

Town of Deer Trail, Colorado

Financial Statements and Independent Auditor's Report

December 31, 2017

E

RECEIVED

Office of the State Auditor

July 5, 2018

Table of Contents

	Page
Independent Auditor's Report	I-II
 Basic Financial Statements	
Statement of Net Position	1
Statement of Activities	2
 Fund Financial Statements	
Balance Sheet—Governmental Funds and Reconciliation of the Balance Sheet—Governmental Funds to the Statement of Net Position	3
Governmental Funds Combined Statement of Revenues, Expenditures, Changes in Fund Balances and Reconciliation to the Statement of Activities	4
Proprietary Funds Statement of Net Position	5
Proprietary Funds Statement of Revenues, Expenditures and Changes in Fund Net Position	6
Proprietary Funds Statement of Cash Flows	7
Notes to Financial Statements	8-18
 Required Supplementary Information	
General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances —Budget and Actual	19
 Other Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	20
Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balance	21
Conservation Trust Fund Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual	22
Open Space Fund Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual	23
Water Fund Schedule of Revenues, Expenditures and Changes in Fund Balances —Budget and Actual	24
Sewer Fund Schedule of Revenues, Expenditures and Changes in Net Position —Budget and Actual	25
Local Highway Finance Report	26-27



Certified Public Accountants (a professional corporation)
1221 West Mineral Ave, Ste. 202 Littleton, Colorado 80120-4544 (303) 734-4800 Fax (303) 795-3356

Independent Auditor's Report

Honorable Mayor and the Board of Trustees
Town of Deer Trail, Colorado

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 Deer Trail, Colorado, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Town of Deer Trail, Colorado's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



An independently owned member
RSM US Alliance



Opinions

In our opinion, the 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 Deer Trail, Colorado, as of December 31, 2017 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 budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Deer Trail, Colorado's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis is not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This 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, this information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
June 25, 2018

Basic Financial Statements

Town of Deer Trail, Colorado
Statement of Net Position
December 31, 2017

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 432,804	\$ 330,029	\$ 762,833
Restricted Cash	-	53,909	53,909
Accounts Receivable	2,731	-	2,731
Property Taxes Receivable	69,936	-	69,936
Utility Accounts Receivable	-	28,788	28,788
Total Current Assets	<u>505,471</u>	<u>412,726</u>	<u>918,197</u>
Non-Current Assets:			
Capital Assets, Net			
Land	-	3,000	3,000
Infrastructure and Equipment	255,950	1,824,295	2,080,245
Total Non-Current Assets	<u>255,950</u>	<u>1,827,295</u>	<u>2,083,245</u>
TOTAL ASSETS	<u>761,421</u>	<u>2,240,021</u>	<u>3,001,442</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,842	8,624	11,466
Accrued Liabilities	24,648	23,209	47,857
Current Portion of Long-Term Debt	-	17,823	17,823
Total Current Liabilities	<u>27,490</u>	<u>49,656</u>	<u>77,146</u>
Non-Current Liabilities:			
Long Term Debt, Net of Current Portion	-	798,937	798,937
Total Non-Current Liabilities	<u>-</u>	<u>798,937</u>	<u>798,937</u>
TOTAL LIABILITIES	<u>27,490</u>	<u>848,593</u>	<u>876,083</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Revenue - Property Taxes	69,936	-	69,936
TOTAL DEFERRED INFLOW OF RESOURCES	<u>69,936</u>	<u>-</u>	<u>69,936</u>
NET POSITION			
Net Investment in Capital Assets	255,950	1,010,535	1,266,485
Restricted for:			
Open Space	109,519	-	109,519
Conservation Trust	54,672	-	54,672
Emergencies	9,186	-	9,186
Debt Service	-	53,909	53,909
Unrestricted	234,668	326,984	561,652
TOTAL NET POSITION	<u>\$ 663,995</u>	<u>\$ 1,391,428</u>	<u>\$ 2,055,423</u>

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

Town of Deer Trail, Colorado
Statement of Activities
For the Year Ended December 31, 2017

<u>FUNCTIONS / PROGRAMS</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>PROGRAM REVENUES</u>	
			<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT:				
Governmental activities:				
General Government	\$ 223,430	\$ 54,450	\$ -	\$ -
Public Safety	2,905	-	-	-
Culture and Recreation	13,600	-	22,762	-
Public Works	100,079	-	-	-
Total Governmental Activities	<u>340,014</u>	<u>54,450</u>	<u>22,762</u>	<u>-</u>
Business-Type Activities:				
Water	131,644	136,895	-	88,875
Sewer	182,354	109,874	-	-
Total Business-Type Activities	<u>313,998</u>	<u>246,769</u>	<u>-</u>	<u>88,875</u>
Total Primary Government	<u>\$ 654,012</u>	<u>\$ 301,219</u>	<u>\$ 22,762</u>	<u>\$ 88,875</u>

Property Taxes
Taxes and Other
Investment Earnings
Miscellaneous
Transfers In (Out)
Total General Revenues
Change in Net Position

Net Position Beginning
Net Position Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (168,980)	\$ -	\$ (168,980)
(2,905)	-	(2,905)
9,162	-	9,162
<u>(100,079)</u>	<u>-</u>	<u>(100,079)</u>
<u>(262,802)</u>	<u>-</u>	<u>(262,802)</u>
-	94,126	94,126
<u>-</u>	<u>(72,480)</u>	<u>(72,480)</u>
-	21,646	21,646
<u>\$ (262,802)</u>	<u>\$ 21,646</u>	<u>\$ (241,156)</u>
\$ 117,361	\$ -	\$ 117,361
98,156	-	98,156
59	23	82
-	35,066	35,066
<u>164,234</u>	<u>(164,234)</u>	<u>-</u>
<u>379,810</u>	<u>(129,145)</u>	<u>250,665</u>
<u>117,008</u>	<u>(107,499)</u>	<u>9,509</u>
<u>546,987</u>	<u>1,498,927</u>	<u>2,045,914</u>
<u>\$ 663,995</u>	<u>\$ 1,391,428</u>	<u>\$ 2,055,423</u>

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

Town of Deer Trail, Colorado
Balance Sheet - Governmental Funds and Reconciliation of the Balance
Sheet - Governmental Funds to the Statement of Net Position
December 31, 2017

	<u>GENERAL</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
ASSETS			
Cash	\$ 268,613	\$ 164,191	\$ 432,804
Accounts Receivable	2,731	-	2,731
Property Taxes Receivable	<u>69,936</u>	<u>-</u>	<u>69,936</u>
Total Assets	<u>\$ 341,280</u>	<u>\$ 164,191</u>	<u>\$ 505,471</u>
 LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	24,648	-	24,648
Accrued Liabilities	<u>2,842</u>	<u>-</u>	<u>2,842</u>
Total Liabilities	<u>27,490</u>	<u>-</u>	<u>27,490</u>
 DEFERED INFLOW OF RESOURCES			
Deferred Property Taxes	<u>69,936</u>	<u>-</u>	<u>69,936</u>
Total Deferred Inflow of Resources	<u>69,936</u>	<u>-</u>	<u>69,936</u>
 FUND BALANCES			
Restricted:			
Emergency Reserve	9,186	-	9,186
Conservation Trust Funds	-	54,672	54,672
Assigned:			
Open Space	-	109,519	109,519
Unassigned	<u>234,668</u>	<u>-</u>	<u>234,668</u>
Total Fund Balances	<u>243,854</u>	<u>164,191</u>	<u>408,045</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 341,280</u>	<u>\$ 164,191</u>	
Amounts reported for governmental activities in the Statement of Net Position because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.			<u>255,950</u>
Net Position of Governmental Activities			<u>\$ 663,995</u>

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

Town of Deer Trail, Colorado
Governmental Funds Combined Statement of Revenues, Expenditures,
Changes in Fund Balances and Reconciliation to the Statement of Activities
For the Year Ended December 31, 2017

	GENERAL	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
REVENUES:			
Taxes	\$ 117,361	\$ -	\$ 117,361
Charges for Services	53,200	792	53,992
Intergovernmental	-	22,762	22,762
Licenses and Permits	458	-	458
Miscellaneous	98,215	-	98,215
TOTAL REVENUES	269,234	23,554	292,788
EXPENDITURES:			
Current:			
General Government	208,806	-	208,806
Public Safety	2,905	-	2,905
Public Works	80,877	19,202	100,079
Miscellaneous	13,600	-	13,600
TOTAL EXPENDITURES	306,188	19,202	325,390
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(36,954)	4,352	(32,602)
OTHER FINANCING SOURCES (USES)			
Operating Transfer In (Out)	154,742	9,492	164,234
NET CHANGE IN FUND BALANCE	117,788	13,844	131,632
FUND BALANCES, BEGINNING	126,066	150,347	
FUND BALANCES, ENDING	\$ 243,854	\$ 164,191	

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(14,624)
----------------------	----------

Change in Net Position of Governmental Activities	\$ 117,008
---	------------

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

Town of Deer Trail, Colorado
Proprietary Funds
Statement of Net Position
December 31, 2017

ASSETS	WATER	SEWER	
Current Assets:	FUND	FUND	TOTALS
Cash	\$ 214,121	\$ 115,908	\$ 330,029
Accounts Receivable	11,515	17,273	28,788
Total Current Assets	<u>225,636</u>	<u>133,181</u>	<u>358,817</u>
Restricted Assets:			
Debt Service Reserve	20,681	33,228	53,909
Total Restricted Assets	<u>20,681</u>	<u>33,228</u>	<u>53,909</u>
Non-Current Assets:			
Capital Assets:			
Land	1,500	1,500	3,000
Distribution/Collection System	1,396,421	1,590,262	2,986,683
Equipment	-	595,966	595,966
Accumulated Depreciation	<u>(837,759)</u>	<u>(920,595)</u>	<u>(1,758,354)</u>
Total Non-Current Assets	<u>560,162</u>	<u>1,267,133</u>	<u>1,827,295</u>
TOTAL ASSETS	<u>806,479</u>	<u>1,433,542</u>	<u>2,240,021</u>
LIABILITIES			
Current Liabilities:			
Current Portion of Long-Term Debt	5,600	12,223	17,823
Accounts Payable	5,622	3,002	8,624
Accrued Liabilities	8,034	15,175	23,209
Total Current Liabilities	<u>19,256</u>	<u>30,400</u>	<u>49,656</u>
Non-Current Liabilities:			
Long-Term Debt - Net of Current Portion	213,100	585,837	798,937
Total Non-Current Liabilities	<u>213,100</u>	<u>585,837</u>	<u>798,937</u>
TOTAL LIABILITIES	<u>232,356</u>	<u>616,237</u>	<u>848,593</u>
NET POSITION			
Net Investment in Capital Assets	341,462	669,073	1,010,535
Reserved for Debt Service	20,681	33,228	53,909
Unrestricted	<u>211,980</u>	<u>115,004</u>	<u>326,984</u>
TOTAL NET POSITION	<u>\$ 574,123</u>	<u>\$ 817,305</u>	<u>\$ 1,391,428</u>

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

Town of Deer Trail, Colorado

Proprietary Funds

Statement of Revenues, Expenditures and Changes in Fund Net Position

For the Year Ended December 31, 2017

	WATER FUND	SEWER FUND	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 136,895	\$ 109,874	\$ 246,769
Total Operating Revenues	136,895	109,874	246,769
OPERATING EXPENSES			
Salaries and Benefits	23,968	23,968	47,936
Supplies and Office Expenses	15,322	-	15,322
Utilities	18,419	18,420	36,839
Repairs and Maintenance	15,118	21,257	36,375
Professional Fees	3,823	5,903	9,726
Other	13,555	33,910	47,465
Depreciation	30,987	54,101	85,088
Total Operating Expenses	121,192	157,559	278,751
Income (Loss) From Operations	15,703	(47,685)	(31,982)
NON-OPERATING REVENUES (EXPENSES)			
Activation and Tap Fees	88,875	-	88,875
Miscellaneous	29,081	5,985	35,066
Investment Earnings	-	23	23
Interest Expense	(10,452)	(24,795)	(35,247)
Total Non-Operating Revenues (Expenses)	107,504	(18,787)	88,717
Net Income Before Contributions and Transfers	123,207	(66,472)	56,735
Transfers In (Out)	(144,024)	(20,210)	(164,234)
CHANGE IN NET POSITION	\$ (20,817)	\$ (86,682)	\$ (107,499)
NET POSITION, BEGINNING OF YEAR	594,940	903,987	1,498,927
NET POSITION, END OF YEAR	\$ 574,123	\$ 817,305	\$ 1,391,428

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

Town of Deer Trail, Colorado

Proprietary Funds Statement of Cash Flows

For the Year Ended December 31, 2017

	WATER FUND	SEWER FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts From Customers	\$ 143,126	\$ 120,524	\$ 263,650
Payments to Suppliers for Goods and Services	(62,358)	(79,218)	(141,576)
Payments to Employees	(23,968)	(23,968)	(47,936)
Net Cash From Operating Activities	56,800	17,338	74,138
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers (To) From Other Fund	(144,024)	(20,210)	(164,234)
Net Cash From Non-Capital Financing Activities	(144,024)	(20,210)	(164,234)
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:			
Tap Fees	88,875	-	88,875
Other	29,081	5,985	35,066
Transfers (to) Restricted Assets	(3,196)	(7,779)	(10,975)
Purchase of Assets	(19,114)	(19,114)	(38,228)
Interest Paid	(10,452)	(24,795)	(35,247)
Debt Principal Payments	(5,300)	(11,731)	(17,031)
Net Cash From Capital and Financing Activities	79,894	(57,434)	22,460
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	-	23	23
Net Cash From Investing Activities	-	23	23
Net Increase (Decrease) in Cash and Cash Equivalents	(7,330)	(60,283)	(67,613)
CASH AND CASH EQUIVALENTS			
Beginning of Year	221,451	176,191	397,642
End of Year	\$ 214,121	\$ 115,908	\$ 330,029
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities			
Net Operating Income (Loss)	\$ 15,703	\$ (47,685)	\$ (31,982)
Depreciation	30,987	54,101	85,088
(Increase) Decrease in Accounts Receivable, Net	7,100	10,650	17,750
Increase (Decrease) in Accounts Payable	3,879	1,258	5,137
Increase (Decrease) in Accrued Liabilities	(869)	(986)	(1,855)
Net Cash From Operating Activities	\$ 56,800	\$ 17,338	\$ 74,138

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

Town of Deer Trail, Colorado

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies

The Town of Deer Trail (the Town) operates under a council-mayor form of government and maintains accounting policies to conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The financial reports of the Town include all of the integral parts of the Town's operations. The Town has no component units using the criteria as set forth in generally accepted accounting principles.

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Funds – Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or service to the general public on a continuing basis be financed or recovered primarily through user charges. Proprietary funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

The Town of Deer Trail operates the Water and Sewer Utilities on this basis.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity 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 as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds and major individual 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be recognizable when received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. Sales tax collected and held by vendors at year end on behalf of the Town is also recognized as revenue if collected within 30 days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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 ongoing operations. The principal operating revenues of the Proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Equity

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Board of Trustees.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the criteria described above. If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Town's policy to use the most restrictive classification first.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed fixed assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation of buildings, plants, and machinery and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 40 years
Utility Systems	25 to 50 years
Equipment and Vehicles	5 to 15 years
Infrastructure	25 to 50 years

Long-term Obligations

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

Budget and Budgetary Accounting

On or prior to October 15, the Town Clerk submits to the Town Board 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.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Public hearings are conducted to obtain taxpayer comments.

Prior to January 1, the budget is legally enacted through the passage of an ordinance. Amendments can be made until year end.

Budgets for governmental and pension funds are adopted on a basis consistent with generally accepted accounting principles. Budgets for the Proprietary funds are adopted to fulfill statutory requirements and are prepared on an appropriation basis. Principally, the appropriation basis of budgeting provides for a full accrual basis of accounting, loans and reimbursements received, note receivable principal, capital expenditures and bond principal payments, but does not provide for depreciation and amortization. For 2017 the Town Board budgeted all funds and appropriated spending limits by fund. Therefore, the comparisons of actual and budget amounts relating to legal requirements shown in the financial statements is based on “total expenditures” plus “operating transfers to other funds” in the various fund types. All appropriations lapse at year end.

In 2017, the Town’s expenditures exceeded budgeted appropriations, which may be a violation of State statutes.

Cash and Investments

Cash includes interest-bearing demand deposits (checking and money-market accounts), as well as short-term investments with a maturity date within three months of the date acquired.

Investments are stated at cost, except for marketable debt and equity security investments of the pension trust, which are valued at market. State statutes authorize the allowable type of investments, which are detailed in Note 2.

Property Taxes

Annual property taxes are levied and assessed on January 1 and are certified to the County by December 15 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the Town.

The Town recognizes a receivable for property tax levies upon certification by the County Treasurer. A deferred revenue liability is recorded in the same amount since the taxes are not available at year end to fund expenditures of the current year. They are recognized as revenue when collected in the following year.

Property taxes are computed using mills, where one mill is equal to \$1 on \$1,000 of assessed value. The mill levy for 2017 was 14.585.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

All full-time Town employees accumulate sick leave for subsequent use. These accumulations do not vest and therefore are not recognized as expenditures by the Town until used.

Employees also receive noncumulative vacation leave. No accrual of liability is made as vacation leave is generally taken and the amount outstanding is deemed to be immaterial.

2. Cash and Investments

For the purpose of the statement of cash flows, the Town considers all highly liquid investments (excluding restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Cash Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town has a policy of limiting custodial credit risks by assuring that deposits are only made in eligible public depositories. As of December 31, 2017, none of the Town's deposits are deemed to be exposed to custodial credit risk.

The Town's cash deposits at December 31, 2017 was \$816,742 which include cash and cash equivalents, and restricted assets in the primary government Statement of Net Position.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

2. Cash and Investments (continued)

Cash balances are as follows:

	Bank Balance	Carrying Balance
Insured (FDIC)	\$ 250,000	\$ 250,000
Collateralized by securities held by the pledging financial institution's trust department or agent in the Town's name	577,020	566,742
Total cash and certificates of deposit	\$ 827,020	\$ 816,742

The difference between the bank balance and carrying balance is \$10,278, which were outstanding items that had not cleared the banks as of December 31, 2017.

Investments - Colorado statutes specify in which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, US territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market funds, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with other certain limitations;
9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. These trusts are "Colotrust" and "CSAFE".

The Town's only investments are in bank savings and local governments pooled investment funds, which are included in cash and cash equivalents.

Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

2. Cash and Investments (continued)

Credit Risk – The Town does not have a formal investment policy that would further limit its investment choices beyond those listed above which are approved by Colorado Statutes.

As of December 31, 2017, the Town had \$58,867 invested in the Colorado Liquid Asset Trust (COLOTRUST), and SEC Rule 2a-7-like investment pool. Investments are valued at amortized cost with each share valued at \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. COLOTRUST is rated AAAM by Standard & Poor’s. COLOTRUST records its investments at fair value and the Town records its investments in COLOTRUST using the net asset value method.

3. Restricted Assets

Restricted assets are for the following purposes:

Water Fund – reserve of \$20,681, as required by the Series 2000 loan from Rural Utilities Service. This balance is held in a bank savings account at December 31, 2017.

Sewer Fund – reserve of \$33,228, as required by the Series 2005 Sewer Revenue Bonds. This balance is held in a bank savings account at December 31, 2017.

4. Capital Assets

Capital asset activity for the year was as follows:

	Balance December 31, 2016	Additions	Conveyances or Retirements	Balance December 31, 2017
Governmental activities:				
Depreciable assets:				
Buildings and improvements	\$ 653,200	-	-	653,200
Infrastructure	207,218	-	-	207,218
Equipment and vehicles	<u>194,697</u>	<u>-</u>	<u>-</u>	<u>194,697</u>
Total depreciable assets	<u>1,055,115</u>	<u>-</u>	<u>-</u>	<u>1,055,115</u>
Less accumulated depreciation for:				
Buildings and improvements	(563,340)	(5,820)	-	(569,160)
Infrastructure	(48,924)	(5,168)	-	(54,092)
Equipment and vehicles	<u>(172,277)</u>	<u>(3,636)</u>	<u>-</u>	<u>(175,913)</u>
Total accumulated depreciation	<u>(784,541)</u>	<u>(14,624)</u>	<u>-</u>	<u>(799,165)</u>
Governmental activities assets, net	<u>\$ 270,574</u>	<u>\$ (14,624)</u>	<u>\$ -</u>	<u>\$ 255,950</u>

In 2017, depreciation expense of \$14,624 was charged to Public Works.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

4. Capital Assets (continued)

	Balance December 31, 2016	Additions	Conveyances or Retirements	Balance December 31, 2017
Business-type activities:				
Non-depreciable assets:				
Land	\$ 3,000	\$ -	\$ -	\$ 3,000
Depreciable assets:				
Distribution/collection system	2,967,569	19,114	-	2,986,683
Equipment	<u>576,852</u>	<u>19,114</u>	-	<u>595,966</u>
Total capital assets	<u>3,547,421</u>	<u>38,228</u>	-	<u>3,585,649</u>
Less Accumulated depreciation for:				
Distribution/collection system	(1,283,850)	(70,744)	-	(1,354,594)
Equipment	<u>(389,416)</u>	<u>(14,344)</u>	-	<u>(403,760)</u>
Total accumulated depreciation	<u>(1,673,266)</u>	<u>(85,088)</u>	-	<u>(1,758,354)</u>
Business-type activities assets, net	<u>\$ 1,874,155</u>	<u>\$ (46,860)</u>	<u>\$ -</u>	<u>\$ 1,827,295</u>

In 2017, depreciation expense of \$30,987 was charged to the Water Fund and \$54,101 was charged to the Sewer Fund.

5. Contingency—Constitutional Amendment

In November 1992, the Colorado voters passed a constitutional amendment (TABOR Amendment) to the State Constitution (Article X, Section 20) which requires voter approval for any increases in mill levies, revenue limits, spending limits and creation of multi-year debt. In addition, the amendment requires that a reserve be established for emergencies of 3% in 1995 and thereafter.

The Town has reserved \$9,868 within the General Fund for the emergency reserve under the TABOR amendment.

In 1998, the voters of the Town approved a referendum allowing the Town to collect, retain and expend the full proceeds of the Town's taxes, fees and other revenues received without increasing or adding taxes of any kind.

The Town believes that it is in compliance with the provisions of the TABOR Amendment. However, many provisions of the TABOR Amendment are complex and subject to further interpretation and will require judicial interpretation.

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

6. Long-Term Debt

Series 2005 Sewer Revenue Bonds – The Town issued bonds where the government pledges income derived from customer revenues, net of operating expenses, to repay the debt. Proceeds from the debt provided financing for various improvements. Annual principal and interest payments on the bonds are expected to require approximately 36% of sewer revenues. The bonds have an interest rate of 4.125% and are payable through 2045.

Series 2000 Rural Utilities Service Loan – The Town issued bonds where the government pledges income derived from customer revenues, net of operating expenses, to repay the debt. Proceeds from the debt provided financing for various improvements. Annual principal and interest payments on the bonds are expected to require approximately 19% of water revenues. The bonds have an interest rate of 4.75% and are payable through 2040.

During 2017 principal payments of \$17,031 were made. Additionally, interest payments totaling \$35,616 were made, which are included as a direct expense under Water in the Statement of Activities.

Annual debt service requirements are as follows:

	Principal	Interest	Total
2017	\$ 17,823	\$ 34,867	\$ 52,690
2018	18,632	34,089	52,721
2019	19,363	33,276	52,639
2020	20,316	32,428	52,744
2022	21,092	31,542	52,633
2023-2027	120,370	143,088	263,379
2028-2032	149,122	114,280	263,402
2033-2037	184,753	78,622	263,375
2038-2042	187,909	36,277	224,186
2043-2045	77,381	4,445	81,825
	\$ 816,760	\$ 542,834	\$ 1,359,594

Town of Deer Trail, Colorado
Notes to Financial Statements (continued)
December 31, 2017

6. Long-Term Debt (continued)

Total changes in Long-Term Liabilities during 2017 are as follows:

	Balance December 31, 2016	Additions	Payments	Balance December 31, 2017	Due Within One Year
Business-type activities:					
Bonds payable:					
2000 RUS Loan - Water	\$ 224,000	\$ -	\$ (5,300)	\$ 218,700	\$ 5,600
Series 2005 Sewer Bonds	<u>609,791</u>	<u>-</u>	<u>(11,731)</u>	<u>598,060</u>	<u>12,223</u>
Total long-term liabilities	<u>\$ 833,791</u>	<u>\$ -</u>	<u>\$ (17,031)</u>	<u>\$ 816,760</u>	<u>\$ 17,823</u>

7. Risk Management

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

Property, Casualty, Errors and Omissions and Liability Insurance

The Town is exposed to various risks of loss related to property, casualty, errors and omissions and liability losses. In 1986 due to the excessive cost of this insurance, the Town joined together with other cities and towns in the State of Colorado to form the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual contribution to CIRSA for its insurance coverage. The member agreement provides that the pool will be self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for member's claims in excess of a specified self insurance retention, which is determined each policy year.

During 2017 the Town paid approximately \$10,683 for insurance coverage to the pool which is included in the operating expense of the general and enterprise funds.

Town of Deer Trail, Colorado

Required Supplementary Information

Town of Deer Trail, Colorado
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Taxes	\$ 116,000	\$ 116,000	\$ 117,361	\$ 1,361
Charges for Services	3,000	3,000	53,200	50,200
Licenses and Permits	2,800	2,800	458	(2,342)
Miscellaneous	<u>46,450</u>	<u>46,450</u>	<u>98,215</u>	<u>51,765</u>
TOTAL REVENUES	<u>168,250</u>	<u>168,250</u>	<u>269,234</u>	<u>100,984</u>
EXPENDITURES				
Current:				
General Government	69,400	69,400	208,806	(139,406)
Public Safety	18,600	18,600	2,905	15,695
Public Works	18,300	18,300	80,877	(62,577)
Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>13,600</u>	<u>(9,600)</u>
TOTAL EXPENDITURES	<u>110,300</u>	<u>110,300</u>	<u>306,188</u>	<u>(195,888)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	57,950	57,950	(36,954)	(94,904)
OTHER FINANCIAL SOURCES (USES)				
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>154,742</u>	<u>154,742</u>
NET CHANGE IN FUND BALANCE	57,950	57,950	117,788	59,838
FUND BALANCES, BEGINNING OF YEAR	<u>184,986</u>	<u>184,986</u>	<u>126,066</u>	<u>(58,920)</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 242,936</u></u>	<u><u>\$ 242,936</u></u>	<u><u>\$ 243,854</u></u>	<u><u>\$ 918</u></u>

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

Town of Deer Trail, Colorado

Other Supplementary Information

Town of Deer Trail, Colorado

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2017

	CONSERVATION TRUST FUND	OPEN SPACE FUND	TOTALS
	<u> </u>	<u> </u>	<u> </u>
ASSETS:			
Cash	\$ 54,672	\$ 109,519	\$ 164,191
TOTAL ASSETS	<u>\$ 54,672</u>	<u>\$ 109,519</u>	<u>\$ 164,191</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted - Conservation Trust Funds	54,672	-	54,672
Assigned - Open Space	<u>-</u>	<u>109,519</u>	<u>109,519</u>
TOTAL FUND BALANCES	<u>54,672</u>	<u>109,519</u>	<u>164,191</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 54,672</u>	<u>\$ 109,519</u>	<u>\$ 164,191</u>

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

Town of Deer Trail, Colorado
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2017

	CONSERVATION TRUST FUND	OPEN SPACE FUND	TOTALS
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Intergovernmental	\$ 7,674	\$ 15,088	\$ 22,762
Interest	<u>681</u>	<u>111</u>	<u>792</u>
TOTAL REVENUES	<u>8,355</u>	<u>15,199</u>	<u>23,554</u>
EXPENDITURES:			
Culture and Recreation	<u>7,412</u>	<u>11,790</u>	<u>19,202</u>
TOTAL EXPENDITURES	<u>7,412</u>	<u>11,790</u>	<u>19,202</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	943	3,409	4,352
OTHER FINANCING SOURCES (USES):			
Operating Transfers In (Out)	<u>5,277</u>	<u>4,215</u>	<u>9,492</u>
NET CHANGE IN FUND BALANCE	6,220	7,624	13,844
FUND BALANCE, BEGINNING OF YEAR	<u>48,452</u>	<u>101,895</u>	<u>150,347</u>
FUND BALANCE, END OF YEAR	<u>\$ 54,672</u>	<u>\$ 109,519</u>	<u>\$ 164,191</u>

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

Town of Deer Trail, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental - State	\$ -	\$ -	\$ 7,674	\$ 7,674
Interest	-	-	681	681
Total Revenues	<u>-</u>	<u>-</u>	<u>8,355</u>	<u>8,355</u>
EXPENDITURES:				
Operating				
Recreation	-	-	7,412	(7,412)
Total Expenditures	<u>-</u>	<u>-</u>	<u>7,412</u>	<u>(7,412)</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	-	-	943	943
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	-	-	5,277	5,277
NET CHANGE IN FUND BALANCE	-	-	6,220	6,220
FUND BALANCE, BEGINNING OF YEAR	<u>32,498</u>	<u>32,498</u>	<u>48,452</u>	<u>15,954</u>
FUND BALANCE, END OF YEAR	<u>\$ 32,498</u>	<u>\$ 32,498</u>	<u>\$ 54,672</u>	<u>\$ 22,174</u>

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

Town of Deer Trail, Colorado
Open Space Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 15,088	\$ 15,088
Interest	-	-	111	111
Total Revenues	<u>-</u>	<u>-</u>	<u>15,199</u>	<u>15,199</u>
EXPENDITURES:				
Culture and Recreation	-	-	11,790	(11,790)
Total Expenditures	<u>-</u>	<u>-</u>	<u>11,790</u>	<u>(11,790)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	3,409	3,409
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	-	-	4,215	4,215
NET CHANGE IN FUND BALANCE	-	-	7,624	7,624
FUND BALANCE, BEGINNING OF YEAR	<u>73,375</u>	<u>73,375</u>	<u>101,895</u>	<u>28,520</u>
FUND BALANCE, END OF YEAR	<u>\$ 73,375</u>	<u>\$ 73,375</u>	<u>\$ 109,519</u>	<u>\$ 36,144</u>

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

Town of Deer Trail, Colorado
Water Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
OPERATING REVENUES				
Charges for Services	\$ 95,500	\$ 95,500	\$ 136,895	\$ 41,395
Total Operating Revenues	<u>95,500</u>	<u>95,500</u>	<u>136,895</u>	<u>41,395</u>
OPERATING EXPENSES				
Salaries and Benefits	9,700	9,700	23,968	(14,268)
Supplies and Office Expenses	4,400	4,400	15,322	(10,922)
Utilities	13,400	13,400	18,419	(5,019)
Repairs and Maintenance	45,850	45,850	15,118	30,732
Professional Fees	11,300	11,300	3,823	7,477
Insurance	4,000	4,000	-	4,000
Other	-	-	13,555	(13,555)
Total Operating Expenses	<u>88,650</u>	<u>88,650</u>	<u>90,205</u>	<u>(1,555)</u>
Income (Loss) From Operations	<u>6,850</u>	<u>6,850</u>	<u>46,690</u>	<u>39,840</u>
NON-OPERATING REVENUES (EXPENSES)				
Activation and Tap Fees	88,125	88,125	88,875	750
Miscellaneous	200	200	29,081	28,881
Principal Payments	(4,300)	(4,300)	(5,300)	(1,000)
Interest Expense	(11,552)	(11,552)	(10,452)	1,100
Total Non-Operating Revenues (Expenses)	<u>72,473</u>	<u>72,473</u>	<u>102,204</u>	<u>29,731</u>
Net Income Before Contributions and Transfers	<u>79,323</u>	<u>79,323</u>	<u>148,894</u>	<u>69,571</u>
Transfers In (Out)	-	-	(144,024)	(144,024)
CHANGE IN NET POSITION	<u>\$ 79,323</u>	<u>\$ 79,323</u>	4,870	<u>\$ (74,453)</u>
RECONCILIATION TO GAAP BASIS:				
Principal Payments			5,300	
Depreciation and Amortization			(30,987)	
Change in Net Position GAAP			<u>\$ (20,817)</u>	

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

Town of Deer Trail, Colorado
Sewer Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUES				
Charges for Services	\$ 100,800	\$ 100,800	\$ 109,874	\$ 9,074
Total Operating Revenues	<u>100,800</u>	<u>100,800</u>	<u>109,874</u>	<u>9,074</u>
OPERATING EXPENSES				
Salaries and Benefits	9,700	9,700	23,968	(14,268)
Utilities	13,400	13,400	18,420	(5,020)
Repairs and Maintenance	40,100	40,100	21,257	18,843
Professional Fees	12,300	12,300	5,903	6,397
Insurance	4,000	4,000	-	4,000
Other	4,400	4,400	33,910	(29,510)
Total Operating Expenses	<u>83,900</u>	<u>83,900</u>	<u>103,458</u>	<u>(19,558)</u>
Income (Loss) From Operations	16,900	16,900	6,416	(10,484)
NON-OPERATING REVENUES (EXPENSES)				
Activation and Tap Fees	7,625	7,625	-	(7,625)
Investment Earnings	250	250	23	(227)
Miscellaneous	-	-	5,985	5,985
Principal Payments	(9,650)	(9,650)	(11,731)	(2,081)
Interest Expense	(26,100)	(26,100)	(24,795)	1,305
Total Non-Operating Revenues (Expenses)	<u>(27,875)</u>	<u>(27,875)</u>	<u>(30,518)</u>	<u>(2,643)</u>
Net Income Before Contributions and Transfers	<u>(10,975)</u>	<u>(10,975)</u>	<u>(24,102)</u>	<u>(13,127)</u>
Transfers In (Out)	-	-	(20,210)	(20,210)
CHANGE IN NET POSITION	<u>\$ (10,975)</u>	<u>\$ (10,975)</u>	(44,312)	<u>\$ (33,337)</u>
RECONCILIATION TO GAAP BASIS:				
Principal Payments			11,731	
Depreciation and Amortization			<u>(54,101)</u>	
Change in Net Position GAAP			<u>\$ (86,682)</u>	

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County:	Deer Trail
		YEAR ENDING :	December 2017
This Information From The Records Of (example - City of _ or County of _): Town of Deer Trail	Prepared By: Phone:	Candice Reed 303-769-4464	

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)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	26,782
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,073
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	64,032	c. Other	18,432
4. Miscellaneous local receipts (from page 2)	16,142	d. Total (a. through c.)	19,505
5. Transfers from toll facilities		4. General administration & miscellaneous	7,574
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	16,768
a. Bonds - Original Issues		6. Total (1 through 5)	70,629
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)	80,174	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	6,171	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	86,345	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)	70,629

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
	0	86,345	70,629	15,716	0

Notes and Comments:

Other Road and Street Services is Street Lighting of \$18,432.

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	60,040	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	3,992	g. Other Misc. Receipts	
6. Total (1. through 5.)	3,992	h. Other Franchise fees	16,142
c. Total (a. + b.)	64,032	i. Total (a. through h.)	16,142
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,800	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	3,371	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	3,371	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	6,171	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: