

**Town of Granby
Granby, Colorado**

**Financial Statements
December 31, 2017**



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April 27, 2018

**Town of Granby, Colorado
Financial Report
December 31, 2017**

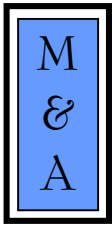
Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 – A2
Management's Discussion and Analysis	B1 – B7
Government-wide Financial Statements:	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	C3
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C5
Reconciliation of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Fund to the Statement of Activities	C6
Statement of Net Position – Proprietary Funds	C7
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	C8
Statement of Cash Flows – Proprietary Funds	C9
Notes to the Financial Statements	D1 – D21
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	E1
Grand Elk GID	E2
Capital Improvement Fund	E3

**Town of Granby, Colorado
Financial Report
December 31, 2017**

Table of Contents

	Page
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	F1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	F2
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Conservation Trust Fund	F3
Parking Fund	F4
Granby West General Improvement District	F5
Grand Elk Ranch No. 2 General Improvement District	F6
Combining Schedule for Grand Elk GID	F7
Schedule of Revenues and Expenditures – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Proprietary Funds:	
North Service Area Water Operations	F8
North Service Area Water Plant Investment	F9
Moraine Park Water Fund	F10
South Service Water Enterprise Fund	F11
South Service Sewer Enterprise Fund	F12
Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets	G1 – G2



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Board Town of Granby

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and Town Board
Town of Granby

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 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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B 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 Management's Discussion and Analysis in Section B 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, and the *Local Highway Finance Report* listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, and the *Local Highway Finance Report* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
April 17, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Granby, Colorado

Management's Discussion and Analysis December 31, 2017

As management of the Town of Granby ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2017.

Financial Highlights

- The Town had an increase in net position of \$1,694,951. The increase was attributable to an increase of \$1,325,476 in governmental funds and an increase of \$369,475 in proprietary funds that were largely related to grants and contributions received in the current year.
- The Town's governmental funds combined fund balances decreased by \$566,762, of which the General Fund and Capital Improvement Fund had excesses of expenditures over revenues of \$227,568 and \$313,332, respectively. A significant portion of the excesses are attributed to capital improvement projects during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the 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 are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Town 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 is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, streets, and parks and recreation. The business-type activities of the Town include water and sewer services.

Overview of the Financial Statements (continued)

The government-wide financial statements include not only the Town itself (known as the primary government), but also the Grand Elk General Improvement Districts and the Granby West General Improvement District. Since the Town created the General Improvement Districts and the Town Board serves as the board for the Grand Elk and Granby West General Improvement Districts, the financial statements are required to be blended or combined for financial reporting purposes. Therefore, the financial information for Grand Elk General Improvement District is blended to include the financial information for the District as a fund of the Town. Additional information regarding Grand Elk General Improvement District is available on Page D1.

The government-wide financial statements can be found on pages C1 and C2 of this report.

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

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town adopts an annual appropriated budget for all funds to demonstrate compliance with the State budget statutes.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town, each of which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The Town also presents a budgetary comparison for its proprietary funds.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D21 of this report.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis: The largest portion of the Town's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements and equipment). Capital assets account for 75% of the total assets. The Town uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, the Town's restricted net position has changed as follows:

	<u>1/1/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2017</u>
<i>General Fund:</i>				
Emergency reserves	\$ 123,131	\$ 15,699	\$ -	\$ 138,830
<i>Conservation Trust:</i>				
Recreation	80,237	-	(40,966)	39,271
<i>Grand Elk Fund:</i>				
Emergency reserves	27,811	-	-	27,811
Debt service	747,908	22,892	-	770,800
<i>Granby West GID Fund:</i>				
Emergency reserves	194	-	(193)	1
<i>Grand Elk Ranch No.2</i>				
Emergency reserves	-	23	-	23
<i>Water Fund:</i>				
Water Rights Acquisition	64,000	-	-	64,000
Water Quality Improvement	118,650	-	-	118,650
<i>South Service Water Fund:</i>				
Water Main Replacement	300,000	100,000	-	400,000
	<u>\$ 1,461,931</u>	<u>\$ 138,614</u>	<u>\$ (41,159)</u>	<u>\$ 1,559,386</u>

The following graphs show the Town's net position for 2016 and 2017:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 5,688,242	\$ 7,101,147	\$ 3,381,203	\$ 5,195,076	\$ 9,069,445	\$ 12,296,223
Capital assets	16,371,524	15,126,769	24,813,378	22,535,314	41,184,902	37,662,083
Total Assets	22,059,766	22,227,916	28,194,581	27,730,390	50,254,347	49,958,306
Deferred Outflow of Resources:						
Deferred charge on refunding	306,740	364,112	-	-	306,740	364,112
Total deferred outflow of resources	306,740	364,112	-	-	306,740	364,112
Liabilities:						
Other liabilities	360,890	760,130	366,436	323,158	727,326	1,083,288
Long-term liabilities	13,334,064	14,012,359	2,271,708	2,220,270	15,605,772	16,232,629
Total Liabilities	13,694,954	14,772,489	2,638,144	2,543,428	16,333,098	17,315,917
Deferred Inflow of Resources:						
Unavailable property tax revenue	670,848	652,311	-	-	670,848	652,311
Unavailable revenue - Other	-	492,000	-	-	-	492,000
Total deferred inflow of resources	670,848	1,144,311	-	-	670,848	1,144,311
Net Position:						
Net investment in capital assets	5,178,532	2,453,804	22,608,056	20,220,529	27,786,588	22,674,333
Restricted	976,736	1,063,746	582,650	482,650	1,559,386	1,546,396
Unrestricted	1,845,436	3,157,678	2,365,731	4,483,783	4,211,167	7,641,461
Total Net Position	\$ 8,000,704	\$ 6,675,228	\$ 25,556,437	\$ 25,186,962	\$ 33,557,141	\$ 31,862,190

Overview of the Financial Statements (continued)

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same report can be made for the prior year.

The following chart is a summary of the Town's Change in Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 1,148,967	\$ 1,049,742	\$ 2,410,387	\$ 2,201,970	\$ 3,559,354	\$ 3,251,712
Operating grants & contributions	181,745	207,970	4,489	(175)	186,234	207,795
Capital grants & contributions	1,071,692	49,016	100,794	3,427,284	1,172,486	3,476,300
General revenues:						
Property taxes	686,402	708,660	-	-	686,402	708,660
Sales and use taxes	3,111,459	2,864,185	-	-	3,111,459	2,864,185
Other taxes	203,178	200,822	-	-	203,178	200,822
Investment earnings and other revenue	36,611	95,613	151,613	25,805	188,224	121,418
Total Revenues	6,440,054	5,176,008	2,667,283	5,654,884	9,107,337	10,830,892
Expenses:						
General government	1,772,945	2,205,756	-	-	1,772,945	2,205,756
Public safety	818,596	914,340	-	-	818,596	914,340
Streets	1,152,513	1,192,438	-	-	1,152,513	1,192,438
Parks & recreation	702,697	650,731	-	-	702,697	650,731
Interest	667,827	492,516	-	-	667,827	492,516
Water	-	-	1,298,776	1,627,500	1,298,776	1,627,500
Sewer	-	-	999,032	943,401	999,032	943,401
Total Expenses	5,114,578	5,455,781	2,297,808	2,570,901	7,412,386	8,026,682
Change in Net Position						
before transfers	1,325,476	(279,773)	369,475	3,083,983	1,694,951	2,804,210
Transfers	-	72,075	-	(72,075)	-	-
Change in Net Position	1,325,476	(207,698)	369,475	3,011,908	1,694,951	2,804,210
Net Position - Beginning	6,675,228	6,882,926	25,186,962	22,175,054	31,862,190	29,057,980
Net Position - Ending	\$ 8,000,704	\$ 6,675,228	\$ 25,556,437	\$ 25,186,962	\$ 33,557,141	\$ 31,862,190

Governmental activities: Governmental activities increased the Town's net position by \$1,325,476. Key elements of this increase are noted here:

- General government revenues increased primarily due to an increase in capital grants and contributions.

Overview of the Financial Statements (continued)

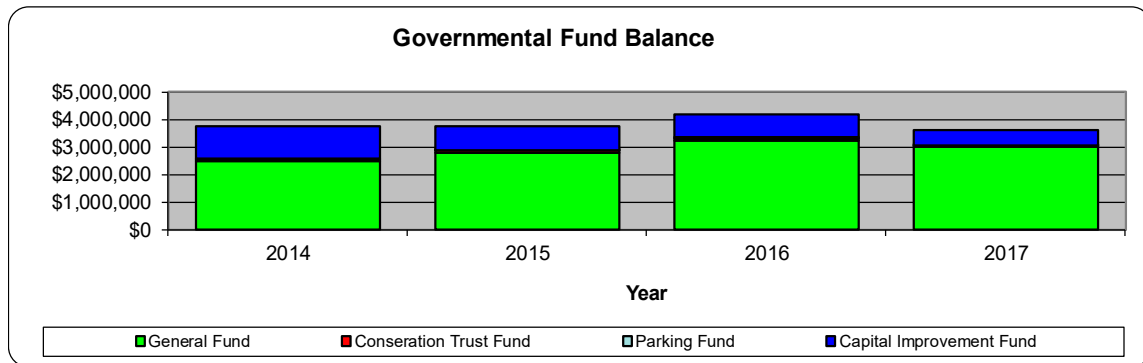
Business-type activities: Business-type activities increased the Town's net position by \$369,475. Key elements of this change are as follows:

- Increase in charges for services and decrease in water expenses.

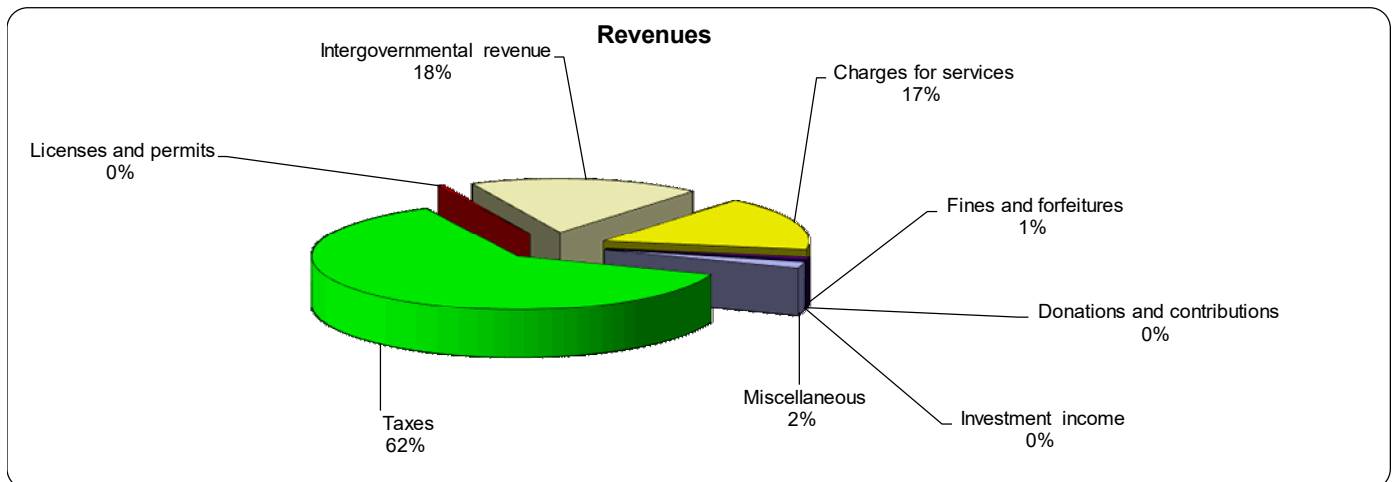
Financial Analysis of the Town's Funds

As mentioned on page B1 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

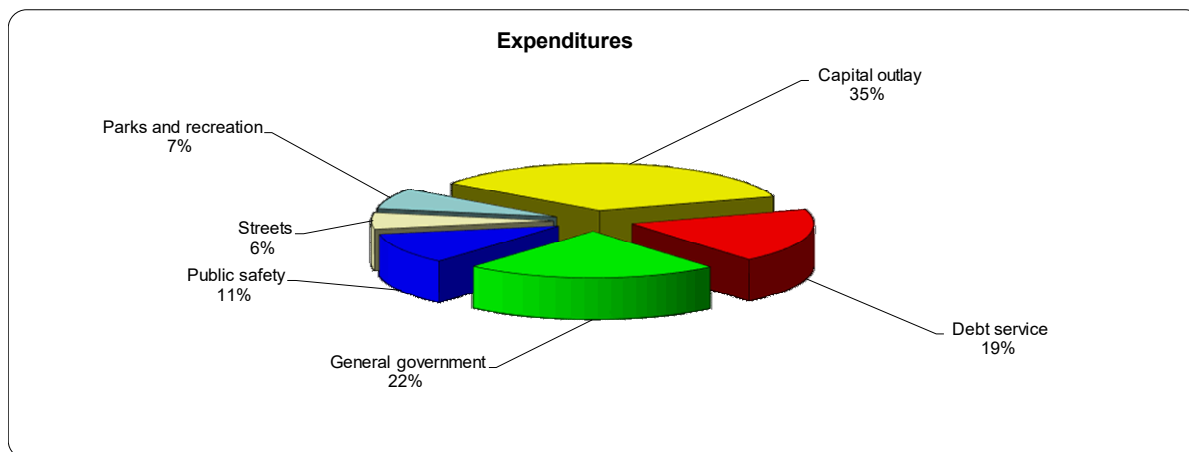
Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,458,895, a decrease of \$566,762 from the prior year ending fund balances. The Town's fund balances for past three years and 2017 are presented in graph format below. To increase comparability, the graph excludes the Grand Elk General Improvement District and Granby West General Improvement District.



The Town's total governmental fund revenues were from the following sources:



The following is a graph of the Town's governmental activities expenditures by function for 2017:



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

Budget variances in the General Fund: The Town's significant General Fund budget variances are detailed as follows:

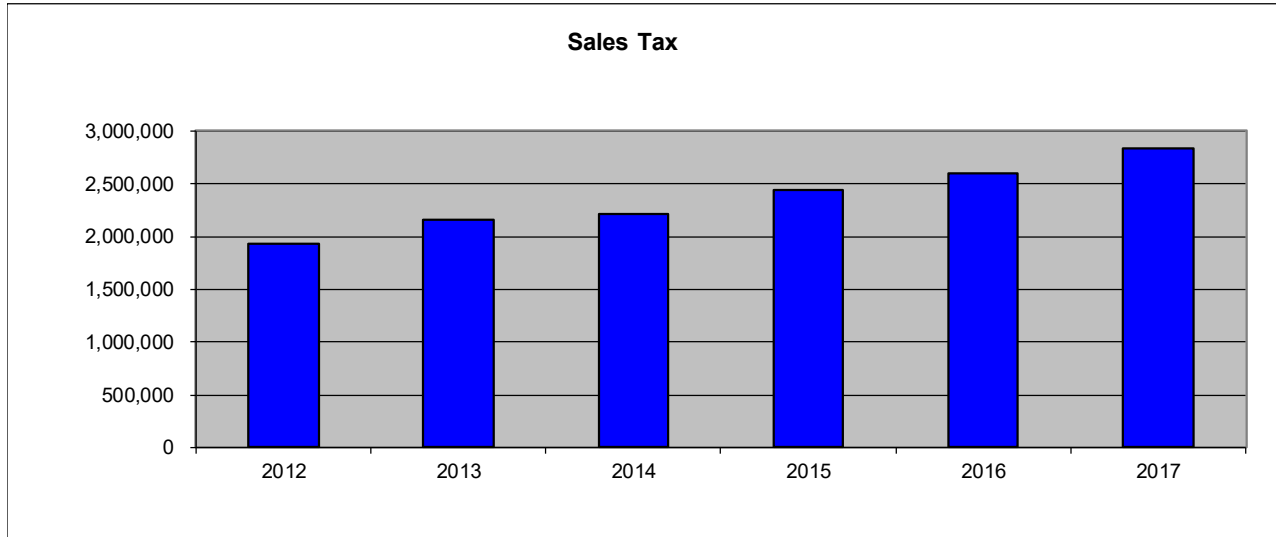
	Final Budget	Actual	Variance	Reason
Revenues:				
Sales & use	\$ 2,515,262	\$ 2,722,527	\$ 207,265	Budgeted conservatively for sales tax and prior to all prior year receipts
Grant revenue	1,273,060	1,076,046	(197,014)	Some grant revenue budgeted 2017 received in 2016
Other income	4,550	85,686	81,136	Includes non-routine revenues that do not get budgeted
Total Revenues	4,549,334	4,694,454	145,120	
Expenditures:				
Police and public safety	849,372	758,511	90,861	Chief retired and other department turnover
Street	418,299	351,671	66,628	Saved on paving, patching and sidewalk costs, as well as utility costs
Capital outlay and repairs	2,725,408	2,397,860	327,548	Pedestrian Pathway project not completed
Total Expenditures	6,605,902	6,028,326	577,576	

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, increased due to asset additions during the year. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements on pages D14 and D15 of this report.

Long-term debts: As of the end of the current fiscal year, the Town had \$15,578,061 in total long-term debts. This includes \$7,250,000 of Grand Elk General Improvement District G.O. bonded debt which is solely the responsibility of the District. The Town has no responsibility for the debt, other than its responsibility as the primary government sponsoring the District. The Town also has capital leases relating to the Town Hall and the Town Street Shop. Additionally, the Town's North Service Area Water Fund has a Colorado Water Conservation Board note. The South Service Area Sewer Enterprise has a Colorado Water and Power Development Authority Loan for DeBerard Draw. Further information regarding the Town's debt can be found on pages D15 through D18.

Financial Analysis of the Town's Funds (continued)

Sales and Use Tax: The Town has 4% sales and use tax that is used to fund its governmental operations. 12.5% of the tax collected is placed in the Capital Improvement Fund for future capital acquisitions. The increase in sales tax from 2016 was \$237,024 or 9.12%. The following chart indicates changes in the sales tax over the past several years. The chart does not take into account revenue sharing agreements.



Next year's budget and rates: The Town's General Fund balance at the end of the current fiscal year was \$3,018,122. The Town's 2018 budget is conservatively prepared and anticipates an ending General Fund balance of \$2,711,860. There are several designated and restricted reserves which will be used for specific projects.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Finance Director, P.O. Box 440, Granby, Colorado 80446.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Granby, Colorado
Statement of Net Position
December 31, 2017

	Governmental Activities	Business type Activities	Total
Assets:			
Cash and investments - Unrestricted	3,785,888	3,247,113	7,033,001
Cash and investments - Restricted	550,401	-	550,401
Cash with Treasurer	17,638	-	17,638
Accounts, taxes, and interest receivable	1,022,551	134,090	1,156,641
Due from other governments	307,390	-	307,390
Prepaid expenses	4,374	-	4,374
Total current assets	<u>5,688,242</u>	<u>3,381,203</u>	<u>9,069,445</u>
Capital assets:			
Water rights	-	920,107	920,107
Land & Improvements	5,980,856	9,804	5,990,660
Infrastructure	13,144,014	-	13,144,014
System and improvements	-	24,052,930	24,052,930
Buildings and improvements	8,752,507	7,281,499	16,034,006
Equipment	2,298,814	706,727	3,005,541
Construction in Progress	1,058,609	-	1,058,609
Less accumulated depreciation	(14,863,276)	(8,157,689)	(23,020,965)
Total capital assets (net of accumulated depr.)	<u>16,371,524</u>	<u>24,813,378</u>	<u>41,184,902</u>
Total assets	<u>22,059,766</u>	<u>28,194,581</u>	<u>50,254,347</u>
Deferred Outflow of Resources:			
Deferred charge on refunding	306,740	-	306,740
Total deferred outflow of resources	<u>306,740</u>	<u>-</u>	<u>306,740</u>
Liabilities:			
Current liabilities:			
Accounts payable	249,912	457	250,369
Accrued expenses	52,463	364,479	416,942
Deposits	58,515	1,500	60,015
Total current liabilities:	<u>360,890</u>	<u>366,436</u>	<u>727,326</u>
Noncurrent liabilities:			
Compensated absences	197,610	66,386	263,996
Accrued interest	27,711	-	27,711
Due within one year	761,378	97,172	858,550
Due in more than one year	12,347,365	2,108,150	14,455,515
Total noncurrent liabilities	<u>13,334,064</u>	<u>2,271,708</u>	<u>15,605,772</u>
Total liabilities	<u>13,694,954</u>	<u>2,638,144</u>	<u>16,333,098</u>
Deferred Inflow of Resources:			
Unavailable property tax revenue	670,848	-	670,848
Total deferred inflow of resources	<u>670,848</u>	<u>-</u>	<u>670,848</u>
Net Position:			
Net Investment in capital assets	5,178,532	22,608,056	27,786,588
Restricted	976,736	582,650	1,559,386
Unrestricted	1,845,436	2,365,731	4,211,167
Total Net Position	<u>8,000,704</u>	<u>25,556,437</u>	<u>33,557,141</u>

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

Town of Granby, Colorado
Statement of Activities
December 31, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	1,772,945	78,943	72,170	-	(1,621,832)	-	(1,621,832)
Public safety	818,596	328,619	-	5,696	(484,281)	-	(484,281)
Streets	1,152,513	569,848	70,475	580,996	68,806	-	68,806
Parks and recreation	702,697	171,557	39,100	485,000	(7,040)	-	(7,040)
Interest	667,827	-	-	-	(667,827)	-	(667,827)
Total Governmental Activities	<u>5,114,578</u>	<u>1,148,967</u>	<u>181,745</u>	<u>1,071,692</u>	<u>(2,712,174)</u>	<u>-</u>	<u>(2,712,174)</u>
Business-type activities:							
Water	1,298,776	1,473,571	4,489	86,833	-	266,117	-
Sewer	999,032	936,816	-	13,961	-	(48,255)	(48,255)
Total Business-type Activities	<u>2,297,808</u>	<u>2,410,387</u>	<u>4,489</u>	<u>100,794</u>	<u>-</u>	<u>217,862</u>	<u>217,862</u>
Total Primary Government	<u>7,412,386</u>	<u>3,559,354</u>	<u>186,234</u>	<u>1,172,486</u>	<u>(2,712,174)</u>	<u>217,862</u>	<u>(2,494,312)</u>
General Revenues:							
Property tax, levied for general purposes					686,402	-	686,402
Specific ownership tax					46,676	-	46,676
General sales and use tax					3,111,459	-	3,111,459
Franchise tax					129,371	-	129,371
Other miscellaneous taxes					27,131	-	27,131
Investment earnings					15,352	4,552	19,904
Grants and contributions not restricted to any program					21,259	147,061	168,320
Total General Revenues, Special Items, and Transfers					<u>4,037,650</u>	<u>151,613</u>	<u>4,189,263</u>
Change in Net Position					<u>1,325,476</u>	<u>369,475</u>	<u>1,694,951</u>
Net Position - Beginning					<u>6,675,228</u>	<u>25,186,962</u>	<u>31,862,190</u>
Net Position - Ending					<u>8,000,704</u>	<u>25,556,437</u>	<u>33,557,141</u>

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

FUND FINANCIAL STATEMENTS



Town of Granby, Colorado
Balance Sheet
Governmental Funds
December 31, 2017

	<u>General</u>	<u>Grand Elk GID</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and investments - Unrestricted	2,944,627	275,183	506,458	59,620	3,785,888
Cash and Investments - Restricted	-	550,401	-	-	550,401
Cash with County Treasurer	7,435	10,198	-	5	17,638
Receivables, net of allowance for uncollectibles	660,674	329,700	31,577	599	1,022,550
Due from other governments	307,390	-	-	-	307,390
Due from other funds	-	-	-	-	-
Prepaid expenses	4,374	-	-	-	4,374
Property held for sale	-	-	-	-	-
Total Assets	<u>3,924,500</u>	<u>1,165,482</u>	<u>538,035</u>	<u>60,224</u>	<u>5,688,241</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts payable	249,910	-	-	-	249,910
Accrued payroll	-	-	-	-	-
Accrued compensated absences	197,610	-	-	-	197,610
Accrued expenses	52,463	-	-	-	52,463
Deposits	58,515	-	-	-	58,515
Total Liabilities	<u>558,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>558,498</u>
Deferred inflow of resources:					
Unavailable property tax revenue	347,878	322,371	-	599	670,848
Unavailable revenue - other	-	-	-	-	-
Total deferred inflow of resources	<u>347,878</u>	<u>322,371</u>	<u>-</u>	<u>599</u>	<u>670,848</u>
Fund Balances:					
Unspendable	4,374	-	-	-	4,374
Spendable:					
Restricted for emergencies	138,830	27,811	-	24	166,665
Restricted for recreation	-	-	-	39,271	39,271
Restricted for debt service	-	770,800	-	-	770,800
Restricted - other	-	-	-	-	-
Committed	885,756	44,500	538,035	20,330	1,488,621
Assigned	95,561	-	-	-	95,561
Unassigned	1,893,603	-	-	-	1,893,603
Total Fund Balances	<u>3,018,124</u>	<u>843,111</u>	<u>538,035</u>	<u>59,625</u>	<u>4,458,895</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>3,924,500</u>	<u>1,165,482</u>	<u>538,035</u>	<u>60,224</u>	<u>5,688,241</u>

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

Town of Granby
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2017

Governmental Funds Total Fund Balance	4,458,895
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	31,234,800
Deferred charges are capitalized and amortized over the life of the bond issue.	333,406
Less:	
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition	(14,863,276)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of bonded debt and capital leases owed.	(13,135,408)
Accrued interest is not due and payable in the current period and not reported in the fund. This represents accrued interest on the Town's debt.	(27,713)
Governmental Activities Net Position	<u>8,000,704</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	<u>General</u>	<u>Grand Elk GID</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	3,267,206	344,108	388,933	791	4,001,038
Licenses and permits	21,845	-	-	-	21,845
Intergovernmental revenue	1,146,521	-	-	18,893	1,165,414
Charges for services	499,951	559,556	-	-	1,059,507
Fines and forfeitures	55,534	-	-	-	55,534
Investment income	3,662	10,365	1,153	172	15,352
Donations and contributions	2,226	-	-	-	2,226
Miscellaneous	85,686	-	13,451	20,000	119,137
Total Revenues	<u>5,082,631</u>	<u>914,029</u>	<u>403,537</u>	<u>39,856</u>	<u>6,440,053</u>
Expenditures:					
General government	1,436,327	145,655	-	36	1,582,018
Public safety	758,511	-	-	-	758,511
Streets	351,671	40,048	-	-	391,719
Parks and recreation	500,497	-	-	-	500,497
Capital outlay	2,397,860	-	-	80,000	2,477,860
Debt service	601,802	714,008	-	-	1,315,810
Total Expenditures	<u>6,046,668</u>	<u>899,711</u>	<u>-</u>	<u>80,036</u>	<u>7,026,415</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(964,037)</u>	<u>14,318</u>	<u>403,537</u>	<u>(40,180)</u>	<u>(586,362)</u>
Other Financing Sources (Uses):					
Sale of asset	19,600	-	-	-	19,600
Transfers in	716,869	-	-	-	716,869
Transfers (out)	-	-	(716,869)	-	(716,869)
Total Other Financing Sources (Uses)	<u>736,469</u>	<u>-</u>	<u>(716,869)</u>	<u>-</u>	<u>19,600</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expendit x Other Financing (Uses)	<u>(227,568)</u>	<u>14,318</u>	<u>(313,332)</u>	<u>(40,180)</u>	<u>(566,762)</u>
Fund Balances - Beginning	<u>3,245,692</u>	<u>828,793</u>	<u>851,367</u>	<u>99,805</u>	<u>5,025,657</u>
Fund Balances - Ending	<u>3,018,124</u>	<u>843,111</u>	<u>538,035</u>	<u>59,625</u>	<u>4,458,895</u>

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

Town of Granby
Reconciliation of Revenues, Expenditures and Changes in Fund
Balances (Deficit) of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2017

Governmental Funds Changes in Fund Balances	(566,762)
Add:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capitalized assets during the year.	2,451,934
Retirement of lease principal and bonds outstanding on the Town's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reduction against the long-term liabilities.	707,512
Less:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the depreciation expense for the year.	(1,134,002)
Assets disposed of prior to being fully depreciated are charged off upon disposition. This represents the assets disposed of during the year.	(73,177)
Governmental funds report interest expense as it is paid. However in the Statement of Activities interest expense is reported when it is owed. This represents the change in accrued interest during the year.	(60,029)
Governmental Activities Change in Net Position	<u>1,325,476</u>

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

**Town of Granby
Statement of Net Position
Proprietary Funds
December 31, 2017**

	North Service Area Enterprise		South Service Area Enterprise		Total
	Water Fund	Moraine Park Water Fund	Water Fund	Sewer Fund	
Assets:					
Current assets:					
Cash and cash equivalents	857,703	51,776	1,238,005	1,099,629	3,247,113
Accounts receivables, net of allowance for uncollectibles	96,040	473	33,093	4,483	134,089
Total current assets	953,743	52,249	1,271,098	1,104,112	3,381,202
Non-current assets:					
Land and easements	9,804	-	-	-	9,804
Water rights	344,408	374,558	201,140	-	920,106
Water system and improvements	2,982,741	1,282,896	10,244,877	9,542,416	24,052,930
Building and improvements	86,462	-	7,195,037	-	7,281,499
Equipment	294,494	-	159,421	252,812	706,727
Less: Accumulated depreciation	(2,478,391)	(64,145)	(2,908,085)	(2,707,068)	(8,157,689)
Total non-current assets:	1,239,518	1,593,309	14,892,390	7,088,160	24,813,377
Total Assets	2,193,261	1,645,558	16,163,488	8,192,272	28,194,579
Liabilities:					
Current liabilities:					
Accounts payable	300	-	114	41	455
Accrued compensated absences	18,972	-	27,909	19,505	66,386
Accrued expenses	4,093	-	353,525	6,861	364,479
Deposits	-	-	1,500	-	1,500
Non-current liabilities due within one year:					
Loans	-	-	-	97,172	97,172
Total current liabilities:	23,365	-	383,048	123,579	529,992
Non-current liabilities:					
Non-Current Liabilities - due longer than one year:					
Loans	122,809	-	-	1,985,340	2,108,149
Total non-current liabilities	122,809	-	-	1,985,340	2,108,149
Total Liabilities	146,174	-	383,048	2,108,919	2,638,141
Net Position:					
Net Investment in capital assets	1,116,709	1,593,309	14,892,390	5,005,648	22,608,056
Restricted	182,650	-	400,000	-	582,650
Unrestricted	747,728	52,249	488,050	1,077,705	2,365,732
Total Net Position	2,047,087	1,645,558	15,780,440	6,083,353	25,556,438

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

Town of Granby
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	<u>North Service Area Enterprise</u>			<u>South Service Area Enterprise</u>		<u>Total</u>
	<u>Water Fund</u>	<u>Water Plant Investment</u>	<u>Moraine Park Water Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	
Operating Revenue:						
Utility sales	471,019	-	40,558	937,782	721,150	2,170,509
Other revenue	11,602	-	-	223	234,792	246,617
Operating Revenue	<u>482,621</u>	<u>-</u>	<u>40,558</u>	<u>938,005</u>	<u>955,942</u>	<u>2,417,126</u>
Operating Expenses:						
Salaries and employee benefits	202,443	-	14,889	200,736	139,054	557,122
Purchased services	121,661	-	11,718	132,917	525,957	792,253
Supplies	33,149	-	2,064	39,088	9,756	84,057
Depreciation and amortization	79,672	-	42,763	412,613	288,733	823,781
Capital outlay	-	-	-	-	-	-
Operating Expenses	<u>436,925</u>	<u>-</u>	<u>71,434</u>	<u>785,354</u>	<u>963,500</u>	<u>2,257,213</u>
Operating income (loss)	45,696	-	(30,876)	152,651	(7,558)	159,913
Non-Operating Revenues (Expenses):						
Interest revenue	1,090	-	67	1,888	1,507	4,552
Interest expense	(5,012)	-	-	-	(43,362)	(48,374)
Grants and contributions	47,098	-	(437)	134,416	-	181,077
Total Non-Operating Revenues (Expenses)	<u>43,176</u>	<u>-</u>	<u>(370)</u>	<u>136,304</u>	<u>(41,855)</u>	<u>137,255</u>
Income (Loss) Before Contributions and Transfers	88,872	-	(31,246)	288,955	(49,413)	297,168
Capital contributions	-	-	-	58,345	13,961	72,306
Transfers in	1,425,923	-	-	-	-	1,425,923
Transfers (out)	-	(1,425,923)	-	-	-	(1,425,923)
Change in Net Position	<u>1,514,795</u>	<u>(1,425,923)</u>	<u>(31,246)</u>	<u>347,300</u>	<u>(35,452)</u>	<u>369,474</u>
Total Net Position - Beginning	<u>532,292</u>	<u>1,425,923</u>	<u>1,676,804</u>	<u>15,433,140</u>	<u>6,118,805</u>	<u>25,186,964</u>
Total Net Position - Ending	<u>2,047,087</u>	<u>-</u>	<u>1,645,558</u>	<u>15,780,440</u>	<u>6,083,353</u>	<u>25,556,438</u>

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

**Town of Granby
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017**

	North Service Area Enterprise			South Service Area Enterprise		Total
	Water Fund	Water Plant Investment	Moraine Park Water Fund	Water Fund	Sewer Fund	
Cash Flows From Operating Activities:						
Cash received from customers for services	450,704	-	42,855	892,543	721,750	2,107,852
Other cash received	11,602	-	-	223	234,792	246,617
Cash paid for goods and services	(155,023)	-	(13,780)	21,430	(531,176)	(678,549)
Cash paid for employment services	(197,303)	-	(14,889)	(193,455)	(139,056)	(544,703)
Net Cash Provided (Used) by Operating Activities	109,980	-	14,186	720,741	286,310	1,131,217
Cash Flows From Non-Capital Financing Activities:						
Grants and contributions	47,098	600	(437)	905,085	13,961	966,307
Transfers	1,425,922	(611,351)	-	-	-	814,571
Deposits	-	-	-	(6,000)	-	(6,000)
Net Cash Provided by Non-Capital Financing Activities	1,473,020	(610,751)	(437)	899,085	13,961	1,774,878
Cash Flows From Capital Financing Activities:						
Purchase of fixed assets	(849,813)	-	-	(2,970,720)	(95,884)	(3,916,417)
Interest paid	(5,012)	-	-	-	(43,362)	(48,374)
Principal paid	(14,951)	-	-	-	(94,513)	(109,464)
Net Cash (Used) by Capital Financing Activities	(869,776)	-	-	(2,970,720)	(233,759)	(4,074,255)
Cash Flows From Investing Activities:						
Interest received	1,090	-	67	1,888	1,507	4,552
Net Cash Provided by Investing Activities	1,090	-	67	1,888	1,507	4,552
Net Increase (Decrease) in Cash and Cash Equivalents	714,314	(610,751)	13,816	(1,349,006)	68,019	(1,163,608)
Cash and Cash Equivalents - Beginning	143,389	610,751	37,960	2,587,011	1,031,610	4,410,721
Cash and Cash Equivalents - Ending	857,703	-	51,776	1,238,005	1,099,629	3,247,113
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating (loss)	45,696	-	(30,876)	152,651	(7,558)	159,913
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:						
Depreciation	79,672	-	42,763	412,613	288,733	823,781
(Increase) decrease in accounts receivable	(20,315)	-	2,299	(45,239)	599	(62,656)
Increase (decrease) in accounts payable	(213)	-	-	193,437	41	193,265
Increase (decrease) in compensated absences	5,140	-	-	7,279	4,934	17,353
Increase (decrease) in accrued interest	-	-	-	-	(439)	(439)
Total Adjustments	64,284	-	45,062	568,090	293,868	971,304
Net Cash Provided (Used) by Operating Activities	109,980	-	14,186	720,741	286,310	1,131,217

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Granby
Notes to the Financial Statements
December 31, 2017

I. Summary of Significant Accounting Policies

The Town of Granby (the "Town"), was founded in 1905 as a Colorado statutory municipality. The Town is centrally located in the middle of Grand County and is minutes from world class skiing, hot springs and Rocky Mountain National Park.

An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include water and sewer operations, road maintenance, police service, and culture and recreation.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government and component units. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the government. The Town has included the following component units:

Grand Elk General Improvement District: On September 25, 2001, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District.

Granby West General Improvement District: On September 13, 2005, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District. The name was changed from Shorefox General Improvement District to Granby West General Improvement District during 2012. The District became inactive in July 2016 when the Town purchased 1500 acres from the developer.

Grand Elk Ranch No. 2 General Improvement District: On September 22, 2006, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District. The District currently has a budget in place for 2016 for property and specific ownership taxes.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's public safety, road maintenance, culture and recreation, and administration are classified as governmental activities. The Town's water and sewer utilities are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts—net investment in capital assets; restricted; and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

2. Categories and Classification of Fund Balance:

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note I (B) (3) below.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

3. Fund Balance Disclosure

The Town classifies governmental fund balances as follows:

Unspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is Town Board. The Town's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Town Board platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to Town Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Town Board approval, must be presented via a public process and again approval by Town Board.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town Board or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Town does not have a formal minimum fund balance policy. However, the Town's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to Town Board.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

4. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The Town reports the following major special revenue fund:

The *Grand Elk General Improvement District Operations Fund* accounts for taxes set aside for operation of the District.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The Town reports the following major capital projects fund:

The *Capital Improvement Fund* accounts for revenues set aside for construction of municipal assets.

The *Grand Elk General Improvement District Capital Projects Fund* accounts for taxes set aside for capital construction of the District.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Town reports the following major debt service fund:

The *Grand Elk General Improvement District Debt Service Fund* accounts for taxes set aside for debt of the District.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

4. Fund Financial Statements (continued)

The Town reports the following proprietary or business-type funds:

The *Water Operations Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, North of the Fraser River.

The *Water Plant Investment Fund* accounts for plant investment fees, also referred to as tap fees, to ensure adequate funds are available for plant expansion, North of the Fraser River.

The *South Service Water Enterprise Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, South of the Fraser River. This fund also bills on behalf of the Granby Silver Creek Water and Wastewater Authority.

The *South Service Sewer Enterprise Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, South of the Fraser River. This fund also bills on behalf of the Granby Sanitation District.

The *Moraine Park Water Fund* accounts for purchase and delivery of water to the citizens of a specific area outside town limits. In agreement with the State of Colorado, the Town took over operations and will oversee the capital improvements to the system, funded by a principal forgiveness loan.

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation

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.

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 Town's 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. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as demand deposits and short-term investments with a maturity date within 3 months of the date acquired.

2. Investments

Investments are stated at fair value, net asset value or amortized cost. The change in value of investments is recognized as an increase or decrease to investment assets and investment income. The Town's investment policy permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

5. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2001), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town does not intend to capitalize infrastructure acquired prior to January 1, 2001. The Town defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities. Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	40
Buildings and improvements	15 - 40
Distribution systems	40
Equipment and vehicles	3 - 7

6. Deferred Outflows and 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 and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. Accordingly, these items, unavailable property tax revenue, and unavailable grant revenue, is deferred and recognized as inflows of resources in the period that the amounts become available.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. The liability for the amounts is reported in governmental funds.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are recorded as assets when purchased and depreciated over the life of the assets. Net capital assets of \$16,371,525 represents capitalized costs of \$31,234,800 and accumulated depreciation of \$14,863,276.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that retirement of long-term debt outstanding of \$707,512 results in a reduction of accumulated resources on the fund financial statements. This represents payments on the Town's capital leases and Grand Elk General Improvement District bonded debt.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2017.

1. For the 2017 budget year, prior to August 25, 2016 (revised November 30), the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
2. The Town Finance Director submitted to the Board, on or before October 15, 2016, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

3. Prior to December 15, 2016, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2016 were collected in 2017 and taxes certified in 2017 will be collected in 2018. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

During the year the Town approved the following budget amendments.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Amendment</u>
General Fund	\$ 6,616,293	\$ 6,624,855	\$ (8,562)
Grand Elk GID Operating Fund	98,603	98,603	-
Grand Elk GID Debt Svc. Fund	736,551	736,551	-
Capital Improvement fund	643,515	818,616	(175,101)
Conservation Trust Fund	62,500	82,500	(20,000)
Grand Elk Ranch No. 2 GID	36	36	-
North Service Area Water Fund	435,817	440,729	(4,912)
North Svc. Water Plant Inv. Fund	-	653,626	(653,626)
Moraine Park Water Fund	36,332	36,332	-
South Service Water Fund	3,356,265	3,714,965	(358,700)
South Service Sewer Fund	976,509	976,509	-

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$166,665, which is the approximate required reserve at December 31, 2017.

On November 6, 2001, the Town's electorate approved the following ballot question: *Provided there is no new tax or no increase in any mill levy or any other tax rate without the subsequent approval of the Town's voters, shall the Town of Granby, Colorado be authorized to collect, retain and spend all revenues and other funds collected in the current year and each subsequent year fiscal year for streets, water, capital improvements, and any other lawful purpose, without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, the property tax revenue limitation of Section 29-1-301, Colorado Revised Statutes, or any other law.*

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation. The Grand Elk General Improvement District's electorate also passed a ballot question exempting the District from the provisions of Tabor on November 6, 2001.

B. Excess of Expenditures over Appropriations

The Town's Grand Elk General Improvement District Fund and North Service Area Water Plant Investment Fund had expenditures in excess of appropriations of \$64,557 and \$772,297, respectively.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposits was \$9,602,722 at year end. Petty cash totaled \$1,250.

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

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

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2017, the Town had the following recurring value measurements.

<u>Investment Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurement Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Edward Jones	\$ 55,633	\$ -	\$ 55,633	\$ -
UMB	550,013	-	550,013	-
<u>Investments Measured at Net Asset Value</u>				
Colotrust	\$ 219,188			
<u>Investments Measured at Amortized Cost</u>				
C-Safe	\$ 82,663			

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

The Investment Pool represents investments in COLOTRUST and C-SAFE. The value of the pool is determined by the pool's share price. The Town has no regulatory oversight for the pool. At December 31, 2017, the Town's investments in COLOTRUST were 24% of the Town's investment portfolio.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the Town has limited its interest rate risk.

Credit Risk. Town investment policy limits investments to those authorized by State statutes. The Town's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The Town diversifies its investments by security type and institution. Financial institutions holding Town funds must provide the Town a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2017, the Town's investments in Federal Home Loan Bank was 6% of the Town's investment portfolio.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The Town had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Petty cash:</i>	Not Rated	\$ 1,250	\$ 1,250	\$ -
<i>Demand Deposits:</i>				
Checking	Not Rated	3,455,580	3,455,580	-
Savings & money market	Not Rated	1,859,155	1,859,155	-
Certificates of deposit	Not Rated	1,415,165	1,415,165	-
<i>Investments:</i>				
Cash with fiscal agent	Not Rated	550,401	550,401	-
Investment Pools	AAAm	301,851	301,851	-
 Total Cash and Investments		 <u>\$ 7,583,402</u>	 <u>\$ 7,583,402</u>	 <u>\$ -</u>
 <i>Reconciliation to Statement of Net Position:</i>				
Cash and investments - Unrestricted		\$ 7,033,001		
Cash and investments - Restricted		<u>550,401</u>		
 Total Cash and Investments		 <u>\$ 7,583,402</u>		

Restricted Cash. The Town had restricted cash in the amount of \$550,401 in the Grand Elk GID debt service fund relating to a UMB Bank bond reserve.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Total
	General	Grand Elk GID	Capital Improvement	Other Governmental Funds	
Receivables:					
Taxes	\$ 347,878	\$ 322,371	\$ -	\$ 599	\$ 670,848
Accounts receivable	297,930	101,752	31,577	-	431,259
Accrued interest	708	-	-	-	708
Other receivables	5,114	-	-	-	5,114
Due from other governments	307,390	-	-	-	307,390
Loans receivable	9,044	-	-	-	9,044
Gross receivables	968,064	424,123	31,577	599	1,424,363
Less: allowance for uncollectible	-	(94,423)	-	-	(94,423)
Net Receivables	\$ 968,064	\$ 329,700	\$ 31,577	\$ 599	\$ 1,329,940

	Enterprise Funds				Total
	North Service Area Water Operations	South Service Area		Moraine Park Water Fund	
		South Service Water Fund	South Service Sewer Fund		
Receivables:					
Accounts receivable	\$ 95,114	\$ (13,169)	\$ 4,420	\$ 473	\$ 86,838
Other receivables	926	46,262	63	-	47,251
Gross receivables	96,040	33,093	4,483	473	134,089
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	\$ 96,040	\$ 33,093	\$ 4,483	\$ 473	\$ 134,089

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes property taxes levied in 2016 but not available until 2017.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 225,176	\$ 891,488	\$ (58,055)	\$ 1,058,609
Capital assets, being depreciated:				
Land improvements	5,980,856	-	-	5,980,856
Infrastructure	12,946,145	197,869	-	13,144,014
Buildings	7,583,686	1,297,571	(128,750)	8,752,507
Furniture, fixtures, and equipment	2,309,423	123,061	(133,670)	2,298,814
Total capital assets being depreciated	<u>29,045,286</u>	<u>2,509,989</u>	<u>(320,475)</u>	<u>31,234,800</u>
Less accumulated depreciation for:				
Land improvements	(188,652)	(15,250)	-	(203,902)
Infrastructure	(9,188,764)	(635,908)	-	(9,824,672)
Buildings	(2,841,543)	(262,195)	56,213	(3,047,525)
Furniture, fixtures, and equipment	(1,699,558)	(220,646)	133,027	(1,787,177)
Total accumulated depreciation	<u>(13,918,517)</u>	<u>(1,133,999)</u>	<u>189,240</u>	<u>(14,863,276)</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,126,769</u>	<u>\$ 1,375,990</u>	<u>\$ (131,235)</u>	<u>\$ 16,371,523</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and easements	\$ 9,804	\$ -	\$ -	\$ 9,804
Water rights	920,107	-	-	920,107
Construction in progress	4,271,555	-	(4,271,555)	-
Total Capital Assets, Not Depreciated	<u>5,201,466</u>	<u>-</u>	<u>(4,271,555)</u>	<u>929,917</u>
Capital assets, being depreciated:				
Water system and improvements	24,014,098	38,832	-	24,052,930
Buildings and improvements	86,462	7,195,037	-	7,281,500
Equipment	568,704	139,532	(1,509)	706,727
Total Capital Assets Being Depreciated	<u>24,669,264</u>	<u>7,373,401</u>	<u>(1,509)</u>	<u>32,041,156</u>
Less accumulated depreciation for:				
Water system and improvements	(6,767,318)	(788,488)	-	(7,555,806)
Buildings and improvements	(76,153)	(655)	-	(76,808)
Equipment	(491,945)	(34,639)	1,509	(525,075)
Total Accumulated Depreciation	<u>(7,335,416)</u>	<u>(823,782)</u>	<u>1,509</u>	<u>(8,157,689)</u>
Business-type activities capital assets, Net	<u>\$ 22,535,314</u>	<u>\$ 6,549,619</u>	<u>\$ (4,271,555)</u>	<u>\$ 24,813,378</u>

**Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)**

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The Town had the following capital outlay and depreciation expense for the following functions:

	<u>Depreciation Expense</u>	<u>Capital Outlay</u>
<i>Governmental activities:</i>		
General government	\$ 111,391	\$ -
Public safety	62,892	-
Streets	757,516	-
Parks and recreation	202,200	-
Capital outlay	-	2,509,989
Total - Governmental Activities	<u>\$ 1,133,999</u>	<u>\$ 2,509,989</u>
<i>Business-type activities:</i>		
Water	\$ 535,049	\$ 3,005,962
Sewer	288,733	95,884
Total - Business-type Activities	<u>\$ 823,782</u>	<u>\$ 3,101,846</u>

D. Interfund Receivables, Payables, and Transfers

Transfers as of December 31, 2017 were as follows:

	<u>In</u>	<u>Out</u>
<i>Governmental Funds:</i>		
General Fund	\$ 716,869	\$ -
Other Governmental Funds	-	(716,869)
<i>Proprietary Funds:</i>		
Water Operations Fund	1,425,923	-
Water Plant Investment Fund	-	(1,425,923)
Total	<u>\$ 2,142,792</u>	<u>\$ (2,142,792)</u>

E. Other Liabilities

1. Capital Lease – 2006 Public Works Building

The public works building lease totaled an original amount of \$550,000 and requires monthly payments of \$5,620 through October 1, 2018. The lease carries an interest rate of 4.2% and is subject to annual appropriation and a termination clause.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

2. Capital Lease – 2016 Town Hall Refinance

The Town refinanced the 2013 capital lease described above in Note IV (E) (2) during 2016. The lease now requires monthly payments of \$44,529.44. The monthly payment is made up of a \$32,340.08 taxable portion and a \$12,189.36 nontaxable portion. The lease term goes through March 1, 2023 but is subject to annual appropriations and a termination clause. The lease carries a 3% interest rate. Security on this debt includes the Town Hall, skate park, and other park facilities.

3. Accrued Compensated Absences

Earned but unused compensated absence (e.g. paid time off) benefits amounted to \$263,996 at December 31, 2017. All unused benefits are recorded on the individual fund that pays the related payroll.

4. Grand Elk Debt

On September 25, 2001, the Town authorized the creation of a General Improvement District (“District”) to finance infrastructure improvements within the District’s boundaries. The District’s electorate has approved the issuance of \$7,750,000 in GID General Obligation Bonds. On December 20, 2002 the District issued \$2,000,000 of Limited Tax General Obligation Bonds, Series 2002. In 2003 the District issued \$5,750,000 of Limited Tax General Obligation Bonds, Series 2003. In 2007 the District refunded all its debt with the issuance of Limited Tax General Obligation Refunding Bonds, Series 2007A. The bond issue totaled \$9,905,000 in bonds maturing in 2028. The District also issued \$200,000 of 2007B subordinate bonds which mature after the 2007A bonds have been paid in full. In 2012, the Town Attorney was successful in eliminating subsequent subordinate bond payments. The Town has no financial obligation for any of the District’s bonds. Although the District is within the Town’s boundaries, the District’s citizens are solely responsible for repayment of the debt through the imposition of a mill levy on all real property within the District and system development fees when the property tax is insufficient to make the bond payments. The District’s ability to retire the indebtedness created by the issuance of the bonds is dependent upon significant growth in development within the District and maintenance of an adequate tax base from which the District can collect sufficient tax revenues from the required mill levy. Payments are made from the Grand Elk GID Bond Fund.

5. North Service Area Water Fund Debt

On March 15, 1984 the Town borrowed \$405,000 from the Colorado Water Conservation Board. The note has a forty-year term and accrues interest at 4%. Payments are made from the Water Operations Fund.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

6. South Service Sewer Fund Debt

On June 12, 2015, the Town borrowed \$2,500,000 from the Colorado Water Resources and Power Development Authority. The loan has a twenty-year term and accrues interest at 2% annually. In 2016, the loan amount was reduced to \$2,238,098. The loan proceeds will be used to fund phase one of a project that entails replacing sewer lines. The pledged revenues are held in the South Service Sewer Fund. The loan is to be repaid semi-annually with payments being made on May 1st and November 1st commencing May 1st, 2016.

7. Debt Schedule

The following payments are required:

Year	Governmental Debt		
	Principal	Interest	Total
2018	761,467	576,628	1,338,095
2019	749,393	544,343	1,293,736
2020	798,058	511,098	1,309,156
2021	852,360	475,196	1,327,556
2022	902,329	436,827	1,339,156
2023 - 2027	7,681,802	913,057	8,594,859
2028 - 2030	1,390,000	64,635	1,454,635
Total	\$ 13,135,409	\$ 3,521,784	\$ 16,657,193
Grand Elk GID	7,250,000	-	7,250,000
Town of Granby	5,885,409	3,521,784	9,407,193
Total	\$ 13,135,409	\$ 3,521,784	\$ 16,657,193

Year	Business - Type Debt		
	Principal	Interest	Total
2018	112,721	46,079	158,800
2019	115,296	43,504	158,800
2020	117,935	40,865	158,800
2021	120,640	38,159	158,799
2022	123,413	35,387	158,800
2023 - 2027	597,294	135,320	732,614
2028 - 2032	617,155	74,537	691,692
2033 - 2036	400,868	14,147	415,015
Total	\$ 2,205,322	\$ 427,998	\$ 2,633,320

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

8. Changes in Debt

The Town had the following changes in debt for the year ended December 31, 2017:

	<u>1/1/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2017</u>	<u>Due within one year</u>
Governmental Fund Debt:					
Capital lease (Town Shop)	\$ 118,782	\$ -	\$ (63,652)	\$ 55,130	\$ 55,13
Grand Elk GID Bonds	7,615,000	-	(365,000)	7,250,000	415,00
Issuance discount on Grand Elk GID Bonds	(30,654)		3,988	(26,666)	-
Capital Lease (Town Hall)	6,109,138	-	(278,859)	5,830,279	291,24
Compensated absences	171,051	26,558	-	197,609	-
Enterprise Debt:					
Compensated absences	49,032	17,356	-	66,388	-
Colorado Water Conservation Note	137,760	-	(14,951)	122,809	-
CWRPDA Loan	2,177,025	-	(94,513)	2,082,512	97,17
Total	<u>\$ 16,347,134</u>	<u>\$ 43,914</u>	<u>\$ (812,987)</u>	<u>\$ 15,578,061</u>	<u>\$ 858,55</u>

F. Restricted Fund Balance

The Town had the following restrictions on fund balances at December 31, 2017:

	<u>1/1/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2017</u>
<i>General Fund:</i>				
Emergency reserves	\$ 123,131	\$ 15,699	\$ -	\$ 138,830
<i>Conservation Trust:</i>				
Recreation	80,237	-	(40,966)	39,271
<i>Grand Elk Fund:</i>				
Emergency reserves	27,811	-	-	27,811
Debt service	747,908	22,892	-	770,800
<i>Granby West GID Fund:</i>				
Emergency reserves	194	-	(193)	1
<i>Grand Elk Ranch No.2</i>				
Emergency reserves	-	23	-	23
<i>Water Fund:</i>				
Water Rights Acquisition	64,000	-	-	64,000
Water Quality Improvement	118,650	-	-	118,650
<i>South Service Water Fund:</i>				
Water Main Replacement	300,000	100,000	-	400,000
	<u>\$ 1,461,931</u>	<u>\$ 138,614</u>	<u>\$ (41,159)</u>	<u>\$ 1,559,386</u>

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Committed Fund Balance

The Town had the following committed fund balances at December 31, 2017:

	<u>1/1/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2017</u>
<i>General Fund:</i>				
Housing	\$ 69,856	\$ -	\$ (17,448)	\$ 52,408
SCW Lights	9,439	-	-	9,439
Downtown	66,458	-	(1,352)	65,106
Business Loan	33,598	-	-	33,598
Recreation	124,740	-	-	124,740
Police Surcharge	6,608	361	-	6,969
Raffety Park	509,807	-	(509,807)	-
Shorefox	583,492	-	-	583,492
Soccer	-	10,000	-	10,000
<i>Capital Improvement Fund:</i>				
Capital reserve	851,368	-	(313,332)	538,036
<i>Grand Elk Fund:</i>				
Operations reserve	49,920	-	(8,572)	41,348
Capital reserve	3,154	-	-	3,154
<i>Granby West GID Fund:</i>				
Operations reserve	576	222	-	798
<i>Parking</i>				
Parking reserve	18,082	31	-	18,113
<i>Grand Elk Ranch No. 2 GID Fund:</i>				
Operations reserve	716	704	-	1,420
	<u>\$ 2,327,814</u>	<u>\$ 11,318</u>	<u>\$ (850,511)</u>	<u>\$ 1,488,621</u>

H. Assigned Fund Balance

The Town had the following assigned on fund balances at December 31, 2017:

	<u>1/1/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2017</u>
<i>General Fund:</i>				
Administrative equipment	\$ 33,950	\$ -	\$ (11,974)	\$ 21,976
Public safety	21,982	-	-	21,982
Street equipment	39,226	-	-	39,226
Recreation equipment	20,438	-	(10,000)	10,438
Parks equipment	11,438	-	(9,499)	1,939
	<u>\$ 127,034</u>	<u>\$ -</u>	<u>\$ (31,473)</u>	<u>\$ 95,561</u>

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

V. Other Information

A. Retirement Plans

1. Deferred Compensation Plan – Section 457

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town is neither the trustee nor the administrator for the plan.

2. Retirement Plan - Section 401(a)

In 1980 the Town established a defined contribution money purchase plan with IDEAL Corporation as a Prototype Money Purchase Plan and Trust under Code Section 401 of the Internal Revenue code. The Plan has changed administration over the years and is presently with Matrix and uses Digital Retirement Solutions as its record keeper.

All Town employees, except police officers, receive a five-percent (5%) contribution to the plan, in addition to social security. Police Officers receive a contribution of 11.2% and are required to match 8% to the plan, and they are not subject to social security taxes. Only full-time employees who have been with the Town for six consecutive months are eligible, whereas Police Officers are immediately eligible. The Town's covered payroll for Police Officers and other participating employees for 2017 is \$388,709 and \$1,203,659, respectively. Total contributions to the Plan were \$118,738, which consisted of \$90,014 from the Town and \$28,724 from the employees.

The Town is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

B. Other Employee Benefits

All Town employees may continue their health insurance due to a reduction in work hours or termination of employment. Employees who elect continued coverage must pay the insurance carrier for premiums from the termination date of coverage and monthly thereafter. No cost to the Town is recognized.

Town of Granby
Notes to the Financial Statements
December 31, 2017
(Continued)

V. Other Information (continued)

C. Risk Management

The Town is exposed to various risks of loss related to workers' compensation, general liability, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and worker unemployment. The Town has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage.

D. Tax Abatements

The Town has entered into various agreements in order to meet development goals within certain areas of Town. The following areas have continuing development requirements or abatement agreements requiring disclosure.

<u>Development area</u>	<u>Revenues impacted</u>	<u>Governing Document</u>	<u>Amount</u>	<u>Requirements</u>
Granby Ranch	Sales & Use Tax	Annexation Agreement	50% of Tax through April 13, 2023	Paid to area developer Paid to area HOA
Mountainside	Sales Tax	Annexation Agreement	50% of Tax through Oct 28, 2022	

The agreement was authorized by the Town Board after analyzing criteria that includes the ability to encouraging development within the specific abatement area.

E. Related Parties

The Town had a vacancy in the Town Manager position during 2017. The Town's Mayor performed interim Town Manager duties during the vacancy. In 2017 the Mayor received \$60,000 for performing these duties.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	2017			Final Budget	2016
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property taxes	338,933	338,933	363,945	25,012	362,201
Specific ownership tax	22,500	22,500	24,232	1,732	22,940
Sales & Use	2,515,262	2,515,262	2,722,527	207,265	2,506,162
Franchise tax	145,000	145,000	129,371	(15,629)	124,901
Other taxes	30,950	30,950	27,131	(3,819)	31,589
Total Taxes	<u>3,052,645</u>	<u>3,052,645</u>	<u>3,267,206</u>	<u>214,561</u>	<u>3,047,793</u>
Licenses and Permits:					
Other licenses and permits	7,478	20,368	21,845	1,477	8,032
Intergovernmental Revenue:					
Grant revenue	1,113,060	1,273,060	1,076,046	(197,014)	141,052
State highway users tax	64,444	64,444	62,939	(1,505)	61,791
County road and bridge	7,400	7,400	7,536	136	7,396
Total Intergovernmental Revenue	<u>1,184,904</u>	<u>1,344,904</u>	<u>1,146,521</u>	<u>(198,383)</u>	<u>210,239</u>
Charges for Services:					
Zoning and subdivision fees	1,575	1,575	940	(635)	2,100
Recreation revenue	131,400	131,400	137,558	6,158	123,844
Mosquito revenue	25,499	25,499	25,499	-	25,499
Other charges for services	241,800	241,800	289,006	47,206	234,860
Rents	46,426	46,426	46,948	522	53,045
Total Charges for Services	<u>446,700</u>	<u>446,700</u>	<u>499,951</u>	<u>53,251</u>	<u>439,348</u>
Fines and Forfeitures:					
Traffic fines	38,850	38,850	55,534	16,684	33,478
Miscellaneous Revenue:					
Investment income	2,750	2,750	3,662	912	4,535
Donations and contributions	-	-	2,226	2,226	10,000
Other income	4,550	4,550	85,686	81,136	105,496
Total Miscellaneous Revenue	<u>7,300</u>	<u>7,300</u>	<u>91,574</u>	<u>84,274</u>	<u>120,031</u>
Total Revenues	<u>4,737,877</u>	<u>4,910,767</u>	<u>5,082,631</u>	<u>171,864</u>	<u>3,858,921</u>
Expenditures:					
General Government:					
Legislative	164,503	183,503	176,976	6,527	199,237
Economic development	63,100	68,171	36,377	31,794	42,527
Administrative	668,928	683,928	637,730	46,198	596,736
Planning	34,732	76,732	70,803	5,929	38,928
Municipal court	18,203	18,953	18,342	611	14,788
Program project and facility	427,972	462,972	496,099	(33,127)	5,126,826
Total General Government	<u>1,377,438</u>	<u>1,494,259</u>	<u>1,436,327</u>	<u>57,932</u>	<u>6,019,042</u>
Public Safety:					
Police and public safety	844,372	849,372	758,511	90,861	821,550
Streets:					
Streets	418,299	418,299	351,671	66,628	348,680
Parks and Recreation:					
Recreation	325,004	325,004	307,828	17,176	303,598
Parks	210,716	210,716	192,669	18,047	196,127
Total Parks and Recreation	<u>535,720</u>	<u>535,720</u>	<u>500,497</u>	<u>35,223</u>	<u>499,725</u>
Capital Outlay:					
Capital outlay and repairs	2,838,667	2,725,408	2,397,860	327,548	706,700
Debt Service:					
Interest	259,286	259,286	259,291	(5)	161,134
Principal	342,511	342,511	342,511	-	1,504,307
Total Debt Service	<u>601,797</u>	<u>601,797</u>	<u>601,802</u>	<u>(5)</u>	<u>1,665,441</u>
Total Expenditures	<u>6,616,293</u>	<u>6,624,855</u>	<u>6,046,668</u>	<u>578,187</u>	<u>10,061,138</u>
Excess (Deficiency) of Revenues over Expenditures	(1,878,416)	(1,714,088)	(964,037)	750,051	(6,202,217)
Other Financing Sources (Uses):					
Transfer in	643,515	818,616	716,869	(101,747)	380,493
Lease Proceeds	-	-	-	-	6,250,000
Sale of Assets	7,000	7,000	19,600	12,600	10
Total Other Financing Sources (Uses)	<u>650,515</u>	<u>825,616</u>	<u>736,469</u>	<u>(89,147)</u>	<u>6,630,503</u>
Net Change in Fund Balance	<u>(1,227,901)</u>	<u>(888,472)</u>	<u>(227,568)</u>	<u>660,904</u>	<u>428,286</u>
Fund Balance - Beginning			<u>3,245,692</u>		<u>2,817,406</u>
Fund Balance - Ending			<u>3,018,124</u>		<u>3,245,692</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Grand Elk General Improvement District
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	<u>2017</u>			<u>Final Budget</u>	<u>2016</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes	332,612	332,612	344,108	11,496	360,751
Charges for services	557,850	557,850	559,556	1,706	557,850
Investment income	5,190	5,190	10,365	5,175	7,577
Miscellaneous	200,000	-	-	-	-
Total Revenues	<u>1,095,652</u>	<u>895,652</u>	<u>914,029</u>	<u>18,377</u>	<u>926,178</u>
Expenditures:					
General government	61,146	61,146	145,655	(84,509)	291,631
Streets	60,000	60,000	40,048	19,952	177,418
Debt service	714,008	714,008	714,008	-	703,628
Total Expenditures	<u>835,154</u>	<u>835,154</u>	<u>899,711</u>	<u>(64,557)</u>	<u>1,172,677</u>
Excess (Deficiency) of Revenues Over Expenditures	260,498	60,498	14,318	(46,180)	(246,499)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>260,498</u>	<u>60,498</u>	14,318	<u>(46,180)</u>	(246,499)
Fund Balances - Beginning			828,793		1,075,292
Fund Balances - Ending			<u>843,111</u>		<u>828,793</u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	<u>2017</u>			<u>Final Budget</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Revenues:					
Taxes:					
Sales and use tax	359,323	359,323	388,933	29,610	358,023
Investment income	750	750	1,153	403	600
Miscellaneous income	10,000	10,000	13,451	3,451	10,913
Total Revenues	<u>370,073</u>	<u>370,073</u>	<u>403,537</u>	<u>33,464</u>	<u>369,536</u>
Excess (Deficiency) of					
Revenues over Expenditures	370,073	370,073	403,537	33,464	369,536
Other Financing Sources (Uses):					
Transfer Out	(643,515)	(818,616)	(716,869)	101,747	(380,493)
Total Other Financing Sources (Uses)	<u>(643,515)</u>	<u>(818,616)</u>	<u>(716,869)</u>	<u>101,747</u>	<u>(380,493)</u>
Net Change in Fund Balance	<u>(273,442)</u>	<u>(448,543)</u>	(313,332)	<u>135,211</u>	(10,957)
Fund Balance - Beginning			851,367		862,324
Fund Balance - Ending			<u>538,035</u>		<u>851,367</u>

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

SUPPLEMENTARY INFORMATION



**Town of Granby, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017**

	Special Revenue				Total Nonmajor Governmental Funds
	Conservation Trust	Parking	Granby West GID	Grand Elk Ranch No 2 GID	
Assets:					
Cash and investments - Unrestricted	39,271	18,113	799	1,437	59,620
Cash with County Treasurer	-	-	-	5	5
Receivables, net of allowance for uncollectibles	-	-	-	599	599
Total Assets	<u>39,271</u>	<u>18,113</u>	<u>799</u>	<u>2,041</u>	<u>60,224</u>
Liabilities and Fund Equity:					
Liabilities:					
Deferred Revenue	-	-	-	599	599
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>599</u>	<u>599</u>
Fund Balances:					
Spendable:					
Restricted for emergencies	-	-	1	23	24
Restricted for recreation	39,271	-	-	-	39,271
Committed	-	18,113	798	1,419	20,330
Total Fund Balances	<u>39,271</u>	<u>18,113</u>	<u>799</u>	<u>1,442</u>	<u>59,625</u>
Total Liabilities and Fund Balances	<u>39,271</u>	<u>18,113</u>	<u>799</u>	<u>2,041</u>	<u>60,224</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue				Total Nonmajor Governmental Funds
	Conservation Trust	Parking	Granby West GID	Grand Elk Ranch No 2 GID	
Revenues:					
Taxes	-	-	29	762	791
Intergovernmental revenue	18,893	-	-	-	18,893
Investment income	141	31	-	-	172
Miscellaneous	20,000	-	-	-	20,000
Total Revenues	<u>39,034</u>	<u>31</u>	<u>29</u>	<u>762</u>	<u>39,856</u>
Expenditures:					
General government	-	-	-	36	36
Capital outlay and repairs	80,000	-	-	-	80,000
Total Expenditures	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>80,036</u>
Excess (Deficiency) of Revenues Over Expenditures	(40,966)	31	29	726	(40,180)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(40,966)	31	29	726	(40,180)
Fund Balances - Beginning	80,237	18,082	770	716	99,805
Fund Balances - Ending	<u>39,271</u>	<u>18,113</u>	<u>799</u>	<u>1,442</u>	<u>59,625</u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	<u>2017</u>			Final Budget Variance Positive (Negative)	<u>2016</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental revenue:					
State lottery funds	20,000	20,000	18,893	(1,107)	21,067
Other Income	-	20,000	20,000	-	-
Investment income	50	50	141	91	48
	<u>20,050</u>	<u>40,050</u>	<u>39,034</u>	<u>(1,016)</u>	<u>21,115</u>
Total Revenues					
Expenditures:					
Capital outlay and repairs	62,500	82,500	80,000	2,500	2,097
	<u>62,500</u>	<u>82,500</u>	<u>80,000</u>	<u>2,500</u>	<u>2,097</u>
Total Expenditures					
Net Change in Fund Balance	<u>(42,450)</u>	<u>(42,450)</u>	(40,966)	<u>1,484</u>	19,018
Fund Balance - Beginning			<u>80,237</u>		<u>61,219</u>
Fund Balance - Ending			<u>39,271</u>		<u>80,237</u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Parking Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	2017			2016
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Licenses and Permits:				
Investment income	60	31	(29)	38
Total Revenues	60	31	(29)	38
Net Change in Fund Balance	60	31	(29)	38
Fund Balance - Beginning		18,082		18,044
Fund Balance - Ending		18,113		18,082

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Granby West General Improvement District
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	2017		Final Budget Variance Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
Property tax	-	-	-	5,982
Specific ownership tax	-	29	29	367
Investment income	-	-	-	118
Total Revenues	-	29	29	6,467
Expenditures:				
General government:				
Operating expenses	-	-	-	6,162
Treasurer fees	-	-	-	305
Total Expenditures	-	-	-	6,467
Excess (Deficiency) of Revenues Over Expenditures	-	29	29	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	-	29	29	-
Fund Balances - Beginning	-	770	770	770
Fund Balances - Ending	-	799	799	770

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Grand Elk Ranch No. 2 General Improvement District
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	2017		Final Budget Variance Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
Property tax	717	712	(5)	712
Specific ownership tax	40	50	10	40
Total Revenues	757	762	5	752
Expenditures:				
General government:				
Treasurer fees	36	36	-	36
Total Expenditures	36	36	-	36
Excess (Deficiency) of Revenues Over Expenditures	721	726	5	716
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	721	726	5	716
Fund Balances - Beginning	-	716	716	-
Fund Balances - Ending	721	1,442	721	716

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

**Town of Granby, Colorado
Combining Schedule
Grand Elk General Improvement District
For the Year Ended December 31, 2017**

	<u>Operations</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes:				
Property tax	64,027	257,717	-	321,744
Specific ownership tax	4,454	17,910	-	22,364
Charges for services	-	559,556	-	559,556
Investment income	90	10,275	-	10,365
Total Revenues	<u>68,571</u>	<u>845,458</u>	<u>-</u>	<u>914,029</u>
Expenditures:				
General government:				
Administration	23,184	1,239	-	24,423
Operating expenses	10,708	-	-	10,708
Treasurer fees	3,204	107,320	-	110,524
Streets	40,048	-	-	40,048
Debt service:				
Interest	-	348,508	-	348,508
Principal	-	365,000	-	365,000
Other	-	500	-	500
Total Expenditures	<u>77,144</u>	<u>822,567</u>	<u>-</u>	<u>899,711</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,573)	22,891	-	14,318
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(8,573)	22,891	-	14,318
Fund Balances - Beginning	77,731	747,908	3,154	828,793
Fund Balances - Ending	<u>69,158</u>	<u>770,799</u>	<u>3,154</u>	<u>843,111</u>

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
North Service Area Water Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	2017			Final Budget Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales	444,609	444,609	471,019	26,410	420,523
Other revenue	7,000	7,000	11,602	4,602	10,747
Interest revenue	40	40	1,090	1,050	69
Grants and contributions	2,500	7,328	47,098	39,770	532
Transfer In	-	(653,626)	1,425,922	2,079,548	-
Total Revenues	<u>454,149</u>	<u>(194,649)</u>	<u>1,956,731</u>	<u>2,151,380</u>	<u>431,871</u>
Expenditures:					
Salaries and wages	157,450	157,450	149,557	7,893	152,182
Employee benefits	56,418	56,418	52,887	3,531	54,510
Utilities	38,439	38,439	32,469	5,970	31,698
Repairs and maintenance	43,950	43,950	44,889	(939)	47,566
Insurance	14,500	14,500	14,981	(481)	13,294
Other purchased services	34,199	39,111	29,321	9,790	18,939
Supplies	32,400	32,400	33,149	(749)	26,783
Bond principal	14,951	14,951	14,951	-	14,377
Interest expense	5,510	5,510	5,012	498	5,606
Capital outlay and repairs	38,000	38,000	44,278	(6,278)	-
Total Expenditures	<u>435,817</u>	<u>440,729</u>	<u>421,494</u>	<u>19,235</u>	<u>364,955</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>18,332</u>	<u>(635,378)</u>	1,535,237	<u>2,170,615</u>	66,916
Reconciliation to GAAP Basis:					
Capitalized assets			44,278		-
Depreciation			(79,672)		(40,584)
Loan principal			14,952		14,377
Net (Loss) - GAAP Basis			<u>1,514,795</u>		<u>40,709</u>

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

Town of Granby
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Proprietary Funds
North Service Area Water Plant Investment
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	<u>2017</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2016</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Other revenue	15,942	15,942	-	(15,942)	24,293
Interest revenue	400	400	-	(400)	338
Total Revenues	<u>16,342</u>	<u>16,342</u>	<u>-</u>	<u>(16,342)</u>	<u>24,631</u>
Expenditures:					
Transfers out	-	653,626	1,425,923	(772,297)	-
Total Expenditures	<u>-</u>	<u>653,626</u>	<u>1,425,923</u>	<u>(772,297)</u>	<u>-</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>16,342</u>	<u>(637,284)</u>	<u>(1,425,923)</u>	<u>(788,639)</u>	24,631
Reconciliation to GAAP Basis:					
Depreciation			-		(36,407)
Net Income (Loss) - GAAP Basis			<u>(1,425,923)</u>		<u>(11,776)</u>

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Moraine Park Water Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	2017			2016
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Utility sales	36,632	40,558	3,926	34,845
Other revenue	-	-	-	10
Interest revenue	-	67	67	-
Grants and Contributions	-	(437)	(437)	486,910
Total Revenues	36,632	40,188	3,556	521,765
Expenditures:				
Salaries and wages	14,838	10,913	3,925	14,963
Employee benefits	4,435	3,976	459	5,801
Utilities	4,134	4,922	(788)	2,350
Repairs and maintenance	4,000	1,760	2,240	3,769
Insurance	2,500	2,080	420	1,514
Other purchased services	3,725	2,956	769	2,092
Supplies	2,700	2,064	636	1,082
Capital outlay and repairs	-	-	-	437,731
Total Expenditures	36,332	28,671	7,661	469,302
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	300	11,517	11,217	52,463
Reconciliation to GAAP Basis:				
Capitalized assets		-		437,731
Depreciation		(42,763)		(21,382)
Net Income (Loss) - GAAP Basis		(31,246)		468,812

Town of Granby
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Proprietary Funds
South Service Water Enterprise Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	<u>2017</u>			Final Budget Variance Positive (Negative)	<u>2016</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales:					
Town sales	939,735	939,735	937,782	(1,953)	808,288
Other revenue	350	350	223	(127)	528
Interest revenue	500	500	1,888	1,388	1,608
Grants and contributions	596,975	134,416	134,416	-	2,885,584
Plant investment fees	32,500	32,500	58,345	25,845	34,452
Total Revenues	<u>1,570,060</u>	<u>1,107,501</u>	<u>1,132,654</u>	<u>25,153</u>	<u>3,730,460</u>
Expenditures:					
Salaries and wages	125,680	125,680	144,913	(19,233)	120,474
Employee benefits	50,765	50,765	55,823	(5,058)	52,266
Utilities	70,000	70,000	44,562	25,438	40,636
Repairs and maintenance	69,379	69,379	42,230	27,149	34,756
Insurance	35,000	35,000	14,672	20,328	21,052
Other purchased services	228,406	252,930	31,453	221,477	40,842
Supplies	77,000	77,000	39,088	37,912	29,974
Capital outlay and repairs	2,700,035	3,034,211	2,969,211	65,000	-
Total Expenditures	<u>3,356,265</u>	<u>3,714,965</u>	<u>3,341,952</u>	<u>373,013</u>	<u>340,000</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>(1,786,205)</u>	<u>(2,607,464)</u>	(2,209,298)	<u>398,166</u>	3,390,460
Reconciliation to GAAP Basis:					
Contributed capital			-		34,452
Capitalized assets			2,969,211		-
Depreciation			(412,613)		(297,299)
Net Income (Loss) - GAAP Basis			<u>347,300</u>		<u>3,127,613</u>

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
South Service Sewer Enterprise Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended 2016)

	2017			Final Budget Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales:					
Town sales	723,314	242,314	721,150	478,836	715,979
Billed on behalf of District	-	-	-	-	-
Other revenue	223,721	223,721	234,792	11,071	223,421
Interest revenue	500	500	1,507	1,007	532
Sewer plant investment fees	32,500	32,500	13,961	(18,539)	15,512
Gain (loss) of fixed assets	-	-	-	-	(509,968)
Total Revenues	<u>980,035</u>	<u>499,035</u>	<u>971,410</u>	<u>472,375</u>	<u>445,476</u>
Expenditures:					
Salaries and wages	83,585	83,585	100,585	(17,000)	84,058
Employee benefits	34,756	34,756	38,469	(3,713)	36,156
Utilities	2,800	2,800	2,539	261	1,943
Repairs and maintenance	41,379	41,379	17,721	23,658	21,431
Insurance	28,000	28,000	28,079	(79)	21,343
Other purchased services	496,161	496,161	477,618	18,543	482,057
District's share of utility sales	-	-	-	-	-
Supplies	10,900	10,900	9,756	1,144	6,405
Bond principal	106,680	106,680	94,513	12,167	-
Interest expense	48,248	48,248	43,362	4,886	33,702
Capital outlay and repairs	124,000	124,000	95,884	28,116	1,498,111
Total Expenditures	<u>976,509</u>	<u>976,509</u>	<u>908,526</u>	<u>67,983</u>	<u>2,185,206</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>3,526</u>	<u>(477,474)</u>	62,884	<u>540,358</u>	(1,739,730)
Reconciliation to GAAP Basis:					
Gain (loss) on fixed assets			-		(509,968)
Capitalized assets			95,884		1,498,111
Depreciation			(288,733)		(265,305)
Loan principal			94,513		-
Net Income (Loss) - GAAP Basis			<u>(35,452)</u>		<u>(1,016,892)</u>

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

**ANNUAL SCHEDULE OF REVENUES AND EXPENDITURES
FOR ROADS, BRIDGES AND STREETS**



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

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

This Information From The Records Of (example - City of _ or County of _ Prepared By: Sharon Spurlin 970 887-2501
Phone:

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,040,377
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	142,464
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	464,139
2. General fund appropriations	703,033	b. Snow and ice removal	130,454
3. Other local imposts (from page 2)	413,165	c. Other	67,443
4. Miscellaneous local receipts (from page 2)	22,085	d. Total (a. through c.)	662,036
5. Transfers from toll facilities		4. General administration & miscellaneous	92,919
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,937,796
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,138,283	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	642,847	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,781,130	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,937,796

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	425,684	1,781,130	1,937,796	269,018	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	22,085
1. Sales Taxes	388,933	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	24,232	g. Other Misc. Receipts	
6. Total (1. through 5.)	413,165	h. Other	
c. Total (a. + b.)	413,165	i. Total (a. through h.)	22,085
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	62,939	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	379,705	e. U.S. Corps of Engineers	
e. Other (Specify) - CDOT grant	200,203	f. Other Federal	
f. Total (a. through e.)	579,908	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	642,847	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		88,389	88,389
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		762,954	762,954
(3). System Preservation		189,034	189,034
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	951,988	951,988
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,040,377	1,040,377
			(Carry forward to page 1)

Notes and Comments: