Annual Financial Report

Town of Kersey

Kersey, Colorado

For the Year Ended December 31, 2017

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Office of the State Auditor
July 18, 2018

Tim Chavies & Associates, Inc.

Certified Public Accountants
1707 61st Avenue, Suite 101
Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

TOWN OF KERSEY, COLORADO

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December 31, 2017

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Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Kersey
Kersey, Colorado

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

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

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 and budgetary comparison information on pages 35-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kersey, State of Colorado's basic financial statements. The combining nonmajor fund financial statements on pages 45-46, the budgetary comparisons on pages 47-56 and the local highway finance report on pages 57-58 are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statement are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Tim Chavies & Associates, Inc.

Tim Chavies & Associates, Inc.
Certified Public Accountants

Greeley, Colorado
July 11, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

This section of Town of Kersey, State of Colorado's (the "Town") 2017 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2017. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Town's financial statements, including the notes to financial statements and supplemental information that immediately follow this section.

ORGANIZATION AND PURPOSE

The Town was incorporated in 1908 as a political subdivision of the State of Colorado and operated under a Town Board form of government. The following services are provided by the Town: public safety, public works (streets, trash, communicable disease control, street lighting), parks and recreation, water and sewer service and general administration.

FINANCIAL HIGHLIGHTS

The property tax revenue for 2017 was generated from taxable property with the 2016 gross total assessed value certification of $9,707,670 in Weld County, Colorado. The Town established a mill levy of 17.205 for the General Fund. Other significant matters are as follows:

- The net position of the Town increased by $900,483 during 2017, compared to prior year increase of $239,548. The 2017 increase is due to an increase of property taxes, sales taxes, capital assets, contributions and grant money received.

- The Town capitalized $293,331 of capital assets, and recorded depreciation of $382,754 during 2017. In 2016 the Town capitalized $708,294 and recorded depreciation of $415,913.

- The Town made debt payments of $164,112 during 2017, compared to $126,194 in 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Town's financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the Town's finances utilizing the full accrual method of accounting.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term liabilities with the difference being 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 Town'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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include the General Fund, Street Fund, Conservation Trust Fund and Capital Fund. The business-type activities of the Town include the Water Fund and Sewer Fund. The Town does not have any component units.

Fund Financial Statements focus on current available resources and are organized and operated on the basis of funds. 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. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary 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, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. The Town maintains four governmental funds (General, Street, Conservation Trust and Capital).

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. These funds are used to account for services in which the Town charges customers a fee. The Town maintains two proprietary funds (Water and Sewer).

The Town does not have any **Fiduciary Funds.**

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide, business-type activities and fund financial statements.

Other Information includes certain required supplementary information containing budgetary comparison schedules of revenues, expenditures and changes in fund balances for all funds.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Condensed financial information from the **Statement of Net Position** at December 31, 2017:

	Governmental Activities	Business-Type Activities	Total
Current assets	$ 3,298,166	$ 428,889	$ 3,727,055
Noncurrent assets	1,297,744	5,414,397	6,712,141
Total Assets	**4,595,910**	**5,843,286**	**10,439,196**
Total Deferred Outflows	**-**	**-**	**-**
Current liabilities	68,777	136,176	204,953
Noncurrent liabilities	16,177	937,136	953,313
Total Liabilities	**84,954**	**1,073,312**	**1,158,266**
Total Deferred Inflows	**380,273**	**-**	**380,273**
Net investment in capital assets	1,261,854	4,374,933	5,636,787
Restricted	1,255,442	63,893	1,319,335
Unrestricted	1,613,387	331,148	1,944,535
Total Net Position	**$ 4,130,683**	**$ 4,769,974**	**$ 8,900,657**

The restricted portion of net position ($1,319,335) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($1,944,535) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2017:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 91,358	$ 782,036	$ 873,394
General Revenues:			
Taxes	1,283,679	-	1,283,679
Licenses and permits	39,313	-	39,313
Intergovermental revenues	143,764	-	143,764
Fines and forfeitures	89,224	-	89,224
Earnings on investment	1,662	8,535	10,197
Other	447,875	-	447,875
Total Revenues	**2,096,875**	**790,571**	**2,887,446**
Expenses:			
General government	252,014	-	252,014
Public safety	430,456	-	430,456
Public works	279,193	-	279,193
Parks and recreation	122,934	-	122,934
Other	77,140	-	77,140
Water	-	392,397	392,397
Sewer	-	432,829	432,829
Total Expenses	**1,161,737**	**825,226**	**1,986,963**
Change in Net Position	**935,138**	**(34,655)**	**900,483**
Net Position - beginning	3,195,545	4,804,629	8,000,174
Net Position - ending	**$ 4,130,683**	**$ 4,769,974**	**$ 8,900,657**

Net position increased to $8,900,657, an increase of $900,483 from 2016. The increase was affected by the Town capital assets, contributions, grants, property tax and sales tax increases.

FINANCIAL ANALYSIS OF THE FUNDS

Governmental funds: The Town's functions are reported in the General Fund, Street Fund, Conservation Trust Fund and Capital Fund. The focus of these 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, unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of its fiscal year.

As of December 31, 2017, the Town's governmental funds reported combined ending fund balances of $2,885,006, an increase of $867,646 in comparison with 2016. Approximately 56.48% of this total amount ($1,629,564) constitutes *unrestricted* fund balance, which is available for spending at the government's discretion. The reminder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for encumbrances or Tabor.

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

Fiduciary funds: As mentioned earlier, the Town does not have any of these types of funds.

Budgetary Highlights

The budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Budget and actual comparison schedules are provided in the other supplementary information section of this report. The budget and actual comparison schedules show the original adopted budget, the final revised budget, actual results, and variance between the final budget and actual results for all funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	$ 323,442	$ 4,826	$ 328,268
Water rights	-	2,283,665	2,283,665
Utility system	-	5,456,198	5,456,198
Equipment	882,382	327,457	1,209,839
Buildings and improvements	768,167	-	768,167
Streets and improvements	4,810,483	-	4,810,483
Total Capital Assets	**6,784,474**	**8,072,146**	**14,856,620**
Less: Accumulated depreciation	(5,486,730)	(2,657,749)	(8,144,479)
Net Capital Assets	**$ 1,297,744**	**$ 5,414,397**	**$ 6,712,141**

Capital assets – net of depreciation decreased $89,423 during 2017 due to capital outlay (assets acquired) less depreciation (See Note 5 for further discussion).

DEBT ADMINISTRATION

The Town has outstanding debt obligations with various entities and financial institutions. As of December 31, 2017, the debt was $1,075,354 compared to $1,239,466 in 2016, a decrease of $164,112 (See Note 7 for further discussion).

ECONOMIC FACTORS

- Through the budget, the Board of Trustees sets the direction of the Town, allocates and establishes priorities.

- The Town continues to see growth in lodging tax and sales tax revenue with the increased business at the local hotel. Additional property will be annexed in 2018 to further increase this revenue.

- Five detached single-family homes were built in 2017, which will increase property tax and bring families to Town as well.

- Although the Town saw some growth and potential additional revenue from commercial and residential building in 2017, it is essential that municipal programs be continually monitored and that conservative spending continues.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the Town's finances for those who have an interest in the Town. If you have any questions about the report or need additional financial information, please contact Town Clerk at 332 Third Street, Kersey, Colorado 80644. Phone (970) 353-1681.

BASIC FINANCIAL STATEMENTS

TOWN OF KERSEY, COLORADO

Statement of Net Position

Government-Wide

December 31, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 2,280,247	$ (569,956)	**$ 1,710,291**
Cash on deposit - county treasurer	2,264	-	**2,264**
Cash in money market account	477,576	286,348	**763,924**
Total Cash	2,760,087	(283,608)	**2,476,479**
Certificates of deposit	14,513	660,875	**675,388**
Colotrust	3,929	-	**3,929**
Total Investments	18,442	660,875	**679,317**
Property taxes receivable	380,273	-	**380,273**
Accounts receivable	139,330	50,566	**189,896**
Accrued interest receivable	34	1,056	**1,090**
Prepaid expenses	-	-	**-**
Total Current Assets	3,298,166	428,889	**3,727,055**
Noncurrent Assets:			
Net pension asset	-	-	**-**
Capital Assets:			
Land	323,442	4,826	**328,268**
Water rights	-	2,283,665	**2,283,665**
Utility system	-	5,456,198	**5,456,198**
Equipment	882,382	327,457	**1,209,839**
Buildings and improvements	768,167	-	**768,167**
Streets and improvements	4,810,483	-	**4,810,483**
Total Capital Assets	6,784,474	8,072,146	**14,856,620**
Less: accumulated depreciation	(5,486,730)	(2,657,749)	**(8,144,479)**
Net Capital Assets	1,297,744	5,414,397	**6,712,141**
Total Noncurrent Assets	1,297,744	5,414,397	**6,712,141**
Total Assets	4,595,910	5,843,286	**10,439,196**
DEFERRED OUTFLOWS			
Deferred outflows related to pensions	-	-	**-**
LIABILITIES			
Current Liabilities:			
Accounts payable	32,143	17,740	**49,883**
Payroll taxes payable	-	-	**-**
Accrued interest payable	744	7,054	**7,798**
Current portion of long-term debt	35,890	111,382	**147,272**
Total Current Liabilities	68,777	136,176	**204,953**
Noncurrent Liabilities:			
Compensated absences	16,177	9,054	**25,231**
Loan payable - TBK bank	35,890	-	**35,890**
Loan payable - TBK bank	-	77,276	**77,276**
Note payable - CWRPDA loan	-	-	**-**
Note payable - CWRPDA loan	-	962,188	**962,188**
Less: portion due within one year	(35,890)	(111,382)	**(147,272)**
Net pension liability	-	-	**-**
Total Noncurrent Liabilities	16,177	937,136	**953,313**
Total Liabilities	84,954	1,073,312	**1,158,266**
DEFERRED INFLOWS			
Unearned revenue - property taxes	380,273	-	**380,273**
Deferred inflows related to pensions	-	-	**-**
Total Deferred Inflows	380,273	-	**380,273**
NET POSITION			
Net investment in capital assets	1,261,854	4,374,933	**5,636,787**
Restricted for tabor	44,267	-	**44,267**
Restricted for streets	517,551	-	**517,551**
Restricted for parks and recreation	65,793	-	**65,793**
Restricted for capital projects	627,831	-	**627,831**
Restricted for operations and maintenance	-	63,893	**63,893**
Unrestricted	1,613,387	331,148	**1,944,535**
Total Net Position	$ 4,130,683	$ 4,769,974	**$ 8,900,657**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Activities

Government-Wide

December 31, 2017

		Program Revenues		Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions / Programs	Expenses	Charges for Services	Capital Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ (252,014)	$ -	$ -	$ (252,014)	$ -	**$ (252,014)**
Public safety	(430,456)	-	-	(430,456)	-	**(430,456)**
Public works	(279,193)	63,303	-	(215,890)	-	**(215,890)**
Parks and recreation	(122,934)	28,055	-	(94,879)	-	**(94,879)**
Health and welfare	(4,970)	-	-	(4,970)	-	**(4,970)**
Legislative	(13,885)	-	-	(13,885)	-	**(13,885)**
Judicial	(8,188)	-	-	(8,188)	-	**(8,188)**
Library	(8,641)	-	-	(8,641)	-	**(8,641)**
Seniors	(24,354)	-	-	(24,354)	-	**(24,354)**
Interest on debt	(17,102)	-	-	(17,102)	-	**(17,102)**
Total Governmental Activities	(1,161,737)	91,358	-	(1,070,379)	-	**(1,070,379)**
Business-Type Activities:						
Water fund	(392,397)	371,441	-	-	(20,956)	**(20,956)**
Sewer fund	(432,829)	410,595	-	-	(22,234)	**(22,234)**
Total Business-Type Activities	(825,226)	782,036	-	-	(43,190)	**(43,190)**
Total Primary Government	$ (1,986,963)	$ 873,394	$ -	(1,070,379)	(43,190)	**(1,113,569)**
General Revenues:						
Taxes				1,283,679	-	**1,283,679**
Licenses and permits				39,313	-	**39,313**
Intergovernmental revenue				143,764	-	**143,764**
Fines and forfeitures				89,224	-	**89,224**
Miscellaneous income				103,263	-	**103,263**
Sale of assets				-	-	**-**
Earnings on investments				1,662	8,535	**10,197**
Grants				15,970	-	**15,970**
Transfers				-	-	**-**
Contributions				328,642	-	**328,642**
Total General Revenues				2,005,517	8,535	**2,014,052**
Change in Net Position				935,138	(34,655)	**900,483**
Net Position-beginning of year				3,195,545	4,804,629	**8,000,174**
Net Position-End of Year				$ 4,130,683	$ 4,769,974	**$ 8,900,657**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2017

	General	Street	Nonmajor	Total
ASSETS				
Current Assets:				
Cash on hand and in checking	$ 1,294,285	$ 458,337	$ 527,625	**$ 2,280,247**
Cash on deposit - county treasurer	(161)	2,425	-	**2,264**
Cash in money market account	288,451	37,673	151,452	**477,576**
Total Cash	1,582,575	498,435	679,077	**2,760,087**
Certificates of deposit	-	-	14,513	**14,513**
Colotrust	3,929	-	-	**3,929**
Investment account	-	-	-	**-**
Total Investments	3,929	-	14,513	**18,442**
Property taxes receivable	380,273	-	-	**380,273**
Accounts receivable	117,358	21,972	-	**139,330**
Accrued interest receivable	-	-	34	**34**
Due from other funds	-	-	-	**-**
Total Current Assets	2,084,135	520,407	693,624	**3,298,166**
Total Assets	2,084,135	520,407	693,624	**3,298,166**
DEFERRED OUTFLOWS				
Grant expenditures paid in advance of meeting timing requirements	-	-	-	**-**
Total Assets & Deferred Outflows	$ 2,084,135	$ 520,407	$ 693,624	**$ 3,298,166**
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 29,287	$ 2,856	$ -	**$ 32,143**
Payroll taxes payable	-	-	-	**-**
Accrued interest payable	744	-	-	**744**
Due to other funds	-	-	-	**-**
Total Current Liabilities	30,031	2,856	-	**32,887**
Total Liabilities	30,031	2,856	-	**32,887**
DEFERRED INFLOWS				
Unearned revenue - property taxes	380,273	-	-	**380,273**
Total Liabilities & Deferred Inflows	410,304	2,856	-	**413,160**
FUND BALANCE				
Non-spendable	-	-	-	**-**
Restricted	44,267	517,551	693,624	**1,255,442**
Committed	-	-	-	**-**
Assigned	-	-	-	**-**
Unassigned	1,629,564	-	-	**1,629,564**
Total Fund Balance	1,673,831	517,551	693,624	**2,885,006**
Total Fund Balance, Liabilities & Deferred Inflows	$ 2,084,135	$ 520,407	$ 693,624	**$ 3,298,166**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance		**$ 2,885,006**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	$ 6,784,474	
Less: accumulated depreciation	(5,486,730)	**1,297,744**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:		
Loan payable	(35,890)	
Compensated absences	(16,177)	**(52,067)**
Net Position of Governmental Activities		**$ 4,130,683**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

December 31, 2017

	General	Street	Nonmajor	Total
Revenues:				
Taxes	$ 962,410	$ 287,171	$ 34,098	**$ 1,283,679**
Licenses and permits	39,313	-	-	**39,313**
Intergovernmental revenue	53,694	74,631	15,439	**143,764**
Charges for services	63,303	-	-	**63,303**
Parks and recreation	28,055	-	-	**28,055**
Judicial	89,224	-	-	**89,224**
Earnings on investments	967	214	481	**1,662**
Miscellaneous revenues	29,158	63,755	10,350	**103,263**
Total Revenues	1,266,124	425,771	60,368	**1,752,263**
Expenditures:				
General government	236,193	17,922	-	**254,115**
Public safety	366,047	-	-	**366,047**
Public works	62,590	119,372	-	**181,962**
Parks and recreation	96,114	-	12,351	**108,465**
Health and welfare	4,970	-	-	**4,970**
Legislative	13,885	-	-	**13,885**
Judicial	8,188	-	-	**8,188**
Library	8,641	-	-	**8,641**
Seniors	24,354	-	-	**24,354**
Capital outlay	227,800	13,700	-	**241,500**
Total Expenditures	1,048,782	150,994	12,351	**1,212,127**
Excess (Deficiency) of Revenues over Expenditures	217,342	274,777	48,017	**540,136**
Other Financing Sources (Uses):				
Sale of assets	-	-	-	**-**
Contributions	153,392	-	175,250	**328,642**
Grants	15,970			**15,970**
Debt service	(17,102)	-	-	**(17,102)**
Transfers in	26,706	-	150,000	**176,706**
Transfers out	-	(150,000)	(26,706)	**(176,706)**
Total Other Financing Sources (Uses)	178,966	(150,000)	298,544	**327,510**
Net Change in Fund Balance	396,308	124,777	346,561	**867,646**
Fund Balance - beginning of year	1,277,523	392,774	347,063	**2,017,360**
Fund Balance - End of Year	$ 1,673,831	$ 517,551	$ 693,624	**$ 2,885,006**
	-	-	-	**-**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:		
Net Change in Fund Balance - Total Governmental Funds		**$ 867,646**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate to those expenditures over the life of the assets.		
Capital assets sold	**$ -**	
Capital asset purchased	**241,500**	
Depreciation expense	**(192,432)**	
The net effect of transactions involving capital assets (sales, trade-ins)		**49,068**
Loan proceeds provide current financial resources to the governmental funds and repayment of debt principal is an expenditure in the governmental funds, but the proceeds increase and repayment reduces long-term liabilities in the statement to net position:		
Long-term debt payments		**16,298**
Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in compensated absences		**2,126**
Change in Net Position of Governmental Activities		**$ 935,138**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2017

	Business-Type Activities		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ (359,647)	$ (210,309)	**$ (569,956)**
Cash on deposit - county treasurer	-	-	**-**
Cash in money market account	139,330	147,018	**286,348**
Total Cash	(220,317)	(63,291)	**(283,608)**
Certificates of deposit	265,718	395,157	**660,875**
Investment account	-	-	**-**
Total Investments	265,718	395,157	**660,875**
Accounts receivable	19,069	31,497	**50,566**
Accrued interest receivable	343	713	**1,056**
Prepaid expenses	-	-	**-**
Due from other funds	-	-	**-**
Total Current Assets	64,813	364,076	**428,889**
Capital Assets:			
Land	600	4,226	**4,826**
Water rights	2,283,665	-	**2,283,665**
Utility system	2,108,179	3,348,019	**5,456,198**
Equipment	102,099	225,358	**327,457**
Total Capital Assets	4,494,543	3,577,603	**8,072,146**
Less: Accumulated depreciation	(984,018)	(1,673,731)	**(2,657,749)**
Net Capital Assets	3,510,525	1,903,872	**5,414,397**
Total Assets	3,575,338	2,267,948	**5,843,286**
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	**-**
Total Assets & Deferred Outflows	3,575,338	2,267,948	**5,843,286**
LIABILITIES			
Current Liabilities:			
Accounts payable	9,115	8,625	**17,740**
Payroll taxes payable	-	-	**-**
Accrued interest payable	1,518	5,536	**7,054**
Due to other funds	-	-	**-**
Current portion of long-term debt	18,699	92,683	**111,382**
Total Current Liabilities	29,332	106,844	**136,176**
Long Term Liabilities:			
Compensated absences	4,875	4,179	**9,054**
Loan payable - TBK bank	77,276	-	**77,276**
Note payable - CWRPDA loan	-	-	**-**
Note payable - CWRPDA loan	-	962,188	**962,188**
Less: portion due within one year	(18,699)	(92,683)	**(111,382)**
Total Long Term Liabilities	63,452	873,684	**937,136**
Total Liabilities	92,784	980,528	**1,073,312**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	92,784	980,528	**1,073,312**
NET POSITION			
Net investment in capital assets	3,433,249	941,684	**4,374,933**
Restricted for operations and maintenance	-	63,893	**63,893**
Unrestricted:			
Designated for subsequent year's expenditures	86,074	43,038	**129,112**
Undesignated	(36,769)	238,805	**202,036**
Total Net Position	$ 3,482,554	$ 1,287,420	**$ 4,769,974**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

December 31, 2017

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	$ 329,441	$ 386,595	**$ 716,036**
Other operating revenues	42,000	24,000	**66,000**
Total Operating Revenues	371,441	410,595	**782,036**
Operating Expenses:			
General	31,223	31,542	**62,765**
Administrative	68,031	53,145	**121,176**
System operations	225,238	187,119	**412,357**
Depreciation	66,175	124,147	**190,322**
Total Operating Expenses	390,667	395,953	**786,620**
Operating Income (Loss)	(19,226)	14,642	**(4,584)**
Non-operating Revenues (Expenses)			
Earnings on investments	3,436	5,099	**8,535**
Miscellaneous revenues	-	-	**-**
Interest expense	(1,730)	(36,876)	**(38,606)**
Proceeds from sale of assets	-	-	**-**
Total Non-operating Revenues (Expenses)	1,706	(31,777)	**(30,071)**
Income (Loss) before contributions and transfers	(17,520)	(17,135)	**(34,655)**
Contributions	-	-	**-**
Transfers In (Out)	-	-	**-**
Change in Net Position	(17,520)	(17,135)	**(34,655)**
Total Net Position - beginning of year	3,500,074	1,304,555	**4,804,629**
Total Net Position - End of Year	$ 3,482,554	$ 1,287,420	**$ 4,769,974**

TOWN OF KERSEY, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2017

	Business-Type Activities		
	Water	**Sewer**	**Total**
Cash Flows From Operating Activities:			
Cash received from customers	$ 370,729	$ 410,937	**$ 781,666**
Cash payments to employees	(88,930)	(75,291)	**(164,221)**
Cash payments to suppliers	(236,167)	(196,701)	**(432,868)**
Internal activity - payments to other funds	-	-	**-**
Net Cash Flows From Operating Activities	45,632	138,945	**184,577**
Cash Flows From Non-capital Financing Activities:			
Operating transfers in	-	-	**-**
Operating transfers out	-	-	**-**
Grants	-	-	**-**
Net Cash Flows From Non-capital Financing Activities	-	-	**-**
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(38,500)	(13,331)	**(51,831)**
Proceeds from long-term debt	-	-	**-**
Contributions	-	-	**-**
Capital lease obligation payments	-	-	**-**
Principal payments on long-term debt	(18,294)	(129,519)	**(147,813)**
Interest payments on long-term debt	(1,730)	(36,876)	**(38,606)**
Net Cash Flows From Capital and Related Financing Activities	(58,524)	(179,726)	**(238,250)**
Cash Flows From Investing Activities:			
Interest on investments	3,436	5,099	**8,535**
Change in investments	(3,016)	(4,408)	**(7,424)**
Net Cash Flows From Investing Activities	420	691	**1,111**
Net Increase (Decrease) in Cash and Cash Equivalents	(12,472)	(40,090)	**(52,562)**
Cash and Cash Equivalents - January 1	(207,845)	(23,201)	**(231,046)**
Cash and Cash Equivalents - December 31	$ (220,317)	$ (63,291)	**$ (283,608)**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (19,226)	$ 14,642	**$ (4,584)**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	66,175	124,147	**190,322**
Changes in assets and liabilities:			
Receivables	(712)	342	**(370)**
Prepaid expenses	-	-	**-**
Due from other funds	-	-	**-**
Payables and other accrued expenses	(605)	(186)	**(791)**
Due to other funds	-	-	**-**
Net Cash Flows From Operating Activities	$ 45,632	$ 138,945	**$ 184,577**

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Kersey, Colorado, was incorporated in 1908 as a statutory town. The statutes provide that the Mayor is the chief administrative officer and that the Board of Trustees shall be the policy-making authority. The following services are currently offered by the Town: General government, public safety, and public works (streets, trash, communicable disease control, street lighting), parks and recreation, and water and sewer service.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing governmental accounting and financial reporting standards followed by governmental entities.

Reporting Entity

The reporting entity consists of only the Town, a primary government that is a general purpose local government. This primary government has a separately elected governing body and it is legally separate, as well as financially independent of other state and local governments. A component unit may be a financial benefit or burden to the primary government and which is a legally separate organization of which the elected officials of the primary government are financially accountable. The Town does not have any component units.

New Accounting Pronouncements

GASB Statement No 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* This statement address accounting and reporting for other postemployment benefits (OPEB) plans, which include postemployment healthcare benefits including medical, dental, vision, hearing, and other benefits such as death benefits, life insurance, disability, and long-term care. The Town has no OPEB plans, therefore, for year ended December 31, 2017 implementation had no impact to the Town's financial statements.

GASB Statement No 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No 14.* This statement clarifies the financial statement presentation requirements for certain component units and enhances comparability of financial statements among state and local governments. The Town has no component units, therefore, for year ended December 31, 2017 implementation had no impact to the Town's financial statements.

GASB Statement No 81, *Irrevocable Split-Interest Agreements*. This statement improves the accounting and financial reporting by establishing recognition and measurement requirements for irrevocable split-interest agreements. The Town has no irrevocable split-interest agreements, therefore, for year ended December 31, 2017 implementation had no impact to the Town's financial statements.

GASB Statement No 82, *Pension Issues – an amendment of GASB Statements No 67, No 68, and No 73.* This statement addresses implementation issues that arose during the implementation of the GASB pension suite (Nos. 67, 68, and 73). The Town implemented this statement for year ending December 31, 2017 and had no impact to the Town's financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements

Government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Government-wide financial statements consist of Statement of Net Position and Statement of Activities. The Statement of Net Position includes assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Town.

In addition to the government-wide financial statements, the Town has prepared the fund financial statements using the modified accrual basis of accounting and the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal year.

The Town reports the following major and non-major **Governmental Funds**:

- **General Fund (major)** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Street Fund (major)** is a special revenue fund of the Town. It is funded by sales tax, specific ownership tax, highway user's tax, motor vehicle fees and various other revenue sources. The expenditures represent the cost of maintaining the Town's streets.
- **Conservation Trust Fund (nonmajor) and Capital Projects Fund (nonmajor)** are special revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

The Town reports the following major **Proprietary Funds**:

- **Water Fund (major)** provides water services to the Town citizens.
- **Sewer Fund (major)** provides sewer services to the Town citizens.

Required supplementary information includes Management's Discussion and Analysis which includes an analytical overview of the Town's financial activities. In addition, budgetary comparison schedules are presented for all funds that compare the adopted and modified budget with actual results.

The Town does not have any **Fiduciary Funds**.

Budgets and Budgetary Accounting

An annual budget and appropriation resolutions is adopted by the Town in accordance with the Colorado State Statutes. The budget for all funds is prepared on a basis consistent with generally accepted accounting principles (GAAP), except that bond and loan proceeds are treated as other financing sources and debt service principal payments and capital outlays are treated as expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

Budgeted amounts are as originally adopted or as increased by supplemental appropriations. Budget appropriations lapse at year-end. Budgetary comparisons with actual revenues and expenditures are included as required supplemental information for the General and Street funds and as other supplemental information for the Conservation Trust Fund, Capital Projects Fund, Water Fund, and the Sewer Fund. The following is a summary of the original, total revisions and revised budgets for those funds with amended budgets in year 2017:

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 904,444	$ -	$ 904,444
Street Fund	319,683	-	319,683
Conservation Trust Fund	10,100	-	10,100
Capital Projects Fund	44,325	-	44,325
Business-Type:			
Water Fund	334,586	-	334,586
Sewer Fund	393,636	-	393,636
Total Funds	$ 2,006,774	$ -	$ 2,006,774

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

- On or before August 25, the Weld County Assessor submits to the Town the new assessed valuation and other amounts needed to compute the statutory property tax revenue limit.
- On or before October 15, the Budget Committee submits to the Town Board of Trustees a proposed operating budget for the following fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- On or before December 15, the Town certifies the mill levy to the Board of County Commissioners.
- On or before December 22, the Board of County Commissioners certifies the levy against the assessed valuation on all taxable properties.
- Prior to December 31, the Town legally adopts the budget.

The Town incurred expenditures in excess of appropriations in the General Fund, Conservation Trust Fund, Water Fund and Sewer Fund for the year ended December 31, 2017, which may be in violation of the Local Government Budget Law.

Designated for Subsequent Year's Expenditures

Designated fund balance is the portion of the fund balance that is appropriated in the succeeding year's budget.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Under the terms of the Town's personnel policies, Town employees are granted vacation, sick and compensatory time in varying amounts, depending upon the length of continuous service the employee has given the Town. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time at their current rate of pay. The liability for vested or accumulated vacation leave is recorded as compensated absences payable in the funds.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of $25,231 at December 31, 2017. There is no accrual in the fund financial statements.

Cash and Cash Equivalents

For purposes of the basic financial statements and the statement of cash flows, the Town considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments.

Investments

Investments are reported at fair value which is determined using selected basis. Short-term investments are reported at cost, which approximates fair value. Securities trades on exchanges are valued using quoted market prices. Non-participating contracts such as certificates of deposits are reported at cost. Cash deposits and money market investments that mature within one year or less are reported at carrying amount, which reasonably estimates fair value. Investment pools are reported at fair value, which is determined by the fair value per share of the pool's underlying asset portfolio.

Inventory

Inventory is generally stated at cost in the Water Fund and Sewer Fund, applying the first-in, first-out inventory flow method.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The Town records its property and equipment at historical cost. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During year ended December 31, 2017, no interest was capitalized. The Town's capitalization level is $500 for capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Water rights	5 to 30
Buildings and improvements	5 to 20
Machinery and equipment	5 to 20
Utility systems	30 to 40

As a result of Statement No. 34, the Town is accounting for infrastructure and capital assets on its financial statements. The government-wide financial statements include those assets that were completed during the fiscal year-end, considered construction in progress or purchased or constructed in prior years.

The Town has elected to capture infrastructure assets with the implementation of Statement No. 34 (the retroactive approach).

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Receivables

Receivables are considered fully collectible and therefore are reported at their gross value.

Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. (1) Nonspendable fund balance cannot be spent because of its form. (2) Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. (3) Committed fund balance is a limitation imposed by the Town's board through approval of resolutions. (4) Assigned fund balance is a limitation imposed by a designee of the Town's board. (5) Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (continued)

When both restricted and unrestricted fund balances are available for use, it is the Town's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Article X, Section 20, of the Colorado Constitution contains several limitations, including raising revenue, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes that it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance.

The amendment excludes from its provisions Enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than ten percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. On April 7, 1998, voters approved Ordinance 1-1998 regarding the Town's retention of revenues collected in excess of the fiscal spending limits for 1998, also to be effective for all years thereafter. In addition, voters approved to allow the Town to maintain its operating mill levy at 17.205 mills in 2008 (for 2009 collection) and for a period not to exceed 10 years, qualifying as a TABOR voter approved revenue change and, if applicable, an authorized exception to the statutory 5.5% tax revenue growth limitation. Then in 2016, voters approved to extend operating mill levy for another period not to exceed 10 years. Considering the above interpretation of TABOR, the governing board believes that it is in compliance with its fiscal requirements for the year December 31, 2017.

The Amendment requires that Emergency Reserves be established. The reserves must be at least three percent of the fiscal year spending (excluding bonded debt service). The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has restricted $44,267 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

Cash and cash investments are carried at cost. The Town authorized investment of funds in federally insured bank accounts or local government pools. Maturities must be five years or less. This authorization is in compliance with restrictions set forth by the State of Colorado statutes.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Cash Deposits (continued)

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

Total cash deposits at December 31, 2017 were as follows:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and in checking	$ 2,280,247	$ (569,956)	$ 1,710,291
Cash on deposit - county treasurer	2,264	-	2,264
Cash in money market account	477,576	286,348	763,924
Total Cash Deposits	$ 2,760,087	$ (283,608)	$ 2,476,479

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

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Total investments at December 31, 2017 were as follows:

	Governmental Activities	Business-Type Activities	Total
Certificates of deposit	$ 14,513	$ 660,875	$ 675,388
Cash in Colotrust	3,929	-	3,929
Investment account	-	-	-
Total Investments	$ 18,442	$ 660,875	$ 679,317

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Maturities of investments at December 31, 2017 were as follows:

	Investment Maturities in Years				
	Less than 1	1 to 5	6 to 10	More than 10	Total
Certificates of Deposit	$ 419,705	$ 255,683	$ -	$ -	$ 675,388
Cash in Colotrust	3,929	-	-	-	3,929
Investment account	-	-	-	-	-
Total Investments	$ 423,634	$ 255,683	$ -	$ -	$ 679,317

The Town's policy is to hold investments until maturity.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of December 31, 2017:

	Level 1	**Level 2**	**Level 3**	**Total**
Investments by Fair Value Level:				
US Treasury Bond/Note	$ -	$ -	$ -	$ -
Federal Agency Obligations	-	-	-	-
Equities	3,929	-	-	3,929
Mutual Funds	-	-	-	-
Subtotal	3,929	-	-	3,929
Investments measured at Amortized Cost:				
Certificates of Deposit	-	-	-	675,388
Total Investments	$ 3,929	$ -	$ -	$ 679,317

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 are valued using discounted cash flow techniques or valued using consensus pricing.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

During year ended December 31, 2017, the Town invested funds in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment pool, comprised of two funds: COLOTRUST Prime and COLOTRUST Plus. Prime invests only in U.S. Treasury and government agencies, while Plus invests in U.S. Treasury, government agencies and in the highest-rate commercial paper. Both investment pools are rated AAAm by S&P Global Ratings and operate similar to a money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. For more information on COLOTRUST call (303) 864-7474 or go to www.colotrust.com.

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the Town will not be able to recover the value of its investment (or related collateral securities that are held by an outside party). The Town had no custodial credit risk for its investments at December 31, 2017.

Interest Rate Risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The Town investment portfolio does not contain investments that exceed the five-year limitation imposed by Colorado Statutes.

Credit Risk is the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. The Town's investment policy follows Colorado Revised State Statues.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town has no such policy limiting how much can be with one financial institution due to the Colorado Public Deposit Protection Act (PDPA).

Foreign Currency Risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The Town has no policy for foreign currency risk since all are in the form of certificates of deposit.

Summary

Total cash deposits and investments at December 31, 2017 are as follows:

	Governmental Activities	Business-Type Activities	Total
Cash Deposits	$ 2,760,087	$ (283,608)	$ 2,476,479
Investments	18,442	660,875	679,317
Total Cash Deposits & Investments	$ 2,778,529	$ 377,267	$ 3,155,796

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Income:

	Governmental Activities	Business-Type Activities	Total
Interest income	$ 1,662	$ 8,535	$ 10,197
Net increase (decrease) in the fair value of investments	-	-	-
Total Investment Income	$ 1,662	$ 8,535	$ 10,197

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next.

NOTE 4 - PROPERTY TAXES RECEIVABLE

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. Property taxes levied by the General Fund in the current year, 2017, to be collected in the subsequent year, 2018 are accrued as a receivable as of December 31, 2017 and offset by an unearned revenue account.

The Town's property tax calendar for 2017 is as follows:

Lien Date	January 1, 2017
Levy Date	November 1, 2017
Tax bills mailed	January 1, 2018
First installment due	February 28, 2018
Second installment due	June 15, 2018
If paid in full, due	April 30, 2018
Tax sale – delinquent taxes	November 15, 2018

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital assets for the Governmental Activities as of December 31, 2017:

	Beg Balance	Additions	Retirements	End Balance
Governmental Activities				
Non-Depreciable Assets:				
Land	$ 313,980	$ 9,462	$ -	$ 323,442
Total Non-Depreciable Assets	313,980	9,462	-	323,442
Depreciable Assets:				
Buildings and improvements	700,644	67,523	-	768,167
Street and improvements	4,810,483	-	-	4,810,483
Equipment	717,867	164,515	-	882,382
Total Depreciable Assets	6,228,994	232,038	-	6,461,032
Total at Historical Cost	6,542,974	241,500	-	6,784,474
Less: Accumulated Depreciation for:				
Buildings and improvements	(436,352)	(16,418)	-	(452,770)
Street and improvements	(4,358,399)	(97,231)	-	(4,455,630)
Equipment	(499,547)	(78,783)	-	(578,330)
Total Accumulated Depreciation	(5,294,298)	(192,432)	-	(5,486,730)
Governmental Activities				
Capital Assets - Net	$ 1,248,676	$ 49,068	$ -	$ 1,297,744

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 16,323
Public safety	64,409
Public works	97,231
Health and welfare	-
Parks and recreation	14,469
Total Depreciation Expense - Governmental Activities	$ 192,432

NOTE 5 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2017:

	Beg Balance	Additions	Retirements	End Balance
Business-Type Activities				
Non-Depreciable Assets:				
Land	$ 4,826	$ -	$ -	$ 4,826
Water rights	2,283,665	-	-	2,283,665
Total Non-Depreciable Assets	2,288,491	-	-	2,288,491
Depreciable Assets:				
Utility system	5,417,698	38,500	-	5,456,198
Equipment	314,126	13,331	-	327,457
Total Depreciable Assets	5,731,824	51,831	-	5,783,655
Total at Historical Cost	8,020,315	51,831	-	8,072,146
Less: Accumulated Depreciation for:				
Utility system	(2,254,582)	(165,517)	-	(2,420,099)
Equipment	(212,845)	(24,805)	-	(237,650)
Total Accumulated Depreciation	(2,467,427)	(190,322)	-	(2,657,749)
Business-Type Activities				
Capital Assets - Net	$ 5,552,888	$ (138,491)	$ -	$ 5,414,397

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 66,175
Sewer fund	124,147
Total Depreciation Expense - Business-Type Activities	$ 190,322

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2017 were as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Governmental Activities				
General Fund	$ -	$ -	$ 26,706	$ -
Street Fund	-	-	-	150,000
Conservation Trust Fund	-	-	-	26,706
Capital Fund	-	-	150,000	-
Total Governmental Activities	-	-	176,706	176,706
Business-Type Activities				
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Total Business-Type Activities	-	-	-	-
Total	$ -	$ -	$ 176,706	$ 176,706

NOTE 7 – LONG-TERM DEBT

Note Payable – CWRPDA

On December 29, 1999, the Town executed a loan with the Colorado Water Resources and Power Development Authority in the amount of $163,000. The loan proceeds will be used for upgrades to the sewer system. The terms of the loan require bi-annual payments of $6,239, including interest at a 4.50% annual rate, with final payment due May 1, 2020. Both the principal and interest thereon are payable solely from net revenues (gross revenues less operations and maintenance expenses) of the sewer system. The balance due to the Colorado Water Resources and Power Development Authority as of December 31, 2017 was $0, this note was paid in full during 2017.

Note Payable – CWRPDA

On February 1, 2006, the Town executed a loan with the Colorado Water Resources and Power Development Authority in the amount of $1,800,000. The loan proceeds will be used for upgrades to the sewer system. The terms of the loan require bi-annual payments of $62,778, including interest at a 3.50% annual rate, with final payment due November 1, 2026. Both the principal and interest thereon are payable solely from net revenues (gross revenues less operations and maintenance expenses) of the sewer distribution system. The balance due to the Colorado Water Resources and Power Development Authority as of December 31, 2017 was $962,188.

Note Payable – TBK Bank SSB

On January 31, 2014, the Town executed a loan with TBK Bank SSB in the amount of $131,000. The loan proceeds were used to replace old meters with radio read water meters. The terms of the loan require an annual payment of $20,383, including interest at a 2.15% annual rate, with the first payment due February 1, 2015 and final payment due February 1, 2021. The balance due to the TBK Bank SSB as of December 31, 2017 was $77,276.

Note Payable – TBK Bank SSB

On January 12, 2015, the Town executed a loan with TBK Bank SSB in the amount of $68,238. The loan proceeds were used to purchase two (2) vehicles for the police department. The terms of the loan require two payments totaling $68,238, including interest at a 2.15% annual rate, with the first payment due January 13, 2016 and final payment due January 14, 2018. The balance due to the TBK Bank SSB as of December 31, 2017 was $35,890.

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt

	12/31/2016	Additions	Reductions	12/31/2017	Due Within One Year
Governmental Activities:					
TBK Bank SSB	$ 52,189	$ -	$ (16,299)	$ 35,890	$ 35,890
Total Governmental Activities	52,189	-	(16,299)	35,890	35,890
Business-Type Activities:					
CWR&PDA Loan - 1999	39,996	-	(39,996)	-	-
CWR&PDA Loan - 2006	1,051,711	-	(89,523)	962,188	92,683
TBK Bank SSB	95,570	-	(18,294)	77,276	18,699
Total Business-Type Activities	1,187,277	-	(147,813)	1,039,464	111,382
Total	$ 1,239,466	$ -	$ (164,112)	$ 1,075,354	$ 147,272

NOTE 8 – DEBT SERVICE REQUIREMENTS

Summary of debt service requirements with principal and interest to maturity:

	Governmental Activities		**Business-Type Activities**		**Total**	
Payment Dates	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 35,890	$ 772	$ 111,382	$ 34,557	$ 147,272	$ 35,329
2019	-	-	115,062	30,877	115,062	30,877
2020	-	-	118,866	27,073	118,866	27,073
2021	-	-	122,798	23,141	122,798	23,141
2022	-	-	106,482	19,074	106,482	19,074
2023-2027	-	-	464,874	37,350	464,874	37,350
Totals	$ 35,890	$ 772	$ 1,039,464	$ 172,072	$ 1,075,354	$ 172,844

NOTE 9 – DEBT SERVICE COMPLIANCE AND ACCOUNTABILITY

Restricted Net Assets

Certain resources set aside for the repayment of Sewer Fund debt are classified as "restricted" on the Statement of Net Position because their use is limited by applicable bond covenants. The "operations and maintenance" account is used to report resources set aside to subsidize potential deficiencies from the Town's operation that could adversely affect debt service payments. The Town's loan covenants require certain reservations of the Sewer Fund net position. The restricted position as of December 31, 2017 was as follows:

	2017
Reserved for Operations and Maintenance	$ 63,893
Total Reserved Net Position	$ 63,893

NOTE 9 – DEBT SERVICE COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Rate Maintenance

The Town is required to establish, maintain and enforce rates and charges for services rendered by the water distribution system to create revenue sufficient to pay maintenance and operations expenses of the system and to cover 1.10 times the annual debt service of the existing Sewer Fund revenue debt. The calculations for system payment requirements due in 2017 are computed as follows:

	2017
Net Revenues:	
Operating revenue	$ 410,595
Earnings on investments	5,099
Total Revenues	415,694
Less: Operating expenses (excluding depreciation)	(271,806)
Net Revenues	143,888
Debt Service Requirements:	
Colorado Water Resources and Power Development Authority	125,556
Debt service requirements times 1.10	1.10
Total Debt Service Requirements	138,112
Excess (Deficit) of Net Revenues over Requirements	$ 5,775

The Town was in compliance with the debt service requirement for 2017.

NOTE 10 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and subcontractors; and natural disasters. The Town purchases commercial insurance for most risks of loss. As of December 31, 2017, the Town did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 11 – CONTINGENCIES

The Town had no material pending or threatened litigation, claims, and assessments. Furthermore, the Town is unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification No. 450 as of December 31, 2017.

NOTE 12 – RETIREMENT PLAN

Plan Description

Town employees may voluntarily contribute to the Voluntary Investment Program (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by the ICMA-RC.

Funding Policy

The 457 Plan is funded by voluntary member contributions up to a maximum limit set by the IRS ($18,000 for the calendar year 2017). Catch-up contributions up to $5,500 for the calendar year 2017 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRS Section 414(v). The Town contributes 3% of the employee's salary into this plan. The Town's cost under the Plan as of December 31, 2017 was $16,729.

NOTE 13 – DEFINED BENEFIT PENSION PLAN

In March, 2017, the Town enrolled all full-time police officers of the Town in pension plans administered by the Fire and Police Pension Association of Colorado (FPPA).

Plan Description

The Town enrolls all full-time police officers in pension plans (FPPA Plan) administered by the Fire and Police Pension Association of Colorado (FPPA), with the exception of the Chief of Police. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at: http:/www.fppaco.org.

The Statewide Defined Benefit Plan (SWDB), is a cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits for members and beneficiaries.

The Statewide Death and Disability Plan (SWD&D), is a plan similar to a self-insured employee welfare benefit plan where contributions to the plan are used for the payment of death and disability benefits.

Benefits

Normal Retirement is 25 years of service and age 55. Vested Retirement is 5 years of service, payable at age 55. Early Retirement is 30 years of service or age 50, early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. All benefits are calculated on a 2.0% benefit for each year of service for the first 10 years, then a 2.5% benefit for each year of service there-after. The benefit is based on the average of the highest 3 years' base salary. Deferred Retirement is available to members who qualify for Normal or Vested Retirement and defer the receipt of their defined benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit.

The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

Plan Contributions

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the FPPA Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statue or election of the membership. Contribution rates at December 31, 2017 are as follows:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	9.50%	8.00%
Statewide Death and Disability Plan (SWD&D) *	1.35%	1.35%
	10.85%	9.35%

Member contributions to SWBD will increase 0.5% annually through 2022 to a total of 12.0% .

NOTE 13 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Contributions (continued)

Contribution rates for members and employers of affiliated social security employers:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	4.75%	4.00%
Statewide Death and Disability Plan (SWD&D) *	1.35%	1.35%
	6.10%	5.35%

Member contributions to SWBD will increase 0.25% annually through 2022 to a total of 10.0%.

*Effective January 1, 2017 through December 31, 2018 the Statewide Death and Disability Plan contribution rate increased from 2.6% to 2.7%.

Pension Liability (Asset)

At December 31, 2017, the Town reported a liability of $0 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on the Town's share of contributions relative to the contributions of all participants.

Deferred Outflows/Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Contributions subsequent to measurement date	$ 6,148	$ -	$ 6,148
Difference between expected and actual experiences	-	-	-
Assumption changes	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-
Total	$ 6,148	$ -	$ 6,148

The $6,148 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

NOTE 13 – DEFINED BENEFIT PENSION PLAN (CONTINUED)
Deferred Outflows/Inflows of Resources by Year to be recognized in Future

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2017	$ -
2018	-
2019	-
2020	-
2021	-
Thereafter	-
Total	$ -

Actuarial Assumptions
The total pension liability (asset) was determined by an actuarial valuation on January 1, 2017, using the following key actuarial assumptions:

Acturial cost method	Entry age normal
Amortization method	Level % of payroll, open
Remaining amortization period	30 years
Inflation	0.00%
Salary increases	4.0% - 14.0%
Investment rate of return	7.50%
Mortality	RP-2014 generational mortality table with blue collar adjustment, projected with Scale BB, 40% multiplier of off-duty mortality. Post-retirement: RP-2014 generational mortality table, with blue collar adjustment, projected with Scale BB.
Changes in actuarial assumptions	No significant changes in the actuarial assumptions from prior year

Investments
The FPPA Board Members serve as the fiduciaries for the Funds and are responsible for the investment of the Funds, or the selection of investment options available to defined contribution, deferred compensation and self-directed DROP plan members. As fiduciaries, the FPPA Board Members are required to discharge their duties solely in the interest of fund participants and beneficiaries. The Board has established investment policies and allocates assets, or selects investment options, based upon member characteristics, plan provisions, and the financial requirements of the Funds, in addition to considering the risk/reward trade-offs of various investments.

NOTE 13 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Investments (continued)

The Association has established long range statements of investment objectives and policies for managing and monitoring the Funds. The investment policies establish investment objectives and define the responsibilities of the fiduciaries with respect to the Funds, their investment authority under Colorado law, the level of acceptable risk for investments, investment allocation targets, investment performance objectives, and guidelines within which outside investment managers must operate.

The assets in the Fire & Police Members' Benefit Investment Fund are managed primarily by professional investment management firms. Similarly, investment options offered to defined contribution and deferred compensation plan members are typically pooled investment vehicles managed by professional money managers. Best estimates of arithmetic real rates of return for each major asset class included in the plans target asset allocation are as follow:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	36.0%	9.25%
Equity long / short	10.0%	7.35%
Illiquid alternatives	23.0%	10.75%
Fixed income	15.0%	4.10%
Absolute return	10.0%	6.55%
Managed futures	4.0%	5.50%
Cash	2.0%	0.00%
Total	100.0%	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the FPPA Plan's fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the FPPA Plan's projected fiduciary net position is not sufficient to pay benefits). The long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and the resulting Single Discount Rate is 7.50%.

Sensitivity to Single Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability / (asset), calculated using a Single Discount Rate of 7.50%, as well as what the Town's proportionate share of the net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher.

	1% Decrease **6.50%**	Current Rate **7.50%**	1% Increase **8.50%**
Pension Plan's Net Pension Liability / (Asset)	$ -	$ -	$ -

NOTE 13 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about FPPA's plan fiduciary net position is available in the separately issued comprehensive annual financial report of the FPPA plan.

NOTE 14 – SUBSEQUENT EVENTS

On May 3, 2018, the Town was awarded a grant in the amount of $239,775 to help with the purchase and renovation of property into a Community Center. Then on May 29, 2018 and June 12, 2018, the Town purchased property for its future Community Center at a total cost of $206,382.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Revenues

Budget to Actual - ***General Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Taxes:					
General property taxes	$ 363,242	$ 363,242	**$ 362,601**	$ (641)	$ 162,044
Interest on delinquent taxes	250	250	**351**	101	324
Sales tax	400,000	400,000	**515,678**	115,678	403,108
Franchise tax	55,000	55,000	**53,956**	(1,044)	54,354
Lodging tax	25,000	25,000	**29,824**	4,824	21,993
Total Taxes	843,492	843,492	**962,410**	118,918	641,823
Licenses, Permits and Fees:					
Amusement machine tax	325	325	**325**	-	75
Employment occupation tax	2,000	2,000	**1,500**	(500)	1,500
Business license	3,000	3,000	**3,150**	150	2,525
Liquor license	1,000	1,000	**1,929**	929	1,104
Mosquito control fee	6,000	6,000	**5,803**	(197)	5,759
Animal license	1,300	1,300	**1,120**	(180)	1,430
Impound fee	700	700	**700**	-	560
Development fee	2,500	2,500	**-**	(2,500)	-
Building permits	50,000	50,000	**24,786**	(25,214)	26,813
Total Licenses, Permits and Fees	66,825	66,825	**39,313**	(27,512)	39,766
Intergovernmental Revenues:					
Cigarette taxes	5,000	5,000	**3,264**	(1,736)	5,013
Severance tax	50,000	50,000	**50,430**	430	54,923
Transfers in	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Intergovernmental Revenues	55,000	55,000	**53,694**	(1,306)	59,936
Charges for Services:					
Refuse collection charge	67,248	67,248	**63,303**	(3,945)	62,396
Late fees	3,250	3,250	**-**	(3,250)	-
Total Charges for Services	70,498	70,498	**63,303**	(7,195)	62,396
Parks and Recreation:					
Park reservations	600	600	**775**	175	500
Baseball registration	1,250	1,250	**4,362**	3,112	2,843
Softball registration	1,250	1,250	**954**	(296)	-
Basketball registration	5,000	5,000	**5,586**	586	3,690
Soccer registration	2,500	2,500	**3,532**	1,032	2,000
Swimming registration	1,750	1,750	**2,019**	269	1,815
Youth volleyball	4,500	4,500	**4,603**	103	4,222
Flag football	1,000	1,000	**1,152**	152	420
Summer activities	500	500	**1,881**	1,381	1,257
United way	2,000	2,000	**1,360**	(640)	1,600
Miscellaneous rec programs	100	100	**1,831**	1,731	-
Total Parks and Recreation	20,450	20,450	**28,055**	7,605	18,347

(continued on next page)

Schedule of Revenues

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Judicial:					
Fines and forfeitures	$ 71,000	$ 71,000	**$ 72,314**	$ 1,314	$ 74,521
Traffic calming surcharge	8,000	8,000	**7,664**	(336)	7,930
SOE fees	1,500	1,500	**750**	(750)	705
Court costs	2,000	2,000	**3,232**	1,232	1,695
Surcharge	8,000	8,000	**5,264**	(2,736)	7,600
Total Judicial	90,500	90,500	**89,224**	(1,276)	92,451
Earnings on Investments:					
Earnings on investments	1,500	1,500	**967**	(533)	1,952
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	(169)
Total Earnings on Investments	1,500	1,500	**967**	(533)	1,783
Miscellaneous Revenues:					
Donations	2,489	2,489	**153,392**	150,903	3,074
Miscellaneous revenues	7,500	7,500	**28,961**	21,461	21,734
Insurance proceeds	-	-	**-**	-	-
Park tree fund	-	-	**92**	92	-
Building rental	300	300	**105**	(195)	80
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	7,900
Loan proceeds	-	-	**-**	-	-
Grant proceeds	-	-	**15,970**	15,970	30,640
Total Miscellaneous Revenue	10,289	10,289	**198,520**	188,231	63,428
Total Revenue	$ 1,158,554	$ 1,158,554	**$ 1,435,486**	$ 276,932	$ 979,930

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **General Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
General Government:					
General:					
Workmen's compensation	$ 9,183	$ 9,183	**$ 10,763**	$ (1,580)	$ 7,712
Auditing	3,533	3,533	**3,533**	-	1,921
Bank charges	600	600	**695**	(95)	102
Credit card charges	3,000	3,000	**1,988**	1,012	1,832
Treasurer's fee	1,522	1,522	**3,630**	(2,108)	1,673
Insurance	10,000	10,000	**9,518**	482	13,063
Professional services	-	-	**-**	-	-
IT services	2,550	2,550	**2,774**	(224)	152
Total General	30,388	30,388	**32,901**	(2,513)	26,455
Administrative:					
Salaries	60,585	60,585	**92,870**	(32,285)	91,427
Payroll taxes	6,181	6,181	**7,105**	(924)	6,768
Health insurance	15,803	15,803	**9,225**	6,578	12,273
Dental insurance	1,306	1,306	**1,306**	-	1,307
AFLAC coverage	1,600	1,600	**1,600**	-	1,500
Life insurance	160	160	**160**	-	(247)
Short-term disability insurance	330	330	**330**	-	295
Long-term disability insurance	640	640	**640**	-	632
E 457 retirement contribution	3,390	3,390	**5,991**	(2,601)	3,458
Cont. education, seminars, training	1,000	1,000	**124**	876	327
Administrative transfer	(14,400)	(14,400)	**(7,200)**	(7,200)	(7,200)
Legal services	11,000	11,000	**30,724**	(19,724)	11,253
Publishing	1,700	1,700	**3,003**	(1,303)	2,426
Web publishing	637	637	**762**	(125)	258
Online code	329	329	**-**	329	-
Dues and subscriptions	800	800	**2,617**	(1,817)	1,096
Miscellaneous	1,000	1,000	**8,609**	(7,609)	5,122
Postage	600	600	**927**	(327)	1,015
Professional services	4,800	4,800	**5,111**	(311)	5,338
Repairs and maintenance - building	1,500	1,500	**3,316**	(1,816)	1,564
Repairs and maintenance - equip/mach	300	300	**1,193**	(893)	-
Repairs and maintenance - office equip	600	600	**-**	600	119
Supplies - general	1,500	1,500	**2,576**	(1,076)	4,402
Supplies - office	1,200	1,200	**1,925**	(725)	2,085
Telephone expense	900	900	**1,079**	(179)	976
Travel and meetings	900	900	**1,819**	(919)	555
Utility expense	4,500	4,500	**1,754**	2,746	2,271
Total Administrative	108,861	108,861	**177,566**	(68,705)	149,020
Elections:					
Legal services	-	-	**-**	-	665
Publishing	-	-	**-**	-	425
Election judges	-	-	**-**	-	260
Meals	-	-	**-**	-	35
Supplies - general	-	-	**-**	-	1,695
Total Elections	-	-	**-**	-	3,080

(continued on next page)

Schedule of Expenditures

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
General Government: (continued)					
Planning and Zoning:					
Legal services	$ 2,000	$ 2,000	**$ 8,345**	$ (6,345)	$ 123
Publishing	450	450	**-**	450	-
Professional services	14,000	14,000	**16,189**	(2,189)	857
Recording fees	200	200	**335**	(135)	26
Supplies - general	150	150	**-**	150	-
Dues and subscriptions	4,357	4,357	**857**	3,500	-
Total Planning and Zoning	21,157	21,157	**25,726**	(4,569)	1,006
Total General Government	160,406	160,406	**236,193**	(75,787)	179,561
Public Safety:					
Police:					
Salaries	217,202	217,202	**215,252**	1,950	211,572
Holiday pay	6,812	6,812	**-**	6,812	-
Payroll taxes	15,204	15,204	**17,937**	(2,733)	15,122
Health insurance	46,463	46,463	**48,463**	(2,000)	38,859
Dental insurance	3,927	3,927	**3,927**	-	4,708
AFLAC coverage	1,700	1,700	**1,700**	-	1,326
Life insurance	414	414	**414**	-	1,032
Short-term disability insurance	383	383	**383**	-	814
Long-term disability insurance	338	338	**338**	-	785
E 457 retirement contribution	8,500	8,500	**6,148**	2,352	6,174
Cont. education, seminars, training	4,000	4,000	**2,541**	1,459	2,875
Pre-employment exams	1,000	1,000	**410**	590	-
Publishing	637	637	**637**	-	-
Clothing and uniforms	4,500	4,500	**9,821**	(5,321)	2,583
Crime prevention	500	500	**235**	265	217
Juvenile assessment center	1,200	1,200	**1,393**	(193)	1,111
Dues and subscriptions	200	200	**185**	15	185
Gas, oil, diesel fuel, etc.	18,000	18,000	**11,187**	6,813	10,541
Investigations	5,000	5,000	**2,525**	2,475	3,940
Weld county communications	5,625	5,625	**6,682**	(1,057)	4,760
Postage	160	160	**54**	106	88
Professional services	7,550	7,550	**2,958**	4,592	1,887
Record management	2,000	2,000	**3,281**	(1,281)	100
Repairs and maintenance - building	3,000	3,000	**407**	2,593	110
Repairs and maintenance - equip/mach	1,500	1,500	**386**	1,114	2,551
Repairs and maintenance - office equip	1,000	1,000	**160**	840	452
Repairs and maintenance - vehicles	6,000	6,000	**4,843**	1,157	6,432
Supplies - general	3,000	3,000	**966**	2,034	6,477
Supplies - office	1,500	1,500	**1,305**	195	1,792
Telephone expense	5,000	5,000	**5,552**	(552)	5,435
Travel and meetings	200	200	**777**	(577)	30
Utility expense	1,200	1,200	**678**	522	904
Total Police	373,715	373,715	**351,545**	22,170	332,862
Other Protection					
Publishing	150	150	**50**	100	150
Animal shelter fees	1,263	1,263	**130**	1,133	516
Supplies - general	100	100	**91**	9	64
Building inspection fees	45,000	45,000	**14,231**	30,769	15,106
Total Other Protection	46,513	46,513	**14,502**	32,011	15,836
Total Public Safety	420,228	420,228	**366,047**	54,181	348,698

(continued on next page)

Schedule of Expenditures

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

Non-GAAP Budgetary Basis	2017 Original Budget	2017 Final Budget	2017 **Actual**	2017 Variance - Favorable (Unfavorable)	**2016** Actual
Public Works:					
Sanitation					
Administrative transfer	$ 5,400	$ 5,400	$ **2,700**	$ 2,700	$ 2,700
Operation transfer	3,500	3,500	**1,750**	1,750	1,750
Auditing	1,178	1,178	**1,178**	-	859
Publishing	100	100	**-**	100	-
Postage	500	500	**511**	(11)	488
Trash collection	50,000	50,000	**54,546**	(4,546)	49,693
Clean-up day roll operations	2,100	2,100	**1,905**	195	1,730
Total Sanitation	62,778	62,778	**62,590**	188	57,220
Total Public Works	62,778	62,778	**62,590**	188	57,220
Parks and Recreation:					
Parks:					
Salaries	14,639	14,639	**10,094**	4,545	10,288
Payroll taxes	928	928	**772**	156	747
Health insurance	2,664	2,664	**2,664**	-	2,220
Dental insurance	231	231	**231**	-	229
Life insurance	15	15	**15**	-	13
Short-term disability insurance	50	50	**50**	-	52
Long-term disability insurance	37	37	**37**	-	38
E 457 retirement contribution	236	236	**407**	(171)	235
Total Parks	18,800	18,800	**14,270**	4,530	13,822
Recreation:					
Salaries - part-time	24,960	24,960	**24,653**	307	10,054
Payroll taxes	1,747	1,747	**1,886**	(139)	888
Health and dental insurance	16,125	16,125	**16,125**	-	-
E 457 retirement contribution	749	749	**551**	198	-
Cont. education, seminar, training	500	500	**536**	(36)	35
Publishing	150	150	**-**	150	75
Web publishing	637	637	**762**	(125)	113
Dues and subscriptions	100	100	**172**	(72)	-
Officials	3,200	3,200	**589**	2,611	123
Postage	150	150	**93**	57	84
IT services	1,020	1,020	**821**	199	565
Building rental fees	6,000	6,000	**3,000**	3,000	4,000
Baseball - supplies and fees	1,000	1,000	**4,848**	(3,848)	6,303
Softball - supplies and fees	1,000	1,000	**3,187**	(2,187)	-
Basketball - supplies and fees	2,500	2,500	**6,473**	(3,973)	3,659
Supplies - concession	100	100	**204**	(104)	30
Supplies - general	200	200	**-**	200	(1,033)
Supplies - office	400	400	**997**	(597)	488
Soccer - supplies and fees	1,500	1,500	**4,219**	(2,719)	4,104
Flag football - supplies and fees	500	500	**1,606**	(1,106)	493
Volleyball - supplies and fees	1,500	1,500	**4,324**	(2,824)	4,433
Summer activities	2,000	2,000	**2,764**	(764)	2,137
Winter/Spring activities	200	200	**1,319**	(1,119)	8
Adult activities	250	250	**-**	250	-
Swim classes	1,500	1,500	**1,813**	(313)	1,512
Telephone expense	400	400	**647**	(247)	1,165
Travel and meetings	100	100	**255**	(155)	67
Total Recreation	68,488	68,488	**81,844**	(13,356)	39,303
Total Parks and Recreation	87,288	87,288	**96,114**	(8,826)	53,125

(continued on next page)

Schedule of Expenditures

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Health and Welfare:					
Chemicals	$ 4,830	$ 4,830	**$ 4,970**	$ (140)	$ 4,830
Total Health and Welfare	4,830	4,830	**4,970**	(140)	4,830
Legislative:					
Payroll taxes	425	425	**468**	(43)	436
Legal services	7,000	7,000	**5,823**	1,177	5,396
Publishing	500	500	**70**	430	-
Mayor and trustee fees	7,200	7,200	**6,117**	1,083	4,975
Public relations	300	300	**788**	(488)	680
Supplies - office	300	300	**40**	260	385
Travel and meetings	1,500	1,500	**279**	1,221	367
Donation	300	300	**300**	-	300
Total Legislative	17,525	17,525	**13,885**	3,640	12,539
Judicial:					
Legal services	7,000	7,000	**5,890**	1,110	8,530
Municipal judge	4,200	4,200	**646**	3,554	-
Dues and subscriptions	20	20	**22**	(2)	-
Jail billing	-	-	**-**	-	-
Juror fees	-	-	**-**	-	-
Postage	200	200	**156**	44	322
Professional services	900	900	**900**	-	825
Supplies - office	300	300	**574**	(274)	460
Total Judicial	12,620	12,620	**8,188**	4,432	10,137
Library:					
Salaries	-	-	**-**	-	-
Payroll taxes	-	-	**-**	-	-
Professional services	-	-	**-**	-	-
Building rent	3,000	3,000	**2,750**	250	3,000
Repairs and maintenance - building	2,000	2,000	**3,145**	(1,145)	872
Repairs and maintenance - office equip	-	-	**-**	-	-
Supplies - general	-	-	**-**	-	-
Supplies - office	-	-	**-**	-	-
Telephone expense	-	-	**-**	-	339
Utility expense	3,800	3,800	**2,746**	1,054	2,201
Total Library	8,800	8,800	**8,641**	159	6,412
Seniors:					
Salaries	6,240	6,240	**6,106**	134	1,556
Payroll taxes	149	149	**865**	(716)	-
Repairs and maintenance - building	2,000	2,000	**2,274**	(274)	782
Supplies - general	200	200	**10**	190	1,485
Utility expense	1,700	1,700	**1,577**	123	-
Professional services	4,700	4,700	**13,522**	(8,822)	-
Total Seniors	14,989	14,989	**24,354**	(9,365)	3,823
Capital Outlay					
General government	40,250	40,250	**78,215**	(37,965)	59,908
Public safety - police	52,000	52,000	**41,200**	10,800	12,783
Parks and recreation	22,730	22,730	**108,385**	(85,655)	19,556
Total Capital Outlay	114,980	114,980	**227,800**	(112,820)	92,247
Debt Service					
Principal	-	-	**16,298**	(16,298)	11,485
Interest	-	-	**804**	(804)	1,189
Total Debt Service	-	-	**17,102**	(17,102)	12,674
Total Expenditures	$ 904,444	$ 904,444	**$ 1,065,884**	$ (161,440)	$ 781,266

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***General Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Revenues:					
Taxes	$ 843,492	$ 843,492	**$ 962,410**	$ 118,918	$ 641,823
Licenses and permits	66,825	66,825	**39,313**	(27,512)	39,766
Intergovernmental revenues	55,000	55,000	**53,694**	(1,306)	59,936
Charges for services	70,498	70,498	**63,303**	(7,195)	62,396
Parks and recreation	20,450	20,450	**28,055**	7,605	18,347
Judicial	90,500	90,500	**89,224**	(1,276)	92,451
Earnings on investments	1,500	1,500	**967**	(533)	1,783
Miscellaneous revenues	10,289	10,289	**198,520**	188,231	63,428
Total Revenues	1,158,554	1,158,554	**1,435,486**	276,932	979,930
Transfers In:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**26,706**	26,706	2,600
Capital Fund	-	-	**-**	-	-
Total Transfers In	-	-	**26,706**	26,706	2,600
Total Revenues and Transfers	1,158,554	1,158,554	**1,462,192**	303,638	982,530
Expenditures:					
General government	160,406	160,406	**236,193**	(75,787)	179,561
Public safety	420,228	420,228	**366,047**	54,181	348,698
Public works	62,778	62,778	**62,590**	188	57,220
Parks and recreation	87,288	87,288	**96,114**	(8,826)	53,125
Health and welfare	4,830	4,830	**4,970**	(140)	4,830
Legislative	17,525	17,525	**13,885**	3,640	12,539
Judicial	12,620	12,620	**8,188**	4,432	10,137
Library	8,800	8,800	**8,641**	159	6,412
Seniors	14,989	14,989	**24,354**	(9,365)	3,823
Capital outlay	114,980	114,980	**227,800**	(112,820)	92,247
Debt service	-	-	**17,102**	(17,102)	12,674
Total Expenditures	904,444	904,444	**1,065,884**	(161,440)	781,266
Transfers Out:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	130,541
Sewer Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	130,541
Total Expenditures and Transfers	904,444	904,444	**1,065,884**	(161,440)	911,807
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ 254,110	$ 254,110	**396,308**	$ 142,198	70,723
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**227,800**		92,247
Depreciation expense			**(95,201)**		(84,054)
Long term debt - payments			**16,298**		11,485
Long term debt - proceeds			**-**		-
Capital lease obligations			**-**		-
Compensated absences			**2,126**		(4,043)
Change in Net Position			**$ 547,331**		$ 86,358

TOWN OF KERSEY, COLORADO

Schedule of Revenues

Budget to Actual - ***Street Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Taxes:					
Motor vehicle sales and use tax	$ 4,000	$ 4,000	**$ 1,103**	$ (2,897)	$ 988
Sales tax	250,000	250,000	**257,859**	7,859	201,570
Specific ownership tax	10,000	10,000	**28,209**	18,209	10,488
Total Taxes	264,000	264,000	**287,171**	23,171	213,046
Intergovernmental Revenues:					
Highway users tax	51,421	51,421	**52,043**	622	51,618
Motor vehicles registration fee	5,000	5,000	**8,044**	3,044	8,362
County road and bridge	7,098	7,098	**14,544**	7,446	7,008
Total Intergovernmental Revenues	63,519	63,519	**74,631**	11,112	66,988
Earnings on Investments:					
Earnings on investments	600	600	**214**	(386)	787
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investments	600	600	**214**	(386)	787
Miscellaneous Revenues:					
Streets reimbursements	100	100	**500**	400	179
Traffic calming surcharge	3,000	3,000	**2,666**	(334)	2,947
Other income	3,000	3,000	**56,533**	53,533	-
Other income	-	-	**4,056**	4,056	12,782
Grants	-	-	**-**	-	-
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	5,999
Total Miscellaneous Revenue	6,100	6,100	**63,755**	57,655	21,907
Total Revenues	$ 334,219	$ 334,219	**$ 425,771**	$ 91,552	$ 302,728

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

Budget to Actual - ***Street Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
General Government:					
General:					
Workmen's compensation	$ 2,338	$ 2,338	**$ 2,338**	$ -	$ 1,962
Auditing	1,766	1,766	**1,765**	1	859
Legal services	2,000	2,000	**1,051**	949	612
Publishing	400	400	**70**	330	747
Professional services	500	500	**4,604**	(4,104)	-
IT services	1,020	1,020	**1,413**	(393)	1,050
Total General	8,024	8,024	**11,241**	(3,217)	5,230
Administrative:					
Administrative fee allocation	9,000	9,000	**4,495**	4,505	4,495
Professional services	-	-	**-**	-	-
Repairs and maintenance	200	200	**621**	(421)	268
Supplies - office	629	629	**1,565**	(936)	367
Total Administrative	9,829	9,829	**6,681**	3,148	5,130
Total General Government	17,853	17,853	**17,922**	(69)	10,360
Public Works:					
Operations:					
Salaries	56,899	56,899	**43,740**	13,159	37,090
Payroll taxes	3,846	3,846	**3,346**	500	2,653
Health insurance	13,289	13,289	**13,289**	-	9,436
Dental insurance	962	962	**962**	-	960
AFLAC coverage	-	-	**-**	-	9
Life insurance	60	60	**60**	-	53
Short-term disability insurance	240	240	**240**	-	229
Long-term disability insurance	181	181	**181**	-	171
E 457 retirement coverage	1,648	1,648	**2,026**	(378)	1,085
Cont. education, seminars, training	100	100	**605**	(505)	130
Administrative transfer	(1,165)	(1,165)	**(583)**	(582)	(583)
Clothing and uniforms	670	670	**355**	315	672
Gas, oil, diesel fuel, etc.	3,000	3,000	**2,643**	357	2,323
Lease	-	-	**-**	-	-
Repairs and maintenance - building	1,000	1,000	**166**	834	513
Repairs and maintenance - equip/mach	2,500	2,500	**972**	1,528	1,350
Repairs and maintenance - signs	3,000	3,000	**2,225**	775	1,093
Repairs and maintenance - streets	3,500	3,500	**18,307**	(14,807)	19,160
Repairs and maintenance - marking	2,000	2,000	**2,084**	(84)	-
Repairs and maintenance - vehicles	2,000	2,000	**3,678**	(1,678)	2,148
Repairs and maintenance - cr 55	6,000	6,000	**4,660**	1,340	-
Street improvements	150,000	150,000	**-**	150,000	116,363
Street cleaning	5,000	5,000	**1,440**	3,560	2,780
Snow removal	12,000	12,000	**103**	11,897	-
Street lights	17,000	17,000	**14,784**	2,216	19,064
Supplies - general	2,000	2,000	**1,309**	691	2,885
Telephone expense	1,000	1,000	**855**	145	852
Travel and meetings	200	200	**130**	70	80
Utility expense	1,900	1,900	**1,795**	105	1,904
Total Operations	288,830	288,830	**119,372**	169,458	222,420
Total Public Works	288,830	288,830	**119,372**	169,458	222,420
Capital Outlay	13,000	13,000	**13,974**	(974)	13,974
Total Capital Outlay	13,000	13,000	**13,974**	(974)	13,974
Total Expenditures	$ 319,683	$ 319,683	**$ 151,268**	$ 168,415	$ 246,754

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***Street Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Revenues:					
Taxes	$ 264,000	$ 264,000	**$ 287,171**	$ 23,171	$ 213,046
Licenses and permits	-	-	**-**	-	-
Intergovernmental revenues	63,519	63,519	**74,631**	11,112	66,988
Charges for services	-	-	**-**	-	-
Parks and recreation	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Earnings on investments	600	600	**214**	(386)	787
Miscellaneous revenues	6,100	6,100	**63,755**	57,655	21,907
Total Revenues	334,219	334,219	**425,771**	91,552	302,728
Transfers In:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	334,219	334,219	**425,771**	91,552	302,728
Expenditures:					
General government	17,853	17,853	**17,922**	(69)	10,360
Public safety	-	-	**-**	-	-
Public works	288,830	288,830	**119,372**	169,458	222,420
Parks and recreation	-	-	**-**	-	-
Health and welfare	-	-	**-**	-	-
Legislative	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Library	-	-	**-**	-	-
Seniors	-	-	**-**	-	-
Capital outlay	13,000	13,000	**13,700**	(700)	13,974
Total Expenditures	319,683	319,683	**150,994**	168,689	246,754
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**150,000**	(150,000)	-
Water Fund	-	-	**-**	-	66,770
Total Transfers Out	-	-	**150,000**	(150,000)	66,770
Total Expenditures and Transfers	319,683	319,683	**300,994**	18,689	313,524
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ 14,536	$ 14,536	**124,777**	$ 110,241	(10,796)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**13,700**		13,974
Capital assets sold			**-**		(2,036)
Depreciation expense			**(97,231)**		(143,349)
Change in Net Position			**$ 41,246**		$ (142,207)

OTHER SUPPLEMENTAL INFORMATION

TOWN OF KERSEY, COLORADO

Combining Balance Sheet

Governmental Funds - Nonmajor

December 31, 2017

		Conservation Trust		Capital		Total Nonmajor
ASSETS						
Current Assets:						
Cash on hand and in checking	$	(62,533)	$	590,158	$	**527,625**
Cash on deposit - county treasurer		-		-		**-**
Cash in money market account		113,779		37,673		**151,452**
Total Cash		51,246		627,831		**679,077**
Certificates of deposit		14,513		-		**14,513**
Investment account		-		-		**-**
Total Investments		14,513		-		**14,513**
Property taxes receivable		-		-		**-**
Accounts receivable		-		-		**-**
Accrued interest receivable		34		-		**34**
Prepaid expenses		-		-		**-**
Due from other funds		-		-		**-**
Total Current Assets		65,793		627,831		**693,624**
Total Assets		65,793		627,831		**693,624**
DEFERRED OUTFLOWS						
Grant expenditures paid in advance of meeting timing requirements		-		-		**-**
Total Assets & Deferred Outflows	$	65,793	$	627,831	$	**693,624**
LIABILITIES						
Current Liabilities:						
Accounts payable	$	-	$	-	$	**-**
Payroll taxes payable		-		-		**-**
Accrued interest payable		-		-		**-**
Due to other funds		-		-		**-**
Total Current Liabilities		-		-		**-**
Total Liabilities		-		-		**-**
DEFERRED INFLOWS						
Unearned revenue		-		-		**-**
Total Liabilities & Deferred Inflows		-		-		**-**
FUND BALANCE						
Non-spendable		-		-		**-**
Restricted		65,793		627,831		**693,624**
Committed		-		-		**-**
Assigned		-		-		**-**
Unassigned		-		-		**-**
Total Fund Balance		65,793		627,831		**693,624**
Total Fund Balance, Liabilities & Deferred Inflows	$	65,793	$	627,831	$	**693,624**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance	$	**693,624**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets		**-**
Less: accumulated depreciation		**-**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:		
Capital leases		**-**
Compensated absences		**-**
Net Position of Governmental Activities	$	**693,624**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds - Nonmajor

December 31, 2017

	Conservation Trust	Capital	Total Nonmajor
Revenues:			
Taxes	$ -	$ 34,098	**$ 34,098**
Licenses and permits	-	-	**-**
Intergovernmental revenue	15,439	-	**15,439**
Charges for services	-	-	**-**
Parks and recreation	-	-	**-**
Judicial	-	-	**-**
Earnings on investments	256	225	**481**
Miscellaneous revenues	-	10,350	**10,350**
Total Revenues	15,695	44,673	**60,368**
Expenditures:			
Current:			
General government	-	-	**-**
Public safety	-	-	**-**
Public works	-	-	**-**
Parks and recreation	12,351	-	**12,351**
Health and welfare	-	-	**-**
Legislative	-	-	**-**
Judicial	-	-	**-**
Library	-	-	**-**
Seniors	-	-	**-**
Capital outlay	-	-	**-**
Total Expenditures	12,351	-	**12,351**
Excess (Deficiency) of Revenues over Expenditures	3,344	44,673	**48,017**
Other Financing Sources (Uses):			
Sale of assets	-	-	**-**
Contributions	-	175,250	**175,250**
Transfers in	-	150,000	**150,000**
Transfers out	(26,706)	-	**(26,706)**
Total Other Financing Sources (Uses)	(26,706)	325,250	**298,544**
Net Change in Fund Balance	(23,362)	369,923	**346,561**
Fund Balance - beginning of year	89,155	257,908	**347,063**
Fund Balance - End of Year	$ 65,793	$ 627,831	**$ 693,624**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:	
Net Change in Fund Balance - Total Governmental Funds	**$ 346,561**
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	**-**
Depreciation expense	**-**
Change in Net Position of Governmental Activities	**$ 346,561**

TOWN OF KERSEY, COLORADO

Budgetary Comparison Schedule

*Budget to Actual - **Conservation Trust Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Revenues:					
Intergovernmental Revenue:					
State lottery funds	$ 15,000	$ 15,000	**$ 15,439**	$ 439	$ 17,181
Total Intergovernmental Revenue	15,000	15,000	**15,439**	439	17,181
Earnings on Investment:					
Earnings on investments	300	300	**256**	(44)	970
Net increase (decrease) in fair value of investments	-	-	**-**	-	-
Total Earnings on Investment	300	300	**256**	(44)	970
Miscellaneous Revenues:					
Park fees	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	-
Transfers In:					
General Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	15,300	15,300	**15,695**	395	18,151
Expenditures:					
Parks:					
Chemicals	1,600	1,600	**759**	841	468
Professional services	-	-	**-**	-	-
Repairs and maintenance - building	800	800	**307**	493	106
Repairs and maintenance - equip	2,500	2,500	**1,862**	638	2,668
Repairs and maintenance - turf	3,000	3,000	**4,031**	(1,031)	759
Tree trimming	500	500	**-**	500	-
Park Equipment	1,000	1,000	**-**	1,000	-
Supplies - general	700	700	**5,392**	(4,692)	740
Supplies - office	-	-	**-**	-	-
Capital outlay	-	-	**-**	-	-
Total Parks	10,100	10,100	**12,351**	(2,251)	4,741
Community Center:					
Repairs and maintenance - building	-	-	**-**	-	-
Repairs and maintenance - equip	-	-	**-**	-	-
Supplies - general	-	-	**-**	-	-
Supplies - office	-	-	**-**	-	-
Total Parks	-	-	**-**	-	-
Total Expenditures	10,100	10,100	**12,351**	(2,251)	4,741
Transfers Out:					
General Fund	-	-	**26,706**	(26,706)	2,600
Total Transfers Out	-	-	**26,706**	(26,706)	2,600
Total Expenditures and Transfers	10,100	10,100	**39,057**	(28,957)	7,341
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 5,200	$ 5,200	**(23,362)**	$ (28,562)	10,810
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		-
Depreciation expense			**-**		-
Change in Net Position			**$ (23,362)**		$ 10,810

Budgetary Comparison Schedule

*Budget to Actual - **Capital Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

Non-GAAP Budgetary Basis	2017 Original Budget	2017 Final Budget	2017 Actual	2017 Variance - Favorable (Unfavorable)	2016 Actual
Revenues:					
Taxes:					
Use tax	$ 35,000	$ 35,000	$ 34,098	$ (902)	$ 25,783
Total Taxes	35,000	35,000	34,098	(902)	25,783
Earnings on Investment:					
Earnings on investments	700	700	225	(475)	438
Net increase (decrease) in fair value of investments	-	-	-	-	-
Total Earnings on Investment	700	700	225	(475)	438
Miscellaneous Revenues:					
Road development fees	2,875	2,875	3,450	575	3,150
Drainage fees	1,500	1,500	1,800	300	1,200
Park fees	4,250	4,250	5,100	850	2,550
Contributions	-	-	175,250	175,250	-
Total Miscellaneous Revenues	8,625	8,625	185,600	176,975	6,900
Transfers In:					
General Fund	-	-	-	-	-
Street Fund	-	-	150,000	150,000	-
Water Fund	-	-	-	-	-
Total Transfers In	-	-	150,000	150,000	-
Total Revenues and Transfers	44,325	44,325	369,923	325,598	33,121
Expenditures:					
Park planning	-	-	-	-	-
Capital Outlay:					
Equipment	-	-	-	-	-
Projects	-	-	-	-	-
Vehicles & machinery	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Transfers Out:					
General Fund	-	-	-	-	-
Street Fund	-	-	-	-	-
Water Fund	-	-	-	-	65,770
Total Transfers Out	-	-	-	-	65,770
Total Expenditures and Transfers	-	-	-	-	65,770
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 44,325	$ 44,325	369,923	$ 325,598	(32,649)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			-		-
Depreciation expense			-		-
Change in Net Position			$ 369,923		$ (32,649)

Schedule of Revenues

*Budget to Actual - **Water Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Operating Revenues:					
Water sales	$ 318,301	$ 318,301	**$ 304,604**	$ (13,697)	$ 302,326
Tap fees	35,000	35,000	**42,000**	7,000	28,000
Bulk water sales	5,000	5,000	**9,832**	4,832	11,855
Water purchased	-	-	**-**	-	29,500
Hydrant fees	1,800	1,800	**-**	(1,800)	3,130
Late fees	9,000	9,000	**12,605**	3,605	11,940
Meter charges	2,500	2,500	**2,400**	(100)	1,600
Miscellaneous	650	650	**-**	(650)	9,158
Total Operating Revenues	372,251	372,251	**371,441**	(810)	397,509
Earnings on Investment:					
Earnings on investments	1,700	1,700	**3,436**	1,736	1,997
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investment	1,700	1,700	**3,436**	1,736	1,997
Miscellaneous Revenues:					
Transfer from other funds	-	-	**-**	-	263,081
Contributions from customers	-	-	**-**	-	-
Contributions from subdividers	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Loan proceeds	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	263,081
Total Revenues	$ 373,951	$ 373,951	**$ 374,877**	$ 926	$ 662,587

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **Water Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 3,339	$ 3,339	**$ 3,339**	$ -	$ 3,053
Auditing	2,355	2,355	**2,355**	-	3,289
Bank charges	300	300	**730**	(430)	268
Credit card charges	2,500	2,500	**1,878**	622	1,832
Legal services	600	600	**840**	(240)	1,799
Publishing	1,000	1,000	**529**	471	2,430
Web publishing	637	637	**762**	(125)	113
Insurance	13,759	13,759	**13,759**	-	15,587
Dues and subscriptions	350	350	**-**	350	317
Professional services	3,200	3,200	**4,482**	(1,282)	5,354
IT Services	1,530	1,530	**2,549**	(1,019)	1,127
Total General	29,570	29,570	**31,223**	(1,653)	35,169
Administrative:					
Salaries	39,908	39,908	**43,748**	(3,840)	39,236
Payroll taxes	2,998	2,998	**3,347**	(349)	2,919
Health insurance	8,113	8,113	**8,113**	-	6,345
Dental insurance	691	691	**691**	-	680
AFLAC coverage	3,330	3,330	**3,330**	-	2,999
Life insurance	60	60	**60**	-	51
Short-term disability insurance	229	229	**229**	-	217
Long-term disability insurance	172	172	**172**	-	167
E 457 retirement contribution	1,139	1,139	**2,205**	(1,066)	1,153
Cont. education, seminars, training	500	500	**111**	389	142
Dues and subscriptions	729	729	**2,288**	(1,559)	761
Postage	900	900	**1,199**	(299)	1,073
Professional services	-	-	**125**	(125)	125
Repairs and maintenance	500	500	**613**	(113)	804
Supplies - office	500	500	**1,329**	(829)	723
Travel and meetings	300	300	**471**	(171)	134
Total Administrative	60,069	60,069	**68,031**	(7,962)	57,529

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **Water Fund (continued)***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 72,374	$ 72,374	**$ 45,182**	$ 27,192	$ 45,718
Payroll taxes	3,618	3,618	**3,521**	97	3,344
Health insurance	14,209	14,209	**14,209**	-	11,841
Dental insurance	1,204	1,204	**1,204**	-	1,204
AFLAC coverage	-	-	**-**	-	9
Life insurance	85	85	**85**	-	67
Short-term disability insurance	297	297	**297**	-	288
Long-term disability insurance	234	234	**234**	-	215
E 457 retirement coverage	2,171	2,171	**2,351**	(180)	1,368
Cont. education, seminars, training	100	100	**55**	45	80
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	(1,165)	(1,165)	**(583)**	(582)	(583)
Clothing and uniforms	670	670	**355**	315	668
Gas, oil, diesel fuel, etc.	3,000	3,000	**2,658**	342	2,285
Postage	300	300	**30**	270	105
Professional services	500	500	**16,551**	(16,051)	7
Repairs and maintenance - building	500	500	**591**	(91)	50
Repairs and maintenance - equip/mach	1,000	1,000	**359**	641	431
Repairs and maintenance - hydrant	500	500	**-**	500	-
Repairs and maintenance - office equip	300	300	**-**	300	139
Repairs and maintenance - valve box	500	500	**-**	500	-
Repairs and maintenance - vehicles	1,000	1,000	**4,369**	(3,369)	1,390
Repairs and maintenance - water lines	3,000	3,000	**3,924**	(924)	515
Repairs and maintenance - water tower	3,500	3,500	**3,730**	(230)	-
Supplies - general	1,000	1,000	**571**	429	624
Telephone expense	1,800	1,800	**1,930**	(130)	1,661
Travel and meetings	250	250	**125**	125	114
Utility expense	4,000	4,000	**4,005**	(5)	4,266
Water (potable) - testing	3,500	3,500	**2,775**	725	3,431
Water assessments	12,000	12,000	**30,302**	(18,302)	19,001
Water usage	90,000	90,000	**86,408**	3,592	92,890
Total System Operation & Maintenance	220,447	220,447	**225,238**	(4,791)	191,128
Total Operating Expenditures	310,086	310,086	**324,492**	(14,406)	283,826
Non-Operating Expenditures:					
Capital Outlay	24,500	24,500	**38,500**	(14,000)	590,822
Debt Service:					
Principal	-	-	**18,294**	(18,294)	17,910
Interest	-	-	**1,730**	(1,730)	2,122
Total Non-Operating Expenditures	24,500	24,500	**58,524**	(34,024)	610,854
Total Expenditures	$ 334,586	$ 334,586	**$ 383,016**	$ (48,430)	$ 894,680

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***Water Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Revenues:					
Operating revenues	$ 372,251	$ 372,251	**$ 371,441**	$ (810)	$ 397,509
Earnings on investment	1,700	1,700	**3,436**	1,736	1,997
Miscellaneous revenues	-	-	**-**	-	263,081
Total Revenues	373,951	373,951	**374,877**	926	662,587
Expenditures:					
General	29,570	29,570	**31,223**	(1,653)	35,169
Administrative	60,069	60,069	**68,031**	(7,962)	57,529
System operations	220,447	220,447	**225,238**	(4,791)	191,128
Non-operating expenditures	24,500	24,500	**58,524**	(34,024)	610,854
Total Expenditures	334,586	334,586	**383,016**	(48,430)	894,680
Excess (Deficiency) of Revenues over Expenditures	$ 39,365	$ 39,365	**(8,139)**	$ (47,504)	(232,093)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**38,500**		590,822
Capital assets sold			**-**		-
Depreciation expense			**(66,175)**		(66,111)
Capital lease obligation payments			**-**		-
Long-term debt - proceeds			**-**		-
Long-term debt - payments			**18,294**		17,910
Change in Net Position			**$ (17,520)**		$ 310,528

Schedule of Revenues

Budget to Actual - ***Sewer Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Operating Revenues:					
Sewer service	$ 379,072	$ 379,072	**$ 386,595**	$ 7,523	$ 387,540
Tap fees	20,000	20,000	**24,000**	4,000	16,000
Late fees	6,000	6,000	-	(6,000)	-
Miscellaneous	-	-	-	-	-
Total Operating Revenues	405,072	405,072	**410,595**	5,523	403,540
Earnings on Investment:					
Earnings on investments	3,000	3,000	**5,099**	2,099	3,599
Net Increase (decrease) in the fair market of investments	-	-	-	-	(436)
Total Earnings on Investment	3,000	3,000	**5,099**	2,099	3,163
Miscellaneous Revenues:					
Transfer from other funds	-	-	-	-	-
Contributions from customers	-	-	-	-	-
Contributions from subdividers	-	-	-	-	-
Sale of assets	-	-	-	-	-
Grants	-	-	-	-	-
Total Miscellaneous Revenues	-	-	-	-	-
Total Revenues	$ 408,072	$ 408,072	**$ 415,694**	$ 7,622	$ 406,703

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

Budget to Actual - ***Sewer Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 1,837	$ 1,837	**$ 1,837**	$ -	$ 1,792
Auditing	2,944	2,944	**2,944**	-	4,272
Bank charges	500	500	**752**	(252)	318
Credit card charges	2,500	2,500	**1,878**	622	1,832
Legal services	1,500	1,500	**420**	1,080	770
Publishing	1,000	1,000	**386**	614	2,515
Web publishing	637	637	**761**	(124)	113
Insurance	14,131	14,131	**14,131**	-	16,008
Dues and subscriptions	50	50	**-**	50	37
Professional services	3,200	3,200	**4,415**	(1,215)	3,543
IT Services	1,530	1,530	**4,018**	(2,488)	1,477
Total General	29,829	29,829	**31,542**	(1,713)	32,677
Administrative:					
Salaries	33,109	33,109	**35,308**	(2,199)	31,827
Payroll taxes	2,181	2,181	**2,701**	(520)	2,362
Health insurance	6,218	6,218	**6,218**	-	4,867
Dental insurance	517	517	**517**	-	510
AFLAC coverage	1,562	1,562	**1,562**	-	1,500
Life insurance	54	54	**54**	-	36
Short-term disability insurance	183	183	**183**	-	174
Long-term disability insurance	147	147	**147**	-	135
E 457 retirement contribution	934	934	**1,655**	(721)	934
Cont. education, seminars, training	250	250	**112**	138	32
Dues and subscriptions	729	729	**1,203**	(474)	761
Postage	550	550	**704**	(154)	662
Professional services	-	-	**100**	(100)	125
Repairs and maintenance	500	500	**902**	(402)	731
Supplies - office	500	500	**1,308**	(808)	760
Travel and meetings	200	200	**471**	(271)	149
Total Administrative	47,634	47,634	**53,145**	(5,511)	45,565

(continued on next page)

Schedule of Expenditures

*Budget to Actual - **Sewer Fund (continued)***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 57,428	$ 57,428	**$ 39,983**	$ 17,445	$ 38,509
Payroll taxes	2,871	2,871	**3,114**	(243)	2,818
Health insurance	14,105	14,105	**14,105**	-	10,070
Dental insurance	1,025	1,025	**1,025**	-	1,026
AFLAC coverage	-	-	**-**	-	9
Life insurance	78	78	**78**	-	56
Short-term disability insurance	264	264	**264**	-	244
Long-term disability insurance	202	202	**202**	-	181
E 457 retirement coverage	1,723	1,723	**2,094**	(371)	1,152
Cont. education, seminars, training	500	500	**55**	445	80
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	(1,166)	(1,166)	**(580)**	(586)	(580)
Chemicals	-	-	**-**	-	770
Clothing and uniforms	670	670	**367**	303	668
Gas, oil, diesel fuel, etc.	3,000	3,000	**2,628**	372	2,487
Postage	300	300	**76**	224	190
Professional services	10,000	10,000	**22,202**	(12,202)	9,957
Repairs and maintenance - building	500	500	**538**	(38)	2,221
Repairs and maintenance - equip/mach	2,000	2,000	**341**	1,659	1,438
Repairs and maintenance - office equip	-	-	**-**	-	17
Repairs and maintenance - sewer lines	100	100	**-**	100	-
Repairs and maintenance - sewer plant	15,000	15,000	**8,903**	6,097	11,276
Repairs and maintenance - vehicles	2,000	2,000	**2,575**	(575)	1,382
Sewer discharge permit	3,000	3,000	**2,315**	685	2,590
Sewer testing	2,500	2,500	**7,303**	(4,803)	7,550
Sludge removal	15,000	15,000	**19,344**	(4,344)	18,588
Supplies - general	1,000	1,000	**858**	142	934
Chemicals - treatment	15,000	15,000	**13,875**	1,125	16,240
Telephone expense	3,359	3,359	**3,761**	(402)	3,433
Travel and meetings	150	150	**178**	(28)	29
Utility expense	27,500	27,500	**41,515**	(14,015)	24,657
Total System Operation & Maintenance	178,109	178,109	**187,119**	(9,010)	157,992
Total Operating Expenditures	255,572	255,572	**271,806**	(16,234)	236,234
Non-Operating Expenditures:					
Capital Outlay	-	-	**13,331**	(13,331)	11,251
Debt Service:					
Principal	100,321	100,321	**129,519**	(29,198)	96,799
Interest	37,743	37,743	**36,876**	867	40,662
Total Non-Operating Expenditures	138,064	138,064	**179,726**	(41,662)	148,712
Total Expenditures	$ 393,636	$ 393,636	**$ 451,532**	$ (57,896)	$ 384,946

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***Sewer Fund***

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

	2017				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2016** Actual
Revenues:					
Operating revenues	$ 405,072	$ 405,072	**$ 410,595**	$ 5,523	$ 403,540
Earnings on investment	3,000	3,000	**5,099**	2,099	3,163
Miscellaneous revenues	-	-	**-**	-	-
Total Revenues	408,072	408,072	**415,694**	7,622	406,703
Expenditures:					
General	29,829	29,829	**31,542**	(1,713)	32,677
Administrative	47,634	47,634	**53,145**	(5,511)	45,565
System operations	178,109	178,109	**187,119**	(9,010)	157,992
Non-operating expenditures	138,064	138,064	**179,726**	(41,662)	148,712
Total Expenditures	393,636	393,636	**451,532**	(57,896)	384,946
Excess (Deficiency) of Revenues over Expenditures	$ 14,436	$ 14,436	**(35,838)**	$ (50,274)	21,757
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**13,331**		11,251
Capital assets sold			**-**		(700)
Depreciation expense			**(124,147)**		(122,399)
Capital lease obligation payments			**-**		-
Long-term debt - proceeds			**-**		-
Long-term debt - payments			**129,519**		96,799
Change in Net Position			**$ (17,135)**		$ 6,708

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County: **TOWN OF KERSEY, COLORADO**
		YEAR ENDING : **December 2017**
This Information From The Records Of (example - City of _ or County of _)	Prepared By:	**JULIE PIPER, TOWN CLERK**
	Phone:	***(970) 353-1681**

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	0
3. Other local imposts (from page 2)	365,473
4. Miscellaneous local receipts (from page 2)	213
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	365,686
B. Private Contributions	0
C. Receipts from State government (from page 2)	58,518
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	424,204

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	16,160
2. Maintenance:	242,397
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other **Street Lighting**	14,951
d. Total (a. through c.)	14,951
4. General administration & miscellaneous	78,831
5. Highway law enforcement and safety	0
6. Total (1 through 5)	352,339
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	352,339

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
453,742	424,204	352,339	525,607	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	0	a. Interest on investments	213
b. Other local imposts:		b. Traffic Fines & Penalities	0
1. Sales Taxes	256,211	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	109,262	g. Other Misc. Receipts	0
6. Total (1. through 5.)	365,473	h. Other	0
c. Total (a. + b.)	365,473	i. Total (a. through h.)	213
	(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	52,408	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	6,110	d. Federal Transit Admin	0
d. Other (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	6,110	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	58,518	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	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	16,160	16,160
(5). Total Construction (1) + (2) + (3) + (4)	0	16,160	16,160
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	16,160	16,160
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE