

TOWN OF CALHAN, COLORADO

FINANCIAL STATEMENTS

December 31, 2017

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May 30, 2018



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Calhan (the "Town") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 reasonable basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Calhan as of December 31, 2017, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison schedule on pages i – viii and on pages 25 - 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information and 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 as a whole. The accompanying supplementary information and other information 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary information and other information have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and other information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Logan and Associates, LLC

Aurora, Colorado
May 1, 2018

TOWN OF CALHAN
El Paso County, Calhan, Colorado
Management's Discussion and Analysis
December 31, 2017

Management of the Town of Calhan offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2017. The focus of the information contained herein is on the primary government.

Financial Highlights

- The Town's assets exceeded liabilities at the close of the fiscal year by \$3,509,691 (net position). Of this amount \$315,618 (unrestricted net position) may be used to meet the Town's ongoing obligations.
- The Town's total net position increased by \$137,467.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$89,622, an increase of \$32,517 from the prior year.
- The Town's governmental activities debt decreased by \$3,693 and the business-type activities debt decreased by \$51,958.

Overview of the Financial Statements

This discussion and analysis is intended as an introduction to the Town's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided is other supplementary information.

Government-wide financial statements

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

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to a bottom line for the Town and its governmental and business-type activities. This statement reports all of the governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

The governmental activities reflect the Town's basic services, including police, judicial, administrative, parks and recreation, streets, building division, cemetery and public works. Sales and property taxes finance the majority of these services.

The business-type activities reflect private sector type operations, which include the operation and maintenance of the Town's water and sewer facilities, where fees for services typically cover all or most of the cost of operations, including depreciation.

TOWN OF CALHAN
Calhan, Colorado
Management's Discussion and Analysis
December 31, 2017

Fund Financial Statements

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

Governmental funds are used to account for the same functions as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on financial position and change in financial position, not on income determination, and use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are “measurable and available”). The Town considers all revenues available if they are collected within sixty days following the year end. Expenditures are recorded when the related fund liability is incurred.

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

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

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

Other information, in addition to the basic financial statements and accompanying notes, is presented in the form of certain required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town of Calhan, assets exceeded liabilities by \$3,509,691

Of the Town’s net position, 9.0% is unrestricted and may be used to meet the Town’s ongoing financial obligations. These are net assets that are not restricted by external requirements nor invested in capital assets.

Of the Town’s \$3,988,300 in assets, \$3,398,995 (85.22%) reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment) less any related debt used to acquire those assets that is still outstanding which \$3,072,774 is reported as net investment in capital assets in the net position. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF CALHAN
Calhan, Colorado
Management's Discussion and Analysis
December 31, 2017

The following table reflects the Town's Net Position:

	<u>Government Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
Current and other assets	179,402	231,679	338,235	357,626	517,637	589,305
Capital assets	<u>1,515,348</u>	<u>1,564,923</u>	<u>1,853,109</u>	<u>1,834,072</u>	<u>3,368,457</u>	<u>3,398,995</u>
Total Assets	1,694,750	1,796,602	2,191,344	2,191,698	3,886,094	3,988,300
Current liabilities	52,912	58,490	47,113	23,682	100,025	82,172
Long-term liabilities	<u>38,762</u>	<u>46,318</u>	<u>278,082</u>	<u>250,185</u>	<u>316,844</u>	<u>296,503</u>
Total Liabilities	91,674	104,808	344,093	273,867	416,869	378,675
Deferred Inflow of Resources						
Deferred Property Tax Revenue	97,001	99,934			97,001	99,934
Net Position						
Invested in capital assets	1,455,484	1,508,752	1,531,101	1,564,022	2,986,585	3,072,774
Restricted for bond redemption	0	0	11,460	11,460	11,460	11,460
Restricted for TABOR	13,500	15,700	0	0	13,500	15,700
Restricted - Other	64,754	94,139	0	0	67,754	94,139
Unrestricted	<u>(27,663)</u>	<u>(26,731)</u>	<u>323,588</u>	<u>342,349</u>	<u>295,925</u>	<u>315,618</u>
Total Net Position	<u>1,506,075</u>	<u>1,591,860</u>	<u>1,866,149</u>	<u>1,917,831</u>	<u>3,372,224</u>	<u>3,509,691</u>

TOWN OF CALHAN
Calhan, Colorado
Management's Discussion and Analysis
December 31, 2017

The following reflects the Town's Changes in Net Position:

	<u>Government Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
Revenues						
Program Revenues						
Charges for service	58,623	60,504	460,035	471,970	518,658	532,474
Grants & contributions	167,585	118,651	18,000	3,000	185,585	121,651
General Revenues						
Property taxes	108,081	108,352			108,081	108,352
Sales Taxes	183,831	232,141			183,831	232,141
Other taxes	55,221	57,615			52,221	57,615
Investment interest	896	1,018	1165	506	2,061	1,524
Other to include ins claim/sale of assets	31,977	41,633	3,977	5,014	35,954	46,647
Total Revenues	606,214	619,914	483,177	480,490	1,089,391	1,100,404
Expenses						
General Government	70,945	81,765			70,945	81,765
Judicial	8,586	11,528			8,586	11,528
Public Safety	229,395	281,401			229,395	281,401
Public Works	103,932	109,965			103,932	109,965
Culture & Recreation	47,706	47,426			47,706	47,426
Interest on Long-Term Debt	1,915	2,044	15,888	10,578	17,803	12,622
Sewer	0	0	159,135	176,759	159,135	176,759
Water	0	0	240,430	241,471	240,430	241,471
Total Expenses	462,479	534,129	415,453	428,808	877,932	962,937
Increase (decrease) in net position	143,735	85,785	67,724	51,682	211,459	137,467
Net Position - Beginning	1,362,340	1,506,075	1,798,425	1,866,149	3,160,765	3,372,224
Net Position - Ending	1,506,075	1,591,860	1,866,149	1,917,831	3,372,224	3,509,691

Business-type activities increased the Town's net position by \$51,682 for the year ended December 31, 2017. Key elements of the increase are as follows:

- * Water and Sewer revenues remained flat
- * Expenses increased slightly, but was still less than revenue

TOWN OF CALHAN
Calhan, Colorado
Management's Discussion and Analysis
December 31, 2017

Intergovernmental revenues are grants and other revenues received from the county, state and federal government. Licenses and permits include amounts collected from the issuance of licenses and permits required by the Town for various purposes. Revenues from fees collected by the Town for a variety of services provided to the public are recorded as miscellaneous revenues, which include cemetery revenues, park and recreation fees, court and traffic fines. Interest income reflects revenues from property taxes and investment activity.

Governmental activities increased the Town's net position by \$85,785. Key elements are as follows:

- * Higher revenue from sales tax, building permits, cemetery and the Calhan Summer Fest
- * Street expenditures were quite a bit less than anticipated

Financial Analysis of the Government's Funds

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

Governmental funds

The focus of the Town's governmental funds is to provide information on current year revenue, expenditures and balances of spendable resources. Such information is useful in assessing the Town's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the year ended December 31, 2017, the Town's governmental funds reported combined ending fund balances of \$89,622 an increase of \$32,517. The Town does not have any unassigned fund balance due to restrictions and commitments.

TOWN OF CALHAN
Calhan, Colorado
Management's Discussion and Analysis
December 31, 2017

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

Total net position of the Water Fund amounted to \$1,271,218 and those for the Sewer Fund amounted to \$646,613. Total increase in net position for all enterprise funds was \$51,682

Significant factors for Water and Sewer Funds:

- * The Town Board instituted a \$10.00 rate increase spread between the Water and Sewer Funds effective January 1, 2015 and an additional \$7.00 increase effective January 1, 2016. This increase has helped build the reserves for both funds.

- * Expenses and revenues remained close to the same as 2016 and there were no major repairs needed

General Fund Budgetary Highlights

The 2017 budget was amended due to unanticipated expenses and receipt of additional money. Ordinance 2017-09 was passed in December, 2017. This was due mainly to an insurance claim and subsequent lease/purchase of a vehicle.

TOWN OF CALHAN
Calhan, Colorado
Management's Discussion and Analysis
December 31, 2017

Capital Asset and Debt Administration

Capital assets

The Town's capital assets for its governmental and business type activities as of December 31, 2017 amount to \$3,398,995 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and other, park facilities, infrastructure (including streets, alleys, signs and bridges), water system infrastructure, and wastewater infrastructure. The Town's capital assets by activity at December 31, 2017 were as follows:

	<u>Prior Year</u>			<u>As of December 31, 2017</u>		
	Government	Business-type	<u>Total</u>	Government	Business-type	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Land	1,346	49,840	51,186	1,346	49,840	51,186
Infrastructure	1,134,548		1,134,548	1,242,600		1,242,600
Improvements	179,902	3,061,723	3,241,625	179,902	3,106,385	3,286,287
Buildings	547,081	210,113	757,194	547,081	210,113	757,194
Equipment and vehicles	359,206	282,029	641,235	371,405	300,313	671,718
Parks	135,666		135,666	124,082		124,082
Less accumulated depreciation	<u>(842,401)</u>	<u>(1,750,596)</u>	<u>(2,592,997)</u>	<u>(901,493)</u>	<u>(1,832,579)</u>	<u>(2,734,072)</u>
Total	<u>1,515,348</u>	<u>1,853,109</u>	<u>3,368,457</u>	<u>1,564,923</u>	<u>1,834,072</u>	<u>3,398,995</u>

Debt

At December 31, 2017, the Town had a total indebtedness of \$332,735 which is outlined below:

	<u>Prior Year</u>			<u>At December 31, 2017</u>		
	Government	Business-type	<u>Total</u>	Government	Business-type	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Leases payable	59,864	186,721	246,585	51,733	157,950	209,683
Accrued Compensated Absences	6,514		6,514	10,952		10,952
Loans payable	<u>0</u>	<u>135,287</u>	<u>135,287</u>	<u>0</u>	<u>112,100</u>	<u>112,100</u>
Total	66,378	322,008	388,386	62,685	270,950	332,735

TOWN OF CALHAN
Calhan, Colorado
Management's Discussion and Analysis
December 31, 2017

Economic Factors and Next Year's Budget

The 2018 budget represents an attempt to maintain both core services and a sufficient fund balance. Increasing reserves is a large priority for the foreseeable future as the current reserves are not sufficient for our needs. The following factors were considered in compiling the 2017 budget:

- * Most revenue line items were budgeted slightly higher, including sales tax.
- * Expenditures have been budgeted close to the same for the last 3 years as the town tries to build reserves.
- * There additional money added to Public Safety as an additional officer was hired
- * Water and Sewer funds have budgeted improvements to the infrastructure.
- * More street projects have also been budgeted with the restricted street revenue from the 1% sales tax.
- * Salaries will be increased minimally.
- * Water and sewer revenue will be increased due to a rate increase. The priority of the board is to build reserves for both the water and sewer funds.

It is the hope of the Board of Trustees and the employees of the Town of Calhan that 2018 will keep improving as 2017 did.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Town Treasurer, Town of Calhan, P.O. Box 236, Calhan, CO 80808.

BASIC FINANCIAL STATEMENTS

TOWN OF CALHAN, COLORADO

STATEMENT OF NET POSITION
December 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 78,683	\$ 237,081	\$ 315,764
Receivables			
Property Taxes	99,934	-	99,934
Other Governments	40,096	-	40,096
Accounts	4,849	43,661	48,510
Grants	8,117	-	8,117
Inventory	-	15,458	15,458
Investments - Long-term	-	61,426	61,426
Capital Assets, Not Depreciated	1,346	49,840	51,186
Capital Assets, Depreciated Net of Accumulated Depreciation	<u>1,563,577</u>	<u>1,784,232</u>	<u>3,347,809</u>
TOTAL ASSETS	<u>1,796,602</u>	<u>2,191,698</u>	<u>3,988,300</u>
LIABILITIES			
Accounts Payable	31,773	-	31,773
Accrued Salaries and Benefits	10,350	-	10,350
Customer Deposits	-	3,817	3,817
Noncurrent Liabilities			
Due in One Year	16,367	19,865	36,232
Due in More Than One Year	<u>46,318</u>	<u>250,185</u>	<u>296,503</u>
TOTAL LIABILITIES	<u>104,808</u>	<u>273,867</u>	<u>378,675</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	<u>99,934</u>	<u>-</u>	<u>99,934</u>
NET POSITION			
Net Investment in Capital Assets	1,508,752	1,564,022	3,072,774
Restricted for Debt Service	-	11,460	11,460
Restricted for Emergencies	15,700	-	15,700
Restricted for Parks and Recreation	13,963	-	13,963
Restricted for Street Improvements	80,176	-	80,176
Unrestricted, Unreserved	<u>(26,731)</u>	<u>342,349</u>	<u>315,618</u>
TOTAL NET POSITION	<u>\$ 1,591,860</u>	<u>\$ 1,917,831</u>	<u>\$ 3,509,691</u>

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

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TOWN OF CALHAN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 81,765	\$ 4,142	\$ -	\$ -
Judicial	11,528	-	-	-
Public Safety	281,401	23,163	-	-
Public Works	109,965	31,802	-	110,436
Parks and Recreation	47,426	1,397	8,215	-
Interest on Long-Term Debt	2,044	-	-	-
Total Governmental Activities	534,129	60,504	8,215	110,436
Business-Type Activities				
Water	241,471	283,293	-	3,000
Sewer	176,759	188,677	-	-
Interest on Long-Term Debt	10,578	-	-	-
Total Business-Type Activities	428,808	471,970	-	3,000
Total Primary Government	\$ 962,937	\$ 532,474	\$ 8,215	\$ 113,436

GENERAL REVENUES

Property Taxes
Sales Taxes
Franchise Taxes
Other Taxes

Interest
Miscellaneous

SPECIAL ITEMS

Insurance Claim Proceeds
Sale of Capital Assets

TOTAL GENERAL REVENUES
AND SPECIAL ITEMS

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
\$ (77,623)	\$ -	\$ (77,623)
(11,528)	-	(11,528)
(258,238)	-	(258,238)
32,273	-	32,273
(37,814)	-	(37,814)
(2,044)	-	(2,044)
<u>(354,974)</u>	<u>-</u>	<u>(354,974)</u>
-	44,822	44,822
-	11,918	11,918
-	(10,578)	(10,578)
<u>-</u>	<u>46,162</u>	<u>46,162</u>
(354,974)	46,162	(308,812)
108,352	-	108,352
232,141	-	232,141
20,656	-	20,656
36,959	-	36,959
1,018	506	1,524
18,624	5,014	23,638
13,509	-	13,509
9,500	-	9,500
<u>440,759</u>	<u>5,520</u>	<u>446,279</u>
85,785	51,682	137,467
<u>1,506,075</u>	<u>1,866,149</u>	<u>3,372,224</u>
<u>\$ 1,591,860</u>	<u>\$ 1,917,831</u>	<u>\$ 3,509,691</u>

TOWN OF CALHAN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	GENERAL FUND	NONMAJOR GOVERNMENTAL CONSERVATION TRUST FUND	TOTALS
ASSETS			
Cash and Investments	\$ 64,720	\$ 13,963	\$ 78,683
Property Taxes Receivable	99,934	-	99,934
Due from Other Governments	40,096	-	40,096
Accounts Receivable	4,849	-	4,849
Grants Receivable	8,117	-	8,117
TOTAL ASSETS	217,716	13,963	231,679
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY			
LIABILITIES			
Accounts Payable	31,773	-	31,773
Accrued Salaries and Benefits	10,350	-	10,350
TOTAL LIABILITIES	42,123	-	42,123
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	99,934	-	99,934
FUND EQUITY			
Fund Balance (Deficit)			
Restricted for Emergencies	15,700	-	15,700
Restricted for Parks and Recreation	-	13,963	13,963
Restricted for Street Improvements	80,176	-	80,176
Committed for Cemetery Improvements	14,650	-	14,650
Unassigned	(34,867)	-	(34,867)
TOTAL FUND EQUITY	75,659	13,963	89,622
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 217,716	\$ 13,963	\$ 231,679

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

Total Fund Balances of Governmental Funds	89,622
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,564,923
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include capital leases (\$51,733) and accrued compensated absences (\$10,952).	(62,685)
Net position of governmental activities	\$ 1,591,860

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

TOWN OF CALHAN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	GENERAL FUND	NONMAJOR GOVERNMENTAL CONSERVATION TRUST FUND	TOTALS
REVENUES			
Taxes	\$ 361,149	\$ -	\$ 361,149
Licenses and Permits	23,414	-	23,414
Fines and Forfeitures	24,193	-	24,193
Charges for Services	12,897	-	12,897
Intergovernmental	147,395	8,215	155,610
Interest	981	37	1,018
Miscellaneous	41,633	-	41,633
TOTAL REVENUES	611,662	8,252	619,914
EXPENDITURES			
Current			
General Government	78,221	-	78,221
Judicial	11,528	-	11,528
Public Safety	241,463	-	241,463
Public Works	78,309	-	78,309
Parks and Recreation	11,764	8,373	20,137
Capital Outlay	147,564	-	147,564
Debt Service			
Principal	29,188	-	29,188
Interest	2,044	-	2,044
TOTAL EXPENDITURES	600,081	8,373	608,454
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,581	(121)	11,460
OTHER FINANCING SOURCES			
Capital Lease Proceeds	21,057	-	21,057
	21,057	-	21,057
NET CHANGE IN FUND BALANCES	32,638	(121)	32,517
FUND BALANCES, Beginning	43,021	14,084	57,105
FUND BALANCES, Ending	<u>\$ 75,659</u>	<u>\$ 13,963</u>	<u>\$ 89,622</u>

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

TOWN OF CALHAN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 32,517
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$147,564 exceeded depreciation (\$75,487) and loss disposal of assets (\$22,502), in the current period.	49,575
Capital lease proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.	(21,057)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This includes payments of capital leases.	29,188
Some expense reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences.	<u>(4,438)</u>
Change in Net Position of Governmental Activities	<u>\$ 85,785</u>

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

TOWN OF CALHAN, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 December 31, 2017

	WATER FUND	SEWER FUND	TOTALS
ASSETS			
Current Assets			
Cash and Investments	\$ 194,782	\$ 42,299	\$ 237,081
Accounts Receivable, Net	21,980	21,681	43,661
Inventory	15,139	319	15,458
Total Current Assets	<u>231,901</u>	<u>64,299</u>	<u>296,200</u>
Noncurrent Assets			
Investments - Long-term	35,892	25,534	61,426
Capital Assets, Not Being Depreciated	-	49,840	49,840
Capital Assets, Net of Accumulated Depreciation	<u>1,198,318</u>	<u>585,914</u>	<u>1,784,232</u>
Total Noncurrent Assets	<u>1,234,210</u>	<u>661,288</u>	<u>1,895,498</u>
TOTAL ASSETS	<u>1,466,111</u>	<u>725,587</u>	<u>2,191,698</u>
LIABILITIES			
Current Liabilities			
Customer Deposits	3,817	-	3,817
Bonds Payable - Current Portion	4,900	-	4,900
Leases Payable - Current Portion	<u>7,483</u>	<u>7,482</u>	<u>14,965</u>
Total Current Liabilities	<u>16,200</u>	<u>7,482</u>	<u>23,682</u>
Noncurrent Liabilities			
Bonds Payable	107,200	-	107,200
Leases Payable	<u>71,493</u>	<u>71,492</u>	<u>142,985</u>
Total Noncurrent Liabilities	<u>178,693</u>	<u>71,492</u>	<u>250,185</u>
TOTAL LIABILITIES	<u>194,893</u>	<u>78,974</u>	<u>273,867</u>
NET POSITION			
Net Investment in Capital Assets	1,007,242	556,780	1,564,022
Restricted for Debt Service	11,460	-	11,460
Unreserved	<u>252,516</u>	<u>89,833</u>	<u>342,349</u>
TOTAL NET POSITION	<u>\$ 1,271,218</u>	<u>\$ 646,613</u>	<u>\$ 1,917,831</u>

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

TOWN OF CALHAN, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPES
Year Ended December 31, 2017

	WATER FUND	SEWER FUND	TOTALS
OPERATING REVENUES			
Charges for Services	\$ 274,991	\$ 188,677	\$ 463,668
Connection and Late Fees	8,302	-	8,302
Miscellaneous	5,014	-	5,014
TOTAL OPERATING REVENUES	288,307	188,677	476,984
OPERATING EXPENSES			
Operations and Maintenance	159,365	141,155	300,520
Administrative and General	25,197	10,530	35,727
Depreciation	56,909	25,074	81,983
TOTAL OPERATING EXPENSES	241,471	176,759	418,230
OPERATING INCOME	46,836	11,918	58,754
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	320	186	506
Interest Expense	(7,284)	(3,294)	(10,578)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(6,964)	(3,108)	(10,072)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	39,872	8,810	48,682
Capital Contributions			
Tap Fees	2,200	-	2,200
System Development Fees	800	-	800
TOTAL CAPITAL CONTRIBUTIONS	3,000	-	3,000
NET INCOME	42,872	8,810	51,682
NET POSITION, Beginning	1,228,346	637,803	1,866,149
NET POSITION, Ending	<u>\$ 1,271,218</u>	<u>\$ 646,613</u>	<u>\$ 1,917,831</u>

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

TOWN OF CALHAN, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES
 Year Ended December 31, 2017
 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 284,538	\$ 187,376	\$ 471,914
Cash Received from Others	5,014	-	5,014
Cash Paid to Suppliers	(93,884)	(78,804)	(172,688)
Cash Paid to Employees	(82,835)	(72,256)	(155,091)
Net Cash Provided by Operating Activities	<u>112,833</u>	<u>36,316</u>	<u>149,149</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer between funds	<u>(10,000)</u>	<u>10,000</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(24,142)	(38,804)	(62,946)
Loan Payments	(37,572)	(14,386)	(51,958)
Interest Payments	(7,284)	(3,294)	(10,578)
Capital Contributions			
Tap Fees	2,200	-	2,200
System Development Fees	800	-	800
Net Cash (Used) by Capital and Related Financing Activities	<u>(65,998)</u>	<u>(56,484)</u>	<u>(122,482)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	320	186	506
Sale (Purchase) of Investments	13,734	(10,156)	3,578
Net Cash Provided (Used) by Investing Activities	<u>14,054</u>	<u>(9,970)</u>	<u>4,084</u>
Net Increase in Cash and Cash Equivalents	50,889	(20,138)	30,751
CASH AND CASH EQUIVALENTS, Beginning	<u>143,893</u>	<u>62,437</u>	<u>206,330</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 194,782</u>	<u>\$ 42,299</u>	<u>\$ 237,081</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 46,836	\$ 11,918	\$ 58,754
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation and Amortization	56,909	25,074	81,983
Changes in Assets and Liabilities			
Accounts Receivable	615	(1,301)	(686)
Inventory	7,843	625	8,468
Customer Deposits	630	-	630
Total Adjustments	<u>65,997</u>	<u>24,398</u>	<u>90,395</u>
Net Cash Provided by Operating Activities	<u>\$ 112,833</u>	<u>\$ 36,316</u>	<u>\$ 149,149</u>

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

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Town of Calhan (the "Town") is a Colorado statutory town (a municipal corporation), incorporated in 1919 and is governed by a Mayor and six member Board of Trustees elected by the residents. The Town provides public safety, public works, municipal court, parks and recreation, water, sewer, and general administrative services to its residents.

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. A summary of the Town's more significant accounting policies follows.

Reporting Entity

In accordance with governmental accounting standards, the Town has considered the possibility of including additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the Town does not include additional organizations in its report 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 nonfiduciary 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 net position reports all financial, capital and debt resources of the Town. The difference between assets plus deferred outflows, and liabilities plus deferred inflows of the Town is reported as net position.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a 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.

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

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 granting agency 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, except for expenditure driven grants as defined in the following paragraph.

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grant and similar revenues are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 proprietary 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 or capital contributions.

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

The Town reports the following major governmental fund in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and specific programs of the Town.

The Town reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the financial activities associated with providing water services.

Sewer Fund – The Sewer Fund accounts for the financial activities associated with providing sewer services.

Assets, Liabilities, Fund Balance/Net Assets

Cash and Investments – For the purposes of reporting in the statement of cash flows, cash equivalents include certificates of deposit and investments with original maturities of three months or less. Investments are reported at fair value.

Receivables – Due from other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventory – Inventory is valued at cost using the first-in, first-out method in the proprietary funds. The cost of inventory is recorded as expense when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the Town, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$2,500 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 estimated fair market value at the date of donation.

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

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

Land Improvements	10 – 20 years
Buildings	20 – 50 years
Infrastructure	40 years
Park Equipment and Improvements	10 – 20 years
Collection and Distribution Systems	10 – 50 years
Equipment, Machinery, and Vehicles	5 – 20 years

General infrastructure assets acquired prior to January 1, 2002 are not being reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure acquired subsequent to January 1, 2002.

Compensated Absences – Full-time employees of the Town are allowed to accumulate unused vacation and sick time. Vacation is accrued at a rate of twelve (12) days per year, up to a maximum of 36 days accumulation. Employees who accumulate in excess of 36 days are paid 50% of the days in excess at their current rate at the end of each year. Employees will be paid for all accrued vacation time, but not accumulated sick time, upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for accrued compensated absences.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-Term Debt - In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Net Position - In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets - this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- Restricted Net Position - this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position - this classification includes assets that do not have any third party limitation on their use.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.
- Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority, the Town Board of Trustees. The constraint may be removed or changed only through formal action of the Town Board of Trustees.
- Assigned – This classification includes amounts that are constrained by the Town’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are 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. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Town has evaluated events subsequent to the year ended December 31, 2017 through May 1, 2018, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2017, follows:

Cash Deposits	\$ 346,563
Investments	<u>30,627</u>
Total	<u>\$ 377,190</u>

Cash is reported in the financial statements as follows:

Cash and Investments	\$ 315,764
Investments - Long-term	<u>61,426</u>
Total	<u>\$ 377,190</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. 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, 2017, the Town had bank deposits totaling \$356,837 of which \$250,000 were insured by FDIC, and \$106,837 were collateralized with securities held by the financial institution's agent but not in their name.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

The Town has not adopted a formal investment policy; however, the Town follows State statutes regarding investments. The Town generally limits its concentration of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have a minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Town Board of Trustees, such actions are generally associated with debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest which include the following:

- 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
- Banker's 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

The Town measures and records its investments using fair market value measurement guidelines established by generally accepted accounting principles, except for local government investment pools, which are recorded using the net asset value method. These guidelines recognize a three-tiered fair value hierarchy, as follows:

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

The Town had \$19,951 invested through a secondary market in a liquid insured deposit that is FDIC insured. The investment in the liquid insured deposit is categorized as a Level 1 investment.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

At December 31, 2017, the Town had \$10,676 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers share in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAA by Standard and Poor's. COLOTRUST records its investments at fair value and the Town records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, is summarized below:

	Balances 12/31/2016	Additions	Deletions	Balances 12/31/2017
Governmental Activities:				
Capital Assets, not being depreciated				
Land	\$ 1,346	\$ -	\$ -	\$ 1,346
Capital Assets, being depreciated				
Land Improvements	179,902	-	-	179,902
Buildings	547,081	-	-	547,081
Infrastructure	1,134,548	108,052	-	1,242,600
Park Equipment and Improvements	135,666	2,311	13,895	124,082
Equipment and Vehicles	359,206	37,201	25,002	371,405
Total Capital Assets, being depreciated	<u>2,356,403</u>	<u>147,564</u>	<u>38,897</u>	<u>2,465,070</u>
Less accumulated depreciation				
Land Improvements	(64,840)	(8,547)	-	(73,387)
Buildings	(317,902)	(8,722)	-	(326,624)
Infrastructure	(136,463)	(30,193)	-	(166,656)
Park Equipment and Improvements	(80,137)	(6,963)	(13,895)	(73,205)
Equipment and Vehicles	(243,059)	(21,062)	(2,500)	(261,621)
Total accumulated depreciation	<u>(842,401)</u>	<u>(75,487)</u>	<u>(16,395)</u>	<u>(901,493)</u>
Total Capital Assets, being depreciated, net	<u>1,514,002</u>	<u>72,077</u>	<u>22,502</u>	<u>1,563,577</u>
Governmental Activities Capital Assets, net	<u>\$ 1,515,348</u>	<u>\$ 72,077</u>	<u>\$ 22,502</u>	<u>\$ 1,564,923</u>

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

General Government	\$ 3,544
Public Safety	12,998
Public Works	31,656
Parks and Recreation	<u>27,289</u>
Total	<u>\$ 75,487</u>

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: CAPITAL ASSETS (Continued)

	Balances 12/31/2016	Additions	Deletions	Balances 12/31/2017
Business-type Activities:				
Capital Assets, not being depreciated				
Land	\$ 49,840	\$ -	\$ -	\$ 49,840
Capital Assets, being depreciated				
Collection and Distribution Systems	3,061,723	44,662		3,106,385
Buildings	210,113	-	-	210,113
Machinery and Equipment	282,029	18,284	-	300,313
Total Capital Assets, being depreciated	<u>3,553,865</u>	<u>62,946</u>	<u>-</u>	<u>3,616,811</u>
Less accumulated depreciation				
Collection and Distribution Systems	(1,508,114)	(65,003)		(1,573,117)
Buildings	(32,858)	(4,380)	-	(37,238)
Machinery and Equipment	(209,624)	(12,600)	-	(222,224)
Total accumulated depreciation	<u>(1,750,596)</u>	<u>(81,983)</u>	<u>-</u>	<u>(1,832,579)</u>
Total Capital Assets, being depreciated, net	<u>1,803,269</u>	<u>(19,037)</u>	<u>-</u>	<u>1,784,232</u>
Business-type Activities Capital Assets, net	<u>\$ 1,853,109</u>	<u>\$ (19,037)</u>	<u>\$ -</u>	<u>\$ 1,834,072</u>

Depreciation expense for the Business-type Activities was charged to the functions/programs as follows:

Water Fund	\$ 56,909
Sewer Fund	<u>25,074</u>
Total	<u>\$ 81,983</u>

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2017.

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017	Due Within One Year
Governmental Activities					
Capital Leases	\$ 59,864	\$ 21,057	\$ 29,188	\$ 51,733	\$ 5,415
Accrued Compensated Absences	6,514	9,457	5,019	10,952	10,952
	<u>\$ 66,378</u>	<u>\$ 30,514</u>	<u>\$ 34,207</u>	<u>\$ 62,685</u>	<u>\$ 16,367</u>

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

Capital Leases

The Town has entered into capital lease agreements to purchase a building and police vehicles. These leases bear interest at rates ranging from 3.50% to 3.75% per annum, and mature between March, 2017 and September, 2032. Capital assets totaling \$101,530 less accumulated depreciation of \$19,179 are reported in the financial statements under these lease agreements. Following is a schedule of future minimum lease payments required under the outstanding capital leases at December 31, 2017.

Year Ended December 31

2018	\$ 14,088
2019	10,821
2020	3,539
2021	2,930
2022	2,930
2023 - 2027	14,650
2028 - 2032	<u>14,169</u>
Total Minimum Lease Payments	63,127
Less: Interest	<u>(11,394)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 51,733</u>

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2017.

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017	Due Within One Year
Business-type Activities					
1992 Water Revenue Bonds	\$ 116,700	\$ -	\$ 4,600	\$ 112,100	\$ 4,900
2000 Water Loan	18,587	-	18,587	-	-
Capital Leases	186,721	-	28,771	157,950	14,965
	<u>\$ 322,008</u>	<u>\$ -</u>	<u>\$ 51,958</u>	<u>\$ 270,050</u>	<u>\$ 19,865</u>

Water Revenue Bonds

During 1992, the Town issued Water Revenue Bonds in the principal amount of \$175,200 for the construction of certain water system improvements. Principal and interest payments are due semi-annually on February 1, and August 1, through August 1, 2032. Interest accrues at a rate of 5.5% per annum. The bonds required a reserve fund be established in the total amount of \$11,460, which is reported as restricted net position in the water fund. The bonds are payable solely from revenues of the Town's water utility system, after deducting operation and maintenance costs. During the year ended December 31, 2017, net revenues of \$106,745 were available to pay annual debt service of \$10,955. Remaining debt service at December 31, 2017 was \$166,372. Following is a summary of the water revenue bonds future debt service requirements for the business-type activities for the year ended December 31, 2017.

Year Ended December 31	Principal	Interest	Total
2018	\$ 4,900	\$ 6,100	\$ 11,000
2019	5,100	5,827	10,927
2020	5,500	5,541	11,041
2021	5,700	5,236	10,936
2022	6,100	4,917	11,017
2023 - 2027	36,500	19,030	55,530
2028 - 2032	48,300	7,621	55,921
	<u>\$ 112,100</u>	<u>\$ 54,272</u>	<u>\$ 166,372</u>

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Capital Leases

The Town has entered into capital lease agreements to purchase a building and an auto-dialer system for the water and sewer systems. These leases bear interest at rates of 3.5% - 3.75% per annum, and mature November 2018 and September, 2032. Capital assets totaling \$217,640 less accumulated depreciation of \$27,228 are reported in the financial statements under this lease agreement. Following is a schedule of future minimum lease payments required under the outstanding capital leases at December 31, 2017.

Year Ended December 31

2018	\$ 20,810
2019	14,650
2020	13,347
2021	13,347
2022	13,347
2023 - 2027	68,622
2028 - 2032	<u>64,557</u>
Total Minimum Lease Payments	208,680
Less: Interest	<u>(50,730)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 157,950</u></u>

NOTE 5: PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with 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 (1982 Replacement Volume) and 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 in preventing and reducing 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.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 5: PUBLIC ENTITY RISK POOL (Continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

NOTE 6: PENSION PLANS

Defined Contribution Pension Plan

The Town contributes to a single employer defined contribution money purchase pension plan on behalf of its employees. The contribution requirements of the Plan participants and the Town are established and may be amended by the Town Board of Trustees. The Plan is administered by Pershing, LLC. Employees are eligible to participate after one year of service. The Town will match up to 3% of the employee's contribution. Employees are fully vested in the Town's contributions immediately. During the year ended December 31, 2017, employee contributions totaled \$13,739 and the Town recognized pension expense of \$11,683.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the Town. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

TOWN OF CALHAN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 7: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment (Continued)

In April 1996, voters within the Town authorized the Town to levy a mill of 17.683 mills and to collect, retain and expend the full amount of revenues generated during 1995 and each subsequent year, and to spend such revenues for (a) snow removal, (b) street sweeping, (c) street construction, repair and maintenance, (d) capital improvements, (e) police protection, (f) storm drainage, (g) parks and recreation, and (h) other municipal services, without limiting in any year the amount of other revenues that may be collected and spent by the Town under provisions of the Amendment.

In November 2012, the voters approved collection and spending of a one (1) percent sales and use tax, commencing January 1, 2013, without any limitations of the Amendment.

The Town's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2017, the emergency reserve of \$15,700 was reported as restricted fund balance in the General Fund.

Claims and Judgments

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2017, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the Town.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CALHAN, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017
(With Comparative Totals for December 31, 2016)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES					
Taxes	\$ 307,001	\$ 322,001	\$ 361,149	\$ 39,148	\$ 311,160
Licenses and Permits	11,900	20,600	23,414	2,814	12,952
Fines and Forfeitures	25,940	25,940	24,193	(1,747)	32,990
Charges for Services	15,475	15,475	12,897	(2,578)	12,681
Intergovernmental	140,600	145,600	147,395	1,795	194,538
Interest	900	900	981	81	871
Miscellaneous	11,500	24,500	41,633	17,133	31,977
TOTAL REVENUES	513,316	555,016	611,662	56,646	597,169
EXPENDITURES					
Current					
General Government	63,757	71,756	78,221	(6,465)	67,378
Judicial	7,802	9,802	11,528	(1,726)	8,586
Public Safety	238,665	244,666	241,463	3,203	216,607
Public Works	276,320	285,020	78,309	206,711	73,080
Parks and Recreation	13,973	13,973	11,764	2,209	14,710
Capital Outlay	25,900	58,900	147,564	(88,664)	208,217
Debt Service					
Principal	11,768	15,768	29,188	(13,420)	22,962
Interest	-	-	2,044	(2,044)	1,915
TOTAL EXPENDITURES	638,185	699,885	600,081	99,804	613,455
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(124,869)	(144,869)	11,581	136,450	(16,286)
OTHER FINANCING SOURCES					
Capital Lease Proceeds	-	20,000	21,057	21,057	35,565
NET CHANGE IN FUND BALANCE	(124,869)	(124,869)	32,638	157,507	19,279
FUND BALANCE, Beginning	124,869	124,869	43,021	(81,848)	23,742
FUND BALANCE, Ending	\$ -	\$ -	\$ 75,659	\$ 75,659	\$ 43,021

See the accompanying Independent Auditor's Report.

TOWN OF CALHAN, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

SUPPLEMENTARY INFORMATION

TOWN OF CALHAN, COLORADO
 CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017
 (With Comparative Totals for December 31, 2016)

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Lottery Revenues	\$ 9,900	\$ 8,215	\$ (1,685)	\$ 9,020
Interest	30	37	7	25
TOTAL REVENUES	<u>9,930</u>	<u>8,252</u>	<u>(1,678)</u>	<u>9,045</u>
EXPENDITURES				
Parks and Recreation	<u>20,761</u>	<u>8,373</u>	<u>12,388</u>	<u>18,674</u>
TOTAL EXPENDITURES	<u>20,761</u>	<u>8,373</u>	<u>12,388</u>	<u>18,674</u>
NET CHANGE IN FUND BALANCE	(10,831)	(121)	10,710	(9,629)
FUND BALANCE, Beginning	<u>10,831</u>	<u>14,084</u>	<u>3,253</u>	<u>23,713</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 13,963</u>	<u>\$ 13,963</u>	<u>\$ 14,084</u>

See the accompanying Independent Auditor's Report.

TOWN OF CALHAN, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017
(With Comparative Totals for December 31, 2016)

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Charges for Services	\$ 270,000	\$ 274,991	\$ 4,991	\$ 271,659
Connection and Late Fees	8,000	8,302	302	7,509
Tap Fees	2,200	2,200	-	6,600
System Development Fees	800	800	-	2,400
Lease Proceeds	-	-	-	10,563
Investment Income	400	320	(80)	1,057
Miscellaneous	800	5,014	4,214	2,879
TOTAL REVENUES	282,200	291,627	9,427	302,667
EXPENDITURES				
Operations and Maintenance	246,070	159,365	86,705	152,615
Administration and General	23,800	25,197	(1,397)	31,568
Capital Outlay	10,700	24,142	(13,442)	52,401
Debt Service				
Principal	35,243	37,572	(2,329)	31,010
Interest	8,361	7,284	1,077	11,972
TOTAL EXPENDITURES	324,174	253,560	70,614	279,566
NET INCOME, Budget Basis	\$ (41,974)	38,067	\$ 38,067	23,101
GAAP BASIS ADJUSTMENTS				
Capital Outlay		24,142		52,401
Depreciation		(56,909)		(56,247)
Lease Proceeds		-		(10,563)
Principal Paid on Long-Term Debt		37,572		31,010
NET INCOME, GAAP Basis		42,872		39,702
NET POSITION, Beginning		1,228,346		1,188,644
NET POSITION, Ending		\$ 1,271,218		\$ 1,228,346

See the accompanying Independent Auditor's Report.

TOWN OF CALHAN, COLORADO
 SEWER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017
 (With Comparative Totals for December 31, 2016)

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Charges for Services	\$ 181,000	\$ 188,677	\$ 7,677	\$ 180,867
Tap Fees	2,200	-	(2,200)	6,600
System Development Fees	800	-	(800)	2,400
Lease Proceeds	-	-	-	10,563
Investment Income	100	186	86	108
Miscellaneous	-	-	-	1,098
TOTAL REVENUES	184,100	188,863	4,763	201,636
EXPENDITURES				
Operations and Maintenance	123,748	141,155	(17,407)	106,909
Administration and General	11,600	10,530	1,070	25,707
Capital Outlay	37,464	38,804	(1,340)	10,563
Debt Service				
Principal	14,251	14,386	(135)	9,392
Interest	-	3,294	(3,294)	3,916
Contingency Reserve	31,265	-	31,265	-
TOTAL EXPENDITURES	218,328	208,169	10,159	156,487
NET INCOME, Budget Basis	\$ (34,228)	(19,306)	\$ 14,922	45,149
GAAP BASIS ADJUSTMENTS				
Capital Outlay		38,804		10,563
Lease Proceeds		-		(10,563)
Depreciation		(25,074)		(26,519)
Principal Paid on Long-term Debt		14,386		9,392
NET INCOME, GAAP Basis		8,810		28,022
NET POSITION, Beginning		637,803		609,781
NET POSITION, Ending		\$ 646,613		\$ 637,803

See the accompanying Independent Auditor's Report.

OTHER INFORMATION

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Calhan
	YEAR ENDING : December 2017

This Information From The Records Of Town of Calhan:	Prepared By: Cindy Tompkins Phone: 719-347-2586
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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. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	108,052
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,382
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	6,063
3. Other local imposts (from page 2)	126,058	c. Other - lighting	13,210
4. Miscellaneous local receipts (from page 2)	6,947	d. Total (a. through c.)	19,273
5. Transfers from toll facilities		4. General administration & miscellaneous	45,019
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	88,224
a. Bonds - Original Issues		6. Total (1 through 5)	266,950
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	133,005	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	35,801	2. Notes:	
D. Receipts from Federal Government (from page 2)	98,144	a. Interest	
E. Total receipts (A.7 + B + C + D)	266,950	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)	266,950

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
		266,950	266,950		(0)

Notes and Comments:

See the accompanying Independent Auditor's Report.

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	
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	28,577	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	6,947
1. Sales Taxes	84,386	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	13,095	g. Other Misc. Receipts	
6. Total (1. through 5.)	97,481	h. Other	
c. Total (a. + b.)	126,058	i. Total (a. through h.)	6,947
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	31,336	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	98,144
c. Motor Vehicle Registrations	3,556	d. Federal Transit Admin	
d. Other (Specify) - Road & Bridge	910	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	4,465	g. Total (a. through f.)	98,144
4. Total (1. + 2. + 3.f)	35,801	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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		108,052	108,052
(5). Total Construction (1) + (2) + (3) + (4)		0	108,052
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	108,052
			(Carry forward to page 1)
Notes and Comments:			

See the accompanying Independent Auditor's Report.