-	64,000
Water Quality Improvement	118,650	-	-	118,650
<i>South Service Water Fund:</i>				
Water Plant Construction	1,000,000	-	(700,000)	300,000
	<u>\$ 2,246,393</u>	<u>27,706</u>	<u>(812,169)</u>	<u>1,461,930</u>

The following graphs show the Town's net position for 2015 and 2016:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets:						
Current and other assets	\$ 7,101,147	6,722,642	5,195,076	5,717,662	12,296,223	12,440,304
Capital assets	15,126,769	10,957,060	22,535,314	19,558,962	37,662,083	30,516,022
Total Assets	<u>22,227,916</u>	<u>17,679,702</u>	<u>27,730,390</u>	<u>25,276,624</u>	<u>49,958,306</u>	<u>42,956,326</u>
Deferred Outflow of Resources:						
Deferred charge on refunding	364,112	523,481	-	-	364,112	523,481
Total deferred outflow of resources	<u>364,112</u>	<u>523,481</u>	<u>-</u>	<u>-</u>	<u>364,112</u>	<u>523,481</u>
Liabilities:						
Other liabilities	760,130	474,388	179,611	204,459	939,741	678,847
Long-term liabilities	14,012,359	9,632,705	2,363,817	2,576,688	16,376,176	12,209,393
Total Liabilities	<u>14,772,489</u>	<u>10,107,093</u>	<u>2,543,428</u>	<u>2,781,147</u>	<u>17,315,917</u>	<u>12,888,240</u>
Deferred Inflow of Resources:						
Unavailable property tax revenue	652,311	721,164	-	-	652,311	721,164
Unavailable revenue - Other	492,000	492,000	-	320,423	492,000	812,423
Total deferred inflow of resources	<u>1,144,311</u>	<u>1,213,164</u>	<u>-</u>	<u>320,423</u>	<u>1,144,311</u>	<u>1,533,587</u>
Net Assets:						
Net investment in capital assets	2,453,804	2,773,988	20,220,529	16,906,825	22,674,333	19,680,813
Restricted	979,280	1,063,746	482,650	1,182,650	1,461,930	2,246,396
Unrestricted	3,242,144	3,045,192	4,483,783	4,085,579	7,725,927	7,130,771
Total Net Assets	<u>\$ 6,675,228</u>	<u>6,882,926</u>	<u>25,186,962</u>	<u>22,175,054</u>	<u>31,862,190</u>	<u>29,057,980</u>

Overview of the Financial Statements (continued)

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

The following chart is a summary of the Town's Change in Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 1,049,742	1,199,424	2,201,970	1,898,197	3,251,712	3,097,621
Operating grants & contributions	207,970	232,117	(175)	554,992	207,795	787,109
Capital grants & contributions	49,016	608,039	1,561,699	7,418,330	1,610,715	8,026,369
General revenues:						
Property taxes	708,660	712,269	-	-	708,660	712,269
Sales and use taxes	2,864,185	2,648,300	-	-	2,864,185	2,648,300
Other taxes	200,822	209,940	-	-	200,822	209,940
Investment earnings and other revenue	95,613	70,948	1,381,421	9,678	1,477,034	80,626
Total Revenues	5,176,008	5,681,037	5,144,915	9,881,197	10,320,923	15,562,234
Expenses:						
General government	2,205,756	1,496,519	-	-	2,205,756	1,496,519
Public safety	914,340	816,215	-	-	914,340	816,215
Streets	1,192,438	1,129,243	-	-	1,192,438	1,129,243
Parks & recreation	650,731	653,745	-	-	650,731	653,745
Interest	492,516	492,625	-	-	492,516	492,625
Water	-	-	1,117,531	1,219,938	1,117,531	1,219,938
Sewer	-	-	943,401	840,852	943,401	840,852
Total Expenses	5,455,781	4,588,347	2,060,932	2,060,790	7,516,713	6,649,137
Change in Net Assets						
before transfers	(279,773)	1,092,690	3,083,983	7,820,407	2,804,210	8,913,097
Transfers	72,075	-	(72,075)	-	-	-
Change in Net Assets	(207,698)	1,092,690	3,011,908	7,820,407	2,804,210	8,913,097
Net Assets - Beginning	6,882,926	5,790,236	22,175,054	14,354,647	29,057,980	20,144,883
Net Assets - Ending	\$ 6,675,228	6,882,926	25,186,962	22,175,054	31,862,190	29,057,980

Governmental activities: Governmental activities decreased the Town's net position by \$207,698. Key elements of this decrease are noted here:

- General government expenses increased primarily due to refinancing Town Hall purchase and miscellaneous projects at the Shorefox property.

Overview of the Financial Statements (continued)

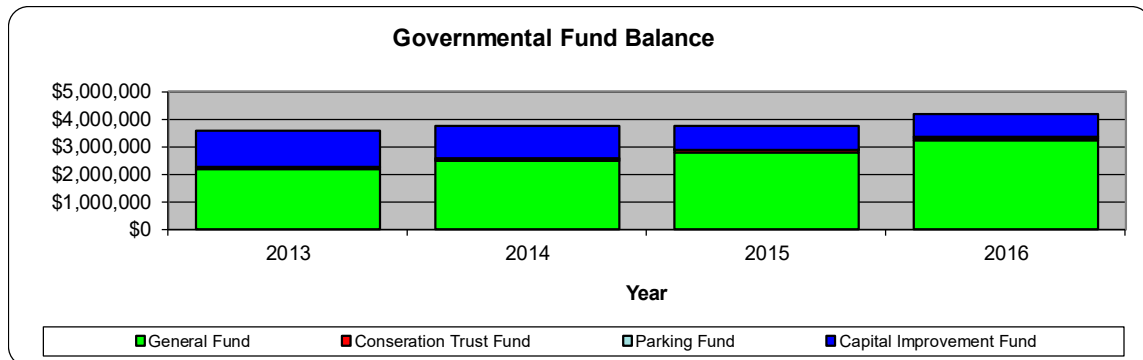
Business-type activities: Business-type activities increased the Town's net position by \$3,011,908. Key elements of this change are as follows:

- An Energy/Mineral Impact Assistant Fund grant in the South Service Water fund for \$1,865,584.
- Cash contribution of \$1,000,000 for Silver Creek Water and Sanitation.
- Increase in revenues from charges for services, including new revenue from water service charges for Silver Creek Water and Sanitation in the amount of \$86,443.

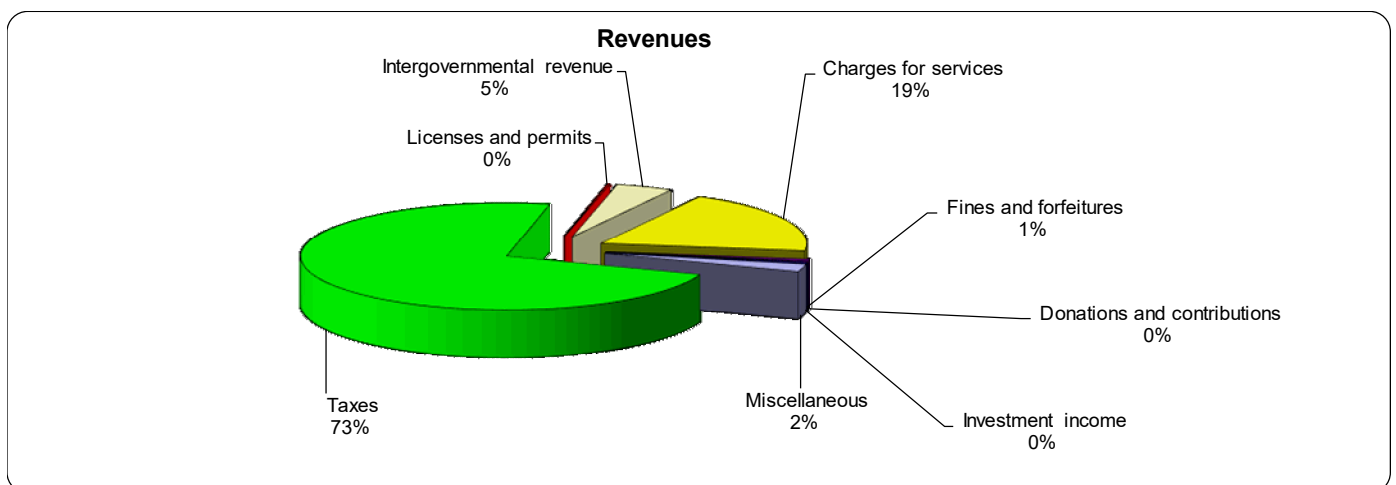
Financial Analysis of the Town's Funds

As mentioned on page B1 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

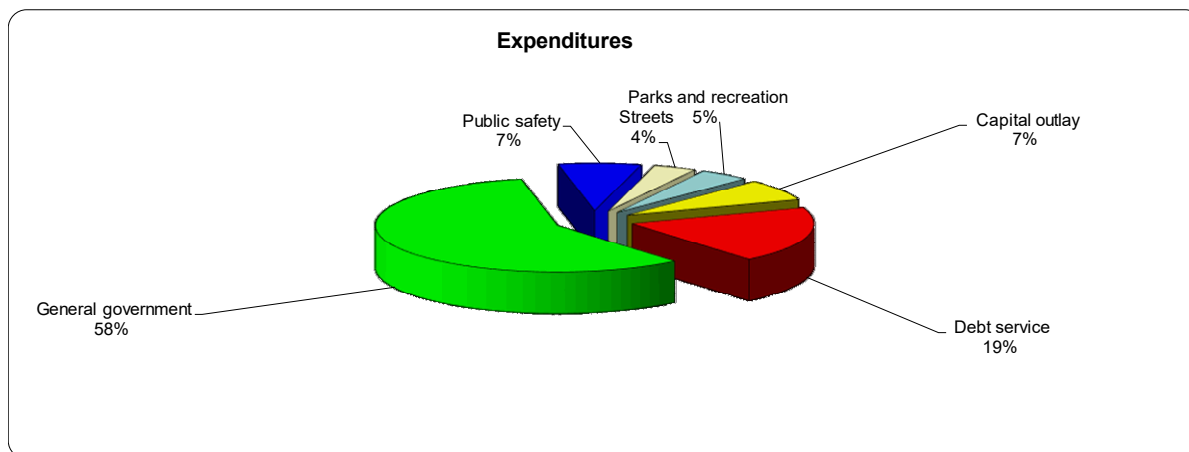
Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,025,656, an increase of \$190,602 from the prior year ending fund balances. The Town's fund balances for past three years and 2016 are presented in graph format below. To increase comparability, the graph excludes the Grand Elk General Improvement District and Granby West General Improvement District.



The Town's total governmental fund revenues were from the following sources:



The following is a graph of the Town's governmental activities expenditures by function for 2016:



Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Budget variances in the General Fund: The Town's significant General Fund budget variances are detailed as follows:

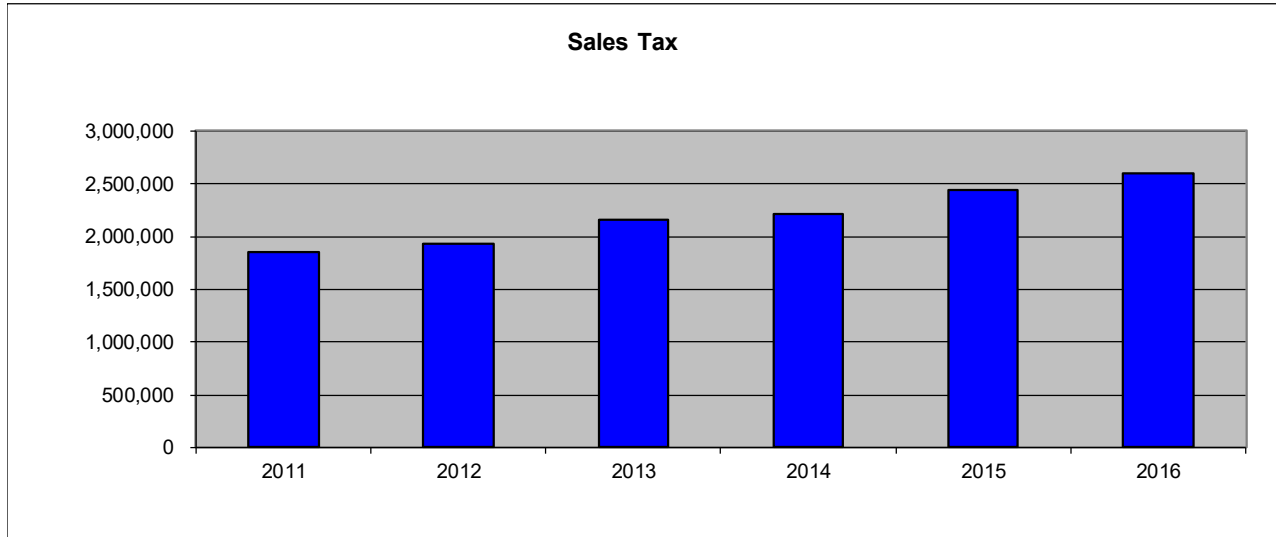
	Final Budget	Actual	Variance	Reason
Revenues:				
Sales & Use	\$ 2,232,258	\$ 2,506,162	273,904	The Town budgeted conservatively for sales tax
Grant revenue	1,247,060	141,052	(1,106,008)	Recreation anticipated getting Pathway grant
Other income	3,400	105,496	102,096	Power line easement is included in this amount for \$66,000
Total Revenues	4,193,488	3,473,780	(719,708)	
Expenditures:				
Administrative	654,999	596,736	58,263	Vacant Town Manager position saved 3 months of related expenses as well as payout of PTO to Town Manager
Program Project and Facility	5,232,542	5,320,889	(88,347)	Shorefox project costs higher than budgeted for Payout of PTO time to Chief of Police resulted in reduction in deferred salaries and health insurance costs are down
Police and public safety	919,685	821,550	98,135	
Street	1,261,588	422,352	839,236	Pedestrian Pathway project not completed
Capital outlay and repairs	2,019,382	633,029	1,386,353	Rafferty Park project delayed to 2017 and Shorefox Project Fund not used
Total Expenditures	12,435,703	10,046,350	2,389,353	

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, decreased due to depreciation of the assets and minimal asset additions from the prior year. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements on pages D14 and D15 of this report.

Long-term debts: As of the end of the current fiscal year, the Town had \$16,347,134 in total long-term debts. This includes \$7,615,000 of Grand Elk General Improvement District G.O. bonded debt which is solely the responsibility of the District. The Town has no responsibility for the debt, other than its responsibility as the primary government sponsoring the District. The Town also has capital leases relating to the Town Hall and the Town Street Shop. Additionally, the Town's North Service Area Water Fund has a Colorado Water Conservation Board note. The South Service Area Sewer Enterprise has a Colorado Water and Power Development Authority Loan for DeBerard Draw. Further information regarding the Town's debt can be found on pages D15 through D16.

Financial Analysis of the Town's Funds (continued)

Sales and Use Tax: The Town has 4% sales and use tax that is used to fund its governmental operations. 12.5% of the tax collected is placed in the Capital Improvement Fund for future capital acquisitions. The increase in sales tax from 2015 was \$153,398 or 6.28%. The following chart indicates changes in the sales tax over the past several years. The chart does not take into account revenue sharing agreements.



Next year's budget and rates: The Town's General Fund balance at the end of the current fiscal year was \$3,245,691. The Town's 2017 budget is conservatively prepared and anticipates an ending General Fund balance of \$1,746,789. There are several designated and restricted reserves which will be used for specific 2017 projects.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Finance Director, P.O. Box 440, Granby, Colorado 80446.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Granby, Colorado
Statement of Net Position
December 31, 2016

	Governmental Activities	Business type Activities	Total
Assets:			
Cash and investments - Unrestricted	4,193,882	4,410,722	8,604,604
Cash and investments - Restricted	1,903,565	-	1,903,565
Cash with Treasurer	4,129	-	4,129
Accounts, taxes, and interest receivable	965,458	72,028	1,037,486
Due from other governments	1,490	712,326	713,816
Prepaid expenses	32,623	-	32,623
Total current assets	<u>7,101,147</u>	<u>5,195,076</u>	<u>12,296,223</u>
Capital assets:			
Water rights	-	920,107	920,107
Land & Improvements	5,980,856	9,804	5,990,660
Infrastructure	12,946,145	-	12,946,145
System and improvements	-	24,014,098	24,014,098
Buildings and improvements	7,583,686	86,462	7,670,148
Equipment	2,309,423	568,704	2,878,127
Construction in Progress	225,176	4,271,555	4,496,731
Less accumulated depreciation	(13,918,517)	(7,335,416)	(21,253,933)
Total capital assets (net of accumulated depr.)	<u>15,126,769</u>	<u>22,535,314</u>	<u>37,662,083</u>
Total assets	<u>22,227,916</u>	<u>27,730,390</u>	<u>49,958,306</u>
Deferred Outflow of Resources:			
Deferred charge on refunding	364,112	-	364,112
Total deferred outflow of resources	<u>364,112</u>	<u>-</u>	<u>364,112</u>
Liabilities:			
Current liabilities:			
Accounts payable	418,036	160,219	578,255
Accrued expenses	283,579	11,892	295,471
Deposits	58,515	7,500	66,015
Total current liabilities:	<u>760,130</u>	<u>179,611</u>	<u>939,741</u>
Noncurrent liabilities:			
Compensated absences	171,051	49,032	220,083
Accrued interest	29,042	-	29,042
Due within one year	707,511	94,513	802,024
Due in more than one year	13,104,755	2,220,272	15,325,027
Total noncurrent liabilities	<u>14,012,359</u>	<u>2,363,817</u>	<u>16,376,176</u>
Total liabilities	<u>14,772,489</u>	<u>2,543,428</u>	<u>17,315,917</u>
Deferred Inflow of Resources:			
Unavailable property tax revenue	652,311	-	652,311
Unavailable revenue - Other	492,000	-	492,000
Total deferred inflow of resources	<u>1,144,311</u>	<u>-</u>	<u>1,144,311</u>
Net Position:			
Net Investment in capital assets	2,453,804	20,220,529	22,674,333
Restricted	979,280	482,650	1,461,930
Unrestricted	<u>3,242,144</u>	<u>4,483,783</u>	<u>7,725,927</u>
Total Net Position	<u>6,675,228</u>	<u>25,186,962</u>	<u>31,862,190</u>

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

Town of Granby, Colorado
Statement of Activities
December 31, 2016

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	2,205,756	78,703	47,293	-	(2,079,760)	-	(2,079,760)
Public safety	914,340	257,020	-	7,610	(649,710)	-	(649,710)
Streets	1,192,438	567,718	69,187	41,406	(514,127)	-	(514,127)
Parks and recreation	650,731	146,301	91,490	-	(412,940)	-	(412,940)
Interest	492,516	-	-	-	(492,516)	-	(492,516)
Total Governmental Activities	5,455,781	1,049,742	207,970	49,016	(4,149,053)	-	(4,149,053)
Business-type activities:							
Water	1,117,531	1,271,570	(175)	1,546,187	-	1,700,051	-
Sewer	943,401	930,400	-	15,512	-	2,511	2,511
Total Business-type Activities	2,060,932	2,201,970	(175)	1,561,699	-	1,702,562	1,702,562
Total Primary Government	7,516,713	3,251,712	207,795	1,610,715	(4,149,053)	1,702,562	(2,446,491)
General Revenues:							
Property tax, levied for general purposes					708,660	-	708,660
Specific ownership tax					44,332	-	44,332
General sales and use tax					2,864,185	-	2,864,185
Franchise tax					124,901	-	124,901
Other miscellaneous taxes					31,589	-	31,589
Investment earnings					12,860	2,547	15,407
Grants and contributions not restricted to any program					89,751	1,888,842	1,978,593
Gain (loss) on disposal of assets					(6,998)	(509,968)	(516,966)
Transfers					72,075	(72,075)	-
Total General Revenues, Special Items, and Transfers					3,941,355	1,309,346	5,250,701
Change in Net Position					(207,698)	3,011,908	2,804,210
Net Position - Beginning					6,882,926	22,175,054	29,057,980
Net Position - Ending					6,675,228	25,186,962	31,862,190

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

FUND FINANCIAL STATEMENTS



**Town of Granby, Colorado
Balance Sheet
Governmental Funds
December 31, 2016**

	General	Grand Elk GID	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments - Unrestricted	3,057,542	210,118	826,449	99,773	4,193,882
Cash and Investments - Restricted	1,353,552	550,013	-	-	1,903,565
Cash with County Treasurer	2,493	1,604	-	31	4,128
Receivables, net of allowance for uncollectibles	559,555	380,276	24,918	712	965,461
Due from other governments	1,490	-	-	-	1,490
Prepaid expenses	32,620	-	-	-	32,620
Total Assets	<u>5,007,252</u>	<u>1,142,011</u>	<u>851,367</u>	<u>100,516</u>	<u>7,101,146</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts payable	418,033	-	-	-	418,033
Accrued payroll	100	-	-	-	100
Accrued compensated absences	171,051	-	-	-	171,051
Accrued expenses	283,479	-	-	-	283,479
Deposits	58,515	-	-	-	58,515
Total Liabilities	<u>931,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>931,178</u>
Deferred inflow of resources:					
Unavailable property tax revenue	338,382	313,218	-	712	652,312
Unavailable revenue - other	492,000	-	-	-	492,000
Total deferred inflow of resources	<u>830,382</u>	<u>313,218</u>	<u>-</u>	<u>712</u>	<u>1,144,312</u>
Fund Balances:					
Unspendable	32,620	-	-	-	32,620
Spendable:					
Restricted for emergencies	123,131	27,811	-	194	151,136
Restricted for recreation	-	-	-	80,236	80,236
Restricted for debt service	-	747,908	-	-	747,908
Committed	1,403,998	53,074	851,367	19,374	2,327,813
Assigned	127,033	-	-	-	127,033
Unassigned	1,558,910	-	-	-	1,558,910
Total Fund Balances	<u>3,245,692</u>	<u>828,793</u>	<u>851,367</u>	<u>99,804</u>	<u>5,025,656</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>5,007,252</u>	<u>1,142,011</u>	<u>851,367</u>	<u>100,516</u>	<u>7,101,146</u>

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

Town of Granby
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2016

Governmental Funds Total Fund Balance	5,025,656
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	29,045,285
Deferred charges are capitalized and amortized over the life of the bond issue.	394,766
Less:	
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition	(13,918,517)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of bonded debt and capital leases owed.	(13,842,920)
Accrued interest is not due and payable in the current period and not reported in the fund. This represents accrued interest on the Town's debt.	(29,042)
Governmental Activities Net Position	<u>6,675,228</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General	Grand Elk GID	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	3,047,793	360,751	358,023	7,101	3,773,668
Licenses and permits	8,032	-	-	-	8,032
Intergovernmental revenue	210,239	-	-	21,067	231,306
Charges for services	439,348	557,850	-	-	997,198
Fines and forfeitures	33,478	-	-	-	33,478
Investment income	4,535	7,577	600	204	12,916
Donations and contributions	10,000	-	-	-	10,000
Miscellaneous	105,496	-	10,913	-	116,409
Total Revenues	3,858,921	926,178	369,536	28,372	5,183,007
Expenditures:					
General government	6,213,105	291,631	-	6,503	6,511,239
Public safety	821,550	-	-	-	821,550
Streets	422,352	-	-	-	422,352
Parks and recreation	499,724	-	-	-	499,724
Capital outlay	633,029	177,418	-	2,097	812,544
Debt service	1,471,378	703,628	-	-	2,175,006
Total Expenditures	10,061,138	1,172,677	-	8,600	11,242,415
Excess (Deficiency) of Revenues Over Expenditures	(6,202,217)	(246,499)	369,536	19,772	(6,059,408)
Other Financing Sources (Uses):					
Sale of asset	10	-	-	-	10
Lease proceeds	6,250,000	-	-	-	6,250,000
Transfers in	380,493	-	-	-	380,493
Transfers (out)	-	-	(380,493)	-	(380,493)
Total Other Financing Sources (Uses)	6,630,503	-	(380,493)	-	6,250,010
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	428,286	(246,499)	(10,957)	19,772	190,602
Fund Balances - Beginning	2,817,406	1,075,292	862,324	80,032	4,835,054
Fund Balances - Ending	3,245,692	828,793	851,367	99,804	5,025,656

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

Town of Granby
Reconciliation of Revenues, Expenditures and Changes in Fund
Balances (Deficit) of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2016

Governmental Funds Changes in Fund Balances	190,602
Add:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capitalized assets during the year.	5,231,894
Retirement of lease principal and bonds outstanding on the Town's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reduction against the long-term liabilities.	1,744,872
Contributed assets are recorded on the government wide financial statements as a revenue and asset.	72,075
Less:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the depreciation expense for the year.	(1,127,251)
Debt proceeds represent inflows on the Fund financial statements but are treated as liabilities on the Statement of Net Assets	(6,250,000)
Assets disposed of prior to being fully depreciated are charged off upon disposition. This represents the assets disposed of during the year.	(7,008)
Governmental funds report interest expense as it is paid. However in the Statement of Activities interest expense is reported when it is owed. This represents the change in accrued interest during the year.	(62,882)
Governmental Activities Change in Net Position	(207,698)

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

**Town of Granby
Statement of Net Position
Proprietary Funds
December 31, 2016**

	North Service Area			South Service Area		Total
	Water Operations	Water Plant Investment	Moraine Park Water Fund	Water Fund	Sewer Fund	
Assets:						
Current assets:						
Cash and cash equivalents	143,389	610,751	37,960	2,587,011	1,031,610	4,410,721
Due from other governments	-	-	-	712,326	-	712,326
Accounts receivables, net of allowance for uncollectibles	75,725	600	2,771	(12,146)	5,082	72,032
Total current assets	<u>219,114</u>	<u>611,351</u>	<u>40,731</u>	<u>3,287,191</u>	<u>1,036,692</u>	<u>5,195,079</u>
Non-current assets:						
Land and easements	-	9,804	-	-	-	9,804
Water rights	47,449	296,956	374,559	201,140	-	920,104
Water system and improvements	1,878,167	1,104,573	1,282,896	10,206,045	9,542,417	24,014,098
Building and improvements	69,587	16,875	-	-	-	86,462
Equipment	242,700	16,554	-	152,524	156,927	568,705
Construction in Progress	-	-	-	4,271,555	-	4,271,555
Less: Accumulated depreciation	(1,768,527)	(630,191)	(21,382)	(2,496,981)	(2,418,335)	(7,335,416)
Total non-current assets:	<u>469,376</u>	<u>814,571</u>	<u>1,636,073</u>	<u>12,334,283</u>	<u>7,281,009</u>	<u>22,535,312</u>
Total Assets	<u>688,490</u>	<u>1,425,922</u>	<u>1,676,804</u>	<u>15,621,474</u>	<u>8,317,701</u>	<u>27,730,391</u>
Liabilities:						
Current liabilities:						
Accounts payable	15	-	-	160,205	-	160,220
Accrued compensated absences	13,831	-	-	20,630	14,571	49,032
Accrued expenses	4,592	-	-	-	7,300	11,892
Deposits	-	-	-	7,500	-	7,500
Non-current liabilities due within one year:						
Loans	-	-	-	-	94,513	94,513
Total current liabilities:	<u>18,438</u>	<u>-</u>	<u>-</u>	<u>188,335</u>	<u>116,384</u>	<u>323,157</u>
Non-current liabilities:						
Non-Current Liabilities - due longer than one year:						
Loans	137,760	-	-	-	2,082,512	2,220,272
Total non-current liabilities	<u>137,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,082,512</u>	<u>2,220,272</u>
Total Liabilities	<u>156,198</u>	<u>-</u>	<u>-</u>	<u>188,335</u>	<u>2,198,896</u>	<u>2,543,429</u>
Net Position:						
Net Investment in capital assets	331,616	814,571	1,636,073	12,334,283	5,103,984	20,220,527
Restricted	-	182,650	-	300,000	-	482,650
Unrestricted	200,676	428,701	40,731	2,798,856	1,014,821	4,483,785
Total Net Position	<u>532,292</u>	<u>1,425,922</u>	<u>1,676,804</u>	<u>15,433,139</u>	<u>6,118,805</u>	<u>25,186,962</u>

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

Town of Granby
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	North Service Area			South Service Area		Total
	Water Operations	Water Plant Investment	Moraine Park Water Fund	Water Fund	Sewer Fund	
Operating Revenue:						
Utility sales	420,523	-	34,557	808,288	715,979	1,979,347
Other revenue	10,747	24,293	10	528	223,421	258,999
Operating Revenue	<u>431,270</u>	<u>24,293</u>	<u>34,567</u>	<u>808,816</u>	<u>939,400</u>	<u>2,238,346</u>
Operating Expenses:						
Salaries and employee benefits	206,693	-	20,764	172,739	120,214	520,410
Purchased services	111,497	-	9,437	137,286	526,774	784,994
Supplies	26,783	-	1,082	29,974	6,405	64,244
Depreciation and amortization	40,584	36,407	21,382	297,299	265,305	660,977
Operating Expenses	<u>385,557</u>	<u>36,407</u>	<u>52,665</u>	<u>637,298</u>	<u>990,773</u>	<u>2,102,700</u>
Operating income (loss)	45,713	(12,114)	(18,098)	171,518	(51,373)	135,646
Non-Operating Revenues (Expenses):						
Interest revenue	69	338	-	1,608	532	2,547
Interest expense	(5,606)	-	-	-	(33,702)	(39,308)
Grants and contributions	533	-	486,910	2,885,584	-	3,373,027
Gain (loss) on disposal of assets	-	-	-	-	(509,968)	(509,968)
Total Non-Operating Revenues (Expenses)	<u>(5,004)</u>	<u>338</u>	<u>486,910</u>	<u>2,887,192</u>	<u>(543,138)</u>	<u>2,826,298</u>
Income (Loss) Before Contributions and Transfers	40,709	(11,776)	468,812	3,058,710	(594,511)	2,961,944
Capital contributions	-	-	-	34,451	15,512	49,963
Change in Net Position	40,709	(11,776)	468,812	3,093,161	(578,999)	3,011,907
Total Net Position - Beginning	<u>491,583</u>	<u>1,437,698</u>	<u>1,207,992</u>	<u>12,339,978</u>	<u>6,697,804</u>	<u>22,175,055</u>
Total Net Position - Ending	<u>532,292</u>	<u>1,425,922</u>	<u>1,676,804</u>	<u>15,433,139</u>	<u>6,118,805</u>	<u>25,186,962</u>

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

**Town of Granby
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016**

	North Service Area			South Service Area		Total
	Water Operations	Water Plant Investment	Moraine Park Water Fund	Water Fund	Sewer Fund	
Cash Flows From Operating Activities:						
Cash received from customers for services	419,706	24,293	37,686	809,422	714,297	2,005,404
Other cash received	10,747	-	-	528	223,421	234,696
Cash paid for goods and services	(138,744)	-	(10,509)	(7,128)	(547,657)	(704,038)
Cash paid for employment services	(225,905)	-	(53,023)	(169,823)	(120,214)	(568,965)
Net Cash Provided (Used) by Operating Activities	65,804	24,293	(25,846)	632,999	269,847	967,097
Cash Flows From Non-Capital Financing Activities:						
Grants and contributions	532	-	286,910	2,207,705	453,893	2,949,040
Deposits	-	-	-	3,000	-	3,000
Net Cash Provided by Non-Capital Financing Activities	532	-	286,910	2,210,705	453,893	2,952,040
Cash Flows From Capital Financing Activities:						
Purchase of fixed assets	-	-	(437,731)	(3,626,168)	(155,471)	(4,219,370)
Interest paid	(5,606)	-	-	-	(33,702)	(39,308)
Principal paid	(14,377)	-	-	-	(322,975)	(337,352)
Net Cash (Used) by Capital Financing Activities	(19,983)	-	(437,731)	(3,626,168)	(512,148)	(4,596,030)
Cash Flows From Investing Activities:						
Interest received	69	338	-	1,608	532	2,547
Net Cash Provided by Investing Activities	69	338	-	1,608	532	2,547
Net Increase (Decrease) in Cash and Cash Equivalents	46,422	24,631	(176,667)	(780,856)	212,124	(674,346)
Cash and Cash Equivalents - Beginning	96,967	586,120	214,627	3,367,867	819,486	5,085,067
Cash and Cash Equivalents - Ending	143,389	610,751	37,960	2,587,011	1,031,610	4,410,721
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating (loss)	45,713	(12,114)	(18,098)	171,518	(51,373)	135,646
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:						
Depreciation	40,584	36,407	21,382	297,299	265,305	660,977
(Increase) decrease in accounts receivable	(817)	-	3,129	12,146	(1,682)	12,776
Increase (decrease) in accounts payable	(464)	-	(32,259)	160,131	(20,955)	106,453
Increase (decrease) in compensated absences	(19,212)	-	-	2,916	1,856	(14,440)
Increase (decrease) in deferred revenue	-	-	-	(11,011)	-	(11,011)
Increase (decrease) in accrued interest	-	-	-	-	4,621	4,621
Other adjustments	-	-	-	-	72,075	72,075
Total Adjustments	20,091	36,407	(7,748)	461,481	321,220	831,451
Net Cash Provided (Used) by Operating Activities	65,804	24,293	(25,846)	632,999	269,847	967,097
Noncash investing, capital, and financing activities:						
Contributions of capital assets	-	-	-	-	72,075	72,075

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Granby
Notes to the Financial Statements
December 31, 2016

I. Summary of Significant Accounting Policies

The Town of Granby (the "Town"), was founded in 1905 as a Colorado statutory municipality. The Town is centrally located in the middle of Grand County and is minutes from world class skiing, hot springs and Rocky Mountain National Park.

An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include water and sewer operations, road maintenance, police service, and culture and recreation.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government and component units. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the government. The Town has included the following component units:

Grand Elk General Improvement District: On September 25, 2001, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District.

Granby West General Improvement District: On September 13, 2005, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District. The name was changed from Shorefox General Improvement District to Granby West General Improvement District during 2012. The District became inactive in July 2016 when the Town purchased 1500 acres from the developer.

Grand Elk Ranch No. 2 General Improvement District: On September 22, 2006, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District. The District currently has a budget in place for 2016 for property and specific ownership taxes.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's public safety, road maintenance, culture and recreation, and administration are classified as governmental activities. The Town's water and sewer utilities are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts—net investment in capital assets; restricted; and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

2. Categories and Classification of Fund Balance:

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note I (B) (3) below.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

3. Fund Balance Disclosure

The Town classifies governmental fund balances as follows:

Unspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is Town Board. The Town's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Town Board platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to Town Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Town Board approval, must be presented via a public process and again approval by Town Board.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town Board or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Town does not have a formal minimum fund balance policy. However, the Town's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to Town Board.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

4. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The Town reports the following major special revenue fund:

The *Grand Elk General Improvement District Operations Fund* accounts for taxes set aside for operation of the District.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The Town reports the following major capital projects fund:

The *Capital Improvement Fund* accounts for revenues set aside for construction of municipal assets.

The *Grand Elk General Improvement District Capital Projects Fund* accounts for taxes set aside for capital construction of the District.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Town reports the following major debt service fund:

The *Grand Elk General Improvement District Debt Service Fund* accounts for taxes set aside for debt of the District.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

4. Fund Financial Statements (continued)

The Town reports the following proprietary or business-type funds:

The *Water Operations Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, North of the Fraser River.

The *Water Plant Investment Fund* accounts for plant investment fees, also referred to as tap fees, to ensure adequate funds are available for plant expansion, North of the Fraser River.

The *South Service Water Enterprise Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, South of the Fraser River. This fund also bills on behalf of the Granby Silver Creek Water and Wastewater Authority.

The *South Service Sewer Enterprise Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, South of the Fraser River. This fund also bills on behalf of the Granby Sanitation District.

The *Moraine Park Water Fund* accounts for purchase and delivery of water to the citizens of a specific area outside town limits. In agreement with the State of Colorado, the Town took over operations and will oversee the capital improvements to the system, funded by a principal forgiveness loan.

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation

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.

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 Town's 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. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

2. Investments

Investments are stated at fair value.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2001), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town does not intend to capitalize infrastructure acquired prior to January 1, 2001. The Town defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities. Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	40
Buildings and improvements	15 - 40
Distribution systems	40
Equipment and vehicles	3 - 7

6. Deferred Outflows and 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 and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. Accordingly, these items, unavailable property tax revenue, and unavailable grant revenue, is deferred and recognized as inflows of resources in the period that the amounts become available.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. The liability for the amounts is reported in governmental funds.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are recorded as assets when purchased and depreciated over the life of the assets. Net capital assets of \$15,126,769 represents capitalized costs of \$29,045,286 and accumulated depreciation of \$13,918,517.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that retirement of long-term debt outstanding of \$1,744,872 results in a reduction of accumulated resources on the fund financial statements. This represents payments on the Town's capital leases and Grand Elk General Improvement District bonded debt.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2016.

1. For the 2016 budget year, prior to August 25, 2015 (revised November 30), the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
2. The Town Finance Director submitted to the Board, on or before October 15, 2015, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

3. Prior to December 15, 2015, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2015 were collected in 2016 and taxes certified in 2016 will be collected in 2017. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

During the year the Town approved the following budget amendments.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Amendment</u>
General Fund	\$ 5,885,330	\$ 12,455,892	\$ (6,570,562)
Grand Elk GID Operating Fund	\$ 101,865	\$ 221,865	\$ (120,000)
Grand Elk Ranch No. 2 GID	\$ -	\$ 712	\$ (712)
Moraine Park Water Fund	\$ 235,363	\$ 545,224	\$ (309,861)

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$151,136, which is the approximate required reserve at December 31, 2016.

On November 6, 2001, the Town's electorate approved the following ballot question: *Provided there is no new tax or no increase in any mill levy or any other tax rate without the subsequent approval of the Town's voters, shall the Town of Granby, Colorado be authorized to collect, retain and spend all revenues and other funds collected in the current year and each subsequent year fiscal year for streets, water, capital improvements, and any other lawful purpose, without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, the property tax revenue limitation of Section 29-1-301, Colorado Revised Statutes, or any other law.*

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation. The Grand Elk General Improvement District's electorate also passed a ballot question exempting the District from the provisions of Tabor on November 6, 2001.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The Town's investment policy permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments Deposits and Investments (continued)

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposits was \$9,602,722 at year end. Petty cash totaled \$1,250.

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2016, the Town had the following recurring fair value measurements.

<u>Investment Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurement Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Edward Jones	\$ 55,633	\$ -	\$ 55,633	\$ -
UMB	550,013	-	550,013	-
<u>Investments Measured at Net Asset Value</u>				
Colotrust	\$ 216,750	24%		
C-Safe	81,801	9%		

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

The Investment Pool represents investments in COLOTRUST and C-SAFE. The fair value of the pool is determined by the pool's share price. The Town has no regulatory oversight for the pool. At December 31, 2016, the Town's investments in COLOTRUST were 24% of the Town's investment portfolio. C-SAFE was 9% of the investment portfolio.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the Town has limited its interest rate risk.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments Deposits and Investments (continued)

Credit Risk. Town investment policy limits investments to those authorized by State statutes. The Town's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The Town diversifies its investments by security type and institution. Financial institutions holding Town funds must provide the Town a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2016, the Town's investments in Federal Home Loan Bank was 6% of the Town's investment portfolio.

The Town had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Petty cash:</i>	Not Rated	\$ 1,250		
<i>Demand Deposits:</i>				
Checking	Not Rated	3,422,398		
Savings & money market	Not Rated	4,243,322		
Certificates of deposit	Not Rated	1,937,002		
<i>Investments:</i>				
Cash with fiscal agent	Not Rated	550,013		
United States agencies	AAA	55,633	55,633	-
Investment Pools	AAAm	298,551	298,551	-
Total Cash and Investments		\$ 10,508,169	\$ 354,184	-
<i>Reconciliation to Statement of Net Position:</i>				
Cash and investments - Unrestricted		\$ 8,604,604		
Cash and investments - Restricted		1,903,565		
Total Cash and Investments		\$ 10,508,169		

Restricted Cash. The Town had restricted cash in the amount of \$550,013 in the Grand Elk GID debt service fund relating to a UMB Bank bond reserve and in the general fund for the amount of \$1,353,552 of which \$278,060 relates to a CDOT Pathway grant, \$492,000 relates to a DOLA Pathway grant, and \$583,492 relates to the Shorefox Project.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Total
	General	Grand Elk GID	Capital Improvement	Other Governmental Funds	
	Receivables:				
Taxes	\$ 338,385	313,217	-	712	652,31
Accounts receivable	220,386	67,059	24,915	-	312,36
Accrued interest	330	-	-	-	33
Other receivables	457	-	-	-	45
Due from other governments	1,490	-	-	-	1,49
Gross receivables	561,048	380,276	24,915	712	966,95
Net Receivables	\$ 561,048	380,276	24,915	712	966,95

	Enterprise Funds				Moraine Par Water Fund
	North Service Area		South Service Area		
	Water Operations	Water Plant Investment	South Service Water Fund	South Service Sewer Fund	
Receivables:					
Accounts receivable	\$ 75,544	600	(12,680)	5,082	1,68
Other receivables	180	-	533	-	1,08
Due from other governments	-	-	712,326	-	-
Net Receivables	75,724	600	700,179	5,082	2,77

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes property taxes levied in 2015 but not available until 2016.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset 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>
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 101,481	131,727	(8,032)	\$ 225,176
Capital assets, being depreciated:				
Land improvements	1,480,856	4,500,000	-	5,980,856
Infrastructure	12,764,391	181,754	-	12,946,145
Buildings	7,420,049	182,718	(19,081)	7,583,686
Furniture, fixtures, and equipment	2,066,908	341,427	(98,912)	2,309,423
Total capital assets being depreciated	<u>23,833,685</u>	<u>5,337,626</u>	<u>(126,025)</u>	<u>29,045,286</u>
Less accumulated depreciation for:				
Land improvements	(173,392)	(15,260)	-	(188,652)
Infrastructure	(8,570,764)	(618,000)	-	(9,188,764)
Buildings	(2,621,236)	(213,780)	(6,527)	(2,841,543)
Furniture, fixtures, and equipment	(1,466,872)	(280,215)	47,529	(1,699,558)
Total accumulated depreciation	<u>(12,832,264)</u>	<u>(1,127,255)</u>	<u>41,002</u>	<u>(13,918,517)</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,001,421</u>	<u>4,210,371</u>	<u>(85,023)</u>	<u>\$ 15,126,769</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and easements	\$ 9,804	-	-	\$ 9,804
Water rights	920,107	-	-	920,107
Construction in progress	3,879,924	3,625,459	(3,233,828)	4,271,555
Total Capital Assets, Not Depreciated	<u>4,809,835</u>	<u>3,625,459</u>	<u>(3,233,828)</u>	<u>5,201,466</u>
Capital assets, being depreciated:				
Water system and improvements	21,233,090	3,827,032	(1,046,024)	24,014,098
Buildings and improvements	86,462	-	-	86,462
Equipment	567,995	709	-	568,704
Total Capital Assets Being Depreciated	<u>21,887,547</u>	<u>3,827,741</u>	<u>(1,046,024)</u>	<u>24,669,264</u>
Less accumulated depreciation for:				
Water system and improvements	(6,608,331)	(622,967)	463,980	(6,767,318)
Buildings and improvements	(75,528)	(625)	-	(76,153)
Equipment	(454,561)	(37,384)	-	(491,945)
Total Accumulated Depreciation	<u>(7,138,420)</u>	<u>(660,976)</u>	<u>463,980</u>	<u>(7,335,416)</u>
Business-type activities capital assets, Net	<u>\$ 19,558,962</u>	<u>6,792,224</u>	<u>(3,815,872)</u>	<u>\$ 22,535,314</u>

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The Town had the following capital outlay and depreciation expense for the following functions:

	Depreciation Expense	Capital Outlay
Governmental activities:		
General government	\$ 111,969	-
Public safety	96,290	-
Streets	770,086	-
Parks and recreation	148,910	-
Capital outlay	-	5,337,626
Total - Governmental Activities	\$ 1,127,255	5,337,626
Business-type activities:		
Water	\$ 395,671	4,063,900
Sewer	265,305	155,471
Total - Business-type Activities	\$ 660,976	4,219,371

D. Interfund Receivables, Payables, and Transfers

Transfers as of December 31, 2016 were as follows:

	In	Out
<i>Governmental Funds:</i>		
General Fund	\$ 380,493	-
Other Governmental Funds	-	(380,493)
Total	\$ 380,493	(380,493)

E. Other Liabilities

1. Capital Lease – 2006 Public Works Building

The public works building lease totaled an original amount of \$550,000 and requires monthly payments of \$5,620 through October 1, 2018. The lease carries an interest rate of 4.2% and is subject to annual appropriation and a termination clause.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

2. Capital Lease – 2016 Town Hall Refinance

The Town refinanced the 2013 capital lease described above in Note IV (E) (2) during 2016. The lease now requires monthly payments of \$44,529.44. The monthly payment is made up of a \$32,340.08 taxable portion and a \$12,189.36 nontaxable portion. The lease term goes through March 1, 2023 but is subject to annual appropriations and a termination clause. The lease carries a 3% interest rate. Security on this debt includes the Town Hall, skate park, and other park facilities.

3. Accrued Compensated Absences

Earned but unused compensated absence (e.g. paid time off) benefits amounted to \$220,084 at December 31, 2016. All unused benefits are recorded on the individual fund that pays the related payroll.

4. Grand Elk Debt

On September 25, 2001, the Town authorized the creation of a General Improvement District ("District") to finance infrastructure improvements within the District's boundaries. The District's electorate has approved the issuance of \$7,750,000 in GID General Obligation Bonds. On December 20, 2002 the District issued \$2,000,000 of Limited Tax General Obligation Bonds, Series 2002. In 2003 the District issued \$5,750,000 of Limited Tax General Obligation Bonds, Series 2003. In 2007 the District refunded all its debt with the issuance of Limited Tax General Obligation Refunding Bonds, Series 2007A. The bond issue totaled \$9,905,000 in bonds maturing in 2028. The District also issued \$200,000 of 2007B subordinate bonds which mature after the 2007A bonds have been paid in full. In 2012, the Town Attorney was successful in eliminating subsequent subordinate bond payments. The Town has no financial obligation for any of the District's bonds. Although the District is within the Town's boundaries, the District's citizens are solely responsible for repayment of the debt through the imposition of a mill levy on all real property within the District and system development fees when the property tax is insufficient to make the bond payments. The District's ability to retire the indebtedness created by the issuance of the bonds is dependent upon significant growth in development within the District and maintenance of an adequate tax base from which the District can collect sufficient tax revenues from the required mill levy. Payments are made from the Grand Elk GID Bond Fund.

5. North Service Area Water Fund Debt

On March 15, 1984 the Town borrowed \$405,000 from the Colorado Water Conservation Board. The note has a forty-year term and accrues interest at 4%. Payments are made from the Water Operations Fund.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

6. South Service Sewer Fund Debt

On June 12, 2015, the Town borrowed \$2,500,000 from the Colorado Water Resources and Power Development Authority. The loan has a twenty-year term and accrues interest at 2% annually. In 2016, the loan amount was reduced to \$2,238,098. The loan proceeds will be used to fund phase one of a project that entails replacing sewer lines. The pledged revenues are held in the South Service Sewer Fund. The loan is to be repaid semi-annually with payments being made on May 1st and November 1st commencing May 1st, 2016.

7. Debt Schedule

The following payments are required:

<u>Year</u>	<u>Governmental Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	707,511	607,793	1,315,304
2018	761,467	576,628	1,338,095
2019	749,393	544,343	1,293,736
2020	798,058	511,098	1,309,156
2021	852,360	475,196	1,327,556
2022 - 2026	7,799,131	1,248,746	9,047,877
2027 - 2030	2,175,000	165,773	2,340,773
Total	13,842,920	4,129,577	17,972,497
Grand Elk GID	7,615,000	2,703,246	10,318,246
Town of Granby	6,227,920	1,426,331	7,654,251
Total	\$ 13,842,920	4,129,577	17,972,497

<u>Year</u>	<u>Business - Type Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	109,463	49,312	158,775
2018	112,721	46,079	158,800
2019	115,296	43,504	158,800
2020	117,935	40,865	158,800
2021	120,640	38,159	158,799
2022 - 2026	604,475	148,600	753,075
2027 - 2031	604,995	86,697	691,692
2032 - 2036	529,260	24,093	553,353
Total	\$ 2,314,785	477,309	2,792,094

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

8. Changes in Debt

The Town had the following changes in debt for the year ended December 31, 2016:

	<u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u>	<u>Due within one year</u>
Governmental Fund Debt:					
Capital lease (Town Shop)	\$ 179,809	-	(61,027)	118,782	63,65
Grand Elk GID Bonds	7,955,000	-	(340,000)	7,615,000	365,00
Issuance discount on Grand Elk GID Bonds	(34,820)		4,166	(30,654)	-
Capital Lease (Town Hall)	1,302,418	4,806,720	-	6,109,138	278,85
Compensated absences	200,037	-	(28,986)	171,051	-
Enterprise Debt:					
Compensated absences	63,473	-	(14,441)	49,032	-
Colorado Water Conservation Note	152,137	-	(14,377)	137,760	-
CWRPDA Loan	2,500,000	-	(322,975)	2,177,025	94,51
Total	<u>12,318,054</u>	<u>4,806,720</u>	<u>(777,640)</u>	<u>16,347,134</u>	<u>802,02</u>

F. Restricted Fund Balance

The Town had the following restrictions on fund balances at December 31, 2016:

	<u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u>
<i>General Fund:</i>				
Emergency reserves	\$ 114,443	8,688	-	123,131
<i>Conservation Trust:</i>				
Recreation	61,218	19,018	-	80,236
<i>Grand Elk Fund:</i>				
Emergency reserves	33,058	-	(5,247)	27,811
Debt service	854,830	-	(106,922)	747,908
<i>Granby West GID Fund:</i>				
Emergency reserves	194	-	-	194
<i>Water Plant Investment Fund:</i>				
Water Rights Acquisition	64,000	-	-	64,000
Water Quality Improvement	118,650	-	-	118,650
<i>South Service Water Fund:</i>				
Water Plant Construction	1,000,000	-	(700,000)	300,000
	<u>\$ 2,246,393</u>	<u>27,706</u>	<u>(812,169)</u>	<u>1,461,930</u>

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Committed Fund Balance

The Town had the following committed fund balances at December 31, 2016:

	<u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u>
<i>General Fund:</i>				
Housing	\$ 69,481	375	-	69,856
SCW Lights	9,439	-	-	9,439
Downtown	77,188	-	(10,730)	66,458
Business Loan	30,097	3,501	-	33,598
Manager	44,200	-	(44,200)	-
Recreation	124,740	-	-	124,740
Police Surcharge	5,939	669	-	6,608
Raffety Park	205,180	304,627	-	509,807
Shorefox	-	583,492	-	583,492
<i>Capital Improvement Fund:</i>				
Capital reserve	862,324	-	(10,956)	851,368
<i>Grand Elk Fund:</i>				
Operations reserve	184,250	-	(134,330)	49,920
Capital reserve	3,154	-	-	3,154
<i>Granby West GID Fund:</i>				
Operations reserve	574	5	-	579
<i>Parking</i>				
Parking reserve	18,044	38	-	18,082
<i>Grand Elk Ranch No. 2 GID Fund:</i>				
Operations reserve	-	712	-	712
	<u>\$ 1,634,610</u>	<u>893,419</u>	<u>(200,216)</u>	<u>2,327,813</u>

H. Assigned Fund Balance

The Town had the following assigned on fund balances at December 31, 2016:

	<u>\$ 1,634,610</u>	<u>893,419</u>	<u>(200,216)</u>	<u>2,327,813</u>
	<u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u>
<i>General Fund:</i>				
Administrative equipment	\$ 33,950	-	-	33,950
Public safety	21,981	-	-	21,981
Street equipment	220,364	-	(181,138)	39,226

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

V. Other Information

A. Retirement Plans

1. Deferred Compensation Plan – Section 457

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town is neither the trustee nor the administrator for the plan.

2. Retirement Plan - Section 401(a)

In 1980 the Town established a defined contribution money purchase plan with IDEAL Corporation as a Prototype Money Purchase Plan and Trust under Code Section 401 of the Internal Revenue code. The Plan has changed administration over the years and is presently with Matrix and uses Digital Retirement Solutions as its record keeper.

All Town employees, except police officers, receive a five-percent (5%) contribution to the plan, in addition to social security. Police Officers receive a contribution of 11.2% and are required to match 8% to the plan, and they are not subject to social security taxes. Only full-time employees who have been with the Town for six consecutive months are eligible, whereas Police Officers are immediately eligible. The Town's covered payroll for Police Officers and other participating employees for 2016 is \$381,219 and \$998,176, respectively. Total contributions to the Plan were \$123,067, which consisted of \$92,605 from the Town and \$30,461 from the employees.

The Town is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

B. Other Employee Benefits

All Town employees may continue their health insurance due to a reduction in work hours or termination of employment. Employees who elect continued coverage must pay the insurance carrier for premiums from the termination date of coverage and monthly thereafter. No cost to the Town is recognized.

Town of Granby
Notes to the Financial Statements
December 31, 2016
(Continued)

V. Other Information (continued)

C. Risk Management

The Town is exposed to various risks of loss related to workers' compensation, general liability, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and worker unemployment. The Town has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage.

D. Tax Abatements

The Town has entered into various agreements in order to meet development goals within certain areas of Town. The following areas have continuing development requirements or abatement agreements requiring disclosure.

<u>Development area</u>	<u>Revenues impacted</u>	<u>Governing Document</u>	<u>Amount</u>	<u>Requirements</u>
Granby Ranch	Sales & Use Tax	Annexation Agreement	50% of Tax through April 13, 2023	Paid to area developer
Mountainside	Sales Tax	Annexation Agreement	50% of Tax through Oct 28, 2017	Paid to area HOA

The agreement was authorized by the Town Board after analyzing criteria that includes the ability to encouraging development within the specific abatement area.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016			Final Budget Variance Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General property taxes	377,297	377,297	362,201	(15,096)	339,787
Specific ownership tax	17,550	17,550	22,940	5,390	21,485
Sales & Use	2,232,258	2,232,258	2,506,162	273,904	2,317,263
Franchise tax	130,750	130,750	124,901	(5,849)	127,922
Other taxes	30,650	30,650	31,589	939	34,741
Total Taxes	<u>2,788,505</u>	<u>2,788,505</u>	<u>3,047,793</u>	<u>259,288</u>	<u>2,841,198</u>
Licenses and Permits:					
Other licenses and permits	6,878	6,878	8,032	1,154	7,582
Intergovernmental Revenue:					
Grant revenue	1,247,060	1,247,060	141,052	(1,106,008)	193,865
State highway users tax	57,000	57,000	61,791	4,791	60,410
County road and bridge	7,552	7,552	7,396	(156)	5,617
Total Intergovernmental Revenue	<u>1,311,612</u>	<u>1,311,612</u>	<u>210,239</u>	<u>(1,101,373)</u>	<u>259,892</u>
Charges for Services:					
Zoning and subdivision fees	525	525	2,100	1,575	320
Recreation revenue	135,120	135,120	123,844	(11,276)	137,116
Mosquito revenue	25,499	25,499	25,499	-	23,760
Other charges for services	226,800	226,800	234,860	8,060	244,849
Rents	52,721	52,721	53,045	324	48,443
Total Charges for Services	<u>440,665</u>	<u>440,665</u>	<u>439,348</u>	<u>(1,317)</u>	<u>454,488</u>
Fines and Forfeitures:					
Traffic fines	34,250	34,250	33,478	(772)	27,673
Miscellaneous Revenue:					
Investment income	3,025	3,025	4,535	1,510	2,822
Donations and contributions	-	-	10,000	10,000	15,180
Other income	3,400	3,400	105,496	102,096	17,354
Total Miscellaneous Revenue	<u>6,425</u>	<u>6,425</u>	<u>120,031</u>	<u>113,606</u>	<u>35,356</u>
Total Revenues	<u>4,588,335</u>	<u>4,588,335</u>	<u>3,858,921</u>	<u>(729,414)</u>	<u>3,626,189</u>
Expenditures:					
General Government:					
Legislative	225,625	230,475	199,237	31,238	173,037
Economic development	74,000	74,000	42,527	31,473	58,255
Administrative	618,636	654,999	596,736	58,263	582,933
Planning	44,539	44,539	38,928	5,611	34,009
Municipal court	20,189	20,189	14,788	5,401	18,831
Program project and facility	432,167	5,232,542	5,320,889	(88,347)	387,431
Total General Government	<u>1,415,156</u>	<u>6,256,744</u>	<u>6,213,105</u>	<u>43,639</u>	<u>1,254,496</u>
Public Safety:					
Police and public safety	919,685	919,685	821,550	98,135	786,883
Streets:					
Streets	1,261,588	1,261,588	422,352	839,236	437,883
Parks and Recreation:					
Recreation	322,413	322,413	303,598	18,815	337,096
Parks	204,510	204,510	196,126	8,384	179,066
Total Parks and Recreation	<u>526,923</u>	<u>526,923</u>	<u>499,724</u>	<u>27,199</u>	<u>516,162</u>
Capital Outlay:					
Capital outlay and repairs	1,435,890	2,019,382	633,029	1,386,353	693,922
Debt Service:					
Interest	43,843	50,544	66,506	(15,962)	52,850
Principal	282,245	1,421,026	1,404,872	16,154	273,237
Total Debt Service	<u>326,088</u>	<u>1,471,570</u>	<u>1,471,378</u>	<u>192</u>	<u>326,087</u>
Total Expenditures	<u>5,885,330</u>	<u>12,455,892</u>	<u>10,061,138</u>	<u>2,394,754</u>	<u>4,015,433</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,296,995)</u>	<u>(7,867,557)</u>	<u>(6,202,217)</u>	<u>1,665,340</u>	<u>(389,244)</u>
Other Financing Sources (Uses):					
Transfer in	636,785	636,785	380,493	(256,292)	649,619
Lease Proceeds	-	6,250,000	6,250,000	-	-
Sale of Assets	20,000	20,000	10	(19,990)	54,525
Total Other Financing Sources (Uses)	<u>656,785</u>	<u>6,906,785</u>	<u>6,630,503</u>	<u>(276,282)</u>	<u>704,144</u>
Net Change in Fund Balance	<u>(640,210)</u>	<u>(960,772)</u>	<u>428,286</u>	<u>1,389,058</u>	<u>314,900</u>
Fund Balance - Beginning			<u>2,817,406</u>		<u>2,502,506</u>
Fund Balance - Ending			<u>3,245,692</u>		<u>2,817,406</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Grand Elk General Improvement District
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	<u>2016</u>			<u>Final Budget</u>	<u>2015</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes	356,174	356,174	360,751	4,577	391,733
Charges for services	564,850	564,850	557,850	(7,000)	699,756
Investment income	2,625	2,625	7,577	4,952	5,617
Miscellaneous	-	-	-	-	4,814
Total Revenues	<u>923,649</u>	<u>923,649</u>	<u>926,178</u>	<u>2,529</u>	<u>1,101,920</u>
Expenditures:					
General government	317,983	317,983	291,631	26,352	75,315
Capital outlay and repairs	60,000	180,000	177,418	2,582	48,184
Debt service	703,628	703,628	703,628	-	686,803
Total Expenditures	<u>1,081,611</u>	<u>1,201,611</u>	<u>1,172,677</u>	<u>28,934</u>	<u>810,302</u>
Excess (Deficiency) of Revenues Over Expenditures	(157,962)	(277,962)	(246,499)	31,463	291,618
Other Financing Sources (Uses):					
Transfers (out)	(10,000)	(10,000)	-	10,000	-
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(167,962)</u>	<u>(287,962)</u>	(246,499)	<u>41,463</u>	291,618
Fund Balances - Beginning			1,075,292		783,674
Fund Balances - Ending			<u>828,793</u>		<u>1,075,292</u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016			Final Budget Variance Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales and use tax	314,584	314,584	358,023	43,439	331,037
Investment income	1,000	1,000	600	(400)	1,278
Miscellaneous income	7,900	7,900	10,913	3,013	10,125
Total Revenues	323,484	323,484	369,536	46,052	342,440
Excess (Deficiency) of Revenues over Expenditures	323,484	323,484	369,536	46,052	342,440
Other Financing Sources (Uses):					
Transfer Out	(636,785)	(636,785)	(380,493)	256,292	(649,619)
Total Other Financing Sources (Uses)	(636,785)	(636,785)	(380,493)	256,292	(649,619)
Net Change in Fund Balance	(313,301)	(313,301)	(10,957)	302,344	(307,179)
Fund Balance - Beginning			862,324		1,169,503
Fund Balance - Ending			851,367		862,324

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

SUPPLEMENTARY INFORMATION



**Town of Granby, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016**

	Special Revenue				Total Nonmajor Governmental Funds
	Conservation Trust	Parking	Granby West GID	Grand Elk Ranch No 2 GID	
Assets:					
Cash and investments - Unrestricted	80,236	18,082	742	713	99,773
Cash with County Treasurer	-	-	28	3	31
Receivables, net of allowance for uncollectibles	-	-	-	712	712
Total Assets	<u>80,236</u>	<u>18,082</u>	<u>770</u>	<u>1,428</u>	<u>100,516</u>
Liabilities and Fund Equity:					
Liabilities:					
Deferred Revenue	-	-	-	712	712
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>712</u>	<u>712</u>
Fund Balances:					
Spendable:					
Restricted for emergencies	-	-	194	-	194
Restricted for recreation	80,236	-	-	-	80,236
Committed	-	18,082	576	716	19,374
Total Fund Balances	<u>80,236</u>	<u>18,082</u>	<u>770</u>	<u>716</u>	<u>99,804</u>
Total Liabilities and Fund Balances	<u>80,236</u>	<u>18,082</u>	<u>770</u>	<u>1,428</u>	<u>100,516</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue				Total Nonmajor Governmental Funds
	Conservation Trust	Parking	Granby West GID	Grand Elk Ranch No 2 GID	
Revenues:					
Taxes	-	-	6,349	752	7,101
Intergovernmental revenue	21,067	-	-	-	21,067
Investment income	48	38	118	-	204
Total Revenues	<u>21,115</u>	<u>38</u>	<u>6,467</u>	<u>752</u>	<u>28,372</u>
Expenditures:					
General government	-	-	6,467	36	6,503
Capital outlay and repairs	2,097	-	-	-	2,097
Total Expenditures	<u>2,097</u>	<u>-</u>	<u>6,467</u>	<u>36</u>	<u>8,600</u>
Excess (Deficiency) of Revenues Over Expenditures	19,018	38	-	716	19,772
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	19,018	38	-	716	19,772
Fund Balances - Beginning	61,218	18,044	770	-	80,032
Fund Balances - Ending	<u>80,236</u>	<u>18,082</u>	<u>770</u>	<u>716</u>	<u>99,804</u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016		Final Budget Variance Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
Revenues:				
Intergovernmental revenue:				
State lottery funds	18,500	21,067	2,567	17,872
Investment income	30	48	18	56
Total Revenues	18,530	21,115	2,585	17,928
Expenditures:				
Capital outlay and repairs	13,500	2,097	11,403	7,013
Total Expenditures	13,500	2,097	11,403	7,013
Net Change in Fund Balance	5,030	19,018	13,988	10,915
Fund Balance - Beginning		61,218		50,303
Fund Balance - Ending		80,236		61,218

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Parking Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016			2015
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Investment income	50	38	(12)	57
Total Revenues	50	38	(12)	57
Expenditures:				
Total Expenditures	-	-	-	-
Net Change in Fund Balance	50	38	(12)	57
Fund Balance - Beginning		18,044		17,987
Fund Balance - Ending		18,082		18,044

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Granby West General Improvement District
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016		Final Budget Variance Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
Property tax	5,982	5,982	-	6,157
Specific ownership tax	300	367	67	384
Charges for services	1,500	-	(1,500)	-
Investment income	-	118	118	-
Total Revenues	7,782	6,467	(1,315)	6,541
Expenditures:				
General government:				
Administration	240	-	240	230
Operating expenses	7,500	6,162	1,338	6,750
Treasurer fees	375	305	70	308
Total Expenditures	8,115	6,467	1,648	7,288
Excess (Deficiency) of Revenues Over Expenditures	(333)	-	333	(747)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(333)	-	333	(747)
Fund Balances - Beginning	-	770	770	1,517
Fund Balances - Ending	(333)	770	1,103	770

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Grand Elk Ranch No. 2 General Improvement District
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016		Final Budget Variance Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
Property tax	712	712	-	-
Specific ownership tax	-	40	40	-
Total Revenues	712	752	40	-
Expenditures:				
General government:				
Treasurer fees	712	36	676	-
Total Expenditures	712	36	676	-
Excess (Deficiency) of Revenues Over Expenditures	-	716	716	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	-	716	716	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	-	716	716	-

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

**Town of Granby, Colorado
Combining Schedule
Grand Elk General Improvement District
For the Year Ended December 31, 2016**

	<u>Operations</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes:				
Property tax	68,107	271,658	-	339,765
Specific ownership tax	4,248	16,738	-	20,986
Charges for services	-	557,850	-	557,850
Investment income	188	7,389	-	7,577
Total Revenues	<u>72,543</u>	<u>853,635</u>	<u>-</u>	<u>926,178</u>
Expenditures:				
General government:				
Administration	20,384	679	-	21,063
Operating expenses	10,905	-	-	10,905
Treasurer fees	3,413	256,250	-	259,663
Capital outlay and repairs	177,418	-	-	177,418
Debt service:				
Interest	-	363,128	-	363,128
Principal	-	340,000	-	340,000
Other	-	500	-	500
Total Expenditures	<u>212,120</u>	<u>960,557</u>	<u>-</u>	<u>1,172,677</u>
Excess (Deficiency) of Revenues Over Expenditures	(139,577)	(106,922)	-	(246,499)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(139,577)	(106,922)	-	(246,499)
Fund Balances - Beginning	217,308	854,830	3,154	1,075,292
Fund Balances - Ending	<u>77,731</u>	<u>747,908</u>	<u>3,154</u>	<u>828,793</u>

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
North Service Area Water Operations
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016		Final Budget Variance Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
Revenues:				
Utility sales	403,342	420,523	17,181	405,844
Other revenue	12,150	10,747	(1,403)	16,726
Interest revenue	40	69	29	69
Grants and contributions	-	532	532	-
Total Revenues	415,532	431,871	16,339	422,639
Expenditures:				
Salaries and wages	167,692	152,182	15,510	150,502
Employee benefits	65,722	54,510	11,212	57,018
Utilities	41,067	31,698	9,369	33,648
Repairs and maintenance	32,519	47,566	(15,047)	26,935
Insurance	15,399	13,294	2,105	15,399
Other purchased services	29,807	18,939	10,868	19,152
Supplies	28,025	26,783	1,242	25,867
Bond principal	14,376	14,377	(1)	13,823
Interest expense	6,085	5,606	479	6,177
Capital outlay and repairs	16,500	-	16,500	6,610
Total Expenditures	417,192	364,955	52,237	355,131
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	(1,660)	66,916	68,576	67,508
Reconciliation to GAAP Basis:				
Capitalized assets		-		6,610
Depreciation		(40,584)		(43,625)
Loan principal		14,377		13,823
Net (Loss) - GAAP Basis		40,709		44,316

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

Town of Granby
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Proprietary Funds
North Service Area Water Plant Investment
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016		Final Budget Variance Positive (Negative)	2015
	Original and Final Budget	Actual		Actual
Revenues:				
Other revenue	-	24,293	24,293	-
Interest revenue	500	338	(162)	567
Total Revenues	500	24,631	24,131	567
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	500	24,631	24,131	567
Reconciliation to GAAP Basis:				
Depreciation		(36,407)		(36,438)
Net Income (Loss) - GAAP Basis		(11,776)		(35,871)

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Moraine Park Water Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016			Final Budget Variance Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales	36,200	36,200	34,557	(1,643)	36,015
Other revenue	-	-	10	10	-
Grants and Contributions	100,000	309,661	486,910	177,249	760,306
Total Revenues	136,200	345,861	521,477	175,616	796,321
Expenditures:					
Salaries and wages	13,850	13,850	14,963	(1,113)	18,088
Employee benefits	5,713	5,713	5,801	(88)	7,276
Utilities	2,600	2,600	2,062	538	2,659
Repairs and maintenance	4,000	4,000	3,769	231	5,198
Insurance	1,100	1,100	1,514	(414)	322
Other purchased services	4,050	4,050	2,092	1,958	987
Supplies	4,050	4,050	1,082	2,968	2,990
Capital outlay and repairs	200,000	509,861	437,731	72,130	789,102
Total Expenditures	235,363	545,224	469,014	76,210	826,622
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	(99,163)	(199,363)	52,463	251,826	(30,301)
Reconciliation to GAAP Basis:					
Capitalized assets			437,731		789,102
Depreciation			(21,382)		-
Net Income (Loss) - GAAP Basis			468,812		758,801

Town of Granby
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Proprietary Funds
South Service Water Enterprise Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	<u>2016</u>			Final Budget Variance Positive (Negative)	<u>2015</u>
	Original and Final Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales:					
Town sales	914,959	914,959	808,288	(106,671)	642,526
Other revenue	450	450	528	78	56,867
Interest revenue	500	500	1,608	1,108	907
Grants and contributions	3,000,000	3,000,000	2,885,584	(114,416)	2,426,113
Plant investment fees	5,000	5,000	34,452	29,452	-
Loan proceeds	3,000,000	3,000,000	-	(3,000,000)	-
Total Revenues	<u>6,920,909</u>	<u>6,920,909</u>	<u>3,730,460</u>	<u>(3,190,449)</u>	<u>3,126,413</u>
Expenditures:					
Salaries and wages	119,433	119,433	120,474	(1,041)	99,276
Employee benefits	55,598	55,598	52,266	3,332	43,498
Utilities	62,880	62,880	40,636	22,244	1,148
Repairs and maintenance	36,769	36,769	34,756	2,013	36,670
Insurance	28,383	28,383	21,052	7,331	16,715
Other purchased services	42,693	42,693	40,842	1,851	337,080
Supplies	71,750	71,750	29,974	41,776	32,916
Bond principal	149,260	149,260	-	149,260	-
Interest expense	70,240	70,240	-	70,240	-
Capital outlay and repairs	6,036,000	6,036,000	3,626,169	2,409,831	-
Total Expenditures	<u>6,673,006</u>	<u>6,673,006</u>	<u>3,966,169</u>	<u>2,706,837</u>	<u>567,303</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>247,903</u>	<u>247,903</u>	(235,709)	<u>(483,612)</u>	2,559,110
Reconciliation to GAAP Basis:					
Contributed capital			-		3,242,438
Capitalized assets			3,626,169		-
Depreciation			(297,299)		(200,355)
Net Income (Loss) - GAAP Basis			<u>3,093,161</u>		<u>5,601,193</u>

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
South Service Sewer Enterprise Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended 2015)

	2016			Final Budget Variance Positive (Negative)	2015
	Original and Final Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales:					
Town sales	260,158	260,158	260,867	709	240,617
Billed on behalf of District	460,800	460,800	455,112	(5,688)	452,652
Other revenue	224,361	224,361	223,421	(940)	124,530
Interest revenue	500	500	532	32	252
Sewer plant investment fees	1,500	1,500	15,512	14,012	-
Loan proceeds	390,000	390,000	-	(390,000)	2,500,000
Total Revenues	<u>1,337,319</u>	<u>1,337,319</u>	<u>955,444</u>	<u>(381,875)</u>	<u>3,318,051</u>
Expenditures:					
Salaries and wages	83,489	83,489	84,058	(569)	69,955
Employee benefits	40,415	40,415	36,156	4,259	30,346
Utilities	2,880	2,880	1,943	937	1,148
Repairs and maintenance	45,179	45,179	21,431	23,748	16,468
Insurance	24,000	24,000	21,343	2,657	16,958
Other purchased services	34,618	34,618	26,945	7,673	65,766
District's share of utility sales	460,800	460,800	455,112	5,688	452,652
Supplies	11,150	11,150	6,405	4,745	8,561
Bond principal	61,072	61,072	322,975	(261,903)	-
Interest expense	29,081	29,081	33,702	(4,621)	2,679
Capital outlay and repairs	531,069	531,069	155,471	375,598	1,014,474
Total Expenditures	<u>1,323,753</u>	<u>1,323,753</u>	<u>1,165,541</u>	<u>158,212</u>	<u>1,679,007</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>13,566</u>	<u>13,566</u>	(210,097)	<u>(223,663)</u>	1,639,044
Reconciliation to GAAP Basis:					
Contributed capital			-		1,488,150
Gain (loss) on fixed assets			(509,968)		-
Asset contributed to other fund			(72,075)		-
Capitalized assets			155,471		1,014,474
Depreciation			(265,305)		(189,700)
Loan proceeds			-		(2,500,000)
Loan principal			322,975		-
Net Income (Loss) - GAAP Basis			<u>(578,999)</u>		<u>1,451,968</u>

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

**ANNUAL SCHEDULE OF REVENUES AND EXPENDITURES
FOR ROADS, BRIDGES AND STREETS**



Calendar Year 2016

LOCAL HIGHWAY FINANCE REPORT

COUNTY/CITY:Granby

II - RECEIPTS FOR ROAD AND STREET PURPOSES

A. Receipts from local sources

2. General Fund Appropriations:	\$	945,205.00
3. Other local imposts: <i>from A.3. Total' below)</i>	\$	380,963.00
4. Miscellaneous local receipts: <i>from A.4. Total' below)</i>	\$	24,677.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 1,350,845.00

B. Private Contributions

\$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	358,023.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	22,940.00
Total: <i>(a + b) carried to 'Other local imposts' above)</i>	\$	380,963.00

A.4. Miscellaneous local receipts

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	24,677.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00

Total: *(a through h) carried to 'Misc local receipts' above)* \$ 24,677.00

C. Receipts from State Government

	\$	61,791.00
1. Highway User Taxes:		
3. Other State funds:	\$	0.00
c. Motor Vehicle Registrations:		
d. Other:	\$	0.00
Comments: undefined		
e. Other:	\$	42,560.00
Comments: CDOT GRANT PATHWAY		
Total: (1+3c,d,e)	\$	<u>104,351.00</u>

D. Receipts from Federal Government

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

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES**A. Local highway disbursements**

1. Capital outlay: (from A.1.d. Total Capital Outlay below)	\$	73,671.00
2. Maintenance:	\$	431,327.00
3. Road and street services		
a. Traffic control operations:	\$	568,051.00
b. Snow and ice removal:	\$	233,409.00
c. Other:	\$	67,443.00
4. General administration & miscellaneous	\$	86,775.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	<u>1,460,676.00</u>

B. Debt service on local obligations

1. Bonds

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

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 73,671.00	\$ 73,671.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 0.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 73,671.00

IV. LOCAL HIGHWAY DEBT STATUS

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

V - LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 431,164.00	\$ 1,455,196.00	\$ 1,460,676.00	\$ 425,684.00	\$ 0.00

Notes & Comments:
undefined

Date Submitted: 03/21/2017

5. Total Construction:

\$ 0.00

d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)

\$ 73,671.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

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

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 431164.00	\$ 1,455,196.00	\$ 1,460,676.00	\$ 425684.00	\$ 0.00

Notes & Comments:

undefined

Please enter your name: Sharon Spurlin

Please provide a telephone number where you may be reached: 9708872501

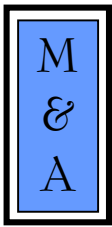
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**REPORT AND SCHEDULE FOR REPORTING
REQUIREMENT OF UNIFORM GUIDANCE**





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

March 22, 2017

**Town Board
Town of Granby
P.O. Box 440
Granby, Colorado 80446**

We have audited the financial statements of Town of Granby as of and for the years ended December 31, 2016 and 2015, and have issued our report thereon dated March 22, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Granby's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Granby's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Town of Granby's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Granby's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

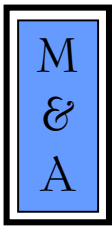
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FRISCO: (970) 668-3481

**Town Board
Town of Granby**

This report is intended solely for the information and use of management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
March 22, 2017**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

**Town Board
Town of Granby
P.O. Box 440
Granby, Colorado 80446**

We have audited the compliance of Town of Granby with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2016. Town of Granby's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Town of Granby's management. Our responsibility is to express an opinion on Town of Granby's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Granby's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Town of Granby's compliance with those requirements.

In our opinion, Town of Granby complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2016.

Internal Control Over Compliance

The management of Town of Granby is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Town of Granby's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Granby's internal control over compliance.

Member: American Institute of Certified Public Accountants

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**Town Board
Town of Granby**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
March 22, 2017**

Town of Granby
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2016

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness identified	None noted
Reportable condition identified that is not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Reportable conditions identified that is not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Mineral Leasing	CFDA #15.227
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	No

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	No
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Town of Granby
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2016

Note: There were no findings for the fiscal year ended December 31, 2015.

Town of Granby
(A Colorado Non-Profit Corporation)
Schedule of Federal Award Expenditures
For the Year Ended December 31, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Transportation:			
Passed through Colorado Department of Public Health and Environment:			
Highway Planning and Construction	20.205	Yes	42,561
Total Department of Transportation			<u>42,561</u>
Department of Health and Human Services:			
Passed through Colorado Department of Public Health and Environment:			
Flouridation Grant	93.758	Yes	532
Total Department of Health and Human Services			<u>532</u>
Environmental Protection Agency			
Capitalization Grants for Clean Water State Revolving Funds	66.458	Yes	3,728
Capitalization Grants for Drinking Water State Revolving Funds	66.468	Yes	55,222
Total Department of Justice:			<u>58,950</u>
Department of the Interior:			
Mineral Leasing Act	15.227	No	1,865,584
Total Department of the Interior			<u>1,865,584</u>
Department of the Justice:			
Justice Assistance Grant	16.738	No	20,000
Total Department Justice			<u>20,000</u>
Total			<u>\$ 1,987,627</u>

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2016:

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Granby and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*.

Note 2. Determining the Amount of Non-cash Awards Expended:

Fair market value of assistance at the time of disbursement to the recipient, or the assessed value provided by the state or federal agency.

Note 3. Pass Through Sub recipients:

The County had no sub recipients as of 2016.

Note 4. Indirect Facilities and Administration costs:

The County does not use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F & A) costs. Instead, the County prepares an annual cost allocation plan to allocate indirect costs.