

TOWN OF SEVERANCE, COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Town Council
Town of Severance, Colorado

Opinions

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 Severance, Colorado (the Town) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison information, and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements, budgetary comparison information, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adorno Group, LLC

Greenwood Village, Colorado
July 14, 2025

TOWN OF SEVERANCE MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Town of Severance's (the Town) financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

Financial Highlights

The Town of Severance's governmental net position increased by \$12,297,664 and business-type net position increased by \$5,335,350 for the year. The assets and deferred outflows of resources of the Town exceeded their liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$192,590,049 (net position). Of this amount, \$37,424,348 (unrestricted net position) may be used to meet the Town's ongoing obligations or unforeseen expenses. \$25,271,443 is restricted for future capital projects and emergencies.

As of the close of fiscal year 2024, the Town's General Fund reported an ending fund balance of \$23,009,283 compared to the fiscal year 2023 balance of \$18,981,016. General Fund revenues increased by \$4,216,310 to \$14,485,955 as of December 31, 2024 (not including transfers in). General Fund expenditures increased in 2024 by \$5,598,345 to \$12,764,056 (not including transfers out). The increase in expenditures was primarily due to increases in costs for capital outlay and personnel costs when compared to the prior year. The General Fund also had transfers in of \$2,339,691 and transfers out of \$33,323 during 2024. See Note 10.

Using the Basic Financial Statements

The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. These statements are organized so that the reader can understand the Town of Severance as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the Town's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services are financed in the short term as well as what remains for future spending. The Town has six governmental funds including: the General Fund, Conservation Trust Fund, Transportation Fund, Parks Fund, Public Facilities Fund, and the Public Safety Fund. Proprietary fund statements, sometimes referred to Business Type Activities, offer short and long-term financial information about the activities that the Town operates with self-sustaining user fees. The Town operates three proprietary funds which are the Water Fund, Wastewater Fund, and Stormwater Fund.

TOWN OF SEVERANCE MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total net position (total assets plus deferred outflows of resources minus total liabilities plus deferred inflows of resources) was \$192,590,049 as of December 31, 2024. This represents an increase of \$17,633,014.

Government-Wide Financial Statements

The government-wide statements report information about the Town using accounting methods similar to those used by private businesses. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Current year revenues and expenses are accounted for in the statement of activities on an accrual basis, regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how it has changed. The change in net position is important because it tells the reader that for the Town as a whole, the financial position has improved or diminished. The cause of this change may be the result of various factors, both financial and non-financial. Non-financial factors include facility conditions, and state or federal government required programs.

The 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 general government, community development, public safety (code and law enforcement), public works, parks and recreation. The Business-type Activities of the Town of Severance consist of water, wastewater, and stormwater services.

TOWN OF SEVERANCE MANAGEMENT'S DISCUSSION AND ANALYSIS

Details of the Town's Net Position are as follows:

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 31,931,853	\$ 29,346,130	\$ 33,800,388	\$ 26,571,922	\$ 65,732,241	\$ 55,918,052
Capital assets	47,253,813	38,955,122	82,900,113	84,652,208	130,153,926	123,607,330
Total assets	79,185,666	68,301,252	116,700,501	111,224,130	195,886,167	179,525,382
Deferred outflows of resources	381,091	420,994	-	-	381,091	420,994
Liabilities						
Current liabilities	985,366	2,222,655	485,804	344,783	1,471,170	2,567,438
Net pension liability	-	62,207	-	-	-	62,207
Total liabilities	985,366	2,284,862	485,804	344,783	1,471,170	2,629,645
Deferred inflows of resources	2,206,039	2,359,696	-	-	2,206,039	2,359,696
Net position:						
Net investment in capital assets	47,253,813	38,955,122	82,640,445	84,441,001	129,894,258	123,396,123
Restricted	6,972,050	6,371,147	18,299,393	22,013,142	25,271,443	28,384,289
Unrestricted	22,149,489	18,751,419	15,274,859	4,425,204	37,424,348	23,176,623
Total net position	\$ 76,375,352	\$ 64,077,688	\$ 116,214,697	\$ 110,879,347	\$ 192,590,049	\$ 174,957,035

The statement of net position reflects a cash and investments position totaling \$62,126,776 or 32% of total assets. The bulk of the Town's resources, \$130,153,926 or 66% of total assets, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, infrastructure, and utility system assets.

The Town uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending and are reported as net investment in capital assets. Unrestricted net position may be used for any legal purpose and restricted net position may be used to fund future capital expenditures.

Changes in Net Position

Governmental activities increased the Town of Severance's net position by \$12,297,664. Business-type activities increased the Town's net position by \$5,335,350. A summary of the changes in net position is as follows:

TOWN OF SEVERANCE MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,365,971	\$ 1,231,039	\$ 4,752,118	\$ 3,678,094	\$ 6,118,089	\$ 4,909,133
Operating grants and contributions	3,432,216	2,095,479	-	-	3,432,216	2,095,479
Capital grants and contributions	5,718,172	1,012,041	4,029,523	3,298,025	9,747,695	4,310,066
General revenues:						
Property taxes and SOT	2,384,915	1,960,362	-	-	2,384,915	1,960,362
Sales & use taxes	5,233,398	3,252,024	-	-	5,233,398	3,252,024
Other taxes	231,356	231,729	-	-	231,356	231,729
Investment earnings (loss)	1,319,347	1,147,788	1,235,152	1,251,772	2,554,499	2,399,560
Other revenues	834,805	819,085	-	-	834,805	819,085
Internal balances	118,669	94,700	(118,669)	(94,700)	-	-
Total revenues	20,638,849	11,844,247	9,898,124	8,133,191	30,536,973	19,977,438
Expenses:						
General government	1,595,237	1,260,845	-	-	1,595,237	1,260,845
Community development	848,690	892,119	-	-	848,690	892,119
Public safety	2,168,666	1,782,523	-	-	2,168,666	1,782,523
Public works	2,420,134	2,255,033	-	-	2,420,134	2,255,033
Parks and recreation	1,146,071	882,346	-	-	1,146,071	882,346
Water	-	-	2,361,491	2,012,292	2,361,491	2,012,292
Wastewater	-	-	1,633,940	1,482,037	1,633,940	1,482,037
Stormwater	-	-	443,653	482,625	443,653	482,625
Loss (gain) on disposal and transfers	162,387	176,900	123,690	-	286,077	176,900
Total expenses	8,341,185	7,249,766	4,562,774	3,976,954	12,903,959	11,226,720
Change in net position	12,297,664	4,594,481	5,335,350	4,156,237	17,633,014	8,750,718
Net position, January 1,	64,077,688	59,483,207	110,879,347	106,723,110	174,957,035	166,206,317
Net position, December 31,	\$ 76,375,352	\$ 64,077,688	\$ 116,214,697	\$ 110,879,347	\$ 192,590,049	\$ 174,957,035

Financial Analysis of the Town's Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balance 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 a government's net resources available for spending at the end of the year.

General Fund – The General Fund balance increased by \$4,028,267 for an ending balance of \$23,009,283 as of December 31, 2024. Total revenues increased \$4,216,310, which was primarily due to an increase in property and sales tax, intergovernmental revenues and investment earnings during 2024. Total expenditures increased by \$5,598,345 which was primarily driven by an increase in capital assets and personnel costs during 2024. During the year ended December 31, 2024, the General Fund had net transfers of \$2,306,368.

TOWN OF SEVERANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Transportation Fund – The Transportation Fund balance increased by \$677,700 for an ending balance of \$3,961,330 as of December 31, 2024. Total revenues increased by \$842,565, which was due to an increase in impact fees when compared to the prior year.

Total expenditures decreased by \$1,648,927, which is a result of significantly less capital outlay when compared to 2023. During the year ended December 31, 2024, the Transportation Fund had net transfers out of \$554,531.

For the year ending December 31, 2024, the General and Transportation Funds are the only major governmental funds. See the combining schedules on pages 43 and 44 for a breakout of the non-major governmental funds.

Proprietary Funds – Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Water Fund – The Water Fund net position increased by \$2,410,525 for an ending balance of \$75,060,663. This increase is primarily due to contributed capital assets and water utility charges. Net position is made up of a combination of restricted cash and investments and capital assets.

Wastewater Fund – The Wastewater Fund net position increased by \$2,753,447 for an ending balance of \$30,650,249. This increase is primarily due to dedicated capital assets and wastewater impact fees. Net position is made up of a combination of restricted cash and investments and capital assets.

Stormwater Fund – Net position increased by \$171,378 for an ending balance of \$10,503,785. This increase is a result of contributed capital assets in 2024. Net position is made up of a combination of restricted cash and investments and capital assets.

Capital Assets

Approximately 36% of the Town's capital assets support governmental activities. The majority of the value is invested in land, construction in progress, buildings, and infrastructure improvements. The Town's business-type activities capital assets consist of its investments in water rights, utility systems and related equipment. During 2024, the Town continued its participation in the NISP project and also sold shares in the amount of \$5,812,500 to another governmental entity. See below for a breakout of the Town's capital assets as of December 31, 2024 when compared to the prior year. See Note 4 for additional information.

TOWN OF SEVERANCE MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 1,645,622	\$ 1,645,622	\$ 294,759	\$ 294,759	\$ 1,940,381	\$ 1,940,381
Construction in progress	3,851,392	2,423,785	6,123,705	4,707,679	9,975,097	7,131,464
Infrastructure	36,631,508	31,382,082	-	-	36,631,508	31,382,082
Buildings	3,245,238	2,084,752	1,404,606	1,468,808	4,649,844	3,553,560
Vehicles	1,237,457	652,172	-	-	1,237,457	652,172
Equipment	642,596	766,709	153,919	123,296	796,515	890,005
Water rights	-	-	35,151,374	35,151,374	35,151,374	35,151,374
NISP CIP	-	-	2,031,177	6,478,677	2,031,177	6,478,677
North Weld County capacity	-	-	4,880,333	4,880,333	4,880,333	4,880,333
Water system	-	-	8,803,019	8,020,422	8,803,019	8,020,422
Wastewater System	-	-	15,308,154	14,814,181	15,308,154	14,814,181
Stormwater system	-	-	8,749,067	8,712,679	8,749,067	8,712,679
	<u>\$ 47,253,813</u>	<u>\$ 38,955,122</u>	<u>\$ 82,900,113</u>	<u>\$ 84,652,208</u>	<u>\$ 130,153,926</u>	<u>\$ 123,607,330</u>

Long-Term Liabilities

The Town's governmental and business-type activities long-term liabilities consist of accrued compensated absences payable. See below for a breakout of the Town's long-term debt as of December 31, 2024 when compared to the prior year. See Note 5 for additional information.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Compensated absences	\$ 129,905	\$ 152,484	\$ 32,972	\$ 38,121	\$ 162,877	\$ 190,605
	<u>\$ 129,905</u>	<u>\$ 152,484</u>	<u>\$ 32,972</u>	<u>\$ 38,121</u>	<u>\$ 162,877</u>	<u>\$ 190,605</u>

Fiscal Outlook

The Town of Severance has multiple capital projects in the planning phase or under construction that address the needs of a growing community. These projects are funded by a combination of impact fees, grants, and fund balance and include traffic signals, water infrastructure, and a police station. In addition, over the next few years, there are significant capital projects planned, such as a community center, water treatment facility, wastewater treatment facility, and continued participation in the NISP project that will require financing through the issuance of bonds, state revolving loan funds, or bank loans. The Town will continue to be fiscally conservative while the required reserves are secured and healthy fund balances are maintained through these larger projects.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to the Finance Director, Town of Severance, P.O. Box 339, Severance, CO 80546. Telephone inquiries may be made at 970-686-1218 and e-mail inquiries may be directed to ELemus@townofseverance.org.

BASIC FINANCIAL STATEMENTS

TOWN OF SEVERANCE
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 22,393,077	\$ 14,980,926	\$ 37,374,003
Cash and cash equivalents - restricted	6,449,880	18,302,893	24,752,773
Accounts receivable	261,281	-	261,281
Utility receivable	-	337,667	337,667
Due from other governments	720,754	-	720,754
Other receivables	-	112,537	112,537
Inventory	8,928	66,365	75,293
Property tax receivable	2,077,598	-	2,077,598
Prepaid items	20,335	-	20,335
Capital assets, not depreciated	5,497,014	48,481,348	53,978,362
Capital assets, net of depreciation	41,756,799	34,418,765	76,175,564
Total assets	79,185,666	116,700,501	195,886,167
<u>Deferred Outflows of Resources</u>			
Related to pension	381,091	-	381,091
Total deferred outflows of resources	381,091	-	381,091
<u>Liabilities</u>			
Accounts payable	655,433	189,664	845,097
Retainage payable	-	259,668	259,668
Accrued liabilities	165,488	-	165,488
Deposits	34,540	3,500	38,040
Due within one year	129,905	32,972	162,877
Total liabilities	985,366	485,804	1,471,170
<u>Deferred Inflows of Resources</u>			
Unavailable property taxes	2,077,598	-	2,077,598
Related to pension	128,441	-	128,441
Total deferred inflows of resources	2,206,039	-	2,206,039
<u>Net Position</u>			
Net investment in capital assets	47,253,813	82,640,445	129,894,258
Restricted			
Emergency reserves	460,000	-	460,000
Capital projects	1,068,508	-	1,068,508
Street projects	3,961,330	-	3,961,330
Park projects	498,998	-	498,998
Public facilities	397,808	-	397,808
Public safety	260,622	-	260,622
Conservation trust	324,784	-	324,784
System capacity and improvements	-	18,299,393	18,299,393
Unrestricted	22,149,489	15,274,859	37,424,348
Total net position	\$ 76,375,352	\$ 116,214,697	\$ 192,590,049

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

TOWN OF SEVERANCE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 1,595,237	\$ 492,638	\$ 2,787,299	\$ -	\$ 1,684,700	\$ -	\$ 1,684,700
Community development	848,690	811,413	-	-	(37,277)	-	(37,277)
Public safety	2,168,666	61,920	-	191,131	(1,915,615)	-	(1,915,615)
Public works	2,420,134	-	441,695	1,717,306	(261,133)	-	(261,133)
Parks and recreation	1,146,071	-	203,222	146,270	(796,579)	-	(796,579)
Loss on disposal and transfer of assets	162,387	-	-	-	(162,387)	(123,690)	(286,077)
Acceptance of assets	-	-	-	3,663,465	3,663,465	-	3,663,465
Total governmental activities	<u>8,341,185</u>	<u>1,365,971</u>	<u>3,432,216</u>	<u>5,718,172</u>	<u>2,175,174</u>	<u>(123,690)</u>	<u>2,051,484</u>
Business-Type Activities:							
Water	2,361,491	2,920,118	-	1,302,083	-	1,860,710	1,860,710
Wastewater	1,633,940	1,549,692	-	2,374,162	-	2,289,914	2,289,914
Stormwater	<u>443,653</u>	<u>282,308</u>	<u>-</u>	<u>353,278</u>	<u>-</u>	<u>191,933</u>	<u>191,933</u>
Total business-type activities	<u>4,439,084</u>	<u>4,752,118</u>	<u>-</u>	<u>4,029,523</u>	<u>-</u>	<u>4,342,557</u>	<u>4,342,557</u>
Total primary government	<u>12,780,269</u>	<u>6,118,089</u>	<u>3,432,216</u>	<u>9,747,695</u>	<u>2,175,174</u>	<u>4,218,867</u>	<u>6,394,041</u>
GENERAL REVENUES:							
Taxes							
General property					2,305,016	-	2,305,016
Specific ownership taxes					79,899	-	79,899
Sales					2,334,528	-	2,334,528
Use					2,898,870	-	2,898,870
Franchise					231,356	-	231,356
Investment earnings					1,319,347	1,235,152	2,554,499
Other revenues					834,805	-	834,805
Internal balances					<u>118,669</u>	<u>(118,669)</u>	<u>-</u>
Total general revenues					<u>10,122,490</u>	<u>1,116,483</u>	<u>11,238,973</u>
Changes in net position					12,297,664	5,335,350	17,633,014
Net position - beginning					<u>64,077,688</u>	<u>110,879,347</u>	<u>174,957,035</u>
Net position - ending					<u>\$ 76,375,352</u>	<u>\$ 116,214,697</u>	<u>\$ 192,590,049</u>

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

TOWN OF SEVERANCE
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Transportation Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and investments	\$ 22,393,077	\$ -	\$ -	\$ 22,393,077
Cash and investments - restricted	525,780	3,899,160	1,482,212	5,907,152
Accounts receivable	199,111	62,170	-	261,281
Inventory	8,928	-	-	8,928
Prepaid items	20,335	-	-	20,335
Due from other governments	720,754	-	-	720,754
Property taxes receivable	2,077,598	-	-	2,077,598
Total assets	<u>\$ 25,945,583</u>	<u>\$ 3,961,330</u>	<u>\$ 1,482,212</u>	<u>\$ 31,389,125</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>				
Liabilities:				
Accounts payable	\$ 655,433	\$ -	\$ -	\$ 655,433
Accrued liabilities	165,488	-	-	165,488
Deposits	34,540	-	-	34,540
Total liabilities	<u>855,461</u>	<u>-</u>	<u>-</u>	<u>855,461</u>
<u>Deferred inflows of resources</u>				
Unavailable property taxes	2,077,598	-	-	2,077,598
Other unavailable revenues	3,241	-	-	3,241
Total deferred inflows of resources	<u>2,080,839</u>	<u>-</u>	<u>-</u>	<u>2,080,839</u>
Fund balance:				
Nonspendable				
Prepaid items	20,335	-	-	20,335
Inventory	8,928	-	-	8,928
Restricted				
Emergencies	460,000	-	-	460,000
Capital projects	525,780	-	-	525,780
Street projects	-	3,961,330	-	3,961,330
Park projects	-	-	498,998	498,998
Public facilities	-	-	397,808	397,808
Public safety	-	-	260,622	260,622
Conservation trust	-	-	324,784	324,784
Assigned				
Subsequent year budget	6,300,427	-	-	6,300,427
Unassigned	15,693,813	-	-	15,693,813
Total fund balances	<u>23,009,283</u>	<u>3,961,330</u>	<u>1,482,212</u>	<u>28,452,825</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,945,583</u>	<u>\$ 3,961,330</u>	<u>\$ 1,482,212</u>	<u>\$ 31,389,125</u>

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

TOWN OF SEVERANCE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total fund balance, governmental funds	\$ 28,452,825
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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 governmental funds.	47,253,813
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Deferred outflows and inflows of resources represent an acquisition or consumption of net position that applies to future periods and, therefore, are not reported in the funds.

Deferred outflows related to pension	381,091
Deferred inflows related to pension	(128,441)
Unavailable revenues	3,241

Long-term liabilities, including capital leases are not due and payable in the current period, and therefore, are not reported in governmental funds.

Compensated absences	(129,905)
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The internal service fund is used by management to charge capital asset acquisition to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.

	542,728
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Total net position of governmental activities	
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	<u>\$ 76,375,352</u>
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TOWN OF SEVERANCE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General Fund	Transportation Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Taxes	\$ 7,849,669	\$ -	\$ -	\$ 7,849,669
Intergovernmental	3,857,147	-	132,160	3,989,307
Licenses and permits	1,112,991	-	-	1,112,991
Fines and forfeitures	61,920	-	-	61,920
Charges for services	191,060	-	-	191,060
Impact fees	-	1,354,053	700,654	2,054,707
Investment earnings	1,042,564	159,642	95,347	1,297,553
Other revenue	370,604	-	-	370,604
Total revenues	<u>14,485,955</u>	<u>1,513,695</u>	<u>928,161</u>	<u>16,927,811</u>
<u>Expenditures</u>				
Current:				
General government	1,504,356	-	-	1,504,356
Community development	850,071	-	-	850,071
Public safety	2,111,426	-	-	2,111,426
Public works	743,155	-	-	743,155
Parks, recreation and other	407,049	-	-	407,049
Capital outlay	7,147,999	281,464	-	7,429,463
Total expenditures	<u>12,764,056</u>	<u>281,464</u>	<u>-</u>	<u>13,045,520</u>
Excess (deficiency) of revenues over (under) expenditures	1,721,899	1,232,231	928,161	3,882,291
<u>Other financing sources (uses)</u>				
Transfers in	2,339,691	254,701	-	2,594,392
Transfers out	(33,323)	(809,232)	(1,633,168)	(2,475,723)
Total other financing sources (uses)	<u>2,306,368</u>	<u>(554,531)</u>	<u>(1,633,168)</u>	<u>118,669</u>
Net changes in fund balances	4,028,267	677,700	(705,007)	4,000,960
Fund balances - beginning of year	18,981,016	3,283,630	2,187,219	24,451,865
Fund balances - end of year	<u>\$ 23,009,283</u>	<u>\$ 3,961,330</u>	<u>\$ 1,482,212</u>	<u>\$ 28,452,825</u>

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

TOWN OF SEVERANCE
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net changes in fund balance - total governmental funds: \$ 4,000,960

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

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of these assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital outlay	7,199,427
Acceptance of assets	3,663,465
Depreciation expense	(2,401,814)
Loss on disposal and transfer of assets	(162,387)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds	
Change in unavailable revenue	(190,712)

Some expenses reported in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures
in the governmental funds

Change in accrued compensated absences	22,579
Pension income	46,530

The Town's internal service fund is used by management to charge costs related to fleet acquisition to individual funds. The net revenue of the internal service fund is reported in governmental activities	119,616
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Change in net position of governmental activities	\$ 12,297,664
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TOWN OF SEVERANCE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-Type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Stormwater Fund	Total	Internal Service Fund (1)
<u>Assets</u>					
Current assets:					
Cash and investments	\$ 6,278,181	\$ 8,649,279	\$ 53,466	\$ 14,980,926	\$ -
Cash and investments - restricted	11,134,189	5,553,876	1,614,828	18,302,893	542,728
Utility receivable	188,091	125,667	23,909	337,667	-
Other receivable	993	111,540	4	112,537	-
Inventory	66,365	-	-	66,365	-
Total current assets	17,667,819	14,440,362	1,692,207	33,800,388	542,728
Noncurrent assets:					
Capital assets, not being depreciated	48,128,970	352,378	-	48,481,348	-
Capital assets, net of depreciation	9,693,275	15,910,906	8,814,584	34,418,765	-
Total noncurrent assets	57,822,245	16,263,284	8,814,584	82,900,113	-
Total assets	75,490,064	30,703,646	10,506,791	116,700,501	542,728
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	150,144	39,493	27	189,664	-
Retainage payable	259,668	-	-	259,668	-
Customer deposits	3,500	-	-	3,500	-
Compensated absences, current	16,089	13,904	2,979	32,972	-
Total liabilities	429,401	53,397	3,006	485,804	-
<u>Net Position</u>					
Net investment in capital assets	57,562,577	16,263,284	8,814,584	82,640,445	-
Restricted	11,130,689	5,553,876	1,614,828	18,299,393	542,728
Unrestricted	6,367,397	8,833,089	74,373	15,274,859	-
Total net position	\$ 75,060,663	\$ 30,650,249	\$ 10,503,785	\$ 116,214,697	\$ 542,728

(1) Fleet Fund

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

TOWN OF SEVERANCE
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Stormwater Fund	Total	Internal Service Fund (1)
Operating revenues					
Utility charges	\$ 2,913,789	\$ 1,549,692	\$ 282,308	\$ 4,745,789	\$ -
Other charges for services	6,329	-	-	6,329	-
Fleet replacement revenue	-	-	-	-	85,522
Other operating revenues	-	-	-	-	12,300
Total operating revenues	<u>2,920,118</u>	<u>1,549,692</u>	<u>282,308</u>	<u>4,752,118</u>	<u>97,822</u>
Operating expenses					
Overhead expenses	141,558	122,334	26,214	290,106	-
Personnel services	451,928	398,914	78,883	929,725	-
Operating supplies	41,271	8,481	1,453	51,205	-
Professional fees	60,071	25,180	-	85,251	-
Repairs and maintenance	53,474	111,282	4,896	169,652	-
Treatment	1,021,078	283,473	-	1,304,551	-
Telephone and utilities	21,300	40,254	428	61,982	-
Other operating expenses	266,729	58,698	9,843	335,270	-
Depreciation	304,082	585,324	321,936	1,211,342	-
Total operating expenses	<u>2,361,491</u>	<u>1,633,940</u>	<u>443,653</u>	<u>4,439,084</u>	<u>-</u>
Operating income (loss)	558,627	(84,248)	(161,345)	313,034	97,822
Nonoperating revenues					
Investment earnings	575,308	585,988	73,856	1,235,152	21,794
Loss on disposal of capital assets	(13,364)	(110,326)	-	(123,690)	-
Total non-operating revenues	<u>561,944</u>	<u>475,662</u>	<u>73,856</u>	<u>1,111,462</u>	<u>21,794</u>
Income (loss) before interfund transfers and contributions	1,120,571	391,414	(87,489)	1,424,496	119,616
Capital contributions					
Plant investment fees	325,975	1,264,818	3,000	1,593,793	-
Dedicated assets	976,108	1,109,344	350,278	2,435,730	-
Transfers out	(12,129)	(12,129)	(94,411)	(118,669)	-
Total capital contributions and transfers	<u>1,289,954</u>	<u>2,362,033</u>	<u>258,867</u>	<u>3,910,854</u>	<u>-</u>
Change in net position	2,410,525	2,753,447	171,378	5,335,350	119,616
Net position, beginning of year	<u>72,650,138</u>	<u>27,896,802</u>	<u>10,332,407</u>	<u>110,879,347</u>	<u>423,112</u>
Net position, end of year	<u>\$ 75,060,663</u>	<u>\$ 30,650,249</u>	<u>\$ 10,503,785</u>	<u>\$ 116,214,697</u>	<u>\$ 542,728</u>

(1) Fleet Fund

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

TOWN OF SEVERANCE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Stormwater Fund	Total	Internal Service Fund (1)
Cash Flows From Operating Activities					
Cash received from customers	\$ 2,863,086	\$ 1,533,079	\$ 276,669	\$ 4,672,834	\$ -
Cash paid to suppliers	(1,510,423)	(645,558)	(42,946)	(2,198,927)	-
Cash paid to employees	(452,456)	(400,894)	(81,524)	(934,874)	-
Other operating receipts	19,603	50,178	(4)	69,777	-
Net cash provided by operating activities	919,810	536,805	152,195	1,608,810	-
Cash Flows From Capital and Related Financing Activities					
Cash received from sale of water shares	5,812,500	-	-	5,812,500	-
Acquisition of capital assets	(2,587,448)	(323,797)	-	(2,911,245)	-
Tap fees received	325,975	1,264,818	3,000	1,593,793	-
Fleet replacement revenue	-	-	-	-	97,822
Net cash provided (used) by capital and related financing activities	3,551,027	941,021	3,000	4,495,048	97,822
Cash Flows From Noncapital Financing Activities					
Transfers to/from other funds	(12,129)	(12,129)	(127,734)	(151,992)	-
Net cash provided (used) by noncapital financing activities	(12,129)	(12,129)	(127,734)	(151,992)	-
Cash Flows From Investing Activities					
Investment earnings	575,308	585,988	73,856	1,235,152	21,794
Net cash provided by investing activities	575,308	585,988	73,856	1,235,152	21,794
Net change in cash and cash equivalents	5,034,016	2,051,685	101,317	7,187,018	119,616
Cash and cash equivalents and restricted cash, beginning of year	12,378,354	12,151,470	1,566,977	26,096,801	423,112
Cash and cash equivalents and restricted cash, end of year	\$ 17,412,370	\$ 14,203,155	\$ 1,668,294	\$ 33,283,819	\$ 542,728
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities					
Net operating income	\$ 558,627	\$ (84,248)	\$ (161,345)	\$ 313,034	\$ -
Adjustments to reconcile net operating income to cash provided by operating activities					
Depreciation expense	304,082	585,324	321,936	1,211,342	-
Changes in assets and liabilities related to operations					
(Increase) Decrease in:					
Accounts receivable	(33,929)	33,565	(5,643)	(6,007)	-
Inventory	(2,118)	-	-	(2,118)	-
Increase (Decrease) in:					
Accounts payable	97,176	4,144	(112)	101,208	-
Deposits	(3,500)	-	-	(3,500)	-
Compensated absences payable	(528)	(1,980)	(2,641)	(5,149)	-
Net cash provided by operating activities	\$ 919,810	\$ 536,805	\$ 152,195	\$ 1,608,810	\$ -

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

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – DEFINITION OF THE REPORTING ENTITY

The Town of Severance (the Town), Colorado is a political subdivision of the State of Colorado governed by seven Council Members. The Town provides general government, public works (roads and streets), public safety, park services, water, wastewater, and stormwater services for the geographical area organized as the Town.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, and a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

Joint Ventures

The Town may participate in joint ventures created for special purposes which are not part of the Town's reporting entity. The following is a description of the only joint venture in which the Town participated in during the year ended December 31, 2024.

The E911 Emergency Telephone Service Authority Board (E911 Authority) was created by intergovernmental agreements pursuant to Article 11 of Title 29, C.R.S., as amended, and it authorizes the county, municipalities with the county, and special districts within the county to enter into an agreement for the purpose of providing 911 emergency telephone services. Per the state statute cited above, the agreement creates a separate legal entity which is responsible for administering the operations of the 911 emergency telephone service program in Weld County. The authority board consists of seven members with four selected by the Weld County Commissioners, and one member each is selected by the City of Greeley, City of Fort Lupton, and Weld County Sheriff. Under the bylaws of the E911 Authority, Weld County is required to pay all operating costs. State statute requires that all funds be maintained by the Weld County Treasurer. The operation of the E911 Authority is done contractually by the Weld County Communication Regional Center. The financial statements are prepared for the E911 Authority by Weld County in conformity with generally accepted accounting principles (GAAP) as applied to a government unit. The E911 Authority's financial reports are a component unit in the Weld County Comprehensive Annual Financial Report (CAFR). Financial statements of this joint venture are available at www.weldgov.com/departments/accounting/cafr.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Town are described as follows:

Government-Wide and Fund Financial Statements

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

The statement of net position reports all financial and capital resources of the Town. The difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources of the Town is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included in program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets, and redemption of bonds are recorded as a reduction in liabilities.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, sales taxes, and franchise fees. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

Special Revenue Fund – Transportation Fund - The Transportation Fund accounts for improvements to the Town's street system funded through impact fee assessments.

The Town reports the following non-major governmental funds:

Special Revenue Fund – Conservation Trust Fund - The Conservation Trust Fund accounts for monies received through the State of Colorado Lottery/Conservation Trust Fund program. These funds are required to be spent on parks and recreation.

Special Revenue Fund – Parks Fund - The Parks Fund accounts for improvements to the Town's park system and is funded through impact fee assessments.

Special Revenue Fund – Public Facilities Fund - The Public Facilities Fund accounts for improvements to the Town's public facilities and is funded through impact fee assessments.

Special Revenue Fund – Public Safety Fund - The Public Safety Fund accounts for improvements to the Town's public safety system and is funded through impact fee assessments.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town reports the following major proprietary funds:

Water Fund - The Water Fund was established to account for the acquisition, operation and maintenance of the Town's water facilities and infrastructure.

Wastewater Fund - The Wastewater Fund was established to account for the acquisition, operation and maintenance of the Town's wastewater facilities and infrastructure.

Stormwater Fund - The Stormwater Fund was established to account for the acquisition, operation and maintenance of the Town's stormwater facilities and infrastructure.

Additionally, the Town reports the following fund types:

Fleet Fund - The Fleet Fund is an internal service fund used to provide necessary vehicles and equipment as well as future repairs and maintenance of vehicles and equipment to various departments and divisions within the Town.

Proprietary funds are used to account for the Town's ongoing activities that are similar to a private business enterprise. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for water and wastewater service. Operating expenses include the costs of the services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances

Pooled cash and investments

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based on each fund's average equity balance in total cash.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources,
and Net Position/Fund Balances (continued)

Cash and cash equivalents

For the purpose of the statement of cash flows of the proprietary funds, the Town considers cash and cash equivalents to include operating and restricted cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition. Investments are reported in accordance with GASB Statement No. 72, as amended.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Based upon review of the existing accounts receivable and the fact that any uncollectible water, wastewater, and stormwater receivables can be certified to the County Treasurer, no allowance for doubtful accounts is provided. All receivables are expected to be collected within one year.

Prepaid Items

Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid items is provided (consumption method).

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources,
and Net Position/Fund Balances (continued)

Capital Assets (continued)

<u>Description</u>	<u>Estimated Lives</u>
Building and improvements	30 years
Equipment	5 - 10 years
Vehicles	5 - 15 years
Infrastructure	10 - 50 years

Compensated Absences

The Town grants employees personal time off based on years of service. Up to one year's accrual of leave may be carried over to the next fiscal year. Upon separation from employment with the Town, an employee will be compensated for all earned but unused personal time off. Accrued sick time is not paid to the employee upon separation. Accumulated unpaid vacation pay is accrued when earned in the government-wide financial statements and proprietary fund statements. The Town uses the fund where employees' covered pay is recorded to liquidate compensated absences.

Long-Term Obligations

In the government-wide financial statements and proprietary fund statements, long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities statement of net position. In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has an item that is related to its pension that qualifies for reporting in this category. Accordingly, this item is deferred and will be recognized as an outflow of resources in the period the resource is required for use.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (continued)

Deferred Outflows and Deferred Inflows of Resources (continued)

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

The Town has three items that qualify for reporting in this category. Accordingly, the items, deferred property tax revenue, unavailable revenues, and deferred pension related items, are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (income), information about the fiduciary net position of the Statewide Defined Benefit Plan (SWDB), administered by the Fire & Police Pension Association of Colorado (FPPA), and additions to/deductions from the SWDB's fiduciary net position have been determined on the same basis as they are reported by the FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Contributed Capital

Impact fees and plant investment fees are generally recorded as capital contributions when received.

Fund Balances

The Town reports fund balances in the governmental fund in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defined the different types of fund balances that a governmental entity must use for financial reporting. As of December 31, 2024, fund balance of the governmental funds is classified as follows:

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources,
and Net Position/Fund Balances (continued)

Fund Balance (continued)

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form (i.e., inventories or prepaid items) or because they are legally or contractually required to be maintained intact. At December 31, 2024, the Town had \$29,263 in nonspendable resources.

Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. At December 31, 2024, the Town had \$6,429,322 in restricted fund balance.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the Town's Council. The Council is the highest level of decision-making body for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Council.

Assigned - Amounts that are subject to a purpose constraint that represents an intended use established by the Town in its budget process. The purpose of the assignment must be narrower than the purpose of the general fund. At December 31, 2024, the Town had \$6,300,427 in assigned fund balance.

Unassigned - Represents the residual classification for the Town's general fund and could report a surplus or deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Council has provided other commitment or assignment actions.

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Town can report up to three categories of net position, as follows:

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (continued)

Net investment in capital assets - consists of net capital assets, reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributed to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position - consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Town will use the most restrictive net position first.

Property taxes

Property taxes are levied by the Town's Council Members. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June.

Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Town. Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows are recorded as revenue in the year they are available or collected.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources,
and Net Position/Fund Balances (continued)

Budgets

In accordance with the State Budget Law, the Town's Council Members hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The Town's Council Members can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Adoption of New Accounting Standard

For the year ended December 31, 2024, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* which provides new guidance on financial reporting for compensated absences. The implementation of the new standard had no material impact on the Town's net position as of December 31, 2024.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments are reflected in the Statement of Net Position as follows:

Cash and investments	\$ 37,374,003
Cash and investments - restricted	24,752,773
Total cash and investments	<u>\$ 62,126,776</u>

Cash and investments at December 31, 2024 consist of the following:

Cash on hand	\$ 1,121
Cash deposits	469,349
Investments	61,656,306
Total	<u>\$ 62,126,776</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash Deposits (continued)

PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2024, the bank balance and carrying amount of the Town's deposits were \$457,239 and \$469,349, respectively. All cash deposits were covered by either the FDIC or PDPA.

Investments

The Town's investment policy adopts state statutes regarding investments.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by Council Members. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates the Town limits investment portfolio to maturities of less than five years and a weighted average maturity of less than 3 years. Additionally, the Town structures its investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Credit Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the Town. The Town limits investments to certain types of investments and diversifies the investment portfolio so the impact of potential losses from any one type of investment will be minimized.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town has established various limits for issuers for each of the types of securities in which it is permitted to invest.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Below is a breakdown of the Town's investments as of December 31, 2024:

<u>Investment Type</u>	<u>Rating - S&P</u>	<u>Maturity</u>		<u>Total</u>
		<u>Less than 1 Year</u>	<u>1 to 5 years</u>	
Colorado Local Government Liquid				
Asset Trust (Colotrust)	AAAm	\$ 24,534,646	\$ -	\$ 24,534,646
Morgan Stanley Institutional				
Liquidity Fund	AAAm	301,696	-	301,696
U.S. Agency Bonds	Aaa	9,312,984	27,506,980	36,819,964
Total		<u>\$ 34,149,326</u>	<u>\$ 27,506,980</u>	<u>\$ 61,656,306</u>

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

COLOTRUST

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and ColoTrust EDGE.

ColoTrust PRIME and ColoTrust Plus+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. ColoTrust EDGE, a variance Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate \$10.00 transactional share price. ColoTrust EDGE may invest in securities authorized by C.R.S. 24-75-601.1, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's.

Morgan Stanley Institutional Liquidity Fund

The Morgan Stanley Institutional Liquidity Fund ("MSILF") is rated AAAM by Standard & Poor's and the maturity is weighted average under 20 days. MSILF records its investments at fair value and the Town records its investment in MSILF using the net asset value method. The fund is a money market fund with each share maintaining a value of \$1.00. The money market fund invests in high quality debt securities issued by the U.S. Government. At December 31, 2024, the Town had \$301,696 invested in the MSILF.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investment valuation (continued)

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The Town's investments in ColoTrust PRIME and ColoTrust Plus+ are measured at net asset value, equal to \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. The Town's investment in the Morgan Stanley Institutional Liquidity Fund is valued at amortized cost. All other Town investments are valued using Level 2 inputs.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balances December, 31 2023	Additions	Deletions	Transfer	Balances December, 31 2024
<i>Governmental Activities:</i>					
Capital Assets, not being depreciated					
Land and improvements	\$ 1,645,622	\$ -	\$ -	\$ -	\$ 1,645,622
Construction in process	2,423,785	3,783,409	-	(2,355,802)	3,851,392
Total capital assets, not depreciated	4,069,407	3,783,409	-	(2,355,802)	5,497,014
Capital Assets, being depreciated					
Infrastructure	38,224,189	4,831,460	-	2,355,802	45,411,451
Buildings	2,711,278	1,331,515	(65,525)	-	3,977,268
Vehicles	1,307,865	768,320	(132,402)	-	1,943,783
Equipment	1,548,340	148,188	(227,222)	-	1,469,306
Total capital assets, depreciated	43,791,672	7,079,483	(425,149)	2,355,802	52,801,808
Accumulated depreciation					
Infrastructure	6,842,107	1,937,836	-	-	8,779,943
Buildings	626,526	114,106	(8,602)	-	732,030
Vehicles	655,693	146,843	(96,210)	-	706,326
Equipment	781,631	203,029	(157,950)	-	826,710
Total accumulated depreciation	8,905,957	2,401,814	(262,762)	-	11,045,009
Net capital assets, depreciated	34,885,715	4,677,669	(162,387)	2,355,802	41,756,799
Governmental Activities					
Capital Assets, net	<u>\$ 38,955,122</u>	<u>\$ 8,461,078</u>	<u>\$ (162,387)</u>	<u>\$ -</u>	<u>\$ 47,253,813</u>

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation is charged to the Town's governmental activities as follows:

Governmental activities

General government	\$ 96,198
Public works	1,679,603
Public safety	114,473
Park and recreation	511,540
Total	<u>\$ 2,401,814</u>

	Balances December, 31 2023	Additions	Deletions	Transfer	Balances December, 31 2024
<i>Business-Type Activities:</i>					
Capital Assets, not being depreciated					
Land	\$ 294,759	\$ -	\$ -	\$ -	\$ 294,759
Water rights	35,151,374	-	-	-	35,151,374
NISP, CIP	6,478,677	1,365,000	(5,812,500)	-	2,031,177
North Weld County Capacity	4,880,333	-	-	-	4,880,333
Construction in progress	4,707,679	1,416,026	-	-	6,123,705
Total capital assets, not depreciated	<u>51,512,822</u>	<u>2,781,026</u>	<u>(5,812,500)</u>	<u>-</u>	<u>48,481,348</u>
Capital Assets, being depreciated					
Water system	9,464,603	1,038,936	(61,809)	-	10,441,730
Wastewater system	18,553,514	1,148,133	(186,110)	-	19,515,537
Stormwater system	9,750,162	350,278	-	-	10,100,440
Buildings	1,663,553	-	-	-	1,663,553
Equipment	441,607	77,064	(30,258)	-	488,413
Total capital assets, depreciated	<u>39,873,439</u>	<u>2,614,411</u>	<u>(278,177)</u>	<u>-</u>	<u>42,209,673</u>
Accumulated depreciation					
Water system	1,444,181	243,487	(48,957)	-	1,638,711
Wastewater system	3,739,333	543,241	(75,191)	-	4,207,383
Stormwater system	1,037,483	313,890	-	-	1,351,373
Buildings	194,745	64,202	-	-	258,947
Equipment	318,311	46,522	(30,339)	-	334,494
Total accumulated depreciation	<u>6,734,053</u>	<u>1,211,342</u>	<u>(154,487)</u>	<u>-</u>	<u>7,790,908</u>
Net capital assets, depreciated	<u>33,139,386</u>	<u>1,403,069</u>	<u>(123,690)</u>	<u>-</u>	<u>34,418,765</u>
Business-Type Activities					
Capital Assets, net	<u>\$ 84,652,208</u>	<u>\$ 4,184,095</u>	<u>\$ (5,936,190)</u>	<u>\$ -</u>	<u>\$ 82,900,113</u>

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation is charged to the Town's business-type activities as follows:

Business-type activities:

Water	\$ 304,082
Wastewater	585,324
Stormwater	321,936
Total	<u>\$ 1,211,342</u>

NOTE 5 – LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term liabilities of the Town for the year ended December 31, 2024:

	Balances December 31, 2023	Additions	Deletions	Balances December 31, 2024	Due In One Year
<i>Governmental Activities:</i>					
Compensated absences	\$ 152,484	\$ 168,892	\$ 191,471	\$ 129,905	\$ 129,905
Total	<u>\$ 152,484</u>	<u>\$ 168,892</u>	<u>\$ 191,471</u>	<u>\$ 129,905</u>	<u>\$ 129,905</u>
<i>Business-Type Activities:</i>					
Compensated absences	\$ 38,121	\$ 30,787	\$ 35,936	\$ 32,972	\$ 32,972
Total	<u>\$ 38,121</u>	<u>\$ 30,787</u>	<u>\$ 35,936</u>	<u>\$ 32,972</u>	<u>\$ 32,972</u>

NOTE 6 – INTERGOVERNMENTAL AGREEMENTS

2013 Land Use and Utility Agreement

The Town entered into a land use and development agreement with the Town of Windsor on March 25, 2013, for continued cooperation and coordination between the two municipalities including planning for and managing growth and development of land, coordination of development policies and extension of services to areas of joint concern, and the ability of the two municipalities to achieve their respective and common goals. The parties agree that it is in the best interest of each that certain tax revenues generated within the corridor be shared between them. All sales and use tax collected by each of the municipalities within the corridor shall be shared and distributed between the municipalities in the following proportions: two-thirds to the collecting municipality and one-third to the other municipality. At the time of the execution of the agreement, neither of the municipalities has an excise or occupancy tax upon lodging services. In the event either of the municipalities adopts such a tax, all revenues generated from such shall be retained by the taxing municipality. At such time as both municipalities adopt such a tax, the revenues therefrom shall be shared by the parties in proportions provided for sales and use taxes.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

2013 Land Use and Utility Agreement (continued)

The parties intend for this agreement to remain in full force and effect in perpetuity. On April 9, 2018, the parties amended the agreement to make modifications to the corridor standards. All other terms of the March 25, 2013, agreement remain intact.

Phase 1 Agreement for Design, Construction, Land Acquisition, and Cost Recovery

The Town entered into the Phase 1 Agreement for Design, Construction, Land Acquisition, and Cost Recovery with the Town of Windsor and Northlake Metropolitan District Nos 1-5 on October 24, 2017 to provide sanitary wastewater facilities to the area surrounding the intersection of State Highway 257 and Weld County Road 74. The parties agree that the Town of Windsor's sanitary wastewater utility is the best available source of sanitary wastewater service to the area and recognize savings can be achieved by a coordinated effort with cooperative funding of the line to be constructed by the Town of Windsor. By separate and subsequent agreements, the entities will arrive at understandings for cost-sharing associated with operations, management, and future access to the line. Each party deposited \$500,000 into a single purpose project account maintained by the Town of Windsor.

A preliminary design of the wastewater line was completed and some of the necessary easements were acquired. The parties agreed to complete the easement acquisitions in 2019 but elected not to move forward with final design and construction at this time. The Town's share of expenditures in 2023 from the project account was \$0.

Wastewater Treatment Service Agreement

The Town of Windsor and the Town entered into a Wastewater Treatment Service Agreement on April 14, 2003, to provide the right for the Town to discharge wastewater into Windsor's existing wastewater treatment facility. At the time of this agreement, The Town of Windsor was in the process of the Windsor East Side Interceptor Wastewater Project. Upon completion of this project Windsor would be able to accept and treat wastewater from the Town of Severance. The Town was required to pay an initial plant investment fee, all subsequent plant investment fees related to increased capacity required by the Town shall be calculated based upon peak demand. Whenever demand per day exceeds the level upon which the initial, or then existing, plant investment fee has been calculated, an additional plant investment fee shall be due. The additional fee shall be calculated by multiplying the additional gallons of usage per day by the then existing plant investment fee rate. Any future expansion of the Town's capacity as provided for in this agreement shall be limited to the total increased capacity in the Windsor East Side Interceptor Wastewater Project.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Water Service Agreement

North Weld County Water District (the District) and the Town entered into an Amended and Restated Water Service Agreement on March 5, 2019, to provide treated potable water to the Town.

Per this agreement, the District shall furnish, and the Town shall purchase and receive from the District, water for the operation of the Town's water system. The Town is required to purchase plant investment taps for the use of water and capacity provided by and through the District's system. Whenever peak demands exceed the level upon which the initial, or then existing, plant investment taps have been calculated, additional plant investment taps shall be purchased. The additional fee shall consist of a base fee and a distance fee. The plant investment fee is determined on an annual basis based on a periodic percentage increase adopted by the Board of Directors of the District, or in accordance with a rate study or revised rate study adopted by the Board of Directors of the District. In addition to purchasing plant investment taps for capacity and conveyance of water, the Town is billed a monthly usage charge for the treatment and delivery of water to the Town's water system. Usage charges are determined from a percentage increase authorized by the Board of Directors of the District or from a rate study performed by an independent professional consultant and adopted by the Board of Directors of the District.

Northern Integrated Supply Project (NISP)

On January 21, 2020, the Town entered into the NISP Phase 1 Agreement, whereby the Town is a participant in a regional water supply, water storage, and related benefits projects, to be developed by the Northern Integrated Supply Project Water Activity Enterprise (the Enterprise). Per the NISP Phase 1 agreement, the Town, along with other participants to the NISP agreement, will receive an allotment from the project in return for the Town's funding participation. The Town paid \$1,365,000 in 2024 under the NISP Phase 1 agreement and sold shares worth \$5,812,500.

NOTE 7 – RISK MANAGEMENT

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a joint self-insurance pool created by intergovernmental agreement of over 200 municipalities to provide property, general and automobile liability, and public officials' coverage to its members. CIRSA is governed by a seven-member board elected by and from among its members. Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts available from insurance providers under excess specific and aggregate insurance contracts.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 – RISK MANAGEMENT (CONTINUED)

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

CIRSA has indicated that any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not required to do so. The Town has not been informed of any excess losses that may have been incurred by the pool for the past three years.

NOTE 8 – RETIREMENT COMMITMENTS

Plan Description

The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Plan. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and requires supplementary information for both the SWDB and the Statewide Death and Disability Plan. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at www.fppaco.org.

Description of Benefits

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The normal retirement age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with a combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service. A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – RETIREMENT COMMITMENTS (CONTINUED)

Description of Benefits (continued)

The annual retirement benefit for the defined benefit component is 2.0 percent of the average of the member's highest three-year base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three-year-base salary for each year of service thereafter.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost-of-living adjustment (COLA). COLAs may be compounding or noncompounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, a member may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the defined benefit component contributed 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the members of the defined benefit component and their employers contributed at a rate of 12.0 percent and 10.0 percent, respectively, of base salary for a total contribution rate of 22.0 percent. The Town's contributions to the plan for the year ended December 31, 2024 were \$73,955, equal to the required contributions.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – RETIREMENT COMMITMENTS (CONTINUED)

Contributions (continued)

These increases result in a minimum combined contribution rate of 25.2 percent in 2030.

Pension Liability, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2024, the Town reported a net pension liability of \$0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The Town's proportion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2023, the Town's proportion was 0.0666% which was a decrease of 0.0035% from its proportion measured at December 31, 2022.

For the year ended December 31, 2024, the Town recognized pension income of \$34,748. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 126,864	\$ 6,095
Changes of Assumptions or other Inputs	73,586	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	91,077	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	15,609	122,346
Contributions Subsequent to the Measurement Date	73,955	-
Total	<u>\$ 381,091</u>	<u>\$ 128,441</u>

\$73,955 reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – RETIREMENT COMMITMENTS (CONTINUED)

Pension Liability, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ 28,777
2026	52,282
2027	83,549
2028	(4,231)
2029	4,833
Thereafter	13,485
	<u>\$ 178,695</u>

Actuarial Assumptions

The actuarial valuations as of January 1, 2024, determined the total pension liability using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2024	January 1, 2023
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for nondisabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The preretirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – RETIREMENT COMMITMENTS (CONTINUED)

Actuarial Assumptions (continued)

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	35 %	8.33 %
Equity Long/Short	6 %	7.27
Private Markets	34 %	10.31
Fixed Income - Rates	10 %	5.35
Fixed Income - Credit	5 %	5.89
Absolute Return	9 %	6.39
Cash	1 %	4.32
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement Plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – RETIREMENT COMMITMENTS (CONTINUED)

Discount Rate (continued)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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 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 plan's projected fiduciary net position is not sufficient to pay benefits).

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.77 percent (based on weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as the Town's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.00%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the Net Pension Liability (Asset)	\$ 373,536	\$ -	\$ -

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – RETIREMENT COMMITMENTS (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Defined Contribution 457 Plan

The Town provides pension benefits for its employees through a defined contribution money purchase plan. All full-time employees, with the exception of the police department may participate in the plan from the date of employment and are immediately fully vested. The plan provisions can be modified by the Town Council. The Town contributes an amount equal to 5% or 3% of the covered employees' salaries each month, depending upon the employees' negotiated compensation with the Town. Contributions totaled \$62,883 in 2024. The Town has no liability for this plan beyond its current annual contribution.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2024.

In 2017, the Town entered into an Intergovernmental Agreement with the Town of Windsor to bear one-third of the cost of financing roadway improvements along the south side of Colorado State Highway 392. The total cost of the project is \$405,000, with Severance committed to paying \$135,000. Windsor and Severance agree that the Severance Cost Share will be paid through the accumulation and retention by Windsor of Severance's one-third share of sales tax revenue generated within the Cooperative Planning Area as provided in the December 11, 2000, Intergovernmental Agreement.

At December 31, 2024, the Town had construction commitments of \$603,148 related to on-going capital projects.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 – INTERNAL TRANSFERS

Interfund transfers for the year ending December 31, 2024 were comprised of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,339,691	\$ 33,323
Conservation Trust Fund	-	12,411
Transportation Fund	254,701	809,232
Public Facilities Fund	-	1,341,659
Public Safety Fund	-	272,813
Parks Fund	-	6,285
Water Fund	-	12,129
Wastewater Fund	-	12,129
Stormwater Fund	-	94,411
Total	<u>\$ 2,594,392</u>	<u>\$ 2,594,392</u>

NOTE 11 – TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the Taxpayer Bill of Rights, otherwise known as TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenues in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Town's management believes the Enterprise funds of the Town qualify for this provision. Spending and revenue limits are determined based on the prior year's fiscal year spending as adjusted for allowable increases for inflation and local growth.

Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless retention of such revenue is approved by the voters.

Subsequent to December 31, 1992, the revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

TOWN OF SEVERANCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11 – TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

At November 7, 1995 and April 2, 1996 elections, the electors of the Town authorized the Town to collect, retain and expend the full amount of revenues from all sources during 1998, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property taxes	\$ 2,206,538	\$ 2,206,538	\$ 2,305,016	\$ 98,478
Specific ownership taxes	90,000	90,000	79,899	(10,101)
Sales and use taxes	2,653,703	2,653,703	5,233,398	2,579,695
Franchise taxes	225,000	225,000	231,356	6,356
Total tax revenues	5,175,241	5,175,241	7,849,669	2,674,428
Intergovernmental				
Cigarette tax	5,000	5,000	5,001	1
Highway users	295,000	295,000	387,196	92,196
Road and bridge	60,000	60,000	54,499	(5,501)
Clerk/Motor vehicle fees	65,000	65,000	75,500	10,500
Mineral lease	50,000	50,000	71,062	21,062
Severance tax	10,000	10,000	267,007	257,007
Shared revenue	350,000	350,000	366,379	16,379
Other intergovernmental	-	-	2,630,503	2,630,503
Total intergovernmental revenues	835,000	835,000	3,857,147	3,022,147
Licenses and permits				
Liquor licenses	500	500	400	(100)
Building permits	400,000	400,000	767,471	367,471
Animal licenses	700	700	915	215
Business licenses and fees	500	500	350	(150)
Other licenses and fees	220,000	220,000	343,855	123,855
Total license and permit revenues	621,700	621,700	1,112,991	491,291
Fines and forfeitures	60,000	60,000	61,920	1,920
Charges for services				
Special events and charges	70,000	70,000	91,233	21,233
Rents	33,000	33,000	55,885	22,885
Impact fees and other charges	-	-	43,942	43,942
Total charges for services	103,000	103,000	191,060	88,060
Other				
Investment earnings	351,500	351,500	1,042,564	691,064
Miscellaneous revenues	113,900	113,900	370,604	256,704
Total miscellaneous	465,400	465,400	1,413,168	947,768
Total revenues	7,260,341	7,260,341	14,485,955	7,225,614

See accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Expenditures</u>				
General government				
Personnel services	1,035,622	1,035,622	877,822	157,800
Insurance	47,760	47,760	25,262	22,498
Professional fees	243,000	243,000	204,739	38,261
Repairs and maintenance	132,300	132,300	64,989	67,311
Supplies	44,950	44,950	12,431	32,519
Telephone and utilities	24,500	24,500	24,136	364
Traveling and training	63,750	63,750	44,172	19,578
Other expenses	107,046	107,046	250,805	(143,759)
Total general government	<u>1,698,928</u>	<u>1,698,928</u>	<u>1,504,356</u>	<u>194,572</u>
Community development				
Personnel services	429,559	429,559	163,216	266,343
Professional fees	82,500	82,500	106,388	(23,888)
Building inspections	400,000	400,000	498,660	(98,660)
Repairs and maintenance	1,490	1,490	-	1,490
Supplies	6,910	6,910	3,319	3,591
Telephone and utilities	3,500	3,500	2,129	1,371
Traveling and training	3,000	3,000	1,206	1,794
Other expenses	70,790	70,790	75,153	(4,363)
Total community development	<u>997,749</u>	<u>997,749</u>	<u>850,071</u>	<u>147,678</u>
Public safety				
Personnel services	1,657,291	1,657,291	1,609,919	47,372
Contract labor	53,800	53,800	19,643	34,157
Fuel and automotive	72,810	72,810	26,925	45,885
Insurance	73,000	73,000	72,013	987
Professional fees	80,000	80,000	23,911	56,089
Repairs and maintenance	87,500	87,500	110,785	(23,285)
Supplies	33,000	33,000	46,340	(13,340)
Telephone and utilities	27,560	27,560	27,377	183
Traveling and training	20,500	20,500	13,864	6,636
Other expenses	49,700	49,700	160,649	(110,949)
Total public safety	<u>2,155,161</u>	<u>2,155,161</u>	<u>2,111,426</u>	<u>43,735</u>

See accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public works				
Personnel services	313,544	313,544	263,173	50,371
Fuel and automotive	58,219	58,219	53,152	5,067
Insurance	17,375	17,375	-	17,375
Professional fees	1,200	1,200	2,195	(995)
Repairs and maintenance	295,498	295,498	299,045	(3,547)
Supplies	73,324	73,324	36,358	36,966
Telephone and utilities	24,000	24,000	26,574	(2,574)
Traveling and training	2,250	2,250	4,230	(1,980)
Other expenses	65,200	65,200	58,428	6,772
Total public works	850,610	850,610	743,155	107,455
Parks, recreation and other				
Personnel services	285,751	285,751	236,927	48,824
Professional fees	-	-	1,200	(1,200)
Repairs and maintenance	55,368	55,368	66,828	(11,460)
Supplies	34,544	34,544	22,493	12,051
Telephone and utilities	19,700	19,700	25,122	(5,422)
Traveling and training	1,600	1,600	1,996	(396)
Other expenses	65,225	65,225	52,483	12,742
Total health and welfare	462,188	462,188	407,049	55,139
Capital outlay				
General government	295,000	832,017	1,725,686	(893,669)
Community development	553,337	2,484,023	400,261	2,083,762
Public safety	624,400	1,961,503	3,549,648	(1,588,145)
Public works	707,800	1,650,500	1,472,404	178,096
Total capital outlay	2,180,537	6,928,043	7,147,999	(219,956)
Grant expenditures				
Grant expenditures	1,860,763	1,860,763	-	1,860,763
Total grant expenditures	1,860,763	1,860,763	-	1,860,763
Total expenditures	10,205,936	14,953,442	12,764,056	2,189,386
Excess (deficiency) of revenues over (under) expenditures	(2,945,595)	(7,693,101)	1,721,899	9,415,000
Other financing sources (uses)				
Transfers in	-	-	2,339,691	2,339,691
Transfers out	-	-	(33,323)	(33,323)
Total other financing sources (uses)	-	-	2,306,368	2,306,368
Net changes in fund balance	\$ (2,945,595)	\$ (7,693,101)	4,028,267	\$ 11,721,368
Fund balance - beginning of year			18,981,016	
Fund balance - end of year			\$ 23,009,283	

See accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – TRANSPORTATION FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Road infrastructure fee	\$ 652,960	\$ 652,960	\$ 1,354,053	\$ 701,093
Investment earnings	-	-	159,642	159,642
Total revenues	<u>652,960</u>	<u>652,960</u>	<u>1,513,695</u>	<u>860,735</u>
<u>Expenditures</u>				
Transportation projects	800,000	2,463,605	279,566	2,184,039
Other expenditures	-	-	1,898	(1,898)
Total expenditures	<u>800,000</u>	<u>2,463,605</u>	<u>281,464</u>	<u>2,182,141</u>
Excess (deficiency) of revenues over (under) expenditures	(147,040)	(1,810,645)	1,232,231	3,042,876
Other financing sources (uses)				
Transfers in	-	-	254,701	254,701
Transfers out	-	(920)	(809,232)	(808,312)
Total other financing sources (uses)	<u>-</u>	<u>(920)</u>	<u>(554,531)</u>	<u>(553,611)</u>
Net changes in fund balance	<u>\$ (147,040)</u>	<u>\$ (1,811,565)</u>	677,700	<u>\$ 2,489,265</u>
Fund balance - beginning of year			<u>3,283,630</u>	
Fund balance - end of year			<u>\$ 3,961,330</u>	

See accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY (ASSET) – STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS*

Fiscal Year	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Plan Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Town's Proportion of the Net Pension Liability (Asset)	0.0666%	0.0701%	0.0468%	0.0486%	0.0457%	0.0241%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ 62,207	\$ (253,603)	\$ (105,420)	\$ (25,861)	\$ 30,524
Town's Covered Payroll	655,584	609,732	376,712	390,022	337,015	40,402
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered payroll	0.0%	10.2%	(67.3%)	(27.0%)	(7.7%)	75.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%

*The amounts presented for each fiscal year were determined as of December 31, based on the measurement date of the plan. The Town joined the plan in 2018 and therefore, 10 years of data is not available.

See accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF THE TOWN'S CONTRIBUTIONS AND RELATED RATIOS
STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS*

Fiscal Year	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily Required Contributions	\$ 73,955	\$ 62,173	\$ 54,876	\$ 32,021	\$ 31,202	\$ 26,961	\$ 3,232
Contributions in Relation to the Statutorily Required Contribution	<u>73,955</u>	<u>62,173</u>	<u>54,876</u>	<u>32,021</u>	<u>31,202</u>	<u>26,961</u>	<u>3,232</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 740,569	\$ 655,584	\$ 609,732	\$ 376,712	\$ 390,022	\$ 337,015	\$ 40,402
Contributions as a Percentage of Covered Payroll	10.0%	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%

*The amounts presented for each fiscal year were determined as of December 31, based on the measurement date of the plan. The Town joined the plan in 2018 and therefore, 10 years of data is not available.

See accompanying Independent Auditors Report

SUPPLEMENTARY INFORMATION

TOWN OF SEVERANCE
COMBINING BALANCE SHEET –
GOVERNMENTAL NON-MAJOR FUNDS
DECEMBER 31, 2024

	Conservation Trust Fund	Park Fund	Public Facilities Fund	Public Safety Fund	Total Non-Major Governmental Funds
<u>Assets</u>					
Cash and investments - restricted	\$ 324,784	\$ 498,998	\$ 397,808	\$ 260,622	\$ 1,482,212
Total assets	<u>\$ 324,784</u>	<u>\$ 498,998</u>	<u>\$ 397,808</u>	<u>\$ 260,622</u>	<u>\$ 1,482,212</u>
 Fund balance:					
Restricted					
Park projects	\$ -	\$ 498,998	\$ -	\$ -	\$ 498,998
Public facilities	-	-	397,808	-	397,808
Public safety	-	-	-	260,622	260,622
Conservation trust	324,784	-	-	-	324,784
Total fund balances	<u>324,784</u>	<u>498,998</u>	<u>397,808</u>	<u>260,622</u>	<u>1,482,212</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 324,784</u>	<u>\$ 498,998</u>	<u>\$ 397,808</u>	<u>\$ 260,622</u>	<u>\$ 1,482,212</u>

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL NON-MAJOR FUNDS
YEAR ENDED DECEMBER 31, 2024

	Conservation Trust Fund	Park Fund	Public Facilities Fund	Public Safety Fund	Total Non-Major Governmental Funds
<u>Revenues</u>					
Intergovernmental	\$ 132,160	\$ -	\$ -	\$ -	\$ 132,160
Impact fees	-	146,270	363,253	191,131	700,654
Investment earnings (loss)	11,259	18,378	50,244	15,466	95,347
Total revenues	<u>143,419</u>	<u>164,648</u>	<u>413,497</u>	<u>206,597</u>	<u>928,161</u>
Excess revenues over expenditures	143,419	164,648	413,497	206,597	928,161
<u>Other financing sources (uses)</u>					
Transfers out	<u>(12,411)</u>	<u>(6,285)</u>	<u>(1,341,659)</u>	<u>(272,813)</u>	<u>(1,633,168)</u>
Total other financing sources (uses)	<u>(12,411)</u>	<u>(6,285)</u>	<u>(1,341,659)</u>	<u>(272,813)</u>	<u>(1,633,168)</u>
Net changes in fund balances	131,008	158,363	(928,162)	(66,216)	(705,007)
Fund balances - beginning of year	<u>193,776</u>	<u>340,635</u>	<u>1,325,970</u>	<u>326,838</u>	<u>2,187,219</u>
Fund balances - end of year	<u>\$ 324,784</u>	<u>\$ 498,998</u>	<u>\$ 397,808</u>	<u>\$ 260,622</u>	<u>\$ 1,482,212</u>

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET AND ACTUAL – CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Intergovernmental revenues	\$ 100,000	\$ 100,000	\$ 132,160	\$ 32,160
Investment earnings	-	-	11,259	11,259
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>143,419</u>	<u>43,419</u>
Excess (deficiency) of revenues over (under) expenditures	100,000	100,000	143,419	43,419
Other financing sources (uses)				
Transfers out	-	(12,412)	(12,411)	1
Total other financing sources (uses)	<u>-</u>	<u>(12,412)</u>	<u>(12,411)</u>	<u>1</u>
Net changes in fund balance	<u>\$ 100,000</u>	<u>\$ 87,588</u>	131,008	<u>\$ 43,420</u>
Fund balance - beginning of year			<u>193,776</u>	
Fund balance - end of year			<u>\$ 324,784</u>	

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET AND ACTUAL – PARKS FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Impact fees	\$ 149,695	\$ 149,695	\$ 146,270	\$ (3,425)
Investment earnings	-	-	18,378	18,378
Total revenues	<u>149,695</u>	<u>149,695</u>	<u>164,648</u>	<u>14,953</u>
Excess (deficiency) of revenues over (under) expenditures	149,695	149,695	164,648	14,953
Other financing sources (uses)				
Transfer out	-	(6,285)	(6,285)	-
Total other financing sources (uses)	<u>-</u>	<u>(6,285)</u>	<u>(6,285)</u>	<u>-</u>
Net changes in fund balance	<u>\$ 149,695</u>	<u>\$ 143,410</u>	158,363	<u>\$ 14,953</u>
Fund balance - beginning of year			<u>340,635</u>	
Fund balance - end of year			<u>\$ 498,998</u>	

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET AND ACTUAL – PUBLIC FACILITIES FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Impact fees	\$ 276,766	\$ 276,766	\$ 363,253	\$ 86,487
Investment earnings	-	-	50,244	50,244
Total revenues	<u>276,766</u>	<u>276,766</u>	<u>413,497</u>	<u>136,731</u>
Excess (deficiency) of revenues over (under) expenditures	276,766	276,766	413,497	136,731
Other financing sources (uses)				
Transfer out	-	(1,351,562)	(1,341,659)	9,903
Total other financing sources (uses)	<u>-</u>	<u>(1,351,562)</u>	<u>(1,341,659)</u>	<u>9,903</u>
Net changes in fund balance	<u>\$ 276,766</u>	<u>\$ (1,074,796)</u>	(928,162)	<u>\$ 146,634</u>
Fund balance - beginning of year			<u>1,325,970</u>	
Fund balance - end of year			<u>\$ 397,808</u>	

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET AND ACTUAL – PUBLIC SAFETY FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Impact fees	\$ 79,394	\$ 79,394	\$ 191,131	\$ 111,737
Investment earnings (loss)	-	-	15,466	15,466
Total revenues	<u>79,394</u>	<u>79,394</u>	<u>206,597</u>	<u>127,203</u>
Excess (deficiency) of revenues over (under) expenditures	79,394	79,394	206,597	127,203
Other financing sources (uses)				
Transfer out	-	(274,826)	(272,813)	2,013
Total other financing sources (uses)	<u>-</u>	<u>(274,826)</u>	<u>(272,813)</u>	<u>2,013</u>
Net changes in fund balance	<u>\$ 79,394</u>	<u>\$ (195,432)</u>	<u>(66,216)</u>	<u>\$ 129,216</u>
Fund balance - beginning of year			<u>326,838</u>	
Fund balance - end of year			<u>\$ 260,622</u>	

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND NET POSITION – BUDGET AND ACTUAL (BUDGETARY BASIS) –
WATER FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Operating revenues</u>				
Utility charges	\$ 2,661,353	\$ 2,661,353	\$ 2,913,789	\$ 252,436
Other charges for services	-	-	6,329	6,329
Total revenues	<u>2,661,353</u>	<u>2,661,353</u>	<u>2,920,118</u>	<u>258,765</u>
<u>Operating expenses</u>				
Overhead expenses	131,114	131,114	141,558	(10,444)
Personnel services	479,403	479,403	451,928	27,475
Operating supplies	92,069	92,069	41,271	50,798
Professional fees	42,500	42,500	60,071	(17,571)
Repairs and maintenance	68,052	68,052	53,474	14,578
Treatment	1,231,000	1,231,000	1,021,078	209,922
Telephone and utilities	20,000	20,000	21,300	(1,300)
Other operating expenses	98,250	98,250	266,729	(168,479)
Capital outlay	1,923,500	3,075,241	2,635,910	439,331
Total operating expenses	<u>4,085,888</u>	<u>5,237,629</u>	<u>4,693,319</u>	<u>544,310</u>
<u>Other income</u>				
Investment earnings	-	-	575,308	575,308
Total other income	<u>-</u>	<u>-</u>	<u>575,308</u>	<u>575,308</u>
<u>Contributed capital and transfers</u>				
Plant investment fees	865,725	865,725	325,975	(539,750)
Transfers out	-	-	(12,129)	(12,129)
Total contributed capital and transfers	<u>865,725</u>	<u>865,725</u>	<u>313,846</u>	<u>(551,879)</u>
Change in net position, budgetary basis	<u>\$ (558,810)</u>	<u>\$ (1,710,551)</u>	(884,047)	<u>\$ 826,504</u>
Reconciliation to GAAP basis				
Dedicated assets			976,108	
Capital outlay			2,635,910	
Depreciation			(304,082)	
Loss on disposal of capital assets			<u>(13,364)</u>	
Change in net position, GAAP basis			2,410,525	
Net position, beginning of year			<u>72,650,138</u>	
Net position, end of year			<u>\$ 75,060,663</u>	

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND NET POSITION – BUDGET AND ACTUAL (BUDGETARY BASIS) –
WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Operating revenues</u>				
Utility charges	\$ 1,476,289	\$ 1,476,289	1,549,692	\$ 73,403
Total revenues	<u>1,476,289</u>	<u>1,476,289</u>	<u>1,549,692</u>	<u>73,403</u>
<u>Operating expenses</u>				
Overhead expenses	113,309	113,309	122,334	(9,025)
Personnel services	414,700	414,700	398,914	15,786
Operating supplies	42,319	42,319	8,481	33,838
Professional fees	47,000	47,000	25,180	21,820
Repairs and maintenance	83,652	83,652	111,282	(27,630)
Treatment	328,500	328,500	283,473	45,027
Telephone and utilities	62,350	62,350	40,254	22,096
Other operating expenses	92,500	92,500	58,698	33,802
Capital outlay	8,020,000	8,399,995	323,797	8,076,198
Total operating expenses	<u>9,204,330</u>	<u>9,584,325</u>	<u>1,372,413</u>	<u>8,211,912</u>
<u>Other income</u>				
Investment earnings	-	-	585,988	585,988
Total other income	<u>-</u>	<u>-</u>	<u>585,988</u>	<u>585,988</u>
<u>Capital contributions and transfers</u>				
Plant investment fees	1,494,396	1,494,396	1,264,818	(229,578)
Transfers out	-	(10,942)	(12,129)	(1,187)
Total contributed capital	<u>1,494,396</u>	<u>1,483,454</u>	<u>1,252,689</u>	<u>(230,765)</u>
Change in net position, budgetary basis	<u>\$ (6,233,645)</u>	<u>\$ (6,624,582)</u>	2,015,956	<u>\$ 8,640,538</u>
Reconciliation to GAAP basis				
Dedicated assets			1,109,344	
Capital outlay			323,797	
Depreciation			(585,324)	
Loss on disposal of capital assets			<u>(110,326)</u>	
Change in net position, GAAP basis			2,753,447	
Net position, beginning of year			<u>27,896,802</u>	
Net position, end of year			<u>\$ 30,650,249</u>	

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND NET POSITION – BUDGET AND ACTUAL (BUDGETARY BASIS) –
STORMWATER FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Operating revenues</u>				
Utility charges	\$ 244,384	\$ 244,384	\$ 282,308	\$ 37,924
Total revenues	<u>244,384</u>	<u>244,384</u>	<u>282,308</u>	<u>37,924</u>
<u>Operating expenses</u>				
Overhead expenses	24,281	24,281	26,214	(1,933)
Personnel services	80,667	80,667	78,883	1,784
Operating supplies	-	-	1,453	(1,453)
Repairs and maintenance	7,100	7,100	4,896	2,204
Telephone and utilities	650	650	428	222
Other operating expenses	31,549	31,549	9,843	21,706
Capital outlay	2,500	2,500	-	2,500
Total operating expenses	<u>146,747</u>	<u>146,747</u>	<u>121,717</u>	<u>25,030</u>
<u>Other income</u>				
Investment earnings	-	-	73,856	73,856
Total other income	<u>-</u>	<u>-</u>	<u>73,856</u>	<u>73,856</u>
<u>Capital contributions and transfers</u>				
Plant investment fees	-	-	3,000	3,000
Transfers out	-	(122,707)	(94,411)	28,296
Total contributed capital	<u>-</u>	<u>(122,707)</u>	<u>(91,411)</u>	<u>31,296</u>
Change in net position, budgetary basis	<u>\$ 97,637</u>	<u>\$ (25,070)</u>	143,036	<u>\$ 168,106</u>
Reconciliation to GAAP basis				
Dedicated assets			350,278	
Depreciation			<u>(321,936)</u>	
Change in net position, GAAP basis			171,378	
Net position, beginning of year			<u>10,332,407</u>	
Net position, end of year			<u>\$ 10,503,785</u>	

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
STATEMENT OF NET POSITION
FLEET FUND
DECEMBER 31, 2024

Assets

Current assets:

Cash and investments - restricted	<u>\$ 542,728</u>
Total assets	<u>542,728</u>

Net Position

Restricted	<u>542,728</u>
Total net position	<u><u>\$ 542,728</u></u>

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND NET POSITION – BUDGET AND ACTUAL (BUDGETARY BASIS) –
FLEET FUND
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Operating revenues</u>			
Fleet replacement revenue	\$ 83,338	\$ 85,522	\$ 2,184
Miscellaneous revenue	-	12,300	12,300
Total revenues	<u>83,338</u>	<u>97,822</u>	<u>14,484</u>
<u>Other income</u>			
Investment earnings	-	21,794	21,794
Total other income	<u>-</u>	<u>21,794</u>	<u>21,794</u>
Change in net position, budgetary basis	<u>\$ 83,338</u>	119,616	<u>\$ 36,278</u>
Change in net position, GAAP basis		119,616	
Net position, beginning of year		<u>423,112</u>	
Net position, end of year		<u>\$ 542,728</u>	

See the accompanying Independent Auditors Report

TOWN OF SEVERANCE
STATEMENT OF CASH FLOWS
FLEET FUND
YEAR ENDED DECEMBER 31, 2024

Cash Flows From Capital and Related Financing Activities	
Fleet replacement revenue	\$ 85,522
Other operating revenue	<u>12,300</u>
Net cash provided by capital and related financing activities	<u>97,822</u>
 Cash Flows From Investing Activities	
Investment earnings	<u>21,794</u>
Net cash provided by investing activities	<u>21,794</u>
 Net change in cash and cash equivalents	119,616
 Cash and cash equivalents and restricted cash, beginning of year	<u>423,112</u>
 Cash and cash equivalents and restricted cash, end of year	<u><u>\$ 542,728</u></u>

See the accompanying Independent Auditors Report

SPECIAL REPORTS

LOCAL HIGHWAY FINANCE REPORT

City or County:

Severance

YEAR ENDING :

Dec-24

This Information From The Records Of the Town of Severance

Prepared By:

Jacquelyn Grossnickle

Phone:

970-686-1218

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	1,686,674
3. Other local imposts (from page 2)	1,433,952
4. Miscellaneous local receipts (from page 2)	206,799
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	3,327,425
B. Private Contributions	
C. Receipts from State government (from page 2)	462,696
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	3,790,121

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,088,859
2. Maintenance:	182,078
3. Road and street services:	
a. Traffic control operations	16,587
b. Snow and ice removal	150,325
c. Other	94,761
d. Total (a. through c.)	261,673
4. General administration & miscellaneous	246,867
5. Highway law enforcement and safety	1,329,616
6. Total (1 through 5)	3,109,093
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	3,109,093

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,283,630	3,790,121	3,109,093	3,964,658	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): Dec-24	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	159,642
b. Other local imposts:		b. Traffic Fines & Penalties	47,157
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	673,376	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	760,576	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,433,952	h. Other	
c. Total (a. + b.)	1,433,952	i. Total (a. through h.)	206,799
(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	387,196	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	75,500	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	75,500	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	462,696	3. Total (1. + 2.g)	
		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		1,087,879	1,087,879
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		980	980
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	980	980
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,088,859	1,088,859
		(Carry forward to page 1)	
Notes and Comments:			