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TOWN OF FOWLER, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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October 31, 2018

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS
December 31, 2017

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TOWN OF FOWLER, COLORADO
ROSTER OF OFFICIALS
December 31, 2017

Chuck Hitchcock	Mayor
Randy McKown	Trustee
Emil Rogge	Trustee
Andy Lotrich	Trustee
Lowell White	Trustee
Nathan Shultz	Trustee
Diana Saxon	Trustee

FINANCIAL SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

Independent Auditor's Report

To the Honorable Mayor and
the Board of Trustees
Town of Fowler
Fowler, Colorado 81039

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 Fowler, 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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend data on pages i through viii and 41 through 42 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fowler's basic financial statements. The combining and individual fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 individual fund financial statements and other schedules are fairly stated, in all material respect, in relation to the basic financial statements as a whole.



Trinidad, Colorado
September 28, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF FOWLER

Management's Discussion and Analysis For Fiscal Year 2017

As management of the Town of Fowler, Colorado, we offer readers of the Town of Fowler's financial statements this narrative overview and analysis of the financial activities of the Town of Fowler for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the financial statements.

Financial Highlights

1. The assets of the Town of Fowler exceeded its liabilities at the close of the most recent fiscal year by \$5,293,059 (*net assets*). Of this amount, \$1,469,088 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
2. The governmental funds total net assets increased \$103,455.
3. As of the close of the current fiscal year, the Town of Fowler's governmental funds reported combined ending fund balances of \$729,796, an increase of \$149,241 in comparison with the prior year. Approximately 56 percent of the total governmental fund balances, \$413,288, is available for spending at the government's discretion (*unreserved, unassigned fund balance*).
4. At the end of the fiscal year, unreserved, unassigned fund balance for the general fund was \$413,288, or 73 percent of the total general fund expenditures of \$562,281.
5. The Town of Fowler's total debt decreased by \$169,027. This resulted from principal payments on the debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Fowler's basic financial statements. The Town of Fowler's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

The *statement of net position* presents information on all the Town of Fowler's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the

Town of Fowler is improving or deteriorating. The following is a summarized statement of net position.

Change in Net Position	2017		2016		Total	
	Governmental	Governmental	Business Type	Business Type	2017	2016
	Activities	Activities	Activities	Activities		
ASSETS						
Current and Other Assets	\$ 1,005,784	\$ 799,991	\$ 2,219,410	\$ 2,232,999	\$ 3,225,194	\$ 3,032,990
Capital Assets	\$ 2,215,408	\$ 2,291,162	\$ 3,501,735	\$ 3,500,275	\$ 5,717,143	\$ 5,791,437
TOTAL ASSETS	\$ 3,221,192	\$ 3,091,153	\$ 5,721,145	\$ 5,733,274	\$ 8,942,337	\$ 8,824,427
Deferred Outflows	\$ 39,150	\$ 33,414			\$ 39,150	\$ 33,414
LIABILITIES						
Current and Other Liabilities	\$ 172,800	\$ 128,888	\$ 122,201	\$ 197,526	\$ 295,001	\$ 326,414
Long Term Liabilities	\$ 145,410	\$ 156,876	\$ 3,180,676	\$ 3,372,980	\$ 3,326,086	\$ 3,529,856
TOTAL LIABILITIES	\$ 318,210	\$ 285,764	\$ 3,302,877	\$ 3,570,506	\$ 3,621,087	\$ 3,856,270
Deferred Inflows	\$ 67,341	\$ 67,467	\$ -	\$ -	\$ 67,341	\$ 67,467
NET POSITION						
Net Investment in Capital Assets	\$ 2,081,425	\$ 2,291,162	\$ 1,601,642	\$ 1,518,691	\$ 3,683,067	\$ 3,809,853
Restricted For:						
Labor Reserve	\$ 23,400	\$ 18,500	\$ -		\$ 23,400	\$ 18,500
Debt	\$ 51,283	\$ 51,283	\$ -		\$ 51,283	\$ 51,283
Culture and Recreation	\$ 66,221	\$ 58,216	\$ -		\$ 66,221	\$ 58,216
Unrestricted	\$ 652,462	\$ 352,175	\$ 816,626	\$ 644,077	\$ 1,469,088	\$ 996,252
	\$ 2,874,791	\$ 2,771,336	\$ 2,418,268	\$ 2,162,768	\$ 5,293,059	\$ 4,934,104

The statement of activities presents information showing how the Town of Fowler's net assets changed during the most recent fiscal year. All changes in net assets 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. Examples of this are uncollected taxes and earned but unused vacation time.

Table 2		2017	2016	2017	2016		
Statement of Activities		Governmental	Governmental	Business Type	Business Type	Total	
		Activities	Activities	Activities	Activities	2017	2016
Revenues							
Charges for Services		57,325	100,389	937,320	826,703	994,645	927,092
Operating Grants and Contributions		4,000	46,361	41,947	32,782	45,947	79,143
Capital Grants and Contributions		-	-	-	-	-	-
Property taxes		65,904	65,470	-	-	65,904	65,470
Specific Ownership Taxes		13,567	13,241	-	-	13,567	13,241
Sales and Use Taxes		312,989	247,399	-	-	312,989	247,399
Fines and Forfeits		17,916	25,195	-	-	17,916	25,195
Fanchise Taxes		48,192	50,752	-	-	48,192	50,752
Earnings on investments		873	994	635	1,202	1,508	2,196
Insurance Proceeds		195,388	-	-	-	195,388	-
Other Revenues		50,824	80,439	41,562	27,475	92,386	107,914
Transfers		27,899	-	(27,899)	-	-	-
	TOTAL REVENUES	794,877	630,240	993,565	888,162	1,788,442	1,518,402
Expenses							
Administrative		234,535	55,188	-	-	234,535	55,188
Public Works		87,050	77,694	-	-	87,050	77,694
Public Safety		200,702	186,092	-	-	200,702	186,092
Community Service		133,067	123,047	-	-	133,067	123,047
Interest on Long term debt		5,448	6,298	-	-	5,448	6,298
Capital Outlay		30,620	-	-	-	30,620	-
Sewer Fund		-	-	204,583	242,266	204,583	242,266
Water Fund		-	-	346,651	355,180	346,651	355,180
Sanitation Fund		-	-	64,269	37,627	64,269	37,627
Storm Drainage Fund		-	-	18,305	12,685	18,305	12,685
Natural Resources Fund		-	-	104,257	90,356	104,257	90,356
Transfers		-	-	-	-	-	-
	TOTAL EXPENSES	691,422	448,319	738,065	738,114	1,429,487	1,186,433
Increase (Decrease in Net Position)		103,455	181,921	255,500	150,048	358,955	331,969

Table 3 --Government Activities by Major Function

Government Activities by Major Function	2017	2016	2017	2016
	Total Cost Of Service	Total Cost Of Service	Net Cost Of Service	Net Cost Of Service
GOVERNMENT ACTIVITIES BY MAJOR FUNCTION				
Administrative	\$ 234,535	\$ 55,188	\$ (192,210)	\$ 47,026
Public Works	\$ 87,050	\$ 77,694	\$ (87,050)	\$ (77,694)
Public Safety	\$ 200,702	\$ 186,092	\$ (200,702)	\$ (186,092)
Community Service	\$ 133,067	\$ 123,047	\$ (114,067)	\$ (78,511)
Interest on Long Term Debt	\$ 5,448	\$ 6,298	\$ (5,448)	\$ (6,298)
Capital Outlay	\$ 30,620	\$ -	\$ (30,620)	\$ -
TOTAL	\$ 691,422	\$ 448,319	\$ (630,097)	\$ (301,569)

Fund Financial Statements

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of related accounts designed to keep control over resources segregated for specific activities or objectives. The Town of Fowler, like other governments, uses fund accounting to guarantee and prove compliance. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds.

The Town of Fowler maintains six different governmental funds. The general fund is the major governmental fund. The conservation trust fund, the library fund, the cemetery fund and the pool and recreation fund are non-major governmental funds.

The Town adopts an annual appropriated budget for each of the individual governmental funds. Budgetary comparison schedules for each fund are included in the fund financial statements to demonstrate compliance with the adopted budget. Other information can be found in the notes section of the audit report.

Proprietary funds

The Town of Fowler maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Fowler uses enterprise funds to account for its Water Enterprise, Sewer Enterprise, Sanitation Enterprise, Storm Drainage Enterprise and Natural Resources Enterprise. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town of Fowler's various functions. The Town of Fowler uses the internal service funds to account for its fleet of police vehicles. Because this service predominately benefits governmental rather than business-type functions, it is included within governmental activities in the government-wide financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the governmental-wide financial statement because the resources of those funds are not available to support the Town of Fowler's own programs.

Notes to the financial statements.

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

Other information

In addition to the financial statements and accompanying notes, this report also contains both the required and additional supplementary information. Individual budgets and actual schedules are presented after the notes to the financial statements.

Financial analysis of the governmental funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the Town of Fowler's net resources available for spending at the end of the fiscal year.

The general fund is the major governmental fund of the Town of Fowler. As of December 31, 2017, the general fund shows an ending balance of \$487,971.

General fund budgetary highlights

The Town of Fowler began budget development for the 2017 year in August of 2016 with an analysis of year-to-date as well as prior years' financial statements. After reviewing projections and the most current revenue assumptions, the Mayor and Trustees prepared a preliminary budget by prioritizing the needs expressed in the hearing process and by the department heads. The final budget was presented to the Board of Trustees in December 2016. Adoption of the budget for the 2017 fiscal year took place in December 2016.

Capital Assets and Debt Administration

The town's net investment in capital assets for its governmental and business type activities as of December 31, 2017 amounts to \$5,717,143. This is the total cost of \$10,829,936 less accumulated depreciation of \$5,112,793. Additional information on the Town's capital assets can be found in this report. The following is a summary of the Town's governmental and business-type activities' capital assets.

	Beginning			Ending
	Balance	Increases	Decreases	Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 64,270	\$ -	\$ -	\$ 64,270
Construction in Progress	\$ 1,011,508	\$ -	\$ -	\$ 1,011,508
Total Capital Assets Not Being Depreciated	\$ 1,075,778	\$ -	\$ -	\$ 1,075,778
Capital Assets Being Depreciated				
Site Improvements	\$ 1,677,421	\$ -	\$ -	\$ 1,677,421
Buildings	\$ 1,065,416	\$ -	\$ -	\$ 1,065,416
Equipment	\$ 632,010	\$ 30,620	\$ -	\$ 662,630
Total Capital Assets Being Depreciated	\$ 3,374,847	\$ 30,620	\$ -	\$ 3,405,467
Less Accumulated Depreciation For:				
Site Improvements	\$ 640,863	\$ 70,334	\$ -	\$ 711,197
Buildings	\$ 1,065,416	\$ -	\$ -	\$ 1,065,416
Equipment	\$ 453,184	\$ 36,040	\$ -	\$ 489,224
Total Accumulated Depreciation	\$ 2,159,463	\$ 106,374	\$ -	\$ 2,265,837
Total Capital Assets Being Depreciated, Net	\$ 1,215,384	\$ (75,754)	\$ -	\$ 1,139,630
Governmental Activities Capital Assets, Net	\$ 2,291,162	\$ (75,754)	\$ -	\$ 2,215,408
Business Type Activities				
Capital Assets Not Being Depreciated				
Land & Rights	\$ 1,981,786	\$ -	\$ -	\$ 1,981,786
Capital Assets Being Depreciated				
Systems and Equipments	\$ 4,252,791	\$ 114,114	\$ -	\$ 4,366,905
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total Capital Assets Being Depreciated	\$ 4,252,791	\$ 114,114	\$ -	\$ 4,366,905
Less Accumulated Depreciation for:				
Systems and Equipment	\$ 2,734,302	\$ 112,654	\$ -	\$ 2,846,956
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total Accumulated Depreciation	\$ 2,734,302	\$ 112,654	\$ -	\$ 2,846,956
Business Type Activities, Net	\$ 3,500,275	\$ 1,460	\$ -	\$ 3,501,735

Changes In Long Term Debt	Beginning Balance	Additions	Reductions	Ending Balance
SEWER				
1999 Sewer System Loan	\$ 59,872.02		\$ 27,238.44	\$ 32,633.58
2010 Sewer System Loan	\$ 54,678.00		\$ 16,439.00	\$ 38,239.00
DWRPD Loan	\$ 1,260,000.00		\$ 70,000.00	\$ 1,190,000.00
2016 Sewer Backhoe Loan	\$ 53,211.00		\$ 10,333.00	\$ 42,878.00
WATER				
2013 Lease Purchase Water System Equip	\$ 123,800.00		\$ 6,670.00	\$ 117,130.00
Colorado Water Conservation Loan	\$ 13,104.00	\$ 42,361.00	\$ -	\$ 55,465.00
NATURAL RESOURCES ENT FUND				
FSB Loan for land and water shares	\$ 1,676,893.00		\$ 63,143.00	\$ 1,613,750.00
GOVERNMENTAL				
Park School Project Note	\$ 64,126.00		\$ 13,679.00	\$ 50,447.00
2013 Street Lighting Lease Purchase	\$ 79,922.00		\$ 3,886.00	\$ 76,036.00
Medical Building	\$ 7,500.00			\$ 7,500.00
	\$ 3,393,106.02	\$ 42,361.00	\$ 211,388.44	\$ 3,224,078.58

Economic factors and next year's budget

State and federal rules and regulation continue to control the projects the Town of Fowler must construct. Other projects must be set aside as these projects are constructed. The town does not have the resources to provide matching funds for state and federal mandated projects as well as non-mandatory projects. In addition, the town's focus has been on assuring the citizens have a viable long term source of water.

The town anticipates construction of a raw water line to carry augmentation water from approximately eight shares of the Oxford Farmer's Ditch to the Arkansas River in 2020. Completion of a major modification to the waste-water lagoons to comply with Colorado Department of Health and Environment regulations for a cost of \$2,400,000 is anticipated for 2019. The towns construction of a major potable water project in early 2019. Once the mandatory infrastructure projects are underway or complete, the town will return to its Park School Project which will provide a new library and administration building for the town. Estimated remaining cost of this project is \$2,100,000. The town also anticipates constructing phase 2 of the cemetery irrigation water line project in late 2019 or 2020.

Requests for information

This financial report is designed to provide a general overview of the Town of Fowler's finances for all those with an interest in the Town. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Treasurer
Town of Fowler
317 S. Main Street
Fowler, CO 81039

BASIC FINANCIAL STATEMENTS

TOWN OF FOWLER, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Investments	744,426	2,052,626	2,797,052
Accounts Receivable	113,207	99,343	212,550
Grant Receivable	-	6,495	6,495
Internal Receivables	84,195	-	84,195
Property Tax Receivable	63,956	-	63,956
Inventory	-	60,946	60,946
Prepaid Expenses	-	-	-
Capital Assets	4,481,245	6,348,691	10,829,936
Accumulated Depreciation	(2,265,837)	(2,846,956)	(5,112,793)
<u>Total Assets</u>	<u>3,221,192</u>	<u>5,721,145</u>	<u>8,942,337</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Contributions Subsequent to Pension Measurement Date	8,531	-	8,531
Pension Outflows – Plan Level	29,011	-	29,011
Pension Outflows – Employer Level	1,608	-	1,608
<u>Total Deferred Outflow of Resources</u>	<u>39,150</u>	<u>-</u>	<u>39,150</u>
<u>LIABILITIES</u>			
Accounts Payable	170,003	19,400	189,403
Internal Payables	-	84,195	84,195
Accrued Salaries & Benefits	2,797	2,767	5,564
Accrued Interest Payable	-	3,485	3,485
Other Liabilities	-	12,354	12,354
Noncurrent Liabilities:			
Due Within One Year	18,146	199,816	217,962
Due in More than One Year	115,837	2,890,277	3,006,114
Landfill Postclosure Costs	-	81,238	81,238
Compensated Absences	4,641	9,345	13,986
Pension Liability	6,786	-	6,786
<u>Total Liabilities</u>	<u>318,210</u>	<u>3,302,877</u>	<u>3,621,087</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property Taxes	63,956	-	63,956
Pension Outflows – Plan Level	345	-	345
Pension Outflows – Employer Level	3,040	-	3,040
<u>Total Deferred Inflow of Resources</u>	<u>67,341</u>	<u>-</u>	<u>67,341</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	2,081,425	1,601,642	3,683,067
Restricted for:			
Tabor Reserve	23,400	-	23,400
Debt	51,283	-	51,283
Culture and Recreation	66,221	-	66,221
Unrestricted	652,462	816,626	1,469,088
<u>Total Net Position</u>	<u>2,874,791</u>	<u>2,418,268</u>	<u>5,293,059</u>

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

TOWN OF FOWLER, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total	
Governmental Activities								
Administrative	234,535	42,325	-	-	(192,210)	-	(192,210)	
Public Works	87,050	-	-	-	(87,050)	-	(87,050)	
Public Safety	200,702	-	-	-	(200,702)	-	(200,702)	
Community Service	133,067	15,000	4,000	-	(114,067)	-	(114,067)	
Interest on Long Term Debt	5,448	-	-	-	(5,448)	-	(5,448)	
Capital Outlay	30,620	-	-	-	(30,620)	-	(30,620)	
Total Governmental Activities	691,422	57,325	4,000	-	(630,097)	-	(630,097)	
Business Type Activities								
Sewer Fund	204,583	329,720	34,750	-	-	159,887	159,887	
Water Fund	346,651	313,077	7,197	-	-	(26,377)	(26,377)	
Sanitation Fund	64,269	48,077	-	-	-	(16,192)	(16,192)	
Storm Drainage Fund	18,305	12,567	-	-	-	(5,738)	(5,738)	
Natural Resources Fund	104,257	233,879	-	-	-	129,622	129,622	
Total Business Type Activities	738,065	937,320	41,947	-	-	241,202	241,202	
Total Primary Government	1,429,487	994,645	45,947	-	(630,097)	241,202	(388,895)	
General Revenues and Transfers:								
					65,904	-	65,904	
					13,567	-	13,567	
					312,989	-	312,989	
					17,916	-	17,916	
					48,192	-	48,192	
					873	635	1,508	
					195,388	-	195,388	
					50,824	41,562	92,386	
					27,899	(27,899)	-	
					733,552	14,298	747,850	
					Change in Net Position	103,455	255,500	358,955
					Net Position – Beginning	2,771,336	2,162,768	4,934,104
					Net Position – Ending	2,874,791	2,418,268	5,293,059

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

TOWN OF FOWLER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash & Investments	486,487	252,457	738,944
Accounts Receivable	98,501	14,706	113,207
Property Tax Receivable	63,956	-	63,956
Other Receivable	-	-	-
Due From Other Funds	<u>252,490</u>	<u>25,786</u>	<u>278,276</u>
<u>Total Assets</u>	<u>901,434</u>	<u>292,949</u>	<u>1,194,383</u>
<u>LIABILITIES</u>			
Accounts Payable	169,133	870	170,003
Accrued Salaries	2,323	474	2,797
Deferred Revenue	-	-	-
Due To Other Funds	<u>178,051</u>	<u>49,780</u>	<u>227,831</u>
<u>Total Liabilities</u>	<u>349,507</u>	<u>51,124</u>	<u>400,631</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Property Tax	<u>63,956</u>	-	<u>63,956</u>
<u>FUND BALANCES</u>			
Restricted:			
Emergencies	23,400	-	23,400
Debt Service	51,283	-	51,283
Culture and Recreation	-	66,221	66,221
Committed:			
Capital Outlay	-	-	-
Assigned:			
Community Service	-	175,604	175,604
Unassigned	<u>413,288</u>	-	<u>413,288</u>
<u>Total Fund Balances</u>	<u>487,971</u>	<u>241,825</u>	<u>729,796</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</u>			
	<u>901,434</u>	<u>292,949</u>	<u>1,194,383</u>

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

TOWN OF FOWLER, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2017

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

<u>Total Fund Balance – Governmental Funds</u>	729,796
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$4,396,438 and the accumulated depreciation is \$2,203,733.	2,192,705
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(133,983)
The Towns portion of the net pension liability for FPPA reported on the statement of net position is not reported as an asset in the funds.	(6,786)
Deferred flows for contributions made toward the net pension liability from January 1, 2017 until December 31, 2017 is not reported in the funds	8,531
Deferred pension flows are not reported in the funds.	27,234
Compensated absences are not reported as a liability in the funds.	(4,641)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>61,935</u>
<u>Total Net Position – Governmental Activities</u>	<u>2,874,791</u>

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

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

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>			
Taxes	302,840	89,620	392,460
Licenses and Fees	57,878	-	57,878
Charges for Services	32,639	-	32,639
Fines and Forfeits	17,916	-	17,916
Grants	-	4,000	4,000
Other	<u>229,768</u>	<u>14,335</u>	<u>244,103</u>
<u>Total Revenues</u>	<u>641,041</u>	<u>107,955</u>	<u>748,996</u>
 <u>EXPENDITURES:</u>			
Administrative	233,831	-	233,831
Public Works	51,318	-	51,318
Public Safety	180,325	-	180,325
Community Service	53,794	54,753	108,547
Debt Service:			
Principal	17,565	-	17,565
Interest	5,448	-	5,448
Capital Outlay	-	<u>30,620</u>	<u>30,620</u>
<u>Total Expenditures</u>	<u>542,281</u>	<u>85,373</u>	<u>627,654</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	<u>98,760</u>	<u>22,582</u>	<u>121,342</u>
 <u>OTHER FINANCING SOURCES (USES):</u>			
Transfers In	30,881	20,000	50,881
Transfers (Out)	(20,000)	(2,982)	(22,982)
Proceeds from Debt	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>10,881</u>	<u>17,018</u>	<u>27,899</u>
 <u>NET CHANGE IN FUND BALANCES</u>			
	109,641	39,600	149,241
 <u>FUND BALANCES – Beginning</u>			
	<u>378,330</u>	<u>202,225</u>	<u>580,555</u>
 <u>FUND BALANCES - Ending</u>			
	<u>487,971</u>	<u>241,825</u>	<u>729,796</u>

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

TOWN OF FOWLER, COLORADO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2017

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	149,241									
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Capital outlays more than \$5000</td> <td style="width: 20%; text-align: right;">30,620</td> <td style="width: 20%;"></td> </tr> <tr> <td>Depreciation expense</td> <td style="text-align: right;">(89,413)</td> <td style="text-align: right;">(58,793)</td> </tr> </table>	Capital outlays more than \$5000	30,620		Depreciation expense	(89,413)	(58,793)				
Capital outlays more than \$5000	30,620									
Depreciation expense	(89,413)	(58,793)								
<p>In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences increased by this amount.</p>										
	687									
<p>The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums, discounts and deferred refunding amounts are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:</p>										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Debt proceeds</td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: right;">-</td> </tr> <tr> <td>Principal payment</td> <td></td> <td style="text-align: right;">17,565</td> </tr> </table>	Debt proceeds		-	Principal payment		17,565				
Debt proceeds		-								
Principal payment		17,565								
<p>The net revenue (loss) of certain activities of internal service funds is reported with governmental activities.</p>										
	(1,962)									
<p>The statement of activities reports net pension obligation which is not reported in the fund financial statements.</p>										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Change in net pension obligation</td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: right;">(7,086)</td> </tr> <tr> <td>Deferred flows from net pension obligations</td> <td></td> <td style="text-align: right;">3,803</td> </tr> <tr> <td>Amortization of deferred flows from pension activity</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">-</td> </tr> </table>	Change in net pension obligation		(7,086)	Deferred flows from net pension obligations		3,803	Amortization of deferred flows from pension activity		-	
Change in net pension obligation		(7,086)								
Deferred flows from net pension obligations		3,803								
Amortization of deferred flows from pension activity		-								
<u>Change in Net Position of Governmental Activities</u>	<u>103,455</u>									

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

TOWN OF FOWLER, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Business Type Activities		
	Sewer Fund	Water Fund	Sanitation Fund
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Investments	1,514,633	221,979	83,536
Accounts Receivable	40,572	33,990	5,368
Grants Receivable	6,495	-	-
Prepaid Expenses	-	-	-
Due From Other Funds	14,338	54,174	75,000
Deposits	-	-	-
Inventory	-	60,946	-
<u>Total Current Assets</u>	<u>1,576,038</u>	<u>371,089</u>	<u>163,904</u>
<u>Capital Assets</u>	1,724,662	2,825,970	-
Less Accumulated Depreciation	(1,008,855)	(1,816,507)	-
<u>Net Capital Assets</u>	<u>715,807</u>	<u>1,009,463</u>	<u>-</u>
 <u>TOTAL ASSETS</u>	 <u>2,291,845</u>	 <u>1,380,552</u>	 <u>163,904</u>
 <u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts Payable	4,096	10,027	4,433
Accrued Salary and Benefits Payable	1,077	1,690	-
Compensated Absences	4,758	4,587	-
Accrued Interest Payable	-	-	-
Unearned Revenue	-	-	-
Customer Deposits	-	11,454	-
Landfill Postclosure Costs	-	-	81,238
Due To Other Funds	31,750	163,693	16,316
Notes Payable – Current	126,740	7,226	-
<u>Total Current Liabilities</u>	<u>168,421</u>	<u>198,677</u>	<u>101,987</u>
<u>NonCurrent Liabilities</u>			
Note Payable	1,177,009	165,368	-
 <u>TOTAL LIABILITIES</u>	 <u>1,345,430</u>	 <u>364,045</u>	 <u>101,987</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	602,058	836,869	-
Unrestricted	<u>344,357</u>	<u>179,638</u>	<u>61,917</u>
 <u>TOTAL NET POSITION</u>	 <u>946,415</u>	 <u>1,016,507</u>	 <u>61,917</u>

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

- Enterprise Funds

<u>Storm Drainage Fund</u>	<u>Natural Resources Fund</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Fund</u>
35,126	197,352	2,052,626	5,483
1,572	17,841	99,343	-
-	-	6,495	-
-	-	-	-
-	2,576	146,088	33,750
-	-	-	-
-	-	60,946	-
<u>36,698</u>	<u>217,769</u>	<u>2,365,498</u>	<u>39,233</u>
-	1,798,059	6,348,691	84,807
-	(21,594)	(2,846,956)	(62,104)
-	<u>1,776,465</u>	<u>3,501,735</u>	<u>22,703</u>
<u>36,698</u>	<u>1,994,234</u>	<u>5,867,233</u>	<u>61,936</u>
141	703	19,400	-
-	-	2,767	-
-	-	9,345	-
-	3,485	3,485	-
-	-	-	-
-	900	12,354	-
-	-	81,238	-
6,615	11,909	230,283	-
-	65,850	199,816	-
<u>6,756</u>	<u>82,847</u>	<u>558,688</u>	<u>-</u>
-	1,547,900	2,890,277	-
<u>6,756</u>	<u>1,630,747</u>	<u>3,448,965</u>	<u>-</u>
-	162,715	1,601,642	22,703
<u>29,942</u>	<u>200,772</u>	<u>816,626</u>	<u>39,233</u>
<u>29,942</u>	<u>363,487</u>	<u>2,418,268</u>	<u>61,936</u>

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

TOWN OF FOWLER, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2017

	<u>Business Type Activities</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Sanitation Fund</u>
<u>OPERATING REVENUES</u>			
Charges for Service	329,131	312,479	48,077
Connects	-	-	-
Insurance Proceeds	-	-	-
Other	589	598	-
<u>Total Operating Revenues</u>	<u>329,720</u>	<u>313,077</u>	<u>48,077</u>
<u>OPERATING EXPENSES</u>			
Administration	4,269	35,488	435
Operating Supplies	1,254	10,492	2,576
Repairs	9,577	57,351	26,624
Insurance	2,130	10,659	1,323
Utilities & Communications	5,768	28,414	148
Salaries & Benefits	85,030	120,947	13,057
Gas & Oil	2,632	5,544	-
Professional Services	10,160	12,858	1,231
Landfill Contribution	-	-	18,875
Other Expense	13,705	13,762	-
Bad Debts	-	-	-
Depreciation	63,605	41,851	-
<u>Total Operating Expenses</u>	<u>198,130</u>	<u>337,366</u>	<u>64,269</u>
<u>OPERATING INCOME (LOSS)</u>	<u>131,590</u>	<u>(24,289)</u>	<u>(16,192)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	358	-	51
Grants	34,750	7,197	-
Tap Fees	-	-	-
Interest Expense	(6,453)	(9,285)	-
Reduction in Landfill Allocation	-	-	41,562
<u>Total Non-Operating Revenues (Expenses)</u>	<u>28,655</u>	<u>(2,088)</u>	<u>41,613</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>160,245</u>	<u>(26,377)</u>	<u>25,421</u>
<u>OPERATING TRANSFERS</u>			
Operating Transfers In	8,948	-	-
Operating Transfers (Out)	-	(2,983)	-
<u>Total Operating Transfers</u>	<u>8,948</u>	<u>(2,983)</u>	<u>-</u>
<u>CHANGE IN NET POSITION</u>	<u>169,193</u>	<u>(29,360)</u>	<u>25,421</u>
<u>NET POSITION, Beginning</u>	<u>777,222</u>	<u>1,045,867</u>	<u>36,496</u>
<u>NET POSITION, Ending</u>	<u>946,415</u>	<u>1,016,507</u>	<u>61,917</u>

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

- Enterprise Funds

<u>Storm Drainage Fund</u>	<u>Natural Resources Fund</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
12,567	155,700	857,954	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>78,179</u>	<u>79,366</u>	<u>15,000</u>
<u>12,567</u>	<u>233,879</u>	<u>937,320</u>	<u>15,000</u>
570	-	40,762	-
746	-	15,068	-
4,513	13,256	111,321	-
273	-	14,385	-
552	-	34,882	-
11,137	-	230,171	-
75	-	8,251	-
400	-	24,649	-
-	-	18,875	-
39	8,729	36,235	-
-	-	-	-
<u>-</u>	<u>7,198</u>	<u>112,654</u>	<u>16,962</u>
<u>18,305</u>	<u>29,183</u>	<u>647,253</u>	<u>16,962</u>
<u>(5,738)</u>	<u>204,696</u>	<u>290,067</u>	<u>(1,962)</u>
45	181	635	-
-	-	41,947	-
-	-	-	-
-	(75,074)	(90,812)	-
<u>-</u>	<u>-</u>	<u>41,562</u>	<u>-</u>
<u>45</u>	<u>(74,893)</u>	<u>(6,668)</u>	<u>-</u>
<u>(5,693)</u>	<u>129,803</u>	<u>283,399</u>	<u>(1,962)</u>
-	-	8,948	-
<u>(2,983)</u>	<u>(30,881)</u>	<u>(36,847)</u>	<u>-</u>
<u>(2,983)</u>	<u>(30,881)</u>	<u>(27,899)</u>	<u>-</u>
(8,676)	98,922	255,500	(1,962)
<u>38,618</u>	<u>264,565</u>	<u>2,162,768</u>	<u>63,897</u>
<u>29,942</u>	<u>363,487</u>	<u>2,418,268</u>	<u>61,935</u>

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

TOWN OF FOWLER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2017

	<u>Business Type Activities</u>		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Sanitation Fund</u>
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	319,516	309,163	50,047
Payments to Employees	(84,087)	(120,791)	(13,057)
Payments to Vendors	(70,419)	(226,589)	(51,111)
<u>Net Cash Provided by (Used for) Operating Activities</u>	<u>165,010</u>	<u>(38,217)</u>	<u>(14,121)</u>
<u>Cash Flows from Non-Capital Financing Activities</u>			
Transfers (Net)	8,948	(2,983)	-
Grants	42,423	14,726	-
<u>Net Cash from Non-Capital Financing Activities</u>	<u>51,371</u>	<u>11,743</u>	<u>-</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchase of Fixed Assets	(96,528)	(17,586)	-
Proceeds from Sale of Assets	-	-	-
Proceeds from Debt	-	42,360	-
Interest Paid on Debt	(6,453)	(9,285)	-
Principal Paid on Debt	(124,012)	(6,670)	-
Tap Fees	-	-	-
<u>Net Cash from Capital & Related Financing Activities</u>	<u>(226,993)</u>	<u>8,819</u>	<u>-</u>
<u>Cash Flows from Investing Activities</u>			
Interest Earnings	358	-	51
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	<u>(10,254)</u>	<u>(17,655)</u>	<u>(14,070)</u>
<u>Cash and Cash Equivalents at Beginning of Year</u>	<u>1,524,887</u>	<u>239,634</u>	<u>97,606</u>
<u>Cash and Cash Equivalents at End of Year</u>	<u>1,514,633</u>	<u>221,979</u>	<u>83,536</u>
<u>Reconciliation of Cash Flows from Operating Activities</u>			
Operating Income (Loss)	131,590	(24,289)	(16,192)
<u>Adjustments to Reconcile Net Income to</u>			
<u>Net Cash Provided by Operating Activities</u>			
Depreciation	63,605	41,851	-
(Increase) Decrease in Pre-Paid Expenses	-	-	-
(Increase) Decrease in Inventory	5,028	2,188	-
(Increase) Decrease in Accounts Receivable	(10,204)	(3,540)	1,970
(Increase) Decrease in Due From Other Funds	(5,513)	1	-
Increase (Decrease) in Due To Other Funds	3,325	(39,211)	101
Increase (Decrease) in Accounts Payable	(23,764)	(14,998)	-
Increase (Decrease) in Customer Deposits	-	(375)	-
Increase (Decrease) in Unearned Revenue	-	-	-
Increase (Decrease) in Accrued Salaries and Benefits Payable	943	156	-
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>165,010</u>	<u>(38,217)</u>	<u>(14,121)</u>

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

- Enterprise Funds

<u>Storm Drainage Fund</u>	<u>Natural Resources Fund</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
12,343	234,261	925,330	-
(11,137)	-	(229,072)	-
<u>(6,624)</u>	<u>(13,949)</u>	<u>(368,692)</u>	<u>-</u>
<u>(5,418)</u>	<u>220,312</u>	<u>327,566</u>	<u>-</u>
(2,983)	(30,881)	(27,899)	-
-	-	57,149	-
<u>(2,983)</u>	<u>(30,881)</u>	<u>29,250</u>	<u>-</u>
-	-	(114,114)	-
-	-	-	-
-	-	42,360	-
-	(71,589)	(87,327)	-
-	(63,143)	(193,825)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(134,732)</u>	<u>(352,906)</u>	<u>-</u>
<u>45</u>	<u>181</u>	<u>635</u>	<u>-</u>
(8,356)	54,880	4,545	-
<u>43,482</u>	<u>142,472</u>	<u>2,048,081</u>	<u>5,483</u>
<u>35,126</u>	<u>197,352</u>	<u>2,052,626</u>	<u>5,483</u>
(5,738)	204,696	290,067	(1,961)
-	7,198	112,654	16,961
-	7,333	7,333	-
-	-	7,216	-
(224)	382	(11,616)	-
-	-	(5,512)	(15,000)
403	-	(35,382)	-
141	703	(37,918)	-
-	-	(375)	-
-	-	-	-
-	-	1,099	-
<u>(5,418)</u>	<u>220,312</u>	<u>327,566</u>	<u>-</u>

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

TOWN OF FOWLER, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2017

	<u>Police Pension Trust Fund</u>
<u>ASSETS</u>	
Cash and Investments	37,492
Interest Receivable	-
Due From Other Funds	-
<u>Total Assets</u>	<u>37,492</u>
<u>LIABILITIES</u>	
Due To Other Funds	-
Deposits Held for Others	-
<u>Total Liabilities</u>	<u>-</u>
<u>NET POSITION</u>	
Net Position Held in Trust for Pension Benefits	<u>37,492</u>

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

TOWN OF FOWLER, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2017

	Police Pension <u>Trust Fund</u>
<u>ADDITIONS</u>	
Earnings on Investments	204
Contributions	<u>-</u>
<u>Total Additions</u>	<u>204</u>
<u>DEDUCTIONS</u>	
Pension Payments and Fees	-
Capital Outlay	<u>-</u>
<u>Total Deductions</u>	<u>-</u>
Changes in Net Position	204
Net Position Held in Trust for Pension Benefits:	
Net Position – Beginning of Year	<u>37,288</u>
Net Position – End of Year	<u>37,492</u>

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

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A Reporting Entity

The reporting entity, for financial purposes, is defined as the primary government (the Town of Fowler) and its component units. The Town has no component units; the financial statements are comprised of the funds more fully described in subsequent information contained in the footnotes.

The accounting policies of the Town of Fowler conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

B. 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 the nonfiduciary activities of the primary government and its component units. 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 revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the Town's legally separate *component units* for which the Town is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. 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.

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. 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 taxes, 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 fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

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

The Town reports the following major proprietary funds:

- The *sewer fund* accounts for the activities of the Town's sewage disposal and treatment system.
- The *water fund* accounts for the activities of the Town's water distribution and treatment system.
- The *sanitization fund* accounts for the activities of the Town's waste disposal services.
- The *storm drainage fund* accounts for the activities of the Town's storm drain infrastructure.
- The *natural resources enterprise fund* accounts for the Town's purchase of land and water rights.

Additionally, the government reports the following fund types:

Internal service funds account for data processing and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Police pension trust (health and safety) fund is used to account for resources that can be used to purchase health and safety items for the town.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

D. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, 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 Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	5-15
Building	10-30

E. Budgets and Budgetary Accounting

The Town has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

1. Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4. Budgets for the General, Special Revenue Funds, and Fiduciary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Enterprise Fund budgets are on a Non-GAAP Basis.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, and Enterprise Funds. All encumbrances lapse at the end of the year.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when they are used.

H. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits Amounts

Accumulated unpaid vacation, sick pay, and other employee benefits amounts should be accrued when incurred in proprietary funds and government-wide financial statements (using the accrual basis of accounting). Such amounts would not be accrued in governmental funds (using the modified accrual basis of accounting).

I. Property Taxes

Property taxes represent ad valorem taxes levied by the Town, which are payable to the County Treasurer, and are recognized as revenue by the Town in the year for which they are levied.

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

J. Contraband

There were no contraband proceeds for the year ended December 31, 2017.

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Use of Estimates

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

L. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

M. Due to/from Funds

Outstanding balances between funds created by lending/borrowing or cash allocation in common purchasing activities are reported as due to/from funds.

N. 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 governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Deferred Outflows / Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

P. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council (the Town's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The Town's Committed Fund Balance is fund balance reporting required by the Town Council, either because of a Town Council Policy in the Town Council Policy Manual, or because of motions that passed at Town Council meetings.

Assigned Fund Balance Policy:

The Town's Assigned Fund Balance is fund balance reporting occurring by Town Council Administration authority, under the direction of the Town manager.

TOWN OF FOWLER, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General</u> <u>Fund</u>	<u>Library</u> <u>Fund</u>	<u>Conservation</u> <u>Trust</u> <u>Fund</u>	<u>Cemetery</u> <u>Fund</u>	<u>Pool &</u> <u>Recreation</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	-	-	-	-
<u>Restricted:</u>						
Emergencies	23,400	-	-	-	-	23,400
Debt Service	51,283	-	-	-	-	51,283
Culture and Recreation	-	-	66,221	-	-	66,221
<u>Committed:</u>						
Capital Outlay	-	-	-	-	-	-
<u>Assigned:</u>						
Community Service	-	44,482	-	53,131	77,991	175,604
<u>Unassigned</u>	<u>413,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,288</u>
<u>Total Fund</u> <u>Balances</u>	<u>487,971</u>	<u>44,482</u>	<u>66,221</u>	<u>53,131</u>	<u>77,991</u>	<u>729,796</u>

TOWN OF FOWLER, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government funds balance sheet includes a reconciliation between *fund balances – total government funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

	Items Eliminated	
	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	20,000	-
Library Fund	-	<u>20,000</u>
	<u>20,000</u>	<u>20,000</u>
	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	51,768	36,596
Library Fund	24,529	7,768
Cemetery Fund	4,574	-
Internal Service Fund	-	33,750
Pool & Recreation Fund	12,261	18,018
Conservation Trust	<u>3,000</u>	-
	<u>96,132</u>	<u>96,132</u>

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	64,270	-	-	64,270
Construction in Progress	<u>1,011,508</u>	-	-	<u>1,011,508</u>
Total Capital Assets Not Being Depreciated	<u>1,075,778</u>	-	-	<u>1,075,778</u>
Capital Assets Being Depreciated:				
Site Improvements	1,677,421	-	-	1,677,421
Buildings	1,065,416	-	-	1,065,416
Equipment	<u>632,010</u>	<u>30,620</u>	-	<u>662,630</u>
Total Capital Assets Being Depreciated	<u>3,374,847</u>	<u>30,620</u>	-	<u>3,405,467</u>
Less Accumulated Depreciation for:				
Site Improvements	640,863	70,334	-	711,197
Buildings	1,065,416	-	-	1,065,416
Equipment	<u>453,184</u>	<u>36,040</u>	-	<u>489,224</u>
Total Accumulated Depreciation	<u>2,159,463</u>	<u>106,374</u>	-	<u>2,265,837</u>
Total Capital Assets Being Depreciated, Net	<u>1,215,384</u>	<u>(75,754)</u>	-	<u>1,139,630</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>2,291,162</u>	<u>(75,754)</u>	-	<u>2,215,408</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land & Rights	<u>1,981,786</u>	-	-	<u>1,981,786</u>
Capital Assets Being Depreciated:				
Systems & Equipment	4,252,791	114,114	-	4,366,905
Construction In Progress	-	-	-	-
Total Capital Assets Being Depreciated	<u>4,252,791</u>	<u>114,114</u>	-	<u>4,366,905</u>
Less Accumulated Depreciation for:				
Systems & Equipment	<u>2,734,302</u>	<u>112,654</u>	-	<u>2,846,956</u>
Total Accumulated Depreciation	<u>2,734,302</u>	<u>112,654</u>	-	<u>2,846,956</u>
<u>Business-Type Activities Capital Assets, Net</u>	<u>3,500,275</u>	<u>1,460</u>	-	<u>3,501,735</u>

TOWN OF FOWLER, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 3 CAPITAL ASSETS (Continued)

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

Governmental Activities:

Administrative	1,391
Public Works	66,352
Public Safety	17,094
Community Services	<u>21,537</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>106,374</u>

Business-Type Activities:

Water	41,851
Sewer	63,605
Natural Resources	<u>7,198</u>
<u>Total Depreciation Expense – Business Type Activities</u>	<u>112,654</u>

NOTE 4 CASH AND DEPOSITS

The Town's deposits at year end were covered by Federal depository insurance or secured under the Public Deposit Protection Act of the State of Colorado, whereby the custodial bank pledges collateral for amounts on deposit in excess of the amount guaranteed by the FDIC for governmental entities.

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Insured	500,000	500,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	<u>1,218,328</u>	<u>1,084,921</u>
<u>Sub-Total</u>	<u>1,718,328</u>	<u>1,584,921</u>
Cash with Colorado Water Development	1,247,695	1,247,695
Cash with County Treasurer	-	1,578
Cash on Hand	-	<u>350</u>
<u>Total Cash and Deposits</u>	<u>2,966,023</u>	<u>2,834,544</u>

Cash of \$23,400 is restricted as Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado. (See Note 8).

As presented above, deposits with a bank balance of \$1,218,328 and a carrying balance of \$1,084,921 as of December 31, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 5 SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town maintains four Enterprise Funds which provide water and sewer and sanitation services. Each are segments. Since all enterprise funds are reported separately in the fund financial statements, no segment disclosures are required.

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 COMPENSATED ABSENCES

The liability for compensated absences totaled \$13,986 at December 31, 2017.

NOTE 7 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The Town maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1996 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

During 2003, the authorized voters of the Town of Fowler Colorado, voted to authorize the Town to collect, retain and expend all revenues from any source collected during 2004 and grants in future periods from any source, notwithstanding the limitation of Article X, Section 20 of the Colorado constitution and providing that no local tax rate or mill levy be increased without further voter approval.

TOWN OF FOWLER, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 8 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS (Continued)

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification as an Enterprise) will require judicial interpretation.

NOTE 9 PENSION TRUST FUND

The Pension Trust Fund covers all employees of the Fowler police department. Funding is accomplished by the aggregate cost method. This cost method received contributions from the State of Colorado, the Town's General Fund, and the covered employees.

The Town currently has no employee of the Police Department that has met the vesting requirements to receive pension benefits and has never had anyone meet those requirements. The Town has obtained permission to use the collective contributions for current and future police requirements.

NOTE 10 LONG-TERM DEBT-SEWER

The Town of Fowler executed a loan agreement with Fowler State Bank for sewer system improvements up to the amount of \$350,000 on December 1, 1999. The note is payable over a period of 20 years. Payment terms are \$2,507.51 monthly including interest at 6%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	28,926	1,164	30,090
2019	<u>3,708</u>	<u>22</u>	<u>3,730</u>
	<u>32,634</u>	<u>1,186</u>	<u>33,820</u>

The Town of Fowler executed a loan agreement with Fowler State Bank for sewer system improvements in the amount of \$150,000 on March 10, 2010. The note is payable over a period of 10 years. Payment terms are \$1,536.95 monthly including interest at 4.25%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	17,137	1,307	18,444
2019	17,885	558	18,443
2020	<u>3,216</u>	<u>50</u>	<u>3,266</u>
	<u>38,238</u>	<u>1,915</u>	<u>40,153</u>

TOWN OF FOWLER, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 10 LONG-TERM DEBT-SEWER (Continued)

The Town of Fowler executed a loan agreement with the Colorado Resources & Power Development Authority for sewer system improvements in the amount of \$1,400,000 on June 30, 2014. The note is payable over a period of 20 years. Payment terms are \$35,000 semi-annually with an interest rate of 0%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	70,000	-	70,000
2019	70,000	-	70,000
2020	70,000	-	70,000
2021	70,000	-	70,000
2022	70,000	-	70,000
2023	70,000	-	70,000
2024	70,000	-	70,000
2025	70,000	-	70,000
2026	70,000	-	70,000
2027	70,000	-	70,000
2028	70,000	-	70,000
2029	70,000	-	70,000
2030	70,000	-	70,000
2031	70,000	-	70,000
2032	70,000	-	70,000
2033	70,000	-	70,000
2034	70,000	-	70,000
	<u>1,190,000</u>	<u>-</u>	<u>1,190,000</u>

The Town of Fowler executed a loan agreement with Fowler State Bank for equipment purchases in the amount of \$54,925 on October 20, 2016. The note is payable over a period of 5 years. Payment terms are \$994 monthly with an interest rate of 3.25%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	10,677	1,253	11,930
2019	11,034	896	11,930
2020	11,401	529	11,930
2021	<u>9,765</u>	<u>149</u>	<u>9,914</u>
	<u>42,877</u>	<u>2,827</u>	<u>45,704</u>

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 10 LONG-TERM DEBT-SEWER (Continued)

Changes in Long-Term Debt-Sewer

	<u>Beg. Bal.</u> <u>01-01-17</u>	<u>Increase</u>	<u>Decrease</u>	<u>End Bal.</u> <u>12-31-17</u>	<u>Current</u> <u>Portion</u>
Sewer System	<u>1,427,761</u>	<u>-</u>	<u>124,012</u>	<u>1,303,749</u>	<u>126,740</u>

NOTE 11 LONG-TERM DEBT – WATER

The Town of Fowler executed a loan agreement with Deere and Company for a Tractor and attachments in the amount of \$50,000 on February 4, 2010. The note required a down payment of \$35,000 at inception and 5 annual payments of \$3,000 commencing February 5, 2011. The interest rate is 0%. This debt was paid in full during 2016.

The Town of Fowler entered into a lease purchase agreement with Fowler State Bank for water system equipment in the amount of \$147,737 on January 23, 2013. The terms of the lease call for annual payments of varying amounts beginning January 23, 2014 with an interest rate of 3.43%.

Below is a schedule of debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	7,226	4,017	11,243
2019	7,812	3,769	11,581
2020	8,427	3,502	11,929
2021	9,074	3,212	12,286
2022	9,754	2,901	12,655
2023	10,468	2,567	13,035
2024	11,218	2,208	13,426
2025	12,005	1,823	13,828
2026	12,832	1,411	14,243
2027	13,699	971	14,670
2028	14,614	501	<u>15,115</u>
			144,011
Less Amounts Representing Interest			<u>(26,882)</u>
Present Value of Future Minimum Lease Payments			<u>117,129</u>

The Town of Fowler executed a loan agreement with the Colorado Water Conservation Board for a water augmentation project in the amount of \$277,245. As of December 31, 2016, the Town has drawn \$55,465 of the available balance. The note will not become payable until one year after the completion of the project. At that time, the note will be payable over a period of 30 years, requiring annual payments, with an interest rate of 2.25%.

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 11 LONG-TERM DEBT – WATER

Changes in Long-Term Debt-Water:

	Beg. Bal. <u>01-01-17</u>	<u>Increase</u>	<u>Decrease</u>	End Bal. <u>12-31-17</u>	Current <u>Portion</u>
Water Equipment Lease	123,800	-	6,670	117,129	7,226
Colorado Conservation Loan	<u>13,104</u>	<u>42,361</u>	<u>-</u>	<u>55,465</u>	<u>-</u>
	<u>136,904</u>	<u>42,361</u>	<u>6,670</u>	<u>172,594</u>	<u>7,226</u>

NOTE 12 LONG-TERM DEBT – NATURAL RESOURCES

The Town of Fowler executed a loan agreement with Fowler State Bank for the purchase of land and water rights in the amount of \$1,795,000 on December 12, 2014. The note is payable over a period of 20 years. Payment terms are \$11,175 monthly with an interest rate of 4.25%.

Below is a schedule of the debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	65,850	68,246	134,096
2019	68,744	65,352	134,096
2020	71,587	62,509	134,096
2021	74,912	59,184	134,096
2022	78,204	55,892	134,096
2023	81,642	52,454	134,096
2024	85,089	49,007	134,096
2025	88,970	45,126	134,096
2026	92,880	41,216	134,096
2027	96,962	37,134	134,096
2028	101,127	32,969	134,096
2029	105,669	28,427	134,096
2030	110,313	23,783	134,096
2031	115,161	18,935	134,096
2032	120,178	13,918	134,096
2033	125,504	8,592	134,096
2034	<u>130,958</u>	<u>3,073</u>	<u>134,031</u>
	<u>1,613,750</u>	<u>665,817</u>	<u>2,279,567</u>

Changes in Long-Term Debt:

	Beg. Bal. <u>01-01-17</u>	<u>Increase</u>	<u>Decrease</u>	End Bal. <u>12-31-17</u>	Current <u>Portion</u>
Land and Water Rights	<u>1,676,893</u>	<u>-</u>	<u>63,143</u>	<u>1,613,750</u>	<u>65,850</u>

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 13 LONG TERM DEBT – GOVERNMENTAL

Medical Building

On September 18, 2002, the Town of Fowler executed a promissory note with Otero County, Colorado for repairs to a city owned medical building. The note is in the amount of \$7,500 at a rate of 0%. The note is due only if one of the following conditions occurs: 1) The building is sold, or 2) the building is no longer used for medical purposes. The Town is actively pursuing the sale of the property.

Park Building Note

The Town of Fowler executed a loan agreement with Fowler State Bank on November 21, 2011 for the purpose of supplementing the Park School project. The note was \$130,000 with an interest rate of 3.5 % and payable over 10 years.

Below is a schedule of the debt to maturity.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	13,854	1,572	15,426
2019	14,345	1,081	15,426
2020	14,853	573	15,426
2021	<u>7,395</u>	<u>93</u>	<u>7,488</u>
	<u>50,447</u>	<u>3,319</u>	<u>53,766</u>

Video Camera Lease

The Town of Fowler entered into a lease agreement with Dealers Leasing, Inc. for police video cameras. The lease was executed on November 30, 2011 in the amount of \$11,544. The terms of the lease call for 60 payment of \$257 with an interest rate of 12%. The lease is subject to annual appropriations by the Town Council. This lease ended in 2016.

TOWN OF FOWLER, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 13 LONG TERM DEBT – GOVERNMENTAL (Continued)

Street Light Lease

The Town of Fowler entered into a lease purchase agreement with Fowler State Bank for street lighting improvements in the amount of \$89,371 on January 23, 2013. The terms of the lease call for annual payments of varying amounts beginning January 23, 2014 with an interest rate of 4.63%.

Below is a schedule of debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	4,293	3,520	7,813
2019	4,726	3,322	8,048
2020	5,186	3,103	8,289
2021	5,675	2,863	8,538
2022	6,194	2,600	8,794
2023	6,745	2,313	9,058
2024	7,329	2,001	9,330
2025	7,948	1,662	9,610
2026	8,604	1,294	9,898
2027	9,300	895	10,195
2028	10,036	464	<u>10,500</u>
			100,073
			<u>(24,037)</u>
			<u>76,036</u>
			Less Amounts Representing Interest
			Present Value of Future Minimum Lease Payments

Changes in Long-Term Debt

	<u>Beg. Bal.</u>	<u>Increase</u>	<u>Decrease</u>	<u>End Bal.</u>	<u>Current</u>
	<u>01-01-17</u>			<u>12-31-17</u>	<u>Portion</u>
Medical Building	7,500	-	-	7,500	-
Park Building Note	64,126	-	13,679	50,447	13,854
Street Light Lease	<u>79,922</u>	-	<u>3,886</u>	<u>76,036</u>	<u>4,292</u>
	<u>151,548</u>	<u>-</u>	<u>17,565</u>	<u>133,983</u>	<u>18,146</u>

NOTE 14 WATER FUND - CONTRIBUTED CAPITAL

During 1979, the Town of Fowler received a grant of \$160,000 from the United States Department of Agriculture, Farmers Home Administration for an addition to the Town's water system.

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 15 INTERGOVERNMENTAL AGREEMENT

The Town of Fowler is a member of (CIRSA). The Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity, was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 29-1-201 et. seq., C.R.S. as amended, 8-44-101(1)(c) and (3), and 8-44-110, C.R.S. as amended, and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members a self-insurance pool to provide defined coverages, and claims and risk management services related thereto.

It is the intent of the members of CIRSA to create an entity to defend and indemnify, in accordance with the Bylaws, any member of CIRSA against liability or loss, to the limit of the financial resources of CIRSA available to pay such liability or loss. 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. The Bylaws shall constitute the substance of the intergovernmental contract among the members.

Summary audited financial information as of December 31, 2016 follows:

Assets	<u>87,254,665</u>
Liabilities	36,055,129
Net Position	<u>51,199,536</u>
	<u>87,254,665</u>
Revenues	26,382,872
Expenditures	21,353,618
Distributions to Members (Credits to Members)	<u>574,075</u>
Increase (Decrease) in Net Position	<u>4,455,179</u>

NOTE 16 DEFINED BENEFIT PENSION PLAN -- FIREMEN AND POLICEMEN

Fire & Police Statewide Defined Benefit Plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 16 DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at www.fppaco.org.

Benefits provided. The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 16 DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2015 was not included in the SWDB Plan Net Position.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Members of this Plan and their employers are contributing at the rate of 9 percent and 8 percent of base salary for a total contribution rate of 17 percent in 2016. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2016. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5 percent of base salary in 2015. It is a local decision on who pays the additional 4 percent contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent.

The contribution rate for members and employers of affiliated social security employers is 4.5 percent of base salary for a total contribution rate of 8.5 percent.. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the Department were \$8,531 for the year ended December 31, 2017.

TOWN OF FOWLER, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 16 DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the Department reported a liability of \$6,786 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability/(asset) was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2016, the Department's proportion was .01878 percent, which was an increase/(decrease) of .00178 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Department recognized pension expense of \$3,283. At December 31, 2017, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 6,059	\$ (345)
Changes in assumptions	4,635	-
Net difference between actual and projected earnings on pension plan investments	18,317	-
Changes in proportion and differences between Department contributions and proportionate share of contributions	1,608	(3,040)
Department contributions subsequent to the measurement date	8,531	-
Total	\$ 39,150	\$ (3,385)

\$8,531 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$ 6,833
2019	6,833
2020	6,414
2021	2,501
2022	1,049
Thereafter	3,604

TOWN OF FOWLER, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 16 DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.5 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	4.0 – 14.0 percent
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment projected with Scale AA, 40 percent multiplier for off-duty mortality. On-duty related mortality is assumed to be 0.00020 per year for all members.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2007–December 31, 2011. As a result of the 2011 actuarial experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.5 percent to 3.0 percent.
- Reduced the normal investment return assumption from 8.0 percent to 7.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36%	9.25%
Equity Long/Short	10%	7.35%
Illiquid Alternatives	23%	10.75%
Fixed Income	15%	4.10%
Absolute Return	10%	6.55%
Managed Futures	4%	5.50%
Cash	2%	0.00%
Total	100%	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2016, are summarized in the above table.

TOWN OF FOWLER, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 16 DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Department's proportionate share of the net pension liability to changes in the discount rate. The following presents the Department's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as what the Department's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Department's proportionate share of the net pension liability/(asset)	57,737	6,786	(35,532)

* The long-term rate of return used was 7.5 percent. The municipal bond rate used was 3.78 percent. The single discount rate for the plans was 7.50 percent.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

NOTE 17 INTERFUND BALANCES AND TRANSFERS

<u>INTERFUND BALANCES</u>	<u>Due To</u>	<u>Due From</u>
Major General Fund	178,051	252,490
Major Water Fund	163,693	54,174
Major Sewer Fund	31,750	14,338
Major Sanitation Fund	16,316	75,000
Major Natural Resources Fund	11,909	2,576
Major Storm Drainage Fund	6,615	-
Nonmajor Governmental Funds	<u>49,780</u>	<u>59,536</u>
	<u>458,114</u>	<u>458,114</u>

TOWN OF FOWLER, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 17 INTERFUND BALANCES AND TRANSFERS (Continued)

<u>TRANSFERS</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>MAJOR GOVERNMENTAL FUND</u>		
General Fund	30,881	20,000
<u>MAJOR ENTERPRISE FUNDS</u>		
Water	-	2,983
Sewer	8,948	-
Sanitation	-	-
Storm Drainage	-	2,983
Natural Resources	-	30,881
<u>NONMAJOR GOVERNMENTAL FUNDS</u>		
	<u>20,000</u>	<u>2,982</u>
	<u>59,829</u>	<u>59,829</u>

Transfers were made between these funds for the purpose of assisting operations.

Interfund payables and receivables will be paid within one year.

NOTE 18 LANDFILL POSTCLOSURE

Landfill Closure and Postclosure Costs

The Town of Fowler is a participating member of the Otero County Landfill, Inc.. State and Federal laws require a final cover on landfill sites when it stops accepting waste and to perform certain maintenance functions at the site for thirty years after closure. Although closure and postclosure costs will be paid only near or after the date that the landfill stops accepting waste, a portion of these closure and postclosure costs should be reported as an operating expense in each period based on landfill capacity used as of each balance sheet date. Postclosure and financial assurance cost of the Otero County Landfill Inc. will be shared by its members as an average of population and assessed valuation.

The \$81,238 reported as landfill postclosure liability represents the Town of Fowler's portion of the postclosure and financial assurance costs at December 31, 2017 based on the estimated capacity of the landfill.

NOTE 19 COMPLIANCE WITH BUDGET LAWS

The following conditions were noted and may be a violation of Colorado law:

Expenditures in the Sanitation Fund exceeded budgeted amounts by \$16,469.

Expenditures in the Storm Drainage Fund exceeded budgeted amounts by \$5,902.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Pension Trend Data

TOWN OF FOWLER, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	394,420	394,420	302,840	(91,580)
License and Fees	60,000	60,000	57,878	(2,122)
Charges for Service	41,125	41,125	32,639	(8,486)
Fines and Forfeits	450	450	17,916	17,466
Grants	-	-	-	-
Other	-	<u>203,229</u>	<u>229,768</u>	<u>26,539</u>
<u>Total Revenues</u>	<u>495,995</u>	<u>699,224</u>	<u>641,041</u>	<u>(58,183)</u>
<u>EXPENDITURES</u>				
Administrative	136,486	136,486	233,831	(97,345)
Public Works	69,589	272,818	51,318	221,500
Public Safety	226,423	226,423	180,325	46,098
Community Service	45,497	45,497	53,794	(8,297)
Debt Service				
Principal	18,000	18,000	17,565	435
Interest	-	-	5,448	(5,448)
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>495,995</u>	<u>699,224</u>	<u>542,281</u>	<u>156,943</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	-	-	<u>98,760</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	30,881	30,881
Transfers (Out)	-	-	(20,000)	(20,000)
Proceeds from Debt	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	<u>10,881</u>	<u>10,881</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	-	-	109,641	
<u>FUND BALANCES, Beginning</u>				
	-	-	378,330	
<u>FUND BALANCES, Ending</u>				
	-	-	<u>487,971</u>	

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

TOWN OF FOWLER, COLORADO
 REQUIRED SUPPLEMENTARY INFORMATION
 FPPA STATEWIDE PLAN
 Year Ended December 31, 2017

Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset)
Fire & Police Statewide Defined Benefit Plan
As of December 31,
[Build to 10 years prospectively]

	2017	2016	2015
Town's proportion of the net pension liability/(asset)	.0188%	.0176%	.0187%
Town's proportionate share of the net pension liability/(asset)	\$6,786	\$(300)	\$(21,105)
Town's covered-employee payroll	\$106,637	\$114,950	\$95,675
Town's proportionate share of the net pension liability/(asset) as a percentage of is covered-employee payroll	6.36%	.0026%	4.5%
Plan fiduciary net position as a percentage of the total pension liability	98.21%	100.1%	106.8%

Schedule of Town's Contributions
Fire & Police Statewide Defined Benefit Plan
As of December 31,
[Build to 10 years prospectively]

	2017	2016	2015
Contractually required contribution	\$8,531	\$9,196	\$7,654
Contributions in relation to the contractually required contribution	\$8,531	\$9,196	\$7,654
Contribution deficiency (excess)	\$0	\$0	\$0
Town's covered-employee payroll	\$106,637	\$114,950	\$95,675
Contributions as a percentage of covered-employee payroll	8%	8%	8%

Notes to Required Supplementary Information
for the Year Ended December 31, 2017

Changes in plan provisions. The plan provisions have not changed since the prior valuation. The member contribution rate will increase in 2016 as a result of the member election.

Benefit Adjustments. Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Changes of assumptions. Beginning in the January 1, 2014 actuarial valuation, the married assumption for active members was increased from 80 percent to 85 percent to reflect the passage of the Colorado Civil Union Act.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Library Fund

Conservation Trust Fund

Cemetery Fund

Pool & Recreation Fund

TOWN OF FOWLER, COLORADO
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 December 31, 2017

	<u>Conservation</u> <u>Trust</u> <u>Fund</u>	<u>Library</u> <u>Fund</u>	<u>Cemetery</u> <u>Fund</u>	<u>Pool &</u> <u>Recreation</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u>
<u>ASSETS</u>					
Cash and Investments	73,891	57,458	53,548	67,560	252,457
Taxes Receivable	-	4,902	4,902	4,902	14,706
Accounts Receivable	-	-	-	-	-
Interest Receivable	-	-	-	-	-
Due From Other Funds	-	<u>7,768</u>	-	<u>18,018</u>	<u>25,786</u>
<u>Total Assets</u>	<u>73,891</u>	<u>70,128</u>	<u>58,450</u>	<u>90,480</u>	<u>292,949</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	-	643	-	227	870
Accrued Salaries	-	474	-	-	474
Deferred Revenue					
Property Taxes	-	-	-	-	-
Due To Other Funds	<u>7,670</u>	<u>24,529</u>	<u>5,319</u>	<u>12,262</u>	<u>49,780</u>
<u>Total Liabilities</u>	<u>7,670</u>	<u>25,646</u>	<u>5,319</u>	<u>12,489</u>	<u>51,124</u>
<u>Fund Balances</u>					
Restricted					
Culture and Recreation	66,221	-	-	-	66,221
Assigned					
Community Service	-	<u>44,482</u>	<u>53,131</u>	<u>77,991</u>	<u>175,604</u>
<u>Total Fund Balances</u>	<u>66,221</u>	<u>44,482</u>	<u>53,131</u>	<u>77,991</u>	<u>241,825</u>
<u>TOTAL LIABILITIES AND FUND</u>					
<u>BALANCES</u>	<u>73,891</u>	<u>70,128</u>	<u>58,450</u>	<u>90,480</u>	<u>292,949</u>

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

TOWN OF FOWLER, COLORADO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON MAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2017

	Conservation Trust Fund	Library Fund	Cemetery Fund	Pool & Recreation Fund	Total Nonmajor Governmental
<u>REVENUES</u>					
Taxes	-	30,540	29,540	29,540	89,620
License and Fees	-	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Grants	-	4,000	-	-	4,000
Other	<u>11,505</u>	<u>2,519</u>	<u>144</u>	<u>167</u>	<u>14,335</u>
<u>Total Revenues</u>	<u>11,505</u>	<u>37,059</u>	<u>29,684</u>	<u>29,707</u>	<u>107,955</u>
<u>EXPENDITURES</u>					
Administrative	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Service	3,500	46,886	412	3,955	54,753
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>4,256</u>	<u>26,364</u>	<u>30,620</u>
<u>Total Expenditures</u>	<u>3,500</u>	<u>46,886</u>	<u>4,668</u>	<u>30,319</u>	<u>85,373</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>					
	<u>8,005</u>	<u>(9,827)</u>	<u>25,016</u>	<u>(612)</u>	<u>22,582</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers	-	20,000	(2,982)	-	17,018
Proceeds from Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>20,000</u>	<u>(2,982)</u>	<u>-</u>	<u>17,018</u>
<u>NET CHANGE IN FUND BALANCES</u>					
	8,005	10,173	22,034	(612)	39,600
<u>FUND BALANCE, Beginning</u>					
	<u>58,216</u>	<u>34,309</u>	<u>31,097</u>	<u>78,603</u>	<u>202,225</u>
<u>FUND BALANCE, Ending</u>					
	<u>66,221</u>	<u>44,482</u>	<u>53,131</u>	<u>77,991</u>	<u>241,825</u>

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

TOWN OF FOWLER, COLORADO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 LIBRARY SPECIAL REVENUE FUND
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Taxes	27,600	30,540	2,940
Grants	5,500	4,000	(1,500)
Other	<u>1,310</u>	<u>2,519</u>	<u>1,209</u>
<u>Total Revenues</u>	<u>34,410</u>	<u>37,059</u>	<u>2,649</u>
 <u>EXPENDITURES</u>			
Administrative	-	-	-
Public Works	-	-	-
Public Safety	-	-	-
Community Service	54,410	46,886	7,524
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>54,410</u>	<u>46,886</u>	<u>7,524</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	(20,000)	(9,827)	
 <u>OTHER FINANCING SOURCES</u>			
Transfers	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>			
	-	10,173	
 <u>FUND BALANCE, Beginning</u>			
	<u>-</u>	<u>34,309</u>	
 <u>FUND BALANCE, Ending</u>			
	<u>-</u>	<u>44,482</u>	

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

TOWN OF FOWLER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CONSERVATION TRUST FUND SPECIAL REVENUE FUND
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
Other	12,000	11,505	(495)
<u>Total Revenue</u>	<u>12,000</u>	<u>11,505</u>	<u>(495)</u>
<u>EXPENDITURES</u>			
Administrative	-	-	-
Public Works	-	-	-
Public Safety	-	-	-
Community Service	12,000	3,500	8,500
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>12,000</u>	<u>3,500</u>	<u>8,500</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	-	8,005	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>			
	-	8,005	
<u>FUND BALANCE, Beginning</u>			
	-	58,216	
<u>FUND BALANCE, Ending</u>			
	<u>-</u>	<u>66,221</u>	

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

TOWN OF FOWLER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CEMETERY SPECIAL REVENUE FUND
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
Taxes	27,600	29,540	1,940
Other	<u>100</u>	<u>144</u>	<u>44</u>
<u>Total Revenues</u>	<u>27,700</u>	<u>29,684</u>	<u>1,984</u>
 <u>EXPENDITURES</u>			
Administrative	-	-	-
Public Works	-	-	-
Public Safety	-	-	-
Community Service	14,717	412	14,305
Capital Outlay	<u>-</u>	<u>4,256</u>	<u>(4,256)</u>
<u>Total Expenditures</u>	<u>14,717</u>	<u>4,668</u>	<u>10,049</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	 <u>12,983</u>	 <u>25,016</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(12,983)	(2,982)	10,001
<u>Total Other Financing Sources (Uses)</u>	<u>(12,983)</u>	<u>(2,982)</u>	<u>10,001</u>
 <u>NET CHANGE IN FUND BALANCES</u>	 -	 22,034	
 <u>FUND BALANCE, Beginning</u>	 <u>-</u>	 <u>31,097</u>	
 <u>FUND BALANCE, Ending</u>	 <u>-</u>	 <u>53,131</u>	

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

TOWN OF FOWLER, COLORADO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 POOL AND RECREATION SPECIAL REVENUE FUND
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
Taxes	27,600	29,540	1,940
Grants	-	-	-
Other	<u>12,400</u>	<u>167</u>	(12,233)
<u>Total Revenues</u>	<u>40,000</u>	<u>29,707</u>	<u>(10,293)</u>
<u>EXPENDITURES</u>			
Administrative	-	-	-
Public Works	-	-	-
Public Safety	-	-	-
Community Service	14,000	3,955	10,045
Capital Outlay	<u>26,000</u>	<u>26,364</u>	(364)
<u>Total Expenditures</u>	<u>40,000</u>	<u>30,319</u>	<u>9,681</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	-	(612)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-
<u>NET CHANGE IN FUND BALANCES</u>	-	(612)	
<u>FUND BALANCE, Beginning</u>	-	78,603	
<u>FUND BALANCE, Ending</u>	-	<u>77,991</u>	

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

PROPRIETARY FUNDS – BUDGET SCHEDULES

TOWN OF FOWLER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
WATER UTILITY FUND
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>OPERATING REVENUES</u>				
Charges for Services	329,453	329,453	312,479	(16,974)
Connects	-	-	-	-
Insurance Proceeds	-	-	-	-
Miscellaneous	39,233	89,233	598	(88,635)
<u>Total Operating Revenues</u>	<u>368,686</u>	<u>418,686</u>	<u>313,077</u>	<u>(105,609)</u>
<u>OPERATING EXPENSES</u>				
Administration	6,950	6,950	35,488	(28,538)
Operating Supplies	3,500	3,500	10,492	(6,992)
Repairs	17,225	17,225	57,351	(40,126)
Insurance	9,400	9,400	10,659	(1,259)
Utilities & Communications	21,500	21,500	28,414	(6,914)
Salaries & Benefits	133,820	133,820	120,947	12,873
Gas & Oil	3,000	3,000	5,544	(2,544)
Professional Services	7,600	7,600	12,858	(5,258)
Other Expense	52,475	52,475	13,762	38,713
Depreciation	53,782	53,782	41,851	11,931
<u>Total Operating Expenses</u>	<u>309,252</u>	<u>309,252</u>	<u>337,366</u>	<u>(28,114)</u>
<u>OPERATING INCOME (LOSS)</u>	<u>59,434</u>	<u>109,434</u>	<u>(24,289)</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Income	180	180	-	(180)
Interest Expense	(6,238)	(6,238)	(9,285)	(3,047)
Grants	1,018,145	1,018,145	7,197	(1,010,948)
Tap Fees	-	-	-	-
Capital Outlay	(1,348,545)	(1,478,545)	(17,586)	1,460,959
Debt Principal	(6,570)	(6,570)	(6,670)	(100)
Debt Proceeds	277,245	277,245	-	(277,245)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(65,783)</u>	<u>(195,783)</u>	<u>(26,344)</u>	<u>169,439</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(6,349)</u>	<u>(86,349)</u>	<u>(50,633)</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	6,349	86,349	-	(86,349)
Operating Transfers (Out)	-	-	(2,983)	(2,983)
<u>Total Operating Transfers</u>	<u>6,349</u>	<u>86,349</u>	<u>(2,983)</u>	<u>(89,332)</u>
<u>NET INCOME (LOSS) – (NON GAAP)</u>	<u>-</u>	<u>-</u>	<u>(53,616)</u>	
<u>RECONCILING ITEMS/GAAP NET INCOME</u>				
Capital Outlay	-	-	17,586	
Debt Principal	-	-	6,670	
Debt Proceeds	-	-	-	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>24,256</u>	
<u>NET INCOME (LOSS) GAAP</u>	<u>-</u>	<u>-</u>	<u>(29,360)</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>1,045,867</u>	
<u>NET POSITION – Ending</u>	<u>-</u>	<u>-</u>	<u>1,016,507</u>	

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

TOWN OF FOWLER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
SEWER UTILITY FUND
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>OPERATING REVENUES</u>				
Charges for Services	314,678	314,678	329,131	14,453
Connects	-	-	-	-
Miscellaneous	-	-	589	589
<u>Total Operating Revenues</u>	<u>314,678</u>	<u>314,678</u>	<u>329,720</u>	<u>15,042</u>
<u>OPERATING EXPENSES</u>				
Administration	5,987	5,987	4,269	1,718
Operating Supplies	2,500	2,500	1,254	1,246
Repairs	7,415	7,415	9,577	(2,162)
Insurance	11,050	11,050	2,130	8,920
Utilities & Communications	8,420	8,420	5,768	2,652
Salaries & Benefits	104,588	104,588	85,030	19,558
Gas & Oil	4,000	4,000	2,632	1,368
Professional Services	-	-	10,160	(10,160)
Other Expense	11,175	11,175	13,705	(2,530)
Depreciation	49,278	49,278	63,605	(14,327)
<u>Total Operating Expenses</u>	<u>204,413</u>	<u>204,413</u>	<u>198,130</u>	<u>6,283</u>
<u>OPERATING INCOME</u>	<u>110,265</u>	<u>110,265</u>	<u>131,590</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Income	100	100	358	258
Interest Expense	(4,863)	(4,863)	(6,453)	(1,590)
Grants	-	-	34,750	34,750
Tap Fees	-	-	-	-
Capital Outlay	(2,453,350)	(2,453,350)	(96,528)	2,356,822
Debt Principal	(148,100)	(148,100)	(124,011)	24,089
Debt Proceeds	2,450,000	2,450,000	-	(2,450,000)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(156,213)</u>	<u>(156,213)</u>	<u>(191,884)</u>	<u>(35,671)</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(45,948)</u>	<u>(45,948)</u>	<u>(60,294)</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	50,455	50,455	8,948	(41,507)
Operating Transfers (Out)	-	-	-	-
<u>Total Operating Transfers</u>	<u>50,455</u>	<u>50,455</u>	<u>8,948</u>	<u>(41,507)</u>
<u>NET INCOME (LOSS) – (NON GAAP)</u>	<u>4,507</u>	<u>4,507</u>	<u>(51,346)</u>	
<u>RECONCILING ITEMS/GAAP NET INCOME</u>				
Capital Outlay	-	-	96,258	
Debt Principal	-	-	124,011	
Debt Proceeds	-	-	-	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>220,269</u>	
<u>NET INCOME (LOSS) GAAP</u>	<u>4,507</u>	<u>4,507</u>	<u>168,923</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>777,222</u>	
<u>NET POSITION – Ending</u>	<u>4,507</u>	<u>4,507</u>	<u>946,145</u>	

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

TOWN OF FOWLER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
SANITATION UTILITY FUND
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>OPERATING REVENUES</u>				
Charges for Services	47,800	47,800	48,077	277
Connects	-	-	-	-
Miscellaneous	-	-	-	-
<u>Total Operating Revenues</u>	<u>47,800</u>	<u>47,800</u>	<u>48,077</u>	<u>277</u>
<u>OPERATING EXPENSES</u>				
Administration	330	330	435	(105)
Operating Supplies	-	-	2,576	(2,576)
Repairs	760	760	26,624	(25,864)
Insurance	600	600	1,323	(723)
Utilities & Communications	1,015	1,015	148	867
Salaries & Benefits	13,416	13,416	13,057	359
Gas & Oil	500	500	-	500
Professional Services	350	350	1,231	(881)
Landfill Contribution	-	-	18,875	(18,875)
Bad Debts	-	-	-	-
Other Expense	<u>30,829</u>	<u>30,829</u>	-	<u>30,829</u>
<u>Total Operating Expenses</u>	<u>47,800</u>	<u>47,800</u>	<u>64,269</u>	<u>(16,469)</u>
<u>OPERATING INCOME</u>	<u>-</u>	<u>-</u>	<u>(16,192)</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Income	-	-	51	51
Interest Expense	-	-	-	-
Reduction in Landfill Allocation	-	-	41,562	41,562
Debt Principal	-	-	-	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>-</u>	<u>-</u>	<u>41,613</u>	<u>41,613</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>-</u>	<u>-</u>	<u>25,421</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET INCOME (LOSS)</u>	<u>-</u>	<u>-</u>	<u>25,421</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>36,496</u>	
<u>NET POSITION – Ending</u>	<u>-</u>	<u>-</u>	<u>61,917</u>	

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

TOWN OF FOWLER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
STORM DRAINAGE FUND
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance- Favorable (Unfavorable)
	Original	Final	Actual	
<u>OPERATING REVENUES</u>				
Charges for Services	12,403	12,403	12,567	164
Miscellaneous	<u>2,943</u>	<u>2,943</u>	-	(2,943)
<u>Total Operating Revenues</u>	<u>15,346</u>	<u>15,346</u>	<u>12,567</u>	<u>(2,779)</u>
 <u>OPERATING EXPENSES</u>				
Administration	125	125	570	(445)
Operating Supplies	-	-	746	(746)
Repairs	175	175	4,513	(4,338)
Insurance	500	500	273	227
Utilities & Communications	40	40	552	(512)
Salaries & Benefits	11,093	11,093	11,137	(44)
Gas & Oil	150	150	75	75
Professional Services	250	250	400	(150)
Bad Debts	-	-	-	-
Other Expense	<u>70</u>	<u>70</u>	<u>39</u>	<u>31</u>
<u>Total Operating Expenses</u>	<u>12,403</u>	<u>12,403</u>	<u>18,305</u>	<u>(5,902)</u>
 <u>OPERATING INCOME</u>	 <u>2,943</u>	 <u>2,943</u>	 <u>(5,738)</u>	
 <u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Income	40	40	45	5
Interest Expense	-	-	-	-
Capital Outlay	-	-	-	-
Debt Principal	-	-	-	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>40</u>	<u>40</u>	<u>45</u>	<u>5</u>
 <u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	 <u>2,983</u>	 <u>2,983</u>	 <u>(5,693)</u>	
 <u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(2,983)	(2,983)	(2,983)	-
<u>Total Operating Transfers</u>	<u>(2,983)</u>	<u>(2,983)</u>	<u>(2,983)</u>	<u>-</u>
 <u>NET INCOME (LOSS)</u>	 -	 -	 <u>(8,676)</u>	
 <u>NET POSITION – Beginning</u>	 <u>-</u>	 <u>-</u>	 <u>38,618</u>	
 <u>NET POSITION – Ending</u>	 <u>-</u>	 <u>-</u>	 <u>29,942</u>	

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

TOWN OF FOWLER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
NATURAL RESOURCES FUND
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2017

	Variance- Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
<u>OPERATING REVENUES</u>				
Charges for Service	223,609	223,609	155,700	(67,909)
Miscellaneous	-	-	78,179	78,179
<u>Total Operating Revenues</u>	<u>223,609</u>	<u>223,609</u>	<u>233,879</u>	<u>10,270</u>
<u>OPERATING EXPENSES</u>				
Administration	100	100	-	100
Repairs	-	-	13,256	(13,256)
Insurance	1,000	1,000	-	1,000
Utilities & Communications	1,100	1,100	-	1,100
Salaries & Benefits	-	-	-	-
Gas & Oil	200	200	-	200
Professional Services	4,200	4,200	-	4,200
Other Expense	83,069	83,069	8,729	74,340
Depreciation	-	-	-	-
<u>Total Operating Expenses</u>	<u>89,669</u>	<u>89,669</u>	<u>21,985</u>	<u>67,684</u>
<u>OPERATING INCOME</u>	<u>133,940</u>	<u>133,940</u>	<u>211,894</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Income	156	156	181	25
Interest Expense	-	-	(75,074)	(75,074)
Debt Principal	(63,078)	(63,078)	(65,915)	(2,837)
Debt Proceeds	(71,018)	(71,018)	-	71,018
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(133,940)</u>	<u>(133,940)</u>	<u>(140,808)</u>	<u>(6,868)</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>-</u>	<u>-</u>	<u>71,086</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	(30,881)	(30,881)
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>(30,881)</u>	<u>(30,881)</u>
<u>NET INCOME (LOSS) – (NON GAAP)</u>	<u>-</u>	<u>-</u>	<u>40,205</u>	
<u>RECONCILING ITEMS/GAAP NET INCOME</u>				
Depreciation	-	-	(7,198)	
Debt Proceeds	-	-	-	
Debt Principal	-	-	65,915	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>58,717</u>	
<u>NET INCOME (LOSS) GAAP</u>	<u>-</u>	<u>-</u>	<u>98,922</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>264,565</u>	
<u>NET POSITION – Ending</u>	<u>-</u>	<u>-</u>	<u>363,487</u>	

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

TOWN OF FOWLER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>OPERATING REVENUES</u>				
Charges for Service	-	-	-	-
Other	<u>23,900</u>	<u>23,900</u>	<u>15,000</u>	<u>(8,900)</u>
<u>Total Operating Revenues</u>	<u>23,900</u>	<u>23,900</u>	<u>15,000</u>	<u>(8,900)</u>
<u>OPERATING EXPENSES</u>				
Administration	-	-	-	-
Operating Supplies	-	-	-	-
Repairs	-	-	-	-
Insurance	-	-	-	-
Utilities & Communications	-	-	-	-
Salaries & Benefits	-	-	-	-
Gas & Oil	-	-	-	-
Professional Services	-	-	-	-
Bad Debts	-	-	-	-
Other Expense	-	-	-	-
Depreciation	<u>15,000</u>	<u>15,000</u>	<u>16,961</u>	<u>(1,961)</u>
<u>Total Operating Expenses</u>	<u>15,000</u>	<u>15,000</u>	<u>16,961</u>	<u>(1,961)</u>
<u>OPERATING INCOME</u>	<u>8,900</u>	<u>8,900</u>	<u>(1,961)</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Capital Outlay	<u>(8,900)</u>	<u>(8,900)</u>	<u>-</u>	<u>8,900</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(8,900)</u>	<u>(8,900)</u>	<u>-</u>	<u>8,900</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>-</u>	<u>-</u>	<u>(1,961)</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET INCOME (LOSS) – (NON GAAP)</u>	<u>-</u>	<u>-</u>	<u>(1,961)</u>	
<u>RECONCILING ITEMS / GAAP NET INCOME</u>				
Capital Outlay	-	-	-	
Depreciation	-	-	-	
Debt Principal	<u>-</u>	<u>-</u>	<u>-</u>	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>NET INCOME (LOSS) GAAP</u>	<u>-</u>	<u>-</u>	<u>(1,961)</u>	
<u>NET POSITION – Beginning</u>	<u>-</u>	<u>-</u>	<u>63,897</u>	
<u>NET POSITION – Ending</u>	<u>-</u>	<u>-</u>	<u>61,936</u>	

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

TOWN OF FOWLER, COLORADO
SCHEDULE OF ACTIVITIES – POLICE PENSION FIDUCIARY FUNDS
BUDGET AND ACTUAL
December 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>ADDITIONS:</u>			
Earnings on Investments	12	204	192
Contributions	<u>8,900</u>	<u>-</u>	<u>(8,900)</u>
	<u>8,912</u>	<u>204</u>	<u>(8,708)</u>
<u>DEDUCTIONS:</u>			
Capital Outlay	8,900	-	8,900
Other	<u>12</u>	<u>-</u>	<u>12</u>
	<u>8,912</u>	<u>-</u>	<u>8,912</u>
<u>CHANGES IN NET POSITION:</u>	-	204	
<u>NET POSITION HELD IN TRUST FOR PENSION BENEFITS:</u>			
<u>NET POSITION – BEGINNING OF YEAR</u>	<u>-</u>	<u>37,288</u>	
<u>NET POSITION – END OF YEAR</u>	<u>-</u>	<u>37,492</u>	

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

OTHER SCHEDULES

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: town_clerk@fowlercolorado.com

City/County: Fowler

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	39,026.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	156,362.00
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	13,584.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00
SubTotal:	\$	208,972.00

B. Private Contributions	\$	0.00
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II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	65,848.00
b. Other Local Imposts		
1. Sales Taxes:	\$	78,154.00
2. Infrastructure and Impact Fees:	\$	0.00

3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	12,360.00
Total: (a + b) carried to 'Other local Imposts' above		\$ 156,362.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	13,584.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above		\$ 13,584.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	38,501.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	0.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)		\$ 38,501.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

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

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	0.00
2. Maintenance:	\$	0.00
3. Road and street services		
a. Traffic control operations:	\$	27,806.00
b. Snow and ice removal:	\$	0.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	9,817.00
5. Highway law enforcement and safety	\$	209,850.00
Total: <i>(A.1-5)</i>	\$	247,473.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: <i>(1+2)</i>	\$	0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: *(A+B+C+D)* \$ 247,473.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

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

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

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

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 247,473.00	\$ 247,473.00	\$ 0.00	\$ 0.00