

TOWN OF BLUE RIVER
SUMMIT COUNTY, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2017



Crady, Puca & Associates

Certified Public Accountants & Consultants



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July 24, 2018

**TOWN OF BLUE RIVER
SUMMIT COUNTY, COLORADO**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Town of Blue River
Summit County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Blue River (the "Town"), as of and for the year ended December 31, 2017, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 and each major fund of the Town of Blue River, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii through ix and budgetary comparison information on pages 18 and 19 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 appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Capital Fund and Local Highway and Finance Report is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Capital Fund and Local Highway and Finance Report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

Crady, Puca & Associates

Centennial, Colorado
June 19, 2018



Management Discussion and Analysis December 31, 2017

As management of the Town of Blue River, we offer readers of the Town of Blue River's financial statements, this narrative overview and analysis of the Town's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

Financial Highlights

- The assets of the Town of Blue River exceeded the total of its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$4,315,042 (*net position*). Of this amount, \$1,555,916 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town of Blue River's total net position increased \$426,799 with revenues exceeding expenditures.
- At the close of the current fiscal year, the Town of Blue River's governmental funds reported combined fund balances of **\$1,714,084**, a decrease of **\$64,298** primarily due to significant current year capital outlay.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the Town of Blue River's basic financial statements. The Town of Blue River's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements.

Government-wide Financial Statements

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

The *statement of net position* presents financial information on all of the Town of Blue River's assets, liabilities, and deferred inflows/outflows of resources, 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 of Blue River is improving or deteriorating.

The *statement of activities* presents information showing how the Town of Blue River'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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Town of Blue River that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the Town of Blue River include general government, judicial, planning/zoning, public safety, and public works. The Town of Blue River has no business-type activities.

The government-wide financial statements can be found on pages 1-2 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 of Blue River, 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 of Blue River are governmental 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 assessing 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Blue River maintains, three governmental funds, the General fund, Conservation Trust Fund and Capital Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds.

The Town of Blue River adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the General fund and Conservation Trust Fund to demonstrate compliance with these budgets. Budgetary comparison schedule for the Capital Fund has been provided as supplemental information.

The basic governmental fund financial statements can be found on pages 2-5 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire 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 6-17 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also includes the State Required Local Highway Finance Report which can be found on pages 21-22 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government’s financial position. In the case of the Town of Blue River, assets exceeded liabilities and deferred inflows of resources by \$4,315,042, at the close of the most recent fiscal year.

General Government; Judicial; Planning & Zoning; Public Safety; and Public Works

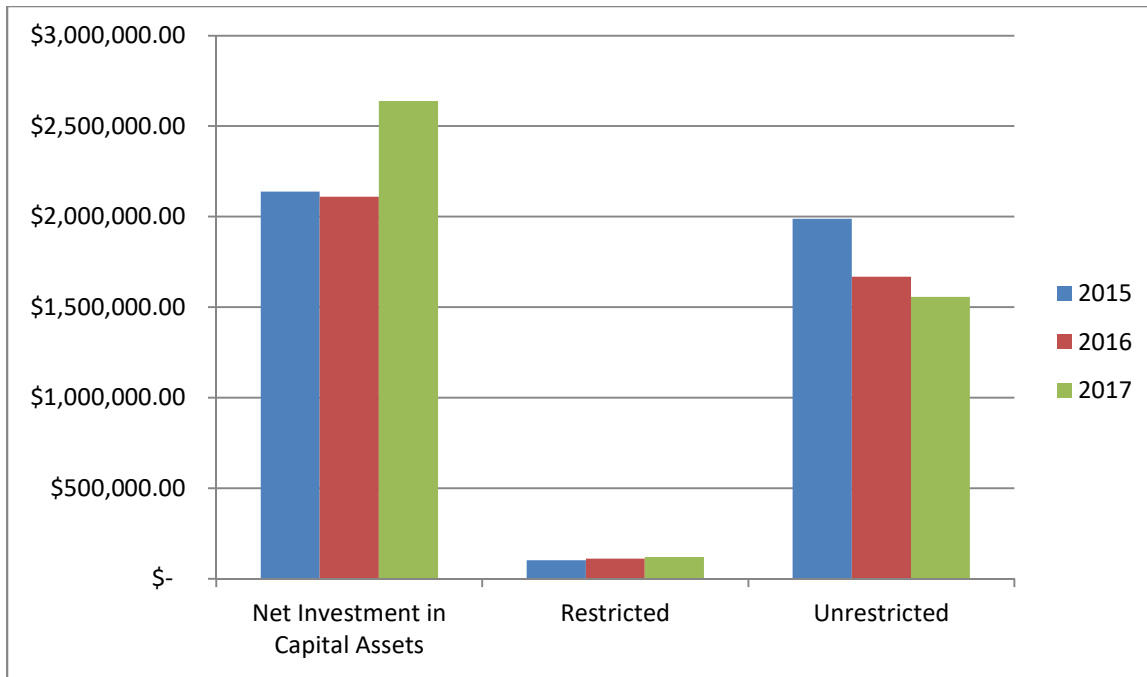
Town of Blue River’s Net Position

	2017	2016
<u>Assets:</u>		
Current and other assets	\$ 2,274,633	\$ 2,312,190
Capital assets	2,650,562	2,109,861
Total assets	4,925,195	4,422,051
<u>Liabilities:</u>		
Long-term liabilities	11,604	-
Other liabilities	74,601	25,039
Total liabilities	86,205	25,039
<u>Deferred inflow of resources:</u>		
Unavailable revenue-property taxes	523,948	508,769
Total deferred inflow of resources	523,948	508,769
<u>Net Position</u>		
Net investment in capital assets	2,638,958	2,109,861
Restricted	120,168	111,134
Unrestricted	1,555,916	1,667,248
Total net position	\$ 4,315,042	\$ 3,888,243

The largest portion of the Town of Blue River’s net position (61%) reflects its investment in capital assets (e.g. land, buildings, cisterns, vehicles, and roads). The Town of Blue River uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

An additional portion of the Town of Blue River’s net position (2.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,555,916 is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Town of Blue River is able to report a positive net position. The same situation held true for the prior fiscal year.



The Town of Blue River's overall net position increased \$426,799 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities.

**Statement of Activities
For the Year Ended December 31, 2017**

Revenues:	2017	2016
Program revenues:		
General government	\$ 19,979	\$ 30,803
Judicial	56,404	63,871
Planning and zoning	75,486	101,905
Public works	161,196	119,642
General revenues:		
Property and specific ownership tax	538,931	533,436
Sales, lodging, and other tax	435,031	469,879
Franchise fees	67,023	85,626
Other income	9,439	4,567
Total Revenue	1,363,489	1,409,729
Expenditures/expenses:		
Operating expenses:		
General government	282,597	251,450
Judicial	17,268	24,879
Planning and zoning	7,172	26,897
Public safety	131,778	122,541
Public works	459,875	510,517
Total expenditures and expenses	898,690	936,284
Excess before extraordinary item	464,799	473,445
Extraordinary item	(38,000)	(724,303)
Change in net position	(426,799)	(250,858)
Net position, beginning of the year, restated	3,888,243	4,139,101
Net position, end of the year	\$ 4,315,042	\$ 3,888,243

Governmental Activities. During the current fiscal year, net position for governmental activities increased by \$426,799 from the prior fiscal year for an ending balance of \$4,315,042.

Financial Analysis of Governmental Funds

As noted earlier, the Town of Blue River uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Blue River'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 of Blue River's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town of Blue River itself, or a group or

individual that has been delegated authority to assign resources for use for particular purposes by the Town of Blue River's Trustees.

The general fund is the chief operating fund of the Town of Blue River. The end of the current fiscal year, combined unassigned fund balance was \$1,593,916 the while total combined fund balance decreased to \$1,714,084. Unassigned fund balance is available for spending at the Town's discretion. The remainder of the combined fund balance is either restricted or assigned to indicate that it is 1) not spendable in form (\$48,604), and 2) restricted for particular purposes (\$73,364).

As a measure of the general funds liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

The fund balance of the Town of Blue River's general fund decreased during the current fiscal year. During the year, the Town transferred funds to the capital fund to fund capital outlays including the Town Hall addition and road improvements.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there were no significant amendments to increase either the original estimated revenues or original budgeted appropriations. The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Budget	Actual	Difference
Sales, Lodging & Other Taxes	\$402,901	\$435,031	\$32,130
Licenses & Permits	\$73,000	\$84,876	\$11,876

Licenses and permits saw a significant increases in revenues and fees due to higher participation in the short-term rental market.

A review of actual expenditures compared to the appropriations in the final budget showed a large variance in public works versus budgeted due to funding of capital outlay.

Capital Assets

The Town of Blue River's capital assets at December 31, 2017 are valued at \$2,650,562, net of accumulated depreciation. This investment in capital assets includes land, buildings, cisterns, vehicles, park facilities, roads, and bridges. The total increase in capital assets for the current fiscal year was 25%.

Additional information as well as detailed classification of the Town's net capital assets can be found in the notes to the financial statements on page 13.

Long-term Debt

At the end of the current fiscal year, the Town had total debt related to a capital lease in the amount of \$11,604.

Additional information of the Town's long-term debt can be found in the notes to the financial statements starting on page 13.

Next Year's Budget

The following economic factors currently affect the Town and were considered in developing the 2018 fiscal year budget.

- Building and construction in the Town of Blue River continues to be strong looking into 2018.
- More homes are participating and registering for short-term rentals adding to the sales and lodging taxes.
- The Town is developing a capital improvement plan that will help to shape future capital budgets.
- As part of the community outreach plan, the Town of Blue River, has budgeted and will be installing gateway signage at each end of town.
- As the Town of Blue River grows, so has the staff. A second full-time officer has been budgeted as well as part-time help for the front office.
- During the current fiscal year, the unassigned fund balance was \$1,593,916. The Town of Blue River has appropriated \$367,120 for spending in the capital fund for 2018.

Request for Information

This financial report is designed to provide a general overview of the Town of Blue River'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 Administrator, 0110 Whispering Pines Circle, Blue River or PO Box 1784, Breckenridge, CO 80424.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THE TOWN OF BLUE RIVER
Statement of Net Position
December 31, 2017

	Total Governmental Activities
Assets:	
Cash and investments	\$ 1,603,558
Accounts receivable - taxes and fees	56,055
Due from county treasurer	2,739
Government grant receivables	88,333
Property tax receivable	523,948
Capital assets:	
Non-depreciable	234,327
Depreciable, net	<u>2,416,235</u>
Total assets	<u>4,925,195</u>
Liabilities:	
Accounts payable	18,970
Accrued liabilities	17,631
Contingent liability (Note 4)	38,000
Long-term liabilities:	
Due within one year	1,720
Due in more than one year	<u>9,884</u>
Total liabilities	<u>86,205</u>
Deferred inflows of resources:	
Unavailable revenue - property taxes	<u>523,948</u>
Total deferred inflows of resources	<u>523,948</u>
Net position:	
Net investment in capital assets	2,638,958
Restricted for enabling legislation	46,804
Restricted for conservation trust fund	73,364
Unrestricted	<u>1,555,916</u>
Total net position	<u><u>\$ 4,315,042</u></u>

The accompanying notes are an integral part of this financial statement.

THE TOWN OF BLUE RIVER
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental activities:						
General government	\$ 282,597	\$ 11,640	\$ 8,339	\$ -	\$ (262,618)	\$ (262,618)
Judicial	17,268	56,404	-	-	39,136	39,136
Planning and zoning	7,172	75,486	-	-	68,314	68,314
Public safety	131,778	-	-	-	(131,778)	(131,778)
Public works	459,875	-	36,196	125,000	(298,679)	(298,679)
Total governmental activities	898,690	143,530	44,535	125,000	(585,625)	(585,625)
General revenues:						
Property and specific ownership taxes					538,931	538,931
Sales, lodging and other taxes					435,031	435,031
Franchise fees					67,023	67,023
Other income					9,439	9,439
Total general revenues					1,050,424	1,050,424
Extraordinary item:						
Loss contingency					(38,000)	(38,000)
Change in net position					426,799	426,799
Net position - beginning of year					3,888,243	3,888,243
Net position - end of year					\$ 4,315,042	\$ 4,315,042

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

THE TOWN OF BLUE RIVER
Balance Sheet
Governmental Funds
December 31, 2017

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Capital Fund</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and investments	\$ 1,530,194	\$ 73,364	\$ -	\$ 1,603,558
Accounts receivable - taxes and fees	56,055	-	-	56,055
Due from county treasurer	2,739	-	-	2,739
Government grants receivable	88,333	-	-	88,333
Property tax receivable	523,948	-	-	523,948
Total assets	<u>\$ 2,201,269</u>	<u>\$ 73,364</u>	<u>\$ -</u>	<u>\$ 2,274,633</u>
Liabilities:				
Accounts payable	\$ 18,970	\$ -	\$ -	\$ 18,970
Accrued liabilities	17,631	-	-	17,631
Total liabilities	<u>36,601</u>	<u>-</u>	<u>-</u>	<u>36,601</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	523,948	-	-	523,948
Total deferred inflows of resources	<u>523,948</u>	<u>-</u>	<u>-</u>	<u>523,948</u>
Fund balance:				
Restricted for enabling legislation	46,804	-	-	46,804
Restricted for conservation trust fund	-	73,364	-	73,364
Unassigned	1,593,916	-	-	1,593,916
Total fund balance	<u>1,640,720</u>	<u>73,364</u>	<u>-</u>	<u>1,714,084</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,201,269</u>	<u>\$ 73,364</u>	<u>\$ -</u>	<u>\$ 2,274,633</u>
Amounts reported for governmental activities in the statement of net position are different because:				
Total fund balance - governmental funds				\$ 1,714,084
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.				2,650,562
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds				(49,604)
Net position of governmental activities				<u>\$ 4,315,042</u>

The accompanying notes are an integral part of this financial statement.

THE TOWN OF BLUE RIVER
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2017

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Capital Fund</u>	<u>Total Governmental Funds</u>
Revenues:				
Property and specific ownership tax	\$ 538,931	\$ -	\$ -	\$ 538,931
Sales, lodging and other taxes	435,031	-	-	435,031
Intergovernmental	8,340	9,029	125,000	142,369
Franchise fees	67,023	-	-	67,023
Licenses and permits	84,876	-	-	84,876
Fines and fees	58,654	-	-	58,654
Other income	36,601	5	-	36,606
Total revenues	<u>1,229,456</u>	<u>9,034</u>	<u>125,000</u>	<u>1,363,490</u>
Expenditures:				
Current:				
General government	235,754	-	-	235,754
Judicial	17,268	-	-	17,268
Planning and zoning	7,172	-	-	7,172
Public safety	119,626	-	-	119,626
Public works	381,808	-	-	381,808
Capital outlay	-	-	666,160	666,160
Total expenditures	<u>761,628</u>	<u>-</u>	<u>666,160</u>	<u>1,427,788</u>
Excess of revenues over (under) expenditures	<u>467,828</u>	<u>9,034</u>	<u>(541,160)</u>	<u>(64,298)</u>
Other Financing Sources (Uses):				
Transfers In (Out)	(541,160)	-	541,160	-
Total other financing sources (uses)	<u>(541,160)</u>	<u>-</u>	<u>541,160</u>	<u>-</u>
Net change in fund balance	<u>(73,332)</u>	<u>9,034</u>	<u>-</u>	<u>(64,298)</u>
Fund balance, beginning of year	1,778,382	-	-	1,778,382
Reclassification	<u>(64,330)</u>	<u>64,330</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year, reclassified	<u>1,714,052</u>	<u>64,330</u>	<u>-</u>	<u>1,778,382</u>
Fund balance, end of year	<u>\$ 1,640,720</u>	<u>\$ 73,364</u>	<u>\$ -</u>	<u>\$ 1,714,084</u>

The accompanying notes are an integral part of this financial statement.

THE TOWN OF BLUE RIVER
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2017

	Total Governmental Funds
Net change in fund balance of the governmental fund	\$ (64,298)
Amounts reported for governmental activities in the statement of activities are different because:	
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 as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current year.	529,097
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.	<u>(38,000)</u>
Change in net position of governmental activities	<u><u>\$ 426,799</u></u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Blue River (the Town) conform to accounting principles generally accepted in the United States of America as applicable to governments (US GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of such significant policies consistently applied in the preparation of the Town's financial statements.

Reporting Entity

The Town is a statutory town (a municipal corporation), as defined by Colorado Revised Statutes, and is governed by an elected six-member Board of Trustees and an elected Mayor. The Town provides general government, judicial, public safety and public works (roads and streets).

The Town complies with GASB, Statement No. 61, "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*" and GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*". These statements establish standards for defining and reporting on the financial reporting entity. It defines component units as legally separate entities for which the officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has no component units as defined by the GASB.

Basis of Presentation

While separate government-wide and fund financial statements are presented, they are interrelated. The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the governmental activities of the Town which are financed primarily by taxes such as property and sales taxes, franchise fees, and charges for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by general and program revenues. Direct expenses are those that are clearly identifiable within a specific function or program. Program revenues include 1) fees or charges to citizens and other governmental entities that receive or directly benefit from services provided by a given function or program, and 2) grants, contributions and other revenues that are restricted to use in the operational or capital requirements of a specific function or program. Other revenues not directly related to a particular function or program, if any, are reported separately as general revenues. The Town does not have proprietary or fiduciary funds.

The fund financial statements provide information about the government's funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

1. **Summary of Significant Accounting Policies (continued)**

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

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

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 *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The exceptions to this general rule are that principal and interest on general long-term debt and expenditures related to compensated absences are recognized when due.

The major sources of revenue susceptible to accrual are property tax, sales tax, franchise taxes, licenses and fees. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and the amount is received within the availability period. All other revenue items are considered to be measurable and available when cash is received by the Town.

The Town reports the following governmental funds:

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 a separate fund.

Conservation Trust Fund - is a special revenue fund used to account for funds received from the Colorado Lottery. As stipulated by law, expenditures are limited to parks and recreation activities.

Capital Projects Fund – is used to account for major capital outlays. Funds are generally provided by intergovernmental revenue, along with transfers from other funds.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out under Other Financing Sources (Uses). While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

Investments are reported at fair value.

1. **Summary of Significant Accounting Policies (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Accounts Receivable

Accounts receivable consist of sales tax, lodging tax and franchise fees due as of December 31, 2017. The Town's policy is to establish an allowance for uncollectible accounts based on historical experience and individual analysis of accounts. The Town considers all receivables collectible as of December 31, 2017.

Property Taxes

Property taxes are levied annually and attach as an enforceable lien on property as of January 1. At the option of the taxpayer, property taxes may be paid in full or in two equal installments. The first of such installment is to be paid as of February 28 and the second installment is to be paid no later than June 15. If elected to be paid in full, the amount is to be paid no later than April 30. If payments are not made timely, delinquent interest accrues. If the taxes are not paid within subsequent statutory periods, the property tax lien will be sold at public auction. The County bills and collects the property taxes and remits collections to the Town on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible.

Property taxes are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. These amounts are recorded as revenue in the subsequent year when they are available or collected.

Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, furnishings, vehicles and equipment, and infrastructure, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at the estimated fair value at the date of donation. Capital expenditures for projects are capitalized as constructed.

Normal maintenance and repairs that do not add value to assets or materially extend the life of assets are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the capital assets. Depreciation is reported as a current charge in the statement of activities.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	20
Furnishings, vehicles and equipment	5-7
Infrastructure	40-59

1. **Summary of Significant Accounting Policies (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In the current year, the Town did not have any items in this reporting category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as inflow of resources (revenue) until that time frame. The Town has one item that qualifies for reporting in this category, *unavailable revenue-property taxes*. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classes of fund balances on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not spendable in form which include items such as prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Town's highest level of decision making authority. As of December 31, 2017, the Town had not adopted a policy for committed fund balance.

Assigned fund balance. This classification reflects the amounts constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. As of December 31, 2017, the Town had not adopted a policy designating Town personnel to determine amounts that may be assigned.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. Although not included in a formal policy, the Town considers decreases in fund balance to first reduce committed, then assigned, and then unassigned balances, in that order.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the Town's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Interfund Transfers

Interfund transfers for the year ended December 31, 2017 consisted of the following:

Transfer to Capital Projects Fund from the General Fund	<u>\$ 541,160</u>
---	-------------------

This transfer was used to move unrestricted revenues collected in the General Fund to finance various improvements accounted for in the Capital Projects Fund in accordance with budgetary authorizations.

Use of Estimates

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

2. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with US GAAP. State law requires the Town to adopt annual appropriated budgets for all funds.

The Town conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements:

On or before October 15 of each year, the Town's administrator submits to the Board of Trustees a recommended budget which details the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.

2. Stewardship, Compliance, and Accountability (continued)

Budgets and Budgetary Accounting (continued)

After a required publication of "Notice of Proposed Budget" and a public hearing, the Town adopts the proposed budget and an appropriating resolution, which legally appropriates expenditures for the upcoming year.

After adoption of the budget resolution, the Town may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes which allows the Town to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

The level of control in the budget at which expenditures exceeded appropriations is at the fund level. All appropriations lapse at year end.

3. Detailed Notes on the Funds

Deposits and Investments

The following is a summary of deposits and investments held by the Town as of December 31, 2017:

Type	Ratings per Standards & Poor's	Fair Value as of December 31, 2017
Deposits		\$ 1,602,464
CSAFE	AAAm	100
COLOTRUST	AAAm	994
Total		\$ 1,603,558

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at a minimum of 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by state statute to monitor the naming of eligible depositories and reporting the uninsured deposits and assets maintained in collateral pools.

3. **Detailed Notes on the Funds (continued)**

Investments

On March 21, 2017, the Town adopted a formal investment policy, which is more restrictive than the Colorado Revised Statutes (CRS), that specifies investment instruments meeting defined rating and risk criteria in which the District may invest. The allowed investments instruments many include but are not limited to:

- Certain money market funds
- Certain certificates of deposit
- Local government investment pools

As of December 31, 2017, the Town invested in the Colorado Local Governmental Liquid Asset Trust (COLOTRUST PLUS+), a local government investment vehicle established for local governmental entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating COLOTRUST PLUS+. Investments of COLOTRUST PLUS+ are limited to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records segregate investments owned by the participating governments. COLOTRUST PLUS+ records its investments at fair value and the District records its investment in COLOTRUST PLUS+ using the net asset value method. There are no unfunded commitments and there is no redemption notice period.

As of December 31, 2017, the Town also invested in Colorado Surplus Asset Fund Trust (CSAFE) which is an investment vehicle established by state statute for local governmental entities to pool surplus assets. The Trust is similar to a money market fund with each share valued at \$1.00. CSAFE limits its investments to those allowed by state statute. A designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal function of CSAFE. The custodian's internal records segregate investments owned by the participating governments. CSAFE records its investments at amortized cost.

Custodial Credit Risk: As of December 31, 2017, all of the Town's deposits and investments were insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

Interest Rate Risk: CRS limit investment maturities to five years or less unless formally approved by the Board of Trustees.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Town follows the general provisions of CRS which limits the Town's exposure to credit risk. CRS specify investment instruments meeting defined rating and risk criteria in which local governmental entities may invest. The Town holds investments in certain money market accounts, included in deposits, which are unrated.

TOWN OF BLUE RIVER
Notes to Financial Statements
December 31, 2017

3. Detailed Notes on the Funds (continued)

Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 231,135	\$ -	\$ -	\$ 231,135
Construction in progress	-	3,192	-	3,192
Total capital assets, not being depreciated	<u>231,135</u>	<u>3,192</u>	<u>-</u>	<u>234,327</u>
Capital assets being depreciated:				
Buildings	379,297	309,306	-	688,603
Improvements other than buildings	44,882	-	-	44,882
Furnishings, vehicles and equipment	177,730	47,440	-	225,170
Infrastructure	1,744,535	257,871	-	2,002,406
Total capital assets being depreciated	<u>2,346,444</u>	<u>614,617</u>	<u>-</u>	<u>2,961,061</u>
Less accumulated depreciation for:				
Buildings	(130,319)	(9,483)	-	(139,802)
Improvements other than buildings	(12,342)	(2,244)	-	(14,586)
Furnishings, vehicles and equipment	(134,995)	(26,797)	-	(161,792)
Infrastructure	(190,062)	(38,584)	-	(228,646)
Total accumulated depreciation	<u>(467,718)</u>	<u>(77,108)</u>	<u>-</u>	<u>(544,826)</u>
Total capital assets being depreciated, net	<u>1,878,726</u>	<u>537,509</u>	<u>-</u>	<u>2,416,235</u>
Capital assets, net	<u>\$ 2,109,861</u>	<u>\$ 540,701</u>	<u>\$ -</u>	<u>\$ 2,650,562</u>

Depreciation expense was charged to the functions of the District as follows:

Governmental activities:	
General government	\$ 26,372
Public works	38,584
Public safety	12,152
Total depreciation expense – governmental activities	<u>\$ 77,108</u>

Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2017 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital lease	\$ -	\$ 11,604	\$ -	\$ 11,604	\$ 1,720
Governmental activities long-term debt	<u>\$ -</u>	<u>\$ 11,604</u>	<u>\$ -</u>	<u>\$ 11,604</u>	<u>\$ 1,720</u>

On October 3, 2017, the Town entered into a capital lease agreement under which it leases a copier for 60 months. The lease agreement requires monthly payments of \$251 beginning January 2018 through December 2022.

TOWN OF BLUE RIVER
Notes to Financial Statements
December 31, 2017

3. Detailed Notes on the Funds (continued)

Long-Term Obligations (continued)

The following is a schedule of leased assets included in furnishings, vehicles, and equipment at December 31, 2017:

Copier	\$ 11,604
Less: accumulated depreciation	-
	\$ 11,604

Future minimum lease payments due under this lease and the net present value of those payments at December 31, 2017 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 3,008
2019	3,008
2020	3,008
2021	3,008
2022	3,008
Total minimum lease payments	15,040
Less amount representing interest	(3,436)
Present value of minimum lease payments	\$ 11,604

No amounts were incurred for interest expense on the capital lease obligation for the year ended December 31, 2017.

4. Other Information

TABOR Amendment - Revenue and Spending Limitation 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. Spending and revenue limits are determined based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

4. Other Information (continued)

TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

On November 7, 1995, a majority of the Town's electors passed a ballot question. The ballot question authorized the Town to "collect and increase fiscal year spending such that the full revenue generated during 1994 and each subsequent year thereafter by its existing mill levy, without any increase in general property taxes, may be expended without any limitation under Article X, Section 20 of the Colorado Constitution for (a) snow removal; (b) road maintenance; (c) police protection; (d) other municipal services; and without limiting in any year the amount of other revenues that may be collected and spent by the Town of Blue River, Colorado under Article X, Section 20 to the Colorado Constitution or any other law provided there shall be no increase in the Town's present mill levy of 12.325 mills, unless approved by a majority of voters voting on any such increase.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service, federal grants and sales of assets). The Town has reserved a portion of its December 31, 2017 year-end fund balance in the General Fund for emergencies as required under TABOR of \$46,804 which is the approximate required reserve as of December 31, 2017.

The Town's management believes it is in compliance with the provisions of TABOR, as it is currently understood. However, TABOR is complex and subject to interpretation. Many of the provisions may not become fully understood without judicial review.

Risk Management

The Town is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, worker's compensation, general and automobile liability, and public officials' coverage to its members. CIRSA is governed by a seven member Board elected by and from its members.

Coverage is provided through pooling of self-insurance losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amount recoverable from excess insurance are direct liabilities of participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Town has not been informed of any excess losses that may have been incurred by the pool; there have been no claims in excess of insurance coverage in any of the past three years. There have no significant changes in insurance coverage from the prior year.

4. Other Information (continued)

Conservation Trust

The Town receives funds from the Colorado state lottery which are restricted to expenditures related to parks, trails, etc. For the year ended December 31, 2017, the Town received \$9,029 in conservation trust revenue. The Town properly restricts the unspent conservation trust funds. The amount restricted as of December 31, 2017 amounted to \$73,364.

Loss Contingency

The Town is a party to a claim for reimbursement of costs in the amount of \$133,594. The Town has responded vigorously to the claim, however, the Town determined that it is probable that the Town will incur a loss related to these claims that will not be covered under the Town's insurance. As a result, a contingent liability in the amount of \$38,000 has been recorded in connection with this claim on the government-wide statements. As the case has not been decided, the actual loss could exceed the amount recorded.

5. Reclassification

As of January 1, 2017, the Town created a Conservation Trust Fund and Capital Fund to better manage their activities. In order to properly reflect the activity of the Conservation Trust Fund, a reclassification was made from the general fund to the Conservation Trust for the beginning net assets of \$64,330 related to this fund. This reclassification had no effect on total net position for the year ended December 31, 2016.

6. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. Explanation of the reconciling items is as follows:

Capital assets of \$3,195,388, less accumulated depreciation of \$544,826 or a net book value of \$2,650,562 are not financial resources and therefore are not reported in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Capital lease obligation	\$	11,604
Contingent liability		38,000
Net adjustment	\$	<u>49,604</u>

6. Reconciliation of Government-Wide and Fund Financial Statements (continued)

Explanation of Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. Explanation of the reconciling items is as follows:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The details of this difference are as follows:

Depreciation expense	\$ (77,108)
Capital outlay	<u>606,205</u>
Net adjustment	<u>\$ 529,097</u>

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 difference was the contingent liability of \$38,000.

The Town entered into a capital lease obligation which resulted in a non-cash capital acquisition and related capital lease obligation of \$11,604. As these amounts do not require the use of current financial resources, they are not reported in the governmental funds.

REQUIRED SUPPLEMENTAL INFORMATION

THE TOWN OF BLUE RIVER
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property and specific ownership tax	\$ 532,996	\$ 538,931	\$ 5,935
Sales, lodging and other taxes	402,901	435,031	32,130
Intergovernmental	10,000	8,340	(1,660)
Franchise fees	80,000	67,023	(12,977)
Licenses and permits	73,000	84,876	11,876
Fines and fees	56,600	58,654	2,054
Other income	33,200	36,601	3,401
Total revenues	<u>1,188,697</u>	<u>1,229,456</u>	<u>40,759</u>
Expenditures:			
General government	259,324	235,754	23,570
Judicial	17,300	17,268	32
Planning and zoning	23,400	7,172	16,228
Public safety	108,800	119,626	(10,826)
Public works	461,500	381,808	79,692
Total expenditures	<u>870,324</u>	<u>761,628</u>	<u>108,696</u>
Excess of revenues over expenditures	<u>318,373</u>	<u>467,828</u>	<u>149,455</u>
Other Financing Sources (Uses):			
Transfer out	(608,300)	(541,160)	67,140
Total other financing sources (uses)	<u>(608,300)</u>	<u>(541,160)</u>	<u>67,140</u>
Net change in fund balance	(289,927)	(73,332)	216,595
Fund balance, beginning of year, reclassified	1,663,609	1,714,052	50,443
Fund balance, end of year	<u>\$ 1,373,682</u>	<u>\$ 1,640,720</u>	<u>\$ 267,038</u>

The accompanying notes are an integral part of this financial statement.

THE TOWN OF BLUE RIVER
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 6,000	\$ 9,029	\$ 3,029
Other income	-	5	5
Total revenues	<u>6,000</u>	<u>9,034</u>	<u>3,034</u>
Expenditures:			
Park and trail expenditures	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	6,000	9,034	3,034
Fund balance, beginning of year, reclassified	71,334	64,330	(7,004)
Fund balance, end of year	<u>\$ 77,334</u>	<u>\$ 73,364</u>	<u>\$ (3,970)</u>

The accompanying notes are an integral part of this financial statement.

OTHER INFORMATION

THE TOWN OF BLUE RIVER
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Fund
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 125,000	\$ 125,000	\$ -
Total revenues	<u>-</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Expenditures:				
Capital projects	608,300	701,388	666,160	35,228
Total expenditures	<u>608,300</u>	<u>701,388</u>	<u>666,160</u>	<u>35,228</u>
Excess of expenditures over expenditures	<u>(608,300)</u>	<u>(576,388)</u>	<u>(541,160)</u>	<u>35,228</u>
Other Sources (Uses):				
Transfer in	608,300	608,300	541,160	(67,140)
Total other sources (uses)	<u>608,300</u>	<u>608,300</u>	<u>541,160</u>	<u>(67,140)</u>
Net change in fund balance	-	31,912	-	(31,912)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 31,912</u>	<u>\$ -</u>	<u>\$ (31,912)</u>

The accompanying notes are an integral part of this financial statement.

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorad
	YEAR ENDING (mm/yy): 12/17

This Information From The Records Of: Town of Blue River	Prepared By: Michelle Eddy
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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		2,879	37,700	
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		2,879	37,700	

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	273,862
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	57,097
b. Motor Vehicle (from Item I.B.5.)	2,879	3. Road and street services:	
c. Total (a.+b.)	2,879	a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	182,257
3. Other local imposts (from page 2)	273,862	c. Other	950
4. Miscellaneous local receipts (from page 2)	56,974	d. Total (a. through c.)	183,207
5. Transfers from toll facilities		4. General administration & miscellaneous	17,268
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	75,433
a. Bonds - Original Issues		6. Total (1 through 5)	606,867
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	333,715	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	
C. Receipts from State government (from page 2)	37,700	2. Notes:	
D. Receipts from Federal Government (from page 2)		a. Interest	
E. Total receipts (A.7 + B + C + D)	371,415	b. Redemption	
		c. Total (a. + b.)	
		3. Total (1.c + 2.c)	
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	606,867

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:

Colorad

YEAR ENDING (mm/yy):

12/17

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 Assesments	226,723	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines/Penalties	56,974
1. Sales Taxes	0	c. (Specify)	
2. Specific Ownership Tax	30,274	d. (Specify)	
3. County Road/Bridge	16,865	e. (Specify)	
4. (Specify)		f. (Specify)	
5. (Specify)		g. (Specify)	
6. Total (1. through 5.)	47,139	h. (Specify)	
c. Total (a. + b.)	273,862	i. Total (a. through h.)	56,974
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	37,700	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. Motor Vehicle Registrtrions	0	c. HUD	
c. (Specify)		d. (Specify)	
d. (Specify)		e. (Specify)	
e. (Specify)		f. (Specify)	
f. Total (a. through e.)		g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	37,700	3. Total (1. + 2.g)	
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES 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		12,616	12,616
b. Engineering Costs		81,160	81,160
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation			
(4). System Enhancement And Operation			
(5). Total Construction (1)+(2)+(3)+(4)		180,086	180,086
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)		273,862	273,862
		<i>(Carry forward to page 1)</i>	

Notes and Comments: