TOWN OF MORRISON, COLORADO

FINANCIAL STATEMENTS

December 31, 2016

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S&C Swanhorst & Company LLC
Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Morrison as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Morrison, as listed in the table of contents.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town of Morrison'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 Town of Morrison's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

8400 E. Crescent Parkway • Suite 600 • Greenwood Village, CO 80111 • (720) 528-4306 Fax: (720) 528-4307

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

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

May 10, 2017

TOWN OF MORRISON

Management's Discussion and Analysis

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

Financial Highlights

- The Town's assets as of December 31, 2016, exceeded its liabilities by $16,513,616 (net position).
- Total net position are comprised of the following:
  (1) Net investment in capital assets, $11,847,966, includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets.
  (2) Net position $644,176 is restricted by outside constraints and represent obligations imposed by State of Colorado (TABOR) laws and regulations, and others.
  (3) Unrestricted net position $4,021,474 represent the portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town's governmental fund reported total ending fund balance of $4,242,713 this year. This compares to the prior year ending fund balance of $3,966,528 showing an increase of $276,185 during the current year.
- At the end of the current calendar year, unrestricted fund balance for the General Fund was $4,102,171 or 1.70 times total General Fund expenditures.
- Overall, the Town continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. For this section, all applicable tables are presented with comparative data for calendar years 2015/2016.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first government-wide statement is the *Statement of Net Position*. This statement presents information that includes all of the Town's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall health of the Town would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received/or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities/ functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town, which are principally supported by different types of taxes and intergovernmental revenues; and additionally, business-type activities that are generally intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, planning and zoning, public safety, highways and streets, and culture and recreation. Business-type activities include the water and sewer systems.

The government-wide financial statements are presented on pages 1 & 2 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses the General Fund to ensure and demonstrate compliance with finance-related laws and regulations.

The Town Has Two Types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 3 through 5 of this report.

The *proprietary fund* is reported in the fund financial statements and generally report water and sewer service for which the Town charges customers a fee. The Town's proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 6 through 8 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 9 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budget presentations. The budget and actual comparison schedule is included as "required supplementary information" for the General Fund. This schedule demonstrates compliance with the Town's adopted and final revised budget. The budget comparison schedule is presented on page 19.

Supplementary Information

The Utility Fund budgetary comparison schedule is presented on page 21.

Government-wide Financial Analysis

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole.

The following table provides a summary of the Town's net position:

	Governmental Activites		Business Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Assets:						
Current Assets	$ 4,438,687	$ 4,212,202	$ 550,501	$ 280,642	$ 4,989,188	$ 4,492,844
Capital Assets	3,912,217	3,978,566	8,172,058	7,970,568	12,084,275	11,949,134
Total Assets	$ 8,350,904	$ 8,190,768	$ 8,722,559	$ 8,251,210	$ 17,073,463	$ 16,441,978
Liabilities:						
Current Liabilities	$ 164,296	$ 209,114	$ 49,288	$ 51,813	$ 213,584	$ 260,927
Long-Term Liabilities	38,954	34,079	244,915	273,856	283,869	307,935
Total Liabilities	$ 203,250	$ 243,193	$ 294,203	$ 325,669	$ 497,453	$ 568,862
Deferred Inflows	$ 31,678	$ 36,560	$ 30,716	$ 35,450	$ 62,394	$ 72,010
Net Position:						
Net Investment in Capital Assets	$ 3,912,217	$ 3,978,556	$ 7,935,749	$ 7,700,831	$ 11,847,966	$ 11,679,387
Restricted	140,542	131,630	503,634	377,906	644,176	509,536
Unrestricted	4,063,217	3,800,819	(41,743)	(188,646)	4,021,474	3,612,173
Total Net Position	$ 8,115,976	$ 7,911,005	$ 8,397,640	$ 7,890,091	$ 16,513,616	$ 15,801,096

The Town continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. These ratios are strong.

The Town reported positive balances in net position for both governmental and business-type activities. Net position increased $204,971 for governmental activities; and $507,549 for business-type activities. The Town's overall net position increased from 2015 by $712,520.

Note that approximately 48.2% of the governmental activities' net position is "tied up" in capital assets. The Town uses these capital assets to provide services to its citizens. However, with business type activities, the Town has approximately 94.4% of its net position invested in capital assets. Capital assets in the business-type activities also provide utility services, and generate revenues for this fund. Approximately 71.7% of the Town's total net position is invested in capital assets.

The following table provides a summary of the Town's changes in net position:

	Governmental Activities		Business Type Activities		Totals	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Revenues:						
Program Revenues	$ 1,876,486	$ 1,703,931	$ 1,230,812	$ 910,073	$ 3,107,298	$ 2,614,004
General:						
Taxes	$ 781,576	$ 800,488	$ 199,894	$ 186,357	$ 981,470	$ 986,845
Other	9,658	14,178	1,215	1,237	10,873	15,415
Total General Revenue	$ 791,234	$ 814,666	$ 201,109	$ 187,594	$ 992,343	$ 1,002,260
Total Revenues	$ 2,667,720	$ 2,518,597	$ 1,431,921	$ 1,097,667	$ 4,099,641	$ 3,616,264
Program Expenses:						
General Government	$ 534,959	$ 480,071	$ -	$ -	$ 534,959	$ 480,071
Planning/Zoning	71,481	94,737	-	-	71,481	94,737
Public Safety	1,181,303	1,125,550	-	-	1,181,303	1,125,550
Highway/Streets	424,376	260,982	-	-	424,376	260,982
Culture/Recreation	250,630	232,087	-	-	250,630	232,087
Utilities Water/Sewer Services	-	-	924,372	874,873	924,372	874,873
Total Expenses	$ 2,462,749	$ 2,193,427	$ 924,372	$ 874,873	$ 3,387,121	$ 3,068,300
Special Item:						
Disposal of Capital Assets	$ -	$ -	$ -	$ -	$ -	$ -
Change in Net Position	$ 204,971	$ 325,170	$ 507,549	$ 222,794	$ 712,520	$ 547,964
Beginning Net Position	$ 7,911,005	$ 7,585,835	$ 7,890,091	$ 7,667,297	$15,801,096	$15,253,132
Ending Net Position	$ 8,115,976	$ 7,911,005	$ 8,397,640	$ 7,890,091	$16,513,616	$15,801,096

GOVERNMENTAL ACTIVITIES

The Town relies substantially on sales and use taxes to support governmental operations and capital assets. Taxes provided 29.3% of the Town's total governmental revenues. Revenues from Fines and Forfeitures and service charges make up the balance of programmed revenue. While the Town's cash positions are strong the investment banking industry has decreased the earnings rates, and as a result, the Town's investment earnings represent .1% of revenue. The Town additionally receives grants and miscellaneous fees for the balance of its revenues. Also, note that program revenues do not cover governmental operating expenses. As a result, the general economy and vitality of the Town's businesses have a major impact on the Town's revenue streams.

Financial Analysis of the Town's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow/outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The Town's governmental fund reported an ending fund balance of $4,242,713 this year, as compared to $3,966,528 at December 31, 2015. Of this year-end total, $4,102,171 is unrestricted indicating availability for continuing Town's service requirements. Legally restricted fund balances (i.e., the restricted fund balances) are as those indicated by the TABOR restrictions; and, the Park and Open Space funds from the Conservation Trust Funds.

Major Governmental Expenditures

The Town's expenses were substantially the same as the prior year and revenues were up for taxes, services, and fines.

The Town completed the Rooney Valley Master Plan in 2016 with adoption expected to be in early 2017. The Police Department purchased two vehicles for replacement in their fleet. The Town purchased a new server for all operations. A new balcony for the Morrison Natural History Museum was constructed. With the help of Urban Drainage and Flood Control District the rock wall and sidewalk was completed on the west side of Mount Vernon Creek.

BUSINESS-TYPE ACTIVITIES

The Town's proprietary fund is the Utility Fund made up of water and wastewater services. There are separate treatment plants/facilities and customers which are billed on a monthly basis for services. The results for the current fiscal year were positive in that overall net position increased to an ending balance of $8,397,640. The total increase in net position for business-type activities was $507,549 from the prior year. Both activities without non-operating help are less than breakeven operations.

Morrison entered into an IGA with the City and County of Denver to serve water to Red Rocks Amphitheatre. All of the costs to install the infrastructure are being paid for by Denver. The Town began a project at the water treatment plant to install a new clearwell which will ensure the Town meets State regulations.

Budgetary Highlights

Revenues from taxes, fines, and charges came in significantly higher than what was budgeted for in 2016. Expenses came in as projected.

Capital Assets and Debt Administration

Capital Assets

Capital assets include items such as infrastructure, parks, buildings, vehicles and equipment, and land. Infrastructure includes streets, curb, gutter and sidewalks, traffic signals, storm water structures and trails. The Town uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Town is aware replacing its assets will need to be reviewed and budgeted for in the future. Additional information on the Town's assets can be found in Note 4 to the Financial Statements.

The following table provides a summary of capital asset activity:

Capital Assets

	Governmental Activities		Business Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	$ -	$ -	$ 45,535	$ 45,535	$ 45,535	$ 45,535
Water Rights	-	-	85,243	85,243	85,243	85,243
Construction in Process	-	-	402,409	-	402,409	-
Total	$ -	$ -	$ 533,187	$ 130,778	$ 533,187	$ 130,778
Capital Assets Being Depreciated:						
Parks	$ 3,491,461	$ 3,455,246	$ -	$ -	$ 3,491,461	$ 3,455,246
Building	1,420,847	1,349,669	-	-	1,420,847	1,349,669
Water Treatment Plant	-	-	5,883,268	5,830,085	5,883,268	5,830,085
Sewer Treatment Plant	-	-	4,732,812	4,732,812	4,732,812	4,732,812
Vehicles and Equipment	892,092	834,031	236,106	205,795	1,128,198	1,039,826
Infrastructure	355,807	355,807	-	-	355,807	355,807
Total	$ 6,160,207	$ 5,994,753	$ 10,852,186	$ 10,768,692	$ 17,012,393	$ 16,763,445
Less Accumulated Depreciation	$ (2,247,990)	$ (2,016,197)	$ (3,213,315)	$ (2,928,902)	$ (5,461,305)	$ (4,945,099)
Book value-Depreciable Assets	$ 3,912,217	$ 3,978,556	$ 7,638,871	$ 7,839,790	$ 11,551,088	$ 11,818,346

Long-term Debt

In 2007, the Town entered into a lease/purchase agreement with Wells Fargo to fund the new water treatment facility. The 2016 outstanding balance is $236,309 with an interest rate of 4.65%. The aforementioned obligations are all Utility Fund obligations.

Economic Factors

The 2017 Budget estimates revenues and expenses to be relatively the same as 2016.

Contacting the Town's Financial Management

This financial report was designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. Questions concerning any of the information provide in this report or requests for additional information should be addressed to: Town of Morrison, 321 Colorado Highway 9, Morrison, CO 80465-3001.

BASIC FINANCIAL STATEMENTS

TOWN OF MORRISON, COLORADO

STATEMENT OF NET POSITION
December 31, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
ASSETS			
Cash	$ 3,670,353	$ 517,870	$ 4,188,223
Accounts Receivable	111,270	529,857	641,127
Sales Taxes Receivable	78,523	18,921	97,444
Property Taxes Receivable	31,678	30,716	62,394
Internal Balances	546,863	(546,863)	-
Capital Assets, Not Being Depreciated	-	533,187	533,187
Capital Assets, Net of Accumulated Depreciation	3,912,217	7,638,871	11,551,088
TOTAL ASSETS	8,350,904	8,722,559	17,073,463
LIABILITIES			
Accounts Payable	133,191	38,912	172,103
Accrued Salaries and Benefits	31,105	6,874	37,979
Accrued Interest Payable	-	3,502	3,502
Noncurrent Liabilities			
Due Within One Year	17,529	38,874	56,403
Due in More Than One Year	21,425	206,041	227,466
TOTAL LIABILITIES	203,250	294,203	497,453
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	31,678	30,716	62,394
NET POSITION			
Net Investment in Capital Assets	3,912,217	7,935,749	11,847,966
Restricted for Parks and Open Space	60,542	-	60,542
Restricted for Capital Improvements	-	461,634	461,634
Restricted for Emergencies	80,000	42,000	122,000
Unrestricted	4,063,217	(41,743)	4,021,474
TOTAL NET POSITION	$ 8,115,976	$ 8,397,640	$ 16,513,616

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

TOWN OF MORRISON, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 534,959	$ 9,040	$ 44,129	$ -
Planning and Zoning	71,481	86,049	-	-
Public Safety	1,181,303	1,557,150	1,852	-
Highways and Streets	424,376	-	17,648	-
Culture and Recreation	250,630	113,370	47,248	-
Total Governmental Activities	2,462,749	1,765,609	110,877	-
Business-Type Activities				
Water and Sewer	924,372	557,286	-	673,526
Total Business-Type Activities	924,372	557,286	-	673,526
TOTAL PRIMARY GOVERNMENT	$ 3,387,121	$ 2,322,895	$ 110,877	$ 673,526

GENERAL REVENUES
Property Taxes
Specific Ownership Taxes
Sales and Use Taxes
Franchise Taxes
Motor Vehicle Use Taxes
Intergovernmental Revenues not Restricted to Specific Programs
Investment Income

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
$ (481,790)	$ -	$ (481,790)
14,568	-	14,568
377,699	-	377,699
(406,728)	-	(406,728)
(90,012)	-	(90,012)
(586,263)	-	(586,263)
-	306,440	306,440
-	306,440	306,440
(586,263)	306,440	(279,823)
36,394	35,983	72,377
5,490	-	5,490
678,180	163,911	842,091
37,045	-	37,045
24,467	-	24,467
6,214	-	6,214
3,444	1,215	4,659
791,234	201,109	992,343
204,971	507,549	712,520
7,911,005	7,890,091	15,801,096
$ 8,115,976	$ 8,397,640	$ 16,513,616

TOWN OF MORRISON, COLORADO

BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2016

		GENERAL
ASSETS		
Cash	$	3,670,353
Accounts Receivable		111,270
Sales Taxes Receivable		78,523
Property Taxes Receivable		31,678
Interfund Receivables		546,863
TOTAL ASSETS	$	4,438,687
LIABILITIES		
Accounts Payable	$	133,191
Accrued Salaries and Benefits		31,105
TOTAL LIABILITIES		164,296
DEFERRED INFLOWS OF RESOURCES		
Property Taxes		31,678
FUND BALANCE		
Restricted for Parks and Open Space		60,542
Restricted for Emergencies		80,000
Unrestricted, Unassigned		4,102,171
TOTAL FUND BALANCE		4,242,713
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	4,438,687

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

Total Fund Balance of the Governmental Fund	$	4,242,713
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.		3,912,217
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.		(38,954)
Total Net Position of Governmental Activities	$	8,115,976

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

TOWN OF MORRISON, COLORADO

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

	GENERAL
REVENUES	
Taxes	$ 781,576
Licenses and Permits	7,909
Charges for Services	515,439
Fines and Forfeitures	1,242,261
Intergovernmental	117,091
Investment Income	3,444
Miscellaneous	18,000
TOTAL REVENUES	2,685,720
EXPENDITURES	
Current	
General Government	485,635
Planning and Zoning	71,481
Public Safety	1,007,024
Highways and Streets	276,290
Culture and Recreation	171,555
Capital Outlay	397,550
TOTAL EXPENDITURES	2,409,535
NET CHANGE IN FUND BALANCE	276,185
FUND BALANCE, Beginning	3,966,528
FUND BALANCE, Ending	$ 4,242,713

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2016

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Change in Fund Balance of the Governmental Fund	$	276,185
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense ($271,189) and disposals ($38,242) exceeded capital outlay $243,092 in the current year.		(66,339)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in accrued compensated absences.		(4,875)
Change in Net Position of Governmental Activities	$	204,971

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

TOWN OF MORRISON, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2016

		UTILITY
CURRENT ASSETS		
Cash	$	517,870
Accounts Receivable		529,857
Sales Taxes Receivable		18,921
Property Taxes Receivable		30,716
TOTAL CURRENT ASSETS		1,097,364
NONCURRENT ASSETS		
Capital Assets, Not Being Depreciated		533,187
Capital Assets, Net of Accumulated Depreciation		7,638,871
TOTAL NONCURRENT ASSETS		8,172,058
TOTAL ASSETS		9,269,422
CURRENT LIABILITIES		
Accounts Payable		38,912
Accrued Salaries and Benefits		6,874
Accrued Interest Payable		3,502
Interfund Payables		546,863
Compensated Absences Payable, Current Portion		3,873
Lease Payable, Current Portion		35,001
TOTAL CURRENT LIABILITIES		635,025
NONCURRENT LIABILITIES		
Compensated Absences Payable		4,733
Lease Payable		201,308
TOTAL NONCURRENT LIABILITIES		206,041
TOTAL LIABILITIES		841,066
DEFERRED INFLOWS OF RESOURCES		
Property Taxes		30,716
NET POSITION		
Net Investment in Capital Assets		7,935,749
Restricted for Capital Improvements		461,634
Restricted for Emergencies		42,000
Unrestricted		(41,743)
TOTAL NET POSITION	$	8,397,640

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

TOWN OF MORRISON, COLORADO

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

	UTILITY
OPERATING REVENUES	
Charges for Services	$ 442,369
Mount Carbon Metropolitan District Subsidy	114,917
TOTAL OPERATING REVENUES	557,286
OPERATING EXPENSES	
Operations and Maintenance	628,305
Depreciation	284,413
TOTAL OPERATING EXPENSES	912,718
NET OPERATING LOSS	(355,432)
NONOPERATING REVENUES (EXPENSES)	
Property Taxes	35,983
Sales Taxes	163,911
Investment Income	1,215
Interest Expense	(11,654)
TOTAL NONOPERATING REVENUES (EXPENSES)	189,455
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(165,977)
CAPITAL CONTRIBUTIONS	
Tap Fees	250,000
Grants	21,117
Capital Contributions	402,409
CHANGE IN NET POSITION	507,549
NET POSITION, Beginning	7,890,091
NET POSITION, Ending	$ 8,397,640

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

TOWN OF MORRISON, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Increase (Decrease) in Cash
Year Ended December 31, 2016

	UTILITY
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 439,304
Cash Received from Others	76,288
Cash Paid to Suppliers	(440,944)
Cash Paid to Employees	(191,696)
Net Cash Provided (Used) by Operating Activities	(117,048)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes Received	35,983
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Sales Taxes Received	167,676
Tap Fees	250,000
Grants Received	21,117
Capital Contributions	196,747
Acquisition and Construction of Capital Assets	(479,101)
Debt Principal Payments	(33,428)
Debt Interest Payments	(12,159)
Net Cash Provided (Used) by Capital and Related Financing Activities	110,852
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	1,215
NET INCREASE IN CASH	31,002
CASH, Beginning	486,868
CASH, Ending	$ 517,870
RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Net Operating Loss	$ (355,432)
Adjustments to Reconcile Net Operating Loss to Net Cash Provided (Used) by Operating Activities	
Depreciation Expense	284,413
Changes in Assets and Liabilities Related to Operations	
Accounts Receivable	(41,694)
Accounts Payable	(7,987)
Accrued Salaries and Benefits	(835)
Compensated Absences Payable	4,487
Net Cash Provided (Used) by Operating Activities	$ (117,048)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Morrison (the "Town") was organized in 1906. In September, 2000, citizens voted to become a home rule municipality, as authorized by State statutes. The Town is governed by a Mayor and six-member Board of Trustees.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

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

Based on the application of these criteria, the Town does not include additional organizations within its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

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

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

Additionally, the Town reports the following major proprietary fund:

The *Utility Fund* is an enterprise fund that accounts for the financial activities associated with the provision of water and sewer services.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balance

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

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *interfund receivables* and *interfund payables*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Capital Assets - Capital assets, which include land, water rights, water and sewer systems, infrastructure, parks, buildings, and vehicles and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Infrastructure assets, including streets, sidewalks, and curbs and gutters, purchased or donated prior to January 1, 2004, are not reported in the financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of $1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation.

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

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

Water Treatment Plant and Systems	10 - 40 years
Sewer Treatment Plant and Systems	40 years
Infrastructure	10 years
Parks	50 years
Buildings	40 years
Vehicles and Equipment	5 - 10 years

Compensated Absences - Employees of the Town are allowed to accumulate up to 120 hours of unused vacation time and up to 240 hours of unused sick time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time, and one-half of any accrued sick time. Compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability is recorded in the governmental fund financial statements only when payment is due.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Board of Trustees is authorized to establish a fund balance commitment through passage of an ordinance, and may assign fund balances to a specific purpose through an informal action.

The policy approved by the Board of Trustees established the Town's ideal target reserves at 40% of the current operating budget of the General Fund. The reserves should not be allowed to fall below 20% of the current operating budget, including the emergency reserves required by the Tabor Amendment (See Note 8).

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

Property Taxes

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

NOTE 2: CASH AND INVESTMENTS

At December 31, 2016, cash consisted of the following:

Petty Cash	$	500
Cash Deposits		4,187,723
Total	**$**	**4,188,223**

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2016, the Town had bank deposits of $3,934,073 collateralized with securities held by the financial institution's agent but not in the Town's name.

Investments

At December 31, 2016, the Town had no investments. However, the Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for an extended period of time.

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

NOTE 3: INTERFUND BALANCES

In past years, the General Fund provided loans to the Utility Fund for cash flow purposes. At December 31, 2016, the balance of the interfund loan was $546,863.

NOTE 4: CAPITAL ASSETS

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

	Balances 12/31/15	Additions	Deletions	Balances 12/31/16
Governmental Activities				
Capital Assets, Being Depreciated				
Infrastructure	$ 355,807	$ -	$ -	$ 355,807
Parks	3,455,246	36,215	-	3,491,461
Buildings	1,349,669	71,178	-	1,420,847
Vehicles and Equipment	834,031	135,699	77,638	892,092
Total Capital Assets, Being Depreciated	5,994.753	243,092	77,638	6,160,207
Less Accumulated Depreciation				
Infrastructure	(214,286)	(29,280)	-	(243,566)
Parks	(710,620)	(72,341)	-	(782,961)
Buildings	(629,902)	(30,322)	-	(660,224)
Vehicles and Equipment	(461,389)	(139,246)	(39,396)	(561,239)
Total Accumulated Depreciation	(2,016,197)	(271,189)	(39,396)	(2,247,990)
Governmental Activities Capital Assets, Net	**$ 3,978,556**	**$ (28,097)**	**$ 38,242**	**$ 3,912,217**
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	$ 45,535	$ -	$ -	$ 45,535
Water Rights	85,243	-	-	85,243
Construction in Progress	-	402,409	-	402,409
Total Capital Assets, Not Being Depreciated	130,778	402,409	-	533,187
Capital Assets, Being Depreciated				
Water Treatment Plant and Systems	5,830,085	53,183	-	5,883,268
Sewer Treatment Plant and Systems	4,732,812	-	-	4,732,812
Vehicles and Equipment	205,795	30,311	-	236,106
Total Capital Assets, Being Depreciated	10,768,692	83,494	-	10,852,186
Less Accumulated Depreciation				
Water Treatment Plant and Systems	(2,348,575)	(154,567)	-	(2,503,142)
Sewer Treatment Plant and Systems	(380,271)	(119,451)	-	(499,722)
Vehicles and Equipment	(200,056)	(10,395)	-	(210,451)
Total Accumulated Depreciation	(2,928,902)	(284,413)	-	(3,213,315)
Total Capital Assets, Being Depreciated, Net	7,839,790	(200,919)	-	7,638,871
Business-Type Activities Capital Assets, Net	**$ 7,970,568**	**$ 201,490**	**$ -**	**$ 8,172,058**

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities	
General Government	$ 13,037
Public Safety	149,162
Highways and Streets	29,915
Culture and Recreation	79,075
Total	**$ 271,189**

NOTE 5: LONG-TERM DEBT

Governmental Activities

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

	Balance 12/31/15	Additions	Payments	Balance 12/31/16	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	**$ 34,079**	**$ 41,118**	**$ 36,243**	**$ 38,954**	**$ 17,529**

Compensated absences are expected to be liquidated with revenues of the General Fund.

Business-Type Activities

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

	Balance 12/31/15	Additions	Payments	Balance 12/31/16	Due Within One Year
Business-Type Activities					
Accrued Compensated Absences	$ 4,119	$ 11,011	$ 6,524	$ 8,606	$ 3,873
Capital Lease	269,737	-	33,428	236,309	35,001
Total	**$ 273,856**	**$ 11,011**	**$ 39,952**	**$ 244,915**	**$ 38,874**

During 2007, The Town entered into a lease purchase agreement for $488,400 with Wells Fargo Brokerage Services, LLC, to finance improvements to the Town's water treatment facilities. Principal and interest payments of $22,794 are due semi-annually in March and September, through September, 2022. Interest accrues at 4.65% per annum.

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Following is a schedule of the future minimum lease payments required under the capital lease obligation.

Year Ended December 31,	
2017	$ 45,587
2018	45,587
2019	45,587
2020	45,587
2021	45,587
2022	45,587
Total Minimum Lease Payments	273,522
Less: Interest Portion	(37,213)
Present Value of Future Minimum Lease Payments	**$ 236,309**

NOTE 6: RETIREMENT COMMITMENTS

Employees' Pension Plan

The Town contributes to a multiple-employer defined contribution retirement plan on behalf of its employees. All regular full-time employees are eligible to participate in the plan. The plan provisions and contribution requirements are established and may be amended by the Board of Trustees. The Town is required to contribute 3% of each participating employee's compensation, and each participating employee must contribute a matching amount. Employees may make additional voluntary contributions not to exceed 10% of their compensation. Employees fully vest in the Town's contributions at a rate of 33.3% for each full year of participation. During the year ended December 31, 2016, the Town contributed $30,691 to the plan, equal to the required contributions. The Plan is administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

NOTE 7: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

NOTE 7: RISK MANAGEMENT (Continued)

Public Entity Risk Pool

For property, liability and workers compensation risks, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of CIRSA.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Litigation

The Town has pending or threatened litigation. Management believes the outcome of any litigation will not have a significant impact on the Town's financial position.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 2, 1996, voters authorized the Town to collect, retain, use or expend all revenues, including any reduction in debt service, and to spend such revenues for municipal operations, capital projects, reserve increases, and debt service, beginning January 1, 1996, and each subsequent year without limitation by the restrictions of the Amendment. The Amendment is complex and subject to interpretation. However, the Town's management believes it is in compliance the provisions of the Amendment.

The Town has established emergency reserves, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2016, emergency reserves of $80,000 and $42,000 were reported as restricted fund balance in the General Fund and restricted net position in the Utility Fund, respectively.

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

Red Rocks Centre

In 1985, the Town annexed 350 acres of land, known as Red Rocks Centre. The Town received $500,000 from the developer in return for future credits on building permit fees in Red Rocks Centre. In 2000, the Town entered into an intergovernmental agreement with the City of Lakewood ("Lakewood"). Under the agreement, Lakewood is responsible for providing building permit and inspection services within Red Rocks Centre. In addition, the Town and Lakewood agreed to share certain revenues collected and the costs of specified municipal services within Red Rocks Centre. No development has occurred in Red Rocks Centre at December 31, 2016.

Mount Carbon Metropolitan District

Pursuant to the 2008 intergovernmental agreement between the Town and the Mount Carbon Metropolitan District (the "District"), the District agreed to design and construct, with Town oversight and review, a wastewater treatment facility to replace the Town's existing facility. The District financed construction of the facility and the Town agreed to waive future system development fees for the District's sewer tap purchases as more fully set forth in the agreement. In addition, the District agreed to subsidize the operation of the wastewater treatment facility until 500 sewer taps have been purchased. During the year ended December 31, 2016, the Town received $114,917 under this agreement, which is reported as operating revenue in the Utility Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MORRISON, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	$ 629,560	$ 781,576	$ 152,016
Licenses and Permits	12,750	7,909	(4,841)
Charges for Services	376,131	515,439	139,308
Fines and Forfeitures	855,000	1,242,261	387,261
Intergovernmental	123,200	117,091	(6,109)
Investment Income	5,000	3,444	(1,556)
Miscellaneous	10,000	18,000	8,000
TOTAL REVENUES	2,011,641	2,685,720	674,079
EXPENDITURES			
Current			
General Government	519,500	485,635	33,865
Planning and Zoning	51,250	71,481	(20,231)
Public Safety	1,053,886	1,007,024	46,862
Highways and Streets	296,590	276,290	20,300
Culture and Recreation	140,877	171,555	(30,678)
Capital Outlay	368,250	397,550	(29,300)
TOTAL EXPENDITURES	2,430,353	2,409,535	20,818
NET CHANGE IN FUND BALANCE	(418,712)	276,185	694,897
FUND BALANCE, Beginning	4,546,787	3,966,528	(580,259)
FUND BALANCE, Ending	$ 4,128,075	$ 4,242,713	$ 114,638

See the accompanying Independent Auditors' Report.

NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the Town. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the Utility Fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, and depreciation is not budgeted.

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

- Management submits to the Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer comments.

- Prior to December 31, the budget is legally enacted through passage of an ordinance.

- Management is authorized to transfer budgeted amounts within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.

- All appropriations lapse at year end.

SUPPLEMENTARY INFORMATION

TOWN OF MORRISON, COLORADO

BUDGETARY COMPARISON SCHEDULE
UTILITY FUND
Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Water Charges	$ 240,000	$ 246,363	$ 6,363
Sewer Charges	311,000	196,006	(114,994)
Mount Carbon Metropolitan District Subsidy	-	114,917	114,917
Property Taxes	35,450	35,983	533
Sales Taxes	120,000	163,911	43,911
Investment Income	2,000	1,215	(785)
Tap Fees	18,400	250,000	231,600
Grants	200,000	21,117	(178,883)
Capital Contributions	-	402,409	402,409
TOTAL REVENUES	926,850	1,431,921	505,071
EXPENSES			
Operations and Maintenance	638,200	628,305	9,895
Capital Outlay	530,000	485,903	44,097
Debt Service			
Principal	33,933	33,428	505
Interest	11,654	11,654	-
TOTAL EXPENSES	1,213,787	1,159,290	54,497
CHANGE IN NET POSITION, Budgetary Basis	$ (286,937)	272,631	$ 559,568
RECONCILIATION TO GAAP BASIS			
Capital Outlay		485,903	
Depreciation		(284,413)	
Debt Principal		33,428	
CHANGE IN NET POSITION, GAAP Basis		$ 507,549	

See the accompanying Independent Auditors' Report.

STATE COMPLIANCE

Financial Planning 02/01
The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Morrison
	YEAR ENDING : December 2016
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Kara Winters Phone: 303-697-8749

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	36,506
4. Miscellaneous local receipts (from page 2)	1,242,261
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,278,767
B. Private Contributions	
C. Receipts from State government (from page 2)	12,952
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,291,719

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	277,598
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	0
4. General administration & miscellaneous	
5. Highway law enforcement and safety	1,014,121
6. Total (1 through 5)	1,291,719
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,291,719

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,291,719	1,291,719		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	1,239,141
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	3,120
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	36,506	g. Other Misc. Receipts	
6. Total (1. through 5.)	36,506	h. Other	
c. Total (a. + b.)	36,506	i. Total (a. through h.)	1,242,261
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	11,100	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	1,852	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,852	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	12,952	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

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